



City of Laguna Woods
City Treasurer's Report
 For the Month Ended September 30, 2020

ITEM 6.2

CASH AND INVESTMENTS

	Beginning Balances As of 8/31/20	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 9/30/20	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
Cash and Cash Equivalents							
Analyzed Checking Account (Note 1)	\$ 448,220	\$ 1,172,719	\$ (803,617)	\$ -	\$ 817,322	7.14%	
Cash Balances, Multi-Bank Securities (MBS) Account (Note 4)	\$ 5,453	\$ 5,506	\$ (5,606)	\$ -	\$ 5,353	0.05%	
Earned Interest in Transit and Accrued Interest, MBS Account (Note 4)	\$ 12,236	\$ 5,840	\$ (5,506)	\$ -	\$ 12,571	0.11%	
Petty Cash	\$ 2,500	\$ 852	\$ (2,052)	\$ -	\$ 1,300	0.01%	
Total Cash and Cash Equivalents	\$ 468,409	\$ 1,184,917	\$ (816,780)	\$ -	\$ 836,546	7.31%	100.00%
Pooled Money Investment Accounts							
Local Agency Investment Fund (LAIF) (Notes 2 and 3)	\$ 6,438,058	\$ -	\$ (650,000)	\$ -	\$ 5,788,058	50.58%	
Orange County Investment Pool (OCIP) (Notes 2 and 3)	\$ 2,165,036	\$ 4,597	\$ (216)	\$ -	\$ 2,169,417	18.96%	
Total Pooled Money Investment Accounts	\$ 8,603,094	\$ 4,597	\$ (650,216)	\$ -	\$ 7,957,476	69.53%	90.00%
Investments - Interest and Income Bearing							
Certificates of Deposit (fair value) (Note 2 and 4)	\$ 2,654,068	\$ -	\$ -	\$ (4,099)	\$ 2,649,968	23.16%	
Total Investments - Interest and Income Bearing	\$ 2,654,068	\$ -	\$ -	\$ (4,099)	\$ 2,649,968	23.16%	30.00%
TOTAL	\$ 11,725,571	\$ 1,189,514	\$ (1,466,996)	\$ (4,099)	\$ 11,443,990	100.00%	

Summary of Total Cash, Cash Equivalents, and Investments:

	General Fund	Special Revenue Funds	Totals
Analyzed Checking Account	\$ (1,163,217)	\$ 1,980,540	\$ 817,322
Cash Balances, MBS Account	\$ 5,353	\$ -	\$ 5,353
Earned Interest in Transit and Accrued Interest, MBS Account	\$ 12,571	\$ -	\$ 12,571
Petty Cash	\$ 1,300	\$ -	\$ 1,300
LAIF	\$ 5,788,058	\$ -	\$ 5,788,058
OCIP	\$ 2,169,417	\$ -	\$ 2,169,417
Certificates of Deposit	\$ 2,649,968	\$ -	\$ 2,649,968
Totals	\$ 9,463,450	\$ 1,980,540	\$ 11,443,990

