



Item No. 15 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: NOVEMBER 17, 2021

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

RECOMMENDATION

Accept the Treasurer’s Report for the first Quarter Ended September 30, 2021.

BACKGROUND

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

The First Quarter Treasurer’s report for FY 2021/22 as of September 30, 2021, is attached. The total cash and investments for the Town is \$35,149,057. Of the total amount, \$24,892,644 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 September 30, 2021. The total amount in the PARS account is \$8,807,109. 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 September 2021, there is approximately \$4.8 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 September 30, 2021 holds \$19,883,804.

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 September 30, 2021.

FISCAL IMPACT

None.

GOAL ALIGNMENT

This report and its contents are in alignment with the following Council Policy Goals:

- Goal A – Maintain Fiscal Transparency

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)

ATTACHMENTS

1. Treasurer's Report for First Quarter Ended September 30, 2021

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

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	4,225,744	4,225,744	4,225,744	12.0%
LAIF Statement	19,883,804	19,881,292	19,883,804	56.6%
Investments (Schedule B)	10,769,000	10,969,673	11,039,509	31.4%
Total Cash and Investments	34,878,548	35,076,709	35,149,057	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

9/30/2021

Date

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

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	(591,324)
Wells Fargo	Wells Fargo Trust MMF-Cash	4,817,068
Total		<u><u>4,225,744</u></u>

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

Schedule B

See next pages Cutwater Report

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

Fund No.	Fund Name	June Balance
101	General Fund	20,097,955
105	Tennis Fund	247,679
610	Equipment Replacement Fund	691,544
614	Worker's Compensation	1,755,757
615	General Liability	577,167
616	Employee Benefits	1,522,542
	Total Non-Restricted	<u>24,892,644</u>
201	Special Tax Fund	1,309,396
202	County Measure A Fund	553,489
203	Gas Tax Fund	255,687
204	Measure M	188,554
205	Measure W	254,630
209	SLES/COPS Grant	67,682
210	Road Constructions Impact Fee	-
213	Library Fund	4,352,737
215	Evans Creative Design (formerly fund 715)	-
221	Refuse Rate and Stabilization	336,325
401	GF Projects	1,431,607
402	Storm Drainage	32,145
403	Atherton Channel Drainage District	619,168
406	Facilities Construction	822,181
730	H-P Park Improvement	6,520
740	Tree Committee	26,292
	Total Restricted	<u>10,256,413</u>
	Total Cash & Investments	<u><u>35,149,057</u></u>

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

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
9/1/2021	19,883,804		-	-		19,883,804	9/30/2021

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

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
9/1/2021	9,035,964	37,405	(224,729)	(4,125)	(37,405)	8,807,109	9/30/2021 (*)

