

COMMISSION ON STATE MANDATES  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

(916) 323-3562  
CSM 2(2/91)

**INCORRECT REDUCTION CLAIM FORM**

For Official Use Only
<b>RECEIVED</b> SEP 30 2002 COMMISSION ON STATE MANDATES
Claim No. 02-9635802-I-30

Local Agency or School District Submitting Claim

**RIVERSIDE COUNTY**

Contact Person

Telephone No.

**J. BRADLEY BURGESS/NICOLE ZIEBA**

**(916) 485-8102**

Address

4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841

Representative Organization to be Notified

**CALIFORNIA STATE ASSOCIATION OF COUNTIES**

This claim alleges an incorrect reduction of a reimbursement claim filed with the state Controller's Office pursuant to section 17561 of the Government Code. This incorrect reduction claim is filed pursuant to section 17551(b) of the Government Code.

CLAIM IDENTIFICATION: Specify Statute or Executive Order

Investment Reports, Chapter 783, Statutes of 1995, *et al.*

<u>Fiscal Year*</u>	<u>Amount of the Incorrect Reduction</u>
1995-96	\$12,009
1996-97	\$35,351
1997-98	\$23,150
TOTAL	\$70,510

\*More than one fiscal year may be claimed.

**IMPORTANT: PLEASE SEE INSTRUCTIONS AND FILING REQUIREMENTS FOR COMPLETING AN INCORRECT REDUCTION CLAIM ON THE REVERSE SIDE.**

Name and Title of Authorized Representative

Telephone No.

**MICHAEL G. ALEXANDER, CHIEF ACCOUNTANT (909) 913-3866**

Signature of Authorized Representative

Date



9/24/02

# **County of Riverside Incorrect Reduction Claim**

Investment Reports  
Chapter 783, Statutes of 1995, *et al.*

The State Controller's Office (hereinafter "SCO") incorrectly reduced the claim of the County of Riverside (hereinafter "County") for reimbursement of the County's costs of implementing the requirements of Chapter 783, Statutes of 1995, *et al.* The County's claim complied with the Parameters and Guidelines and Claiming Instructions for Chapter 783, Statutes of 1995, and is supported by substantial documentation and evidence. The SCO's reduction of this claim is arbitrary, capricious, and contrary to law.

## **I. SUMMARY OF THE CLAIM**

The State Controller's Office incorrectly reduced the claim of Riverside County for reimbursement of the County's costs of implementing the requirements of Chapter 783, Statutes of 1995, commonly referred to as Investment Reports. The SCO reduced the Investment Report Claim filed by the County for the 1995-96, 1996-97 and 1997-98 fiscal years.

The Commission on State Mandates (CSM) has the authority pursuant to Government Code, Section 17551(b) to "hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561." The County of Riverside is a local agency as defined in Government Code, Section 17518.

## **II. STATEMENT OF ISSUES IN DISPUTE**

The following is a list of issues associated with this claim:

1. The amount claimed by the County for reimbursement of the costs of the mandate imposed by Chapter 783, Statutes of 1995 fairly represents the actual costs incurred by the County in carrying out the mandated activities. These costs were properly claimed under the Parameters and Guidelines for Chapter 783, Statutes of 1995 adopted by the CSM, and the Claiming Instructions as prepared by the SCO. Reimbursement of these costs is mandated under Article XIII B, Section 6 of the California Constitution.

a. The SCO has incorrectly reduced the claim by the amount claimed for the performance of the subsidiary ledger functions including reconciling accounts, verifying interest rates and bank statements, and adjusting current market value, which are included in the agency's investment report.

b. The SCO reduced the claim by the costs of the auditor hired to audit and review documents mandated by the legislation.

c. The SCO reduced the claim by the costs of the County staff review of documents mandated by the legislation.

d. The SCO reduced the claim's Indirect Cost Rate based upon the incorrectly reduced claim.

2. The adjustments to the County's reimbursement claims by the SCO's Local Reimbursements Section have no force or effect in law since:

a. The SCO did not audit the claims or records of the County prior to denial of payment to verify the actual amount of the mandated costs, as is required by Government Code, Section 17561(d)(1)(A), and

b. There is inadequate documentation to support the "claim adjustment" for each fiscal year, and

c. The adjustments made by the SCO are not supported by the evidence, and are arbitrary, capricious and contrary to law, and

d. The incorrect reduction claim has been timely filed, and

e. Because the SCO has enforced and is seeking to enforce its adjustment in contravention to the requirements of Government Code, Section 17561 of the Constitution of the State of California, the burden of proof is upon the SCO to establish a legal basis for its actions. The County has met its burden of going forward on this claim through its compliance with Title 2, California Code of Regulations, Section 1185.

3. The Commission on State Mandates has authority to hear this claim and direct restoration of the amounts claimed by the County which were incorrectly reduced. This claim provides sufficient information for the CSM to direct the Controller to reverse the reductions previously made and to direct the Controller to pay the County.

### **III. BRIEF HISTORY AND BACKGROUND OF INVESTMENT REPORTS**

The test claim on the subject legislation, Government Code, Section 53646, subdivisions (a), (b) and (e) as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, was filed by the County of Santa Clara and the City of Newport Beach on December 23, 1996. The matter was heard as an undisputed test claim, and the Statement of Decision was adopted by the Commission on State Mandates at its hearing on March 27, 1997. A true and correct copy of the Statement of Decision is attached hereto as Exhibit 1 and incorporated herein by reference.

At that hearing of the Commission on State Mandates, the following findings were made:

Subdivision (a) of Government Code section 53646 provides that the local agency treasurer or chief fiscal officer, as applicable, "... shall annually render ..." to the local legislative body and any investment oversight committee "...a statement of investment policy...". In the case of counties, the investment policy is to be "reviewed and approved" at a public meeting. Changes to the investment policy are required to undergo the same process. No such requirement for an annual investment policy or for its review and approval (or consideration) existed in immediate prior law – the Chapter 59, Statutes of 1993, version of section 53646. The requirements of subdivision (a), therefore, constitute a new program or higher level of service in an existing program.

Subdivision (b) of section 53646 requires the treasurer or [sic] chief fiscal officer "...to render a quarterly investment report having specified content to the chief executive officer, the internal auditor, and the legislative body of the local agency....".

Subdivision (e) of section 53646 provides that the quarterly report required by subdivision (b) may be presented in somewhat abbreviated fashion for those investments [sic] which have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation – insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those forms of investment. The reports under subdivision (e), while abbreviated, are still required. Under the immediate prior law, the Chapter 59, Statutes of 1993, version of section 53646, quarterly investment reporting was discretionary; therefore, the requirements of subdivisions (b) and (e) of section 53646 constitute a new program or higher level of service in an existing program.

Subdivisions (c) and (d) of Government Code section 53646 are *not* part of this test claim.

Government Code section 53646 offers local agencies two levels of detail in making the required quarterly reports. Subdivision (e) provides for simpler reporting method for those local agency investments which have been placed in the Local Agency Investment Fund or in Federal Deposit Insurance corporation – insured accounts in a bank or

savings and loan association, in a county investment pool, or any combination of those investment vehicles. The more complex reporting requirements found in subdivision (b) apply to local agencies which cannot place all of their investments in the Local Agency Investment Fund or in the other accounts specified in subdivision (e). Local agencies which are able to use the investment methods listed in subdivision (e) exclusively should therefore be expected to have lower costs of compliance with the reporting requirements of section 53646 than those agencies which must invest some or all of their surplus funds in other financial institutions or instruments. The Government Code imposes limits on local government bank deposits [footnote omitted], and the State Treasurer has the statutory authority to limit local agency deposits in the Local Agency Investment Fund [footnote omitted]; so it is recognized that the number of local agencies eligible to report exclusively under subdivision (e) will be limited.

There are no federal requirements which are comparable to the state requirements found in Government Code section 53646, subdivisions (a), (b), and (e).

Finally, the term "local agency" as it applies to section 53646 is not the same as that term is used in Government Code section 17518 pertaining to the Commission on State Mandates [footnote omitted]. For purposes of section 53646, Government Code section 53630, subdivision (a) defines "local agency" to mean "...county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state." The "local agency" definition as found in section 53646, subdivision (a), is to be used for the purposes of this test claim.

Thereafter, Parameters and Guidelines were adopted by the Commission at its hearing on November 27, 1997, a true and correct copy of which is attached hereto as Exhibit 2.

The State Controller's Office issued Claiming Instructions, a true and correct copy of which is attached hereto as Exhibit 3. The initial claims for actual costs for the period January 1, 1996 through June 30, 1996, and the 1996-97 fiscal year were due on May 20, 1998. The reimbursement claim for fiscal year 1997-98 was due on November 30, 1998.

#### IV. THE COUNTY'S CLAIM AND THE SCO'S REDUCTIONS

The County of Riverside filed a claim for reimbursement for January 1, 1996 through June 30, 1996 and a reimbursement claim for fiscal year 1996-1997 on or about August 7, 1998; and filed a reimbursement claim for fiscal year 1997-98 on or about January 11, 1999. The amount of the claims filed and the SCO's reductions are as follows:

<b>YEAR</b>	<b>CLAIMED AMOUNT</b>	<b>SCO'S REDUCTIONS</b>	<b>NET REIMBURSEMENT</b>
1995-96	\$ 15,736	\$ 12,009	\$ 3,727
1996-97	\$ 40,515	\$ 35,351	\$ 5,164
1997-98	\$ 31,720	\$ 23,150	\$ 8,570
<b>TOTAL</b>	<b>\$ 87,971</b>	<b>\$ 70,510</b>	<b>\$ 17,461</b>

The County of Riverside requested complete copies of the SCO's files, together with "copies of any and all documents, claims, audit notes, desk review notes, audit reports, work papers, correspondence, claims receipts, remittance advice, and any and all documents contained within the files pertaining to the following reimbursement claims". A true and correct copy of said letter is attached hereto and incorporated herein as Exhibit 4.

The SCO only provided copies of the claims filed by the County of Riverside, together with its notes thereon. True and correct copies of the documents provided by the SCO are attached hereto and incorporated herein as Exhibit 5.

For the 1997-98 fiscal year, the SCO reduced the claims in the total amount of \$700 for the County's internal committee to make sure that the Annual Statement of Investment Policy is accurate and in compliance with investment reporting legislation. The SCO reduced this cost on the basis that it claims the activities were "not mandated". Also eliminated was the cost of the firm hired to audit the County's Quarterly Reports of Investments in fiscal years 1995-96, 1996-97 and 1997-98. The activity of having written reports on investment policy and performance, and the adherence to those policies and monitoring of the performance are assumed to be desired by the Legislature, hence the reason for the legislation in the first place. Therefore, review committees and auditing firms are appropriate costs related to the mandated activities.

For all fiscal years, the SCO also unilaterally and arbitrarily reduced costs of salaries for staff for the activities related to updating investment data, reconciling accounts and compilation of data. Although these duties are required to compile the requisite information to prepare the investment report, the SCO took it upon themselves to interpret the claiming instructions and Parameters and Guidelines, and decide that this activity is not a mandated activity. The authority of interpretation of these documents lies solely with the Commission, not the SCO.

Investment reporting compliance is not a simple matter of reporting a few numbers on four occasions each year. Rather, detailed investment reporting, accumulation and compilation mandates are imposed as a result of this test claim legislation.

In the Commission's Statement of Decision on the test claim, rendered March 27, 1997, the Commission cited pertinent law which requires that:

"...this report shall include the type of investment, issue, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation."

The Commission further noted that Government Code, Section 53646(b)(2) and (b)(3) requires that:

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance . . .

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

The Statement of Decision also recognizes that the legislation contemplated the use of subsidiary ledgers of investments in accordance with accepted accounting practices.

Property taxes are received in April and December of each year. These funds, together with receipts from the State, must be managed in such a way that they will provide necessary funding for the budget throughout the year. The State of California notifies counties three months in advance when the county may expect to receive certain funds, but not the amount that is to be received. Thus, it is important to do cash flow forecasting, as required under the mandate, and be fully invested to maximize returns. As a result, when deposits are received, if the cash is not immediately needed, it is invested.

This mandate requires that there be liquidity projections on a six month basis. In order to perform a liquidity projection, disbursements must be matched with receipts. Because

the total amount of the State's payments are unknown, estimates of the receipts are done with historical data. This information is used in cash forecasting and for investment decisions, including maturities.

In order to make sure there is appropriate cash flow, maturities must be checked and verified on a daily basis. This is because when making investments, they are made on a daily basis, and thus maturities are critical.

The Investment Report is not a point in time document. Rather, it shows the entire portfolio at this point in time and demonstrates that one is in compliance not only with one's own investment policy, but also with the Government Code. If the portfolio is not in compliance on a given date, the out of compliance condition must be reported. The requirement is to be in compliance with the Annual Investment Policy at all times, not just on the date on which the report is due. If this were a point in time document, there would be no requirement to be in compliance on all dates of the quarter; the portfolio would merely have to be in compliance on the last day of the quarter. Thus, the requirement to be in compliance mandates daily monitoring.

It is possible to be out of compliance because of a change in credit ratings of the investments made. If an instrument is purchased and the credit rating changes, the portfolio could be out of compliance. During the past two years, several major companies, including Pacific Gas & Electric, Enron and Edison International have all seen their credit ratings substantially reduced. Also, the portfolio can be out of compliance if there is an instrument with too long a maturity.

Also, the mandate requires that one report not just the cost of the investment, but also the par value and the market value. Book value is the cost of the investment. Par value is the value upon maturity. Market value is the value which is received if the investment is sold at that time, prior to maturity. The test claim legislation requires the portfolio to reflect market value, even if there is no intention of selling the instrument prior to maturity. If the book value is greater than market value, there is a "loss"; if the book value is less than market value, there is a "profit". Additionally, if an instrument is purchased at a value that is different from par, the difference must be amortized to the maturity or call date, and the yield must be computed to the maturity or call date.

When the claims were paid, the SCO did not send work papers or audit reports to justify the reason or methodology for the disallowances. Remittance advice simply stated "claim adjustment." No further detail was provided. It was not until the City received a copy of the SCO's files in June 2002 did it understand the reason for the reductions. However, there is still no justification included for the methodology used in computing the disallowances.

Given the reductions made, request was made to the SCO to reinstate the costs which were reduced. Attached hereto as Exhibit 6 is a true and correct copy of said letter. As of this date, no restoration of the reduced costs has been made by the SCO.

**V. CONCLUSION**

In conclusion, it is the contention of the County of Riverside that the actions of the SCO are arbitrary, capricious, contrary to law and without justification. The Commission on State Mandates should find that the claims submitted by the County were in compliance with the Parameters and Guidelines and appropriate Claiming Instructions, that the claims were supported by proper documentation, and that the costs claimed by the County are all reimbursable pursuant to Article XIII B, Section 6 of the California Constitution, and direct the SCO to pay the entirety of the County's claims as allowable pursuant to the Parameters and Guidelines.

**VI. CERTIFICATION**

I certify by my signature below that that the statements made herein are true and correct of my own knowledge, or as to all other matters, I believe them to be true and correct based upon my information and belief.

Executed this 24<sup>th</sup> day of Sept. at Riverside, California.

MICHAEL G. ALEXANDER   
[Name]

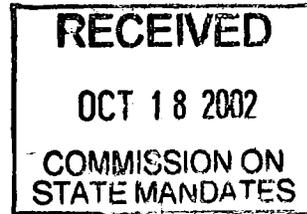
CHIEF ACCOUNTANT  
[Title]

**CERTIFICATION**

**County of Riverside**

**Incorrect Reduction Claim –**

**Investment Reports (Chapter 783, Statutes of 1995, *et al.*)**



I declare under penalty of perjury that the statements made herein are true and correct of my own knowledge, or as to all other matters, I believe them to be true and correct based upon my information and belief.

Executed this 4<sup>th</sup> day of October, 2002, at Riverside, California.

  
\_\_\_\_\_  
[Signature]

Michael G. Alexander  
\_\_\_\_\_  
[Name – Please Print]

Chief Accountant  
\_\_\_\_\_  
[Title]

**COMMISSION ON STATE MANDATES**

1300 I Street, Suite 950  
Sacramento, California 95814  
(916) 323-3562

March 31, 1997

Mr. Steve Conrad  
SB 90 Coordinator  
County of Santa Clara  
County Gov't. Center, E. Wing  
70 W. Hedding, 2<sup>nd</sup> Floor  
San Jose, CA 95110

Mr. Dick Kurth  
Deputy Director  
City of Newport Beach  
3300 Newport Beach, PO Box 1768  
Newport Beach, CA 92659-1768

*AND INTERESTED PARTIES* (See Attached Mailing List)

RE: Investment Reports  
CSM-96-358-02

Filed by the County of Santa Clara and the City of Newport Beach  
Government Code Section 53646, subdivisions (a), (b), and (e),  
as added by Chapter 783, Statutes of 1995 and amended by Chapters 156  
and 749, Statutes of 1996  
Filed on December 23, 1996; Statement of Decision adopted on March 27,  
1997.

The Commission on State Mandates has adopted the attached Statement of Decision on this undisputed test claim. Therefore, the first step in the mandates reimbursement process has been completed.

State law provides that reimbursement, if any, is subject to Commission approval of parameters and guidelines for reimbursement of the mandated program; approval of a statewide cost estimate; a specific legislative appropriation for such purpose; a timely-filed claim for reimbursement; and subsequent review of the claim by the State Controller's Office.

Because this is an undisputed test claim, I'd like to review the responsibilities of all parties and the Commission during the parameters and guidelines phase. Strict compliance with these timelines is essential for the Commission to approve a statewide cost estimate within six months (now seven months because of the one month delay to review the federal issue).

- **Claimant's Submission of Proposed Parameters and Guidelines.** Within 30 days of adoption of a statement of decision on a test claim, the successful claimant is responsible for submitting proposed parameters and guidelines. See Government Code section 17557 and Title 2, California Code of Regulations (CCR) sections 1183.1 et seq for guidance in preparing and filing a timely submission.

March 31, 1997

Page 2

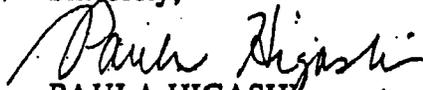
- **Review of Proposed Parameters and Guidelines.** Within ten days of receipt of completed proposed parameters and guidelines, the Commission shall send a copy to the Department of Finance, Office of the State Controller, affected state agencies, and interested parties who are on the mailing list described in section 1181.2 of the Commission's regulations. All recipients shall be given an opportunity to provide written comments or recommendations to the Commission within 30 days of service. The claimant and other interested parties may submit written rebuttals. (See CCR § 1183.11.)
- **Adoption of Parameters and Guidelines.** After review of the proposed parameters and guidelines and all comments, Commission staff shall recommend the adoption of the claimant's proposed parameters and guidelines or adoption of an amended, modified, or supplemented version of the claimant's original submission. (See CCR § 1183.12.)

An "undisputed" test claim may be transformed into a "disputed" test claim, for purposes of adoption of the statewide cost estimate, at any stage in the mandates reimbursement process. If there is opposition, in whole or in part, by the State Department of Finance, the State Controller, any other affected state agency, the test claimant, the Commission, or interested party, this undisputed test claim may become a disputed test claim. (See CCR § 1181.1 (g).)

Please note that the statement of decision for *Investment Reports*, CSM-96-358-02, was adopted on March 27, 1997. Pursuant to Government Code 17557 and Title 2, CCR sections 1183.1 et seq, the County of Santa Clara and City of Newport Beach, as joint claimants, are responsible for submitting proposed parameters and guidelines by April 29, 1997.

If you have any questions or concerns, please contact me, or Steve Zimmerman, the program analyst assigned to this mandate.

Sincerely,

  
PAULA HIGASHI  
Executive Director

Attachments: Statement of Decision  
Mailing List

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BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

Test Claim on:

*Investment Reports*

Government Code Section 53646, subdivisions  
(a), (b) and (e) as added by Chapter 783,  
Statutes of 1995; as amended by Chapters 156  
and 749, Statutes of 1996;

By the County of Santa Clara and  
the City of Newport Beach, Claimants.

No. CSM-96-358-02

*Investment Reports*

STATEMENT OF DECISION

The attached Statement of Decision of the Commission on State Mandates is hereby  
adopted in the above entitled matter.

This Decision shall become effective on March 27, 1997.

  
\_\_\_\_\_  
PAULA HIGASHI, Executive Director

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Government Code Section 53646, subdivisions (a), (b) and (e) as added by Chapter 783, Statutes of 1995; as amended by Chapters 156 and 749, Statutes of 1996;

Filed on December 23, 1996;

By the County of Santa Clara and the City of Newport Beach, Claimants.

NO. CSM - 96-358-02

*Investment Reports*

PROPOSED STATEMENT OF  
DECISION PURSUANT TO  
GOVERNMENT CODE SECTION  
17500 ET SEQ.; TITLE 2,  
CALIFORNIA CODE OF  
REGULATIONS, DIVISION 2,  
CHAPTER 2.5, ARTICLE 7.

**PROPOSED STATEMENT OF DECISION**

**Issue:** Do the provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon local agencies within the meaning of section 6, article XIII B of the California Constitution and Government Code section 17514 by requiring specified quarterly reports of investments and an annual statement of investment policy?

This test claim was heard by the Commission on State Mandates (Commission) on February 27, 1997, and on March 27, 1997, in Sacramento, California, during two regularly scheduled hearings.

On February 27, 1997, Allan Burdick appeared on behalf of the County of Santa Clara and Glen Everroad appeared on behalf of the City of Newport Beach.

On March 27, 1997, Allan Burdick appeared on behalf of the County of Santa Clara, Glen Everroad appeared on behalf of the City of Newport Beach, and Jim Apps represented the Department of Finance.

The record on the test claim included (1) a letter from the Department of Finance stating that the test claim legislation may have resulted in a reimbursable state mandated program concerning the preparation of quarterly investment reports and the rendering of an annual statement of investment

policy; (2) A-letter from the State Treasurer's Office concurred with the claimants that the new legislation referenced in the test claim does result in additional workload for local agencies.

At both hearings, evidence both oral and documentary was introduced, the test claim was submitted, and the vote was taken.

The law applicable to the Commission's determination of a reimbursable state mandated program is Government Code section 17500 and following, and section 6, article XIII B of the California Constitution and related case law.

### BACKGROUND AND FINDINGS OF FACT

The claimants allege that the provisions of Government Code section 53646, subdivisions (a), (b), and (e), as added Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or higher level of service within the meaning of section 6, article XIII B of the California Constitution and section 17514 of the Government Code by requiring specified quarterly reports of investments and an annual statement of investment policy.

Former Government Code section 53646, as amended by Chapter 59/93, read:

"The treasurer ~~shall~~ *may* render to the depositary and to the auditor, controller, secretary, or corresponding officer of the local agency a statement showing the amount of accrued interest for each depositary for the preceding quarter if so required by the legislative body of the local agency."

(Addition made by Chapter 59/93 is in *italics*, deletion in ~~strike~~through.)

The test claim legislation, Chapter 783, Statutes of 1995, repealed the 1993 version of Government code section 53646 and replaced it with the following (including the amendments made by Chapters 156 and 749, Statutes of 1996):

"(a) ~~¶(1)~~ *In the case of county government, the treasurer or chief fiscal officer shall annually render to the legislative body of the local agency board of supervisors and any oversight committee a statement of investment policy, which the legislative body of the local agency board shall consider review and approve at a public meeting. Any changes change in the policy shall also be considered reviewed and approved by the legislative body of the local agency board at a public meeting.*

"(2) *In the case of any other local agency, the treasurer or chief fiscal officer of the local agency shall annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.*

"(b) (1) The treasurer or chief fiscal officer shall render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. Except as provided in subdivision (e), this report shall include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description

of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside part that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

"(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance..

"(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

"(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

"(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency. [Subdivision (c) was not part of this test claim.]

"(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly. [Subdivision (d) was not part of this test claim.]

"(e) ~~If a~~ For local agency ~~has investments that have been placed all of its investments~~ in the Local Agency Investment Fund, created by Section 16429.1, ~~or in~~ Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) *regarding investments in these institutions.*"

(Additions made by Chapters 156/96 and 749/96 in *italics*, deletions in ~~strikethrough~~.)

#### THE COMMISSION FINDS THAT:

Subdivision (a) of Government Code section 53646 provides that the local agency treasurer or chief fiscal officer, as applicable, "... shall annually render ..." to the local legislative body and any investment oversight committee "... a statement of investment policy ...". In the case of counties, the investment policy is to be "reviewed and approved" at a public meeting, while for other local agencies the investment policy is to be "considered" at a public meeting. Changes to the investment policy are required to undergo the same process. No such requirement for an annual investment policy or for its review and approval (or consideration) existed in immediate prior law -- the Chapter 59, Statutes of 1993, version of section 53646. The requirements of subdivision (a), therefore, constitute a new program or higher level of service in an existing program.

Subdivision (b) of section 53646 requires the treasurer or chief fiscal officer "... to render a quarterly investment report having specified content to the chief executive officer, the internal auditor, and the legislative body of the local agency ...".

Subdivision (e) of section 53646 provides that the quarterly report required by subdivision (b) may be presented in somewhat abbreviated fashion for those investment which have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those forms of investment. The reports under subdivision (e), while abbreviated, still are required. Under the immediate prior law, the Chapter 59, Statutes of 1993, version of section 53646, quarterly investment reporting was discretionary; therefore, the requirements of subdivisions (b) and (e) of section 53646 constitute a new program or higher level of service in an existing program.

Subdivisions (c) and (d) of Government Code section 53646 are *not* part of this test claim.

Government Code section 53646 offers local agencies two levels of detail in making the required quarterly reports. Subdivision (e) provides for a simpler reporting method for those local agency investments which have been placed in the Local Agency Investment Fund or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those investment vehicles. The more complex reporting requirements found in subdivision (b) apply to local agencies which cannot place all of their investments in the Local Agency Investment Fund or in the other accounts specified in subdivision (e). *Local agencies which are able to use the investment methods listed in subdivision (e) exclusively should therefore be expected to have lower costs of compliance with the reporting requirements of section 53646* than those agencies which must invest some or all of their surplus funds in other financial institutions or instruments. The Government Code imposes limits on local government bank deposits<sup>1</sup>, and the State Treasurer has the statutory authority to limit local agency deposits in the Local Agency Investment Fund<sup>2</sup>; so it is recognized that the number of local agencies eligible to report exclusively under subdivision (e) will be limited.

There are no federal requirements which are comparable to the state requirements found in Government Code section 53646, subdivisions (a), (b), and (e).

Finally, the term "local agency" as it applies to section 53646 is not the same as that term is used in Government Code section 17518 pertaining to the Commission on State Mandates<sup>3</sup>. For purposes of section 53646, Government Code section 53630, subdivision (a), defines "local agency" to mean "... county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state." The "local

<sup>1</sup> Government Code section 53638 limits local agency deposits in banks, savings and loans and credit unions so as not to exceed shareholders' equity, net worth or unimpaired capital and surplus (as applicable), with specified exceptions. Claimants also cited limitations on deposits statewide as found in Financial Code section 856; that section, however, was repealed by Chapter 1063, Statutes of 1996.

<sup>2</sup> Government Code section 16429.1 creates the Local Agency Investment Fund in the State Treasury for the deposit of local agency funds. Section 16429.1 also provides that deposits into that Fund may be limited by the State Treasurer if "... the deposit would adversely affect the state's portfolio." Further, the Local Agency Investment Board (created by section 16429.2 of the Government Code) may determine whether quasi-governmental agencies may participate in the Fund.

<sup>3</sup> Government Code section 17518 includes "any city, county, special district, authority, or other political subdivision of the state" as a "local agency. Section 17519 includes school districts, community college districts and county superintendents of schools as "school districts," not as "local agencies".

agency" definition as found in section 53630, subdivision (a), is to be used for purposes of this test claim.

### CONCLUSION

Based on the foregoing findings, the Commission approves the test claim and determines that:

The provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon specified local agencies within the meaning of section 6, article XIII B of the California Constitution and Government Code section 17514 by requiring those agencies to perform the following activities:

- To render an annual statement of investment policy pursuant to Government Code section 53646, subdivision (a).
- To render quarterly reports of investments, as specified, pursuant to Government Code section 53646, subdivisions (b) and (e).

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Government Code Section 53646,  
Subdivisions (a), (b), and (e), as added and  
amended by Chapter 783, Statutes of 1995;  
Chapter 156, Statutes of 1996; Chapter 749,  
Statutes of 1996; and

Filed by The County of Santa Clara and  
The City of Newport Beach

CSM-96-358-02

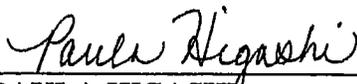
*Investment Reports*

Adoption of Parameters and Guidelines  
Pursuant to Government Code Section  
17557 and Title 2, CCR, Section  
1183.12.

PARAMETERS AND GUIDELINES

The attached Parameters and Guidelines are hereby adopted by the Commission on State  
Mandates on November 20, 1997.

Date: November 21, 1997

  
\_\_\_\_\_  
PAULA HIGASHI  
Executive Director

**FILE COPY**

## Parameters and Guidelines

Government Code Section 53646, Subdivisions (a), (b), and (e)  
Chapter 783, Statutes of 1995  
Chapter 156, Statutes of 1996  
Chapter 749, Statutes of 1996

### *Investment Reports*

#### I. Summary of the Source of the Mandates

Chapter 783, Statutes of 1995, repealed the 1993 version of Government Code section 53646, and replaced it with a new section. Chapter 156, Statutes of 1996, an urgency bill, and Chapter 749, Statutes of 1996, amended subdivisions (a) and (e) of section 53646. Government Code section 53646 requires the treasurer or chief fiscal officer to render an annual statement of investment policy and a quarterly report of investments, containing specified information to the legislative body and oversight committee, as specified.

#### II. Commission on State Mandates Decision

On March 27, 1997, the Commission on State Mandates determined that the provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon specified local agencies and school districts within the meaning of section 6, article XIIB of the California Constitution and section 17514 of the Government Code by requiring those agencies to perform the following activities:

- To render an annual statement of investment policy pursuant to Government Code section 53646, subdivision (a).
- To render quarterly reports of investments, as specified, pursuant to Government Code section 53646, subdivisions (b) and (e).

#### III. Eligible Claimants

The eligible claimants are any county, city, city and county or other public agency or political subdivision of the state, including school districts as defined in Government Code section 17519.

#### IV. Period of Reimbursement

Government Code section 17557 states that a test claim must be submitted on or before December 31st following a given fiscal year to establish eligibility for that fiscal year. The

County of Santa Clara and the City of Newport Beach filed the test claim for this state mandated program on December 23, 1996, establishing eligibility for fiscal year 1995-96. However, the test claim statutes were not in effect on July 1, 1995. Therefore, reimbursement claims may be filed for costs incurred, as follows:

Costs incurred pursuant to Chapter 783, Statutes of 1995, are reimbursable on or after January 1, 1996.

Costs incurred pursuant to Chapter 156, Statutes of 1996, an urgency statute, are reimbursable on or after July 12, 1996.

Costs incurred pursuant to Chapter 749, Statutes of 1996, are reimbursable on or after January 1, 1997.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561, subdivision (d)(1) of the Government Code, all claims for reimbursement of costs shall be submitted within 120 days from the date on which the State Controller issues claiming instructions.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

## V. Reimbursable Costs

### A. Scope of Mandate

Eligible claimants shall be reimbursed for the costs incurred to render an annual statement of investment policy and quarterly investment reports, as specified in Section V.B. Reimbursable Activities.

### B. Reimbursable Activities

For each eligible claimant, the direct and indirect costs of labor, supplies, and services incurred for the following mandate components are reimbursable, as follows:

#### 1. Statement of Investment Policy

Prepare and submit the annual statement of investment policy<sup>1</sup>, and changes to:

- a. The legislative body and any oversight committee for consideration at a public meeting, effective January 1, 1996.<sup>2</sup>
- b. The county board of supervisors and any oversight committee for review and approval at a public meeting, effective January 1, 1997.

<sup>1</sup> In counties with Treasury Oversight Committees, costs to prepare annual statements of investment policy are allowable administrative costs, payable from proceeds of the investments as provided in Government Code section 27135.

<sup>2</sup> For the period from January 1, 1996, through December 31, 1996, counties are eligible for reimbursement for the costs incurred to carry out this activity.

## 2. Quarterly Report of Investments

### a. Implementation Costs

Develop or modify existing policies and procedures for accumulating and compiling data to prepare the quarterly report of investments, as required in section 53646, subdivisions (b)(1), (2), (3) and/or (e).

### b. Ongoing Costs

- (1) Accumulate and compile data necessary to prepare the quarterly reports of investments, as required in Government Code section 53646, subdivision (b)(1), (2), and (3) and/or (e).
- (2) Render a quarterly report of investments to the chief executive officer, the internal auditor, and the legislative body of the local agency or school district, as required in Government Code section 53646, subdivision (b)(1).<sup>3</sup>

## VI. Claim Preparation

Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a listing of each item for which reimbursement is claimed under this mandate.

Claim detail should include the following:

### A. Salaries and Benefits

Claimed reimbursement for employee costs should be supported by name, position, productive hourly rate, hours worked, fringe benefits amount, and a brief description of assigned unit and function relative to the mandate.

The source documents required to be maintained by the claimant may include, but are not limited to, employee time cards and/or cost allocation reports.

### B. Services and Supplies

The claimant should identify all direct costs for materials, services and supplies which have been purchased, leased, consumed or expended for purposes of compliance with the mandate.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, lease documentation and other documents evidencing the validity of the expenditure.

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<sup>3</sup> Chapter 156, Statutes of 1996, an urgency statute, amended subdivision (e), effective July 12, 1996. The amendment permitted the use of a statement, in lieu of the report, for any investment in an insured account. This resulted in two reimbursement beginning dates: from January 1, 1996 if the agency placed all of its investment in insured accounts; from July 12, 1996, if less than all of an agency's investments were placed in insured accounts.

### C. Contract Services

List costs incurred for contract services and/or legal counsel for the development and operation of the mandated program. Contracting costs are reimbursable to the extent that the function performed requires special skills or knowledge that is not readily available from claimant's staff. Use of contract services must be justified by the claimant.

### D. Training

Include the costs of training of personnel. Specialized training must be justified by the claimant.

### E. Fixed Assets

List the cost of fixed assets that have been acquired specifically for the purposes of this mandate. If a fixed asset is acquired for the investment reports program but is utilized in some way not directly related to the program, only the pro-rata portion of the asset which is used for purposes of the mandated program is reimbursable.

The source documents to be maintained by the claimant may include, but are not limited to, contracts, charges, invoices and statements.

### F. Allowable Overhead Costs

Government Code section 17564, subdivision (b), provides that claims for indirect costs shall be filed in the manner prescribed by the State Controller's Office.

## VII. Supporting Data

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, etc.) that show evidence of the validity of such costs and their relationship to the mandate. All documentation in support of claimed costs shall be made available to the State Controller or his/her agent, as may be requested, and all reimbursement claims are subject to audit during the period specified in Government Code section 17558.5, subdivision (a).

## VIII. Offsetting Savings and Other Reimbursement

Any offsetting savings that the claimant experiences as a direct result of this statute must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source (e.g., service fees collected, federal funds, other state funds, etc.) shall be identified and deducted from this claim.

## IX. Required Certification

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

# Commission on State Mandates

## Mailing List

21-Nov-97

CSM/SB# and Claim Title CSM 96-358-02

Claim of County of Santa Clara

Government Code Sec.

Chapters 783/95

Originated: 23-Dec-96

Issue Investment Reports

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SACRAMENTO CA 95841

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Controller-Treasurer Division  
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FAX: (619) 514-8645

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## INVESTMENT REPORTS

### 1. Summary of Chapters 783/95, 156/96, and 749/96

Government Code § 53646, subdivisions (a), (b), and (e), as added and amended by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996, requires the treasurer or chief fiscal officer to render an annual statement of investment policy and a quarterly report of investments, containing specified information to the legislative body and oversight committee, as specified.

