



Item No. 11 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 15, 2021

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE FOUR
QUARTER ENDED JUNE 30, 2021**

RECOMMENDATION

Accept the Treasurer’s Report for the fourth Quarter Ended June 30, 2021.

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 2020/21 as of June 30, 2021, is attached. The total cash and investments for the Town is \$40,800,677. Of the total amount, \$27,196,552 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, 2021. The total amount in the PARS account is \$8,866,492. 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 is winding down the construction phase of Town Center project, staff forecasts cash flow needs to ensure cash liquidity of funds are readily available for operational needs. As of June 2021, there is approximately \$6.4 million for *construction costs* remaining on the Town Center project. As the project nears completion, and with a reduced need for liquidity, staff anticipates reinvesting maturing funds. LAIF offers the most liquidity and as of June 30, 2021 holds \$23,161,801.

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, 2021.

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 Fourth Quarter Ended June 30, 2021

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
June 30, 2021**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	6,931,840	6,931,840	6,931,840	17.0%
LAIF Statement	23,161,801	23,163,723	23,161,801	56.8%
Investments (Schedule B)	10,469,000	10,660,941	10,707,036	26.2%
Total Cash and Investments	40,562,642	40,756,504	40,800,677	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

6/30/2021

Date

Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
June 30, 2021

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	1,823,970
Wells Fargo	Wells Fargo Trust MMF-Cash	5,107,870
Total		<u>6,931,840</u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
June 30, 2021**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
June 30, 2021**

Fund No.	Fund Name	June Balance
101	General Fund	22,381,742
105	Tennis Fund	234,971
610	Equipment Replacement Fund	754,339
614	Worker's Compensation	1,685,666
615	General Liability	736,285
616	Employee Benefits	1,403,550
	Total Non-Restricted	<u>27,196,552</u>
201	Special Tax Fund	1,169,624
202	County Measure A Fund	468,062
203	Gas Tax Fund	212,954
204	Measure M	245,234
205	Measure W	286,222
209	SLES/COPS Grant	237
210	Road Constructions Impact Fee	-
213	Library Fund	5,962,110
215	Evans Creative Design (formerly fund 715)	-
221	Refuse Rate and Stabilization	323,967
401	GF Projects	1,429,654
402	Storm Drainage	31,924
403	Atherton Channel Drainage District	606,229
406	Facilities Construction	2,834,669
730	H-P Park Improvement	6,475
740	Tree Committee	26,763
	Total Restricted	<u>13,604,125</u>
	Total Cash & Investments	<u><u>40,800,677</u></u>

**Town of Atherton
 Quarterly Treasurer's Report
 Local Agency Investment Fund Summary (LAIF)
 June 30, 2021**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/1/2021	23,161,801		-	-		23,161,801	6/30/2021

**Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
June 30, 2021**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/1/2021	8,626,094	184,086	97,946	(3,991)	(37,643)	8,866,492	6/30/2021 (*)

* Recent available PARS report

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PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT

