



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: FEBRUARY 19, 2020

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE SECOND
QUARTER ENDED DECEMBER 31, 2019**

RECOMMENDATION

Accept the Treasurer’s Report for the First Quarter Ended December 31, 2019.

BACKGROUND

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

The Second Quarter Treasurer’s report for FY 2019/20 as of December 31, 2019 is attached. The total cash and investments for the Town is \$40,352,174. Of the total amount, \$33,033,346 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 December 31, 2019. The total amount in the PARS account is \$7,199,103. 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 construction phase of Civic Center project, staff forecasts cash flow needs to ensure cash liquidity of funds are readily available. As investments mature staff anticipates shifting funds to more liquid instruments. LAIF offers the most liquidity and as of December 31, 2019 holds \$18,580,276.

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 December 31, 2019. With interim audit and civic center cash flow planning, staff was unable to provide report at the November meeting.

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>

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)
- Tree Committee (meets each month)

ATTACHMENTS

Treasurer's Report for Second Quarter Ended December 31, 2019

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
December 31, 2019**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	6,731,387	6,731,387	6,731,387	16.7%
LAIF Statement	18,580,276	18,591,325	18,580,276	46.0%
Investments (Schedule B)	15,040,000	15,088,227	15,040,510	37.3%
Total Cash and Investments	40,351,663	40,410,938	40,352,174	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

9/30/2019

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
December 31, 2019**

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	4,257,417
Wells Fargo	Wells Fargo Trust MMF-Cash	2,473,971
Total		<u>6,731,387</u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
December 31, 2019**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
December 31, 2019**

Fund No.	Fund Name	December Balance
101	General Fund	28,736,493
105	Tennis Fund	213,237
610	Equipment Replacement Fund	611,119
614	Worker's Compensation	1,236,981
615	General Liability	603,018
616	Employee Benefits	1,632,498
	Total Non-Restricted	<u>33,033,346</u>
201	Special Tax Fund	1,688,743
202	County Measure A Fund	530,853
203	Gas Tax Fund	139,634
204	Measure M	304,032
209	SLES/COPS Grant	101,250
210	Road Constructions Impact Fee	-
213	Library Fund	356,475
215	Evans Creative Design (formerly fund 715)	7,475
221	Refuse Rate and Stabilization	1,931,845
401	GF Projects	1,366,025
402	Storm Drainage	31,347
403	Atherton Channel Drainage District	448,997
406	Facilities Construction	379,515
730	H-P Park Improvement	6,358
740	Tree Committee	26,278
	Total Restricted	<u>7,318,828</u>
	Total Cash & Investments	<u><u>40,352,174</u></u>

Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
December 31, 2019

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
12/31/2019	18,580,276		-	-		18,580,276	12/31/2019

**Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
December 31, 2019**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
12/31/2019	7,100,484	33,841	104,264	(3,293)	(36,192)	7,199,103	12/31/2019 (*)

* Recent available PARS report

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TOWN OF ATHERTON Schedule B Treasurer's Report

December 2019



Contents

Fixed income market review	3
Activity and performance summary	4
Recap of securities held	6
Maturity distribution of securities held	7
Securities held	8
GASB 40 - Deposit and investment risk disclosure	12
Securities purchased	15
Securities sold and matured	16
Transaction report	17
Additional information	18

