



Item No. 10 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: SEPTEMBER 20, 2017

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE FOURTH
QUARTER ENDED JUNE 30, 2017**

RECOMMENDATION

Accept the Treasurer’s Report for the fourth Quarter Ended June 30, 2017.

BACKGROUND

The Treasurer’s Report provides an update on the cash and investment position of the Town of Atherton.

The Fourth Quarter Treasurer’s report for FY 2016/17 as of June 30, 2017 is attached. The total cash and investments for the Town is \$37,684,617. Of the total amount, \$19,655,615 is listed as “non-restricted” and although may be listed as such, this amount is not all available for spending. “Non-restricted” is to mean not legally restricted but the Town does have obligations and unfunded liabilities that must or may be met with non-restricted funds. Also attached is the PARS Trust account available balance as of June 30, 2017. The total amount in the PARS account is \$5,855,635. This is a “restricted” investment that is used for the Town’s OPEB liabilities.

Insight Asset Management provides non-discretionary investment advisory services to the Town for investments. Staff is working in conjunction with Insight to ensure cash and investments adhere to our goals of safety, liquidity, and yield. To facilitate the trading and safekeeping of securities, Wells Fargo Bank serves as the safe-keeping agent for the Town.

As the Town ramps up with its capital projects, staff forecasts cash flow needs to ensure cash liquidity of funds are readily available. As investments mature staff reviews if there is an immediate need to shift funds to more liquid instruments. LAIF offers the most liquidity and as of June 30, 2017 holds \$15,087,658.

POLICY FOCUS

The Town’s Statement of Investment Policy requires the City Manager or designee to submit quarterly and annual Treasurer’s Report to the City Council. The California Government Code

Section 53646, Subsection B(1) requires that the quarterly Treasurer's Report be submitted to the legislative body within 30 days of the close of a given quarter or within a reasonable time of scheduled council meetings. Staff strives to make this deadline. The current reporting quarter closed on June 30, 2017.

FISCAL IMPACT

None.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

In addition, the Town keeps its financial information up to date via a transparency webpage.

<https://ca-atherton.civicplus.com/index.aspx?NID=269>

ATTACHMENTS

- Treasurer's Report for Fourth Quarter Ended June 30, 2017

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
June 30, 2017**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	5,261,212	5,261,212	5,261,212	14.0%
LAIF Statement	15,087,658	15,096,630	15,087,658	40.0%
Investments (Schedule B)	17,200,000	17,196,195	17,335,747	46.0%
Total Cash and Investments	37,548,870	37,554,036	37,684,617	100%

The above investments are consistent with the Town's Statement of Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The Town has sufficient cash flow to cover anticipated expenditures through the next six months.



Robert Barron, Finance Director

8/31/2017

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
June 30, 2017**

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	2,092,443
Wells Fargo	Wells Fargo Trust MMF-Cash	<u>3,168,768</u>
Total		<u><u>5,261,212</u></u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
June 30, 2017**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
June 30, 2017**

Fund No.	Fund Name	June Balance
101	General Fund	16,458,618
105	Tennis Fund	143,917
610	Equipment Replacement Fund	402,936
614	Worker's Compensation	603,229
615	General Liability	463,413
616	Employee Benefits	1,583,502
	Total Non-Restricted	<u>19,655,615</u>
201	Special Tax Fund	2,287,188
202	County Measure A Fund	818,248
203	Gas Tax Fund	161,708
204	Measure M	308,283
209	SLES/COPS Grant	298
210	Road Constructions Impact Fee	-
213	Library Fund	5,816,236
215	Evans Creative Design (formerly fund 715)	18,302
221	Refuse Rate and Stabilization	1,179,053
401	GF Projects	6,358,360
402	Storm Drainage	30,371
403	Atherton Channel Drainage District	155,430
406	Facilities Construction	863,905
730	H-P Park Improvement	6,160
740	Tree Committee	25,460
	Total Restricted	<u>18,029,002</u>
	Total Cash & Investments	<u><u>37,684,617</u></u>

**Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
June 30, 2017**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/30/2016	15,087,658		-	-		15,087,658	6/30/2016

**Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
June 30, 2017**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/1/2017	5,827,114	32,014	31,196	(2,809)	(31,880)	5,855,635	6/30/2017 (*)

* Recent available PARS report

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ANY FORM WITHOUT PRIOR WRITTEN APPROVAL