TOWN OF ATHERTON
TREASURERS REPORT-SCHEDULE B

June 2021

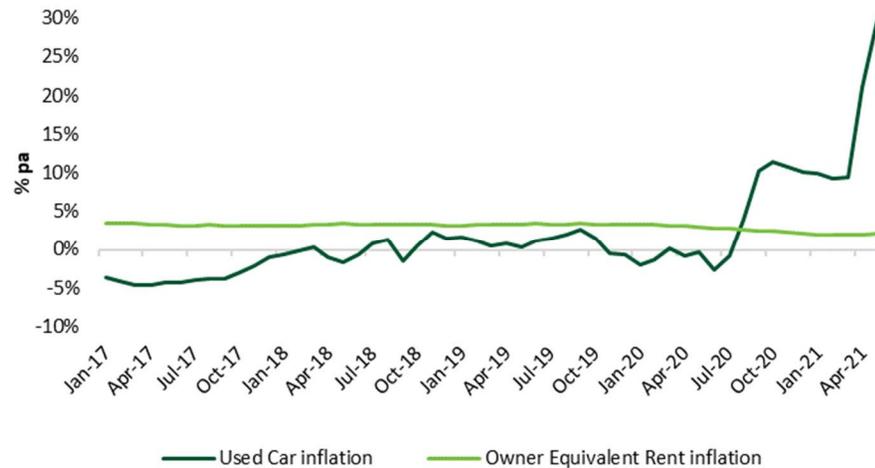


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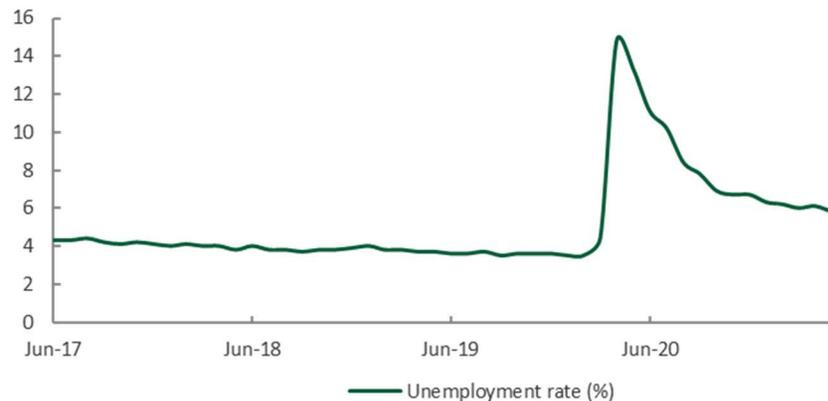
As of June 30, 2021

Chart 1: CPI rises but is driven by ‘transitory’ categories



Source: Federal Reserve, June 30, 2021.

Chart 2: Unemployment edges lower



Source: Federal Reserve, June 30, 2021.

Economic Indicators and Monetary Policy

Headline CPI rose 0.6% month-on-month to hit 5% year-on-year, the fastest since 2008. Core CPI also substantially beat expectations at 3.8%, the fastest since 1992. However, it was largely driven by ‘transitory’ inflation categories. Chiefly, used car prices surged, rising 7.3% (up nearly 30% from last year – see Chart 1). Car rental prices rose 12% and have risen 45% in just the past three months. Elsewhere, airfare and apparel prices also rose significantly, benefitting from the continued economic reopening.

The Fed released its latest ‘dot plot’ projections of future interest rate policy. As widely expected, the committee’s median estimate continued to reflect no rate hike in 2021 or 2022. However, its estimate of two rate hikes in 2023 was taken as a hawkish surprise by markets. There was a wide range of views on the committee with five doves predicting no hikes in 2023, and two hawks predicting six hikes.

As we expected, the Fed avoided any direct ‘taper talk’. Although, during the press conference, Chair Powell noted the committee was at the ‘talking about talking about it’ stage, discussing the framework around a future taper but with no formal guidance as to when to pull the trigger. The Fed also revealed its quarterly economic forecasts. It slightly updated its median PCE estimate to just above 2% in 2022 from 2% last quarter.

Payrolls data fell below expectations at 559,000, versus the 800,000 expected. The leisure and hospitality sector added 292K jobs, close to the trend over the last three months. The participation rate fell as 160,000 workers left the labor force. The net effect was a drop in the unemployment rate from 6.1% from 5.8%. Notably Cleveland Fed President Mester characterized it as “solid” but falling short of “substantial further progress” adding we are “not anywhere near a wage-price spiral”.

The pace of US reopening continued with New York state, the hardest hit at the start of the pandemic, fully reopening.

Interest Rate Summary

At the end of June, the 3-month US Treasury bill yielded 0.05%, the 6-month US Treasury bill yielded 0.06%, the 2-year US Treasury note yielded 0.25%, the 5-year US Treasury note yielded 0.89% and the 10-year US Treasury note yielded 1.5%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2021 - June 30, 2021

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	15,747,294.16
Income received	39,176.84
Total receipts	39,176.84
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Change in accruals from security movement	0.00
Total amortization expense	(13,723.37)
Total OID/MKT accretion income	14.81
Return of capital	0.00
Closing balance	15,772,762.44
Ending fair value	15,768,811.41
Unrealized gain (loss)	(3,951.03)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	43.41	0.00	0.00	43.41
Corporate Bonds	10,305.41	(9,398.40)	0.00	907.01
Government Agencies	4,983.68	(4,108.52)	0.00	875.16
Government Bonds	308.23	(201.64)	0.00	106.59
Total	15,640.73	(13,708.56)	0.00	1,932.17