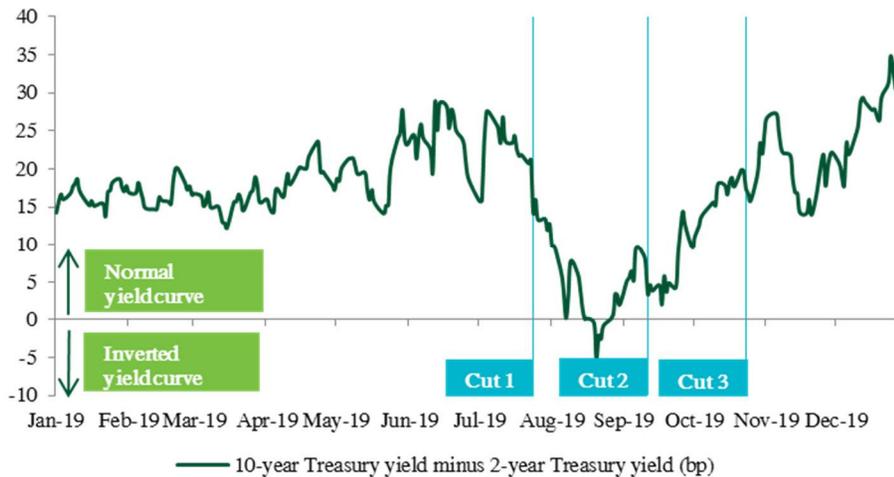
As of December 31, 2019

Chart 1: US unemployment hits a new 50-year low



Source: Bloomberg Finance LP, December 31, 2019.

Chart 2: Return of 'normal' yield curve leaves Fed satisfied with policy rates



Source: Bloomberg Finance LP, December 31, 2019.

Economic Indicators and Monetary Policy

Economic indicators were promising overall. The economy added 266,000 jobs in November (above the expected 180,000) with an upward revision of 41,000 to the previous two months, supported by the return of GM workers following a strike. The unemployment rate fell to a new 50-year low of 3.5% (Chart 1). The ISM manufacturing index weakened to 48.1 (compared to the expected 49.2), but remained higher than the September low-point of 47.8. The non-manufacturing index fell from to 53.9 (versus an expected 54.5).

The US and China agreed to a narrow 'phase one' trade deal, with the expectation that it will be signed in January. New US tariffs previously scheduled to come into effect during the month were suspended. Existing tariff rates on \$120bn of Chinese imports will be halved from 15% to 7.5%, although 25% on a remaining \$250bn of tariffs will remain. China committed to import various US goods and services over the next two years in a total amount that exceeds China's annual level of imports for those goods and services in 2017 by no less than \$200bn. President Trump also stated that discussions on a 'phase two' deal would begin immediately rather than after this year's presidential election.

The final Federal Reserve (Fed) meeting of 2019 brought a run of three consecutive rate cuts to an end (Chart 2). The Fed's messaging tilted towards the optimistic side, removing any mention of "uncertainties" to the outlook, partly as the trade conflict with China appears closer to stabilizing. The committee's revised 'dot plot' showed a majority of members expect no change in rates by the end of 2020, with no member predicting a cut. The yield curve continued to steepen, indicating improving investor optimism around the economy.

Interest Rate Summary

Treasury yields declined mostly across the curve during the month. At the end of December, the 3-month US Treasury bill yielded 1.55%, the 6-month US Treasury bill yielded 1.59%, the 2-year US Treasury note yielded 1.57%, the 5-year US Treasury note yielded 1.69% and the 10-year US Treasury note yielded 1.69%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2019 - December 31, 2019

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	17,479,983.51
Income received	38,929.90
Total receipts	38,929.90
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(2,633.82)
Total OID/MKT accretion income	2,150.31
Return of capital	0.00
Closing balance	17,518,429.90
Ending fair value	17,562,197.14
Unrealized gain (loss)	43,767.24

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	2,497.08	0.00	0.00	2,497.08
Corporate Bonds	11,791.03	(1,755.07)	0.00	10,035.96
Government Agencies	12,469.55	1,187.39	0.00	13,656.94
Government Bonds	1,806.84	84.17	0.00	1,891.01
Total	28,564.50	(483.51)	0.00	28,080.99

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	2.16	0.96	0.13
Overnight Repo	2.22	0.98	0.13
Merrill Lynch 3m US Treas Bill	2.04	0.87	0.13
Merrill Lynch 6m US Treas Bill	2.02	0.86	0.13
ML 1 Year US Treasury Note	2.06	0.86	0.13
ML 2 Year US Treasury Note	1.97	0.82	0.14
ML 5 Year US Treasury Note	1.96	0.81	0.14

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	28,564.50
Accretion (amortization)	(483.51)
Realized gain (loss) on sales	0.00
Total income on portfolio	28,080.99
Average daily amortized cost	17,501,795.97
Period return (%)	0.16
YTD return (%)	2.00
Weighted average final maturity in days	203

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2019 - December 31, 2019

<u>Fair Value Basis Activity Summary</u>		
Opening balance		17,524,676.09
Income received	38,929.90	
Total receipts		38,929.90
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		(1,408.85)
Ending fair value		17,562,197.14