TOWN OF ATHERTON TREASURER'S REPORT SCHEDULE B

June 2017

➤ A BNY MELLON COMPANYSM

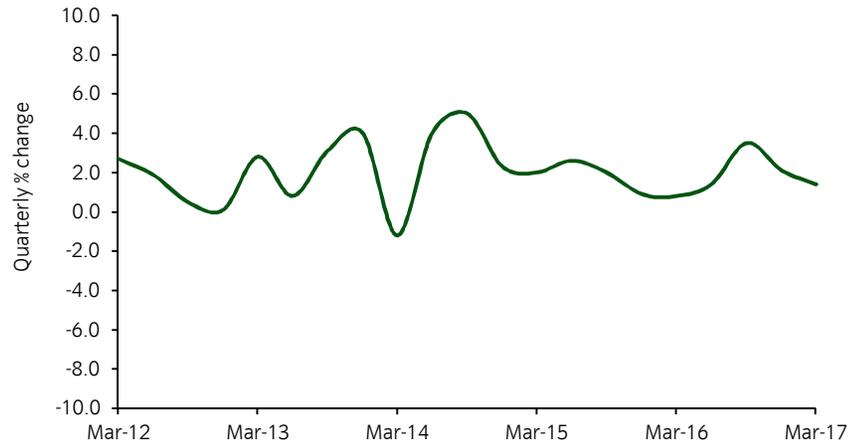


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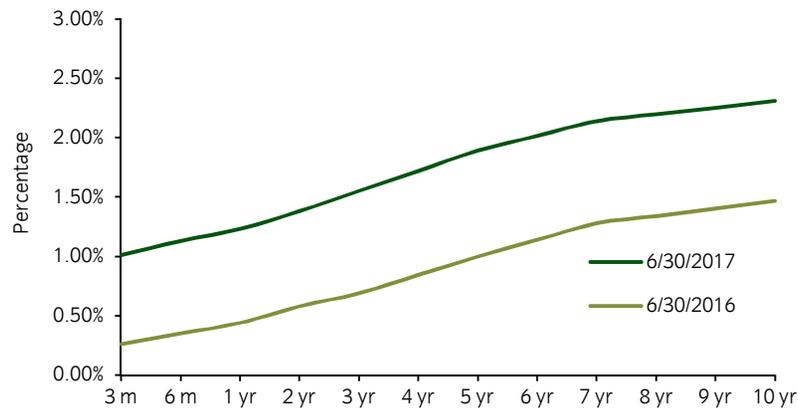
As of June 30, 2017

Chart 1: US Gross Domestic Product: 3/31/2012—3/31/2017



Source: Bloomberg Finance LP, June 29, 2017.

Chart 2: Treasury yield curve: 6/30/2016 and 6/30/2017



Source: Bloomberg Finance LP, June 30, 2017.

Economic Indicators and Monetary Policy

On June 14, the Federal Open Market Committee (FOMC) increased the fed funds target rate to a range of 1.00% to 1.25%. In the accompanying statement, the FOMC noted that information released since the last FOMC meeting indicated strengthening labor market conditions, improvements in household spending and business fixed investment. Inflation, however, remains below Fed target levels. The FOMC further communicated that if market conditions evolve as anticipated, it will begin to implement a balance sheet normalization program this year. The program will gradually decrease the Federal Reserve holdings by reducing the reinvestment of principal payments in portfolio positions.

The May payroll report released on June 2 was weaker than expected. US employers added 138,000 jobs in May compared to expectations for 182,000 new jobs, and April job gains were revised down to 174,000 from 211,000. The household survey showed that the unemployment rate fell 0.1% to 4.3% in May and the underemployment rate decreased to 8.4% from 8.6% in April.

The May Consumer Price Index (CPI) was released on June 14, and both headline and core year-over-year levels fell below 2.0%. Headline CPI was negative 0.1% for the month of May, and the year-over-year reading fell to 1.9% from 2.2% in April. Excluding food and energy, the May reading was positive 0.1% while the year-over-year reading decreased to 1.7% from 1.9% in April.

The final estimate of first quarter 2017 GDP was released on June 29 at 1.4%, better than expectations of 1.2% growth but down from 2.1% GDP growth in the fourth quarter 2016 and 3.5% growth in the third quarter of last year. (See Chart 1).

Interest Rate Summary

At the end of June the 3-month US Treasury bill yielded 1.01%, the 6-month US Treasury bill yielded 1.13%, the 2-year US Treasury note yielded 1.38%, the 5-year US Treasury note yielded 1.89% and the 10-year US Treasury note yielded 2.31%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2017 - June 30, 2017

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	20,376,107.33
Income received	28,000.36
Total receipts	28,000.36
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(5,082.67)
Total OID/MKT accretion income	675.33
Return of capital	0.00
Closing balance	20,399,700.35
Ending fair value	20,364,963.00
Unrealized gain (loss)	(34,737.35)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	765.77	0.00	0.00	765.77
Corporate Bonds	7,786.11	(1,820.00)	0.00	5,966.11
Government Agencies	10,881.12	(2,647.76)	0.00	8,233.36
Government Bonds	2,565.15	60.42	0.00	2,625.57
Total	21,998.15	(4,407.34)	0.00	17,590.81

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.62	0.41	0.09
Overnight Repo	0.61	0.38	0.08
Merrill Lynch 3m US Treas Bill	0.53	0.36	0.08
Merrill Lynch 6m US Treas Bill	0.64	0.41	0.09
ML 1 Year US Treasury Note	0.83	0.50	0.10
ML 2 Year US Treasury Note	1.07	0.63	0.11
ML 5 Year US Treasury Note	1.62	0.93	0.14