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.08	0.04	0.01
Overnight Repo	0.07	0.02	0.00
Merrill Lynch 3m US Treas Bill	0.05	0.01	0.00
Merrill Lynch 6m US Treas Bill	0.06	0.02	0.00
ML 1 Year US Treasury Note	0.10	0.04	0.01
ML 2 Year US Treasury Note	0.15	0.08	0.02
ML 5 Year US Treasury Note	0.52	0.36	0.07

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	15,640.73
Accretion (amortization)	(13,708.56)
Realized gain (loss) on sales	0.00
Total income on portfolio	1,932.17
Average daily amortized cost	15,771,185.87
Period return (%)	0.01
YTD return (%)	0.17
Weighted average final maturity in days	382

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2021 - June 30, 2021

<u>Fair Value Basis Activity Summary</u>		
Opening balance		15,753,337.68
Income received	39,176.84	
Total receipts		39,176.84
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Change in accruals from security movement		0.00
Return of capital		0.00
Change in fair value for the period		(23,703.11)
Ending fair value		15,768,811.41

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	43.41	0.00	43.41
Corporate Bonds	10,305.41	(11,458.52)	(1,153.11)
Government Agencies	4,983.68	(10,799.28)	(5,815.60)
Government Bonds	308.23	(1,445.31)	(1,137.08)
Total	15,640.73	(23,703.11)	(8,062.38)

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.08	0.04	0.01
Overnight Repo	0.07	0.02	0.00
ICE Bofa 3 Months US T-BILL	0.09	0.02	0.00
ICE Bofa 6m US Treas Bill	0.17	0.05	(0.01)
ICE Bofa 1 Yr US Treasury Note	0.22	0.09	(0.01)
ICE BofA US Treasury 1-3	0.07	(0.08)	(0.15)
ICE BofA US Treasury 1-5	(0.27)	(0.42)	(0.22)

* rates reflected are cumulative

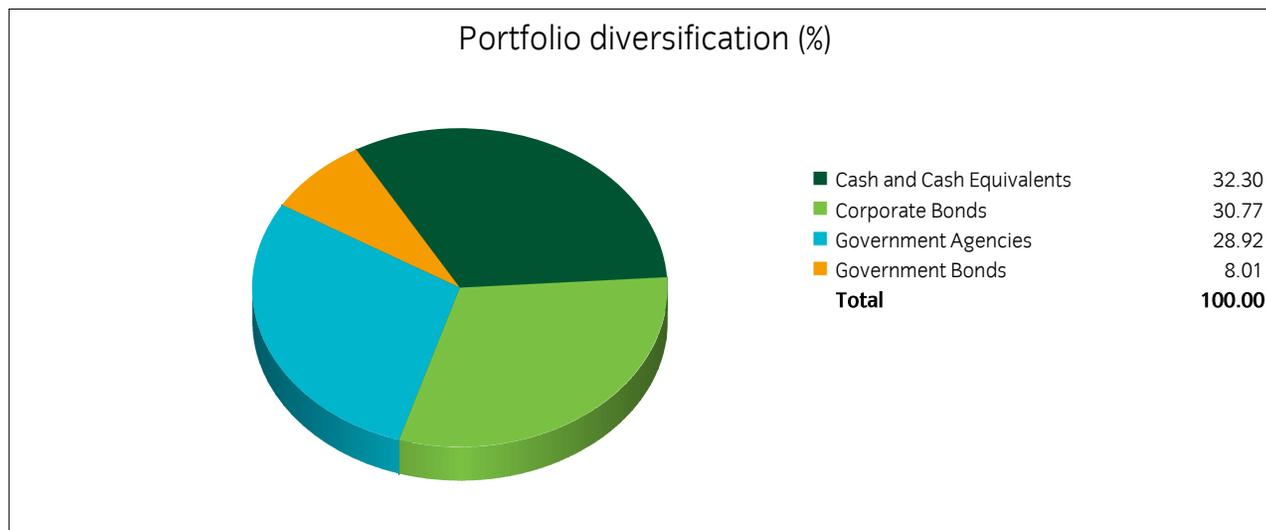
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	15,640.73
Change in fair value	(23,703.11)
Total income on portfolio	(8,062.38)
Average daily total value *	15,824,346.47
Period return (%)	(0.05)
YTD return (%)	0.05
Weighted average final maturity in days	382