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	2,497.08	0.00	2,497.08
Corporate Bonds	11,791.03	(2,158.68)	9,632.35
Government Agencies	12,469.55	554.65	13,024.20
Government Bonds	1,806.84	195.18	2,002.02
Total	28,564.50	(1,408.85)	27,155.65

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	2.16	0.96	0.13
Overnight Repo	2.22	0.98	0.13
ICE BofAML 3 Months US T-BILL	2.28	1.03	0.14
ICE ML 6m US Treas Bill	2.57	1.17	0.16
ICE ML 1 Year US Treasury Note	2.93	1.15	0.18
ICE ML US Treasury 1-3	3.55	1.09	0.21
ICE ML US Treasury 1-5	4.20	1.10	0.14

* rates reflected are cumulative

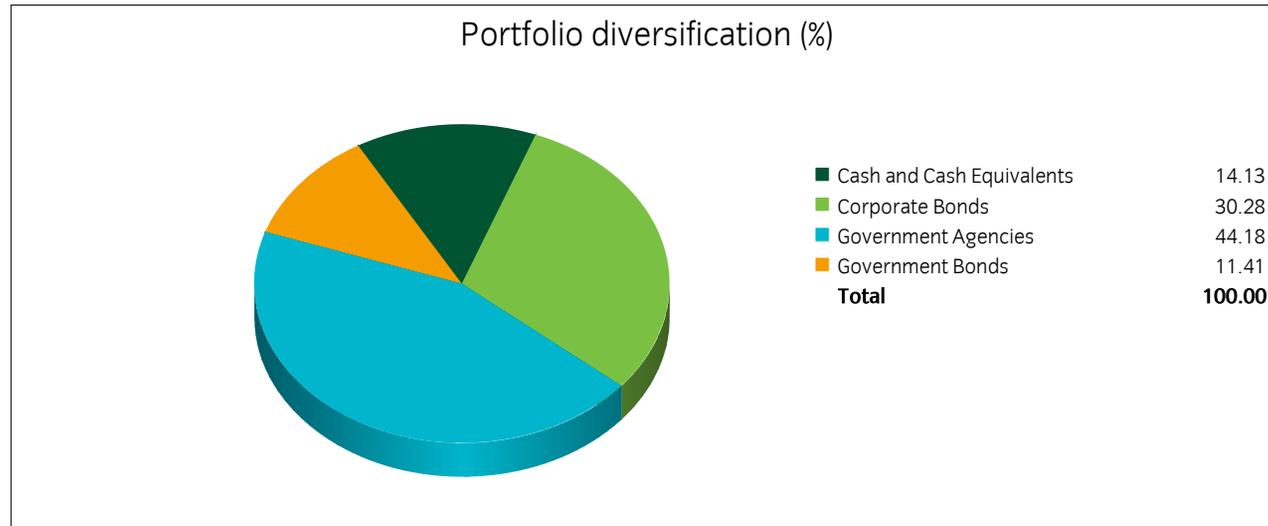
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	28,564.50
Change in fair value	(1,408.85)
Total income on portfolio	27,155.65
Average daily total value *	17,615,575.49
Period return (%)	0.15
YTD return (%)	2.75
Weighted average final maturity in days	203