* Recent available PARS report

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TOWN OF ATHERTON

Treasurer's Report Schedule B

September 2021

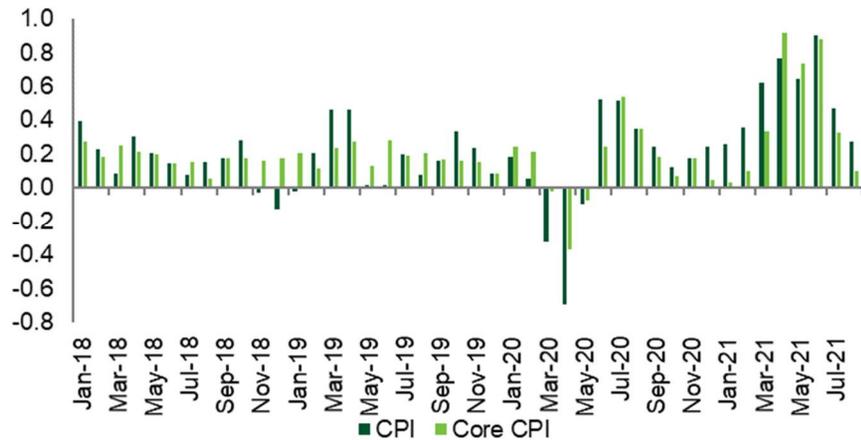


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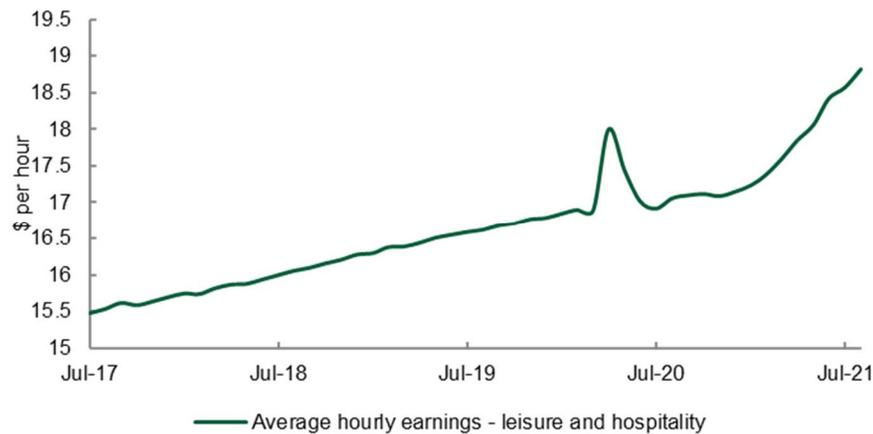
As of September 30, 2021

Chart 1: Inflation high once again but still limited to 'flexible' categories



Source: FRED, September 30, 2021

Chart 2: Payrolls heavily disappoint but wage growth outperforms



Source: Bloomberg, September 30, 2021

Economic Indicators and Monetary Policy

The Federal Reserve (Fed) opened the door to announcing a taper in November, stating “moderation in the pace of asset purchase may soon be warranted”. The Fed raised its inflation forecast from 3.4% to 4.2% for 2021 and from 2.1% to 2.2% for 2022, and above its 2% target through 2024. Nonetheless, the committee’s ‘dot plot’ still reflected a majority expectation of no rate hikes until 2023.

Headline CPI came in at 5.3% and core CPI came at 4%, beginning to descend from their recent peak. For the first time since the start of the year, monthly CPI and core CPI came in at levels in line with pre-pandemic norms of 0.3% and 0.1%. Areas with ‘flexible’ and COVID-sensitive pricing, such as used cars, airfare and hotels began to moderate, while ‘sticky’ sectors such as rents and medical services remained muted.

Payrolls materially missed expectations, rising by just 235,000 versus consensus at 733,000. There was a net 2-month upward revision of 134,000. However, the unemployment rate continued to fall, reaching 5.2% from 5.4%. Wage growth was also strong, with average hourly earnings up 0.6% month-on-month and 4.3% year-on-year. While the leisure and hospitality sector was the main source of weak hiring, it was also the main source of strong wage growth.

At the end of the month, Congress voted to avert a shutdown with a spending bill until 3 December. However, politicians remained in deadlock around the proposed \$3.5trn reconciliation package and debt ceiling extension, with uncertainty in negotiations set to continue.

The delta COVID-19 variant’s spread appeared to peak in the US, although death rates remained high given the lag between cases and fatalities.

Interest Rate Summary

Yields generally fell at longer maturities. At the end of July, the 3-month US Treasury bill yielded 0.04%, the 6-month US Treasury bill yielded 0.05%, the 2-year US Treasury note yielded 0.28%, the 5-year US Treasury note yielded 0.97% and the 10-year US Treasury note yielded 1.49%.

ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Amortized Cost Basis Activity Summary</u>		
Opening balance		15,790,005.35
Income received	11,438.49	
Total receipts		11,438.49
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Realized gain (loss)		(102.93)
Change in accruals from security movement		0.00
Total amortization expense		(14,626.44)
Total OID/MKT accretion income		26.92
Return of capital		0.00
Closing balance		15,786,741.39
Ending fair value		15,782,682.75
Unrealized gain (loss)		(4,058.64)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	41.78	0.00	0.00	41.78
Corporate Bonds	11,302.80	(10,271.51)	(102.93)	928.36
Government Agencies	4,373.97	(3,729.62)	0.00	644.35
Government Bonds	816.06	(598.39)	0.00	217.67
Total	16,534.61	(14,599.52)	(102.93)	1,832.16

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.08	0.04	0.01
Overnight Repo	0.06	0.02	0.00
Merrill Lynch 3m US Treas Bill	0.04	0.01	0.00
Merrill Lynch 6m US Treas Bill	0.04	0.01	0.00
ML 1 Year US Treasury Note	0.08	0.03	0.01
ML 2 Year US Treasury Note	0.17	0.10	0.02
ML 5 Year US Treasury Note	0.65	0.41	0.07