On March 27, 1997, the Commission on State Mandates determined that Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 resulted in state mandated costs that are reimbursable pursuant to Part 7 (commencing with Government Code § 17500) of Division 4 of Title 2.

### 2. Eligible Claimants

Any city, county, city and county, or special district incurring increased costs as a result of this mandate is eligible to claim reimbursement of these costs.

### 3. Appropriations

These claiming instructions are issued following the adoption of the program's parameters and guidelines by the Commission on State Mandates. Funding for payment of initial claims covering fiscal period January 1, 1996 through June 30, 1996, and fiscal years 1996-97 and 1997-98, may be made available in a future appropriations act subject to the approval of the Legislature and the Governor.

To determine if this program is funded in subsequent fiscal years, refer to the schedule, "Appropriations for State Mandated Cost Programs," in the "Annual Claiming Instructions for State Mandated Costs" issued in September of each year to city fiscal officers, county auditors, and special district administrators.

### 4. Types of Claims

#### A. Reimbursement and Estimated Claims

A claimant may file a reimbursement and/or an estimated claim. A reimbursement claim details the cost actually incurred for a prior fiscal year. An estimated claim shows the cost to be incurred for the current fiscal year.

#### B. Minimum Claim

Government Code § 17564(a), provides that no claim shall be filed pursuant to Government Code § 17561 unless such a claim exceeds \$200 per program per fiscal year.

### 5. Filing Deadline

#### A. Initial Claims

Initial claims must be filed within 120 days from the issuance date of claiming instructions. Accordingly:

- (1) Reimbursement claims detailing the actual cost incurred for the period 1/1/96 to 6/30/96 and the 1996/97 fiscal year must be filed with the State Controller's Office and postmarked by May 20, 1998. If the reimbursement claim is filed after the deadline of May 20, 1998, the approved claim must be reduced by a late penalty of

10%, not to exceed \$1,000. Claims filed more than one year after the deadline will not be accepted.

- (2) Estimated claims for cost to be incurred during the 1997/98 fiscal year must be filed with the State Controller's Office and postmarked by May 20, 1998. Timely filed estimated claims are paid before late claims. If a payment is received for the estimated claim, a 1997/98 reimbursement claim must be filed by November 30, 1998.

#### B. Annually Thereafter

Refer to the item "Reimbursable State Mandated Cost Programs" contained in the cover letter for mandated cost programs issued annually in September, which identifies the fiscal years for which claims may be filed. If an "x" is shown for the program listed under "19\_\_/19\_\_ Reimbursement Claim," and/or "19\_\_/19\_\_ Estimated Claim," claims may be filed as follows:

- (1) An estimated claim filed with the State Controller's Office must be postmarked by November 30 of the fiscal year in which the cost will be incurred. Timely filed estimated claims will be paid before late claims.

After having received payment for an estimated claim, the claimant must file a reimbursement claim by November 30 of the following fiscal year. If the local agency fails to file a reimbursement claim, monies received for the estimated claim must be returned to the State. If no estimated claim was filed, the agency may file a reimbursement claim detailing the actual cost incurred for the fiscal year, provided there was an appropriation for the program for that fiscal year. For information regarding appropriations for reimbursement claims, refer to the schedule, "Appropriation for State Mandated Cost Programs," in the previous fiscal year's annual claiming instructions.

- (2) A reimbursement claim detailing the actual cost must be filed with the State Controller's Office and postmarked by November 30 following the fiscal year in which the cost will be incurred. If the claim is filed after the deadline but by November 30 of the succeeding fiscal year, the approved claim must be reduced by a late penalty of 10%, not to exceed \$1,000. Claims filed more than one year after the deadline will not be accepted.

#### 6. Reimbursable Components

For each eligible claimant, the direct and indirect cost of labor, supplies, and services incurred for the following mandated components are reimbursable:

##### A. Statement of Investment Policy

Prepare and submit the annual statement of investment policy and changes to:

- (1) The legislative body and any oversight committee for consideration at a public meeting, effective January 1, 1996.
- (2) The county board of supervisors and any oversight committee for review and approval at a public meeting, effective January 1, 1997.

##### B. Quarterly Report of Investments

###### (1) Implementation Costs

Develop or modify existing policies and procedures for accumulating and compiling data to prepare the quarterly report of investments, as required in Government Code § 53646, subdivisions (b)(1), (2), (3), and/or (e).

**(2) Ongoing Costs**

- (a) Accumulate and compile data necessary to prepare the quarterly reports of investments, as required in Government Code § 53646, subdivision (b)(1), (2), (3), and/or (e).
- (b) Render a quarterly report of investments to the chief executive officer, the internal auditor, and the legislative body of the local agency as required in Government Code § 53646, subdivision (b)(1).

**7. Reimbursement Limitations****A. Reimbursement claims may be filed for costs incurred, as follows:**

- (1) Pursuant to Chapter 783, Statutes of 1995, costs are reimbursable on or after January 1, 1996. See 6.A.(1) above.
- (2) Pursuant to Chapter 156, Statutes of 1996, costs are reimbursable on or after July 12, 1996. See 6.B.(2)(b) above. Permit the use of a statement, in lieu of the report, for any investment in an insured account.
- (3) Pursuant to Chapter 749, Statutes of 1996, costs are reimbursable on or after January 1, 1997. See 6.A.(2) above.

- B.** Any offsetting savings or reimbursement the claimant received from any source (e.g., service fees collected, federal funds, other state funds etc.) as a result of this mandate shall be identified and deducted so only the net local cost is claimed.

**8. Claiming Forms and Instructions**

The diagram "Illustration of Claim Forms" provides a graphical presentation of forms required to be filed with a claim. A claimant may submit a computer generated report in substitution for forms INR-1 and INR-2 provided the format of the report and data fields contained within the report are identical to the claim forms included in these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file estimated or reimbursement claims. The State Controller's Office will revise the manual and claim forms as necessary. In such instances, new replacement forms will be mailed to claimants.

**A. Form INR-2, Component/Activity Cost Detail**

This form is used to segregate the detailed costs by claim component. A separate form INR-2 must be completed for each cost component being claimed. Costs reported on this form must be supported as follows:

**(1) Salaries and Benefits**

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the mandated functions performed by each employee and specify the actual time spent, the productive hourly rate, and related fringe benefits.

Source documents required to be maintained by the claimant may include, but are not limited to, employee time records that show the employee's actual time spent on this mandate.

**(2) Office Supplies**

Only expenditures that can be identified as a direct cost of this mandate may be claimed. List the cost of materials consumed or expended specifically for the purpose of this mandate.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, receipts, purchase orders, and other documents evidencing the validity of the expenditures.

(3) Contracted Services

Contracting costs are reimbursable to the extent that the function to be performed requires special skill or knowledge that is not readily available from the claimant's staff or the service to be provided by the contractor is cost effective.

Give the name(s) of the contractor(s) who performed the services. Describe the activities performed by each named contractor, actual time spent on this mandate, inclusive dates when services were performed, and itemize all costs for services performed. Attach consultant invoices with the claim.

Source documents required to be maintained by the claimant may include, but are not limited to, contracts, invoices, and other documents evidencing the validity of the expenditures.

(4) Fixed Assets

Compensation for fixed asset costs are reimbursable utilizing the procedure provided in the Office and Management Budget Circular A-87 (OMB A-87). Example: Compensation for the use of equipment. The claimant may be compensated for the equipment use through a use allowance or depreciation. A use allowance may be computed at an annual rate not to exceed 6 2/3% of acquisition cost. This is reported and claimed through the agency's service-wide cost allocation plan under the cost element "Use Allowance". Charges for use allowance or depreciation must be supported by adequate property records. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portion than in the later portions of its useful life, the straight line method of depreciation shall be used. However, the method of computing depreciation must be consistently applied for any specific class of assets for all affected programs.

List the cost of fixed assets acquired specifically for the purpose of this mandate. If a fixed asset is acquired for the subject state mandate, but is utilized in some way not directly related to the program, only the pro-rated portion of the asset which is used for purposes of the program is reimbursable.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, receipts, purchase orders and other documents evidencing the validity of the purchases.

(5) Training

Only the cost for a reasonable number of employees attending the training is reimbursable. Special training must be justified in writing by the claimant. Give the class title, dates, location, and name(s) of the employee(s) attending training classes associated with the mandate. Reimbursable costs may include salaries and benefits for time spent, the registration fee, transportation, lodging, and per diem. Reimbursement for travel expenses, lodging, and per diem will be reimbursed in accordance with the travel rules of the local jurisdiction.

For audit purposes, all supporting documents must be retained for a period of two years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. When no funds are appropriated for the initial claim at the time the claim was filed, supporting documents must be retained for two years from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

**B. Form INR-1, Claim Summary**

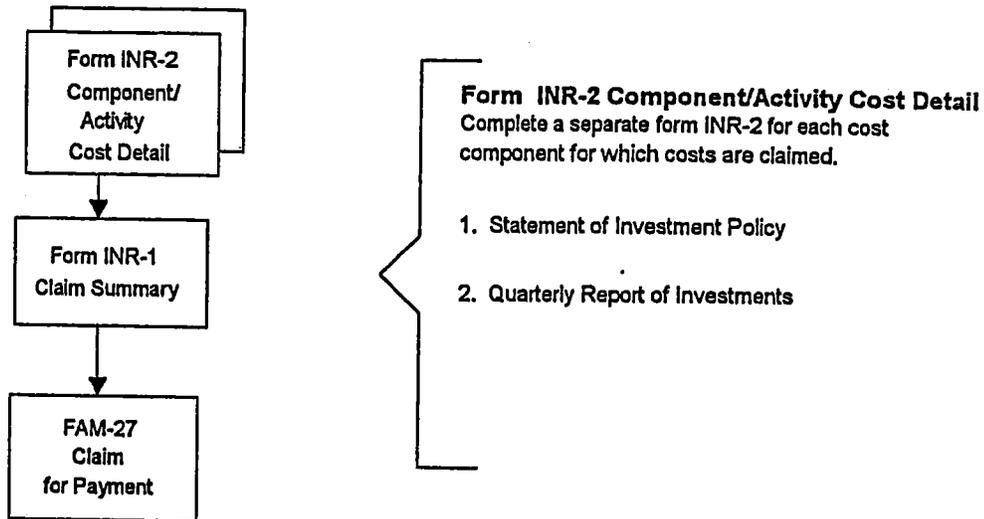
This form is used to summarize direct cost by cost component and compute allowable indirect cost for the mandate. Direct costs summarized on this form are derived from form INR-2 and carried forward to form FAM-27. The claimant must give the number of investment reports prepared during the fiscal year of the claim.

Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is involved in the mandated program, each department must have its own ICRP.

**C. Form FAM-27, Claim for Payment**

This form contains a certification that must be signed by an authorized representative of the local agency. All applicable information from form INR-1 must be carried forward to this form for the State Controller's Office to process the claim for payment.

**Illustration of Claim Forms**



**CLAIM FOR PAYMENT**  
 Pursuant to Government Code Section 17561  
**INVESTMENT REPORTS**

For State Controller Use Only

(19) Program Number 00161  
 (20) Date File \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 (21) LRS Input \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

L  
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E

(01) Claimant Identification Number		Reimbursement Claim Data	
(02) Mailing Address		(22) INR-1, (03)	
Claimant Name		(23) INR-1, (04)(1)(f)	
County of Location		(24) INR-1, (04)(2)(f)	
Street Address or P. O.. Box		(25) INR-1, (06)	
City	State	Zip Code	(26)
Type of Claim	Estimated Claim	Reimbursement Claim	(27)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(28)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
Fiscal Year of Cost	(06) 19__/19__	(12) 19__/19__	(31)
Total Claimed	(07)	(13)	(32)
Less: 10% Late Penalty, but not to exceed \$1000		(14)	(33)
Less: Estimated Claim Payment		(15)	(34)
Net Claimed Amount		(16)	(35)
Due from State	(08)	(17)	(36)
Due to State		(18)	(37)

**(38) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, Inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 set forth on the attached statements.

Signature of Authorized Representative \_\_\_\_\_ Date \_\_\_\_\_  
 \_\_\_\_\_  
 Type or Print Name \_\_\_\_\_ Title \_\_\_\_\_

(39) Name of Contact Person for Claim \_\_\_\_\_ Telephone Number \_\_\_\_\_  
 \_\_\_\_\_ ( ) \_\_\_\_\_ Ext. \_\_\_\_\_

**INVESTMENT REPORTS**  
**Certification Claim Form**  
**Instructions**

**FORM**  
**FAM-27**

- (01) Leave blank.
- (02) A set of mailing labels with the claimant's I.D. number and address has been enclosed with the claiming instructions. The mailing labels are designed to speed processing and prevent common errors that delay payment. Affix a label in the place shown on form FAM-27. Cross out any errors and print the correct information on the label. Add any missing address items, except county of location and a person's name. If you did not receive labels, print or type your agency's mailing address.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If estimate exceeds the previous fiscal year's actual costs by more than 10%, complete form INR-1 and enter the amount from line (11). If more than one form INR-1 is completed due to multiple department involvement in this mandate, add line (11) of each form INR-1.
- (08) Enter the same amount as shown in line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form INR-1, line (11). If more than one form INR-1 is completed due to multiple department involvement in this mandate, add line (11) of each form INR-1.
- (14) Filing Deadline. Initial Claims of Chs. 783/95, 156/96, and 749/96. If the reimbursement claim for the period 1/1/96 to 6/30/96 or fiscal year 1996/97 is filed after May 20, 1998, the claim must be reduced by a late penalty. Enter the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- Filing Deadline. Annually Thereafter. If the reimbursement claim is filed after November 30 following the fiscal year in which costs were incurred, the claim must be reduced by a late penalty. Enter the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- (15) If you are filing a reimbursement claim and have previously filed an estimated claim for the same fiscal year, enter the amount received for the estimated claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16) Net Claimed Amount is positive, enter that amount on line (17) Due from State.
- (18) If line (16) Net Claimed Amount is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (37) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (25) for the reimbursement claim [e.g., INR-1, (03), means the information is located on form INR-1, line (03)]. Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, (i.e., no cents). Indirect cost percentage should be shown as a whole number and without the percent symbol (i.e., 7.548% should be shown as 8). The claim cannot be processed for payment unless this data block is correct and complete.
- (38) Read the statement "Certification of Claim." If the statement is true, the claim must be dated, signed by the agency's authorized representative and must include the person's name and title, typed or printed. Claims cannot be paid unless accompanied by a signed certification.
- (39) Enter the name of the person and telephone number that this office should contact if additional information is required.

**SUBMIT A SIGNED ORIGINAL AND A COPY OF FORM FAM-27, AND A COPY OF ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:**

*Address, if delivered by  
U. S. Postal Service:*

OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursement Section  
 Division of Accounting and Reporting  
 P.O. Box 942850  
 Sacramento, CA 94250

*Address, if delivered by  
other delivery service:*

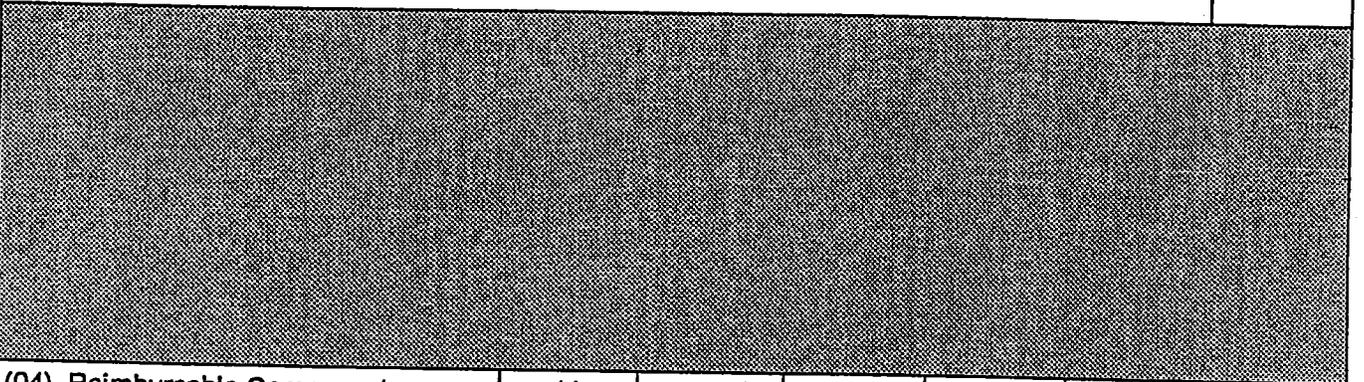
OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursement Section  
 Division of Accounting and Reporting  
 3301 C Street, Suite 501  
 Sacramento, CA 95816

<b>MANDATED COSTS INVESTMENT REPORTS CLAIM SUMMARY</b>	<b>FORM INR-1</b>
--	-----------------------

(01) Claimant	(02) Type of Claim	Fiscal Year
	Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	19 __/19 __

**Claim Statistics**

(03) Number of investment reports prepared during the fiscal year	
---	--



(04) Reimbursable Components:	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries	Benefits	Services and Supplies	Training	Fixed Assets	Total
1. Statement of Investment Policy						
2. Quarterly Report of Investments						
(05) Total Direct Costs						

**Indirect Costs**

(06) Indirect Cost Rate	[From ICRP]	%
(07) Total Indirect Costs	[Line (06) x ((line (05)(f) - ((line (05)(d) + line (05)(e))))]	
(08) Total Direct and Indirect Costs	[(Line (05)(f) + line (07))]	

**Cost Reduction**

(09) Less: Offsetting Savings, if applicable	
(10) Less: Other Reimbursements, if applicable	
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]

**INVESTMENT REPORTS  
CLAIM SUMMARY  
Instructions**

**FORM  
INR-1**

- (01) Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A form INR-1 should be completed for each department.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which costs were incurred or are to be incurred.
- Form INR-1 must be filed for a reimbursement claim. Do not complete form INR-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form INR-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Enter the number of investment reports that were prepared during the fiscal year..
- (04) Reimbursable Components. For each reimbursable component, enter the totals from form INR-2, line (05) columns (d), (e), (f), (g), and (h) to form INR-1, block (04) columns (a), (b), (c), (d), and (e) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (f).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is reporting costs, each must have their own ICRP for the program.
- (07) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (06) by Total Direct Costs, line (05)(f) reduced by the sum of Contracted Services, line (05)(d), and Fixed Assets, line (05)(e).
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(f) and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings, if applicable. Enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements, if applicable. Enter the amount of other reimbursements received from any source, (i.e., service fees collected, federal funds, other state funds, etc.) which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) Total Claimed Amount. Subtract the sum of Offsetting Savings, line (09) and Other Reimbursements, line (10) from Total Direct and Indirect Costs, line (08). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim, or line (13) for the Reimbursement Claim.

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT/ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant

(02) Fiscal Year Costs Were Incurred

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

Statement of Investment Policy

Quarterly Report of Investments

(04) Description of Expenses: Complete columns (a) through (h)

**Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Services and Supplies	(g) Training	(h) Fixed Assets

(05) Total  Subtotal  Page: \_\_\_\_\_ of \_\_\_\_\_

<b>INVESTMENT REPORTS</b> <b>COMPONENT/ACTIVITY COST DETAIL</b> Instructions	<b>FORM</b> <b>INR-2</b>
--	-----------------------------

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Reimbursable Components. Check the box which indicates the cost component being claimed. Check only one box per form. A separate form INR-2 shall be prepared for each component which applies.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the component activity box "checked" in line (03), enter the employee names, position titles, a brief description of their activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contracted services, training costs, and fixed assets. Contracted Services are reimbursable to the extent that activities performed require special skills or knowledge that are not readily available from the claimant's staff. If a piece of equipment acquired for the Investment Reports program is also utilized for other programs, only a prorated cost of the equipment is reimbursable. For audit purposes, all supporting documents must be retained by the claimant for a period of not less than two years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. Such documents shall be made available to the State Controller's Office on request.

Object/ Subobject	Columns								Submit these supporting documents
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Title	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity				
Training	Employee Name Title Name of Class		Dates Attended			Registration Fee			
Contracted Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Itemized Cost of Services Performed		Invoice
Fixed Assets	Description of Equipment Purchased Equipment I D	Unit Cost	Quantity Used				Itemized Cost of Fixed Asset Purchased		Invoice

- (05) Total line (04), columns (d), (e), (f), (g), and (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed for the component/activity, number each page. Enter totals from line (05), columns (d), (e), (f), (g), and (h) to form INR-1, block (04), columns (a), (b), (c), (d), and (e).

May 14, 2002

**COPY**

Mr. Richard J. Chivaro  
Chief Counsel  
State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94250-0001

Re: Public Records Act Request

Dear Mr. Chivaro:

Pursuant to the California Public Records Act, Government Code, Section 6250 et seq., I am herewith requesting copies of any and all documents, claims, audit notes, desk review notes, audit reports, work papers, correspondence, claims receipts, remittance advice, audit reports, and any and all documents contained within the files pertaining to the following reimbursement claims:

**Riverside County – Investment Report Claim, Chapter 783, Statutes of 1995**

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

**City of Cerritos – Investment Report Claim, Chapter 783, Statutes of 1995**

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

**City of Irvine – Investment Report Claim, Chapter 783, Statutes of 1995**

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

**City of Orange – Investment Report Claim, Chapter 783, Statutes of 1995**

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

City of Orange – Open Meetings Act, Chapter 641, Statutes of 1986

Fiscal years: 1992-93  
1993-94  
1994-95

City of Port Hueneme – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

City of San Bernardino – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

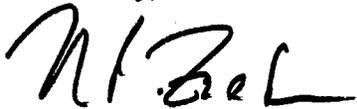
City of Westminster – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96  
1996-97  
1997-98  
1998-99

Pursuant to Government Code, Section 6256, you have only ten days within which to respond to this request. We are willing to pay the direct costs of duplication as stated in Government Code, Section 6253(b), and would request that you notify us of your charges for same.

I anxiously await your response.

Sincerely,



Nicole R. Zieba  
Manager

/rz

cc: Ginny Brummels  
Jim Spano

stat

For State Controller Use Only

### CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS

(19) Program Number 00161  
(20) Date Filed \_\_\_/\_\_\_/\_\_\_  
(21) Signature Present \_\_\_\_\_

(01) Claimant Identification Number <b>9933</b>		<b>Reimbursement Claim Data</b>	
(02) Mailing Address		(22) INR-1, (03)	<b>2</b>
Claimant Name <b>County of Riverside</b>		(23) INR-1, (04)(01)(f)	<b>1,477</b>
County of Location <b>Riverside</b>		(24) INR-1, (04)(2)(f)	<b>13,271</b>
Street Address or P.O. Box <b>4080 Lemon Street, 11th Floor</b>		(25) INR-1, (06)	<b>35</b>
City	State	Zip Code	(26)
<b>Riverside</b>	<b>CA</b>	<b>92501</b>	
Type of Claim	<b>Estimated Claim</b>		<b>Reimbursement Claim</b> (27)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
Fiscal Year of Cost	(06)	(12)	(31)
		<b>1995-96</b>	
Total Claimed Amount	(07)	(13)	(32)
		<b>\$15,736</b>	
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)	(14)	<del>414</del> <del>\$4,000</del>	(33)
LESS: Estimated Claim Payment Received	(15)	<del>11595</del>	(34)
Net Claimed Amount	(16)	<b>\$14,736</b>	(35)
Due from State	(08)	(17)	(36)
		<del>\$14,736</del>	
Due to State		(18)	(37)
		<b>3727</b>	

LATE  
MAX

*[Signature]* 6/19/99

**(38) CERTIFICATION OF CLAIM**  
In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.

I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996

The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.

**Signature of Authorized Representative**  
*[Signature]*

**Date**  
**8-7-98**

**Anthony J. Bellanca**  
Print or type name

**Auditor-Controller**  
Title

**Anita K. Worlow (DMG)**  
(39) Name of Contact Person for Claim

**(916) 485-8102**  
Telephone Number



**MANDATED COSTS  
INVESTMENT REPORTS  
CLAIM SUMMARY**

**FORM  
INR-1**

(01) Claimant: County of Riverside

(02) Type of Claim:

Reimbursement

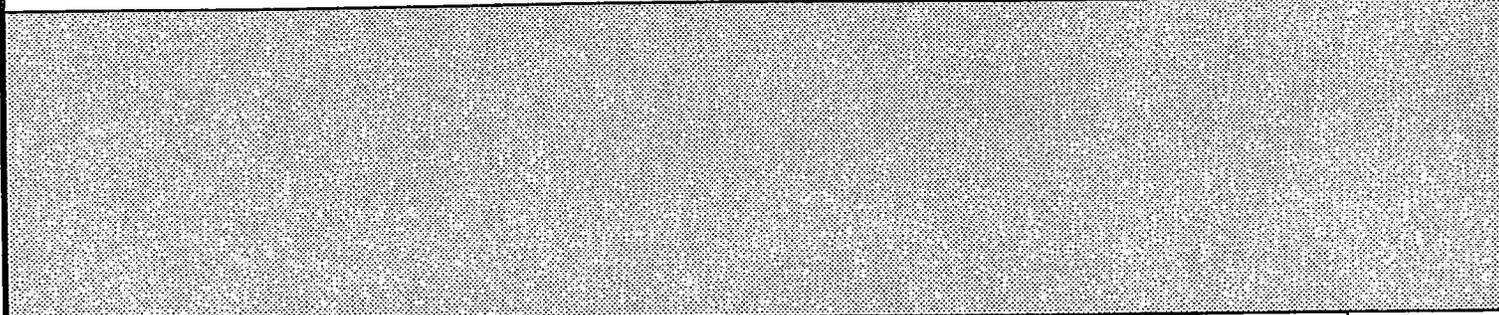
Estimated

Fiscal Year  
1995-96

**Claim Statistics**

(03) Number of investment reports prepared during the fiscal year.

2



(04) Reimbursable Component:	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$1,110	\$368			\$1,477
2. Quarterly Report of Investments	\$1,689 <i>1260</i>	\$557 <i>416</i>	\$11,025 <i>- 0 -</i>		\$13,271 <i>1676</i>
(05) Total Direct Costs	\$2,799 <i>2370</i>	\$924 <i>782</i>	\$11,025 <i>- 0 -</i>		\$14,748 <i>3153</i>

**Indirect Costs**

(06) Indirect Cost Rate [From ICRP] 35.30%

(07) Total Indirect Costs [Line (06) x ((line (05)(f) - {line (05)(d) + line (05)(e)}))] \$988

(08) Total Direct and Indirect Costs [Line (05)(f) + line (07)] *4141*  
\$15,736

**Cost Reductions**

(09) Less: Offsetting Savings, if applicable

(10) Less: Other Reimbursements, if applicable

(11) Total Claimed Amount: [Line (08) - {Line (09) + Line (10)}] *4141*  
\$15,736

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT / ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant: **County of Riverside**

(02) Fiscal year costs were incurred: **1995-96**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy**  
 **Quarterly Report of Investments**

(04) Description of Expense: Complete columns (a) through (h)

**Object Accounts**

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<b>R. Wayne Watts, Treasurer &amp; Tax Collector</b>	\$50.74	33.00%	20.00		\$1,015	\$335	\$1,350	X <sub>2</sub>
<b>Kenneth Kirin, Investment Officer</b>	\$31.84	33.00%	3.00		\$96	\$32	\$127	↓
<p>These two individuals reviewed California Government Codes to verify and assure that the City's updated investment policy was in compliance with State requirements. Each individual reviewed and approved the statement of investment policy prior to submitting it to the City Council for approval.</p>								

(05) Total [ ] Subtotal [ ] Page: \_\_\_ of \_\_\_

\$1,110    \$366    \$1,477

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT / ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant: County of Riverside

(02) Fiscal year costs were incurred: 1995-96

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

Statement of Investment Policy

Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

**Object Accounts**

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<b>R. Wayne Watts, Treasurer &amp; Tax Collector</b>	\$50.74	33.00%	15.00		\$761	\$251	\$1,012	X
<b>Darlene Holz, Asst. Treasurer &amp; Tax Collector</b>	\$37.58	33.00%	4.00		\$150	\$50	\$200	L
During the fiscal year 1995/96, these two individuals worked developed internal operational policies and procedures to be utilized in preparation of the quarterly report of investments.								
<b>Sue Bauer, Chief Deputy Treasurer</b>	\$22.12	33.00%	10.00		\$221	\$73	\$294	X
<b>Kenneth Kirin, Investment Officer</b>	\$31.84	33.00%	4.00		\$127	\$42	\$169	L
Prepare and submit the quarterly investment reports, obtaining necessary documentation to complete a <u>month-end compilation</u> to be utilized in preparing the quarterly reports. Review and approve the quarterly reports prior to submitting to City Council for approval.								
<b>Kenneth Kirin, Investment Officer</b>	\$31.84	33.00%	10.00		\$318	\$105	\$423	X
<b>Sue Bauer, Chief Deputy Treasurer</b>	\$22.12	33.00%	5.00		\$111	\$36	\$147	L
Input <u>daily</u> transactions of the ADS Treasury Management System, compilation of data onto Lotus spreadsheets, <u>reconciliation to control accounts</u> and adjusting to market value in order to prepare the quarterly reports of investments.								
<b>Fund Service Associates</b>					\$11,025			
The City contracts with the firm of Fund Services Associates, Inc. to provide <u>Compliance Audit</u> and Analytical Services. This amount is 50% of the County's billings from January 1, 1996 through June 30, 1996.								
<i>Not a direct cost mandated.</i>								
<i>Daily Monthly accounting functions - Not Mandated.</i>								
					-0-	1260	446	1676
<b>(05) Total [ ] Subtotal [ ]</b>					\$41,025	\$1,689	\$557	\$2,246

*Not a direct cost mandated.*

*Not mandated.*

*Not Mandated.*

*No Invoices*

# INDIRECT COST RATE PROPOSAL

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1995/96

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
<b>Personnel Services:</b>				
1 Salaries & Wages	\$1,693,090		\$62,317	\$1,630,774
2 Part-time Wages & Overtime				
3 Benefits	\$558,679		\$20,563	\$538,116
<b>SUBTOTAL:</b>	<b>\$2,251,770</b>		<b>\$82,880</b>	<b>\$2,168,890</b>
<b>Line Item Costs (Services, Supplies &amp; Other):</b>				
4 RifmIs	\$53,634			\$53,634
5 Communications	\$75,787		\$75,787	
6 Mail Delivery	\$1,044		\$1,044	
7 Insurance - Property/Liability	\$36,397		\$36,397	
8 Service Contracts	\$105,725			\$105,725
9 Treasurer Systems	\$14,966			\$14,966
10 Memberships	\$395	\$395		
11 Cash Differences	\$10,050		\$10,050	
12 Subscriptions	\$1,739	\$1,739	(\$0)	
13 Photocopy	\$17,887		\$17,887	
14 Printing/Binding	\$279,490		\$69,872	\$209,617
15 Postage	\$200,495		\$50,124	\$150,371
16 Office Expense/Equipment	\$35,790		\$35,790	
17 Office Supplies	\$25,068		\$25,068	
18 Professional Services	\$2,997			\$2,997
19 Title Company	\$54,210			\$54,210
20 Micrographics	\$12,022		\$12,022	
21 Temporary Personnel	\$81,942			\$81,942
22 Data	\$712,540			\$712,540
23 Publications	\$116,640			\$116,640
24 Telerate	\$22,828			\$22,828
25 Air Transportation	\$2,572			\$2,572
26 Car Pool	\$86			\$86
27 Private Miles	\$18,544			\$18,544
28 Public Service Transportation	\$1,127			\$1,127
29 Registrations	\$3,408			\$3,408
30 Lodging	\$1,676			\$1,676
31 Meals	\$716			\$716
32 Lese (Microfilm)	\$23,105	\$23,105	(\$0)	
33 Cost Applied	(\$9,862)	(\$9,862)	(\$0)	
34 COWCAP	(\$207,015)	(\$207,015)		
35 COWCAP Refund	\$5	\$5		
<b>SUBTOTAL:</b>	<b>\$1,696,007</b>	<b>(\$191,633)</b>	<b>\$334,041</b>	<b>\$1,553,599</b>
<b>TOTAL EXPENDITURES: \$3,947,776</b>				
<b>Cost Adjustments and/or Cost Plan Costs:</b>				
36 Cost Allocation Plan	\$349,068		\$349,068	
37				
<b>SUBTOTAL:</b>	<b>\$349,068</b>		<b>\$349,068</b>	
<b>TOTAL COSTS:</b>	<b>\$4,296,844</b>	<b>(\$191,633)</b>	<b>\$765,989</b>	<b>\$3,722,488</b>

**CALCULATED INDIRECT COST RATE =** 35.3%       $\frac{\$765,989}{\$2,168,890}$  = Total allowable indirect costs  
**Rate is based on: Salaries & Benefits**      = Total direct salaries and benefits

# DEPARTMENTAL INDIRECT SALARIES

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1995/96

## INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Executive Secretary	\$32,822			100%	\$32,822
2 Secretary II	\$29,494			100%	\$29,494
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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<b>TOTALS</b>	<b>\$62,317</b>		<b>\$62,317</b>
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**TOTAL INDIRECT SALARIES** **\$62,317**

Name	1995-96		
	Salary	Benefits	Total
R. Wayne Watts 50.04	91,332.80	12,238.60	103,571.40
Darlene Holz 37.58	67,641.60	19,846.05	87,487.65
Ken Kirin 31.84	57,304.00	18,898.86	76,202.86
Sue Bauer 22.12	<u>39,811.20</u>	<u>12,787.36</u>	<u>52,598.56</u>
	256,089.80	63,770.87	319,860.47

Name	1996-97		
	Salary	Benefits	Total
R. Wayne Watts 52.04	93,670.76	12,570.62	106,241.38
Darlene Holz 38.76	69,772.60	20,771.30	90,543.90
Ken Kirin 32.83	59,097.81	19,626.38	78,724.19
Sue Bauer 25.13	<u>45,232.08</u>	<u>14,542.11</u>	<u>59,774.19</u>
	267,773.25	67,510.41	335,283.66

\* We only want to claim 50% of our FSA costs.

06/30/98

Exec. Sec.  
Sec. II

95/96  
32,822.40  
29,494.40

96/97  
34,036.60  
30,570.54

SB90EXP.WK4

... ..



REGISTERED INVESTMENT ADVISORS

COUNTY OF RIVERSIDE COMPLIANCE AUDIT & ANALYTICAL SERVICES BILLINGS

April 1 through June 30, 1998	\$8,501.00
January 1 through March 31, 1998	\$8,501.00
<hr/>	
October 1 through December 31, 1997	\$8,992.00
July 1 through September 30, 1997	\$11,025.00
April 1 through June 30, 1997	\$11,025.00
January 1 through March 30, 1997	\$11,025.00
October 1 through December 31, 1996	\$11,025.00
July 1 through September 30, 1996	\$11,025.00
<hr/>	
January 1 through June 30, 1996	\$22,050.00
<hr/>	
October 1 through December 31, 1995	\$11,025.00
September 1995 Compliance Report	\$9,925.00
August 1995 Compliance Report	\$3,000.00
<b>TOTAL</b>	<b>\$123,119.00</b>

32,058.00

Invoices are required.

FUND SERVICES ASSOCIATES, INC.