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of December 31, 2019

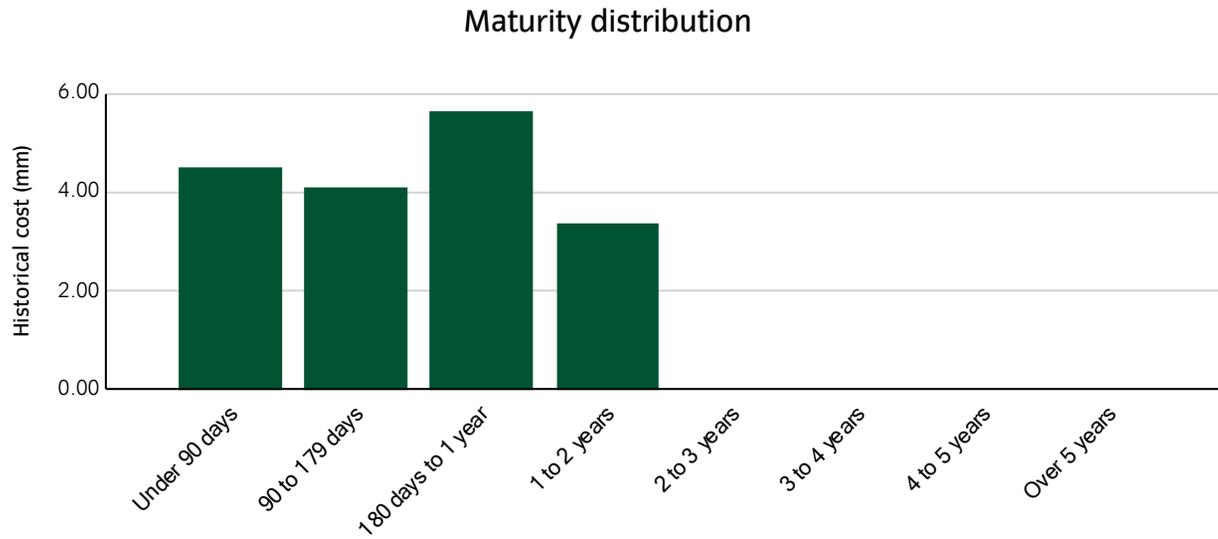
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	2,473,970.53	2,473,970.53	2,473,970.53	0.00	1	14.13	0.00
Corporate Bonds	5,303,358.55	5,293,487.29	5,307,653.46	14,166.17	273	30.28	0.70
Government Agencies	7,738,519.08	7,751,389.82	7,781,075.16	29,685.34	239	44.18	0.64
Government Bonds	1,998,632.81	1,999,582.26	1,999,497.99	(84.27)	129	11.41	0.35
Total	17,514,480.97	17,518,429.90	17,562,197.14	43,767.24	203	100.00	0.54



MATURITY DISTRIBUTION OF SECURITIES HELD

As of December 31, 2019

Maturity	Historic cost	Percent
Under 90 days	4,473,147.06	25.54
90 to 179 days	4,088,686.60	23.35
180 days to 1 year	5,603,178.51	31.99
1 to 2 years	3,349,468.80	19.12
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	17,514,480.97	100.00



SECURITIES HELD

As of December 31, 2019

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		2,473,970.53	2,473,970.53 0.00	2,473,970.53 0.00	2,473,970.53 0.00	0.00	0.00	0.00	0.00	14.13
Total Cash and Cash Equivalents			2,473,970.53	2,473,970.53 0.00	2,473,970.53 0.00	2,473,970.53 0.00	0.00	0.00	0.00	0.00	14.13
Corporate Bonds											
02665WBM2 AMERICAN HONDA FINANCE 2% 14FEB2020	2.000	02/14/2020	500,000.00	500,155.00 0.00	500,059.82 (40.79)	499,980.93 (64.50)	(78.89)	0.00	861.12	3,805.56	2.86
166764AR1 CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 06FEB20)	1.961	03/03/2020 02/03/2020	500,000.00	500,225.00 0.00	500,072.09 (65.53)	499,911.32 (68.62)	(160.77)	0.00	844.32	3,213.86	2.86
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020	1.950	04/17/2020	600,000.00	598,992.00 0.00	599,622.88 105.73	599,987.66 (157.99)	364.78	0.00	1,007.50	2,405.00	3.42
46625HHS2 JPMORGAN CHASE & CO 4.4% 22JUL2020	4.400	07/22/2020	600,000.00	613,302.00 0.00	607,052.50 (1,047.41)	608,266.16 (942.94)	1,213.66	0.00	2,273.33	11,660.00	3.50
0258MODX4 AMERICAN EXPRESS CREDIT 2.6% 14SEP2020 (CALLABLE 14AUG20)	2.600	09/14/2020 08/14/2020	600,000.00	602,592.00 0.00	601,440.71 (192.96)	602,209.05 (422.64)	768.34	0.00	1,343.34	4,636.67	3.44
44932HAK9 IBM CREDIT LLC 3.45% 30NOV2020	3.450	11/30/2020	600,000.00	610,218.75 0.00	606,625.12 (602.29)	609,262.12 (334.85)	2,637.00	10,350.00	1,725.00	1,725.00	3.48
037833BS8 APPLE INC 2.25% 23FEB2021 (CALLABLE 23JAN21)	2.250	02/23/2021 01/23/2021	550,000.00	547,712.00 0.00	548,541.75 105.92	553,273.34 480.70	4,731.59	0.00	1,065.62	4,400.00	3.13