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	21,998.15
Accretion (amortization)	(4,407.34)
Realized gain (loss) on sales	0.00
Total income on portfolio	17,590.81
Average daily amortized cost	20,389,012.31
Period return (%)	0.09
YTD return (%)	0.50
Weighted average final maturity in days	365

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2017 - June 30, 2017

<u>Fair Value Basis Activity Summary</u>		
Opening balance		20,354,621.27
Income received	28,000.36	
Total receipts		28,000.36
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(17,658.63)
Ending fair value		20,364,963.00

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	765.77	0.00	765.77
Corporate Bonds	7,786.11	(5,084.00)	2,702.11
Government Agencies	10,881.12	(10,707.10)	174.02
Government Bonds	2,565.15	(1,867.53)	697.62
Total	21,998.15	(17,658.63)	4,339.52

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.62	0.41	0.09
Overnight Repo	0.61	0.38	0.08
Merrill Lynch 3m US Treas Bill	0.49	0.31	0.08
Merrill Lynch 6m US Treas Bill	0.62	0.36	0.09
ML 1 Year US Treasury Note	0.40	0.30	0.03
ML US Treasury 1-3	(0.11)	0.43	(0.08)
ML US Treasury 1-5	(0.53)	0.75	(0.15)

* rates reflected are cumulative

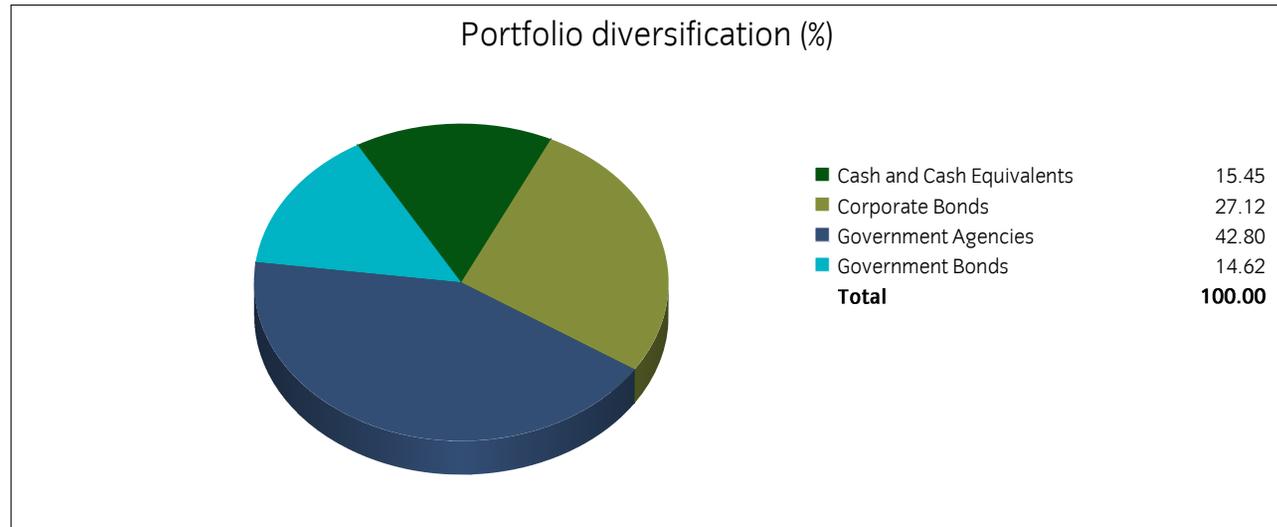
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	21,998.15
Change in fair value	(17,658.63)
Total income on portfolio	4,339.52
Average daily total value *	20,421,093.75
Period return (%)	0.02
YTD return (%)	0.48
Weighted average final maturity in days	365