1875 CENTURY PARK EAST, SUITE 1345 • LOS ANGELES, CA 90067 (310) 229-9170 (800) 562-4372 FAX (310) 229-9178  
1454 CHERRYWOOD DRIVE • SAN MATEO, CA 94403 (415) 577-8067 FAX (415) 577-8068  
e-mail address: Ffsainvad@aol.com

MEMBER NASD

# INDIRECT COST RATE PROPOSAL

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1995/96

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
<b>Personnel Services:</b>				
1 Salaries & Wages	\$1,693,090		\$62,317	\$1,630,774
2 Part-time Wages & Overtime				
3 Benefits <span style="float: right;">33.0%</span>	\$558,679		\$20,563	\$538,116
<b>SUBTOTAL:</b>	<b>\$2,251,770</b>		<b>\$82,880</b>	<b>\$2,168,890</b>
<b>Line Item Costs (Services, Supplies &amp; Other):</b>				
4 RifmIs	\$53,634			\$53,634
5 Communications	\$75,787		\$75,787	
6 Mail Delivery	\$1,044		\$1,044	
7 Insurance - Property/Liability	\$36,397		\$36,397	
8 Service Contracts	\$105,725			\$105,725
9 Treasurer Systems	\$14,966			\$14,966
10 Memberships	\$395	\$395		
11 Cash Differences	\$10,050		\$10,050	
12 Subscriptions	\$1,739	\$1,739	(\$0)	
13 Photocopy	\$17,887		\$17,887	
14 Printing/Binding	\$279,490		\$69,872	\$209,617
15 Postage	\$200,495		\$50,124	\$150,371
16 Office Expense/Equipment	\$35,790		\$35,790	
17 Office Supplies	\$25,068		\$25,068	
18 Professional Services	\$2,997			\$2,997
19 Title Company	\$54,210			\$54,210
20 Micrographics	\$12,022		\$12,022	
21 Temporary Personnel	\$81,942			\$81,942
22 Data	\$712,540			\$712,540
23 Publications	\$116,640			\$116,640
24 Telerate	\$22,828			\$22,828
25 Air Transportation	\$2,572			\$2,572
26 Car Pool	\$86			\$86
27 Private Miles	\$18,544			\$18,544
28 Public Service Transportation	\$1,127			\$1,127
29 Registrations	\$3,408			\$3,408
30 Lodging	\$1,676			\$1,676
31 Meals	\$716			\$716
32 Lesees (Microfilm)	\$23,105	\$23,105	(\$0)	
33 Cost Applied	(\$9,862)	(\$9,862)	(\$0)	
34 COWCAP	(\$207,015)	(\$207,015)		
35 COWCAP Refund	\$5	\$5		
<b>SUBTOTAL:</b>	<b>\$1,696,007</b>	<b>(\$191,633)</b>	<b>\$334,041</b>	<b>\$1,553,599</b>
<b>TOTAL EXPENDITURES: \$3,947,776</b>				
<b>Cost Adjustments and/or Cost Plan Costs:</b>				
36 Cost Allocation Plan	\$536,626		\$536,626	
37				
<b>SUBTOTAL:</b>	<b>\$536,626</b>		<b>\$536,626</b>	
<b>TOTAL COSTS: \$4,484,402 (\$191,633) \$953,547 \$3,722,488</b>				

**CALCULATED INDIRECT COST RATE =** 44.0% **\$953,547** = Total allowable indirect costs  
**Rate is based on: Salaries & Benefits** **\$2,168,890** = Total direct salaries and benefits

# DEPARTMENTAL INDIRECT SALARIES

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1995/96

## INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Executive Secretary	\$32,822			100%	\$32,822
2 Secretary II	\$29,494			100%	\$29,494
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<b>TOTALS</b>	<b>\$62,317</b>		<b>\$62,317</b>
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**TOTAL INDIRECT SALARIES** **\$62,317**

08/30/88

TREASURER - TAX COLLECTOR 101-17-117  
1985-86 Budget Analysis Through PP 14 for Salary & for Expenditure

FINAL - 8-18-88

NUMBER	NUMBER	NAME	EXP TO DATE	TOTAL APPROP	BAL AVAIL	EST. REMAIN EXP	DEBIT/CREDIT
			\$1,885,444.83	\$1,727,824.00	\$42,378.67	\$0.00	\$42,378.67
10101	10101	Salaries			(\$53,892)	\$0.00	(\$53,892)
12101	12101	Seas/Perm Payoff	\$53.92	\$0.00	(\$278.54)	\$0.00	(\$278.54)
10045	10045	Other (Auditor adjust)	\$278.54	\$0.00	(\$4,984.84)	\$0.00	(\$4,984.84)
15401	15401	Admin Leave	\$8,984.84	\$2,000.00	\$0.00	\$0.00	\$0.00
14101	14101	Overtime	\$0.00	\$0.00	(\$329.02)	\$0.00	(\$329.02)
18201	18201	Bilingual pay	\$329.02	\$0.00	(\$17,487.07)	\$0.00	(\$17,487.07)
20101	20101	Benefits	\$558,879.07	\$541,182.00		\$0.00	
		Benefita paid			(\$538,432.59)	\$0.00	\$18,248.48
<b>TOTALS</b>			<b>\$2,251,786.52</b>	<b>\$2,271,018.00</b>			

NUMBER	NUMBER	NAME	EXP TO DATE	TOTAL APPROP	BAL AVAIL	REMAINING EXP	CURRENT ANALYSIS DEBIT/CREDIT
			\$53,834.00	\$53,834.00	\$0.00	\$0.00	\$0.00
30003	30003	Rfms			(\$7,787.14)	\$0.00	(\$7,787.14)
32101	32101	Communications	\$75,787.14	\$88,000.00	(\$3.00)	\$0.00	(\$3.00)
32701	32701	Mail Delivery	\$1,044.00	\$1,041.00	\$0.00	\$0.00	\$0.00
35108	35108	Ins/Property	\$8,300.00	\$8,300.00	\$0.00	\$0.00	\$0.00
35303	35303	Ins. Liability	\$30,097.00	\$30,097.00		\$0.00	
37104	37104	Service Contacts	\$105,725.17	\$89,880.00	(\$15,745.17)	\$0.00	(\$15,745.17)
37105	37105	Trans Sys	\$14,985.80	\$20,000.00	\$5,034.20	\$0.00	\$5,034.20
40101	40101	Memberships	\$385.00	\$320.00	(\$79.00)	\$0.00	(\$79.00)
41301	41301	Cash Dif. TAX	\$10,000.00	\$10,000.00	\$2,000.00	\$0.00	\$2,000.00
41302	41302	Cash Dif. TREAS	\$50.00	\$100.00	\$50.00	\$0.00	\$50.00
42103	42103	Subscriptions	\$1,788.84	\$2,000.00	\$281.08	\$0.00	\$281.08
42104	42104	Photocopy	\$17,887.18	\$19,200.00	\$1,312.82	\$0.00	\$1,312.82
42105	42105	Printing/Bind.	\$279,489.82	\$230,000.00	(\$49,489.82)	\$0.00	(\$49,489.82)
42108	42108	Postage	\$200,484.88	\$315,810.00	\$115,315.11	\$0.00	\$115,315.11
42201	42201	Office Exp/Equipment	\$95,789.76	\$37,800.00	\$2,010.25	\$0.00	\$2,010.25
42301	42301	Office Supplies	\$25,088.34	\$18,000.00	(\$7,088.34)	\$0.00	(\$7,088.34)
43101	43101	Prof. Svc.	\$2,996.74	\$89,728.00	\$86,729.28	\$0.00	\$86,729.28
43132	43132	Title Co.	\$54,210.00	\$57,000.00	\$2,790.00	\$0.00	\$2,790.00
43138	43138	Micrographics	\$12,021.71	\$15,000.00	\$2,978.29	\$0.00	\$2,978.29
43303	43303	Temp. Personnel	\$81,842.11	\$73,000.00	(\$8,842.11)	\$0.00	(\$8,842.11)
43602	43602	Date	\$712,539.83	\$882,222.00	(\$50,317.83)	\$0.00	(\$50,317.83)
44101	44101	Publications	\$118,840.33	\$180,000.00	\$69,359.67	\$0.00	\$69,359.67
45103	45103	Tolerate	\$22,827.84	\$20,588.00	(\$2,258.84)	\$0.00	(\$2,258.84)
50201	50201	Air Trans.	\$2,871.90	\$2,725.00	\$159.10	\$0.00	\$159.10
50202	50202	Car Pool	\$88.44	\$500.00	\$413.56	\$0.00	\$413.56
50203	50203	Private Miles	\$18,343.82	\$19,800.00	\$1,256.38	\$0.00	\$1,256.38
50205	50205	Pub Svc Trans	\$1,128.84	\$350.00	(\$778.84)	\$0.00	(\$778.84)
50208	50208	Registrations	\$3,407.60	\$1,600.00	(\$1,907.60)	\$0.00	(\$1,907.60)
50207	50207	Lodgings	\$1,875.77	\$3,574.00	\$1,898.23	\$0.00	\$1,898.23
50208	50208	Meals	\$718.45	\$500.00	(\$218.45)	\$0.00	(\$218.45)
42210	42210	Budget Savings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>			<b>\$1,889,774.01</b>	<b>\$2,010,748.00</b>	<b>\$120,973.99</b>		

NUMBER	NUMBER	NAME	EXP TO DATE	TOTAL APPROP	BAL AVAIL	EST. REMAIN EXP	DEBIT/CREDIT
64202	64202	Lease(microfilm)	\$23,104.88	\$27,800.00	\$4,495.32	\$4,495.32	\$0.00
<b>TOTAL</b>			<b>\$23,104.88</b>	<b>\$27,800.00</b>	<b>\$4,495.32</b>	<b>\$4,495.32</b>	<b>\$0.00</b>

NUMBER	NUMBER	NAME	EXP TO DATE	TOTAL APPROP	BAL AVAIL	EST. REMAIN EXP	DEBIT/CREDIT
80101	80101	Office Equip	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>			<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

NUMBER	NUMBER	NAME	EXP TO DATE	TOTAL APPROP	BAL AVAIL	EST. REMAIN EXP	DEBIT/CREDIT
94102	94102	COST APPLIED	(\$9,882.18)	(\$6,300.00)	\$3,582.18	\$0.00	\$3,582.18
94112	94112	COW CAP	(\$207,015.00)	(\$207,015.00)	\$0.00	\$0.00	\$0.00
94113	94113	COW CAP REFUND	\$5.00	\$5.00	\$0.00	\$0.00	\$0.00
94187	94187	SB 813	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>			<b>(\$216,972.18)</b>	<b>(\$213,310.00)</b>	<b>\$3,582.18</b>	<b>\$0.00</b>	<b>\$3,582.18</b>

**BUDGET TOTALS**      \$3,847,776.05      \$4,089,054.00      (\$410,401.12)      \$4,495.32      \$143,782.63

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RIVERSIDE COUNTY, CALIFORNIA  
COUNTYWIDE COST PLAN  
117 TREASURER/TAX COLLECTOR  
Costs to be allocated

1st Allocation	2nd Allocation	Sub-total	Total
\$1,702,269	\$211,254		\$1,413,523

Total to be allocated:





Star

For State Controller Use Only

**CLAIM FOR PAYMENT  
Pursuant to Government Code Section 17561  
INVESTMENT REPORTS**

(19) Program Number 00161  
(20) Date Filed \_\_\_/\_\_\_/\_\_\_  
(21) Signature Present \_\_\_\_\_

(01) Claimant Identification Number <b>9933</b>	<b>Reimbursement Claim Data</b>	
(02) Mailing Address	(22) INR-1, (03)	<b>4</b>
Claimant Name <b>County of Riverside</b>	(23) INR-1, (04)(01)(f)	<b>1,202</b>
County of Location <b>Riverside</b>	(24) INR-1, (04)(2)(f)	<b>37,367</b>
Street Address or P.O. Box <b>4080 Lemon Street, 11th Floor</b>	(25) INR-1, (06)	<b>39</b>
City <b>Riverside</b>	State <b>CA</b>	Zip Code <b>92501</b>

LATE  
M/H

Type of Claim	Estimated Claim	Reimbursement Claim	(27)
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)	
Fiscal Year of Cost <b>1997-98</b>	(12)	<b>1996-97</b>	(31)
Total Claimed Amount <b>\$32,000</b>	(13)	<b>\$40,515</b>	(32)
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)	(14)	<sup>574</sup> <del>(\$1,000)</del>	(33) <b>9910</b>
LESS: Estimated Claim Payment Received	(15)	<b>&lt;34453&gt;</b>	(34) <b>9890</b>
Net Claimed Amount	(16)	<sup>(324)</sup> <b>\$39,515</b>	(35) <b>9920</b>
Due from State <b>\$32,000</b>	(17)	<b>\$39,515</b>	(36)
Due to State	(18)	<b>5164</b>	(37)

**(38) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.

I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996

The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.

Signature of Authorized Representative  
*for* Anthony J. Bellanca

Date  
8-7-98

Print or type name  
**Anita K. Worlow (DMG)**

Auditor-Controller  
Title

(39) Name of Contact Person for Claim

**(916) 485-8102**  
Telephone Number

<b>CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS</b>			<b>For State Controller Use Only</b>	
(01) Claimant Identification Number <b>9933</b>			(19) Program Number 00161 (20) Date Filed ___/___/___ (21) Signature Present _____	
(02) Mailing Address			<b>Reimbursement Claim Data</b>	
Claimant Name <b>County of Riverside</b>			(22) INR-1, (03)	<b>4</b>
County of Location <b>Riverside</b>			(23) INR-1, (04)(01)(f)	<b>1,202</b>
Street Address or P.O. Box <b>4080 Lemon Street, 11th Floor</b>			(24) INR-1, (04)(2)(f)	<b>37,367</b>
City State Zip Code <b>Riverside CA 92501</b>			(25) INR-1, (06)	<b>39</b>
<b>Type of Claim</b>	<b>Estimated Claim</b>		<b>Reimbursement Claim</b>	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of Cost	(06) <b>1997-98</b>	(12) <b>1996-97</b>	(31)	
Total Claimed Amount	(07) <b>\$32,000</b>	(13) <b>\$40,515</b>	(32)	
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)		(14) <b>\$1,000</b>	(33)	
LESS: Estimated Claim Payment Received		(15)	(34)	
Net Claimed Amount		(16) <b>\$39,515</b>	(35)	
Due from State	(08) <b>\$32,000</b>	(17) <b>\$39,515</b>	(36)	
Due to State		(18)	(37)	
<b>(38) CERTIFICATION OF CLAIM</b>				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.</p> <p>I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996</p> <p>The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.</p>				
<b>Signature of Authorized Representative</b>			<b>Date</b>	
<i>Mark W. Tubung</i>			8-7-98	
<b>Anthony J. Bellanca</b>			<b>Auditor-Controller</b>	
Print or type name			Title	
<b>Anita K. Worlow (DMG)</b>			<b>(916) 485-8102</b>	
(39) Name of Contact Person for Claim			Telephone Number	

**MANDATED COSTS  
INVESTMENT REPORTS  
CLAIM SUMMARY**

**FORM  
INR-1**

(01) Claimant: County of Riverside

(02) Type of Claim:

Reimbursement

Estimated

Fiscal Year

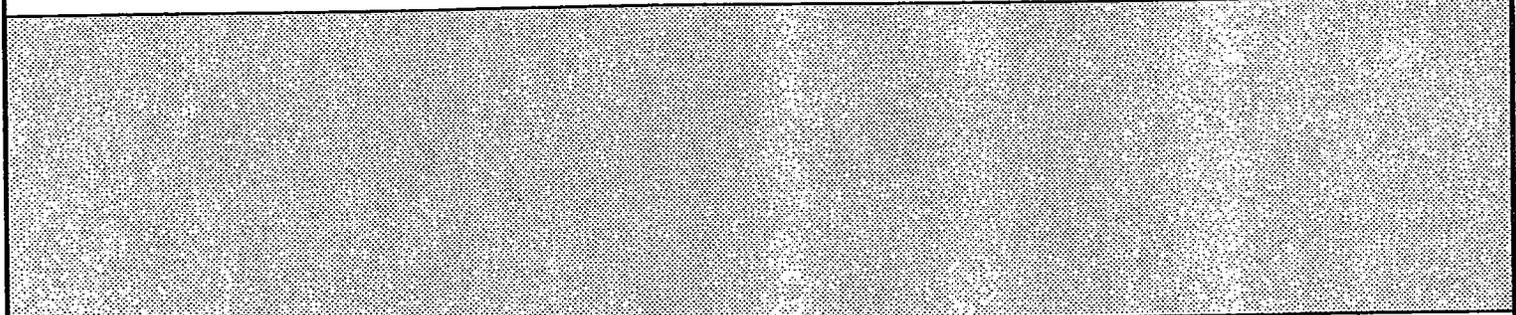
1996-97

1997-98

**Claim Statistics**

(03) Number of investment reports prepared during the fiscal year.

4



(04) Reimbursable Component:	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$912	\$290			\$1,202
2. Quarterly Report of Investments	\$4,028 2211	\$1,281 704	\$32,059 -0-		\$37,367 2915
(05) Total Direct Costs	\$4,940 3123	\$1,571 994	\$32,059 -0-		\$38,569 4117
<b>Indirect Costs</b>	7	7			
(06) Indirect Cost Rate	[From ICRP]				39.40%
(07) Total Indirect Costs	[Line (06) x (line (05)(f) - {line (05)(d) + line (05)(e)})]				1622 \$4,946
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$40,515
<b>Cost Reductions</b>					
(09) Less: Offsetting Savings, if applicable					
(10) Less: Other Reimbursements, if applicable					
(11) Total Claimed Amount:	[Line (08) - {Line (09) + Line (10)}]				5739 \$40,515

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT / ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant: County of Riverside

(02) Fiscal year costs were incurred: 1996-97

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

Statement of Investment Policy

Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

**Object Accounts**

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<u>R. Wayne Watts, Treasurer &amp; Tax Collector</u>	\$52.04	31.80%	15.00		\$781	\$248	\$1,029	✓
<u>Kenneth Kirin, Investment Officer</u>	\$32.83	31.80%	4.00		\$131	\$42	\$173	✓
These two individuals reviewed California Government Codes to verify and ensure that the City's investment policy was in compliance with current State requirements. Each individual reviewed and approved the statement of investment policy prior to submitting it to the City Council for approval.								
(05) Total [ ] Subtotal [ ]			Page: ___ of ___		\$912	\$290	\$1,202	

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT / ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant: County of Riverside

(02) Fiscal year costs were incurred: 1996-97

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy  
 Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<b>R. Wayne Watts, Treasurer &amp; Tax Collector</b>	\$52.04	31.80%	10.00		\$520	\$165	\$686	KY
<b>Darlene Holz, Asst. Treasurer &amp; Tax Collector</b>	\$38.76	31.80%	5.00		\$194	\$62	\$255	L
During the fiscal year 1996-97, these two individuals revised internal operational policies and procedures to be utilized in preparation of the quarterly report of investments.								
<b>Sue Bauer, Chief Deputy Treasurer</b>	\$25.13	31.80%	40.00		\$1,005	\$320	\$1,325	KY
<b>Kenneth Kirin, Investment Officer</b>	\$32.83	31.80%	15.00		\$492	\$157	\$649	L
Prepare and submit the quarterly investment reports, obtaining necessary documentation to complete a month-end compilation to be utilized in preparing the quarterly reports. Review and approve the quarterly reports prior to submitting to City Council for approval.								
<b>Kenneth Kirin, Investment Officer</b>	\$32.83	31.80%	40.00		\$1,313	\$418	\$1,731	KY
<b>Sue Bauer, Chief Deputy Treasurer</b>	\$25.13	31.80%	20.00		\$503	\$160	\$662	L
Input daily transactions of the ADS Treasury Management System, compilation of data onto Lotus spreadsheets, reconciliation to control accounts and adjusting to market value in order to prepare the quarterly reports of investments. <i>Monthly Accounting Not Mandated</i>								
<b>Fund Service Associates</b>					<del>32,058.50</del>			
The City contracts with the firm of Fund Services Associates, Inc. to provide Compliance Audit and Analytical Services. This represents 50% of the amount billed to the County of Riverside. <i>Not a Direct Cost - Not Mandated</i>								
					2211	704	2915	
(05) Total [ ] Subtotal [ ] Page: ___ of ___					\$32,059	\$4,028	\$4,281	\$5,309

*Invoices are Required*

# INDIRECT COST RATE PROPOSAL

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1996/97

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
<b>Personnel Services:</b>				
1 Salaries & Wages	\$1,826,156		\$64,607	\$1,761,549
2 Part-time Wages & Overtime				
3 Benefits <span style="float: right;">31.8%</span>	\$580,854		\$20,550	\$560,304
<b>SUBTOTAL:</b>	<b>\$2,407,010</b>		<b>\$85,157</b>	<b>\$2,321,853</b>
<b>Line Item Costs (Services, Supplies &amp; Other):</b>				
4 Accounting Services	\$61,238			\$61,238
5 Communications	\$72,148		\$72,148	
6 Motor Service	\$346		\$346	
7 Insurance - Property/Liability	\$30,644		\$30,644	
8 Service Contracts	\$72,762			\$72,762
9 Treasurer's Financial System	\$14,418			\$14,418
10 Memberships	\$395	\$395		
11 Cash Differences	\$12,050		\$12,050	
12 Subscriptions	\$1,856	\$1,856	\$0	
13 Photocopying	\$18,608		\$18,608	
14 Printing/Binding	\$216,614		\$54,154	\$162,461
15 Postage/Mailing	\$225,889		\$56,472	\$169,417
16 Equipment	\$19,422		\$19,422	
17 Supplies	\$18,059		\$18,059	
18 Professional/Special Services	\$74,920			\$74,920
19 Title Company Service	\$50,140			\$50,140
20 Micrographic Service	\$10,275		\$10,275	
21 Temporary Personnel	\$63,894			\$63,894
22 Data Processing	\$732,764			\$732,764
23 Publications/Legal Notices	\$160,880			\$160,880
24 Telerate Lease	\$23,274			\$23,274
25 Outdated Warrant	\$168			\$168
26 Air Transportation	\$1,838			\$1,838
27 Car Pool & Private Mileage	\$17,270			\$17,270
28 Public Service Transportation	\$731			\$731
29 Registrations/Conferences	\$2,432			\$2,432
30 Lodging	\$1,178			\$1,178
31 Meals	\$202			\$202
32 Capital-Equipment	\$15,361	\$15,361	(\$0)	
33 Office Equipment	\$37,664	\$37,664	\$0	
34 Cost Applied	(\$32,941)	(\$32,941)	\$0	
35 COWCAP Charges	(\$207,336)	(\$207,336)	(\$0)	
<b>SUBTOTAL:</b>	<b>\$1,717,162</b>	<b>(\$185,001)</b>	<b>\$292,177</b>	<b>\$1,609,986</b>
<b>TOTAL EXPENDITURES:</b>	<b>\$4,124,172</b>			
<b>Cost Adjustments and/or Cost Plan Costs:</b>				
36 Cost Allocation Plan	\$536,626		\$536,626	
37				
<b>SUBTOTAL:</b>	<b>\$536,626</b>		<b>\$536,626</b>	
<b>TOTAL COSTS:</b>	<b>\$4,660,798</b>	<b>(\$185,001)</b>	<b>\$913,960</b>	<b>\$3,931,839</b>

A  
B = 13%

**CALCULATED INDIRECT COST RATE =** 39.4% \$913,960 = Total allowable indirect costs  
 Rate is based on: Salaries & Benefits \$2,321,853 = Total direct salaries and benefits

# DEPARTMENTAL INDIRECT SALARIES

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1996/97

## INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Executive Secretary	\$34,037			100%	\$34,037
2 Secretary II	\$30,571			100%	\$30,571
3					
4					
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6					
7					
8					
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40					

<b>TOTALS</b>	<b>\$64,607</b>		<b>\$64,607</b>
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**TOTAL INDIRECT SALARIES** **\$64,607**

Name	1995-96		Total
	Salary	Benefits	
R. Wayne Watts	50,041 91,332.80	12,238.60	103,571.40
Darlene Holz	37,588 67,641.60	19,846.05	87,487.65
Ken Kirin	31,844 57,304.00	18,898.86	76,202.86
Sue Bauer	22,122 <u>39,811.20</u>	<u>12,787.36</u>	<u>52,598.56</u>
	256,089.60	63,770.87	319,860.47

Name	1996-97		Total
	Salary	Benefits	
R. Wayne Watts	52,041 93,670.76	12,570.62	106,241.38
Darlene Holz	38,976 69,772.60	20,771.30	90,543.90
Ken Kirin	32,833 59,097.81	19,626.38	78,724.19
Sue Bauer	25,133 <u>45,232.08</u>	<u>14,542.11</u>	<u>59,774.19</u>
	267,773.25	67,510.41	335,283.66

\* We only want to claim 50% of our FSA costs.

06/30/98

Exec. Sec.  
Sec. II

95/96  
32,822.40  
29,494.40

96/97  
34,036.60  
30,570.54

SB90EXP.WK4

SECRET



REGISTERED INVESTMENT ADVISORS

COUNTY OF RIVERSIDE COMPLIANCE AUDIT & ANALYTICAL SERVICES BILLINGS

April 1 through June 30, 1998	\$9,501.00
January 1 through March 31, 1998	\$9,501.00
October 1 through December 31, 1997	\$8,992.00
July 1 through September 30, 1997	\$11,025.00
April 1 through June 30, 1997	\$11,025.00
January 1 through March 30, 1997	\$11,025.00
October 1 through December 31, 1996	\$11,025.00
July 1 through September 30, 1996	\$11,025.00
January 1 through June 30, 1996	\$22,050.00
October 1 through December 31, 1995	\$11,025.00
September 1995 Compliance Report	\$3,925.00
August 1995 Compliance Report	\$3,000.00
<b>TOTAL</b>	<b>\$123,119.00</b>

32,058.00

FUND SERVICES ASSOCIATES, INC.

1875 CENTURY PARK EAST, SUITE 1345 • LOS ANGELES, CA 90067 (310) 229-9170 (800) 562-4372 FAX (310) 229-9178  
1454 CHERRYWOOD DRIVE • SAN MATEO, CA 94403 (415) 577-8067 FAX (415) 577-8068  
e-mail address: Fssainvadv@aol.com

MEMBER NASD

# INDIRECT COST RATE PROPOSAL

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1996/97

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
<b>Personnel Services:</b>				
1 Salaries & Wages	\$1,826,156		\$64,607	\$1,761,549
2 Part-time Wages & Overtime				
3 Benefits <span style="float: right;">31.8%</span>	\$580,854		\$20,550	\$560,304
<b>SUBTOTAL:</b>	<b>\$2,407,010</b>		<b>\$85,157</b>	<b>\$2,321,853</b>
<b>Line Item Costs (Services, Supplies &amp; Other):</b>				
4 Accounting Services	\$61,238			\$61,238
5 Communications	\$72,148		\$72,148	
6 Motor Service	\$346		\$346	
7 Insurance - Property/Liability	\$30,644		\$30,644	
8 Service Contracts	\$72,762			\$72,762
9 Treasurer's Financial System	\$14,418			\$14,418
10 Memberships	\$395	\$395		
11 Cash Differences	\$12,050		\$12,050	
12 Subscriptions	\$1,856	\$1,856	\$0	
13 Photocopying	\$18,608		\$18,608	
14 Printing/Binding	\$216,614		\$54,154	\$162,461
15 Postage/Mailing	\$225,889		\$56,472	\$169,417
16 Equipment	\$19,422		\$19,422	
17 Supplies	\$18,059		\$18,059	
18 Professional/Special Services	\$74,920			\$74,920
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21 Temporary Personnel	\$63,894			\$63,894
22 Data Processing	\$732,764			\$732,764
23 Publications/Legal Notices	\$160,880			\$160,880
24 Telerate Lease	\$23,274			\$23,274
25 Outdated Warrant	\$168			\$168
26 Air Transportation	\$1,838			\$1,838
27 Car Pool & Private Mileage	\$17,270			\$17,270
28 Public Service Transportation	\$731			\$731
29 Registrations/Conferences	\$2,432			\$2,432
30 Lodging	\$1,178			\$1,178
31 Meals	\$202			\$202
32 Capital-Equipment	\$15,361	\$15,361	(\$0)	
33 Office Equipment	\$37,664	\$37,664	\$0	
34 Cost Applied	(\$32,941)	(\$32,941)	\$0	
35 COWCAP Charges	(\$207,336)	(\$207,336)	(\$0)	
<b>SUBTOTAL:</b>	<b>\$1,717,162</b>	<b>(\$185,001)</b>	<b>\$292,177</b>	<b>\$1,609,986</b>
<b>TOTAL EXPENDITURES: \$4,124,172</b>				
<b>Cost Adjustments and/or Cost Plan Costs:</b>				
36 Cost Allocation Plan	\$349,068		\$349,068	
37				
<b>SUBTOTAL:</b>	<b>\$349,068</b>		<b>\$349,068</b>	
<b>TOTAL COSTS: \$4,473,240 (\$185,001) \$726,402 \$3,931,839</b>				

**CALCULATED INDIRECT COST RATE =** 31.3% **\$726,402** = Total allowable indirect costs  
**Rate is based on: Salaries & Benefits** **\$2,321,853** = Total direct salaries and benefits

# DEPARTMENTAL INDIRECT SALARIES

**Claimant Name:** County of Riverside  
**Department:** Treasurer-Tax Collector  
**Fiscal Year:** 1996/97

## INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Executive Secretary	\$34,037			100%	\$34,037
2 Secretary II	\$30,571			100%	\$30,571
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<b>TOTALS</b>	<b>\$64,607</b>	<b>\$64,607</b>
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**TOTAL INDIRECT SALARIES** **\$64,607**

08/16/97 COUNTY OF RIVERSIDE  
 REPORT ID: ANSL1355 SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
 YEAR-TO-DATE FOR FISCAL YEAR 1997  
 AS OF 08/15/97

PORTION OF YEAR EXPIRED 100.0%

FUND: 101 GENERAL FUND DEPT: 17 TREASURER-TA ORG: 117 TREASURER-TAX COLLECTOR

OBJECT NUMBER	OBJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE	YEAR-TO-DATE EXPENDITURE	ENCUMBRANCES	YEAR-TO-DATE EXPENSES AND ENCUMBRANCES	% OF UNENCUMBERED EXP & UNEXPENDED BUD BALANCE
<b>APPROPRIATION 1</b>							
10101	REGULAR SALARIES	1,799,824	52,132.25	1,738,789.54	0.00	1,738,789.54	96.6
10109	PAYOFF PERM/SEAS	0	34,895.65	86,811.37	0.00	86,811.37	86,811.37-
15401	ADMINISTRATIVE LEAVE:	2,780	0.00	0.00	0.00	0.00	2,780.00
16201	BILINGUAL PAY	0	14.40	554.99	0.00	554.99	554.99-
20101	BUDGETED BENEFITS	606,006	0.00	0.00	0.00	0.00	606,006.00
21101	RETIREMENT-MISC	0	11,751.57	231,755.87	0.00	231,755.87	231,755.87-
21201	SOCIAL SECURITY	0	5,009.69	112,707.33	0.00	112,707.33	112,707.33-
21303	MEDICARE TAX	0	1,298.21	27,051.91	0.00	27,051.91	27,051.91-
22103	FLEX BENEFIT PLAN	0	5,902.40	184,945.17	0.00	184,945.17	184,945.17-
22201	RETIREE HEALTH INS.	0	0.00	3,755.45	0.00	3,755.45	3,755.45-
22501	LIFE INSURANCE	0	0.00	1,022.51	0.00	1,022.51	1,022.51-
22504	OPTICAL INSURANCE	0	0.00	851.56	0.00	851.56	851.56-
22801	SHORT-TERM DISABILIT:	0	355.99	2,859.82	0.00	2,859.82	2,859.82-
23101	WORKERS COMP INSURAN:	0	563.89	13,250.86	0.00	13,250.86	13,250.86-
24102	DEF COMP BENE MGMT &:	0	87.00	2,653.50	0.00	2,653.50	2,653.50-
EXPENSE BUDGET TOTAL:			2,408,610	2,407,009.88	0.00	2,407,009.88	1,600.12
APPR 1 TOTAL:			2,408,610				99.9
<b>APPROPRIATION 2</b>							
30003	ACCOUNTING SERVICES	53,634	0.00	61,238.00	0.00	61,238.00	114.2
32101	COMMUNICATIONS	68,000	0.00	72,147.57	0.00	72,147.57	106.1

08/16/97 COUNTY OF RIVERSIDE  
 REPORT ID: ANSL135S SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
 YEAR-TO-DATE FOR FISCAL YEAR 1997  
 AS OF 08/15/97

PORTION OF YEAR EXPIRED 100.0%

FUND: 101 GENERAL FUND		DEPT: 17 TREASURER-TA		ORG: 117		TREASURER-TAX COLLECTOR	
OBJECT NUMBER	OBJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE	YEAR-TO-DATE EXPENDITURE	ENCUMBRANCES	YEAR-TO-DATE EXPENSES AND ENCUMBRANCES	% OF UNENCUMBERED EXP & UNEXPENDED BUD BALANCE
32701	MOTOR SERVICE	1,041	0.00	346.00	0.00	346.00	33.2
35108	INSURANCE/PROPERTY	6,300	0.00	5,300.00	0.00	5,300.00	84.1
35303	INSURANCE-LIABILITY	25,344	0.00	25,344.00	0.00	25,344.00	100.0
37104	SERVICE CONTRACTS	89,980	0.00	72,761.66	0.00	72,761.66	80.9
37105	TREAS FNCL SYS	20,000	0.00	14,417.92	0.00	14,417.92	72.1
40101	MEMBERSHIPS	320	0.00	395.00	0.00	395.00	123.4
41301	CASH DIFF/TAX COLL	12,000	0.00	12,000.00	0.00	12,000.00	100.0
41302	CASH DIFF/TREASURER	100	0.00	50.00	0.00	50.00	50.0
42103	SUBSCRIPTIONS	2,000	0.00	1,856.35	0.00	1,856.35	92.8
42104	PHOTOCOPYING/DUPLICA	19,200	0.00	18,607.61	0.00	18,607.61	96.9
42105	PRINTING/BINDING	230,000	0.00	216,614.42	0.00	216,614.42	94.2
42106	POSTAGE/MAILING	282,637	0.00	225,888.89	0.00	225,888.89	79.9
42201	OFFICE EXP-EQUIP	37,800	0.00	19,421.76	0.00	19,421.76	51.4
42301	OFFICE EXP-SUPPLIES	18,000	0.00	18,059.02	0.00	18,059.02	100.3
43031	PROF/SPEC SVS - DISC	0	0.00	463.00	0.00	463.00	463.00-
43101	PROF/SPEC SVS	69,726	22,082.00	74,456.98	0.00	74,456.98	106.8
43132	TITLE COMPANY SERVICE	57,000	0.00	50,140.00	0.00	50,140.00	88.0
43138	MICROGRAPHIC SERVICE	15,000	0.00	10,275.37	0.00	10,275.37	68.5
43303	TEMP PERSONNEL SVS	73,000	0.00	63,893.93	0.00	63,893.93	87.5
43602	DATA PROCESSING CHAR	712,222	41,484.00	732,763.50	0.00	732,763.50	102.9
44101	PUBLICATION/LEGAL NO:	130,000	0.00	160,880.44	0.00	160,880.44	123.8
45103	TELERATE LEASE	20,569	0.00	23,273.82	0.00	23,273.82	113.1

08/16/97 COUNTY OF RIVERSIDE  
 REPORT ID: ANSL135S SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
 YEAR-TO-DATE FOR FISCAL YEAR 1997  
 AS OF 08/15/97