SECURITIES HELD

As of December 31, 2019

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											
084670BQ0	2.200	03/15/2021	680,000.00	681,604.80	681,171.85	682,630.74	1,458.89	0.00	1,288.22	4,404.89	3.89
BERKSHIRE HATHAWAY INC 2.2% 15MAR2021 (CALLABLE 15FEB21)		02/15/2021		0.00	(83.70)	(796.49)					
69353REW4	2.150	04/29/2021	650,000.00	648,557.00	648,900.57	652,132.14	3,231.57	0.00	1,203.41	2,406.81	3.70
PNC BANK NA 2.15% 29APR2021 (CALLABLE 30MAR21)		03/30/2021		0.00	66.42	162.44					
Total Corporate Bonds			5,280,000.00	5,303,358.55 0.00	5,293,487.29 (1,754.61)	5,307,653.46 (2,144.89)	14,166.17	10,350.00	11,611.86	38,657.79	30.28
Government Agencies											
3133EHET6	1.580	03/03/2020	500,000.00	499,714.50	499,982.24	500,102.43	120.19	0.00	680.27	2,589.44	2.85
FEDERAL FARM CREDIT BANK 1.58% 03MAR2020				0.00	8.45	114.15					
3136G3UB9	1.200	03/30/2020	690,000.00	688,625.52	689,226.86	689,278.54	51.68	0.00	690.00	2,070.00	3.93
FANNIE MAE 1.2% 30MAR2020 CALLABLE				0.00	257.72	256.35					
3137EAEF2	1.375	04/20/2020	1,000,000.00	997,373.36	998,791.09	999,200.00	408.91	0.00	1,184.03	2,711.81	5.69
FREDDIE MAC 1.375% 20APR2020				0.00	329.71	394.83					
3130AECJ7	2.625	05/28/2020	800,000.00	804,184.00	802,608.44	803,126.75	518.31	0.00	1,808.33	1,925.00	4.59
FEDERAL HOME LOAN BANK 2.625% 28MAY2020				0.00	(507.68)	(581.71)					
3134GBN40	1.625	06/29/2020	1,200,000.00	1,198,560.00	1,199,740.16	1,199,981.46	241.30	9,750.00	1,679.16	108.33	6.84
FREDDIE MAC 1.625% 29JUN2020 CALLABLE #0001				0.00	43.55	(334.37)					
3136G3U86	1.300	08/25/2020	500,000.00	490,420.00	495,986.99	498,828.87	2,841.88	0.00	559.72	2,275.00	2.80
FANNIE MAE 1.3% 25AUG2020 CALLABLE				0.00	512.30	208.38					

SECURITIES HELD

As of December 31, 2019

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											
3137EAEJ4 FREDDIE MAC 1.625% 29SEP2020	1.625	09/29/2020	400,000.00	394,404.00 0.00	397,377.48 292.47	399,975.03 2.88	2,597.55	0.00	559.72	1,661.11	2.25
3130AEWA4 FEDERAL HOME LOAN BANK 2.625% 01OCT2020	2.625	10/01/2020	500,000.00	500,495.00 0.00	500,224.70 (24.87)	503,611.78 (291.86)	3,387.08	0.00	1,130.21	3,281.25	2.86
3137EAEK1 FREDDIE MAC 1.875% 17NOV2020	1.875	11/17/2020	700,000.00	693,147.70 0.00	696,403.68 340.35	701,374.09 (30.40)	4,970.41	0.00	1,130.21	1,604.17	3.96
3133EJD2 FEDERAL FARM CREDIT BANK 2.54% 05APR2021	2.540	04/05/2021	800,000.00	800,831.20 0.00	800,509.70 (33.60)	809,720.08 624.70	9,210.38	0.00	1,749.78	4,854.22	4.57
3130A1W95 FEDERAL HOME LOAN BANK 2.25% 11JUN2021 #0000	2.250	06/11/2021	670,000.00	670,763.80 0.00	670,538.48 (31.01)	675,876.13 191.70	5,337.65	7,537.50	1,298.12	837.50	3.83
Total Government Agencies			7,760,000.00	7,738,519.08 0.00	7,751,389.82 1,187.39	7,781,075.16 554.65	29,685.34	17,287.50	12,469.55	23,917.83	44.18
Government Bonds											
912828V31 USA TREASURY 1.375% 15JAN2020	1.375	01/15/2020	500,000.00	499,082.03 0.00	499,985.32 30.34	499,949.60 130.82	(35.72)	0.00	579.14	3,157.27	2.85
912828XE5 USA TREASURY 1.5% 31MAY2020	1.500	05/31/2020	500,000.00	499,746.09 (327.87)	499,772.97 26.88	499,724.17 (21.92)	(48.80)	0.00	307.38	635.25	2.85
912828XU9 USA TREASURY 1.5% 15JUN2020	1.500	06/15/2020	500,000.00	499,765.63 (20.49)	499,788.43 22.80	499,824.22 58.59	35.79	0.00	307.38	327.87	2.85