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	16,534.61
Accretion (amortization)	(14,599.52)
Realized gain (loss) on sales	(102.93)
Total income on portfolio	1,832.16
Average daily amortized cost	15,792,203.02
Period return (%)	0.01
YTD return (%)	0.22
Weighted average final maturity in days	394

ACTIVITY AND PERFORMANCE SUMMARY

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

<u>Fair Value Basis Activity Summary</u>		
Opening balance		15,793,404.35
Income received	11,438.49	
Total receipts		11,438.49
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		(22,160.09)
Ending fair value		15,782,682.75

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	41.78	0.00	41.78
Corporate Bonds	11,302.80	(11,842.07)	(539.27)
Government Agencies	4,373.97	(8,413.71)	(4,039.74)
Government Bonds	816.06	(1,904.31)	(1,088.25)
Total	16,534.61	(22,160.09)	(5,625.48)

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.08	0.04	0.01
Overnight Repo	0.06	0.02	0.00
ICE Bofa 3 Months US T-BILL	0.07	0.01	0.01
ICE Bofa 6m US Treas Bill	0.13	0.03	0.01
ICE Bofa 1 Yr US Treasury Note	0.17	0.04	(0.01)
ICE BofA US Treasury 1-3	0.03	0.02	(0.10)
ICE BofA US Treasury 1-5	(0.40)	0.10	(0.29)

* rates reflected are cumulative

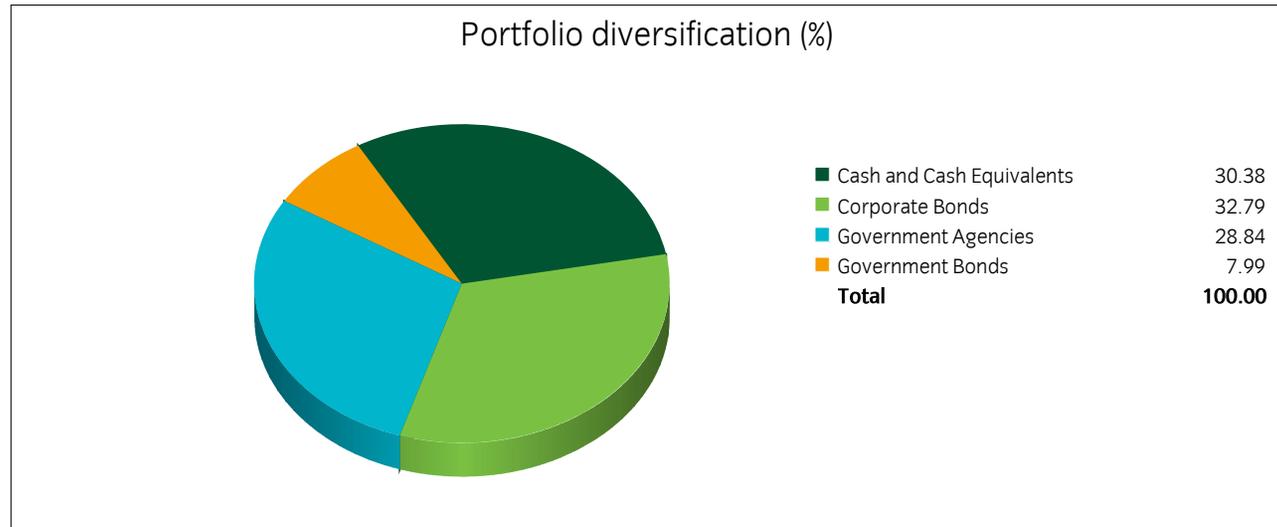
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	16,534.61
Change in fair value	(22,160.09)
Total income on portfolio	(5,625.48)
Average daily total value *	15,831,872.56
Period return (%)	(0.04)
YTD return (%)	0.09
Weighted average final maturity in days	394