PORTION OF YEAR EXPIRED 100.0%

FUND: 101 GENERAL FUND		DEPT: 17 TREASURER-TA	ORG: 117	TREASURER-TAX COLLECTOR			
OBJECT NUMBER	OBJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE	YEAR-TO-DATE EXPENDITURE	ENCUMBRANCES	YEAR-TO-DATE EXPENSES AND ENCUMBRANCES	% OF UNENCUMBERED EXP & UNEXPENDED BUD BALANCE
48139	OUTDATED HARRANT REP:	0	0.00	168.35	0.00	168.35	168.35-
50201	AIR TRANSPORTATION :	2,725	0.00	1,838.00	0.00	1,838.00	67.4
50202	CAR POOL MILEAGE :	500	0.00	285.40	0.00	285.40	57.1
50203	PRIVATE MILEAGE/VEH :	19,800	140.00	16,984.75	0.00	16,984.75	85.8
50205	PUBLIC SERVICE TRANS:	350	0.00	731.00	0.00	731.00	208.9
50206	REGISTRATIONS/CONF F:	1,500	0.00	2,432.00	0.00	2,432.00	162.1
50207	LODGING :	3,574	0.00	1,177.85	0.00	1,177.85	33.0
50208	MEALS :	500	0.00	202.18	0.00	202.18	40.4
	EXPENSE BUDGET TOTAL:	1,972,822	63,706.00	1,904,414.77	0.00	1,904,414.77	96.5
	APPR 2 TOTAL:	1,972,822					
APPROPRIATION 3							
64202	CAP LEASE/PURCH-EQUI:	27,600	0.00	15,360.63	0.00	15,360.63	55.7
	EXPENSE BUDGET TOTAL:	27,600	0.00	15,360.63	0.00	15,360.63	55.7
	APPR 3 TOTAL:	27,600					
APPROPRIATION 4							
80101	OFFICE EQUIP :	38,500	0.00	37,664.02	0.00	37,664.02	97.8
	EXPENSE BUDGET TOTAL:	38,500	0.00	37,664.02	0.00	37,664.02	97.8
	APPR 4 TOTAL:	38,500					
APPROPRIATION 7							

COUNTY OF RIVERSIDE  
 SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
 YEAR-TO-DATE FOR FISCAL YEAR 1997  
 AS OF 08/15/97

PORTION OF YEAR EXPIRED 100.0%

FUND: 101 GENERAL FUND		DEPT: 17 TREASURER-TA		ORG: 117		TREASURER-TAX COLLECTOR	
OBJECT NUMBER	OBJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE	YEAR-TO-DATE EXPENDITURE	ENCUMBRANCES	YEAR-TO-DATE EXPENSES AND ENCUMBRANCES	% OF UNENCUMBERED EXP & UNEXPENDED BUD BALANCE
94102	COST APPLIED	6,300-	0.00	32,940.85-	0.00	32,940.85-	522.9
94112	CONCAP	207,015-	0.00	207,336.17-	0.00	207,336.17-	100.2
	EXPENSE BUDGET TOTAL:	213,315-	0.00	240,277.02-	0.00	240,277.02-	112.6
	APPR 7 TOTAL:	213,315-					
ORG :	TREASURER-TAX CO	4,234,217	175,717.05	4,124,172.28	0.00	4,124,172.28	97.4
DEPT :	TREASURER-TA	4,234,217	175,717.05	4,124,172.28	0.00	4,124,172.28	97.4

94195  
 Total  
 \$4,176,779

Sub-total

2nd Allocation

1st Allocation

\$4,176,779

deductions per financial statement:

deductions:

RENTS & LEASES (2,527)  
 EQUIPMENT (115,809)  
 COMCAP 143,051  
 COSTS APPLIED 5,952  
 Total deductions: 30,667

30,667

Allocated additions:

BUILDING USE ALLOWANCE	12,593		
EQUIPMENT USE ALLOWANCE	41,861		
103 COUNTY ADMIN OFFICE	5,624	535	
113 AUDITOR-CONTROLLER	122,510	15,343	
116 PURCHASING	4,749	339	
117 TREASURER/TAX COLLECTOR		15,585	
118 CENTRAL MAILING		13,050	
122 COUNTY COUNSEL		109,457	
132 PERSONNEL	9,222	9,222	
159 COMMUNICATIONS	19,688	19,688	
169 BUILDING SERVICES	1,344	1,344	
169 B/S - MAINT SVCS	43,011	43,011	
169 B/S-CUSTODIAL	47,779	47,779	
171 PROP LEASE & UTILITIES	59,834	59,834	
298 CLERK/REC (MICROGRAPHICS)	14,102	14,102	
Total allocated additions:	187,337	349,289	536,626

536,626

Departmental cost adjustments:

COMP BAL COST 961,536  
 GEN REVENUE (2,898,922)

GOVERNMENT OF CANADA  
117: TREASURER/TAX COLLECTOR

Costs to be allocated

	Sub-total	Total
Total departmental cost adjustments:		\$ (1,937,386)
to be allocated:		\$ 2,806,686

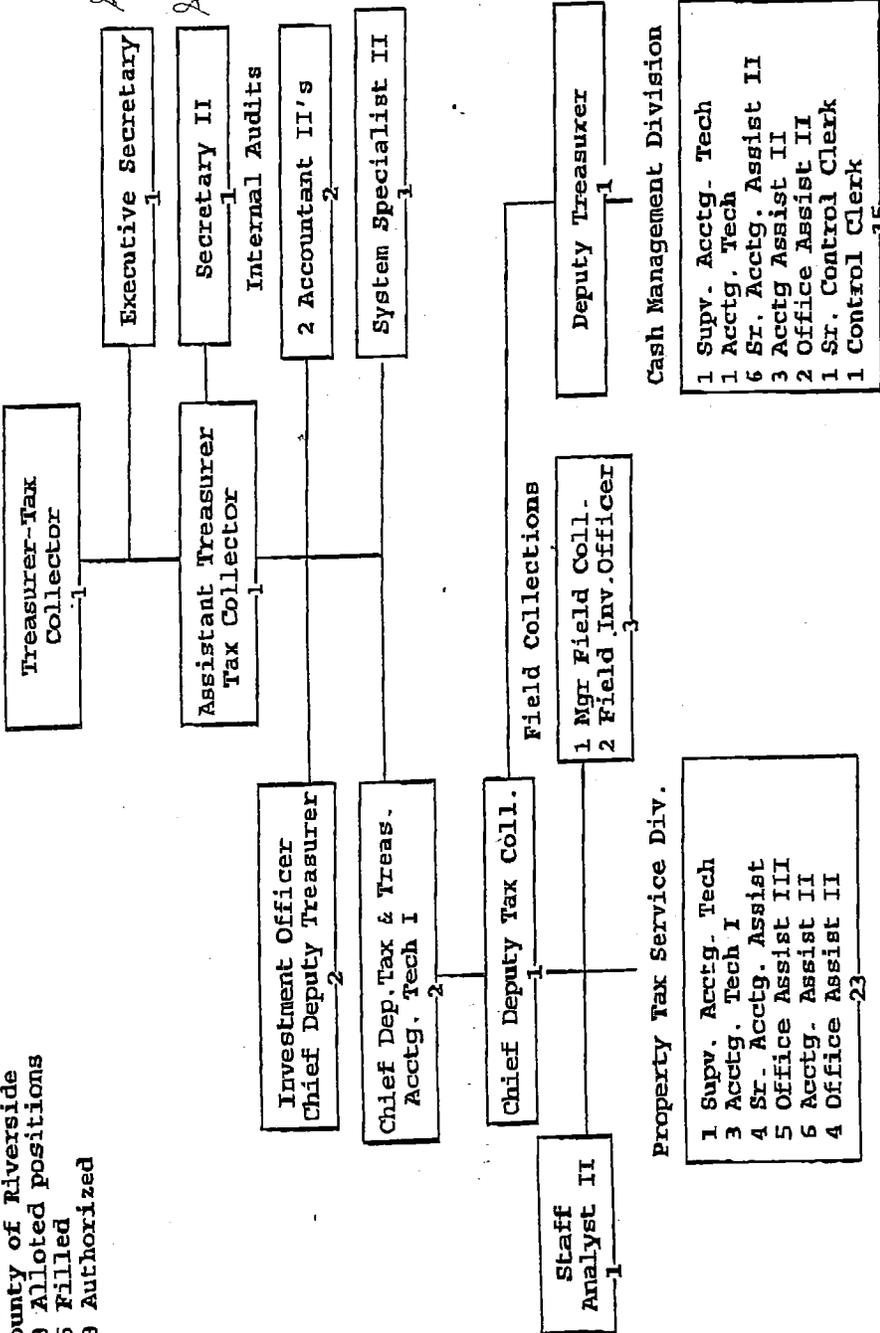
	1st Allocation	2nd Allocation
Total departmental cost adjustments:	\$ (1,937,386)	
to be allocated:	\$ 2,457,397	\$ 349,289

Approved: October 1, 1996

*L. Shugart*  
R. Wayne Watts  
Treasurer-Tax Collector

Treasurer-Tax Collector  
County of Riverside  
58 Alloted positions  
55 Filled  
68 Authorized

*Support*  
*Support*



96199

nuarqcht





**MANDATED COSTS  
INVESTMENT REPORTS  
CLAIM SUMMARY**

**FORM  
INR-1**

(01) Claimant: County of Riverside

(02) Type of Claim:

Reimbursement

Estimated

Fiscal Year

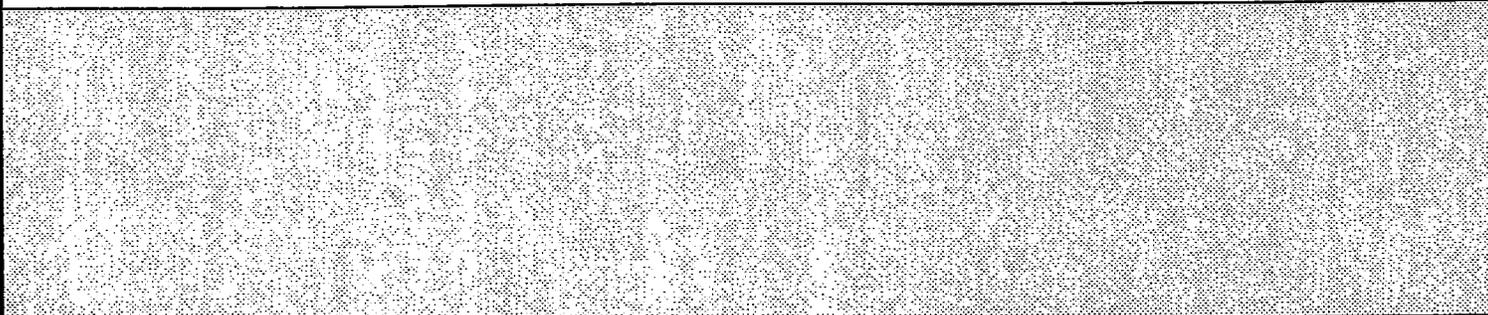
1997-98

1998-99

**Claim Statistics**

(03) Number of investment reports prepared during the fiscal year.

4



(04) Reimbursable Component:

	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$946	\$329	\$700 <del>0</del>		\$1,975 1275
2. Quarterly Report of Investments	\$5,328 3726	\$1,854 1296	\$19,510 <del>0</del>		\$26,692 5022
(05) Total Direct Costs	\$6,274 4672	\$2,183 1625	\$20,209 <del>0</del>		\$28,667 6297

**Indirect Costs**

(06) Indirect Cost Rate	[From ICRP]				36.10%
(07) Total Indirect Costs	[Line (06) x (line (05)(f) - {line (05)(d) + line (05)(e)})]				2273 \$3,053
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				8570 \$31,720

**Cost Reductions**

(09) Less: Offsetting Savings, if applicable					
(10) Less: Other Reimbursements, if applicable					
(11) Total Claimed Amount:	[Line (08) - {Line (09) + Line (10)}]				8570 \$31,720

**MANDATED COSTS  
INVESTMENT REPORTS  
COMPONENT / ACTIVITY COST DETAIL**

**FORM  
INR-2**

(01) Claimant: **County of Riverside**

(02) Fiscal year costs were incurred: **1997-98**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy**  
 **Quarterly Report of Investments**

(04) Description of Expense: Complete columns (a) through (h)

**Object Accounts**

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<u>R. Wayne Watts, Treasurer-Tax Collector</u>	\$51.99	34.80%	8.00		\$416	\$145	\$561	X
<u>Paul McDonnell, Treasurer-Tax Collector</u>	\$49.91	34.80%	8.00		\$399	\$139	\$538	L
<u>Kenneth Kirin, Investment Officer</u>	\$32.69	34.80%	4.00		\$131	\$46	\$176	L
<p>The above staff members reviewed California Government Codes to verify and ensure that the County's investment policy was in compliance with current State requirements. Met with the Oversight Committee and approved the statement of investment policy prior to submission before the Board of Supervisors.</p> <p>Note: Wayne Watts retired in March 1998 and was replaced by Paul McDonnell.</p> <p><u>Oversight Committee</u> <i>These meetings are not mandated.</i></p> <p>The Treasurer's Oversight Committee meets for 30 minutes prior to the Board meeting to review the policy. In addition this Committee meets for 2 hours every quarter to review the Quarterly Investment Reports. The Oversight Committee is comprised of staff from the following County departments:</p> <ul style="list-style-type: none"> <li><b>County Counsel</b> - 8.5 hours</li> <li><b>Treasurer</b> - 8.5 hours</li> <li><b>Auditor-Controller</b> - 8.5 hours</li> </ul> <p>An average salary of \$38,000 is used with an average benefit rate of 30%.            (\$21.11 x 30% x 25.5 hours)</p>								
					<del>\$699.80</del>			

(05) Total [ ] Subtotal [ ] Page: \_\_\_ of \_\_\_

**\$700    \$946    \$329    \$1,275**



# INDIRECT COST RATE PROPOSAL

Claimant Name: County of Riverside - File #1

Department: Treasurer (117)

Fiscal Year: 1997-98

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
<b>Personnel Services:</b>				
1 Salaries & Wages	\$1,792,092		\$65,936	\$1,726,156
2 Part-time Wages & Overtime	\$1,703			\$1,703
3 Benefits <span style="float: right;">34.8%</span>	\$623,175		\$22,928	\$600,247
<b>SUBTOTAL:</b>	<b>\$2,416,970</b>		<b>\$88,864</b>	<b>\$2,328,106</b>
<b>Line Item Costs (Services, Supplies &amp; Other):</b>				
4 Accounting Services	\$51,332			\$51,332
5 Communications	\$78,579		\$78,579	
6 Motor Service	\$277		\$277	
7 Mail/Postage	\$408,425			\$408,425
8 Insurance	\$27,806		\$27,806	
9 Maintenance	\$108,469		\$108,469	
10 Memberships	\$462		\$462	
11 Misc Expense	\$12,527		\$12,527	
12 Books/Publications/Subscriptions	\$291,921			\$291,921
13 Photocopy/Duplication	\$17,510		\$17,510	
14 Office Expense	\$70,085		\$70,085	
15 Professional Services	\$657,988			\$657,988
16 DP Charges	\$588,864			\$588,864
17 Special Departmental Expense	\$251,351			\$251,351
18 Transportation/Travel	\$22,089		\$22,089	
19 Capital Purchases	\$20,481	\$20,481		
20 Equipment	\$33,060	\$33,060		
21 Intrafund Transfers	(\$229,519)	(\$229,519)		
22				
23				
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25				
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35				
<b>SUBTOTAL:</b>	<b>\$2,411,707</b>	<b>(\$175,978)</b>	<b>\$337,804</b>	<b>\$2,249,881</b>
<b>TOTAL EXPENDITURES:</b>	<b>\$4,828,677</b>			
<b>Cost Adjustments and/or Cost Plan Costs:</b>				
36 A-87 Cost Allocation Plan	\$414,891		\$414,891	
37				
<b>SUBTOTAL:</b>	<b>\$414,891</b>		<b>\$414,891</b>	
<b>TOTAL COSTS:</b>	<b>\$5,243,568</b>	<b>(\$175,978)</b>	<b>\$841,559</b>	<b>\$4,577,987</b>

**CALCULATED INDIRECT COST RATE =** 36.1% \$841,559 = Total allowable indirect costs  
 Rate is based on: Salaries & Benefits \$2,328,106 = Total direct salaries and benefits

# DEPARTMENTAL INDIRECT SALARIES

**Claimant Name:** County of Riverside - File #1  
**Department:** Treasurer (117)  
**Fiscal Year:** 1997-98

## INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Secretary	\$31,117			100%	\$31,117
2 Executive Secretary	\$34,819			100%	\$34,819
3					
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40					

<b>TOTALS</b>	<b>\$65,936</b>		<b>\$65,936</b>
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**TOTAL INDIRECT SALARIES** \$65,936

SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
YEAR-TO-DATE FOR FISCAL YEAR 1998  
AS OF 08/21/98

PORTION OF YEAR EXPIRED 100.0%

FUND: 101 GENERAL FUND	DEPT: 17 TREASURER-TA	ORG: 117	TREASURER-TAX COLLECTOR	CURRENT MONTH EXPENDITURE		YEAR-TO-DATE EXPENDITURE		YEAR-TO-DATE EXPENSES AND ENCUMBRANCES		% OF UNENCUMBERED EXP. UNEXPENDED BALANCE	
				EXPENSE BUDGET	EXPENDITURE	EXPENSE BUDGET	EXPENDITURE	EXPENSE BUDGET	EXPENDITURE	BUD	BALANCE
0101 REGULAR SALARIES				1,833,251	59,523.51	1,757,475.28	0.00	1,757,475.28	95.9	75,775.72	
0109 PAYDEF PERM/SEAS				0	2,685.23	34,616.97	0.00	34,616.97	34,616.97	34,616.97	
4101 OVERTIME				0	0.00	227.39	0.00	227.39	227.39	227.39	
6101 NIGHT DIFFERENTIAL				0	22.46	584.30	0.00	584.30	584.30	584.30	
6201 BILINGUAL PAY				0	26.67	892.45	0.00	892.45	892.45	892.45	
0101 BUDGETED BENEFITS				610,896	0.00	0.00	0.00	0.00	0.00	610,896.00	
1101 RETIREMENT-MISC				0	16,893.64	268,560.97	0.00	268,560.97	268,560.97	268,560.97	
1201 SOCIAL SECURITY				0	4,047.91	113,949.89	0.00	113,949.89	113,949.89	113,949.89	
1303 MEDICARE TAX				0	946.73	27,067.47	0.00	27,067.47	27,067.47	27,067.47	
2103 FLEX BENEFIT PLAN				0	6,617.93	183,401.79	0.00	183,401.79	183,401.79	183,401.79	
2201 RETIREE HEALTH INS.				0	0.00	3,767.83	0.00	3,767.83	3,767.83	3,767.83	
2501 LIFE INSURANCE				0	0.00	1,066.79	0.00	1,066.79	1,066.79	1,066.79	
2504 OPTICAL INSURANCE				0	0.00	839.68	0.00	839.68	839.68	839.68	
2801 ACRT-TERM DISABILTY				0	406.76	9,056.79	0.00	9,056.79	9,056.79	9,056.79	
3101 WORKERS COMP INSURAN				0	450.96	12,858.76	0.00	12,858.76	12,858.76	12,858.76	
4102 DEF COPP BENE MGMT				0	81.00	2,604.00	0.00	2,604.00	2,604.00	2,604.00	
EXPENSE BUDGET TOTAL:				2,444,147	91,702.82	2,416,970.36	0.00	2,416,970.36	98.9	27,176.64	
APPR 1 TOTAL:				2,444,147							

APPROPRIATION 2

0003 ACCOUNTING SERVICES : 59,445

0.00 51,332.00

0.00

51,332.00 87.8

7,113.00

08/22/98

REPORT ID: AMSL1355

SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES

COUNTY OF RIVERSIDE  
YEAR-TG-DATE FOR FISCAL YEAR 1998  
AS OF 08/21/98  
PORTION OF YEAR EXPIRED 100.0%

PROJECT NUMBER	PROJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE		YEAR-TG-DATE EXPENDITURE		ENCUMBRANCES	YEAR-TG-DATE EXPENSES AND ENCUMBRANCES		% OF UNENCUMBERED EXP. BALANCE
			DEPT: 17 TREASURER-TA	ORG: 117	TREASURER-TAX COLLECTOR	TREASURER-TAX COLLECTOR				
32101	COMMUNICATIONS	68,000	3,992.26	78,579.48	0.00	78,579.48	115.6	10,579.48		
32701	MOTOR SERVICE	1,041	0.00	277.00	0.00	277.00	26.6	764.00		
35108	INSURANCE/PROPERTY	6,300	0.00	5,100.00	0.00	5,100.00	81.0	1,200.00		
35303	INSURANCE-LIABILITY	22,706	0.00	22,706.00	0.00	22,706.00	100.0	0.00		
37104	SERVICE CONTRACTS	102,080	0.00	94,051.24	0.00	94,051.24	92.1	8,028.76		
37105	TREAS ENCL SYS	45,000	0.00	14,417.92	0.00	14,417.92	32.0	30,582.08		
40101	MEMBERSHIPS	320	0.00	462.00	0.00	462.00	144.4	142.00		
41301	CASH DIFE/TAX COLL	13,851	0.00	12,527.00	0.00	12,527.00	90.4	1,324.00		
42103	SUBSCRIPTIONS	2,000	0.00	1,854.23	0.00	1,854.23	92.7	145.77		
42104	PHOTOCOPYING/DUPICA	19,483	0.00	17,510.36	0.00	17,510.36	89.9	1,972.64		
42105	PRINTING/BINDING	255,000	0.00	290,067.08	0.00	290,067.08	113.8	35,067.08		
42106	POSTAGE/MAILING	302,637	0.00	408,424.64	0.00	408,424.64	135.0	105,787.64		
42201	OFFICE EXP-EQUIP	37,800	0.00	29,876.31	0.00	29,876.31	79.0	7,923.69		
42202	OFFICE EXP-EQUIP/FUP	24,900	0.00	14,569.97	0.00	14,569.97	58.5	10,330.03		
42301	OFFICE EXP-SUPPLIES	23,000	0.00	25,638.55	0.00	25,638.55	111.5	2,638.55		
43031	PRCF/SPEC SVS - DISC	0	0.00	478.59	0.00	478.59	***	478.59		
43101	PRCF/SPEC SVS	358,062	0.00	324,664.39	0.00	324,664.39	90.7	33,397.61		
43132	TITLE COMPANY SERVICE	220,000	0.00	221,557.50	0.00	221,557.50	100.7	1,557.50		
43138	MICROGRAPHIC SERVICES	15,000	0.00	8,484.49	0.00	8,484.49	56.6	6,515.51		
43303	TEMP PERSONNEL SVS	73,000	0.00	100,463.99	0.00	100,463.99	137.6	27,463.99		
43601	PRCF/SPEC SVS-DATA P	0	0.00	2,340.05	0.00	2,340.05	***	2,340.05		
43602	DATA PROCESSING CHAR	747,833	0.00	588,863.73	0.00	588,863.73	78.7	158,969.27		

COUNTY OF RIVERSIDE  
 SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
 FISCAL YEAR 1998  
 AS OF 08/21/98  
 PORT ID: AMSL1355  
 POSITION OF YEAR EXPIRED 100.0%

DEPT: 17 TREASURER-TA      DRG: 117      TREASURER-TAX COLLECTOR  
 FUND: 101 GENERAL FUND

PROJECT NUMBER	OBJECT DESCRIPTION	EXPENSE BUDGET	CURRENT MONTH EXPENDITURE	YEAR-TO-DATE EXPENDITURE	ENCUMBRANCES	YEAR-TO-DATE EXPENSES AND ENCUMBRANCES	% OF UNENCUMBERED EXP. & UNEXPENDED BALANCE
410	PUBLICATION/LEGAL NO:	230,049	0.00	207,794.09	0.00	207,794.09	90.3
5103	TELETYPE LEASE	20,569	0.00	41,366.14	0.00	41,366.14	201.1
9139	OUTDATED WARRANT REP:	0	0.00	2,191.46	0.00	2,191.46	22.2
0201	AIR TRANSPORTATION	2,725	0.00	1,458.00	0.00	1,458.00	53.5
0202	CAR PERL MILEAGE	500	0.00	76.84	0.00	76.84	15.4
0203	PRIVATE MILEAGE/VEH	19,800	451.21	16,245.65	0.00	16,245.65	82.0
0205	PUBLIC SERVICE TRANS:	350	0.00	397.50	0.00	397.50	113.6
0206	REGISTRATION/CONF F:	1,500	0.00	2,115.00	0.00	2,115.00	141.0
0207	LODGING	3,574	0.00	1,486.06	0.00	1,486.06	41.6
0208	MEALS	500	0.00	308.54	0.00	308.54	61.7
	EXPENSE BUDGET TOTAL:	2,676,025	4,443.47	2,587,685.90	0.00	2,587,685.90	96.7
	APPR 2 TOTAL:	2,676,025					

APPROPRIATION 3	EXPENSE BUDGET TOTAL:	EXPENDITURE	ENCUMBRANCES	UNENCUMBERED EXP. & UNEXPENDED BALANCE	
420	AP LEASE/PURCH-EQUIP:	37,600	0.00	20,480.84	54.5
	EXPENSE BUDGET TOTAL:	37,600	0.00	20,480.84	54.5
	APPR 3 TOTAL:	37,600			

APPROPRIATION 4	EXPENSE BUDGET TOTAL:	EXPENDITURE	ENCUMBRANCES	UNENCUMBERED EXP. & UNEXPENDED BALANCE	
0101	OFFICE EQUIP	45,100	0.00	33,059.94	72.3
	EXPENSE BUDGET TOTAL:	45,100	0.00	33,059.94	72.3

APPROPRIATION 4	EXPENSE BUDGET TOTAL:	EXPENDITURE	ENCUMBRANCES	UNENCUMBERED EXP. & UNEXPENDED BALANCE	
0101	OFFICE EQUIP	45,100	0.00	33,059.94	72.3
	EXPENSE BUDGET TOTAL:	45,100	0.00	33,059.94	72.3

08/22/98

REPORT ID: APM51355

COUNTY OF RIVERSIDE  
SUMMARY STATEMENT OF APPROPRIATIONS, ENCUMBRANCES AND EXPENDITURES  
YEAR-TO-DATE FOR FISCAL YEAR 1998  
AS OF 08/21/98  
PORTION OF YEAR EXPIRED: 100.0%

PAGE

FUND: 101 GENERAL FUND

DEPT: 17 TREASURER-TA

ORG: 117

TREASURER-TAX COLLECTOR

OBJECT NUMBER OBJECT DESCRIPTION

EXPENSE BUDGET

CURRENT MONTH EXPENDITURE

YEAR-TO-DATE EXPENDITURE

ENCUMBRANCES

YEAR-TO-DATE EXPENSES AND ENCUMBRANCES

% OF UNENCUMBERED EXP. BALANCE

EXPENSE BUDGET TOTAL:  
APPR 4 TOTAL:

45,100  
45,100

0.00

33,059.94

0.00

33,059.94

73.3

12,040.06

APPROPRIATION 7

94102 COST APPLIED  
94112 COMCAP

6,300-  
207,015-

0.00

23,789.44-  
205,730.00-

0.00

23,789.44-  
205,730.00-

377.6  
99.4

17,489.44  
1,285.00-

EXPENSE BUDGET TOTAL:  
APPR 7 TOTAL:

213,315-  
213,315-

0.00

229,519.44-

0.00

229,519.44-

107.6

16,204.44

ORG : TREASURER-TAX CO

4,989,557

96,146.29

4,828,677.50

0.00

4,828,677.50

96.8

160,879.50

DEPT: TREASURER-TA

4,989,557

96,146.29

4,828,677.50

0.00

4,828,677.50

96.8

160,879.50

Expenditures per financial statement: \$3,947,777

Deductions:

RENTS & LEASES (23,105)  
COMCAP 207,010  
COSTS APPLIED 9,862

Total deductions: 193,767

Allocated additions:

BUILDING USE ALLOWANCE	14,844	14,844	14,844
EQUIPMENT USE ALLOWANCE	43,658	43,658	43,658
103 COUNTY EXECUTIVE OFFICE	2,211	201	2,412
113 AUDITOR-CONTROLLER	126,226	9,184	135,410
116 PURCHASING	3,111	204	3,315
117 TREASURER/TAX COLLECTOR		17,139	17,139
118 CENTRAL MAILING		13,166	13,166
122 COUNTY COUNSEL		94,274	94,274
132 PERSONNEL		9,188	9,188
159 COMMUNICATIONS		(23,339)	(23,339)
169 BUILDING SERVICES		8	8
169 B/S - MAINT SVCS		22,017	22,017
169 B/S-CUSTODIAL		36,809	36,809
171 PROP LEASE & UTILITIES		65,298	65,298
298 CLERK/REC (MICROGRAPHS)		(2,169)	(2,169)
Total allocated additions:	190,050	241,980	432,030

Departmental cost adjustments:

COMP BAL COST 927,251  
GEN REVENUE

Total departmental cost adjustments: 927,251

Total to be allocated:

\$5,258,845

\$241,980

\$5,500,825

07/09/97

PERSONNEL REPORT

PAYROLL7B PAGE 33

DEPT 117	TREASURER/TAX COLLECTOR	EMPLOYEE NAME	EMPL S NO	OBJ	POSITION	RANGE	PAY RATE	RETIRE CODE	H TAX CD	COUNTY	HRS-OF-SERVICE	STEP	TEMP	STEP-14	INCR	DATE HIRED	REMARK
		V K ALLEN	01250	F10101	13925	13925	27.1 09	16.30 48	7.00 S	27751.0	.0	.0	.0	00 00	03-15-84		
		B P ARNOLD	02792	F10101	13866	13866	20.1 09	11.21 48	7.00 S	35120.0	.0	.0	.0	00 00	09-04-80		
		Ø L ASHINHUST	02974	F10101	15913	15913	25.5 09	14.96 48	7.00 S	28263.6	.0	.0	.0	00 00	12-05-83		
		A E BARTON	54710	F10101	15915	15915	27.3 09	16.48 48	7.00 H	33313.1	.0	.0	.0	00 00	06-01-81		
		D L BASHE	05306	F10101	77202	77202	29.3 05	16.48 48	7.00 H	13264.3	1360.0	.0	02080	24 97	01-29-91		
		S M BAUER	05797	F10101	77486	77486	34.9 03	21.08 48	7.00 S	27892.0	560.0	.0	1040	21 97	01-10-84		
		K M BRANDTMAN	52763	F10101	15913	15913	25.5 09	14.96 48	7.00 S	40661.7	.0	.0	.0	00 00	12-15-77		
		S L BROUM	11809	F10101	13865	13865	18.1 09	10.07 48	7.00 H	15036.6	.0	.0	.0	00 00	03-22-90		
		S A BURNS	13342	F10101	15912	15912	22.9 09	13.02 48	7.00 S	26624.0	.0	.0	.0	1040	00 00	10-01-84	
		N L BURRIER	13389	F10101	15915	15915	27.3 09	16.48 48	7.00 S	41123.1	320.0	.0	1040	00 00	10-06-77		
		S R CANNIS	48267	F10101	15917	15917	29.1 06	16.74 48	7.00 S	38065.7	800.0	.0	1040	18 97	10-23-78		
		Ø M COTTERILL	19901	H10101	77480	77480	34.9 10	25.42 48	7.00 S	53760.0	.0	.0	.0	00 00	09-30-71		
		L H CROSTAR	20604	F10101	15913	15913	25.5 09	14.96 48	7.00 S	28711.6	.0	.0	.0	00 00	09-29-83		
		J L CULLING	21114	F10101	15917	15917	29.1 09	18.14 40	7.00 H	77822.0	.0	.0	.0	00 00	12-30-96	RETIRED	
		L Ø EVANS	27661	F10101	15912	15912	22.9 09	13.02 48	7.00 S	17986.9	.0	.0	.0	00 00	10-31-88		
		H M FULKERSON	30495	H10101	15325	15325	31.6 09	20.74 48	7.00 H	50664.0	.0	.0	.0	00 00	03-26-73		
		M A ØIBSON	32458	F10101	15915	15915	27.3 09	16.48 48	7.00 S	15085.3	.0	.0	.0	00 00	04-11-90		
		Ø L ØIBBS	32473	H10101	15323	15323	27.6 09	16.74 48	7.00 H	20024.0	.0	.0	.0	00 00	11-30-87		
		J L GRADY	SR 33990	H10101	13865	13865	18.1 09	10.07 48	7.00 S	32880.0	.0	.0	.0	00 00	10-01-81		
		C C GRANGER	34068	F10101	15912	15912	22.9 09	13.02 48	7.00 H	20989.4	.0	.0	.0	1040	00 00	03-30-87	
		B C HANKUS	37153	F10101	15913	15913	25.5 09	14.96 48	7.00 S	28624.0	.0	.0	.0	1040	00 00	10-17-83	
		K A HARDCASTLE	74093	F10101	15912	15912	22.9 05	11.70 48	7.00 H	5520.0	1360.0	.0	2080	24 97	11-10-94		
		P K HEATLEY	44581	F10101	15323	15323	27.6 09	16.74 48	7.00 H	30312.0	.0	.0	.0	00 00	12-15-82		

E 3

COUNTY OF RIVERSIDE

07/09/97

DEPT 159

EMPLOYEE
C A GREENE
H B GREENE
H D HAFE
D Ø HARL
V M HARØ
P HARØ
R R HERN
O HERN
J C HOGU
R A HOLL
R H INGU
B JEFF
A Ø KELC
D KLIN
P F KRZI
D L LITTI
L A MAKE
E C MATTF
B A HAYV
E L HENL
Ø R MOH
J R PAN
R H PERI

DEPT 117	TREASURER/TAX COLLECTOR	EMPL S	OBJ	ALWD	PAID	RANGE	PAY	RETI	M	TAX	HRS-OF-SERVICE	STEP	PERIOD	14 FROM	INCR	DATE	REMARK	
EMPLOYEE NAME	NO. X	ECT	POSITION	STEP	RATE	CODE	RETIRE	M	S	CD	COUNTY	STEP	TEMP	HRS	PP	OR	TERM	
D F HOLZ	42607	F10101	77435	40.0	10	33.40	48	7.00	S	2	48037.0	.0	.0	.0	00	00	06-27-97	RETIRED
L L MOLTQUIST	65125	F10101	77486	34.9	10	25.42	48	7.00	H		56206.8	.0	.0	.0	00	00	12-30-96	RETIRED
K S JENNINGS	49319	F10101	77412	29.3	09	18.34	48	7.00	S		8824.2	.0	.0	.0	00	00	02-08-93	
M JENNINGS	53880	M10101	15912	22.9	03	11.09	48	7.00	S	2	6472.9	800.0	.0	2080	05	98	05-26-94	
E R JOHNSON	46179	F10101	77475	34.9	10	25.42	48	7.00	S		56304.0	.0	.0	.0	00	00	07-09-70	
M D JOHNSON	46516	F10101	15913	25.5	08	14.57	48	7.00	S		13107.9	800.0	.0	2080	05	98	10-18-90	
D R KENT, JR	56236	M10101	77408	34.9	01	19.98	48	7.00	S		347.0	347.0	.0	2080	11	98	05-05-97	
K C KIRIN	50369	M10101	77487	36.9	10	28.29	48	7.00	H		49264.0	.0	.0	.0	00	00	11-26-73	
T KO	78976	F10101	15913	25.5	08	14.57	48	7.00	H	2	10720.0	1280.0	.0	2080	25	97	05-14-92	
A L LANDINGHAM	52216	F10101	15912	22.9	09	13.02	48	7.00	H	3	13861.9	.0	.0	.0	1040	00	10-18-90	
H L LESLIE	53849	F10101	13866	20.1	09	11.21	48	7.00	S		26273.9	.0	.0	.0	00	00	10-01-84	
S MARTINEZ	37289	F10101	13865	18.1	01	8.13	48	7.00	S	5	703.0	703.0	.0	2080	07	98	03-03-97	
L L HAYO	58180	F10101	15912	22.9	09	13.02	48	7.00	S		46637.2	.0	.0	.0	1040	00	11-21-74	
K H NGO	65502	F10101	77412	29.3	09	18.34	48	7.00	H	3	23503.4	.0	.0	.0	00	00	02-28-86	
D NORTON	01958	F10101	13865	18.1	01	8.13	48	7.00	S		587.0	587.0	.0	2080	08	98	03-24-97	
P L PHILLIPS	69847	F10101	13865	18.1	09	10.07	48	7.00	H	3	12705.7	.0	.0	.0	00	00	03-21-91	
N J POSEY	70945	F10101	15913	25.5	09	14.96	48	7.00	S		14183.9	.0	.0	.0	1040	00	04-02-73	
D J POSEY	70947	F10101		25.5	09	14.96	48	7.00	S		36496.0	.0	.0	.0	2080	00	01-08-80	
M S PRATT	71551	F10101		25.5	09	14.96	48	7.00	H		51680.0	.0	.0	.0	00	00	09-28-72	
G I PRESTO	71730	F10101		25.5	09	14.96	48	7.00	H		16480.0	.0	.0	.0	00	00	08-10-89	
C F QUINTERO	72394	F10101		22.9	09	13.02	48	7.00	H	1	15848.1	.0	.0	.0	1040	00	10-30-89	INACTIVO1
M A ROBERTS	75897	F10101	13866	20.1	09	11.21	48	7.00	S	1	18104.0	.0	.0	.0	00	00	10-31-88	
A SMITH	82735	F10101	15912	22.9	09	13.02	48	7.00	S		30328.8	.0	.0	.0	00	00	12-21-82	

