



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: SEPTEMBER 16, 2020

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE FOURTH
QUARTER ENDED JUNE 30, 2020**

RECOMMENDATION

Accept the Treasurer’s Report for the fourth Quarter Ended June 30, 2020.

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 2019/20 as of June 30, 2020 is attached. The total cash and investments for the Town is \$44,567,688. Of the total amount, \$30,377,711 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, 2020. The total amount in the PARS account is \$7,331,640. 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 in the 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 June 30, 2020 holds \$27,690,348.

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, 2020.

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, 2020

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
June 30, 2020**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	6,714,314	6,714,314	6,714,314	15.1%
LAIF Statement	27,690,348	27,706,814	27,690,348	62.1%
Investments (Schedule B)	11,150,000	11,244,488	10,163,026	22.8%
Total Cash and Investments	45,554,662	45,665,615	44,567,688	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

6/30/2020

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
June 30, 2020**

Schedule A

Name of Depository	Investment Type	Reconciled Bank Balance
Wells Fargo	General Account	1,200,456
Wells Fargo	Wells Fargo Trust MMF-Cash	5,513,858
Total		<u>6,714,314</u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
June 30, 2020**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
June 30, 2020**

Fund No.	Fund Name	June Balance
101	General Fund	25,996,242
105	Tennis Fund	190,035
610	Equipment Replacement Fund	683,368
614	Worker's Compensation	1,307,284
615	General Liability	733,033
616	Employee Benefits	1,467,749
	Total Non-Restricted	<u>30,377,711</u>
201	Special Tax Fund	1,688,743
202	County Measure A Fund	704,517
203	Gas Tax Fund	193,239
204	Measure M	256,248
205	Measure W	130,177
209	SLES/COPS Grant	-
210	Road Constructions Impact Fee	-
213	Library Fund	4,814,521
215	Evans Creative Design (formerly fund 715)	4,246
221	Refuse Rate and Stabilization	1,878,850
401	GF Projects	1,305,706
402	Storm Drainage	31,347
403	Atherton Channel Drainage District	487,576
406	Facilities Construction	2,662,169
730	H-P Park Improvement	6,358
740	Tree Committee	26,278
	Total Restricted	<u>14,189,977</u>
	Total Cash & Investments	<u><u>44,567,688</u></u>

**Town of Atherton
 Quarterly Treasurer's Report
 Local Agency Investment Fund Summary (LAIF)
 June 30, 2020**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/1/2020	27,690,348		-	-		27,690,348	6/30/2020

**Town of Atherton
 Quarterly Treasurer's Report
 PARS Trust Account Summary
 June 30, 2020**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
6/30/2020	7,022,340	240,140	109,261	(3,235)	(36,867)	7,331,640	6/30/2020 (*)

* Recent available PARS report

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TOWN OF ATHERTON
Treasurer's Report Schedule B

June 2020

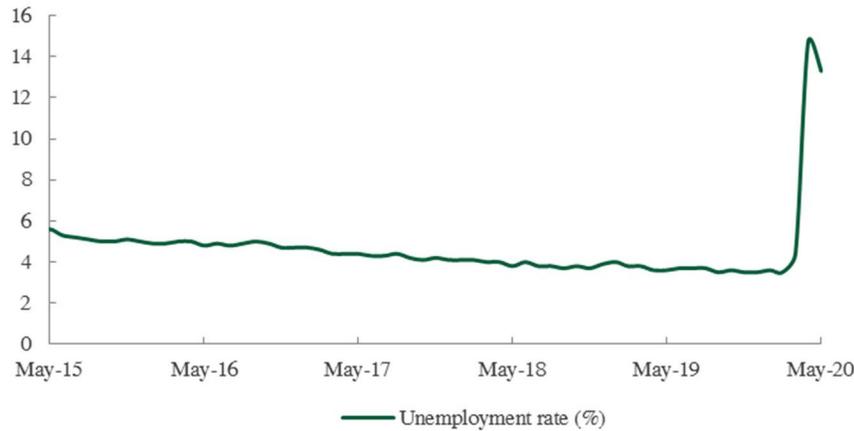


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As of June 30, 2020

Chart 1: Unemployment rate remains at post-Great Depression highs



Source: Bloomberg Finance LP, June 5, 2020.