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2021

	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	5,107,870.47	5,107,870.47	5,107,870.47	0.00	1	32.30	0.00
Corporate Bonds	4,866,311.00	4,833,116.27	4,834,669.00	1,552.73	350	30.77	0.66
Government Agencies	4,573,759.24	4,565,141.98	4,560,666.47	(4,475.51)	744	28.92	2.01
Government Bonds	1,266,965.40	1,266,633.72	1,265,605.47	(1,028.25)	735	8.01	1.99
Total	15,814,906.11	15,772,762.44	15,768,811.41	(3,951.03)	382	100.00	0.94

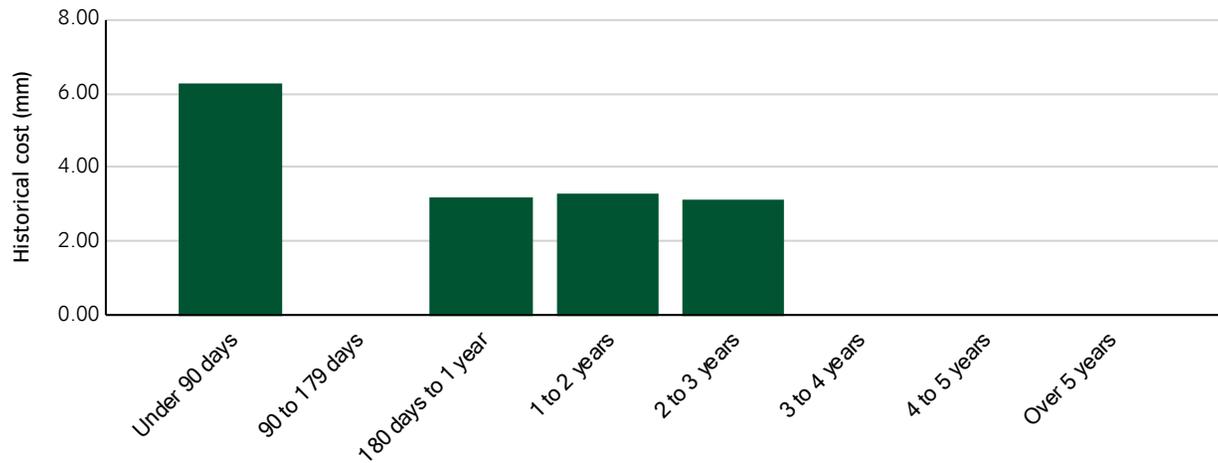


MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2021

Maturity	Historic cost	Percent
Under 90 days	6,269,003.97	39.64
90 to 179 days	0.00	0.00
180 days to 1 year	3,170,452.50	20.05
1 to 2 years	3,273,953.06	20.70
2 to 3 years	3,101,496.58	19.61
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	15,814,906.11	100.00

Maturity distribution



SECURITIES HELD

As of June 30, 2021

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Cash and Cash Equivalents										
	Cash and Cash Equivalents	0.000		5,107,870.47	5,107,870.47	5,107,870.47	5,107,870.47	0.00	0.00	32.30
Total Cash and Cash Equivalents				5,107,870.47	5,107,870.47	5,107,870.47	5,107,870.47	0.00	0.00	32.30
Corporate Bonds										
68389XBA2	ORACLE CORP 2.8% 08JUL2021	2.800	07/08/2021	650,000.00	658,248.50	650,364.57	650,284.43	(80.14)	8,695.56	4.16
02665WBF7	AMERICAN HONDA FINANCE 1.65% 12JUL2021	1.650	07/12/2021	500,000.00	502,885.00	500,240.42	500,197.26	(43.16)	3,850.00	3.18
037833AY6	APPLE INC 2.15% 09FEB2022	2.150	02/09/2022	650,000.00	661,901.50	657,757.23	657,754.77	(2.46)	5,473.54	4.19
0258M0EG0	AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22)	2.700	03/03/2022 01/31/2022	700,000.00	715,078.00	709,925.96	710,203.25	277.29	6,142.50	4.52
14912L5F4	CATERPILLAR FINL SERVICE 2.85% 01JUN2022	2.850	06/01/2022	500,000.00	515,425.00	511,603.81	512,434.04	830.23	1,147.92	3.26
48128BAB7	JPMORGAN CHASE & CO 2.972% 15JAN2023 (CALLABLE 15JAN22)	2.972	01/15/2023 01/15/2022	650,000.00	663,312.00	658,889.86	659,200.18	310.32	8,854.08	4.19
06051GGK9	BANK OF AMERICA CORP 2.881% 24APR2023 (CALLABLE 24APR22)	2.881	04/24/2023 04/24/2022	600,000.00	614,736.00	611,740.88	612,292.40	551.52	3,073.07	3.89
94988J5R4	WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23)	3.550	08/14/2023 07/14/2023	500,000.00	534,725.00	532,593.54	532,302.67	(290.87)	6,705.56	3.38
Total Corporate Bonds				4,750,000.00	4,866,311.00	4,833,116.27	4,834,669.00	1,552.73	43,942.23	30.77

