



**City of Laguna Woods**  
**City Treasurer's Report**  
**For the Month Ended January 31, 2019**

ITEM 6.2

**CASH AND INVESTMENTS**

	Beginning Balances As of 12/31/18	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 1/31/19	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
<b>Cash and Cash Equivalents</b>							
Analyzed Checking Account (Note 3)	\$ 489,560	\$ 1,583,176	\$ (571,249)	\$ -	\$ 1,501,487	13.70%	
Cash Balances, Multi-Bank Securities (MBS) Account	\$ 1,440	\$ 5,942	\$ (1,440)	\$ -	\$ 5,942	0.05%	
Earned Interest in Transit and Accrued Interest, Securities Account	\$ 10,371	\$ 5,945	\$ (5,942)	\$ -	\$ 10,374	0.09%	
Petty Cash	\$ 1,473	\$ 280	\$ (278)	\$ -	\$ 1,476	0.01%	
Total Cash and Cash Equivalents	\$ 502,844	\$ 1,595,344	\$ (578,908)	\$ -	\$ 1,519,279	13.86%	100.00%
<b>Pooled Money Investment Accounts (PIMA)</b>							
Local Agency Investment Fund (LAIF) (Notes 1 and 2)	\$ 4,846,134	\$ 24,672	\$ -	\$ -	\$ 4,870,806	44.45%	
Orange County Investment Pool (OCIP) (Notes 1 and 2)	\$ 2,065,341	\$ 5,864	\$ (162)	\$ -	\$ 2,071,043	18.90%	
Total Pooled Money Investment Accounts	\$ 6,911,475	\$ 30,537	\$ (162)	\$ -	\$ 6,941,850	63.35%	90.00%
<b>Investments - Interest and Income Bearing</b>							
Certificates of Deposit (book value) (Note 4)	\$ 2,497,003	\$ -	\$ -	\$ -	\$ 2,497,003	22.79%	
Total Investments	\$ 2,497,003	\$ -	\$ -	\$ -	\$ 2,497,003	22.79%	30.00%
<b>TOTAL CASH, CASH EQUIVALENTS, AND INVESTMENTS</b>	<b>\$ 9,911,322</b>	<b>\$ 1,625,880</b>	<b>\$ (579,070)</b>	<b>\$ -</b>	<b>\$ 10,958,132</b>	100.00%	

**Summary of Total Cash, Cash Equivalents, and Investments (Note 4):**

	General Fund	Special Revenue Funds	Totals
Analyzed Checking	\$ 284,856	\$ 1,216,632	\$ 1,501,487
Cash, Securities Account	\$ 5,942	\$ -	\$ 5,942
Interest in Transit	\$ 10,374	\$ -	\$ 10,374
Petty Cash	\$ 1,476	\$ -	\$ 1,476
LAIF	\$ 4,870,806	\$ -	\$ 4,870,806
OCIP	\$ 2,071,043	\$ -	\$ 2,071,043
Certificates of Deposit	\$ 2,497,003	\$ -	\$ 2,497,003
<b>Totals</b>	<b>\$ 9,741,500</b>	<b>\$ 1,216,632</b>	<b>\$ 10,958,132</b>

(See **NOTES** on Page 3 of 3)



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**INVESTMENT PORTFOLIO DETAIL**

CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate (Note 5)	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
<b>Money Funds and Certificate of Deposits (CDs, Federal Deposit Insurance Corporation (FDIC) Insured)</b>														
508176CH5	2017-2	LAKE CITY BANK	24 months	03/08/17	03/22/17	245,000	244,789	245,000	1.600	Monthly	04/22/17	300	1.600	03/22/19
38148PTD9	2017-6	GOLDMAN SACHS BANK USA	36 months	11/16/17	11/22/17	245,000	242,121	245,000	2.050	Semi-Annual	05/22/18	Green*	2.050	11/23/20
61747ML58	2018-1	MORGAN STANLEY BK N A SALT LAKE	36 months	02/14/18	02/22/18	100,000	99,664	100,000	2.600	Semi-Annual	08/22/18	Green***	2.600	02/22/21
101120DW0	2018-2	BOSTON PRIVATE BANK & TR	21 months	03/09/18	03/23/18	245,000	244,520	245,000	2.300	Monthly	04/23/18	Green***	2.300	12/23/19
64944RJO	2018-3	NEW YORK COMMUNITY BANK	24 months	03/23/18	03/28/18	100,000	99,846	100,000	2.450	Semi-Annual	09/28/18	Green***	2.450	03/27/20
05580AMD3	2018-4	BMW BANK NORTH AMERICA	36 months	03/23/18	03/29/18	245,000	244,552	245,000	2.700	Semi-Annual	09/29/18	Green***	2.700	03/29/21
254673RS7	2018-5	DISCOVER BANK (#5649)	36 months	07/11/18	07/18/18	245,000	245,889	245,000	3.000	Semi-Annual	01/18/19	Green***	3.000	07/19/21
90348JEA4	2018-6	UBS BANK USA	48 months	10/01/18	10/05/18	245,000	246,575	245,000	3.250	Monthly	11/05/19	Green***	3.250	10/05/22
61760ARV3	2018-7	MORGAN STANLEY PRIVATE BK NATL	60 months	11/06/18	11/15/18	245,000	248,783	245,000	3.550	Semi-Annual	05/15/19	Green***	3.550	11/15/23
87164YQG2	2018-8	SYNCHRONY BANK RETAIL/MORGAN	41 months	12/07/18	12/11/18	100,000	98,125	97,003	2.470	Semi-Annual	05/19/19	Green***	3.329	05/19/22
02589AA28	2018-9	AMERICAN EXPRES NATL	60 months	12/07/18	12/10/18	240,000	243,691	240,000	3.550	Semi-Annual	06/04/19	Green***	3.550	12/04/23
817164YQG2	2018-10	FIRST TECHNOLOGY FED CU MTN VIEW	41 months	12/07/18	12/11/18	245,000	249,341	245,000	3.590	Semi-Annual	05/19/19	Green***	3.590	05/19/22
		Accrued Interest - Month End					10,374							
<b>Total CDs</b>						<b>2,500,000</b>	<b>2,518,271</b>	<b>2,497,003</b>						