SECURITIES HELD

As of December 31, 2019

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											
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	500,000.00	500,039.06 (3,731.32)	500,035.54 (3.52)	500,000.00 (39.06)	(35.54)	4,062.50	331.18	0.00	2.86
Total Government Bonds			2,000,000.00	1,998,632.81 (4,079.68)	1,999,582.26 76.50	1,999,497.99 128.43	(84.27)	4,062.50	1,525.08	4,120.39	11.41
Grand total			17,513,970.53	17,514,480.97 (4,079.68)	17,518,429.90 (490.72)	17,562,197.14 (1,461.81)	43,767.24	31,700.00	25,606.49	66,696.01	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2019

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 Home Loan Mortgage Corp												
3137EAEF2	FREDDIE MAC 1.375%	1.375	04/20/2020		AA+	Aaa	1,000,000.00	997,373.36	5.69	999,200.00	5.69	0.30
3134GBN40	FREDDIE MAC 1.625%	1.625	06/29/2020		AA+	Aaa	1,200,000.00	1,198,560.00	6.84	1,199,981.46	6.83	0.49
3137EAEJ4	FREDDIE MAC 1.625%	1.625	09/29/2020		AA+	Aaa	400,000.00	394,404.00	2.25	399,975.03	2.28	0.74
3137EAEK1	FREDDIE MAC 1.875%	1.875	11/17/2020		AA+	Aaa	700,000.00	693,147.70	3.96	701,374.09	3.99	0.87
Issuer total							3,300,000.00	3,283,485.06	18.75	3,300,530.58	18.79	0.54
Cash and Cash Equivalents												
	INVESTED CASH	0.000					2,473,970.53	2,473,970.53	0.00	2,473,970.53	14.09	0.00
Issuer total							2,473,970.53	2,473,970.53	0.00	2,473,970.53	14.09	0.00
United States Treasury Note/Bond												
912828V31	USA TREASURY 1.375%	1.375	01/15/2020		AA+	Aaa	500,000.00	499,082.03	2.85	499,949.60	2.85	0.04
912828XE5	USA TREASURY 1.5%	1.500	05/31/2020		AA+	Aaa	500,000.00	499,746.09	2.85	499,724.17	2.85	0.41
912828XU9	USA TREASURY 1.5%	1.500	06/15/2020		AA+	Aaa	500,000.00	499,765.63	2.85	499,824.22	2.85	0.45
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	500,000.00	500,039.06	2.86	500,000.00	2.85	0.49
Issuer total							2,000,000.00	1,998,632.81	11.41	1,999,497.99	11.39	0.35
Federal Home Loan Banks												
3130AECJ7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	800,000.00	804,184.00	4.59	803,126.75	4.57	0.40
3130AEWA4	FEDERAL HOME LOAN	2.625	10/01/2020		AA+	Aaa	500,000.00	500,495.00	2.86	503,611.78	2.87	0.74
3130A1W95	FEDERAL HOME LOAN	2.250	06/11/2021		AA+	Aaa	670,000.00	670,763.80	3.83	675,876.13	3.85	1.42
Issuer total							1,970,000.00	1,975,442.80	11.28	1,982,614.66	11.29	0.83
Federal Farm Credit Banks Funding Corp												
3133EHET6	FEDERAL FARM CREDIT	1.580	03/03/2020		AA+	Aaa	500,000.00	499,714.50	2.85	500,102.43	2.85	0.17
3133EJJD2	FEDERAL FARM CREDIT	2.540	04/05/2021		AA+	Aaa	800,000.00	800,831.20	4.57	809,720.08	4.61	1.23
Issuer total							1,300,000.00	1,300,545.70	7.43	1,309,822.51	7.46	0.82