Chart 2: Retail sales rebound



Source: Bloomberg Finance LP, June 16, 2020.

Economic Indicators and Monetary Policy

Economic data, particularly relating to the consumer, generally came in better-than-expected. Monthly payrolls data increased by 2.5 million, beating expectations by around \$10 million – roughly the equivalent of New York State’s workforce. Nonetheless, this still left the unemployment rate at post-Great Depression highs of 13.3%. May retail sales outperformed expectations at 17.7%, the biggest monthly gain since 1992, after recording the largest monthly decline in April. However, the recovery in retail sales is only about halfway to its pre-COVID February level.

A resurgence of new COVID-19 infections, particularly in southern and western states such as Arizona, Texas and Florida, led to concerns that healthcare systems could become overstretched. Some reopening initiatives may be paused or even rolled back.

The Federal Reserve (Fed) released its first ‘dot-plot’ this year, after March’s release was abandoned due to the uncertainty at the height of the crisis. Federal Open Market Committee members collectively forecasted no change to interest rates until 2022. The Fed also committed to maintaining its Treasury and agency mortgage backed security (MBS) purchases “at least at the current pace” in coming months, which is a rate of at least \$80 billion of Treasuries and \$50 billion of MBS per month. This will likely expand the Fed’s balance sheet to \$8.5-\$10trn by the end of 2020 – from \$7.2trn currently and \$4.2trn pre-crisis.

The Fed also stated that it was considering a ‘yield curve control’ policy, which would involve the Fed explicitly targeting 2-year to 5-year Treasury yield levels rather than just setting the overnight interest rate. Chairman Powell stated yield curve control remains an “open question” and that discussions would continue at further meetings.

Interest Rate Summary

Yields did not change materially over the month. At the end of June, the 3-month US Treasury bill yielded 0.15%, the 6-month US Treasury bill yielded 0.19%, the 2-year US Treasury note yielded 0.15%, the 5-year US Treasury note yielded 0.29% and the 10-year US Treasury note yielded 0.66%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2020 - June 30, 2020

<u>Amortized Cost Basis Activity Summary</u>		
Opening balance		15,631,832.03
Income received	33,785.91	
Total receipts		33,785.91
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		(3,396.28)
Total OID/MKT accretion income		1,383.16
Return of capital		0.00
Closing balance		15,663,604.82
Ending fair value		15,734,558.76
Unrealized gain (loss)		70,953.94

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	28.58	0.00	0.00	28.58
Corporate Bonds	11,404.57	(3,123.98)	0.00	8,280.59
Government Agencies	7,529.75	1,097.72	0.00	8,627.47
Government Bonds	977.02	13.14	0.00	990.16
Total	19,939.92	(2,013.12)	0.00	17,926.80

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.29	0.32	0.01
Overnight Repo	1.32	0.33	0.01
Merrill Lynch 3m US Treas Bill	1.16	0.29	0.01
Merrill Lynch 6m US Treas Bill	1.14	0.29	0.01
ML 1 Year US Treasury Note	1.17	0.31	0.01
ML 2 Year US Treasury Note	1.15	0.32	0.02
ML 5 Year US Treasury Note	1.19	0.38	0.03

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	19,939.92
Accretion (amortization)	(2,013.12)
Realized gain (loss) on sales	0.00
Total income on portfolio	17,926.80
Average daily amortized cost	15,652,581.48
Period return (%)	0.11
YTD return (%)	0.87
Weighted average final maturity in days	134

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2020 - June 30, 2020

<u>Fair Value Basis Activity Summary</u>		
Opening balance		15,718,043.28
Income received	33,785.91	
Total receipts		33,785.91
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		(17,270.43)
Ending fair value		15,734,558.76

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	28.58	0.00	28.58
Corporate Bonds	11,404.57	(8,424.92)	2,979.65
Government Agencies	7,529.75	(7,976.67)	(446.92)
Government Bonds	977.02	(868.84)	108.18
Total	19,939.92	(17,270.43)	2,669.49

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.29	0.32	0.01
Overnight Repo	1.32	0.33	0.01
ICE BofAML 3 Months US T-BILL	1.63	0.60	0.01
ICE ML 6m US Treas Bill	2.11	0.93	0.02
ICE ML 1 Year US Treasury Note	2.86	1.69	0.04
ICE ML US Treasury 1-3	4.07	2.94	0.03
ICE ML US Treasury 1-5	5.25	4.10	0.07