(\*) At the time of purchase and until September 2017, CDs were rated or ranked using an IDC Financial Publishing, Inc. (IDC) compiled ranking, and includes a one-number summary rank of quality comprised of 35 key financial ratios. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups per Table 1. Post September 2017, CDs are ranked using the Veribanc Rating System, a two-part color code and star classification system which tests the present standing and future outlook by reviewing an institution's capital strength, asset quality, management ability, earnings sufficiency, liquidity, and sensitivity to market risk. Table 2 below summarizes the Veribanc color rankings. Veribanc star ratings of one to three, with three being best, are used to help review a possible future trend of an institutions health based on metrics from ten prior quarters. A rating of one, two, or three, are not necessarily an indicator of risk or an undesirable investment. The City reviews other rating systems and issuer financials before choosing any investment.

Table 1: CD Rankings (used prior to September 2017)

IDC Rank	Group Meaning
200-300	Superior
165-199	Excellent
125-164	Average
75-124	Below Average
2-74	Lowest Ratios
1	Highest Probability of Failure

Table 2: Veribanc Color Rankings (used post September 2017)

Veribanc Rank	Color Meaning
Green	Highest rating, exceeds qualifications in equity and income tests
Yellow	Merits attention, meets minimal qualifications in equity and income tests
Red	Merits close attention, does not meet minimal qualifications for equity and has incurred significant losses

**Government Pooled Money Investment Accounts (Notes 1, 2, and 3)**

N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	4,870,806	4,870,806	4,870,806	2.400%	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	2,071,043	2,071,043	2,071,043	Pending	N/A	N/A	N/A	N/A	N/A
<b>Total PIMA</b>						<b>6,941,850</b>	<b>6,941,850</b>	<b>6,941,850</b>						

(See **NOTES** on Page 3 of 3)



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**OTHER FUNDS - HELD IN TRUST**

	Beginning Balances As of 12/31/18	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 1/31/19
<b>Other Post-Employment Benefits (OPEB) Trust</b>					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (CERBT holds all assets and administers the OPEB Trust)	\$ 91,228	\$ -	\$ (7)	\$ 3,769	\$ 94,990
Total Other Funds - Held in Trust	<u>\$ 91,228</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 3,769</u>	<u>\$ 94,990</u>

**Notes:**

Note 1 - During January 2019, transaction activity in government money market funds, investment accounts and fiduciary trusts included:

LAIF / The City made deposits to or withdrawals from the LAIF account.

OCIP / The City made no deposits to or withdrawals from the OCIP account.

Investments / The City did not purchase investments and there were no maturities.

OPEB Trust / The City made no contributions to the OPEB Trust in January 2019. The Fund experienced a \$3,769 gain in January 2019.

Note 2 - Investment earnings on government pooled money investment accounts deposited and reported January 2019 net of related fees were:

Pool	Earnings Post	Prior Period Earnings Deposited	Deposit for Period Ended	Current Month / Quarter Gross Yield	Current Month Earnings Will Post	Notes
LAIF	Quarterly	\$24,672	10/1/18 thru 12/31/18	2.400%	April 2019	The gross yield this quarter was reduced by administrative fees averaging 0.463%. The OCIP January 2019 statement had not been received at the time of this report. Interest is posted two to three months in arrears and fees are posted monthly. Accrued interest pending payment at 12/31/18 was \$15,230.33.
OCIP	Monthly	\$5,864	September 2018	1.998%	See Notes	Fees average 0.059%.

Note 3 - Analyzed Checking Account / Monthly activity reported does not reflect January vendor invoicing processed after the date of this report.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest \$5,942.10 and transferred out \$1,439.79 in cash balances to the City's checking account in January. Cash balances to be invested or paid out are classified separately on page 1 of 3. The City portfolio also has \$10,373.88 in accrued interest, not yet vested.

**City Treasurer's Certification**

I, Margaret A. Cady, City Treasurer, do hereby certify:

- That all investment actions executed since the last report have been made in full compliance with the City's Investment of Financial Assets Policy; and
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

*Margaret A Cady*

Margaret A. Cady, City Treasurer

*2/14/19*

Dated