SECURITIES HELD

As of June 30, 2021

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
313381BR5	FEDERAL HOME LOAN BANK 1.875% 09DEC2022	1.875	12/09/2022	750,000.00	771,667.50	768,465.41	768,359.18	(106.23)	820.31	4.88
3130ALRG1	FEDERAL HOME LOAN BANK 0.125% 17MAR2023	0.125	03/17/2023	750,000.00	749,647.50	749,695.39	748,739.59	(955.80)	265.63	4.74
3135G04Q3	FANNIE MAE 0.25% 22MAY2023	0.250	05/22/2023	1,000,000.00	1,001,200.00	1,001,078.26	1,000,006.14	(1,072.12)	263.89	6.33
3137EAEW5	FREDDIE MAC 0.25% 08SEP2023	0.250	09/08/2023	219,000.00	219,100.74	219,094.96	218,811.35	(283.61)	170.33	1.39
3137EAFA2	FREDDIE MAC 0.25% 04DEC2023	0.250	12/04/2023	500,000.00	500,338.50	500,329.45	499,417.41	(912.04)	90.28	3.16
3133EJ2B4	FEDERAL FARM CREDIT BANK 3% 06DEC2023	3.000	12/06/2023	750,000.00	803,760.00	798,700.89	797,927.96	(772.93)	1,500.00	5.08
3135GOV34	FANNIE MAE 2.5% 05FEB2024	2.500	02/05/2024	500,000.00	528,045.00	527,777.62	527,404.84	(372.78)	5,034.72	3.34
Total Government Agencies				4,469,000.00	4,573,759.24	4,565,141.98	4,560,666.47	(4,475.51)	8,145.16	28.92
Government Bonds										
912828ZH6	USA TREASURY 0.25% 15APR2023	0.250	04/15/2023	750,000.00	751,438.06	751,250.65	750,410.16	(840.49)	389.34	4.75
912828T91	USA TREASURY 1.625% 31OCT2023	1.625	10/31/2023	500,000.00	515,527.34	515,383.07	515,195.31	(187.76)	1,346.81	3.26
Total Government Bonds				1,250,000.00	1,266,965.40	1,266,633.72	1,265,605.47	(1,028.25)	1,736.15	8.01
Grand total				15,576,870.47	15,814,906.11	15,772,762.44	15,768,811.41	(3,951.03)	53,823.54	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2021