* rates reflected are cumulative

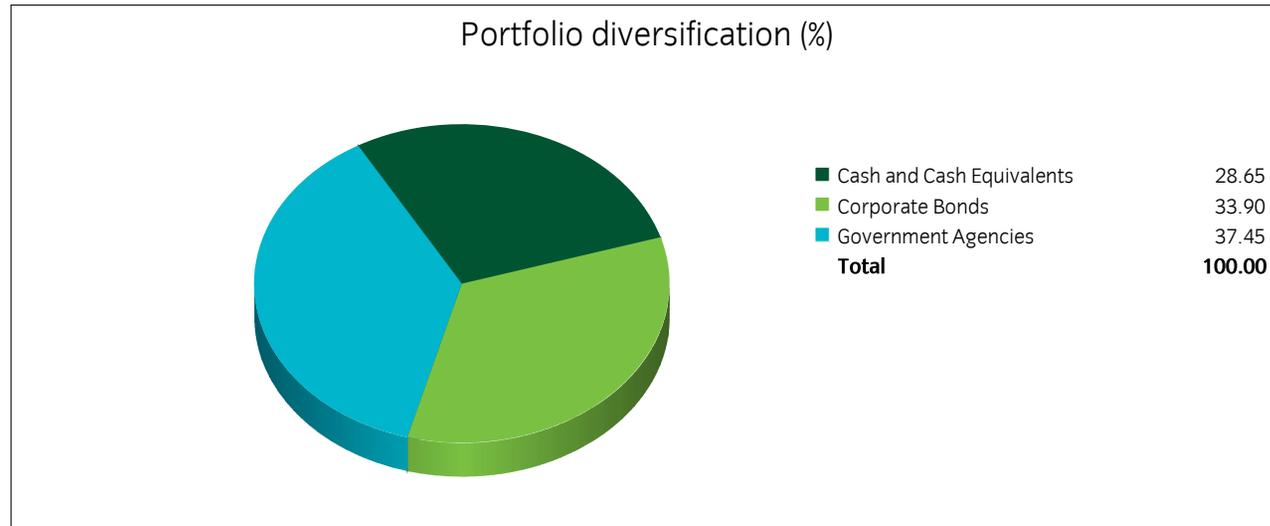
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	19,939.92
Change in fair value	(17,270.43)
Total income on portfolio	2,669.49
Average daily total value *	15,798,681.10
Period return (%)	0.02
YTD return (%)	1.05
Weighted average final maturity in days	134

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2020

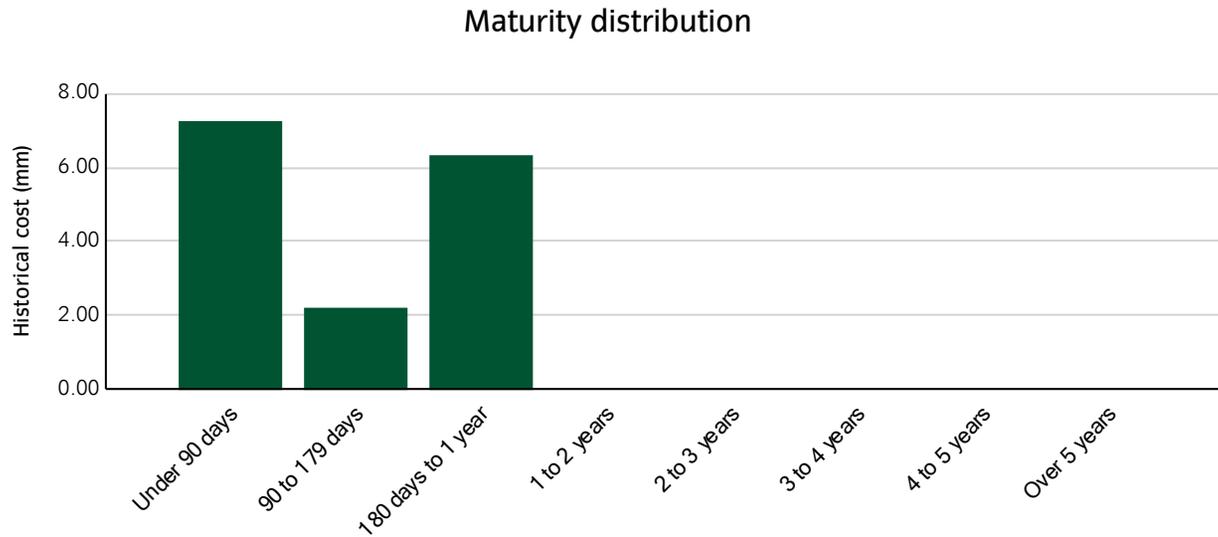
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	4,490,071.19	4,490,071.19	4,490,071.19	0.00	1	28.65	0.00
Corporate Bonds	5,312,977.55	5,287,801.82	5,320,215.93	32,414.11	149	33.90	0.37
Government Agencies	5,868,418.70	5,885,731.81	5,924,271.64	38,539.83	222	37.45	0.61
Total	15,671,467.44	15,663,604.82	15,734,558.76	70,953.94	134	100.00	0.35



MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2020

Maturity	Historic cost	Percent
Under 90 days	7,199,670.19	45.94
90 to 179 days	2,198,265.45	14.03
180 days to 1 year	6,273,531.80	40.03
1 to 2 years	0.00	0.00
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
	15,671,467.44	100.00



SECURITIES HELD

As of June 30, 2020

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		4,490,071.19	4,490,071.19 0.00	4,490,071.19 0.00	4,490,071.19 0.00	0.00	0.00	0.00	0.00	28.65
Total Cash and Cash Equivalents			4,490,071.19	4,490,071.19 0.00	4,490,071.19 0.00	4,490,071.19 0.00	0.00	0.00	0.00	0.00	28.65
Corporate Bonds											
02665WBT7 AMERICAN HONDA FINANCE 1.95% 20JUL2020	1.950	07/20/2020	500,000.00	500,625.00 0.00	500,078.62 (117.92)	500,351.04 (491.37)	272.42	0.00	785.41	4,333.33	3.19
46625HHS2 JPMORGAN CHASE & CO 4.4% 22JUL2020	4.400	07/22/2020	600,000.00	613,302.00 0.00	600,768.09 (1,047.41)	601,273.01 (2,062.99)	504.92	0.00	2,126.67	11,586.67	3.91
94974BGM6 WELLS FARGO & COMPANY 2.6% 22JUL2020	2.600	07/22/2020	500,000.00	502,660.00 0.00	500,440.00 (600.00)	500,610.00 (830.00)	170.00	0.00	1,047.23	5,705.56	3.21
0258M0DX4 AMERICAN EXPRESS CREDIT 2.6% 14SEP2020 (CALLABLE 14AUG20)	2.600	09/14/2020 08/14/2020	600,000.00	602,592.00 0.00	600,283.00 (192.95)	601,536.00 (1,088.89)	1,253.00	0.00	1,256.66	4,593.33	3.85
44932HAK9 IBM CREDIT LLC 3.45% 30NOV2020	3.450	11/30/2020	600,000.00	610,218.75 0.00	603,011.42 (602.28)	607,656.55 (1,614.51)	4,645.13	10,350.00	1,725.00	1,725.00	3.89
24422ETZ2 JOHN DEERE CAPITAL CORP 2.35% 08JAN2021	2.350	01/08/2021	600,000.00	605,706.00 0.00	604,078.81 (650.88)	606,080.48 (380.39)	2,001.67	0.00	1,135.84	6,736.67	3.87
037833BS8 APPLE INC 2.25% 23FEB2021 (CALLABLE 23JAN21)	2.250	02/23/2021 01/23/2021	550,000.00	547,712.00 0.00	549,177.31 105.93	556,037.36 (824.64)	6,860.05	0.00	996.88	4,365.63	3.49
084670BQ0 BERKSHIRE HATHAWAY INC 2.2% 15MAR2021 (CALLABLE 15FEB21)	2.200	03/15/2021 02/15/2021	680,000.00	681,604.80 0.00	680,649.42 (89.48)	688,153.93 (511.09)	7,504.51	0.00	1,205.11	4,363.33	4.35