F 3

COUNTY OF RIVERSIDE

J QUI	J B ROTT	A SANI	J H SARI	O T SNOI	R STAI	E J STEI	N G STEI	H E SWA	J THO	J E THO	L VAR	J T VO	D A WAH	C S WAK	J M WAL	S E WAL	J E WEA	J L WIT
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07/09/97

PERSONNEL REPORT

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DEPT 117	TREASURER/TAX COLLECTOR	EMPL S NO.	OBJ X	EST	ALMD	POSITION PAID	RANGE STEP	PAY RATE	RETIRE CODE	TAX M S CD	HRS-OF-COUNTY	SERVICE-STEP	PERIOD 14 FROM	INCR PF YR	DATE HIRED	REMARK
K R SMITH	83146	M10101	13866	20.1	09	11.21	48	7.00	S	41345.7	.0	.0	00 00	12-30-96	RETIRED	
C F TAYLOR	88630	F10101	13730	22.1	09	12.47	48	7.00	M	52921.6	.0	.0	1040	00 00	12-23-71	
H A THAKER	89054	F10101	13924	25.1	09	14.64	48	7.00	S	1 24450.8	.0	.0	00 00	10-15-85		
M G THORPE	35569	F10101	15917	29.1	09	18.14	48	7.00	S	1 43256.0	.0	.0	1040	00 00	10-12-76	
J D WAGONER	09933	M10101	77204	27.3	03	14.03	48	7.00	S	1 4747.0	560.0	.0	2080	08 98	03-27-95	
E WALLACE	93543	F10101	15915	27.3	09	16.48	48	7.00	M	20904.0	.0	.0	00 00	06-29-87		
C C WARD	93866	F10101	15912	22.9	09	13.02	48	7.00	S	14000.0	.0	.0	00 00	10-18-90		
R M WATTS	94192	M10101	74532	00.0	007798	96	18	7.00	M	4 55735.5	.0	.0	1040	00 00	09-14-70	
M R WHEELING	95448	F10101	13865	18.1	09	10.07	48	7.00	M	1 21880.0	.0	.0	00 00	01-08-87		
L M WRIGHT	99032	F10101	15913	25.5	09	14.96	48	7.00	M	1 28820.4	.0	.0	00 00	09-01-83		

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COUNTY OF RIVERSIDE

07/09/97

PERSONNEL REPORT

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DEPT 160 EMPLOYE

G D ADAM
R ANDI
V A BOH
R BOY
M BRO
E D BUR
R BUR
H COL
R A CON
C M DOC
T J EST
L FAR
R FLE
S J FRA
F H GILL
O GOD
C A BON
D D BON
L BON
A BRG
J A HAY
L HET
F S HER

07/09/97



REGISTERED INVESTMENT ADVISORS

**STATEMENT**

**Invoice #1011**

**July 16, 1997**

**County of Riverside  
Attn: Mr. R. Wayne Watts, Treasurer/Tax Collector  
County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501**

**Preparation of month-end reports for July 1, 1997  
through  
Sept August 30, 1997 for FSA's Compliance Audit and  
Analytical  
Services (\$3,675 per month):**

**\$11,025.00**

**Funds to be wired as follows:**

**Preferred Bank  
ABA #122042205  
Credited to: Fund Services Associates, Inc.  
Account #004-603559**

**FUND SERVICES ASSOCIATES, INC.**

**1875 CENTURY PARK EAST, SUITE 1345 • LOS ANGELES, CA 90067 (310) 229-9179 (800) 562-4372 FAX (310) 229-9178  
1454 CHERRYWOOD DRIVE • SAN MATEO, CA 94403 (415) 577-8067 FAX (415) 577-8068  
e-mail address: Fsaadv@aol.com  
MEMBER NASD**

034



REGISTERED INVESTMENT ADVISORS

H

**INVOICE**

**Invoice #1012**

**October 23, 1997**

**County of Riverside  
Attn: Mr. R. Wayne Watts, Treasurer/Tax Collector  
County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501**

**Preparation of month-end reports for October 1 through  
December 31, 1997 for FSA's Compliance Audit and  
Analytical Services (\$3,167 per month):**

**Less Credit for September:**

**\$9,500.00**

**(\$ 508.00)**

**\$8,992.00**

**Funds to be wired as follows:**

**Preferred Bank**

**ABA #122042205**

**Credited to: Fund Services Associates, Inc.**

**Account #004-603559**

**FUND SERVICES ASSOCIATES, INC.**

**1875 CENTURY PARK EAST, SUITE 1345 - LOS ANGELES, CA 90067 (310) 229-9170 (800) 562-4372 FAX (310) 229-9178  
1454 CHERRYWOOD DRIVE - SAN MATEO, CA 94403 (415) 577-8067 FAX (415) 577-8068**

**e-mail address: Fsaivadr@aol.com  
Member NASD**



REGISTERED INVESTMENT ADVISORS

**INVOICE**

**Invoice #1013**

**January 27, 1998**

**County of Riverside  
Attn: Mr. R. Wayne Watts, Treasurer/Tax Collector  
County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501**

**Preparation of month-end reports for January 1 through  
March 31, 1998 for FSA's Compliance Audit and  
Analytical Services (\$3,167 per month):**

**\$9,501.00**

**Funds to be wired as follows:**

**Preferred Bank**

**ABA #122042203**

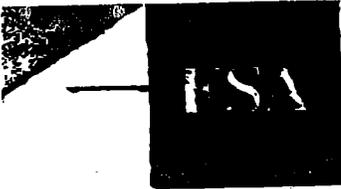
**Credited to: Fund Services Associates, Inc.**

**Account #004-603559**

**FUND SERVICES ASSOCIATES, INC.**

**1875 CENTURY PARK EAST, SUITE 1345 • LOS ANGELES, CA 90067 (310) 229-9170 (800) 562-4372 FAX (310) 229-9178  
1454 CHERRYWOOD DRIVE • SAN MATEO, CA 94403 (415) 577-8067 FAX (415) 577-8068  
e-mail address: Fsaadv@psd.com  
MEMBER NASD**

HOUSE



REGISTERED INVESTMENT ADVISORS

CR

**INVOICE #398-6**

March 31, 1998

County of Riverside  
Attn: ~~Mr. Paul C. McDonnell, Jr.~~ Treasurer/Tax Collector  
County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501

Preparation of month-end reports for April 1 through June 30, 1998  
for FSA's Compliance Audit and Analytical Services (\$3,167 per  
month):

Amount Now Due: \$9,501.00

Funds to be wired as follows:

Preferred Bank  
ABA #122042205  
Credited to: Fund Services Associates, Inc.  
Account #004-603559

FUND SERVICES ASSOCIATES, INC.

1875 CENTURY PARK EAST, SUITE 1345 • LOS ANGELES, CA 90067 (310) 229-9170 (800) 562-4372 FAX (310) 229-9178  
1494 CHERRYWOOD DRIVE • SAN MATEO, CA 94403 (650) 577-8067 FAX (650) 577-8068  
e-mail address: [FsaInfo@fsa.com](mailto:FsaInfo@fsa.com)  
Member NASD

COUNTY OF RIVERSIDE  
TREASURER'S STATEMENT OF INVESTMENT POLICY  
December 1, 1997 (Revised June 11, 1998)

**INTRODUCTION:**

The Treasurer's Statement of Investment Policy is being filed annually with the County Board of Supervisors and the County's Investment Oversight Committee for review and approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code so as to become effective prior to March 31, 1998.

**SCOPE:**

The "Treasurer's Statement of Investment Policy" is limited in scope to only those County, school and special district fund assets actually deposited and residing in the County Treasury, and does not apply to bond funds or other assets belonging to the County of Riverside, or any affiliated public agency whose assets reside outside of the County Treasury.

**FIDUCIARY RESPONSIBILITY:**

Section 27000.3 of the Government Code declares each treasurer, or governing body authorized to make investment decisions on behalf of local agencies to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer or the board of supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law." This standard shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

**PORTFOLIO OBJECTIVES:**

The first and primary objective of the Treasurer's investment of public funds is to safeguard investment principal; second to maintain sufficient liquidity within the portfolio to meet daily cashflow requirements, and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

**AUTHORITY:**

The Treasurer's authority for making investments was delegated by the Board of Supervisors by way of County Ordinance 767, adopted March 25, 1997 and is in keeping with Section 53607 of the California Government Code. SB 109 (Chapter 749, Statutes 1996) now requires that the Board of

Supervisor's renew its delegation of investment authority to the County Treasurer on an annual basis. Statutory authority for the Treasurer's investment and safekeeping functions are found in Sections 53601 and 53635 et. seq. of the Government Code.

**CONFORMITY TO LEGISLATION:**

This policy statement conforms to recent legislative enactments made since the Orange County bankruptcy filing on December 6, 1994 and in particular, SB 564 (Chapter 783, Statutes 1995), SB 866 (Chapter 784, Statutes 1995), AB 2845 (Chapter 81, Statutes 1996), SB864 (Chapter 156, Statutes 1996), and SB109 (Chapter 749, Statutes 1996).

**AUTHORIZED INVESTMENTS:**

Investments shall be restricted to those authorized in Government Code Sections 53601 and 53635 as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards, and purchase restrictions that apply.

**PROHIBITED INVESTMENTS:**

No investments are authorized in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, nor in any derivative or other investment that could result in zero interest if held to maturity. No securities are to be purchased in a mutual bond fund where the principal dollars invested would be subject to daily market value adjustments in the fund's portfolio assets.

**STAFF AUTHORIZED TO MAKE INVESTMENTS AND WIRE TRANSFERS:**

Only the Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Investment Officer and Assistant Investment Officer are authorized to make investments, make wire or electronic fund transfers, and to order the receipt and delivery of investment securities among custodial security clearance accounts. All Bank of America electronic fund transfers shall require the joint signature of the Auditor-Controller and Treasurer-Tax Collector prior to execution with the bank and following entry with the bank, shall require dual verification of its authenticity by the Treasury originating the wire transfer and the Treasurer's Internal Audit staff providing confirmation.

**AUTHORIZED BROKER/DEALERS:**

Security transactions are limited solely to those banks and primary dealers of the Federal Reserve noted on Schedule II. No security transactions are authorized until the bank and/or primary dealer has been delivered a current copy of the County Treasurer's Investment Guidelines and has agreed to be bound thereby.

**DAILY ACCOUNTABILITY AND CONTROL:**

Except for declared emergencies, all investment transactions are to be conducted at the County Treasurer-Tax Collector's office, documented, and reviewed for approval by the Treasurer-Tax Collector or other duly designated officers which include the Assistant or the Chief Deputies, or in the event of the incapacity of the Treasurer, such other officers as may be designated by the Chief Executive Officer. All transactions will be entered daily into the Treasurer's internal financial accounting system. A copy of each day's investment transactions shall be reviewed by the Treasurer or his designee and filed on a timely basis with the County Auditor-Controller.

**SECURITY CUSTODY & DELIVERIES:**

All securities except for the County's Teeter note(s) and money market funds registered in the County's name, shall be deposited for safekeeping with banks contracted to provide the County Treasurer with custodial security clearance services. The security holdings shall be reconciled monthly and audited quarterly by the Treasurer's Internal Audit staff. These third party trust department arrangements provide the County with a perfected interest in, and ownership and control over the securities held by the custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are NOT to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis". Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation.

**COMPETITIVE PRICING:**

Investment transactions are to be made at current market value and competitively priced whenever possible.

**MATURITY LIMITATIONS:**

Unless further restricted by law or these guidelines (Schedule I), all investments, except for the County's Teeter notes, shall be limited to a maximum maturity date of three years from the date of purchase.

**LIQUIDITY:**

The portfolio shall maintain a (WAM) weighted average days to maturity of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements for the following 12 months, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less; with the remaining 60% in maturities ranging from 1 to 3 years.

**PERFORMANCE EVALUATION:**

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the average monthly 90 day Treasury bill yield. Over several years with 1.5 years being the weighted average time to maturity (including the Teeter notes), the portfolio rate-of-return should approximate the 9 month U. S. Treasury bill yield.

**LEVERAGE:**

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cashflow requirements that would cause the Treasurer to sell securities at a principal loss. Any reverse repurchase agreements authorized shall be in full compliance with the specific guidelines stated in Schedule III. Likewise the Treasury shall not enter into any security lending agreement.

**MITIGATING MARKET & CREDIT RISKS:**

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by Moody's and Standard & Poor's on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm to the dollar limits authorized, (3) by limiting the duration of investment to the time frames noted in Schedule I, (4) and by maintaining the diversification and liquidity standards expressed within this policy.

**TRADING & EARLY SALE OF SECURITIES:**

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss, the sale proceeds shall be compared to the original book value of the security plus cumulative interest earned on the security from the date of purchase to the date of sale. However, the sale of a security at a loss can only be made after first securing the approval of the County Treasurer-Tax Collector.

**PURCHASE OF U. S. TREASURY NOTES:**

WI (i.e., when issued) purchases of U. S. Treasury securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the Treasurer's portfolio on the settlement date, and at purchase, there is the ability to hold them in the portfolio to maturity.

**PORTFOLIO REPORTS/AUDITING:**

Portfolio reports required by Sections 53607 and Section 27133(e), shall be filed monthly with the Board of Supervisors. The Treasurer shall also prepare and file with the Board of Supervisors, the County Executive Officer, County Auditor-Controller, Superintendent of Schools and the County's Investment Oversight Committee, the "Treasurer's Monthly Disclosure Report on Investment Portfolio", stating the book vs. current market value of all securities within the portfolio together with all other portfolio information required by law.. Monthly compliance audits will be conducted by Fund Services Associates and the reports filed with the County's Investment Oversight Committee as required by Section 27134 of the California Government Code. *All investment transactions are to be reviewed daily by the County Treasurer-Tax Collector or his designees, which shall include the Assistant, and the Chief Deputies. In the event of the incapacity of the Treasurer,*

*such other officers as may be designated by the Chief Executive Officer.* Weekly meetings are to be conducted with the Investment Officer to review the portfolio's performance in keeping with this policy as well as current investment strategy, and financial market trends.

**TREASURY INVESTMENT OVERSIGHT COMMITTEE:**

In accordance with Section 27130 of the California Government Code, the Board of Supervisors has established an Investment Oversight Committee composed of the Chief Executive Officer, Auditor-Controller, County Counsel, Treasurer-Tax Collector, County Superintendent of Schools, a representative of a special district, and five members appointed at-large by the members of the Board. State legislation intends that the five members, representative of the public be as economically and politically diverse as possible and free from any conflict in interest so as to enable them to render unbiased and objective opinions on matters involving the Treasurer's investment of public funds. Specifically, the law requires that the Investment Oversight Committee meet to: (1) *Review the Treasurer's annual Investment Policy Statement and any subsequent changes thereto,* (2) Review the Treasurer's investment portfolio reports and the portfolio's compliance with law and this Investment Policy, (3) Cause an annual audit to be conducted on the Treasurer's Pooled Investment portfolio. All meetings of the Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act.

Members of the Oversight Committee may not be employed by an entity that has contributed to the election campaign of the County Treasurer or any member of the Board of Supervisors during the previous three years. Nor can any member, directly or indirectly, raise money for the Treasurer or any member of the Board of Supervisors while a member of the Committee. Finally, a member may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms for three years after leaving the committee.

By law, the Investment Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

**QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS:**

Portfolio income shall be reconciled daily against cash receipts and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income. It is the intent of this policy to safeguard and maintain the principal value of funds invested and to minimize "paper losses" caused by changes in market value. Nonetheless, actual portfolio income and/or losses will be distributed quarterly in compliance with Sections 53684 and 53844 of the California Government Code among those participants sharing in pooled investment income, and except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed prorata based upon each participant's average daily cash balance for the calendar quarter.

**QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS:**

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is permitted, pursuant to Section 27013 of the California Government Code, to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with Sections 27013, and 27133(f), and 27135 the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: retail banking services, wire transfers, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the treasurer-tax collector's office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Prior to gaining reimbursement for these costs, the Treasurer-Tax Collector shall annually prepare a proposed budget revenue estimate for "Section 27013 administrative costs", providing a detailed itemization of all costs required to be reimbursed.

**POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY INTO LGIP:**

The County Treasurer does not solicit any agency's voluntary entry into the County's investment pool. However, should any agency solicit entry, the agency shall comply with the requirements of Section 53684 of the California Government Code and provide to the County Treasurer a resolution adopted by their governing board stating that they have excess funds available for the purpose of investment. The resolution shall specify the amount of monies to be invested, the person authorized at the agency to coordinate the transaction, the anticipated time-frame for deposits, and the agency's willingness to be bound to the statutory 30 day written notice requirement for withdrawals, as well as the Treasurer's ability to deduct pro-rata administrative charges permitted by Section 27013. Any solicitation for entry into the LGIP must have the County Treasurer's prior written approval before receipt of funds are authorized.

**POLICY CRITERIA FOR LGIP PARTICIPANT WITHDRAWALS:**

With the Treasury being required to maintain a 40% liquidity position at all times during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all LGIP participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the County Treasury pool shall have the prior written approval of the County Treasurer, and any failure to do so shall subject the local entity to a violation of Section 27136 of the California Government Code and will be performed solely at the entities own risk. The Treasurer's approval of the withdrawal request shall be based on (1) the availability of funds; (2) the circumstances prompting the request; (3) the dollar volume of similar requests; (4) the prevailing condition of the financial markets; (5) the present magnitude of the portfolio's "paper loss" when compared to the total book value of the portfolio; (6) whether the withdrawal would adversely affect other depositors in the County Treasury pool and (7) the presentation of a Minute Order or Board Resolution authorizing the withdrawal of funds from the County Treasury. Any and all funds withdrawn from the County Treasury Investment pool for purposes of investing or depositing such funds outside the pool shall

become the responsibility of the legislative body requesting the action. The County Treasurer or the County of Riverside shall in no manner be held financially responsible for the withdrawal of funds or investments purchased with said funds. The request of any legislative body, by resolution or minute order, authorizing the withdrawal of funds for deposit or investment outside the County Treasury investment pool must provide a disclaimer of liability. The Treasurer shall not honor any such withdrawal request if a disclaimer clause is not provided.

**POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES:**

Except for food items, beverages, books and periodicals, neither the Treasurer-Tax Collector, or any member of his staff, or any member of the County's Investment Oversight Committee, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County Treasury. Nor shall the cumulative monetary value of food items, beverages, books and periodicals from any one firm or person exceed \$250 annually. Nor shall the Treasurer-Tax Collector, any staff member, or any candidate for the office of Treasurer-Tax Collector accept any political contribution, honoraria, or gift which would be in violation of the laws and regulations of the Fair Political Practices Commission or Section 27133 of the California Government Code.

**ETHICS & CONFLICTS OF INTEREST:**

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. In addition, the County Treasurer-Tax Collector, the Assistant Treasurer-Tax Collector, Investment Officer, and Assistant Investment Officer are required to file annually the applicable financial disclosure statements as mandated by the Fair Political Practices Commission (FPPC).

**ANY LGIP INVESTMENTS MADE FROM BOND PROCEEDS:**

No pooled fund investments made from the proceeds of a "Tax and/or Revenue Anticipation Note", the monies of which are deposited in the County Treasury, shall be invested for a period of time exceeding the maturity date of the notes nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the notes, be invested beyond the maturity date of the notes.

Page 8

Treasurer's Statement of Investment Policy  
December 1, 1997 (as revised June 11, 1998)

**POLICY ADOPTION & AMENDMENTS:**

This policy statement will become effective January 1, 1998 following adoption by the Board of Supervisors, and will remain in force until subsequently amended in writing by the County Treasurer-Tax Collector and approved by the Board.

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Paul McDonnell  
Treasurer-Tax Collector

Acknowledgment of Receipt:

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Kenneth Kirin, Investment Officer

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Donald Kent, Assistant Investment Officer

Invpo197-Invpl.

AUTHORIZED INVESTMENTS

DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY (S&P/MOODY'S/FITCH)
85% or \$850mm max		Max. 3 years	NA
<del>50% or \$500mm max</del> 75%	(Minute 3.446 Oct. 28, 1997)	Max 3 years	NA
15% max or \$150mm	Exception authorized for County's Teeter notes	Max 7 years with prior approval of Bd Supervisors	L/T A A2 A or better
30% max	Max \$30 mm in any one issuer	180 days	S/T ratings A-1 P-1 F-1
15% plus additional 15%	Max \$20 mm in any one issuer	Max 90 days if weighted ave. less than 32 days	S/T ratings A-1 P-1 F-1
0% max	Not authorized	Max 3 years	Non-rated
0% max	Not authorized	Max 1 year	L/T ratings A+ A1 A+ or better
2% max	See schedule 4	Max 1 year	
10% max	Repurchase agreements to be on file.	Max 7 days	
10% max	For temporary cash flow needs only. (See Schedule 3)	Max 92 days with prior approval of Bd. of Supervisors	
7% or \$75mm max	Max \$10mm in any one issuer	Max 2 years	L/T AA Aa2 AA or better
0% max	Not authorized		
15% or \$150mm max	Registered with SEC No NAV adjustments No front/end loads	Immediate liquidity	L/T ratings AAA by at least 2 of the 3 rating agencies.

(1) Whichever is greater

OFFICE OF THE TREASURER-TAX COLLECTOR  
COUNTY OF RIVERSIDE  
STATEMENT OF INVESTMENT POLICY  
Schedule II  
December 1, 1997

The Treasury is authorized to conduct investment security transactions with the following investment firms and broker/dealers, many of which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

A. Firms designated by the Federal Reserve Bank as Primary Government Dealers:

BA Securities  
Bear Stearns & Co. Inc.  
Chase Securities, Inc.  
Citicorp Securities, Inc.  
CS First Boston Corporation  
Dean Witter Reynolds, Inc.  
First Chicago Capital Markets, Inc.  
Fuji Securities, Inc.  
Goldman Sachs & Company  
Lehman Brothers, Inc.  
Merrill Lynch Government Securities, Inc.  
J. P. Morgan Securities Inc.  
Morgan Stanley & Co., Inc.  
Paine Webber Incorporated.  
Prudential Securities Incorporated  
Smith Barney, Inc.

B. Other authorized firms:

Cantor Fitzgerald Securities Corp  
Union Bank of California  
The Bank of New York (Repurchase Agreements only)  
Wells Fargo Bank, N.A. (Repurchase Agreements only)

C. Purchases direct from major commercial paper issuers, money market mutual funds, bankers acceptance issuers or savings and loan, meeting the requirements set forth in section 53601 and 53635.5 of the California Government Code: (i.e. an institution licensed by the State as a broker-dealer, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or a federal association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.)

- (1) General Electric Credit Corporation
- (2) Ford Motor Credit Co.

To ensure compliance with the County Treasurer's Investment Guidelines, each dealer brokerage firm is being supplied by Certified Mail a complete copy of this document filed with the Board of Supervisors.

OFFICE OF THE TREASURER-TAX COLLECTOR  
COUNTY OF RIVERSIDE

Policy Criteria for Selecting Broker/Dealers  
Schedule IIA

December 1, 1997

1. The County Treasury has elected to limit security transactions to only primary dealers of the Federal Reserve. Accordingly, the primary dealer must confirm that they are supervised by the New York Federal Reserve, that they are a member of the National Association of Security Dealers (NASD) and are registered with the SEC.
2. The County Treasurer's intent is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to our account are of primary importance.
3. The firm must state in writing its willingness to be bound by the County Treasurer's written Investment Policy Guidelines and California law.
4. The firm must provide an active secondary market for the securities it sells.
5. The firm must specify the types of securities it specializes in and will be made available for our account.
6. It is important that the firm provide related services that will enhance the account relationship which could include:
  - (a) An active secondary market for its securities.
  - (b) Internal credit research analysis on commercial paper, bankers acceptances and other securities it offers for sale.
  - (c) Be willing to market the securities in our portfolio.
  - (d) Be capable of providing market analysis, economic projections, newsletters.
  - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
7. The firm must be willing to provide us with annual financial statements.
8. If requested, the firm must be willing to provide us a list of local government clients or other references, particularly those client relationships established within the State of California.
9. The County Treasury is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank, The Bank of New York.
10. Without exception, all transactions are to be conducted on a "delivery vs. payment" basis.
11. The broker/dealer shall be headquartered or have a branch office either in California, Chicago, or New York City. Except for the above, the County Treasury will not conduct security transactions with any firm located out-of-state.
12. The broker/dealer must have been in operation for more than 5 years, and must have net capital in excess of \$100 million.
13. No business relationship shall be established with firms engaging in the sale of "exotic" products. Exotic meaning "unusually high yields", no ready secondary market, "high price volatility" on the security.
14. The firm must be registered with the State of California's regulatory agency.
15. No Broker/Dealer or security firm shall be selected who has within any consecutive 48 month period, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer or any member of the Board of Supervisors or to any candidate for these offices.

**OFFICE OF THE TREASURER-COLLECTOR  
COUNTY OF RIVERSIDE  
STATEMENT OF INVESTMENT POLICY  
Schedule III  
December 1, 1997**

POLICY STATEMENT ON REVERSE REPURCHASE AGREEMENTS

With recent changes in State law affecting Sections 53601(i) and 53635(i) of the Government Code, the Treasurer hereby institutes the following policies as further safeguards governing investments in Reverse Repurchase Agreements.

Reverse Repurchase Agreement transactions are to be used solely to finance temporary and unanticipated cash flow requirements for a period not to exceed 92 calendar days and shall not, in total dollar amount, exceed 10% of the portfolio value.

- (1) All loaned securities subject to Reverse Repurchase Agreements shall be properly flagged and immediately accounted for in the Treasurer's ADS financial system.
- (2) Investments purchased from the loaned proceeds of the Reverse Repurchase Agreement shall have maturities not exceeding the due date for repayment of the Reverse Repurchase Agreement transaction.
- (3) Only U. S. Treasury notes and Federal Agency securities actually owned, fully paid for, and held in the Treasurer's portfolio for a minimum of 30 days shall be subject to Reverse Repurchase Agreement transactions.
- (4) Reverse-Repurchase Agreements shall only be placed on portfolio securities:
  - (a) intended to be held to maturity,
  - (b) not needed for cash flow requirements within the next 9 months.
  - (c) fully owned, paid for, and held in the portfolio for a minimum of 30 days.
- (5) Reverse Repurchase Agreements shall only be made with primary dealers of the Federal Reserve Bank of New York.
- (6) A contractual agreement must be in place prior to entering into a Reverse Repurchase Agreement with any authorized broker-dealer listed in Schedule II.
- (7) Each Reverse Repurchase Agreement transaction shall have the prior approval of the County Treasurer and the Board of Supervisors.

COUNTY OF RIVERSIDE  
POLICY STATEMENT ON COLLATERALIZED TIME DEPOSITS  
SCHEDULE IV  
December 1, 1997

Before the Treasury can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys".
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County and must exceed the interest rate for treasury bills for a similar maturity period.
3. For investments less than \$100,000, FDIC insurance will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. For investments exceeding \$100,000, there will be a waiver of collateral for the first \$100,000 deposited and protected by FDIC insurance. The remainder of the deposit shall be fully collateralized by U. S. Treasury and Federal Agency securities having maturities less than five years. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Section 53652 of the Government Code.
5. The County Treasurer must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a "statement of financial condition" as well as an "income statement" depicting current and prior year operations.
6. The County Treasurer will not place a public fund deposit for more than 10% of the present paid-up capital and surplus of the bank.
7. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payable quarterly, etc.
8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with quarterly interest payments based upon the stated interest rate.
9. The County Treasury must receive a letter from the comptroller and/or treasurer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists between any County official and an officer or employee of the bank.
10. Time deposits will only be made with banks and savings and loans having branch office locations within Riverside County.

**OFFICE OF THE TREASURER-TAX COLLECTOR**  
**COUNTY OF RIVERSIDE**  
**Policy Criteria for Entering Into a Money Market Fund**  
**Schedule V**  
**December 1, 1997**

1. The firm must provide in writing a statement on the fund's letterhead that the fund meets the statutory requirements of California law (i.e., Sections 53601 and 53635 of the California Government Code).
2. The fund must provide evidence that it has been registered with SEC and has "AAA" ratings from two of the nationally recognized rating agencies: Moody's, Fitch, Standard & Poor's.
3. The fund's investments shall be limited to direct obligations in U. S. Treasury bills, federal agency securities, and repurchase agreements, and shall maintain a weighted average maturity within their portfolio of less than 90 days.
4. The fund must provide us copies of their portfolio reports, and shall provide at least at month-end, a complete listing of securities within the fund's portfolio.
5. The fund shall provide us a current prospectus before our participation in the fund.
6. The fund's prospectus cannot allow hedging strategies, options, futures, or security lending transactions.
7. The fund must maintain daily, a principal per share value of \$1.00 per share.
8. The fund shall provide information as to who serves as their custodial bank.
9. The fund shall provide, at least annually, financial statements on the fund's financial condition and investment performance.
10. The fund shall provide us wire instructions for the purchase and redemption of shares, and must be able to distribute interest earnings to the County Treasury on a monthly basis.
11. Unless the fund is more than five years old, the County Treasury is to be given its performance history since the inception of the fund.
12. The County Treasury is also to be given the date the fund was established, the total assets currently under management, the recent 12 months history as to either the growth or decline in assets under management, and whether or not the fund is assessing 12B-1 management fees. It would prove beneficial if the fund could provide us performance histories on competitor funds, should they be available.

**COUNTY OF RIVERSIDE**  
**Treasurer's Pooled Investment Fund**  
**Compliance Audit and Analysis of Investments**  
**As of September 30, 1997**



PORTFOLIO STATISTICS

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
Month-End Book Value	1,572,277,620	1,330,625,108	1,117,969,295	1,404,007,957	1,489,458,102	1,466,079,743
Month-End Market Value*	1,577,020,476	1,339,731,333	1,122,866,510	1,412,650,712	1,497,493,541	1,472,277,822
Paper Gain or (Loss)	4,742,856	9,106,225	4,897,215	8,642,755	8,035,439	6,198,079
Percent of Paper Gain or Loss	0.30%	0.68%	0.44%	0.61%	0.54%	0.42%
Yield Based Upon Book Value	5.44%	5.47%	5.48%	5.53%	5.55%	5.58%
Weighted Average Maturity (Days)	362	387	448	378	363	349

\*Includes Accrued Interest

**COMPLIANCE WITH STATE LAW AND TREASURER'S POLICY**

The Treasurer's Pooled Investment Fund is in compliance with the **California Government Code**. Local agency obligations consisting of the Riverside Teeter Notes exceed the 5 year limit set by the California Code; however, this exception has been authorized by the Board of Supervisors and the Statement of Investment Policy. **The County Treasurer's Statement of Investment Policy** is more stringent than the California Government Code. This policy is reviewed annually and presented to the County's Investment Oversight Committee and the County Board of Supervisors. As of September 30, 1997 the County's Pooled Investment Fund was in compliance with this more restrictive policy.

**SUMMARY OF PORTFOLIO**

The effective duration (price sensitivity) of the portfolio is 0.54 years. The market value of the portfolio would therefore be expected to change approximately 0.54% if interest rates were to move higher or lower by 100 basis points. The Riverside Portfolio Simulation is an analysis of what may happen to the portfolio value if interest rates go up or down 300 basis points in increments of 50 basis points. These scenarios assume a six month time horizon and a portfolio yield to maturity of 5.779% as the reinvestment rate.

**THE RIVERSIDE COUNTY POOLED INVESTMENT PORTFOLIO IS RATED  
AAA/MRI BY MOODY'S INVESTOR SERVICE AND AAA/V-1+ BY FITCH INVESTOR SERVICES**

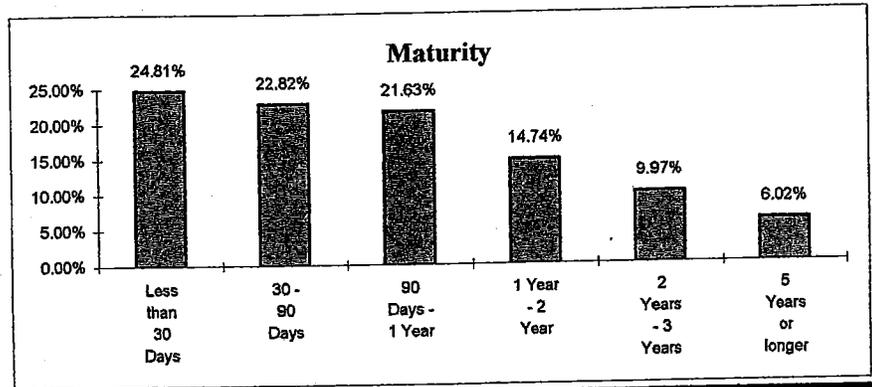
**Fund Services Associates, Inc.**

Mailing Label

# COUNTY OF RIVERSIDE

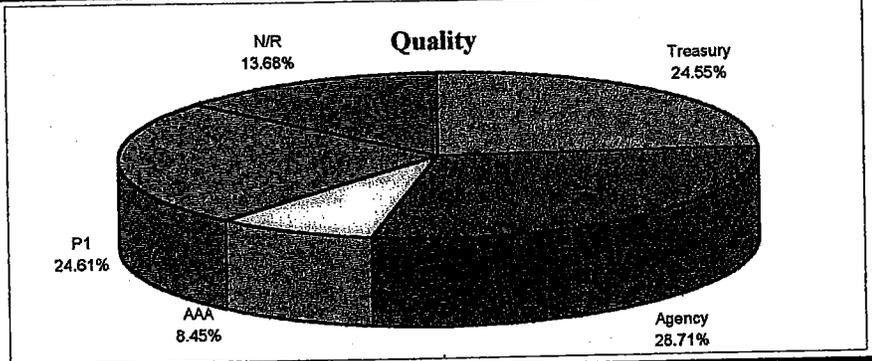
## Maturity

	<u>Assets</u>
Less than 30 Days	\$365,263,754.22
30 - 90 Days	\$335,904,462.78
90 Days - 1 Year	\$318,488,685.06
1 Year - 2 Year	\$217,128,619.72
2 Years - 3 Years	\$146,795,793.19
5 Years or longer	<u>\$88,696,506.55</u>
<b>Total:</b>	<b>\$1,472,277,821.52</b>



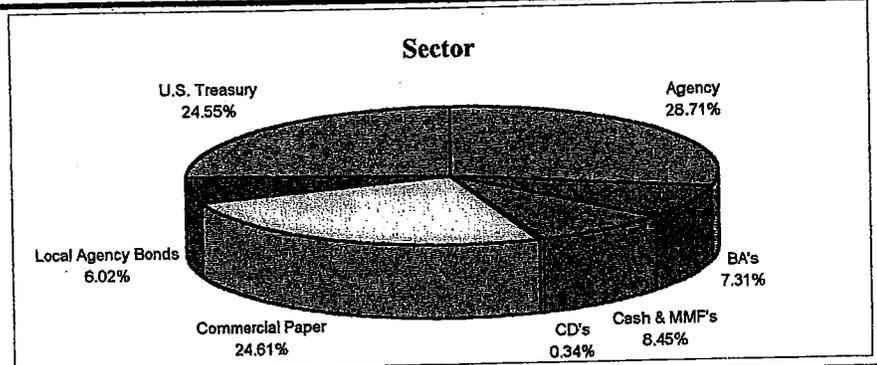
## Quality

	<u>Assets</u>
U.S. Treasury	\$361,432,691.52
Federal Agency	\$422,716,624.78
AAA	\$124,400,000.00
P1	\$362,350,109.95
AA	\$0.00
A	\$0.00
N/R	<u>\$201,378,395.62</u>
<b>Total:</b>	<b>\$1,472,277,821.87</b>



## Sector

	<u>Assets</u>
U.S. Treasury	\$361,432,691.52
Federal Agency	\$422,716,624.78
Cash & MMF's	\$124,400,000.00
Commercial Paper	\$362,350,109.95
Medium Term Notes	\$0.00
Bankers Acceptances	\$107,681,889.07
Certificates of Deposit	\$5,000,000.00
Local Agency Bonds	<u>\$88,696,506.55</u>
<b>Total:</b>	<b>\$1,472,277,821.87</b>



## RIVERSIDE PORTFOLIO SIMULATION

The table below shows the results of a price sensitivity stress test performed on the portfolio.