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					5,107,870.47	5,107,870.47	0.00	5,107,870.47	32.39	0.00
Issuer total							5,107,870.47	5,107,870.47	0.00	5,107,870.47	32.39	0.00
Federal National Mortgage Association												
3135G04Q3	FANNIE MAE 0.25%	0.250	05/22/2023		AA+	Aaa	1,000,000.00	1,001,200.00	6.33	1,000,006.14	6.34	1.88
3135G0V34	FANNIE MAE 2.5%	2.500	02/05/2024		AA+	Aaa	500,000.00	528,045.00	3.34	527,404.84	3.34	2.51
Issuer total							1,500,000.00	1,529,245.00	9.67	1,527,410.98	9.69	2.10
Federal Home Loan Banks												
313381BR5	FEDERAL HOME LOAN	1.875	12/09/2022		AA+	Aaa	750,000.00	771,667.50	4.88	768,359.18	4.87	1.43
3130ALRG1	FEDERAL HOME LOAN	0.125	03/17/2023		AA+	Aaa	750,000.00	749,647.50	4.74	748,739.59	4.75	1.70
Issuer total							1,500,000.00	1,521,315.00	9.62	1,517,098.77	9.62	1.56
United States Treasury Note/Bond												
912828ZH6	USA TREASURY 0.25%	0.250	04/15/2023		AA+	Aaa	750,000.00	751,438.06	4.75	750,410.16	4.76	1.78
912828T91	USA TREASURY 1.625%	1.625	10/31/2023		AA+	Aaa	500,000.00	515,527.34	3.26	515,195.31	3.27	2.29
Issuer total							1,250,000.00	1,266,965.40	8.01	1,265,605.47	8.03	1.99
Federal Farm Credit Banks Funding Corp												
3133EJ2B4	FEDERAL FARM CREDIT	3.000	12/06/2023		AA+	Aaa	750,000.00	803,760.00	5.08	797,927.96	5.06	2.37
Issuer total							750,000.00	803,760.00	5.08	797,927.96	5.06	2.37
Federal Home Loan Mortgage Corp												
3137EAEW5	FREDDIE MAC 0.25%	0.250	09/08/2023		AA+	Aaa	219,000.00	219,100.74	1.39	218,811.35	1.39	2.18
3137EAF2	FREDDIE MAC 0.25%	0.250	12/04/2023		AA+	Aaa	500,000.00	500,338.50	3.16	499,417.41	3.17	2.42
Issuer total							719,000.00	719,439.24	4.55	718,228.76	4.55	2.35

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2021

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)
American Express Credit Corp												
0258M0EG0	AMERICAN EXPRESS	2.700	03/03/2022	01/31/2022	A-	A2	700,000.00	715,078.00	4.52	710,203.25	4.50	0.58
Issuer total							700,000.00	715,078.00	4.52	710,203.25	4.50	0.58
JPMorgan Chase & Co												
48128BAB7	JPMORGAN CHASE & CO	2.972	01/15/2023	01/15/2022	A-	A2	650,000.00	663,312.00	4.19	659,200.18	4.18	0.53
Issuer total							650,000.00	663,312.00	4.19	659,200.18	4.18	0.53
Apple Inc												
037833AY6	APPLE INC 2.15%	2.150	02/09/2022		AA+	Aa1	650,000.00	661,901.50	4.19	657,754.77	4.17	0.61
Issuer total							650,000.00	661,901.50	4.19	657,754.77	4.17	0.61
Oracle Corp												
68389XBA2	ORACLE CORP 2.8%	2.800	07/08/2021		BBB+	Baa2	650,000.00	658,248.50	4.16	650,284.43	4.12	0.02
Issuer total							650,000.00	658,248.50	4.16	650,284.43	4.12	0.02
Bank of America Corp												
06051GGK9	BANK OF AMERICA CORP	2.881	04/24/2023	04/24/2022	A-	A2	600,000.00	614,736.00	3.89	612,292.40	3.88	0.81
Issuer total							600,000.00	614,736.00	3.89	612,292.40	3.88	0.81
Wells Fargo Bank NA												
94988J5R4	WELLS FARGO BANK NA	3.550	08/14/2023	07/14/2023	A+	Aa2	500,000.00	534,725.00	3.38	532,302.67	3.38	1.96
Issuer total							500,000.00	534,725.00	3.38	532,302.67	3.38	1.96
Caterpillar Financial Services Corp												
14912L5F4	CATERPILLAR FINL	2.850	06/01/2022		A	A2	500,000.00	515,425.00	3.26	512,434.04	3.25	0.91
Issuer total							500,000.00	515,425.00	3.26	512,434.04	3.25	0.91

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2021

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)
American Honda Finance Corp												
02665WBF7	AMERICAN HONDA	1.650	07/12/2021		A-	A3	500,000.00	502,885.00	3.18	500,197.26	3.17	0.03
Issuer total							500,000.00	502,885.00	3.18	500,197.26	3.17	0.03
Grand total							15,576,870.47	15,814,906.11	100.00	15,768,811.41	100.00	0.94