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of September 30, 2021

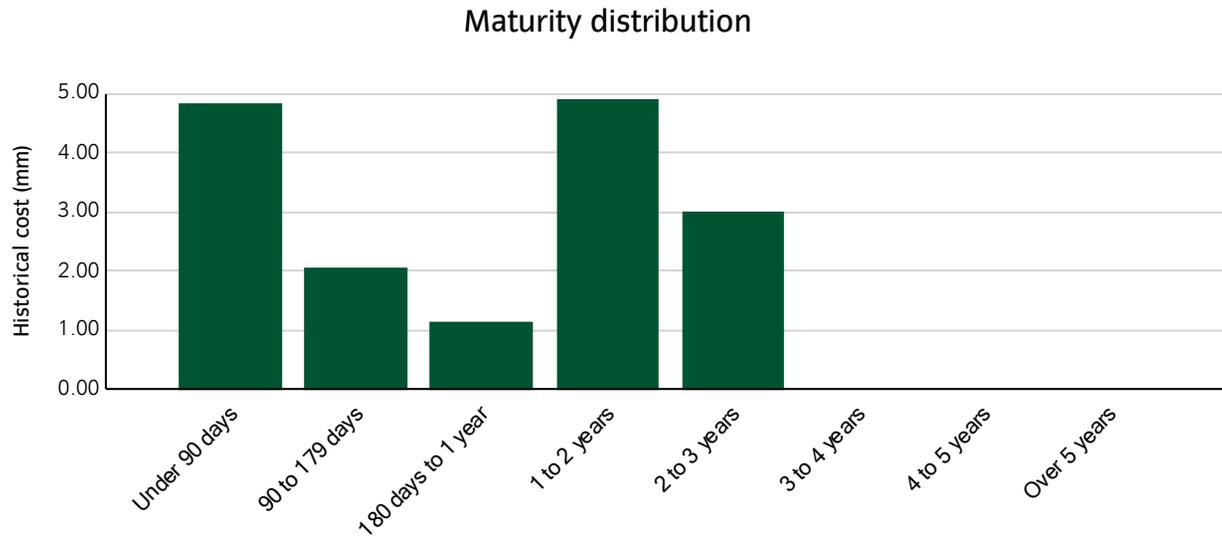
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	4,817,068.09	4,817,068.09	4,817,068.09	0.00	1	30.38	0.00
Corporate Bonds	5,198,784.00	5,150,754.70	5,150,549.64	(205.06)	471	32.79	1.00
Government Agencies	4,573,759.24	4,554,119.95	4,550,914.63	(3,205.32)	652	28.84	1.76
Government Bonds	1,266,965.40	1,264,798.65	1,264,150.39	(648.26)	643	7.99	1.74
Total	15,856,576.73	15,786,741.39	15,782,682.75	(4,058.64)	394	100.00	0.98



MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2021

Maturity	Historic cost	Percent
Under 90 days	4,817,068.09	30.38
90 to 179 days	2,040,291.50	12.87
180 days to 1 year	1,130,161.00	7.13
1 to 2 years	4,872,639.80	30.73
2 to 3 years	2,996,416.34	18.90
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	15,856,576.73	100.00



SECURITIES HELD

As of September 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		4,817,068.09	4,817,068.09	4,817,068.09	4,817,068.09	0.00	0.00	30.38
Total Cash and Cash Equivalents				4,817,068.09	4,817,068.09	4,817,068.09	4,817,068.09	0.00	0.00	30.38
Corporate Bonds										
037833AY6	APPLE INC 2.15% 09FEB2022	2.150	02/09/2022	650,000.00	661,901.50	654,569.33	654,706.93	137.60	1,979.79	4.17
0258M0EG0	AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22)	2.700	03/03/2022 01/31/2022	700,000.00	715,078.00	705,671.97	705,691.70	19.73	1,417.50	4.51
14912L5F4	CATERPILLAR FINL SERVICE 2.85% 01JUN2022	2.850	06/01/2022	500,000.00	515,425.00	508,448.69	508,782.96	334.27	4,710.42	3.25
48128BAB7	JPMORGAN CHASE & CO 2.972% 15JAN2023 (CALLABLE 15JAN22)	2.972	01/15/2023 01/15/2022	650,000.00	663,312.00	654,786.85	654,739.66	(47.19)	4,024.58	4.18
06051GGK9	BANK OF AMERICA CORP 2.881% 24APR2023 (CALLABLE 24APR22)	2.881	04/24/2023 04/24/2022	600,000.00	614,736.00	608,146.73	608,216.58	69.85	7,394.57	3.88
90331HNV1	US BANK NA CINCINNATI 3.4% 24JUL2023 (CALLABLE 23JUN23)	3.400	07/24/2023 06/24/2023	650,000.00	689,442.00	684,755.82	684,734.62	(21.20)	4,051.67	4.35
459200HP9	IBM CORP 3.375% 01AUG2023	3.375	08/01/2023	650,000.00	690,144.00	685,617.70	685,198.92	(418.78)	3,595.31	4.35
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	0.450	01/11/2024	650,000.00	648,745.50	648,757.61	648,478.27	(279.34)	641.88	4.09
Total Corporate Bonds				5,050,000.00	5,198,784.00	5,150,754.70	5,150,549.64	(205.06)	27,815.72	32.79