SECURITIES HELD

As of June 30, 2020

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											
69353REW4 PNC BANK NA 2.15% 29APR2021 (CALLABLE 30MAR21)	2.150	04/29/2021 03/30/2021	650,000.00	648,557.00 0.00	649,315.15 71.01	658,517.56 (621.04)	9,202.41	0.00	1,125.77	2,367.99	4.14
Total Corporate Bonds			5,280,000.00	5,312,977.55 0.00	5,287,801.82 (3,123.98)	5,320,215.93 (8,424.92)	32,414.11	10,350.00	11,404.57	45,777.51	33.90
Government Agencies											
3136G3U86 FANNIE MAE 1.3% 25AUG2020 CALLABLE	1.300	08/25/2020	500,000.00	490,420.00 0.00	499,060.78 512.30	500,871.50 (484.20)	1,810.72	0.00	523.61	2,256.94	3.13
3137EAEJ4 FREDDIE MAC 1.625% 29SEP2020	1.625	09/29/2020	400,000.00	394,404.00 0.00	399,132.33 292.48	401,422.88 (479.12)	2,290.55	0.00	523.62	1,643.06	2.52
3130AEWA4 FEDERAL HOME LOAN BANK 2.625% 01OCT2020	2.625	10/01/2020	500,000.00	500,495.00 0.00	500,075.45 (24.88)	503,059.88 (1,014.87)	2,984.43	0.00	1,057.29	3,244.79	3.19
3137EAEK1 FREDDIE MAC 1.875% 17NOV2020	1.875	11/17/2020	700,000.00	693,147.70 0.00	698,445.75 340.34	704,503.03 (890.71)	6,057.28	0.00	1,057.29	1,567.71	4.42
3130AJSJ5 FEDERAL HOME LOAN BANK 0.18% 26MAR2021	0.180	03/26/2021	1,300,000.00	1,299,987.00 (26.00)	1,299,987.00 0.00	1,299,303.08 (683.92)	(683.92)	0.00	0.00	26.00	8.30
3133EJJD2 FEDERAL FARM CREDIT BANK 2.54% 05APR2021	2.540	04/05/2021	800,000.00	800,831.20 0.00	800,308.06 (33.61)	814,254.11 (1,592.12)	13,946.05	0.00	1,636.89	4,797.78	5.11
3135G0U27 FANNIE MAE 2.5% 13APR2021	2.500	04/13/2021	1,000,000.00	1,018,370.00 (5,416.67)	1,018,370.00 0.00	1,018,270.57 (99.43)	(99.43)	0.00	0.00	5,416.67	6.50

SECURITIES HELD

As of June 30, 2020

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											
3130A1W95 FEDERAL HOME LOAN BANK 2.25% 11JUN2021 #0000	2.250	06/11/2021	670,000.00	670,763.80 0.00	670,352.44 (31.01)	682,586.59 (1,403.77)	12,234.15	7,537.50	1,214.38	795.63	4.28
Total Government Agencies			5,870,000.00	5,868,418.70 (5,442.67)	5,885,731.81 1,055.62	5,924,271.64 (6,648.14)	38,539.83	7,537.50	6,013.08	19,748.58	37.45
Grand total			15,640,071.19	15,671,467.44 (5,442.67)	15,663,604.82 (2,068.36)	15,734,558.76 (15,073.06)	70,953.94	17,887.50	17,417.65	65,526.09	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2020