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2017

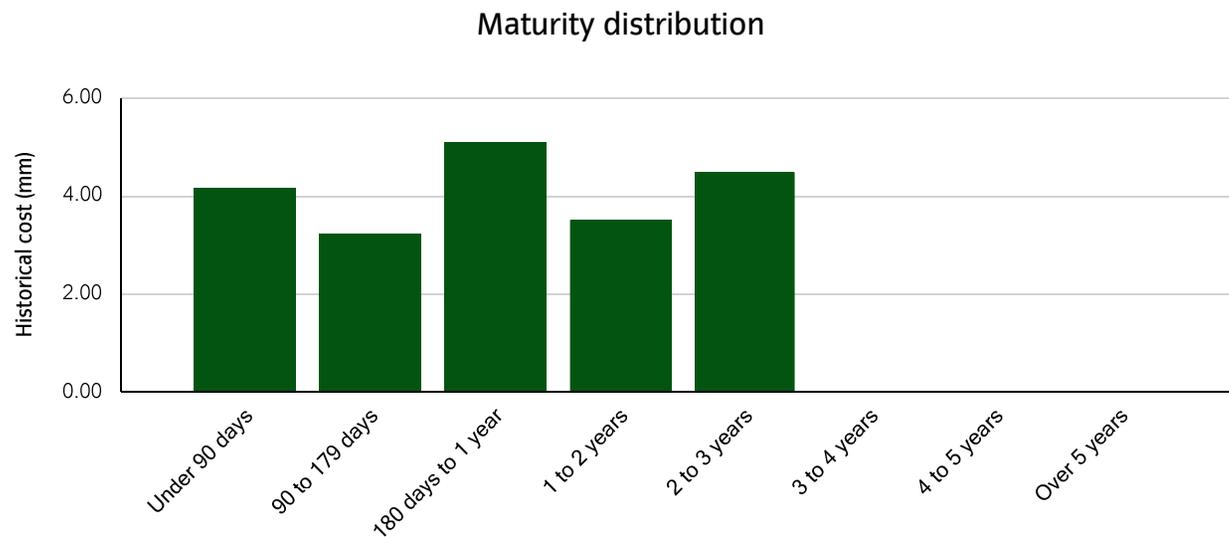
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	3,168,768.15	3,168,768.15	3,168,768.15	0.00	1	15.45	0.00
Corporate Bonds	5,561,795.00	5,520,790.15	5,516,020.50	(4,769.65)	402	27.12	1.07
Government Agencies	8,775,651.50	8,713,002.12	8,687,096.10	(25,906.02)	441	42.80	1.18
Government Bonds	2,998,300.78	2,997,139.93	2,993,078.25	(4,061.68)	464	14.62	1.25
Total	20,504,515.43	20,399,700.35	20,364,963.00	(34,737.35)	365	100.00	0.98



MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2017

Maturity	Historic cost	Percent
Under 90 days	4,168,308.15	20.33
90 to 179 days	3,228,032.25	15.74
180 days to 1 year	5,099,803.75	24.87
1 to 2 years	3,520,175.47	17.17
2 to 3 years	4,488,195.81	21.89
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	20,504,515.43	100.00



SECURITIES HELD

As of June 30, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		3,168,768.15	3,168,768.15 0.00	3,168,768.15 0.00	3,168,768.15 0.00	0.00	0.00	0.00	0.00	15.45
Total Cash and Cash Equivalents			3,168,768.15	3,168,768.15 0.00	3,168,768.15 0.00	3,168,768.15 0.00	0.00	0.00	0.00	0.00	15.45
Corporate Bonds											
594918AP9 MICROSOFT CORP 0.875% 15/11/2017	0.875	11/15/2017	500,000.00	492,105.00 0.00	499,282.27 159.49	499,308.00 (41.50)	25.73	0.00	352.44	546.88	2.40
58933YAC9 MERCK & CO INC 1.1% 31/01/2018	1.100	01/31/2018	500,000.00	500,580.00 0.00	500,113.09 (16.16)	499,523.50 382.00	(589.59)	0.00	458.34	2,291.67	2.44
717081AQ6 PFIZER INC 4.65% 01/03/2018	4.650	03/01/2018	500,000.00	552,500.00 0.00	511,419.22 (1,421.48)	510,536.50 (1,820.00)	(882.72)	0.00	1,872.92	7,685.42	2.69
191216BA7 COCA-COLA CO/THE 1.15% 01/04/2018	1.150	04/01/2018	500,000.00	498,645.00 0.00	499,669.18 36.62	499,113.00 (56.00)	(556.18)	0.00	463.20	1,421.53	2.43
931142DF7 WAL-MART STORES INC 1.125% 11/04/2018	1.125	04/11/2018	500,000.00	499,450.00 0.00	499,862.01 14.73	498,963.50 (256.50)	(898.51)	0.00	453.13	1,234.38	2.44
084664BW0 BERKSHIRE HATHAWAY FIN 1.3% 15/05/2018	1.300	05/15/2018	500,000.00	500,730.00 0.00	500,199.26 (18.98)	499,458.50 (175.50)	(740.76)	0.00	523.61	812.50	2.44
166764AE0 CHEVRON CORP 1.718% 24/06/2018 (CALLABLE 24/05/18)	1.718	06/24/2018 05/24/2018	500,000.00	507,585.00 0.00	502,199.09 (186.36)	501,095.00 (435.00)	(1,104.09)	4,295.00	691.98	143.17	2.48
88579YAP6 3M COMPANY 1.375% 07/08/2018	1.375	08/07/2018	500,000.00	501,100.00 0.00	500,468.56 (35.41)	499,652.00 (1,201.00)	(816.56)	0.00	553.82	2,730.90	2.44