Yield Change (bp)	Total	-----6 Month Return (%)-----		Price	YTM/C	Avg. Life	Effective Duration	Market Value w/ Accr (\$000)	Acquisition Cost (\$000)	Gain/Loss (\$000)
		=	+							
-300	3.78	=	2.32	1.46	2.76	N/A	0.47	1,528,591	1,466,080	62,511
-250	3.64	=	2.42	1.22	3.26	N/A	0.47	1,526,607	1,466,080	60,527
-200	3.51	=	2.53	0.98	3.76	N/A	0.47	1,524,643	1,466,080	58,563
-150	3.38	=	2.63	0.74	4.26	N/A	0.47	1,522,702	1,466,080	56,622
-100	3.24	=	2.74	0.50	4.76	N/A	0.48	1,520,753	1,466,080	54,673
-50	3.11	=	2.85	0.26	5.26	N/A	0.51	1,518,723	1,466,080	52,643
0	2.95	=	2.95	0.00	5.76	0.92	0.54	1,516,448	1,466,080	50,368
50	2.77	=	3.06	-0.28	6.26	N/A	0.58	1,513,810	1,466,080	47,730
100	2.58	=	3.16	-0.59	6.76	N/A	0.60	1,510,921	1,466,080	44,841
150	2.37	=	3.27	-0.90	7.26	N/A	0.62	1,507,915	1,466,080	41,835
200	2.17	=	3.37	-1.21	7.76	N/A	0.62	1,504,890	1,466,080	38,810
250	1.96	=	3.48	-1.52	8.26	N/A	0.63	1,501,888	1,466,080	35,808
300	1.76	=	3.59	-1.83	8.76	N/A	0.63	1,498,896	1,466,080	32,816

This analysis demonstrates that sharp moves of interest rates either up or down by 3% will not have a damaging effect on this portfolio.



**COUNTY OF RIVERSIDE**  
*Treasurer's Pooled Investment Fund*  
**Compliance Audit and Analysis of Investments**  
*As of December 31, 1997*

R. WAYNE WATTS  
 TREASURER/TAX  
 COLLECTOR

KENNETH C. KIRIN  
 INVESTMENT OFFICER  
 (909) 275- 3960

PORTFOLIO STATISTICS

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Month-End Book Value	1,404,007,957	1,489,458,102	1,466,079,743	1,434,102,454	1,336,102,699	1,680,264,372
Month-End Market Value*	1,401,983,003	1,485,749,708	1,463,624,802	1,432,570,568	1,335,453,441	1,682,086,553
Paper Gain or (Loss)	-\$2,024,954	-\$3,708,394	-\$2,454,941	-\$1,531,886	-\$649,258	\$1,822,181
Percent of Paper Gain or Loss	-0.14%	-0.25%	-0.17%	-0.11%	-0.05%	0.11%
Yield Based Upon Book Value	5.53%	5.55%	5.58%	5.57%	5.52%	5.62%
Weighted Average Maturity (Days)	378	363	349	352	273	223

\* For the calendar month, and in keeping with GASB 31, the market value for the portfolio has been recalculated without any inclusions of accrued interest on the securities.

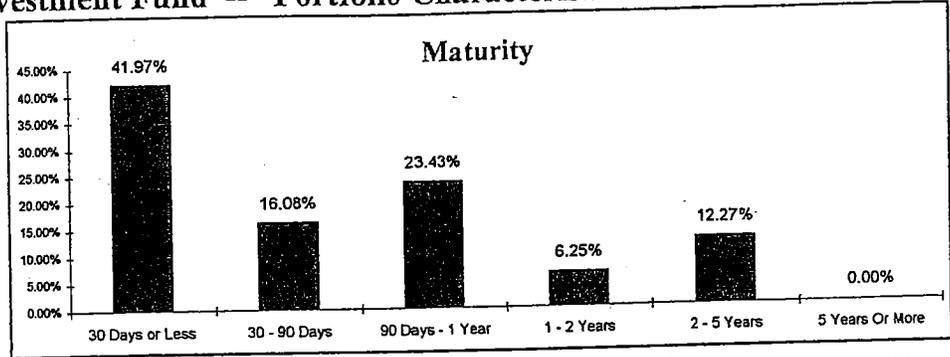
**THE RIVERSIDE COUNTY POOLED INVESTMENT PORTFOLIO IS RATED  
 AAA/MR1 BY MOODY'S INVESTOR SERVICE AND AAA/V-1+ BY FITCH INVESTOR SERVICES**

Mailing Label

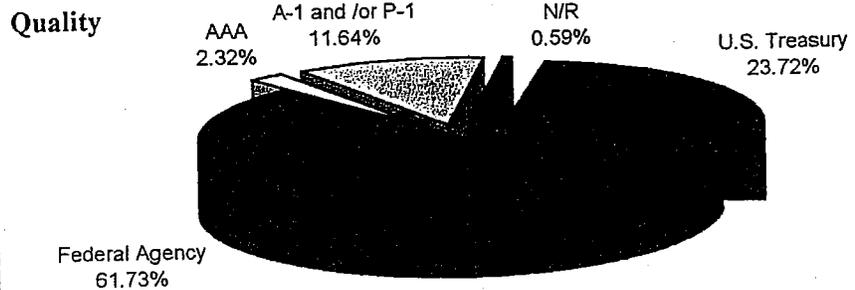
## COUNTY OF RIVERSIDE

### Pooled Investment Fund -- Portfolio Characteristics

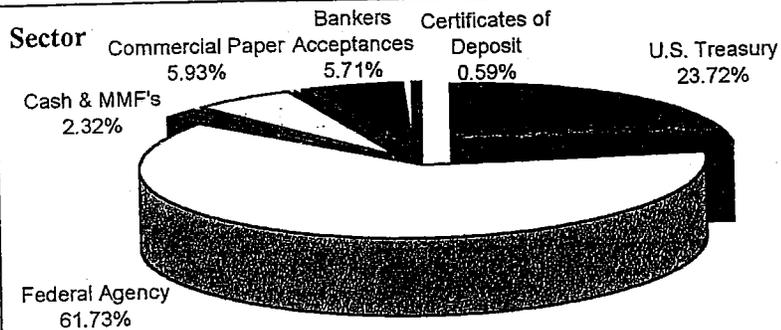
Maturity	Assets
30 Days or Less	705,893,012.38
30 - 90 Days	270,500,852.84
90 Days - 1 Year	394,130,299.39
1 - 2 Years	105,089,500.00
2 - 5 Years	206,472,888.60
5 Years Or More	\$0.00
<b>Total:</b>	<b>\$1,682,086,553.20</b>



Quality	Assets
U.S. Treasury	398,925,680.00
Federal Agency	1,038,404,298.09
AAA	39,000,000.00 *
A-1 and /or P-1	195,756,575.12
AA	\$0.00
A	\$0.00
N/R	10,000,000.00 **
<b>Total:</b>	<b>\$1,682,086,553.20</b>



Sector	Assets
U.S. Treasury	398,925,680.00
Federal Agency	1,038,404,298.09
Cash & MMF's	39,000,000.00
Commercial Paper	99,730,396.00
Medium Term Notes	\$0.00
Bankers Acceptances	96,026,179.12
Certificates of Deposit	10,000,000.00
Local Agency Bonds	\$0.00
<b>Total:</b>	<b>\$1,682,086,553.20</b>



\* Includes Repos \*\* Collateralized Time Deposits

### RIVERSIDE PORTFOLIO SIMULATION

## Interest Rate Stress Analysis

Interest rate stress analysis is used to show the effect on market value, given a dramatic change in interest rates. The table to the right shows the change in market value for both an instantaneous change in rates (takes place in one day) and a change in rates that takes place over six months. Interest rates are assumed to move up or down 300 basis points (bp) in 50 bp increments. Next to the change in market value is the gain/loss column for each scenario. The gain or loss is calculated by subtracting acquisition cost from market value. There are other factors, but the major difference in the two scenarios is interest earned. If the change takes place over six months there is an additional six months interest income, plus interest on cash flows reinvested at 5.68%. In addition, the portfolio is less sensitive to interest rate changes in six months because the portfolio is six months shorter.

Acquisition Cost	Yield Change (bp)	Interest Rate Changes Take Place:			
		Instantaneous		Over Six Months	
		Market Value	Gain/Loss	Market Value	Gain/Loss
\$1,680,264	-300	\$1,700,218	\$19,953	\$1,736,309	\$56,044
\$1,680,264	-250	\$1,697,228	\$16,963	\$1,735,511	\$55,246
\$1,680,264	-200	\$1,694,252	\$13,987	\$1,734,727	\$54,462
\$1,680,264	-150	\$1,691,285	\$11,020	\$1,733,952	\$53,687
\$1,680,264	-100	\$1,688,340	\$8,075	\$1,733,197	\$52,932
\$1,680,264	-50	\$1,685,355	\$5,090	\$1,732,402	\$52,137
<b>\$1,680,264</b>	<b>0</b>	<b>\$1,682,087</b>	<b>\$1,822</b>	<b>\$1,731,324</b>	<b>\$51,059</b>
\$1,680,264	50	\$1,678,276	-\$1,989	\$1,729,701	\$49,436
\$1,680,264	100	\$1,674,032	-\$6,233	\$1,727,645	\$47,380
\$1,680,264	150	\$1,669,530	-\$10,735	\$1,725,332	\$45,067
\$1,680,264	200	\$1,664,931	-\$15,334	\$1,722,919	\$42,654
\$1,680,264	250	\$1,660,325	-\$19,940	\$1,720,492	\$40,227
\$1,680,264	300	\$1,655,745	-\$24,520	\$1,718,092	\$37,827

(\$000) omitted.

Market Value w/o/Accr. Int.

This analysis demonstrates that sharp moves of interest rates either up or down by 3% will not have a significant effect on this portfolio.

## RIVERSIDE PORTFOLIO HOLDINGS REPORT

PORTFOLIO: Riverside  
 UPDATE: December 31, 1997

CUSTP	Par(\$)	Issuer	Coupon	Maturity	Acquisition Cost	Current Price	Current Market Value w/ Accr Int	Gain/Loss	Yld Mat	Eff Dur	Av Life
<b>Agency</b>											
313313RK	25,000,000.00	FEDERAL FARM CREDIT BANK	0.000	1/5/98	24,872,125.00	99.924	24,981,000.00	108,875.00	5.468	0.01	0.01
31331HLY	10,000,000.00	FEDERAL FARM CREDIT BANK	5.650	2/3/98	9,993,280.00	99.963	9,996,300.00	3,020.00	5.924	0.09	0.08
313313SY	5,000,000.00	FEDERAL FARM CREDIT BANK	0.000	2/11/98	4,958,000.00	99.364	4,968,200.00	10,200.00	5.618	0.11	0.08
31331HMH	10,000,000.00	FEDERAL FARM CREDIT BANK	5.470	4/1/98	10,000,000.00	99.938	9,993,800.00	(6,200.00)	5.642	0.24	0.25
31331RLL	8,135,000.00	FEDERAL FARM CREDIT BANK	6.150	12/29/00	8,145,168.75	100.735	8,194,792.25	49,623.50	5.879	2.63	3.00
31331HNB	15,000,000.00	FEDERAL FARM CREDIT BANK	5.550	3/2/98	15,000,000.00	99.976	14,996,400.00	(3,600.00)	5.587	0.16	0.17
31331HMT	10,000,000.00	FEDERAL FARM CREDIT BANK	5.540	3/2/98	10,000,000.00	99.983	9,998,300.00	(1,700.00)	5.576	0.16	0.17
3133M1WT	10,000,000.00	FEDERAL HOME LN BKS	5.645	10/2/98	9,993,750.00	99.970	9,997,000.00	3,250.00	5.673	0.70	0.75
3133M0YK	20,000,000.00	FEDERAL HOME LN BKS	5.991	8/4/99	19,992,920.00	99.911	19,982,200.00	(10,720.00)	6.046	0.66	1.58
3133M1KD	10,000,000.00	FEDERAL HOME LN BKS	6.000	8/27/99	10,000,000.00	99.912	9,991,200.00	(8,800.00)	6.050	0.72	1.67
3133M1NH	10,000,000.00	FEDERAL HOME LN BKS	6.065	9/16/99	9,985,000.00	100.083	10,008,300.00	23,300.00	6.006	1.07	0.75
3133M0SN	20,000,000.00	FEDERAL HOME LN BKS	6.460	7/24/00	20,030,000.00	100.304	20,060,800.00	30,800.00	6.327	1.04	0.58
3133M0Z7	20,000,000.00	FEDERAL HOME LN BKS	6.250	8/7/00	20,030,000.00	99.867	19,973,400.00	(56,600.00)	6.305	1.35	2.58
3133M1V8	17,950,000.00	FEDERAL HOME LN BKS	6.220	11/6/00	17,976,925.00	99.828	17,919,126.00	(57,799.00)	6.287	1.62	2.83
313385RS	30,000,000.00	FEDERAL HOME LN BKS	0.000	1/12/98	29,850,400.00	99.818	29,945,400.00	95,000.00	5.471	0.03	0.03
313385RU	36,500,000.00	FEDERAL HOME LN BKS	0.000	1/14/98	36,189,425.56	99.786	36,421,890.00	232,464.44	5.588	0.04	0.04
313385SY	5,000,000.00	FEDERAL HOME LN BKS	0.000	2/11/98	4,955,291.67	99.364	4,968,200.00	12,908.33	5.618	0.11	0.08
313397RU	73,500,000.00	FEDERAL HOME LN MTG CORP	0.000	1/14/98	73,047,422.92	99.786	73,342,791.59	295,368.67	5.590	0.01	0.01
313397RW	20,000,000.00	FEDERAL HOME LN MTG CORP	0.000	1/16/98	19,902,177.78	99.757	19,951,400.00	49,222.22	5.473	0.04	0.08
313397SA	40,000,000.00	FEDERAL HOME LN MTG CORP	0.000	1/20/98	39,823,288.89	99.697	39,878,800.00	55,511.11	5.474	0.05	0.08
313397SC	25,000,000.00	FEDERAL HOME LN MTG CORP	0.000	1/22/98	24,853,798.61	99.667	24,916,750.00	62,951.39	5.475	0.06	0.08
313397SY	15,000,000.00	FEDERAL HOME LN MTG CORP	0.000	2/11/98	14,880,787.50	99.364	14,904,600.00	23,812.50	5.618	0.11	0.08
3134A1QC	7,000,000.00	FEDERAL HOME LN MTG CORP	5.715	3/17/98	6,995,625.00	99.989	6,999,230.00	3,605.00	5.673	0.21	0.25
3134A1MR	20,000,000.00	FEDERAL HOME LN MTG CORP	6.360	2/11/00	20,000,000.00	99.852	19,970,400.00	(29,600.00)	6.437	0.87	2.08
3134A1WN	20,000,000.00	FEDERAL HOME LN MTG CORP	6.305	7/21/00	20,006,250.00	100.124	20,024,800.00	18,550.00	6.250	1.14	0.58
313397RS	53,000,000.00	FEDERAL HOME LN MTG CORP	0.000	1/12/98	52,656,254.44	99.817	52,903,010.00	246,755.56	5.587	0.03	0.03
3134A1KD	10,000,000.00	FEDERAL HOME LN MTG CORP	6.500	1/14/00	10,000,000.00	100.000	10,000,000.00	-	6.503	0.44	2.04
3134A1PR	20,000,000.00	FEDERAL HOME LN MTG CORP	6.465	3/6/00	20,000,000.00	99.977	19,995,400.00	(4,600.00)	6.477	0.85	0.17
313589RM	56,285,000.00	FEDERAL NATL MTG ASSN	0.000	1/7/98	56,032,214.25	99.894	56,225,337.90	193,123.65	5.470	0.02	0.02
313589RN	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/8/98	19,903,555.56	99.879	19,975,800.00	72,244.44	5.469	0.02	0.02
313589RT	30,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/13/98	29,844,075.00	99.803	29,940,900.00	96,825.00	5.472	0.03	0.04
313589RV	30,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/15/98	29,839,350.00	99.772	29,931,600.00	92,250.00	5.472	0.04	0.08
313589SA	80,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/20/98	79,631,327.78	99.697	79,757,600.00	126,272.22	5.474	0.05	0.08
313589SB	40,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/21/98	39,778,722.22	99.682	39,872,800.00	94,077.78	5.475	0.05	0.08
313589SD	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	1/23/98	19,902,005.56	99.651	19,930,200.00	28,194.44	5.476	0.06	0.08
313589SY	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	2/11/98	19,746,850.00	99.358	19,871,600.00	124,750.00	5.612	0.11	0.08
313589TU	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	3/3/98	19,718,405.56	99.066	19,813,200.00	94,794.44	5.386	0.17	0.17
313589TV	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	3/4/98	19,715,311.11	99.051	19,810,200.00	94,888.89	5.388	0.17	0.17
31364C6X	15,000,000.00	FEDERAL NATL MTG ASSN	5.710	9/9/98	14,984,160.00	100.012	15,001,800.00	17,640.00	5.678	0.64	0.67
31364CSU	10,000,000.00	FEDERAL NATL MTG ASSN	5.700	12/18/98	9,985,100.00	99.958	9,995,800.00	10,700.00	5.743	0.92	1.00
31364C2J	10,000,000.00	FEDERAL NATL MTG ASSN	5.900	7/14/99	10,001,562.50	100.186	10,018,600.00	17,037.50	5.770	1.37	1.50
31364CZV	5,000,000.00	FEDERAL NATL MTG ASSN	6.660	3/27/00	5,000,000.00	100.219	5,010,950.00	10,950.00	6.553	0.59	0.25
31359MBT	10,000,000.00	FEDERAL NATL MTG ASSN	6.860	4/24/00	9,997,200.00	100.359	10,035,900.00	38,700.00	6.689	0.56	0.33
31364CS4	10,000,000.00	FEDERAL NATL MTG ASSN	6.640	6/12/00	10,000,000.00	100.358	10,035,800.00	35,800.00	6.477	0.85	0.42
31364BDS	10,145,000.00	FEDERAL NATL MTG ASSN	6.250	6/15/00	10,151,087.00	100.083	10,153,420.35	2,333.35	6.212	1.09	0.50
31364CAZ	10,000,000.00	FEDERAL NATL MTG ASSN	6.210	8/16/00	10,028,125.00	100.086	10,008,600.00	(19,525.00)	6.175	1.90	1.67
31364FDM	10,000,000.00	FEDERAL NATL MTG ASSN	6.100	10/16/00	10,000,000.00	99.860	9,986,000.00	(14,000.00)	6.151	1.53	2.83
31364FJT	15,000,000.00	FEDERAL NATL MTG ASSN	6.140	12/11/00	15,000,000.00	100.690	15,103,500.00	103,500.00	5.880	2.58	2.92
313389G6	5,000,000.00	FHLB INV-VAR (9%-3M LIBOR)	5.093	12/16/98	5,000,000.00	99.000	4,950,000.00	(50,000.00)	6.901	0.19	1.00
313389ZT	10,000,000.00	FHLB-IF(10Y CMT+3%-6M LIBOR)	3.080	11/10/98	10,000,000.00	97.000	9,700,000.00	(300,000.00)	6.911	1.31	0.83
86387UAH	10,000,000.00	STUDENT LOAN MARKETING ASSN	6.161	12/2/99	10,000,000.00	99.956	9,995,600.00	(4,400.00)	6.182	0.70	1.92
86387RZD	8,000,000.00	STUDENT LOAN MARKETING ASSN	5.535	2/25/98	7,999,375.00	99.945	7,995,600.00	(3,775.00)	5.787	0.15	0.17
<b>Sub-Total</b>	<b>1,040,515,000.00</b>				<b>1,036,396,317.66</b>		<b>1,038,404,298.09</b>	<b>2,007,980.43</b>	<b>5.731</b>	<b>0.380</b>	<b>0.48</b>
<b>Cash &amp; Money Markets</b>											
0500AS96	5,000,000.00	AIM ST TREASURY PORTFOLIO	5.550	3/31/98	5,000,000.00	100.000	5,000,000.00	-	5.627	0.24	0.25
00FIT000	1,000,000.00	FIN INV TRUST GOVT MMF	5.300	3/31/98	1,000,000.00	100.000	1,000,000.00	-	5.374	0.24	0.25
REPO1001	8,000,000.00	REPURCHASE AGREEMENT	6.000	1/5/98	8,000,000.00	100.000	8,000,000.00	-	6.083	0.01	0.01
WELLSREP	25,000,000.00	WELLS FARGO	5.450	1/6/98	25,000,000.00	100.000	25,000,000.00	-	5.526	0.01	0.02
<b>Sub-Total</b>	<b>39,000,000.00</b>				<b>39,000,000.00</b>		<b>39,000,000.00</b>	<b>-</b>	<b>5.649</b>	<b>0.05</b>	<b>0.05</b>
<b>Collateralized Time Deposits</b>											
CNBCD398	5,000,000.00	CITIZENS NATIONAL BANK	5.250	3/26/98	5,000,000.00	100.000	5,000,000.00	-	5.360	0.25	0.25
CNBCD399	5,000,000.00	CITIZENS NATIONAL BANK	5.390	6/18/98	5,000,000.00	100.000	5,000,000.00	-	5.465	0.45	0.50
	<b>10,000,000.00</b>				<b>10,000,000.00</b>		<b>10,000,000.00</b>	<b>-</b>	<b>5.413</b>	<b>0.35</b>	<b>0.38</b>

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## RIVERSIDE PORTFOLIO HOLDINGS REPORT

PORTFOLIO: Riverside  
 UPDATE: December 31, 1997

<u>CUSIP</u>	<u>Par(\$)</u>	<u>Issuer</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Acquisition Cost</u>	<u>Current Price</u>	<u>Current Market Value w/Accr Int.</u>	<u>Gain/Loss</u>	<u>Yld Mat</u>	<u>Eff Dur</u>	<u>Av Life</u>
<b>Bankers Acceptances</b>											
BMNOB001	10,000,000.00	BANKAMERICA CORP	0.000	1/23/98	9,918,677.78	99.642	9,964,200.00	45,522.22	5.698	0.06	0.08
BMNOB003	16,000,000.00	BANKAMERICA CORP	0.000	3/11/98	15,577,760.00	98.905	15,824,800.00	247,040.00	5.773	0.19	0.17
BMNOB00G	4,000,000.00	BANKAMERICA CORP	0.000	3/16/98	3,924,222.22	98.815	3,952,600.00	28,377.78	5.838	0.20	0.25
BTCOB001	4,167,196.12	BANKERS TRUST NY	0.000	1/15/98	4,118,262.82	99.769	4,157,569.90	39,307.08	5.645	0.04	0.08
BKPOB002	7,199,549.75	BANKERS TRUST NY	0.000	2/24/98	7,018,391.08	99.151	7,138,425.57	120,034.49	5.686	0.15	0.17
BKPOB003	7,000,000.00	BANKERS TRUST NY	0.000	3/24/98	6,816,724.44	98.702	6,909,140.00	92,415.56	5.781	0.22	0.25
AFROB003	15,954,785.06	CHASE MANHATTAN	0.000	3/23/98	15,520,845.93	98.719	15,750,404.26	229,558.33	5.777	0.22	0.25
AFROB004	5,596,124.82	CHASE MANHATTAN	0.000	4/27/98	5,444,199.36	98.179	5,494,219.39	50,020.03	5.785	0.31	0.33
FCBA001	13,000,000.00	FIRST CHICAGO	0.000	1/21/98	12,952,658.33	99.676	12,957,880.00	5,221.67	5.645	0.05	0.08
FCBA002	7,000,000.00	FIRST CHICAGO	0.000	2/26/98	6,905,943.33	99.121	6,938,470.00	32,526.67	5.677	0.15	0.17
FCBA003	7,000,000.00	FIRST CHICAGO	0.000	2/26/98	6,811,626.39	99.121	6,938,470.00	126,643.61	5.677	0.15	0.17
	96,917,855.75				95,009,511.68		96,026,179.12	1,016,667.44	5.727	0.16	0.18
<b>Commercial Paper</b>											
14178EA5	20,000,000.00	CARGILL, INC	0.000	1/5/98	19,982,694.44	99.923	19,984,600.00	1,905.56	5.631	0.01	0.01
36960MBB	12,100,000.00	GENL ELECTRIC	0.000	2/11/98	11,989,466.50	99.353	12,021,713.00	32,246.50	5.664	0.11	0.08
47507MA8	7,900,000.00	JEFFERSON PILOT CP	0.000	1/8/98	7,864,177.89	99.877	7,890,283.00	26,105.11	5.634	0.02	0.02
59018KA6	20,000,000.00	MERRILL LYNCH	0.000	1/6/98	19,912,550.00	99.908	19,981,600.00	69,050.00	5.632	0.01	0.02
7954W1BB	20,000,000.00	SALOMON INC	0.000	2/11/98	19,804,355.56	99.353	19,870,600.00	66,244.44	5.664	0.11	0.08
9048SLA6	20,000,000.00	UNIONBANCAL	0.000	1/6/98	19,892,750.00	99.908	19,981,600.00	88,850.00	5.632	0.01	0.02
	100,000,000.00				99,445,994.39		99,730,396.00	284,401.61	5.642	0.04	0.04
<b>U.S. Treasury</b>											
9127946R	20,000,000.00	UNITED STATES TREAS BILLS	0.000	6/4/98	19,476,866.67	97.747	19,549,400.00	72,533.33	5.389	0.41	0.42
9127946J	10,000,000.00	UNITED STATES TREAS BILLS	0.000	3/26/98	9,870,950.00	98.728	9,872,800.00	1,850.00	5.393	0.23	0.25
9127946E	5,000,000.00	UNITED STATES TREAS BILLS	0.000	2/19/98	4,870,451.39	99.282	4,964,100.00	93,648.61	5.280	0.13	0.17
912827J4	10,000,000.00	UNITED STATES TREAS NTS	5.625	1/31/98	9,975,000.00	100.006	10,000,600.00	25,600.00	5.550	0.08	0.08
912827J9	5,000,000.00	UNITED STATES TREAS NTS	5.125	2/28/98	4,918,359.38	99.938	4,996,900.00	78,540.62	5.422	0.15	0.17
912827X5	11,000,000.00	UNITED STATES TREAS NTS	5.875	4/30/98	10,974,609.38	100.156	11,017,160.00	42,550.62	5.345	0.32	0.33
912827X9	8,000,000.00	UNITED STATES TREAS NTS	6.000	5/31/98	7,972,031.25	100.183	8,015,040.00	43,008.75	5.512	0.40	0.42
912827L6	10,000,000.00	UNITED STATES TREAS NTS	5.250	7/31/98	9,938,671.88	99.825	9,982,500.00	43,828.12	5.551	0.55	0.58
912827U7	10,000,000.00	UNITED STATES TREAS NTS	5.875	8/15/98	9,990,625.00	100.137	10,013,700.00	23,075.00	5.636	0.59	0.67
912827M4	167,000,000.00	UNITED STATES TREAS NTS	4.750	9/30/98	167,627,145.55	99.389	165,979,630.00	(1,647,515.55)	5.582	0.72	0.75
912827M6	65,000,000.00	UNITED STATES TREAS NTS	4.750	10/31/98	64,975,775.00	99.234	64,502,100.00	(473,675.00)	5.695	0.80	0.83
912827V7	10,000,000.00	UNITED STATES TREAS NTS	5.500	11/15/98	9,989,062.50	99.828	9,982,800.00	(6,262.50)	5.696	0.84	0.92
912827N2	10,000,000.00	UNITED STATES TREAS NTS	5.125	11/30/98	9,946,875.00	99.516	9,951,600.00	4,725.00	5.669	0.88	0.92
9128272B	10,000,000.00	UNITED STATES TREAS NTS	5.625	11/30/98	9,990,625.00	99.984	9,998,400.00	7,775.00	5.637	0.88	0.92
9128272D	5,000,000.00	UNITED STATES TREAS NTS	5.750	12/31/98	4,986,950.00	100.107	5,005,350.00	18,400.00	5.638	0.96	1.00
9128272F	20,000,000.00	UNITED STATES TREAS NTS	5.875	1/31/99	19,961,718.75	100.204	20,040,800.00	79,081.25	5.673	1.01	1.08
9128272K	20,000,000.00	UNITED STATES TREAS NTS	5.875	2/28/99	19,955,425.01	100.236	20,047,200.00	91,774.99	5.654	1.09	1.17
9128273H	5,000,000.00	UNITED STATES TREAS NTS	5.750	9/30/99	4,991,406.25	100.112	5,005,600.00	14,193.75	5.676	1.62	1.75
Sub-Totals	401,000,000.00				400,412,548.01		398,925,680.00	(1,486,868.01)	5.589	0.71	0.74
Grand-Totals	1,687,432,655.75				1,680,264,371.74		1,682,086,553.20	1,822,181.46	5.688	0.42	0.49

## COMPLIANCE

### CALIFORNIA GOVERNMENT CODE & COUNTY INVESTMENT POLICY AUTHORIZED INVESTMENTS

Cal. Govt. Code	Investment Category	Government Code			County Investment Policy			Actual Riverside Portfolio %
		Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	
53601(a)	LOCAL AGY BONDS	5 YEARS	NO LIMIT		7 YEARS	15% / \$150mm	A/A2	0.00%
53601(b)	U. S. TREASURY	5 YEARS	NO LIMIT		3 YEARS	85%/850mm	N/A	23.72%
53601(d)	CALIFORNIA LOCAL AGENCY DEBT	5 YEARS	NO LIMIT		Combined w/Local Agency Bds			
53601(e)	FEDERAL AGENCIES	5 YEARS	NO LIMIT		3 YEARS	75%	N/A	61.73%
53601(f)	BILLS OF EXCHANGE	270 DAYS	40% <sup>1</sup>		180 DAYS	30%	A1/P1	5.71%
53601(g)	COMM. PAPER	180 DAYS	15% or 30% <sup>2</sup>	A1/P1	90/32 DAYS	15% plus 15%	A1/P1	5.93%
53601(h)	CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		1 YEAR	0% max	A+/A1	
53601(i)	REPOS	1 YEAR	NO LIMIT		7 DAYS	10% max	N/A	1.96%
53601(j)	REVERSE REPOS	92 DAYS	20%		92 DAYS	10% max	N/A	0.00%
53601(j)	MED. TERM NOTES	5 YEARS	30%	A	2 YEARS	7% / \$75mm	AA/Aa2	0.00%
53601(k)	MUTUAL FUNDS	5 YEARS <sup>3</sup>	20%	AAA/Aaa <sup>4</sup>	IMMEDIATE	15% / \$150mm	AAA	0.36%
53601(m)	SECURED DEPOSITS (BANK DEPOSITS)	5 YEARS	NO LIMIT		1 YEAR	2% max		0.59%
53601(n)	MORTGAGE PASS-THROUGH SECURITY	5 YEARS	20%	AA	N/A	N/A		
	LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		3 YEARS	0% max		

<sup>1</sup> No more than 30% of this category may be invested with any one commercial bank

<sup>2</sup> 30% if dollar weighted average maturity does not exceed 31 days

<sup>3</sup> Mutual Funds maturity may be interpreted as weighted average maturity

<sup>4</sup> Or must have an Investment Advisor with not less than 5 years experience and with assets under management of \$500,000,000.

## COMPLIANCE WITH STATE LAW AND TREASURER'S POLICY

The County Treasurer's Statement of Investment Policy is more stringent than the California Government Code. This policy is reviewed annually and presented to the County's Investment Oversight Committee and the County Board of Supervisors. As of this month end the County's Pooled Investment Fund was in compliance with this more restrictive policy. Although we have been diligent in the preparation of this report, we have relied upon numerous pricing and analytical sources including Bloomberg Market Database and Capital Management Sciences, Inc.

FUND SERVICES ASSOCIATES, INC.

*Fund Services Associates, Inc.*

(310) 229-9185

Los Angeles - San Francisco - New York

Registered Investment Advisors

**FSA**

## County of Riverside

### PROJECTION OF FUTURE CASH FLOW

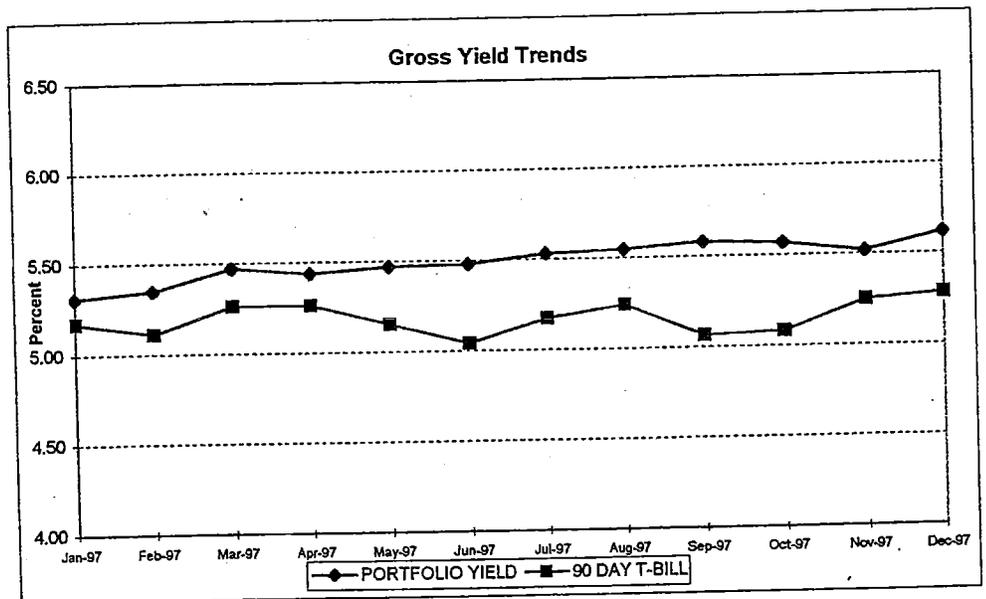
The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. The Treasurer states that based upon projected cash receipts and maturing investments there are sufficient funds to meet future cash flow disbursement requirements over the next 12 months.