SECURITIES HELD

As of September 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	765,263.31	765,381.11	117.80	4,335.94	4.87
3130ALRG1	FEDERAL HOME LOAN BANK 0.125% 17MAR2023	0.125	03/17/2023	750,000.00	749,647.50	749,739.82	749,494.57	(245.25)	33.85	4.73
3135G04Q3	FANNIE MAE 0.25% 22MAY2023	0.250	05/22/2023	1,000,000.00	1,001,200.00	1,000,935.97	1,000,388.88	(547.09)	888.89	6.31
3137EAEW5	FREDDIE MAC 0.25% 08SEP2023	0.250	09/08/2023	219,000.00	219,100.74	219,084.11	218,842.79	(241.32)	33.46	1.38
3137EAFA2	FREDDIE MAC 0.25% 04DEC2023	0.250	12/04/2023	500,000.00	500,338.50	500,295.53	498,920.83	(1,374.70)	402.78	3.16
3133EJ2B4	FEDERAL FARM CREDIT BANK 3% 06DEC2023	3.000	12/06/2023	750,000.00	803,760.00	793,697.37	792,744.47	(952.90)	7,125.00	5.07
3135GOV34	FANNIE MAE 2.5% 05FEB2024	2.500	02/05/2024	500,000.00	528,045.00	525,103.84	525,141.98	38.14	1,909.72	3.33
Total Government Agencies				4,469,000.00	4,573,759.24	4,554,119.95	4,550,914.63	(3,205.32)	14,729.64	28.84
Government Bonds										
912828ZH6	USA TREASURY 0.25% 15APR2023	0.250	04/15/2023	750,000.00	751,438.06	751,074.72	750,556.64	(518.08)	860.66	4.74
912828T91	USA TREASURY 1.625% 31OCT2023	1.625	10/31/2023	500,000.00	515,527.34	513,723.93	513,593.75	(130.18)	3,378.06	3.25
Total Government Bonds				1,250,000.00	1,266,965.40	1,264,798.65	1,264,150.39	(648.26)	4,238.72	7.99
Grand total				15,586,068.09	15,856,576.73	15,786,741.39	15,782,682.75	(4,058.64)	46,784.08	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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					4,817,068.09	4,817,068.09	0.00	4,817,068.09	30.52	0.00
Issuer total							4,817,068.09	4,817,068.09	0.00	4,817,068.09	30.52	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	6.31	1,000,388.88	6.34	1.63
3135G0V34	FANNIE MAE 2.5%	2.500	02/05/2024		AA+	Aaa	500,000.00	528,045.00	3.33	525,141.98	3.33	2.29
Issuer total							1,500,000.00	1,529,245.00	9.64	1,525,530.86	9.67	1.86
Federal Home Loan Banks												
313381BR5	FEDERAL HOME LOAN	1.875	12/09/2022		AA+	Aaa	750,000.00	771,667.50	4.87	765,381.11	4.85	1.17
3130ALRG1	FEDERAL HOME LOAN	0.125	03/17/2023		AA+	Aaa	750,000.00	749,647.50	4.73	749,494.57	4.75	1.46
Issuer total							1,500,000.00	1,521,315.00	9.59	1,514,875.68	9.60	1.31
United States Treasury Note/Bond												
912828ZH6	USA TREASURY 0.25%	0.250	04/15/2023		AA+	Aaa	750,000.00	751,438.06	4.74	750,556.64	4.76	1.53
912828T91	USA TREASURY 1.625%	1.625	10/31/2023		AA+	Aaa	500,000.00	515,527.34	3.25	513,593.75	3.25	2.04
Issuer total							1,250,000.00	1,266,965.40	7.99	1,264,150.39	8.01	1.74
Federal Farm Credit Banks Funding Corp												
3133EJ2B4	FEDERAL FARM CREDIT	3.000	12/06/2023		AA+	Aaa	750,000.00	803,760.00	5.07	792,744.47	5.02	2.11
Issuer total							750,000.00	803,760.00	5.07	792,744.47	5.02	2.11
Federal Home Loan Mortgage Corp												
3137EAEW5	FREDDIE MAC 0.25%	0.250	09/08/2023		AA+	Aaa	219,000.00	219,100.74	1.38	218,842.79	1.39	1.93
3137EAF2	FREDDIE MAC 0.25%	0.250	12/04/2023		AA+	Aaa	500,000.00	500,338.50	3.16	498,920.83	3.16	2.17
Issuer total							719,000.00	719,439.24	4.54	717,763.62	4.55	2.10