SECURITIES HELD

As of June 30, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
19416QEF3 COLGATE-PALMOLIVE CO 1.75% 15/03/2019	1.750	03/15/2019	500,000.00	504,345.00 0.00	503,173.60 (154.81)	501,368.50 (496.00)	(1,805.10)	0.00	704.86	2,552.08	2.46
037833AQ3 APPLE INC 2.1% 06/05/2019	2.100	05/06/2019	500,000.00	504,675.00 0.00	504,336.42 (195.33)	504,687.50 (855.00)	351.08	0.00	845.83	1,575.00	2.46
94988J5G8 WELLS FARGO BANK NA 2.15% 06/12/2019	2.150	12/06/2019	500,000.00	500,080.00 0.00	500,067.45 (2.31)	502,314.50 (129.50)	2,247.05	5,315.28	865.98	716.67	2.44
Total Corporate Bonds			5,500,000.00	5,561,795.00 0.00	5,520,790.15 (1,820.00)	5,516,020.50 (5,084.00)	(4,769.65)	9,610.28	7,786.11	21,710.20	27.12
Government Agencies											
3137EADJ5 FREDDIE MAC 1% 28/07/2017 #1	1.000	07/28/2017	500,000.00	499,965.00 0.00	499,999.21 0.84	499,982.50 (35.50)	(16.71)	0.00	402.78	2,111.11	2.44
3130A6SV0 FEDERAL HOME LOAN BANK 0.84% 15/08/2017 #0002	0.840	08/15/2017	500,000.00	499,575.00 0.00	499,969.55 20.31	499,810.00 20.00	(159.55)	0.00	338.33	1,575.00	2.44
3134G3M31 FREDDIE MAC 1% 27/09/2017 CALLABLE	1.000	09/27/2017	1,200,000.00	1,203,276.00 0.00	1,200,000.00 0.00	1,199,721.60 (147.60)	(278.40)	0.00	966.67	3,100.00	5.87
3136FPTQ0 FANNIE MAE 2.2% 27/10/2017 CALLABLE	2.200	10/27/2017	500,000.00	514,240.00 0.00	502,039.27 (522.88)	501,740.00 (450.00)	(299.27)	0.00	886.11	1,925.00	2.51
31331J350 FEDERAL FARM CREDIT BANK 2.5% 01/12/2017	2.500	12/01/2017	500,000.00	517,630.00 0.00	503,128.24 (621.50)	503,055.00 (660.00)	(73.24)	6,250.00	1,006.94	1,006.94	2.52
31398AMD1 FANNIE MAE 4.065% 15/02/2018	4.065	02/15/2018	500,000.00	537,785.00 0.00	509,383.69 (1,251.16)	508,655.00 (1,415.00)	(728.69)	0.00	1,637.30	7,621.88	2.62

SECURITIES HELD

As of June 30, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3130A5PE3 FEDERAL HOME LOAN BANK 1.125% 29/03/2018	1.125	03/29/2018	500,000.00	502,060.00 0.00	500,602.98 (67.25)	499,515.00 (120.00)	(1,087.98)	0.00	453.13	1,421.88	2.45
3135G0YM9 FANNIE MAE 1.875% 18/09/2018	1.875	09/18/2018	500,000.00	508,550.00 0.00	503,667.87 (251.23)	503,122.00 (884.50)	(545.87)	0.00	755.21	2,656.25	2.48
3134GAFJ8 FREDDIE MAC 1% 14/12/2018 CALLABLE	1.000	12/14/2018	1,000,000.00	999,650.00 0.00	999,775.52 12.85	992,870.00 (1,010.00)	(6,905.52)	5,000.00	805.55	444.44	4.88
3135G0P49 FANNIE MAE 1% 28/08/2019	1.000	08/28/2019	500,000.00	498,640.00 0.00	498,964.70 39.93	495,115.00 (645.00)	(3,849.70)	0.00	402.77	1,694.44	2.43
3133EG2D6 FEDERAL FARM CREDIT BANK 1.55% 27/09/2019	1.550	09/27/2019	500,000.00	501,520.00 0.00	501,264.58 (47.01)	499,455.00 (1,065.00)	(1,809.58)	0.00	624.30	2,002.08	2.45
3133EGYP4 FEDERAL FARM CREDIT BANK 1.05% 17/10/2019	1.050	10/17/2019	1,000,000.00	997,741.00 0.00	998,255.66 63.28	988,530.00 (1,780.00)	(9,725.66)	0.00	845.84	2,129.17	4.87
3130AA2H0 FEDERAL HOME LOAN BANK 1.125% 29/11/2019	1.125	11/29/2019	500,000.00	495,305.00 0.00	496,222.26 134.76	495,890.00 (965.00)	(332.26)	0.00	453.13	484.38	2.42
3133EHET6 FEDERAL FARM CREDIT BANK 1.58% 03/03/2020	1.580	03/03/2020	500,000.00	499,714.50 0.00	499,728.59 8.45	499,635.00 (1,465.00)	(93.59)	0.00	636.39	1,909.17	2.44
Total Government Agencies			8,700,000.00	8,775,651.50 0.00	8,713,002.12 (2,480.61)	8,687,096.10 (10,622.60)	(25,906.02)	11,250.00	10,214.45	30,081.74	42.80