SECURITIES PURCHASED

For the period June 1, 2021 - June 30, 2021

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest
Government Agencies								
3137EAFA2	FREDDIE MAC 0.25% 04DEC2023 WELLS FARGO BANK, N.A.	06/07/2021 06/08/2021	0.250	12/04/2023	500,000.00	100.07	(500,338.50)	(13.89)
3135G0V34	FANNIE MAE 2.5% 05FEB2024 WELLS FARGO SECURITIES, LLC	06/22/2021 06/23/2021	2.500	02/05/2024	500,000.00	105.61	(528,045.00)	(4,791.67)
Total Government Agencies					1,000,000.00		(1,028,383.50)	(4,805.56)
Government Bonds								
912828T91	USA TREASURY 1.625% 31OCT2023 J.P. MORGAN SECURITIES LLC	06/22/2021 06/23/2021	1.625	10/31/2023	500,000.00	103.11	(515,527.34)	(1,192.26)
Total Government Bonds					500,000.00		(515,527.34)	(1,192.26)
Grand total					1,500,000.00		(1,543,910.84)	(5,997.82)

SECURITIES SOLD AND MATURED

For the period June 1, 2021 - June 30, 2021

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity	Price	Fair value at sale or maturity	Realized gain (loss)	Accrued interest sold
Government Agencies											
3133EKP59	FEDERAL FARM CR BKS 2.125% DUE 06-07-2021	06/07/2021 06/07/2021	2.125		(500,000.00)	506,905.00	500,000.00	0.00	500,000.00	0.00	0.00
3130A1W95	FEDERAL HOME LN BKS 2.25 06-11-2021	06/11/2021 06/11/2021	2.250		(670,000.00)	670,763.80	670,000.00	0.00	670,000.00	0.00	0.00
3135G0U35	FNMA 2.75% 06-25-2018	06/22/2021 06/22/2021	2.750		(500,000.00)	509,595.00	500,000.00	0.00	500,000.00	0.00	0.00
Total (Government Agencies)					(1,670,000.00)	1,687,263.80	1,670,000.00		1,670,000.00	0.00	0.00
Grand total					(1,670,000.00)	1,687,263.80	1,670,000.00		1,670,000.00	0.00	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2021 - June 30, 2021

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Cash						
	Cash and Cash Equivalents	0.00	0.00	0.00	43.41	43.41
Total Cash		0.00	0.00	0.00	43.41	43.41
Corporate Bonds						
0258M0EG0	AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22)	(1,417.99)	0.00	(1,635.16)	1,522.50	0.00
02665WBF7	AMERICAN HONDA FINANCE 1.65% 12JUL2021	(601.04)	0.00	(589.98)	664.58	0.00
037833AY6	APPLE INC 2.15% 09FEB2022	(1,062.63)	0.00	(1,090.63)	1,125.76	0.00
06051GGK9	BANK OF AMERICA CORP 2.881% 24APR2023 (CALLABLE 24APR22)	(1,198.05)	0.00	(1,508.44)	1,392.49	0.00
14912L5F4	CATERPILLAR FINL SERVICE 2.85% 01JUN2022	(1,051.70)	0.00	(1,010.03)	1,147.92	7,125.00
48128BAB7	JPMORGAN CHASE & CO 2.972% 15JAN2023 (CALLABLE 15JAN22)	(1,367.67)	0.00	(1,557.98)	1,556.17	0.00
68389XBA2	ORACLE CORP 2.8% 08JUL2021	(1,367.16)	0.00	(1,546.48)	1,466.12	0.00
94988J5R4	WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23)	(1,332.16)	0.00	(2,519.82)	1,429.87	0.00
Total Corporate Bonds		(9,398.40)	0.00	(11,458.52)	10,305.41	7,125.00
Government Agencies						
3135G04Q3	FANNIE MAE 0.25% 22MAY2023	(47.43)	0.00	(1,759.11)	201.39	0.00
3135G0V34	FANNIE MAE 2.5% 05FEB2024	(267.38)	0.00	(640.16)	243.05	0.00
3133EKPS9	FEDERAL FARM CR BKS 2.125% DUE 06-07-2021	(194.12)	0.00	(176.72)	177.08	5,312.50
3133EJ2B4	FEDERAL FARM CREDIT BANK 3% 06DEC2023	(1,723.43)	0.00	(3,153.01)	1,812.50	11,250.00
3130A1W95	FEDERAL HOME LN BKS 2.25 06-11-2021	(11.37)	0.00	(406.64)	418.75	7,537.50
3130ALRG1	FEDERAL HOME LOAN BANK 0.125% 17MAR2023	14.81	0.00	(916.72)	75.53	0.00
313381BR5	FEDERAL HOME LOAN BANK 1.875% 09DEC2022	(1,067.36)	0.00	(1,666.62)	1,132.81	7,031.25