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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	4.51	705,691.70	4.47	0.34
Issuer total							700,000.00	715,078.00	4.51	705,691.70	4.47	0.34
International Business Machines Corp												
459200HP9	IBM CORP 3.375%	3.375	08/01/2023		A-	A3	650,000.00	690,144.00	4.35	685,198.92	4.34	1.78
Issuer total							650,000.00	690,144.00	4.35	685,198.92	4.34	1.78
US Bank NA/Cincinnati OH												
90331HN1	US BANK NA CINCINNATI	3.400	07/24/2023	06/24/2023	AA-	A1	650,000.00	689,442.00	4.35	684,734.62	4.34	1.69
Issuer total							650,000.00	689,442.00	4.35	684,734.62	4.34	1.69
JPMorgan Chase & Co												
48128BAB7	JPMORGAN CHASE & CO	2.972	01/15/2023	01/15/2022	A-	A2	650,000.00	663,312.00	4.18	654,739.66	4.15	0.29
Issuer total							650,000.00	663,312.00	4.18	654,739.66	4.15	0.29
Apple Inc												
037833AY6	APPLE INC 2.15%	2.150	02/09/2022		AA+	Aa1	650,000.00	661,901.50	4.17	654,706.93	4.15	0.36
Issuer total							650,000.00	661,901.50	4.17	654,706.93	4.15	0.36
Toyota Motor Credit Corp												
89236THU2	TOYOTA MOTOR CREDIT	0.450	01/11/2024		A+	A1	650,000.00	648,745.50	4.09	648,478.27	4.11	2.27
Issuer total							650,000.00	648,745.50	4.09	648,478.27	4.11	2.27
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	3.88	608,216.58	3.85	0.56
Issuer total							600,000.00	614,736.00	3.88	608,216.58	3.85	0.56

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of September 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)
Caterpillar Financial Services Corp												
14912L5F4	CATERPILLAR FINL	2.850	06/01/2022		A	A2	500,000.00	515,425.00	3.25	508,782.96	3.22	0.66
Issuer total							500,000.00	515,425.00	3.25	508,782.96	3.22	0.66
Grand total							15,586,068.09	15,856,576.73	100.00	15,782,682.75	100.00	0.98

SECURITIES PURCHASED

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

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest
Corporate Bonds								
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% GOLDMAN, SACHS AND CO.	09/23/2021 09/27/2021	0.450	01/11/2024	650,000.00	99.81	(648,745.50)	(617.50)
Total Corporate Bonds					650,000.00		(648,745.50)	(617.50)
Grand total					650,000.00		(648,745.50)	(617.50)