Government Bonds

912828G20 USA TREASURY 0.875% 15/11/2017	0.875	11/15/2017	500,000.00	500,781.25 0.00	500,119.53 (25.98)	499,550.00 97.00	(569.53)	0.00	356.66	546.88	2.44
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SECURITIES HELD

As of June 30, 2017

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Bonds											
912828UJ7 USA TREASURY 0.875% 31/01/2018	0.875	01/31/2018	500,000.00	500,000.00 0.00	500,000.00 0.00	499,124.50 101.00	(875.50)	0.00	362.57	1,812.85	2.44
912828J68 USA TREASURY 1% 15/03/2018	1.000	03/15/2018	500,000.00	500,468.75 0.00	500,127.57 (14.84)	499,160.00 (39.00)	(967.57)	0.00	407.60	1,453.80	2.44
912828RT9 USA TREASURY 1.375% 30/11/2018	1.375	11/30/2018	500,000.00	501,855.47 0.00	501,430.26 (82.83)	500,156.00 (840.00)	(1,274.26)	0.00	563.53	563.53	2.45
912828TC4 USA TREASURY 1% 30/06/2019	1.000	06/30/2019	500,000.00	496,113.28 0.00	496,371.73 149.10	496,337.75 (859.50)	(33.98)	2,500.00	412.09	0.00	2.42
912828V31 USA TREASURY 1.375% 15/01/2020	1.375	01/15/2020	500,000.00	499,082.03 (3,000.69)	499,090.84 8.81	498,750.00 (332.03)	(340.84)	0.00	151.93	3,152.62	2.43
Total Government Bonds			3,000,000.00	2,998,300.78 (3,000.69)	2,997,139.93 34.26	2,993,078.25 (1,872.53)	(4,061.68)	2,500.00	2,254.38	7,529.68	14.62
Grand total			20,368,768.15	20,504,515.43 (3,000.69)	20,399,700.35 (4,266.35)	20,364,963.00 (17,579.13)	(34,737.35)	23,360.28	20,254.94	59,321.62	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

As of June 30, 2017

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Cash and Cash Equivalents												
	INVESTED CASH	0.000					3,168,768.15	3,168,768.15	15.45	3,168,768.15	15.56	0.00
Issuer total							3,168,768.15	3,168,768.15	15.45	3,168,768.15	15.56	0.00
United States Treasury Note/Bond												
912828G20	USA TREASURY 0.875%	0.875	11/15/2017		AA+	Aaa	500,000.00	500,781.25	2.44	499,550.00	2.45	0.37
912828UJ7	USA TREASURY 0.875%	0.875	01/31/2018		AA+	Aaa	500,000.00	500,000.00	2.44	499,124.50	2.45	0.58
912828J68	USA TREASURY 1%	1.000	03/15/2018		AA+	Aaa	500,000.00	500,468.75	2.44	499,160.00	2.45	0.70
912828RT9	USA TREASURY 1.375%	1.375	11/30/2018		AA+	Aaa	500,000.00	501,855.47	2.45	500,156.00	2.46	1.40
912828TC4	USA TREASURY 1%	1.000	06/30/2019		AA+	Aaa	500,000.00	496,113.28	2.42	496,337.75	2.44	1.97
912828V31	USA TREASURY 1.375%	1.375	01/15/2020		AA+	Aaa	500,000.00	499,082.03	2.43	498,750.00	2.45	2.48
Issuer total							3,000,000.00	2,998,300.78	14.62	2,993,078.25	14.70	1.25
Federal Home Loan Mortgage Corp												
3137EADJ5	FREDDIE MAC 1%	1.000	07/28/2017		AA+	Aaa	500,000.00	499,965.00	2.44	499,982.50	2.46	0.07
3134G3M31	FREDDIE MAC 1%	1.000	09/27/2017		AA+	Aaa	1,200,000.00	1,203,276.00	5.87	1,199,721.60	5.89	0.24
3134GAFJ8	FREDDIE MAC 1%	1.000	12/14/2018		AA+	Aaa	1,000,000.00	999,650.00	4.88	992,870.00	4.88	1.40
Issuer total							2,700,000.00	2,702,891.00	13.18	2,692,574.10	13.22	0.64
Federal Farm Credit Banks												
31331J3S0	FEDERAL FARM CREDIT	2.500	12/01/2017		AA+	Aaa	500,000.00	517,630.00	2.52	503,055.00	2.47	0.42
3133EG2D6	FEDERAL FARM CREDIT	1.550	09/27/2019		AA+	Aaa	500,000.00	501,520.00	2.45	499,455.00	2.45	2.19
3133EGYP4	FEDERAL FARM CREDIT	1.050	10/17/2019		AA+	Aaa	1,000,000.00	997,741.00	4.87	988,530.00	4.85	2.26
3133EHET6	FEDERAL FARM CREDIT	1.580	03/03/2020		AA+	Aaa	500,000.00	499,714.50	2.44	499,635.00	2.45	2.60
Issuer total							2,500,000.00	2,516,605.50	12.27	2,490,675.00	12.23	1.94
Federal National Mortgage Association												
3136FPTQ0	FANNIE MAE 2.2%	2.200	10/27/2017		AA+	Aaa	500,000.00	514,240.00	2.51	501,740.00	2.46	0.32