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2021 - June 30, 2021

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3135G0U35	FNMA 2.75% 06-25-2018	(799.58)	0.00	(799.50)	802.08	6,875.00
3137EAFA2	FREDDIE MAC 0.25% 04DEC2023	(9.05)	0.00	(921.09)	76.39	0.00
3137EAEW5	FREDDIE MAC 0.25% 08SEP2023	(3.61)	0.00	(359.71)	44.10	0.00
Total Government Agencies		(4,108.52)	0.00	(10,799.28)	4,983.68	38,006.25
Government Bonds						
912828ZH6	USA TREASURY 0.25% 15APR2023	(57.37)	0.00	(1,113.28)	153.68	0.00
912828T91	USA TREASURY 1.625% 31OCT2023	(144.27)	0.00	(332.03)	154.55	0.00
Total Government Bonds		(201.64)	0.00	(1,445.31)	308.23	0.00
Grand total		(13,708.56)	0.00	(23,703.11)	15,640.73	45,174.66

TRANSACTION REPORT

For the period June 1, 2021 - June 30, 2021

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/01/2021 06/01/2021	14912L5F4	Income	Corporate Bonds	CATERPILLAR FINL SERVICE	06/01/2022	500,000.00	0.00	0.00	7,125.00	7,125.00
06/06/2021 06/06/2021	3133EJ2B4	Income	Government Agencies	FEDERAL FARM CREDIT BANK	12/06/2023	750,000.00	0.00	0.00	11,250.00	11,250.00
06/07/2021 06/07/2021	3133EKPS9	Income	Government Agencies	FEDERAL FARM CR BKS 2.125%	06/07/2021	500,000.00	0.00	0.00	5,312.50	5,312.50
06/07/2021 06/07/2021	3133EKPS9	Capital Change	Government Agencies	FEDERAL FARM CR BKS 2.125%	06/07/2021	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/07/2021 06/08/2021	3137EAFA2	Bought	Government Agencies	FREDDIE MAC 0.25%	12/04/2023	500,000.00	0.00	(500,338.50)	(13.89)	(500,352.39)
06/09/2021 06/09/2021	313381BR5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/09/2022	750,000.00	0.00	0.00	7,031.25	7,031.25
06/11/2021 06/11/2021	3130A1W95	Income	Government Agencies	FEDERAL HOME LN BKS 2.25	06/11/2021	670,000.00	0.00	0.00	7,537.50	7,537.50
06/11/2021 06/11/2021	3130A1W95	Capital Change	Government Agencies	FEDERAL HOME LN BKS 2.25	06/11/2021	(670,000.00)	0.00	670,000.00	0.00	670,000.00
06/22/2021 06/22/2021	3135G0U35	Income	Government Agencies	FNMA 2.75% 06-25-2018	06/22/2021	500,000.00	0.00	0.00	6,875.00	6,875.00
06/22/2021 06/22/2021	3135G0U35	Capital Change	Government Agencies	FNMA 2.75% 06-25-2018	06/22/2021	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/22/2021 06/23/2021	3135G0V34	Bought	Government Agencies	FANNIE MAE 2.5% 05FEB2024	02/05/2024	500,000.00	0.00	(528,045.00)	(4,791.67)	(532,836.67)
06/22/2021 06/23/2021	912828T91	Bought	Government Bonds	USA TREASURY 1.625%	10/31/2023	500,000.00	0.00	(515,527.34)	(1,192.26)	(516,719.60)
06/30/2021		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	43.41	43.41

As of June 30, 2021

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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 Moody's, 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 Moody's 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 strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month 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 ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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 June 30, 2021

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