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2019

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												
3136G3UB9	FANNIE MAE 1.2%	1.200	03/30/2020		AA+	Aaa	690,000.00	688,625.52	3.93	689,278.54	3.92	0.25
3136G3U86	FANNIE MAE 1.3%	1.300	08/25/2020		AA+	Aaa	500,000.00	490,420.00	2.80	498,828.87	2.84	0.64
Issuer total							1,190,000.00	1,179,045.52	6.73	1,188,107.41	6.77	0.41
Berkshire Hathaway Inc												
084670BQ0	BERKSHIRE HATHAWAY	2.200	03/15/2021	02/15/2021	AA	Aa2	680,000.00	681,604.80	3.89	682,630.74	3.89	1.11
Issuer total							680,000.00	681,604.80	3.89	682,630.74	3.89	1.11
PNC Bank NA												
69353REW4	PNC BANK NA 2.15%	2.150	04/29/2021	03/30/2021	A	A2	650,000.00	648,557.00	3.70	652,132.14	3.71	1.24
Issuer total							650,000.00	648,557.00	3.70	652,132.14	3.71	1.24
IBM Credit LLC												
44932HAK9	IBM CREDIT LLC 3.45%	3.450	11/30/2020		A	A2	600,000.00	610,218.75	3.48	609,262.12	3.47	0.90
Issuer total							600,000.00	610,218.75	3.48	609,262.12	3.47	0.90
JPMorgan Chase & Co												
46625HHS2	JPMORGAN CHASE & CO	4.400	07/22/2020		A-	A2	600,000.00	613,302.00	3.50	608,266.16	3.46	0.54
Issuer total							600,000.00	613,302.00	3.50	608,266.16	3.46	0.54
American Express Credit Corp												
0258M0DX4	AMERICAN EXPRESS	2.600	09/14/2020	08/14/2020	A-	A2	600,000.00	602,592.00	3.44	602,209.05	3.43	0.62
Issuer total							600,000.00	602,592.00	3.44	602,209.05	3.43	0.62
Toyota Motor Credit Corp												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	Aa3	600,000.00	598,992.00	3.42	599,987.66	3.42	0.29
Issuer total							600,000.00	598,992.00	3.42	599,987.66	3.42	0.29

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2019

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)
Apple Inc												
037833BS8	APPLE INC 2.25%	2.250	02/23/2021	01/23/2021	AA+	Aa1	550,000.00	547,712.00	3.13	553,273.34	3.15	1.05
Issuer total							550,000.00	547,712.00	3.13	553,273.34	3.15	1.05
American Honda Finance Corp												
02665WBM	AMERICAN HONDA	2.000	02/14/2020		A	A2	500,000.00	500,155.00	2.86	499,980.93	2.85	0.12
Issuer total							500,000.00	500,155.00	2.86	499,980.93	2.85	0.12
Chevron Corp												
166764AR1	CHEVRON CORP 1.961%	1.961	03/03/2020	02/03/2020	AA	Aa2	500,000.00	500,225.00	2.86	499,911.32	2.85	0.14
Issuer total							500,000.00	500,225.00	2.86	499,911.32	2.85	0.14
Grand total							17,513,970.53	17,514,480.97	100.00	17,562,197.14	100.00	0.54