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2017

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal National Mortgage Association												
31398AMD1	FANNIE MAE 4.065%	4.065	02/15/2018		AA+	Aaa	500,000.00	537,785.00	2.62	508,655.00	2.50	0.61
3135G0YM9	FANNIE MAE 1.875%	1.875	09/18/2018		AA+	Aaa	500,000.00	508,550.00	2.48	503,122.00	2.47	1.20
3135G0P49	FANNIE MAE 1%	1.000	08/28/2019		AA+	Aaa	500,000.00	498,640.00	2.43	495,115.00	2.43	2.12
Issuer total							2,000,000.00	2,059,215.00	10.04	2,008,632.00	9.86	1.05
Federal Home Loan Banks												
3130A6SV0	FEDERAL HOME LOAN	0.840	08/15/2017		AA+	Aaa	500,000.00	499,575.00	2.44	499,810.00	2.45	0.12
3130A5PE3	FEDERAL HOME LOAN	1.125	03/29/2018		AA+	Aaa	500,000.00	502,060.00	2.45	499,515.00	2.45	0.73
3130AA2H0	FEDERAL HOME LOAN	1.125	11/29/2019		AA+	Aaa	500,000.00	495,305.00	2.42	495,890.00	2.44	2.37
Issuer total							1,500,000.00	1,496,940.00	7.30	1,495,215.00	7.34	1.07
Pfizer Inc												
717081AQ6	PFIZER INC 4.65%	4.650	03/01/2018		AA	A1	500,000.00	552,500.00	2.69	510,536.50	2.51	0.65
Issuer total							500,000.00	552,500.00	2.69	510,536.50	2.51	0.65
Apple Inc												
037833AQ3	APPLE INC 2.1%	2.100	05/06/2019		AA+	Aa1	500,000.00	504,675.00	2.46	504,687.50	2.48	1.80
Issuer total							500,000.00	504,675.00	2.46	504,687.50	2.48	1.80
Wells Fargo Bank NA												
94988J5G8	WELLS FARGO BANK NA	2.150	12/06/2019		AA-	Aa2	500,000.00	500,080.00	2.44	502,314.50	2.47	2.37
Issuer total							500,000.00	500,080.00	2.44	502,314.50	2.47	2.37
Colgate-Palmolive Co												
19416QEF3	COLGATE-PALMOLIVE CO	1.750	03/15/2019		AA-	Aa3	500,000.00	504,345.00	2.46	501,368.50	2.46	1.67
Issuer total							500,000.00	504,345.00	2.46	501,368.50	2.46	1.67

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

As of June 30, 2017

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Chevron Corp												
166764AE0	CHEVRON CORP 1.718%	1.718	06/24/2018	05/24/2018	AA-	Aa2	500,000.00	507,585.00	2.48	501,095.00	2.46	0.93
Issuer total							500,000.00	507,585.00	2.48	501,095.00	2.46	0.93
3M Co												
88579YAP6	3M COMPANY 1.375%	1.375	08/07/2018		AA-	A1	500,000.00	501,100.00	2.44	499,652.00	2.45	1.08
Issuer total							500,000.00	501,100.00	2.44	499,652.00	2.45	1.08
Merck & Co Inc												
58933YAC9	MERCK & CO INC 1.1%	1.100	01/31/2018		AA	A1	500,000.00	500,580.00	2.44	499,523.50	2.45	0.58
Issuer total							500,000.00	500,580.00	2.44	499,523.50	2.45	0.58
Berkshire Hathaway Finance Corp												
084664BW0	BERKSHIRE HATHAWAY	1.300	05/15/2018		AA	Aa2	500,000.00	500,730.00	2.44	499,458.50	2.45	0.86
Issuer total							500,000.00	500,730.00	2.44	499,458.50	2.45	0.86
Microsoft Corp												
594918AP9	MICROSOFT CORP 0.875%	0.875	11/15/2017		AAA	Aaa	500,000.00	492,105.00	2.40	499,308.00	2.45	0.37
Issuer total							500,000.00	492,105.00	2.40	499,308.00	2.45	0.37
Coca-Cola Co/The												
191216BA7	COCA-COLA CO/THE	1.150	04/01/2018		AA-	Aa3	500,000.00	498,645.00	2.43	499,113.00	2.45	0.75
Issuer total							500,000.00	498,645.00	2.43	499,113.00	2.45	0.75
Wal-Mart Stores Inc												
931142DF7	WAL-MART STORES INC	1.125	04/11/2018		AA	Aa2	500,000.00	499,450.00	2.44	498,963.50	2.45	0.77
Issuer total							500,000.00	499,450.00	2.44	498,963.50	2.45	0.77
Grand total							20,368,768.15	20,504,515.43	100.00	20,364,963.00	100.00	0.98