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CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate (Note 4)	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
Money Funds and Certificate of Deposits (CDs, Federal Deposit Insurance Corporation [FDIC] Insured)														
38148PTD9	2017-6	GOLDMAN SACHS BANK USA	36 months	11/16/17	11/22/17	245,000	245,733	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	101,021	100,000	2.600	Semi-Annual	08/22/18	Green***	2.600	02/22/21
05580AMD3	2018-4	BMW BANK NORTH AMERICA	36 months	03/23/18	03/29/18	245,000	248,222	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	250,780	245,000	3.000	Semi-Annual	01/18/19	Green***	3.000	07/19/21
87164YQG2	2018-8	SYNCHRONY BANK RETAIL/MORGAN	60 months	05/19/17	05/19/17	100,000	103,726	98,288	2.470	Semi-Annual	11/19/17	Green***	2.400	05/19/22
90348JEA4	2018-6	UBS BANK USA	48 months	10/01/18	10/05/18	245,000	260,293	245,000	3.250	Monthly	11/05/18	Green***	3.250	10/05/22
61760ARV3	2018-7	MORGAN STANLEY PRIVATE BK NATL	60 months	11/06/18	11/15/18	245,000	270,517	245,000	3.550	Semi-Annual	05/15/19	Green***	3.550	11/15/23
02559AA28	2018-9	AMERICAN EXPRESS NATL	60 months	12/04/18	12/04/18	240,000	265,368	240,000	3.550	Semi-Annual	06/04/19	Green***	3.550	12/04/23
33715LCZ1	2018-10	FIRST TECHNOLOGY FED CU MTN VIEW	60 months	12/07/18	12/12/18	245,000	271,436	245,000	3.600	Monthly	01/12/19	Green***	3.600	12/12/23
949763ZA7	2019-1	WELLS FARGO BK N A	60 months	04/09/19	04/10/19	245,000	266,148	245,000	2.850	Monthly	05/10/19	Green*	2.850	04/10/24
75472RBB6	2020-1	RAYMOND JAMES BK NATL ASSN	60 months	02/06/20	02/14/20	245,000	260,163	245,000	1.750	Semi-Annual	08/14/20	Green***	1.750	02/14/25
59013KGJ9	2020-2	MERRICK BANK	60 months	03/24/20	03/31/20	100,000	106,563	100,000	1.800	Monthly	05/01/20	Green***	1.800	03/31/25
Accrued Interest - Month End							12,571							
Total CDs						2,500,000	2,662,539	2,498,288						

(*) 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 (PMIA) (Notes 2 and 3)

CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	5,788,058	5,788,058	5,788,058	Pending	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	2,169,417	2,169,417	2,169,417	Pending	N/A	N/A	N/A	N/A	N/A
Total PMIA						7,957,476	7,957,476	7,957,476						

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	Beginning Balances As of 8/31/20	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 9/30/20
Other Post-Employment Benefits (OPEB) Trust					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (CERBT holds all assets and administers the OPEB Trust)	\$ 132,444	\$ -	\$ (9)	\$ (1,645)	\$ 130,789
Total Other Funds - Held in Trust	<u>\$ 132,444</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ (1,645)</u>	<u>\$ 130,789</u>

Notes:

Note 1 - Analyzed Checking Account / Monthly activity reported does not reflect September 2020 vendor invoicing processed after the date of this report.

Note 2 - During September 2020, transaction activity in pooled money investment accounts, investment accounts and fiduciary trusts included:

LAIF / The City made no deposits to the LAIF account and withdrew \$650,000 for cash flow purposes. The balance includes an adjustment in the amount of \$31,363.52 to reflect the fair market value of the investment at June 30, 2020.

OCIP / The City made no deposits to or withdrawals from the OCIP account. The balance includes an adjustment in the amount of \$18,013.41 to reflect the fair market value of the investment at June 30, 2020.

Investments / There were no maturities or purchases of investments. Investments were adjusted in the amount of (\$4,099.40) to report balances at fair market value as of September 30, 2020.

OPEB Trust / The City made no contributions to the OPEB Trust. The OPEB Trust experienced a net loss of \$1,654.46 in September 2020.

Note 3 - Investment earnings on pooled money investment accounts deposited and reported September 2020 net of related fees were:

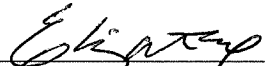
Pool	Earnings Post	Prior Period Earnings Deposited	Deposit for Period Ended	Current Month / Quarter Gross Yield	Current Month / Quarter Earnings Will Post	Notes
LAIF	Quarterly	\$0	N/A	See Notes	October 2020	Total pool interest for September 2020 was 0.685% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted.
OCIP	Monthly	\$4,597	May & June 2020	See Notes	See Notes	Interest is posted three months in arrears and fees are posted monthly. Accrued interest pending payment at September 30, 2020 was \$6,203.28. September 2020 interest rate was 1.060% and fees were 0.059%. Administrative fees totaled \$215.74.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$5,505.96 and transferred out \$5,605.60 in cash balances to the City's checking account in September 2020. Cash balances to be invested or paid out are classified separately on page 1 of 3. The City's portfolio also has \$12,570.59 in accrued interest, not yet vested.

City Treasurer's Certification

I, Elizabeth Torres, 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.



 Elizabeth Torres, City Treasurer

10/15/20

 Date