<u>MONTH</u>	<u>MONTHLY RECEIPTS</u>	<u>MONTHLY DISBMNTS</u>	<u>DIFFERENCE</u>	<u>REQUIRED MAT. INVEST</u>	<u>BALANCE</u>	<u>ACTUAL INV. MATURITIES</u>	<u>AVAIL. TO INVEST &gt;1 YR.</u>
<b>01/01</b>					42.0		
01/98	278.9	481.5	(202.6)	160.6	-	713.7	
02/98	299.8	333.8	(34.0)	34.0	-	118.0	
03/98	336.8	287.6	49.2	-	49.2	134.1	
04/98	599.9	370.1	229.8	-	279.0	26.4	
05/98	231.1	489.0	(257.9)	-	21.1	7.9	
06/98	287.6	529.6	(242.0)	220.9	-	31.2	
07/98	229.8	323.0	(93.2)	93.2	-	10.0	
08/98	295.5	263.2	32.3	-	32.3	10.0	
09/98	225.5	269.1	(43.6)	11.3	-	182.6	
10/98	256.2	355.1	(98.9)	98.9	-	75.0	
11/98	290.7	322.9	(32.2)	32.2	-	39.9	
12/98	674.6	339.1	335.5	-	335.5	19.9	
<b>Totals:</b>	<b>4,006.4</b>	<b>4,364.0</b>	<b>(357.6)</b>	<b>651.1</b>		<b>1,368.7</b>	<b>1,028.9</b>
				<b>38.76%</b>		<b>81.47%</b>	<b>61.24%</b>

## Gross Yield Trends

The yield history represents gross yields; administrative costs have not been deducted. Actual earnings on your fund balance will be credited by the Auditor-Controller based upon County Treasurer calculations. Portfolio yield always lags current trends in short-term interest rates. Yields fluctuate with changing markets and past performance is not an indication of future results.

<u>MONTH</u>	<u>PORTFOLIO YIELD</u>	<u>90 DAY T-BILL</u>
Jan-97	5.31	5.17
Feb-97	5.35	5.11
Mar-97	5.47	5.26
Apr-97	5.44	5.26
May-97	5.47	5.15
Jun-97	5.48	5.04
Jul-97	5.53	5.17
Aug-97	5.55	5.24
Sep-97	5.58	5.06
Oct-97	5.57	5.08
Nov-97	5.52	5.25
Dec-97	5.62	5.28





**COUNTY OF RIVERSIDE**  
**Treasurer's Pooled Investment Fund**  
**Compliance Audit and Analysis of Investments**  
**As of March 31, 1998**

PAUL McDONNELL  
 TREASURER/TAX  
 COLLECTOR

KENNETH C. KIRIN  
 INVESTMENT OFFICER  
 (909) 955 - 3967

PORTFOLIO STATISTICS

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Month-End Book Value	1,434,102,454	1,336,102,699	1,680,264,372	1,550,489,277	1,527,404,595	1,561,636,568
Month-End Market Value*	1,432,570,568	1,335,453,441	1,682,086,553	1,550,329,705	1,526,146,035	1,560,227,395
Paper Gain or (Loss)	-\$1,531,886	-\$649,258	\$1,822,181	-\$159,572	-\$1,258,560	-\$1,409,173
Percent of Paper Gain or Loss	-0.11%	-0.05%	0.11%	-0.01%	-0.08%	-0.09%
Yield Based Upon Book Value	5.57%	5.52%	5.62%	5.52%	5.49%	5.50%
Weighted Average Maturity (Days)	352	273	223	236	241	258

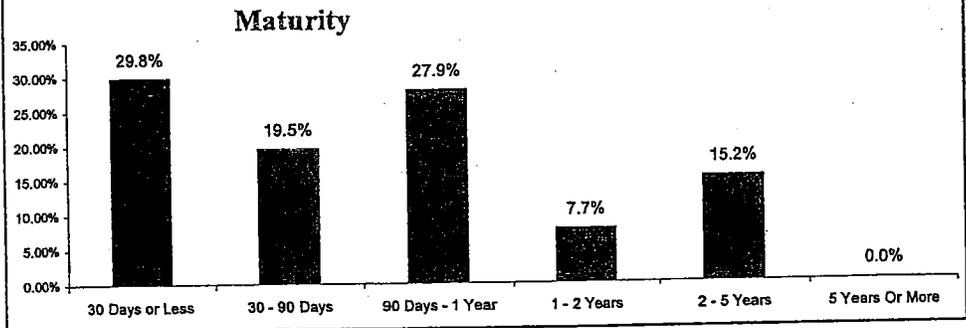
\*For the calendar month, and in keeping with GASB 31, the market value for the portfolio has been recalculated without any inclusions of accrued interest on the securities.

**THE RIVERSIDE COUNTY POOLED INVESTMENT PORTFOLIO IS RATED  
 AAA/MR1 BY MOODY'S INVESTOR SERVICE AND AAA/V-1+ BY FITCH INVESTOR SERVICES**

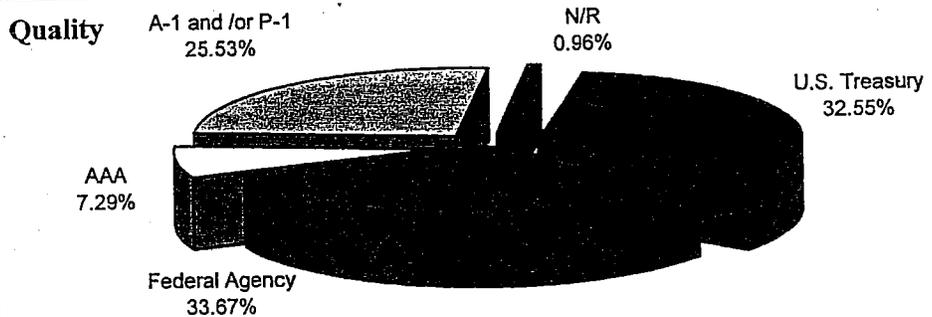
Mailing Label

## COUNTY OF RIVERSIDE Pooled Investment Fund -- Portfolio Characteristics

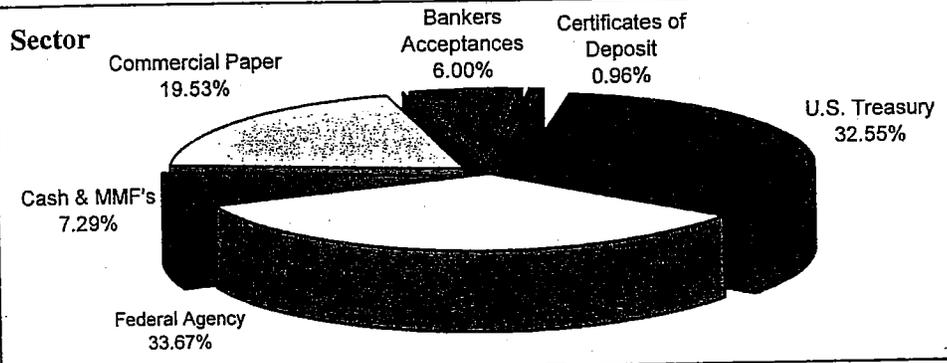
<u>Maturity</u>	<u>Assets</u>
0 Days or Less	464,234,616.12
0 - 90 Days	304,253,753.68
90 Days - 1 Year	435,494,283.60
1 - 2 Years	119,806,850.00
2 - 5 Years	236,437,891.85
5 Years Or More	-
<b>Total:</b>	<b>1,560,227,395.25</b>



<u>Quality</u>	<u>Assets</u>
J.S. Treasury	507,823,072.35
Federal Agency	525,273,897.40
AAA	113,800,000.00 *
A-1 and /or P-1	398,330,425.50
AA	\$0.00
A	\$0.00
N/R	15,000,000.00 **
<b>Total:</b>	<b>\$1,560,227,395.25</b>



<u>Sector</u>	<u>Assets</u>
U.S. Treasury	507,823,072.35
Federal Agency	525,273,897.40
Cash & MMF's	113,800,000.00
Commercial Paper	304,694,165.94
Medium Term Notes	\$0.00
Bankers Acceptances	93,636,259.56
Certificates of Deposit	15,000,000.00
Local Agency Bonds	\$0.00
<b>Total:</b>	<b>\$1,560,227,395.25</b>



\* Includes Repos \*\* Collateralized Time Deposits

### RIVERSIDE PORTFOLIO SIMULATION

## Interest Rate Stress Analysis

Interest rate stress analysis is used to show the effect on market value, given a dramatic change in interest rates. The table to the right shows the change in market value for both an instantaneous change in rates (takes place in one day) and a change in rates that takes place over six months. Interest rates are assumed to move up or down 300 basis points (bp) in 50 bp increments. Next to the change in market value is the gain/loss column for each scenario. The gain or loss is calculated by subtracting acquisition cost from market value. There are other factors, but the major difference in the two scenarios is interest earned. If the change takes place over six months there is an additional six months interest income, plus interest on cash flows reinvested at 5.60%. In addition, the portfolio is less sensitive to interest rate changes in six months because the portfolio is six months shorter.

Acquisition Cost	Yield Change (bp)	Interest Rate Changes Take Place:			
		Instantaneous		Over Six Months	
		Market Value	Gain/Loss	Market Value	Gain/Loss
\$1,561,637	-300	\$1,577,910	\$16,274	\$1,609,959	\$48,323
\$1,561,637	-250	\$1,575,004	\$13,368	\$1,608,823	\$47,187
\$1,561,637	-200	\$1,572,109	\$10,473	\$1,607,698	\$46,062
\$1,561,637	-150	\$1,569,228	\$7,592	\$1,606,588	\$44,952
\$1,561,637	-100	\$1,566,346	\$4,710	\$1,605,476	\$43,840
\$1,561,637	-50	\$1,563,399	\$1,763	\$1,604,300	\$42,664
<b>\$1,561,637</b>	<b>0</b>	<b>\$1,560,227</b>	<b>-\$1,409</b>	<b>\$1,602,899</b>	<b>\$41,263</b>
\$1,561,637	50	\$1,556,630	-\$5,006	\$1,601,073	\$39,437
\$1,561,637	100	\$1,552,624	-\$9,012	\$1,598,839	\$37,203
\$1,561,637	150	\$1,548,283	-\$13,353	\$1,596,270	\$34,634
\$1,561,637	200	\$1,543,781	-\$17,855	\$1,593,540	\$31,904
\$1,561,637	250	\$1,539,272	-\$22,364	\$1,590,799	\$29,163
\$1,561,637	300	\$1,534,778	-\$26,858	\$1,588,071	\$26,435

(\$000) omitted.

This analysis demonstrates that sharp moves of interest rates either up or down by 3% will not have a significant effect on this portfolio.

## RIVERSIDE PORTFOLIO HOLDINGS REPORT

PORTFOLIO: Riverside  
March 31, 1998

CUSIP	Par(\$)	Issuer	Condon	Maturity	Acquisition Cost	Current Price	Current Market * Value w/o Accr Int	Gain/Loss	Yld Mat**	Eff Dur	Av Life
<b>Bankers Acceptance</b>											
1FNGO00	10,000,000.00	FIRST CHICAGO	0.000	04/06/98	9,959,125.00	99.591	9,959,125.00	-	5.470	0.02	0.02
BMNOB00	10,000,000.00	BANKAMERICA CORP	0.000	04/07/98	9,959,050.00	99.591	9,959,050.00	-	5.472	0.02	0.02
BKPOB00	7,247,987.74	BANKERS TRUST NY	0.000	04/17/98	7,204,958.85	99.406	7,204,958.85	-	5.510	0.08	0.08
BMNOB00	10,000,000.00	BANKAMERICA CORP	0.000	04/23/98	9,871,477.78	98.715	9,871,477.78	-	5.450	0.08	0.08
AFROB00	5,596,124.82	CHASE MANHATTAN	0.000	04/27/98	5,444,199.36	97.285	5,444,199.36	-	5.602	0.08	0.08
BMNOB00	10,000,000.00	BANKAMERICA CORP	0.000	05/11/98	9,915,377.78	99.154	9,915,377.78	-	5.486	0.08	0.08
15312	8,133,654.43	BANKERS TRUST NY	0.000	05/18/98	8,047,143.98	98.936	8,047,143.98	-	5.529	0.10	0.10
AHZ0B00	16,700,000.00	CHASE MANHATTAN	0.000	05/22/98	16,550,836.53	99.107	16,550,836.53	-	5.500	0.17	0.17
1NGO006	10,000,000.00	FIRST CHICAGO	0.000	06/03/98	9,872,263.89	98.723	9,872,263.89	-	5.564	0.17	0.17
FCBA003	7,000,000.00	FIRST CHICAGO	0.000	06/10/98	6,811,826.39	97.312	6,811,826.39	-	5.669	0.17	0.17
Sub-Total	94,677,766.99				93,636,259.56		93,636,259.56	-	5.515	0.10	0.10
<b>Commercial paper</b>											
2546R1D2	20,000,000.00	WALT DISNEY CO	0.000	04/02/98	19,856,533.33	99.283	19,856,533.33	-	5.418	0.01	0.01
61745BD3	15,000,000.00	MORGAN STANLEY GROUP	0.000	04/03/98	14,935,483.33	99.570	14,935,483.33	-	5.551	0.01	0.01
36959JD6	15,000,000.00	GENERAL ELEC CAP SVCS	0.000	04/06/98	14,937,787.50	99.585	14,937,787.50	-	5.553	0.02	0.02
34539UD8	5,000,000.00	FORD MOTOR CRED	0.000	04/08/98	4,937,750.00	98.755	4,937,750.00	-	5.468	0.02	0.02
03071BD9	20,000,000.00	AMERITECH CAPITAL	0.000	04/09/98	19,748,777.78	98.744	19,748,777.78	-	5.388	0.03	0.03
26354BD9	10,000,000.00	DU PONT	0.000	04/09/98	9,873,916.67	98.739	9,873,916.67	-	5.408	0.03	0.03
91411UD9	20,000,000.00	REGENTS OF THE UNIV OF CAL	0.000	04/09/98	19,745,944.44	98.730	19,745,944.44	-	5.447	0.03	0.03
7838T3DE	15,000,000.00	SBC COMMUNICATIONS	0.000	04/14/98	14,799,000.00	98.860	14,799,000.00	-	5.435	0.04	0.04
07389BDH	20,000,000.00	BEAR STEARNS	0.000	04/17/98	19,879,966.67	99.400	19,879,966.67	-	5.573	0.08	0.08
44922BDQ	20,000,000.00	I B M CORP	0.000	04/24/98	19,868,850.00	99.344	19,868,850.00	-	5.526	0.08	0.08
0640M1DV	20,000,000.00	BANK OF NEW YORK	0.000	04/29/98	19,861,500.00	99.308	19,861,500.00	-	5.575	0.08	0.08
19121EE4	20,000,000.00	COCA-COLA CO	0.000	05/04/98	19,910,583.33	99.553	19,910,583.33	-	5.492	0.08	0.08
59018KE4	20,000,000.00	MERRILL LYNCH	0.000	05/04/98	19,881,700.00	99.409	19,881,700.00	-	5.540	0.08	0.08
14178EE5	20,000,000.00	CARGILL INC	0.000	05/05/98	19,882,350.00	99.412	19,882,350.00	-	5.462	0.08	0.08
07785BE7	20,000,000.00	BELL ATLANTIC FINL SVCS INC	0.000	05/07/98	19,865,555.56	99.328	19,865,555.56	-	5.537	0.08	0.08
7954W1EC	20,000,000.00	SMITH BARNEY INC	0.000	05/12/98	19,729,500.00	98.648	19,729,500.00	-	5.484	0.08	0.08
8935OBED	7,200,000.00	TRANSAMERICA FIN	0.000	05/13/98	7,152,184.00	99.336	7,152,184.00	-	5.597	0.08	0.08
72447HEE	20,000,000.00	PITNEY BOWES CREDIT	0.000	05/14/98	19,826,783.33	99.134	19,826,783.33	-	5.517	0.08	0.08
Sub-Total	307,200,000.00	Average Weighted Days for Commercial Paper =		23.13	304,694,165.94		304,694,165.94	-	5.498	0.06	0.06
<b>U.S. Treasury</b>											
9127946M	55,000,000.00	UNITED STATES T-BILL	0.000	04/23/98	54,737,902.08	99.523	54,737,902.08	-	5.390	0.08	0.08
912827X5	11,000,000.00	UNITED STATES TREAS NTS	5.875	04/30/98	10,974,609.38	100.031	11,003,410.00	28,800.62	5.366	0.08	0.08
912827X9	8,000,000.00	UNITED STATES TREAS NTS	6.000	05/31/98	7,972,031.25	100.062	8,004,960.00	32,928.75	5.511	0.16	0.17
9127946R	20,000,000.00	UNITED STATES T-BILL	0.000	06/04/98	19,476,866.67	97.384	19,476,866.67	-	5.480	0.17	0.17
912827L6	10,000,000.00	UNITED STATES TREAS NTS	5.250	07/31/98	9,938,671.88	99.937	9,993,700.00	55,028.12	5.394	0.32	0.33
912827U7	10,000,000.00	UNITED STATES TREAS NTS	5.875	08/15/98	9,990,625.00	100.125	10,012,500.00	21,875.00	5.494	0.36	0.42
912827M4	190,680,000.00	UNITED STATES TREAS NTS	4.750	09/30/98	191,168,686.93	99.652	190,016,433.60	(1,152,253.33)	5.465	0.48	0.50
912827M6	65,000,000.00	UNITED STATES TREAS NTS	4.750	10/31/98	64,975,775.00	99.530	64,694,500.00	(281,275.00)	5.575	0.55	0.58
912827V7	10,000,000.00	UNITED STATES TREAS NTS	5.500	11/15/98	9,989,062.50	99.936	9,993,600.00	4,537.50	5.597	0.59	0.67
9128272B	10,000,000.00	UNITED STATES TREAS NTS	5.625	11/30/98	9,990,625.00	100.061	10,006,100.00	15,475.00	5.520	0.63	0.67
91282728	10,000,000.00	UNITED STATES TREAS NTS	5.125	12/31/98	19,978,125.00	99.717	19,943,400.00	(34,725.00)	5.505	0.72	0.75
912827N4	20,000,000.00	UNITED STATES TREAS NTS	5.750	12/31/98	4,986,950.00	100.155	5,007,750.00	20,800.00	5.525	0.71	0.75
9128272D	5,000,000.00	UNITED STATES TREAS NTS	5.000	01/31/99	9,967,968.75	99.530	9,953,000.00	(14,968.75)	5.578	0.80	0.83
912827N6	10,000,000.00	UNITED STATES TREAS NTS	5.875	01/31/99	19,961,718.75	100.249	20,049,800.00	88,081.25	5.557	0.79	0.83
9128272F	20,000,000.00	UNITED STATES TREAS NTS	5.875	02/28/99	9,977,978.13	100.280	10,028,000.00	50,021.87	5.552	0.88	0.92
9128272K	10,000,000.00	UNITED STATES TREAS NTS	5.875	11/30/99	14,996,875.00	100.030	15,004,500.00	7,625.00	5.600	1.54	1.67
9128273P	15,000,000.00	UNITED STATES TREAS NTS	5.375	01/31/00	14,995,312.50	99.593	14,938,950.00	(56,362.50)	5.606	1.71	1.83
9128273U	15,000,000.00	UNITED STATES TREAS NTS	5.500	02/29/00	9,993,081.25	99.811	9,981,100.00	(11,981.25)	5.602	1.79	1.92
9128273Y	10,000,000.00	UNITED STATES TREAS NTS	5.500	03/31/00	14,992,187.51	99.844	14,976,600.00	(15,587.51)	5.584	1.87	2.00
Sub-Total	509,680,000.00				509,065,052.58		507,823,072.35	(1,241,980.23)	5.497	0.59	0.63
Grand-Totals	1,566,587,766.99				1,561,636,568.13		1,560,227,395.25	(1,409,172.88)	5.621	0.48	0.53

\* Short-term discount securities valued at cost.

\*\* Short-term discount securities are yield at cost.

## RIVERSIDE PORTFOLIO HOLDINGS REPORT

PORTFOLIO: Riverside  
March 31, 1998

CUSIP	Par(\$)	Issuer	Coupon	Maturity	Acquisition Cost	Current Price	Current Market* Value w/o Accr Int.	Gain/Loss	Yld Mat**	Eff Dur	Av Life
<b>Agency</b>											
31331HQD	20,000,000.00	FEDERAL FARM CREDIT BANK	5.620	04/01/98	20,000,000.00	99.985	19,997,000.00	(3,000.00)	5.400	0.00	0.00
31331HMV	10,000,000.00	FEDERAL FARM CREDIT BANK	5.470	04/01/98	10,000,000.00	99.985	9,998,500.00	(1,500.00)	5.400	0.00	0.00
313385VB	20,000,000.00	FEDERAL HOME LN BKS	0.000	04/03/98	19,907,000.00	99.535	19,907,000.00	-	5.420	0.01	0.01
313397VE	20,000,000.00	FEDERAL HOME LN MTG CORP	0.000	04/06/98	19,906,483.33	99.532	19,906,483.33	-	5.460	0.01	0.02
31331HQG	20,000,000.00	FEDERAL FARM CREDIT BANK	5.350	05/01/98	20,000,000.00	99.987	19,997,400.00	(2,600.00)	5.382	0.08	0.08
313385WF	10,000,000.00	FEDERAL HOME LN BKS	0.000	05/01/98	9,905,500.00	99.055	9,905,500.00	-	5.450	0.08	0.08
313385WL	20,000,000.00	FEDERAL HOME LN BKS	0.000	05/06/98	19,880,222.22	99.401	19,880,222.22	-	5.420	0.09	0.08
31331HQB	15,000,000.00	FEDERAL FARM CREDIT BANK	5.500	06/01/98	15,000,000.00	100.002	15,000,300.00	300.00	5.390	0.16	0.17
313589XN	30,000,000.00	FEDERAL NATL MTG ASSN	0.000	06/01/98	29,542,400.00	98.475	29,542,400.00	-	5.360	0.16	0.17
31331HOE	5,000,000.00	FEDERAL FARM CREDIT BANK	5.650	07/01/98	5,000,000.00	100.052	5,002,600.00	2,600.00	5.365	0.24	0.25
31364C6X	15,000,000.00	FEDERAL NATL MTG ASSN	5.710	09/09/98	14,984,160.00	100.109	15,016,350.00	32,190.00	5.455	0.43	0.42
31359MDP	5,000,000.00	FEDERAL NATL MTG ASSN	5.470	09/14/98	5,000,000.00	100.010	5,000,500.00	500.00	5.435	0.44	0.42
3133M1WT	10,000,000.00	FEDERAL HOME LN BKS	5.645	10/02/98	9,993,750.00	100.099	10,009,900.00	16,150.00	5.443	0.48	0.50
313389ZT	10,000,000.00	FHLB-IF(10Y CMT+3%-6M LIBOR)	3.080	11/10/98	10,000,000.00	98.000	9,800,000.00	(200,000.00)	6.252	0.45	0.58
313389G6	5,000,000.00	FHLB INV-VAR (9%-3M LIBOR)	5.125	12/16/98	5,000,000.00	99.125	4,956,250.00	(43,750.00)	6.027	0.50	0.75
31364CSU	10,000,000.00	FEDERAL NATL MTG ASSN	5.700	12/18/98	9,985,100.00	100.099	10,009,900.00	24,800.00	5.545	0.68	0.75
31364C2J	10,000,000.00	FEDERAL NATL MTG ASSN	5.900	07/14/99	10,001,562.50	100.362	10,036,200.00	34,637.50	5.597	1.21	1.25
3133M1NH	10,000,000.00	FEDERAL HOME LN BKS	6.065	09/16/99	9,985,000.00	100.186	10,018,600.00	33,600.00	5.927	0.81	0.50
85387UAH	10,000,000.00	STUDENT LN MARKETING ASSN	6.161	12/02/99	10,000,000.00	100.022	10,002,200.00	2,200.00	6.140	0.53	0.08
31364FNF	10,000,000.00	FEDERAL NATL MTG ASSN	5.440	01/14/00	10,000,000.00	99.418	9,941,800.00	(58,200.00)	5.781	1.66	1.75
86387RG7	10,000,000.00	STUDENT LN MARKETING ASSN	5.625	02/08/00	10,000,000.00	99.639	9,963,900.00	(36,100.00)	5.829	1.38	1.83
31331RQS	10,000,000.00	FEDERAL FARM CREDIT BANK	5.620	02/18/00	10,000,000.00	99.852	9,965,200.00	(34,800.00)	5.813	1.40	1.92
3133M27C	10,000,000.00	FEDERAL HOME LN BKS	5.806	02/18/00	10,000,000.00	99.816	9,981,600.00	(18,400.00)	5.906	0.88	1.92
31364FVV	10,000,000.00	FEDERAL NATL MTG ASSN	5.710	03/22/00	9,985,156.25	99.728	9,972,800.00	(12,356.25)	5.857	1.47	2.00
31359MBT	10,000,000.00	FEDERAL NATL MTG ASSN	6.860	04/24/00	9,997,200.00	100.074	10,007,400.00	10,200.00	6.818	0.19	0.08
31364CS4	10,000,000.00	FEDERAL NATL MTG ASSN	6.640	06/12/00	10,000,000.00	100.205	10,020,500.00	20,500.00	6.532	0.50	0.17
31364BDS	10,145,000.00	FEDERAL NATL MTG ASSN	6.250	06/15/00	10,151,087.00	100.051	10,150,173.95	(913.05)	6.219	0.81	0.25
3134A1WN	20,000,000.00	FEDERAL HOME LN MTG CORP	6.305	07/21/00	20,006,250.00	100.141	20,028,200.00	21,950.00	6.233	0.87	0.33
3133M0SN	20,000,000.00	FEDERAL HOME LN BKS	6.460	07/24/00	20,030,000.00	100.231	20,046,200.00	16,200.00	6.346	0.80	0.33
3133M0Z7	20,000,000.00	FEDERAL HOME LN BKS	6.250	08/07/00	20,030,000.00	100.202	20,040,400.00	10,400.00	6.152	0.85	0.33
31364C4Z	10,000,000.00	FEDERAL NATL MTG ASSN	6.210	08/16/00	10,028,125.00	100.524	10,052,400.00	24,275.00	5.967	1.65	1.42
31364FDM	10,000,000.00	FEDERAL NATL MTG ASSN	6.100	10/16/00	10,000,000.00	100.012	10,001,200.00	1,200.00	6.093	1.25	0.58
3133M1V8	17,950,000.00	FEDERAL HOME LN BKS	6.220	11/09/00	17,976,925.00	100.210	17,987,695.00	10,770.00	6.128	1.17	0.58
31364FJT	15,000,000.00	FEDERAL NATL MTG ASSN	6.140	12/11/00	15,000,000.00	100.817	15,122,550.00	122,550.00	5.804	2.41	2.67
31331RLL	8,135,000.00	FEDERAL FARM CREDIT BANK	6.150	12/29/00	8,145,168.75	100.854	8,204,472.90	59,304.15	5.805	2.46	2.75
31364FMM	10,000,000.00	FEDERAL NATL MTG ASSN	5.910	01/12/01	10,000,000.00	99.730	9,973,000.00	(27,000.00)	6.013	1.61	2.75
31331RNG	10,000,000.00	FEDERAL FARM CREDIT BANK	5.940	01/16/01	10,000,000.00	99.691	9,969,100.00	(30,900.00)	6.057	1.09	2.83
3134A15T	10,000,000.00	FEDERAL HOME LN MTG CORP	5.850	02/26/01	10,000,000.00	99.594	9,959,400.00	(40,600.00)	6.002	1.78	2.92
3133M3MJ	10,000,000.00	FEDERAL HOME LN BKS	5.750	03/02/01	10,000,000.00	99.421	9,942,100.00	(57,900.00)	5.967	1.86	2.92
3133M3VJ	10,000,000.00	FEDERAL HOME LN BKS	6.125	03/23/01	10,000,000.00	99.921	9,992,100.00	(7,900.00)	6.154	1.10	3.00
3133M3XW	10,000,000.00	FEDERAL HOME LN BKS	6.110	03/26/01	10,000,000.00	99.905	9,990,500.00	(9,500.00)	6.145	1.13	3.00
31364FWG	10,000,000.00	FEDERAL NATL MTG ASSN	5.970	03/26/01	10,000,000.00	99.739	9,973,900.00	(26,100.00)	6.066	1.83	3.00
<b>Sub-Total</b>	<b>526,230,000.00</b>				<b>525,441,090.05</b>		<b>525,273,897.40</b>	<b>(167,192.65)</b>	<b>5.813</b>	<b>0.78</b>	<b>0.91</b>
<b>Cash Equivalent &amp; Money Market Funds</b>											
REPO2	72,800,000.00	REPURCHASE AGREEMENT	5.900	04/01/98	72,800,000.00	100.000	72,800,000.00	-	5.900	0.00	0.00
REPO1	35,000,000.00	REPURCHASE AGREEMENT	5.450	04/01/98	35,000,000.00	100.000	35,000,000.00	-	5.518	0.00	0.00
0500AS96	5,000,000.00	AIM ST TREASURY PORTFOLIO	5.300	06/30/98	5,000,000.00	100.000	5,000,000.00	-	5.300	0.23	0.25
00FT000	1,000,000.00	FIN INV TRUST GOVT MMF	5.300	06/30/98	1,000,000.00	100.000	1,000,000.00	-	5.300	0.23	0.25
<b>Sub-Total</b>	<b>113,800,000.00</b>				<b>113,800,000.00</b>		<b>113,800,000.00</b>	<b>-</b>	<b>5.751</b>	<b>0.01</b>	<b>0.01</b>
<b>Collateralized Time Deposits</b>											
CNBCD399	5,000,000.00	CITIZENS NATIONAL BANK	5.390	06/18/98	5,000,000.00	100.000	5,000,000.00	-	5.465	0.21	0.25
CNBCD	10,000,000.00	CITY NATIONAL BANK	5.130	08/24/98	10,000,000.00	100.000	10,000,000.00	-	5.178	0.39	0.42
<b>Sub-Total</b>	<b>15,000,000.00</b>				<b>15,000,000.00</b>		<b>15,000,000.00</b>	<b>-</b>	<b>5.274</b>	<b>0.33</b>	<b>0.36</b>

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# COMPLIANCE

## CALIFORNIA GOVERNMENT CODE & COUNTY INVESTMENT POLICY AUTHORIZED INVESTMENTS

Cal. Govt. Code	Investment Category	Government Code			County Investment Policy			Actual Riverside Portfolio %
		Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	
53601(a)	LOCAL AGY BONDS	5 YEARS	NO LIMIT		7 YEARS	15% / \$150mm	A/A2	0.00%
53601(b)	U. S. TREASURY	5 YEARS	NO LIMIT		3 YEARS	85%/850mm	N/A	32.55%
53601(d)	CALIFORNIA LOCAL AGENCY DEBT	5 YEARS	NO LIMIT		Combined w/Local Agency Bds			
53601(e)	FEDERAL AGENCIES	5 YEARS	NO LIMIT		3 YEARS	75%	N/A	33.67%
53601(f)	BILLS OF EXCHANGE	270 DAYS	40% <sup>1</sup>		180 DAYS	30%	A1/P1	6.00%
53601(g)	COMM. PAPER	180 DAYS	15% or 30% <sup>2</sup>	A1/P1	90/32 DAYS	15% plus 15%	A1/P1	19.53%
53601(h)	CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		1 YEAR	0% max	A+/A1	
53601(i)	REPOS	1 YEAR	NO LIMIT		7 DAYS	10% max	N/A	0.38%
53601(j)	REVERSE REPOS	92 DAYS	20%		92 DAYS	10% max	N/A	0.00%
53601(k)	MED. TERM NOTES	5 YEARS	30%	A	2 YEARS	7% / \$75mm	AA/Aa2	0.00%
53601(l)	MUTUAL FUNDS	5 YEARS <sup>3</sup>	20%	AAA/Aaa <sup>4</sup>	IMMEDIATE	15% / \$150mm	AAA	6.91%
53601(m)	SECURED DEPOSITS (BANK DEPOSITS)	5 YEARS	NO LIMIT		1 YEAR	2% max		0.96%
53601(n)	MORTGAGE PASS-THROUGH SECURITY	5 YEARS	20%	AA	N/A	N/A		
	LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		3 YEARS	0% max		

<sup>1</sup> No more than 30% of this category may be invested with any one commercial bank

<sup>2</sup> 30% if dollar weighted average maturity does not exceed 31 days. Commercial paper average days to maturity is 23.13

<sup>3</sup> Mutual Funds maturity may be interpreted as weighted average maturity

<sup>4</sup> Or must have an Investment Advisor with not less than 5 years experience and with assets under management of \$500,000,000.

## COMPLIANCE WITH STATE LAW AND TREASURER'S POLICY

The County Treasurer's Statement of Investment Policy is more stringent than the California Government Code. This policy is reviewed annually and presented to the County's Investment Oversight Committee and the County Board of Supervisors. As of this month end the County's Pooled Investment Fund was in compliance with this more restrictive policy. Although we have been diligent in the preparation of this report, we have relied upon numerous pricing and analytical sources including Bloomberg Market Database and Capital Management Sciences, Inc.

FUND SERVICES ASSOCIATES, INC.

*Fund Services Associates, Inc.*

(310) 229-9170

Los Angeles - San Francisco - New York

Registered Investment Advisors

**FSA**

## County of Riverside

### PROJECTION OF FUTURE CASH FLOW

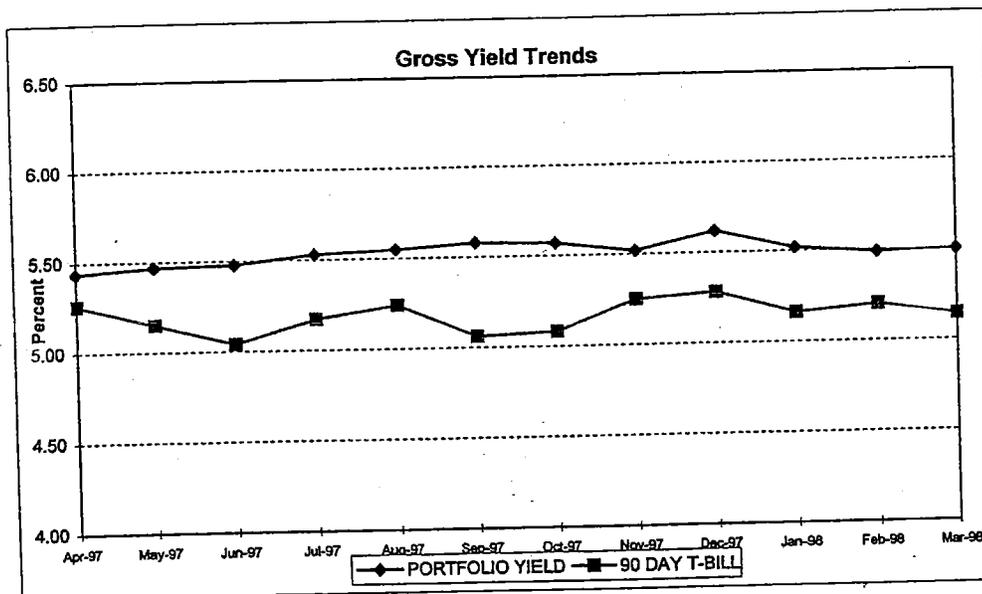
The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. The Treasurer states that based upon projected cash receipts and maturing investments there are sufficient funds to meet future cash flow disbursement requirements over the next 12 months.