SECURITIES PURCHASED

For the period June 1, 2017 - June 30, 2017

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Bonds							
912828V31	06/21/2017	1.375	01/15/2020	500,000.00	99.82	(499,082.03)	(3,000.69)
USA TREASURY 1.375% 15/01/2020	06/22/2017						
RBC DOMINION SECURITIES							
Total Government Bonds				500,000.00		(499,082.03)	(3,000.69)
Grand total				500,000.00		(499,082.03)	(3,000.69)

SECURITIES SOLD AND MATURED

For the period June 1, 2017 - June 30, 2017

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
Government Agencies												
313379DD8 FEDERAL HOME LN BKS TRANCHE 1 DUE 06-21-2017 REG	06/21/2017 06/21/2017	1.000		(500,000.00)	507,000.00	500,000.00 (88.34)	0.00	500,000.00 (31.50)	0.00	0.00	2,500.00	277.78
3137EADH9 FREDDIE MAC 1% 29/06/2017	06/29/2017 06/29/2017	1.000		(500,000.00)	504,650.00	500,000.00 (78.81)	0.00	500,000.00 (53.00)	0.00	0.00	2,500.00	388.89
Total (Government Agencies)				(1,000,000.00)	1,011,650.00	1,000,000.00 (167.15)		1,000,000.00 (84.50)	0.00	0.00	5,000.00	666.67
Government Bonds												
912828TB6 USA TREASURY 0.75% 30/06/2017	06/30/2017 06/30/2017	0.750		(500,000.00)	499,257.81	500,000.00 26.16	0.00	500,000.00 5.00	0.00	0.00	1,875.00	310.77
Total (Government Bonds)				(500,000.00)	499,257.81	500,000.00 26.16		500,000.00 5.00	0.00	0.00	1,875.00	310.77
Grand total				(1,500,000.00)	1,510,907.81	1,500,000.00 (140.99)		1,500,000.00 (79.50)	0.00	0.00	6,875.00	977.44

TRANSACTION REPORT

For the period June 1, 2017 - June 30, 2017

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/01/2017 06/01/2017	31331J350	Income	Government Agencies	FEDERAL FARM CREDIT BANK	12/01/2017	500,000.00	0.00	0.00	6,250.00	6,250.00
06/06/2017 06/06/2017	94988J5G8	Income	Corporate Bonds	WELLS FARGO BANK NA 2.15%	12/06/2019	500,000.00	0.00	0.00	5,315.28	5,315.28
06/14/2017 06/14/2017	3134GAFJ8	Income	Government Agencies	FREDDIE MAC 1% 14/12/2018	12/14/2018	1,000,000.00	0.00	0.00	5,000.00	5,000.00
06/21/2017 06/21/2017	313379DD8	Income	Government Agencies	FEDERAL HOME LN BKS	06/21/2017	500,000.00	0.00	0.00	2,500.00	2,500.00
06/21/2017 06/21/2017	313379DD8	Capital Change	Government Agencies	FEDERAL HOME LN BKS	06/21/2017	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/21/2017 06/22/2017	912828V31	Bought	Government Bonds	USA TREASURY 1.375%	01/15/2020	500,000.00	0.00	(499,082.03)	(3,000.69)	(502,082.72)
06/24/2017 06/24/2017	166764AE0	Income	Corporate Bonds	CHEVRON CORP 1.718%	06/24/2018	500,000.00	0.00	0.00	4,295.00	4,295.00
06/29/2017 06/29/2017	3137EADH9	Income	Government Agencies	FREDDIE MAC 1% 29/06/2017	06/29/2017	500,000.00	0.00	0.00	2,500.00	2,500.00
06/29/2017 06/29/2017	3137EADH9	Capital Change	Government Agencies	FREDDIE MAC 1% 29/06/2017	06/29/2017	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/30/2017 06/30/2017	912828TB6	Income	Government Bonds	USA TREASURY 0.75%	06/30/2017	500,000.00	0.00	0.00	1,875.00	1,875.00
06/30/2017 06/30/2017	912828TB6	Capital Change	Government Bonds	USA TREASURY 0.75%	06/30/2017	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/30/2017 06/30/2017	912828TC4	Income	Government Bonds	USA TREASURY 1% 30/06/2019	06/30/2019	500,000.00	0.00	0.00	2,500.00	2,500.00
06/30/2017		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	765.77	765.77

ADDITIONAL INFORMATION

As of June 30, 2017

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. CAMC and CISC charge management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with either CAMC or CISC, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. CAMCS and CISC's investment advisory fees are discussed in Part 2A of the Firms Form ADV.

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For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moodys, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moodys and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategys holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

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ADDITIONAL INFORMATION

As of June 30, 2017

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