SECURITIES PURCHASED

For the period December 1, 2019 - December 31, 2019

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Bonds							
912828XE5 USA TREASURY 1.5% 31MAY2020 NOMURA SECURITIES NEW YORK	12/13/2019 12/16/2019	1.500	05/31/2020	500,000.00	99.95	(499,746.09)	(327.87)
912828XU9 USA TREASURY 1.5% 15JUN2020 HSBC SECURITIES (USA) INC.	12/13/2019 12/16/2019	1.500	06/15/2020	500,000.00	99.95	(499,765.63)	(20.49)
912828XH8 USA TREASURY 1.625% 30JUN2020 HSBC SECURITIES (USA) INC.	12/13/2019 12/16/2019	1.625	06/30/2020	500,000.00	100.01	(500,039.06)	(3,731.32)
Total Government Bonds				1,500,000.00		(1,499,550.78)	(4,079.68)
Grand total				1,500,000.00		(1,499,550.78)	(4,079.68)

SECURITIES SOLD AND MATURED

For the period December 1, 2019 - December 31, 2019

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
Corporate Bonds												
94988J5G8	12/06/2019	2.150		(500,000.00)	500,080.00	500,000.00	0.00	500,000.00	0.00	0.00	5,375.00	179.17
WELLS FARGO BK N A 2.15% DUE 12-06-2019	12/06/2019					(0.46)		(13.79)				
Total (Corporate Bonds)				(500,000.00)	500,080.00	500,000.00		500,000.00	0.00	0.00	5,375.00	179.17
						(0.46)		(13.79)				
Government Bonds												
912828U73	12/16/2019	1.375		(500,000.00)	499,550.78	500,000.00	0.00	500,000.00	0.00	0.00	3,437.50	281.76
US TREAS NTS DTD 12-15-2016 1.375% DUE 12-15-2019 REG	12/16/2019					7.67		66.75				
Total (Government Bonds)				(500,000.00)	499,550.78	500,000.00		500,000.00	0.00	0.00	3,437.50	281.76
						7.67		66.75				
Grand total				(1,000,000.00)	999,630.78	1,000,000.00		1,000,000.00	0.00	0.00	8,812.50	460.93
						7.21		52.96				

TRANSACTION REPORT

For the period December 1, 2019 - December 31, 2019

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
11/30/2019 11/30/2019	44932HAK9	Income	Corporate Bonds	IBM CREDIT LLC 3.45%	11/30/2020	600,000.00	0.00	0.00	10,350.00	10,350.00
12/06/2019 12/06/2019	94988J5G8	Income	Corporate Bonds	WELLS FARGO BK N A 2.15%	12/06/2019	500,000.00	0.00	0.00	5,375.00	5,375.00
12/06/2019 12/06/2019	94988J5G8	Capital Change	Corporate Bonds	WELLS FARGO BK N A 2.15%	12/06/2019	(500,000.00)	0.00	500,000.00	0.00	500,000.00
12/11/2019 12/11/2019	3130A1W95	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/11/2021	670,000.00	0.00	0.00	7,537.50	7,537.50
12/13/2019 12/16/2019	912828XE5	Bought	Government Bonds	USA TREASURY 1.5%	05/31/2020	500,000.00	0.00	(499,746.09)	(327.87)	(500,073.96)
12/13/2019 12/16/2019	912828XH8	Bought	Government Bonds	USA TREASURY 1.625%	06/30/2020	500,000.00	0.00	(500,039.06)	(3,731.32)	(503,770.38)
12/13/2019 12/16/2019	912828XU9	Bought	Government Bonds	USA TREASURY 1.5%	06/15/2020	500,000.00	0.00	(499,765.63)	(20.49)	(499,786.12)
12/15/2019 12/15/2019	912828U73	Income	Government Bonds	US TREAS NTS DTD 12-15-2016	12/15/2019	500,000.00	0.00	0.00	3,437.50	3,437.50
12/16/2019 12/16/2019	912828U73	Capital Change	Government Bonds	US TREAS NTS DTD 12-15-2016	12/15/2019	(500,000.00)	0.00	500,000.00	0.00	500,000.00
12/29/2019 12/29/2019	3134GBN40	Income	Government Agencies	FREDDIE MAC 1.625%	06/29/2020	1,200,000.00	0.00	0.00	9,750.00	9,750.00
12/31/2019 12/31/2019	912828XH8	Income	Government Bonds	USA TREASURY 1.625%	06/30/2020	500,000.00	0.00	0.00	4,062.50	4,062.50
12/31/2019		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	2,497.08	2,497.08

As of December 31, 2019

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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.

ADDITIONAL INFORMATION

As of December 31, 2019

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