<u>MONTH</u>	<u>MONTHLY RECEIPTS</u>	<u>MONTHLY DISBMNTS</u>	<u>DIFFERENCE</u>	<u>REQUIRED MAT. INVEST</u>	<u>BALANCE</u>	<u>ACTUAL INV. MATURITIES</u>	<u>AVAIL. TO INVEST &gt;1 YR.</u>
<b>4/1</b>					35.8		
04/98	599.9	370.1	229.8	-	265.6	464.2	
05/98	231.1	489.0	(257.9)	-	7.7	218.4	
06/98	287.6	529.6	(242.0)	234.3	-	91.7	
07/98	229.8	323.0	(93.2)	93.2	-	14.9	
08/98	295.5	263.2	32.3	-	32.3	19.9	
09/98	225.5	269.1	(43.6)	11.3	-	211.1	
10/98	256.2	355.1	(98.9)	98.9	-	75.0	
11/98	290.7	322.9	(32.2)	32.2	-	29.9	
12/98	674.6	339.1	335.5	-	335.5	39.9	
01/99	278.9	461.8	(182.9)	-	152.6	29.9	
02/99	337.1	296.1	41.0	-	193.6	10.0	
03/99	378.3	349.1	29.2	-	222.8	-	
<b>Totals:</b>	<b>4,085.2</b>	<b>4,368.1</b>	<b>(282.9)</b>	<b>469.9</b>		<b>1,204.9</b>	<b>1,091.1</b>
				<b>30.10%</b>		<b>77.19%</b>	<b>69.90%</b>

## Gross Yield Trends

The yield history represents gross yields; administrative costs have not been deducted. Actual earnings on your fund balance will be credited by the Auditor-Controller based upon County Treasurer calculations. Portfolio yield always lags current trends in short-term interest rates. Yields fluctuate with changing markets and past performance is not an indication of future results.

<u>MONTH</u>	<u>PORTFOLIO YIELD</u>	<u>90 DAY T-BILL</u>
Apr-97	5.44	5.26
May-97	5.47	5.15
Jun-97	5.48	5.04
Jul-97	5.53	5.17
Aug-97	5.55	5.24
Sep-97	5.58	5.06
Oct-97	5.57	5.08
Nov-97	5.52	5.25
Dec-97	5.62	5.28
Jan-98	5.52	5.16
Feb-98	5.49	5.20
Mar-98	5.50	5.14





**COUNTY OF RIVERSIDE**  
**Treasurer's Pooled Investment Fund**  
**Compliance Audit and Analysis of Investments**  
**As of JUNE 30, 1998**

PAUL McDONNELL  
 TREASURER/TAX  
 COLLECTOR

KENNETH C. KIRIN  
 INVESTMENT OFFICER  
 (909) 955 - 3967

PORTFOLIO STATISTICS

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Month-End Book Value	1,550,489,277	1,527,404,595	1,561,636,568	1,834,822,532	1,617,526,241	1,314,934,220
Month-End Market Value*	1,550,329,705	1,526,146,035	1,560,227,395	1,833,318,034	1,616,132,853	1,313,954,151
Paper Gain or (Loss)	-\$159,572	-\$1,258,560	-\$1,409,173	-\$1,504,498	-\$1,393,388	-\$980,069
Percent of Paper Gain or Loss	-0.01%	-0.08%	-0.09%	-0.08%	-0.09%	-0.07%
Yield Based Upon Book Value	5.52%	5.49%	5.50%	5.47%	5.49%	5.50%
Weighted Average Maturity (Days)	236	241	258	226	263	295

For the calendar month, and in keeping with GASB 31, the market value for the portfolio has been recalculated without any inclusions of accrued interest on the securities.

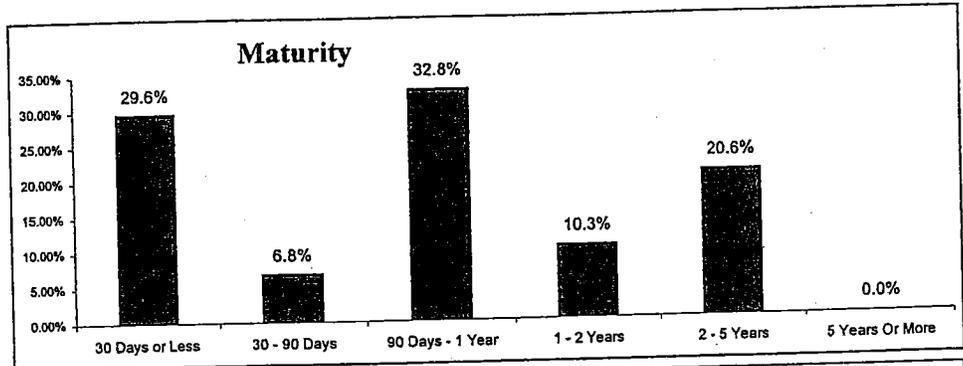
**THE RIVERSIDE COUNTY POOLED INVESTMENT PORTFOLIO IS RATED  
 AAA/MR1 BY MOODY'S INVESTOR SERVICE AND AAA/V-1+ BY FITCH INVESTOR SERVICES**

Mailing Label

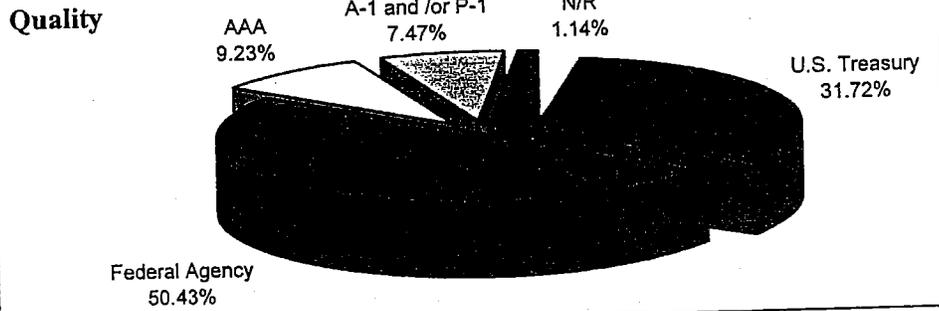
# COUNTY OF RIVERSIDE

## Pooled Investment Fund -- Portfolio Characteristics

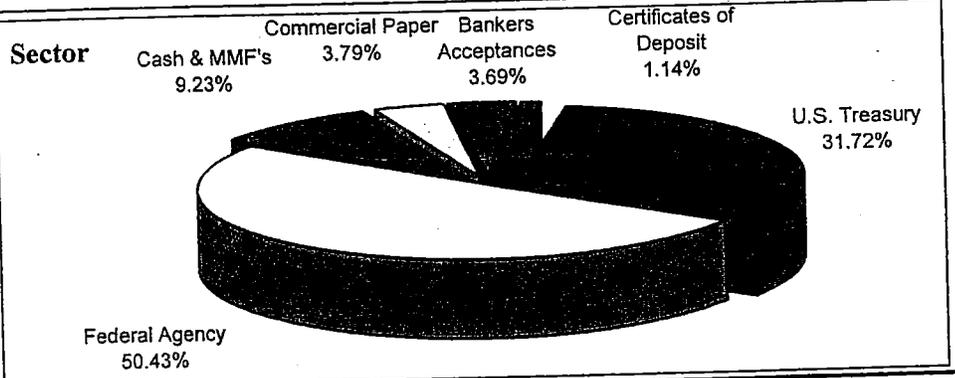
<u>Maturity</u>	<u>Assets</u>
30 Days or Less	388,831,166.34
30 - 90 Days	88,923,234.30
90 Days - 1 Year	430,431,743.89
1 - 2 Years	134,877,750.00
2 - 5 Years	270,890,256.50
5 Years Or More	-
<b>Total:</b>	<b>1,313,954,151.03</b>



<u>Quality</u>	<u>Assets</u>
U.S. Treasury	416,788,333.33
Federal Agency	662,660,906.18
AAA	121,300,000.00 *
A-1 and /or P-1	98,204,911.52
AA	\$0.00
A	\$0.00
N/R	15,000,000.00 **
<b>Total:</b>	<b>\$1,313,954,151.03</b>



<u>Sector</u>	<u>Assets</u>
U.S. Treasury	416,788,333.33
Federal Agency	662,660,906.18
Cash & MMF's	121,300,000.00
Commercial Paper	49,739,913.89
Medium Term Notes	\$0.00
Bankers Acceptances	48,464,997.63
Certificates of Deposit	15,000,000.00
Local Agency Bonds	\$0.00
<b>Total:</b>	<b>\$1,313,954,151.03</b>



\* Includes Repos \*\* Collateralized Time Deposits

### RIVERSIDE PORTFOLIO SIMULATION

## Interest Rate Stress Analysis

Interest rate stress analysis is used to show the effect on market value, given a dramatic change in interest rates. The table to the right shows the change in market value for both an instantaneous change in rates (takes place in one day) and a change in rates that takes place over six months. Interest rates are assumed to move up or down 300 basis points (bp) in 50 bp increments. Next to the change in market value is the gain/loss column for each scenario. The gain or loss is calculated by subtracting acquisition cost from market value.

There are other factors, but the major difference in the two scenarios is interest earned. If the change takes place over six months there is an additional six months interest income, plus interest on cash flows reinvested at 5.58%. In addition, the portfolio is less sensitive to interest rate changes in six months because the portfolio is six months shorter.

Acquisition Cost	Yield Change (bp)	Interest Rate Changes Take Place:			
		Instantaneous		Over Six Months	
		Market Value	Gain/Loss	Market Value	Gain/Loss
\$1,314,934	-300	\$1,327,610	\$12,676	\$1,355,731	\$40,797
\$1,314,934	-250	\$1,325,434	\$10,500	\$1,355,091	\$40,157
\$1,314,934	-200	\$1,323,261	\$8,327	\$1,354,453	\$39,519
\$1,314,934	-150	\$1,321,093	\$6,159	\$1,353,819	\$38,885
\$1,314,934	-100	\$1,318,928	\$3,994	\$1,353,188	\$38,254
\$1,314,934	-50	\$1,316,654	\$1,720	\$1,352,448	\$37,514
<b>\$1,314,934</b>	<b>0</b>	<b>\$1,313,954</b>	<b>-\$980</b>	<b>\$1,351,280</b>	<b>\$36,346</b>
\$1,314,934	50	\$1,310,387	-\$4,547	\$1,349,245	\$34,311
\$1,314,934	100	\$1,306,177	-\$8,757	\$1,346,567	\$31,633
\$1,314,934	150	\$1,301,630	-\$13,304	\$1,343,550	\$28,616
\$1,314,934	200	\$1,296,944	-\$17,990	\$1,340,395	\$25,461
\$1,314,934	250	\$1,292,263	-\$22,671	\$1,337,244	\$22,310
\$1,314,934	300	\$1,287,600	-\$27,334	\$1,334,109	\$19,175

(\$000) omitted.

This analysis demonstrates that sharp moves of interest rates either up or down by 3% will not have a significant effect on this portfolio.

## RIVERSIDE PORTFOLIO HOLDINGS REPORT

PORTFOLIO: Riverside  
June 30, 1998

CUSIP	Par(S)	Issuer	Coupon	Maturity	Acquisition Cost	Current Price	Current Market * Value w/o Accr Int	Gain/Loss	Yld Mat**	Eft Dur	Av Life
<b>Bankers Acceptance</b>											
1FNGOBOO	23,000,000.00	FIRST CHICAGO NBD	0.000	07/06/98	22,902,684.44	99.5769	22,902,684.44	-	5.463	0.02	0.02
BKPOB008	4,134,431.46	BANKERS TRUST NY	0.000	08/03/98	4,092,025.97	98.9743	4,092,025.97	-	5.486	0.08	0.08
BMNOBOO9	15,000,000.00	BANKAMERICA	0.000	09/02/98	14,812,558.33	98.7504	14,812,558.33	-	5.420	0.17	0.17
AHZOBOOA	6,800,000.00	CHASE MANHATTAN	0.000	10/13/98	6,657,728.89	97.9078	6,657,728.89	-	5.494	0.33	0.33
Sub-Total	48,934,431.46				48,464,997.63		48,464,997.63	-	5.456	0.11	0.11
<b>Commercial Paper</b>											
7954W1G6	10,000,000.00	SMITH BARNEY INC	0.000	07/06/98	9,916,430.56	99.1643	9,916,430.56	-	5.516	0.02	0.02
07785B09	10,000,000.00	BELL ATLANTIC FINL SVCS INC	0.000	07/09/98	9,952,638.89	99.5264	9,952,638.89	-	5.526	0.03	0.03
07389BGA	20,000,000.00	BEAR STERNS COS	0.000	07/10/98	19,904,761.11	99.5238	19,904,761.11	-	5.556	0.03	0.03
47507MGF	10,000,000.00	JEFFERSON PILOT	0.000	07/15/98	9,966,083.33	99.6608	9,966,083.33	-	5.569	0.08	0.08
Sub-Total	50,000,000.00	Average Weighted Days for Commercial Paper =		10.00	49,739,913.89		49,739,913.89	-	5.545	0.04	0.04
<b>U.S. Treasury</b>											
9127944X	5,000,000.00	UNITED STATES TREAS BILLS	0.000	07/23/98	4,937,058.33	98.7412	4,937,058.33	-	5.040	0.06	0.08
912827L6	10,000,000.00	UNITED STATES TREAS NTS	5.250	07/31/98	9,938,671.88	100.0000	10,000,000.00	61,328.12	5.138	0.08	0.08
912827U7	10,000,000.00	UNITED STATES TREAS NTS	5.875	08/15/98	9,990,625.00	100.0630	10,006,300.00	15,675.00	5.256	0.12	0.17
912827M4	217,220,000.00	UNITED STATES TREAS NTS	4.750	09/30/98	217,621,150.58	99.8750	216,948,475.00	(672,675.58)	5.195	0.24	0.25
912827M6	65,000,000.00	UNITED STATES TREAS NTS	4.750	10/31/98	64,975,775.00	99.7810	64,857,650.00	(118,125.00)	5.375	0.32	0.33
912827V7	10,000,000.00	UNITED STATES TREAS NTS	5.500	11/15/98	9,989,062.50	100.0310	10,003,100.00	14,037.50	5.378	0.36	0.42
9128272B	10,000,000.00	UNITED STATES TREAS NTS	5.625	11/30/98	9,990,625.00	100.1250	10,012,500.00	21,875.00	5.294	0.40	0.42
9128272D	5,000,000.00	UNITED STATES TREAS NTS	5.750	12/31/98	4,986,950.00	100.1840	5,009,200.00	22,250.00	5.373	0.48	0.50
912827N4	20,000,000.00	UNITED STATES TREAS NTS	5.125	12/31/98	19,978,125.00	99.8710	19,974,200.00	(3,925.00)	5.390	0.48	0.50
9128272F	20,000,000.00	UNITED STATES TREAS NTS	5.875	01/31/99	19,961,718.75	100.2170	20,043,400.00	81,681.25	5.485	0.55	0.58
9128272K	10,000,000.00	UNITED STATES TREAS NTS	5.875	02/28/99	9,977,978.13	100.2490	10,024,900.00	46,921.87	5.479	0.63	0.67
9128273P	10,000,000.00	UNITED STATES TREAS NTS	5.625	11/30/99	9,996,875.00	100.1240	10,012,400.00	15,525.00	5.529	1.34	1.42
9128273U	15,000,000.00	UNITED STATES TREAS NTS	5.375	01/31/00	14,995,312.50	99.7490	14,962,350.00	(32,962.50)	5.539	1.47	1.58
9128273Y	10,000,000.00	UNITED STATES TREAS NTS	5.500	02/29/00	9,997,656.25	99.9680	9,996,800.00	(856.25)	5.515	1.55	1.67
Sub-Total	417,220,000.00				417,337,583.92		416,788,333.33	(549,250.59)	5.288	0.39	0.41
Grand-Totals	1,316,182,431.46				1,314,934,220.12		1,313,954,151.03	(980,069.09)	5.582	0.48	0.64

\* Short-term discount securities valued at cost.  
\*\* Short-term discount securities are yield at cost.

# RIVERSIDE PORTFOLIO HOLDINGS REPORT

RTFOLIO: Riverside  
June 30, 1998

CUSIP	Par(\$)	Issuer	Coupon	Maturity	Acquisition Cost	Current Price	Current Market * Value w/o Accr Int	Gain/Loss	Yld Mat**	Eff Dur	Av Life
<b>Jency</b>											
331HCE	5,000,000.00	FEDERAL FARM CREDIT BANK	5.650	07/01/98	5,000,000.00	100.0010	5,000,050.00	50.00	5.114	0.00	0.00
331HQN	15,000,000.00	FEDERAL FARM CREDIT BANK	5.460	07/01/98	15,000,000.00	100.0010	15,000,150.00	150.00	5.112	0.00	0.00
3313YU	17,643,000.00	FEDERAL FARM CREDIT BANK	0.000	07/01/98	17,568,762.18	99.5792	17,568,762.18	-	5.430	0.00	0.00
3589YV	75,000,000.00	FEDERAL NATL MTG ASSN	0.000	07/02/98	74,680,936.11	99.5746	74,680,936.11	-	5.403	0.00	0.01
3397ZB	23,000,000.00	FEDERAL HOME LN MTG CORP	0.000	07/08/98	22,885,939.17	99.5041	22,885,939.17	-	5.403	0.02	0.02
3589ZG	20,000,000.00	FEDERAL NATL MTG ASSN	0.000	07/13/98	19,900,450.00	99.5023	19,900,450.00	-	5.457	0.03	0.04
3589ZH	40,000,000.00	FEDERAL NATL MTG ASSN	0.000	07/14/98	39,915,222.22	99.7881	39,915,222.22	-	5.462	0.04	0.04
331HQR	10,000,000.00	FEDERAL FARM CREDIT BANK	5.510	08/03/98	10,000,000.00	100.0100	10,001,000.00	1,000.00	5.281	0.09	0.08
331HQU	10,000,000.00	FEDERAL FARM CREDIT BANK	5.500	09/01/98	10,000,000.00	100.0180	10,001,800.00	1,800.00	5.295	0.16	0.17
364C6X	15,000,000.00	FEDERAL NATL MTG ASSN MTN	5.710	09/09/98	14,984,160.00	100.0560	15,008,400.00	24,240.00	5.418	0.19	0.17
359MDP	5,000,000.00	FEDERAL NATL MTG ASSN	5.470	09/14/98	5,000,000.00	100.0230	5,001,150.00	1,150.00	5.270	0.20	0.17
33M1WT	10,000,000.00	FEDERAL HOME LN BKS	5.645	10/02/98	9,993,750.00	100.0760	10,007,600.00	13,850.00	5.342	0.25	0.25
3389ZT	10,000,000.00	FHLB-IF(10Y CMT+3%-6M LIBOR)	3.050	11/10/98	10,000,000.00	99.0000	9,900,000.00	(100,000.00)	6.586	0.35	0.33
3389G6	5,000,000.00	FHLB INV-VAR (9%-3M LIBOR)	5.785	12/16/98	5,000,000.00	100.0000	5,000,000.00	-	5.785	0.20	0.50
364CSU	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.700	12/18/98	9,985,100.00	100.0820	10,008,200.00	23,100.00	5.509	0.45	0.50
33M3DB	15,000,000.00	FEDERAL HOME LN BKS	5.510	04/01/99	14,989,800.00	99.9210	14,988,150.00	(1,650.00)	5.605	0.72	0.75
33M33W	7,000,000.00	FEDERAL HOME LN BKS	5.570	04/07/99	7,000,980.00	99.9520	6,996,640.00	(4,340.00)	5.622	0.74	0.75
364C2J	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.900	07/14/99	10,001,562.50	100.2540	10,025,400.00	23,837.50	5.642	0.97	1.00
33M1NH	10,000,000.00	FEDERAL HOME LN BKS	6.065	09/16/99	9,985,000.00	100.0400	10,004,000.00	19,000.00	6.021	0.52	0.25
3387RK6	10,000,000.00	STUDENT LN MARKETING ASSN	5.800	12/17/99	10,000,000.00	100.0440	10,004,400.00	4,400.00	5.767	0.87	0.50
3387RK6	10,000,000.00	STUDENT LN MARKETING ASSN	5.440	01/14/00	10,000,000.00	99.5810	9,958,100.00	(41,900.00)	5.726	1.42	1.50
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.440	01/14/00	10,000,000.00	99.5810	9,958,100.00	(41,900.00)	5.739	1.07	1.58
3387RK6	10,000,000.00	STUDENT LN MARKETING ASSN	5.625	02/08/00	10,000,000.00	99.8210	9,982,100.00	(17,900.00)	5.800	1.11	1.67
3387RK6	10,000,000.00	STUDENT LN MARKETING ASSN	5.620	02/18/00	10,000,000.00	99.7150	9,971,500.00	(28,500.00)	5.800	1.11	1.67
3387RK6	10,000,000.00	FEDERAL FARM CREDIT BANK	5.806	02/18/00	10,000,000.00	99.8120	9,981,200.00	(18,800.00)	5.923	0.77	1.67
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	5.710	03/22/00	9,985,156.25	99.7980	9,979,800.00	(5,356.25)	5.828	1.18	1.75
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.820	04/20/00	10,000,000.00	99.9510	9,995,100.00	(4,900.00)	5.844	0.89	1.83
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN	6.000	05/26/00	9,998,437.50	100.0460	10,004,600.00	6,162.50	5.971	0.64	0.17
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.305	07/21/00	20,006,250.00	100.0120	20,002,400.00	(3,850.00)	6.296	0.61	0.08
3387RK6	20,000,000.00	FEDERAL HOME LN MTG CORP	6.460	07/24/00	20,030,000.00	100.0890	20,017,800.00	(12,200.00)	6.410	0.16	0.08
3387RK6	20,000,000.00	FEDERAL HOME LN BKS	6.250	08/07/00	20,030,000.00	100.0130	20,002,600.00	(27,400.00)	6.239	0.64	0.08
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	6.210	08/16/00	10,028,125.00	100.2650	10,026,500.00	(1,625.00)	6.071	1.40	1.17
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	6.100	10/16/00	10,000,000.00	99.9450	9,994,500.00	(5,500.00)	6.121	0.99	2.33
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	6.220	11/06/00	17,976,925.00	100.0230	17,954,128.50	(22,796.50)	6.205	0.98	0.33
3387RK6	17,950,000.00	FEDERAL HOME LN BKS	6.000	11/13/00	5,000,000.00	99.8480	4,992,400.00	(7,600.00)	6.066	0.92	2.33
3387RK6	5,000,000.00	FEDERAL HOME LN BKS	6.000	11/13/00	5,000,000.00	99.8480	4,992,400.00	(7,600.00)	6.066	0.92	2.33
3387RK6	15,000,000.00	FEDERAL NATL MTG ASSN	6.140	12/11/00	15,000,000.00	100.2500	15,037,500.00	37,500.00	5.666	2.24	2.42
3387RK6	8,135,000.00	FEDERAL FARM CREDIT BANK	6.150	12/29/00	8,145,168.75	100.2800	8,157,778.00	12,609.25	5.666	2.29	2.50
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.910	01/12/01	10,000,000.00	99.7900	9,979,000.00	(21,000.00)	5.999	1.30	2.50
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.940	01/16/01	10,000,000.00	99.7580	9,975,800.00	(24,200.00)	6.043	1.03	2.58
3387RK6	10,000,000.00	FEDERAL FARM CREDIT BANK	5.850	02/26/01	10,000,000.00	99.6600	9,966,000.00	(34,000.00)	5.986	1.48	2.67
3387RK6	10,000,000.00	FEDERAL HOME LN MTG CORP	5.750	03/02/01	10,000,000.00	99.5100	9,951,000.00	(49,000.00)	5.947	1.58	2.67
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.125	03/23/01	10,000,000.00	99.8640	9,986,400.00	(13,600.00)	6.175	0.95	2.75
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.110	03/26/01	10,000,000.00	99.8790	9,987,900.00	(12,100.00)	6.154	0.94	2.75
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	5.970	03/26/01	10,000,000.00	99.8940	9,989,400.00	(10,600.00)	6.008	1.46	2.75
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	6.000	04/09/01	5,000,000.00	99.7270	4,986,350.00	(13,650.00)	6.104	1.05	2.75
3387RK6	5,000,000.00	FEDERAL HOME LN BKS	5.820	04/16/01	10,000,000.00	99.6090	9,960,900.00	(39,100.00)	5.970	1.64	2.83
3387RK6	10,000,000.00	FEDERAL FARM CREDIT BANK	6.000	05/04/01	10,000,000.00	99.7270	9,972,700.00	(27,300.00)	6.102	1.30	2.83
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.050	05/11/01	10,000,000.00	99.7770	9,977,700.00	(22,300.00)	6.132	1.09	2.83
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.065	05/18/01	10,000,000.00	100.1200	10,012,000.00	12,000.00	6.016	1.52	0.92
3387RK6	10,000,000.00	FEDERAL HOME LN BKS	6.030	05/21/01	10,000,000.00	99.9790	9,997,900.00	(2,100.00)	6.035	1.58	2.92
3387RK6	10,000,000.00	FEDERAL HOME LN MTG CORP	5.980	06/14/01	10,000,000.00	99.9380	9,993,800.00	(6,200.00)	6.002	1.66	2.92
3387RK6	10,000,000.00	FEDERAL NATL MTG ASSN MTN	5.970	06/22/01	10,000,000.00	99.6780	9,967,800.00	(32,200.00)	6.089	1.29	3.00
3387RK6	10,000,000.00	FEDERAL FARM CREDIT BANK	5.970	06/22/01	10,000,000.00	99.6780	9,967,800.00	(32,200.00)	6.089	1.29	3.00
Sub-Total	663,728,000.00				663,091,724.68		662,660,906.18	(430,818.50)	5.768	0.68	0.99
<b>Cash Equivalent &amp; Money Market Funds</b>											
REPO1	81,300,000.00	REPURCHASE AGREEMENT	5.700	07/01/98	81,300,000.00	100.0000	81,300,000.00	-	5.779	0.00	0.00
REPO2	35,000,000.00	REPURCHASE AGREEMENT	5.450	07/07/98	35,000,000.00	100.0000	35,000,000.00	-	5.521	0.02	0.02
0500AS96	5,000,000.00	AIM ST TREASURY PORTFOLIO	5.300	09/30/98	5,000,000.00	100.0000	5,000,000.00	-	5.373	0.25	0.25
Sub-Total	121,300,000.00				121,300,000.00		121,300,000.00	-	5.688	0.02	0.02
<b>Collateralized Time Deposits</b>											
CNBCD	10,000,000.00	CITY NATIONAL BANK	5.130	08/24/98	10,000,000.00	100.0000	10,000,000.00	-	5.204	0.17	0.17
CNBCD399	5,000,000.00	CITIZENS BUSINESS BANK	5.200	12/15/98	5,000,000.00	100.0000	5,000,000.00	-	5.263	0.50	0.50
Sub-Total	15,000,000.00				15,000,000.00		15,000,000.00	-	5.224	0.28	0.28

Continued on reverse side...

# COMPLIANCE

## CALIFORNIA GOVERNMENT CODE & COUNTY INVESTMENT POLICY AUTHORIZED INVESTMENTS

Cal. Govt. Code	Investment Category	Government Code			County Investment Policy			Actual Riverside Portfolio %
		Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/Moody's	
53601(a)	LOCAL AGY BONDS	5 YEARS	NO LIMIT		7 YEARS	15% / \$150mm	A/A2	0.00%
53601(b)	U. S. TREASURY	5 YEARS	NO LIMIT		3 YEARS	85%/850mm	N/A	31.72%
53601(d)	CALIFORNIA LOCAL AGENCY DEBT	5 YEARS	NO LIMIT		Combined w/Local Agency Bds			
53601(e)	FEDERAL AGENCIES	5 YEARS	NO LIMIT		3 YEARS	75%	N/A	50.43%
53601(f)	BILLS OF EXCHANGE	270 DAYS	40% <sup>1</sup>		180 DAYS	30%	A1/P1	3.69%
53601(g)	COMM. PAPER	180 DAYS	15% or 30% <sup>2</sup>	A1/P1	90/31 DAYS	15% plus 15%	A1/P1	3.79%
53601(h)	CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		1 YEAR	0% max	A+/A1	
53601(i)	REPOS	1 YEAR	NO LIMIT		7 DAYS	10% max	N/A	8.85%
53601(j)	REVERSE REPOS	92 DAYS	20%		92 DAYS	10% max	N/A	0.00%
53601(k)	MUTUAL FUNDS	5 YEARS <sup>3</sup>	20%	AAA/Aaa <sup>4</sup>	2 YEARS	7% / \$75mm	AA/Aa2	0.00%
53601(m)	SECURED DEPOSITS (BANK DEPOSITS)	5 YEARS	NO LIMIT		1 YEAR	2% max		1.14%
53601(n)	MORTGAGE PASS-THROUGH SECURITY	5 YEARS	20%	AA	N/A	N/A		
	LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		3 YEARS	0% max		

<sup>1</sup> No more than 30% of this category may be invested with any one commercial bank

<sup>2</sup> 30% if dollar weighted average maturity does not exceed 31 days.

Commercial paper average days to maturity is 10.00

<sup>3</sup> Mutual Funds maturity may be interpreted as weighted average maturity

<sup>4</sup> Or must have an Investment Advisor with not less than 5 years experience and with assets under management of \$500,000,000.

## COMPLIANCE WITH STATE LAW AND TREASURER'S POLICY

The County Treasurer's Statement of Investment Policy is more stringent than the California Government Code. This policy is reviewed annually and presented to the County's Investment Oversight Committee and the County Board of Supervisors. As of this month end the County's Pooled Investment Fund was in compliance with this more restrictive policy. Although we have been diligent in the preparation of this report, we have relied upon numerous pricing and analytical sources including Bloomberg Market Database and Capital Management Sciences, Inc.

FUND SERVICES ASSOCIATES, INC.

*Fund Services Associates, Inc.*

(310) 229-9170

Los Angeles - San Francisco - New York

Registered Investment Advisors

**FSA**

## County of Riverside

### PROJECTION OF FUTURE CASH FLOW

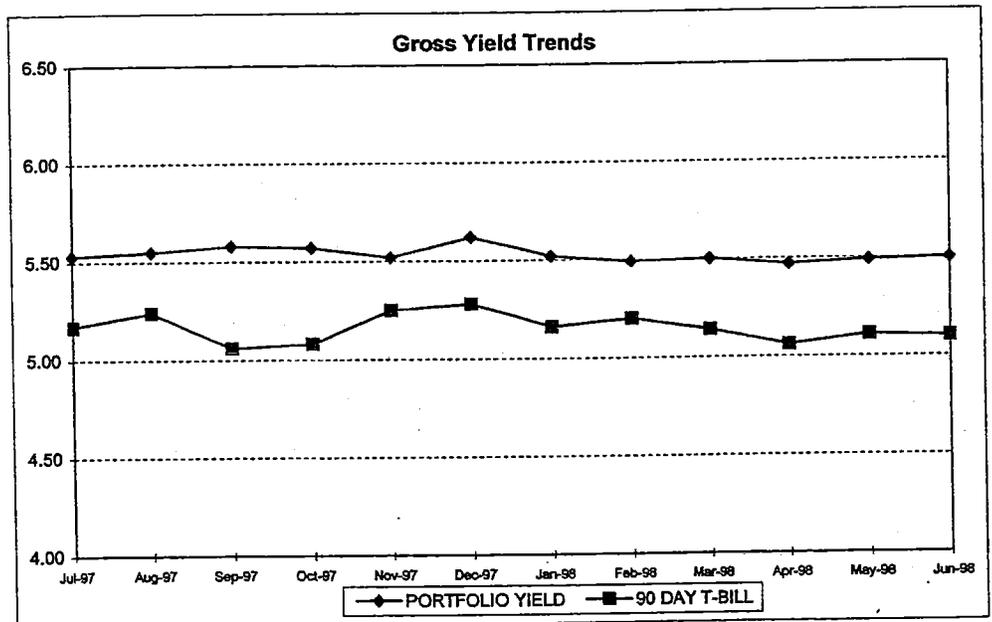
The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. The Treasurer states that based upon projected cash receipts and maturing investments there are sufficient funds to meet future cash flow disbursement requirements over the next 12 months.

<u>MONTH</u>	<u>MONTHLY RECEIPTS</u>	<u>MONTHLY DISBMNTS</u>	<u>DIFFERENCE</u>	<u>REQUIRED MAT. INVEST</u>	<u>BALANCE</u>	<u>ACTUAL INV. MATURITIES</u>	<u>AVAIL. TO INVEST &gt;1 YR.</u>
<u>7/01</u>					27.4		
07/98	229.8	323.0	(93.2)	65.8	-	398.8	
08/98	295.5	263.2	32.3	-	32.3	34.0	
09/98	225.5	269.1	(43.6)	11.3	-	267.4	
10/98	256.2	403.5	(147.3)	147.3	-	81.6	
11/98	290.7	322.9	(32.2)	32.2	-	29.9	
12/98	674.6	339.1	335.5	-	335.5	44.9	
01/99	278.9	461.8	(182.9)	-	152.6	19.9	
02/99	337.1	296.1	41.0	-	193.6	10.0	
03/99	378.3	349.1	29.2	-	222.8	-	
04/99	628.3	382.6	245.7	-	468.5	22.0	
05/99	259.1	657.2	(398.1)	-	70.4	-	
06/99	299.9	388.4	(88.5)	18.1	-	-	
<b>Totals:</b>	<b>4,153.9</b>	<b>4,456.0</b>	<b>(302.1)</b>	<b>274.7</b>		<b>908.5</b>	<b>1,039.3</b>
				<b>20.91%</b>		<b>69.14%</b>	<b>79.09%</b>

## Gross Yield Trends

The yield history represents gross yields; administrative costs have not been deducted. Actual earnings on your fund balance will be credited by the Auditor-Controller based upon County Treasurer calculations. Portfolio yield always lags current trends in short-term interest rates. Yields fluctuate with changing markets and past performance is not an indication of future results.

<u>MONTH</u>	<u>PORTFOLIO YIELD</u>	<u>90 DAY T-BILL</u>
Jul-97	5.53	5.17
Aug-97	5.55	5.24
Sep-97	5.58	5.06
Oct-97	5.57	5.08
Nov-97	5.52	5.25
Dec-97	5.62	5.28
Jan-98	5.52	5.16
Feb-98	5.49	5.20
Mar-98	5.50	5.14
Apr-98	5.47	5.06
May-98	5.49	5.11
Jun-98	5.50	5.10



September 6, 2002

COPY

Mr. Walter Barnes  
Chief Deputy Controller of Finance  
State Controller's Office  
300 Capitol Mall, Suite 1850  
Sacramento, CA 95814

Re: County of Riverside -  
*Investment Reports*  
Chapter 783, Statutes of 1995  
Fiscal Years: 1995-96, 1996-97, 1997-98

Dear Mr. Barnes:

By this letter, we are requesting that you restore the disallowances made to the above referenced reimbursement claim.

In the review of the Investment Report Incorrect Reduction Claim by the County of Los Angeles, the request to amend the present Parameters and Guidelines by the City of Newport Beach, as well as a review of your files of our claim, it has come to our attention that the reductions made by the State Controller's Office do not bear a rational relationship to the activities performed and the costs incurred by the County of Riverside.

In the within claims, the Controller has reduced the time claimed for the review of the Annual Investment Policy prior to adoption by the policy setting body. We are unaware of any basis for the reduction. The costs claimed reflect the true and correct costs by the County in its preparation.

The Controller has also reduced the time claimed for the performance of subsidiary ledger functions, as well as reconciliation of accounts, verification of interest rates, and adjusting to present market value. Not only are these steps necessary to the preparation of the quarterly investment reports, but are provided for in the Parameters and Guidelines. Additionally, at the hearing on Los Angeles County's Incorrect Reduction Claim, Mr. Bill Sherwood spoke how difficult it was to price these investments to market, and the steps that the State Treasurer must go through in order to obtain such information.

Based upon the foregoing, we respectfully request that the disallowed costs be reinstated. If we do not hear from you within 15 days that such costs have been reinstated, we will pursue other avenues to seek their restoration and payment.

Very truly yours,



Nicole R. Zieba  
Manager