SECURITIES SOLD AND MATURED

For the period September 1, 2021 - September 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
Corporate Bonds											
94988J5R4	WELLS FARGO BANK NA 3.55% 14AUG2023 CALLABLE RV	09/21/2021 09/21/2021	3.550		(500,000.00)	534,725.00	529,033.83	0.00	528,930.90	(102.93)	0.00
Total (Corporate Bonds)					(500,000.00)	534,725.00	529,033.83		528,930.90	(102.93)	0.00
Grand total					(500,000.00)	534,725.00	529,033.83		528,930.90	(102.93)	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period September 1, 2021 - September 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	41.78	41.78
Total Cash		0.00	0.00	0.00	41.78	41.78
Corporate Bonds						
0258M0EG0	AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22)	(1,418.00)	0.00	(1,598.72)	1,522.50	9,450.00
037833AY6	APPLE INC 2.15% 09FEB2022	(1,062.63)	0.00	(887.70)	1,125.76	0.00
06051GGK9	BANK OF AMERICA CORP 2.881% 24APR2023 (CALLABLE 24APR22)	(1,198.05)	0.00	(1,525.34)	1,392.49	0.00
14912L5F4	CATERPILLAR FINL SERVICE 2.85% 01JUN2022	(1,051.71)	0.00	(1,242.51)	1,147.92	0.00
459200HP9	IBM CORP 3.375% 01AUG2023	(1,616.53)	0.00	(1,166.06)	1,767.18	0.00
48128BAB7	JPMORGAN CHASE & CO 2.972% 15JAN2023 (CALLABLE 15JAN22)	(1,367.67)	0.00	(1,929.69)	1,556.17	0.00
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	12.11	0.00	(267.23)	24.38	0.00
90331HNV1	US BANK NA CINCINNATI 3.4% 24JUL2023 (CALLABLE 23JUN23)	(1,673.64)	0.00	(2,020.72)	1,780.28	0.00
94988J5R4	WELLS FARGO BANK NA 3.55% 14AUG2023 CALLABLE	(895.39)	(102.93)	(1,204.10)	986.12	1,824.31
Total Corporate Bonds		(10,271.51)	(102.93)	(11,842.07)	11,302.80	11,274.31
Government Agencies						
3135G04Q3	FANNIE MAE 0.25% 22MAY2023	(47.43)	0.00	(1,060.19)	201.39	0.00
3135G0V34	FANNIE MAE 2.5% 05FEB2024	(891.26)	0.00	(1,748.41)	1,006.94	0.00
3133EJ2B4	FEDERAL FARM CREDIT BANK 3% 06DEC2023	(1,723.44)	0.00	(2,975.67)	1,812.50	0.00
3130ALRG1	FEDERAL HOME LOAN BANK 0.125% 17MAR2023	14.81	0.00	(155.03)	75.52	466.15
313381BR5	FEDERAL HOME LOAN BANK 1.875% 09DEC2022	(1,067.37)	0.00	(1,109.72)	1,132.81	0.00
3137EAF2	FREDDIE MAC 0.25% 04DEC2023	(11.31)	0.00	(943.22)	100.70	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

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

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3137EAEW5	FREDDIE MAC 0.25% 08SEP2023	(3.62)	0.00	(421.47)	44.11	273.75
Total Government Agencies		(3,729.62)	0.00	(8,413.71)	4,373.97	739.90
Government Bonds						
912828ZH6	USA TREASURY 0.25% 15APR2023	(57.37)	0.00	(556.65)	153.69	0.00
912828T91	USA TREASURY 1.625% 31OCT2023	(541.02)	0.00	(1,347.66)	662.37	0.00
Total Government Bonds		(598.39)	0.00	(1,904.31)	816.06	0.00
Grand total		(14,599.52)	(102.93)	(22,160.09)	16,534.61	12,055.99

TRANSACTION REPORT

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

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
09/03/2021 09/03/2021	0258M0EG0	Income	Corporate Bonds	AMERICAN EXPRESS CREDIT	03/03/2022	700,000.00	0.00	0.00	9,450.00	9,450.00
09/08/2021 09/08/2021	3137EAEW5	Income	Government Agencies	FREDDIE MAC 0.25%	09/08/2023	219,000.00	0.00	0.00	273.75	273.75
09/17/2021 09/17/2021	3130ALRG1	Income	Government Agencies	FEDERAL HOME LOAN BANK	03/17/2023	750,000.00	0.00	0.00	466.15	466.15
09/21/2021 09/21/2021	94988J5R4	Income	Corporate Bonds	WELLS FARGO BANK NA 3.55%	08/14/2023	500,000.00	0.00	0.00	1,824.31	1,824.31
09/21/2021 09/21/2021	94988J5R4	Capital Change	Corporate Bonds	WELLS FARGO BANK NA 3.55%	08/14/2023	(500,000.00)	(102.93)	528,930.90	0.00	528,930.90
09/23/2021 09/27/2021	89236THU2	Bought	Corporate Bonds	TOYOTA MOTOR CREDIT CORP	01/11/2024	650,000.00	0.00	(648,745.50)	(617.50)	(649,363.00)
09/30/2021		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	41.78	41.78

ADDITIONAL INFORMATION

As of September 30, 2021

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. INA charges 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 INA, 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. INA's investment advisory fees are discussed in Part 2A of its 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 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 September 30, 2021

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