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					5,513,857.86	5,513,857.86	0.00	5,513,857.86	35.04	0.00
	PENDING TRADE	0.000					0.00	(1,023,786.67)	0.00	(1,023,786.67)	(6.51)	0.00
Issuer total							5,513,857.86	4,490,071.19	0.00	4,490,071.19	28.54	0.00
Federal Home Loan Banks												
3130AEWA4	FEDERAL HOME LOAN	2.625	10/01/2020		AA+	Aaa	500,000.00	500,495.00	3.19	503,059.88	3.20	0.25
3130AJS65	FEDERAL HOME LOAN	0.180	03/26/2021		AA+	Aaa	1,300,000.00	1,299,987.00	8.30	1,299,303.08	8.26	0.74
3130A1W95	FEDERAL HOME LOAN	2.250	06/11/2021		AA+	Aaa	670,000.00	670,763.80	4.28	682,586.59	4.34	0.94
Issuer total							2,470,000.00	2,471,245.80	15.77	2,484,949.55	15.79	0.70
Federal National Mortgage Association												
3136G3U86	FANNIE MAE 1.3%	1.300	08/25/2020		AA+	Aaa	500,000.00	490,420.00	3.13	500,871.50	3.18	0.15
3135G0U27	FANNIE MAE 2.5%	2.500	04/13/2021		AA+	Aaa	1,000,000.00	1,018,370.00	6.50	1,018,270.57	6.47	0.78
Issuer total							1,500,000.00	1,508,790.00	9.63	1,519,142.07	9.65	0.58
Federal Home Loan Mortgage Corp												
3137EAEJ4	FREDDIE MAC 1.625%	1.625	09/29/2020		AA+	Aaa	400,000.00	394,404.00	2.52	401,422.88	2.55	0.25
3137EAEK1	FREDDIE MAC 1.875%	1.875	11/17/2020		AA+	Aaa	700,000.00	693,147.70	4.42	704,503.03	4.48	0.38
Issuer total							1,100,000.00	1,087,551.70	6.94	1,105,925.91	7.03	0.33
Federal Farm Credit Banks Funding Corp												
3133EJJD2	FEDERAL FARM CREDIT	2.540	04/05/2021		AA+	Aaa	800,000.00	800,831.20	5.11	814,254.11	5.17	0.76
Issuer total							800,000.00	800,831.20	5.11	814,254.11	5.17	0.76
Berkshire Hathaway Inc												
084670BQ0	BERKSHIRE HATHAWAY	2.200	03/15/2021	02/15/2021	AA	Aa2	680,000.00	681,604.80	4.35	688,153.93	4.37	0.62
Issuer total							680,000.00	681,604.80	4.35	688,153.93	4.37	0.62

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2020

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)
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	4.14	658,517.56	4.19	0.74
Issuer total							650,000.00	648,557.00	4.14	658,517.56	4.19	0.74
IBM Credit LLC												
44932HAK9	IBM CREDIT LLC 3.45%	3.450	11/30/2020		A	A2	600,000.00	610,218.75	3.89	607,656.55	3.86	0.42
Issuer total							600,000.00	610,218.75	3.89	607,656.55	3.86	0.42
John Deere Capital Corp												
24422ETZ2	JOHN DEERE CAPITAL	2.350	01/08/2021		A	A2	600,000.00	605,706.00	3.87	606,080.48	3.85	0.52
Issuer total							600,000.00	605,706.00	3.87	606,080.48	3.85	0.52
American Express Credit Corp												
0258M0DX4	AMERICAN EXPRESS	2.600	09/14/2020	08/14/2020	A-	A2	600,000.00	602,592.00	3.85	601,536.00	3.82	0.12
Issuer total							600,000.00	602,592.00	3.85	601,536.00	3.82	0.12
JPMorgan Chase & Co												
46625HHS2	JPMORGAN CHASE & CO	4.400	07/22/2020		A-	A2	600,000.00	613,302.00	3.91	601,273.01	3.82	0.06
Issuer total							600,000.00	613,302.00	3.91	601,273.01	3.82	0.06
Apple Inc												
037833B58	APPLE INC 2.25%	2.250	02/23/2021	01/23/2021	AA+	Aa1	550,000.00	547,712.00	3.49	556,037.36	3.53	0.56
Issuer total							550,000.00	547,712.00	3.49	556,037.36	3.53	0.56
Wells Fargo & Co												
94974BGM6	WELLS FARGO &	2.600	07/22/2020		A-	A2	500,000.00	502,660.00	3.21	500,610.00	3.18	0.06
Issuer total							500,000.00	502,660.00	3.21	500,610.00	3.18	0.06

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2020

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												
02665WBT7	AMERICAN HONDA	1.950	07/20/2020		A-	A3	500,000.00	500,625.00	3.19	500,351.04	3.18	0.05
Issuer total							500,000.00	500,625.00	3.19	500,351.04	3.18	0.05
Grand total							16,663,857.86	15,671,467.44	100.00	15,734,558.76	100.00	0.35

SECURITIES PURCHASED

For the period June 1, 2020 - June 30, 2020

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Agencies							
3130AJSG5 FEDERAL HOME LOAN BANK 0.18% 26MAR2021 JEFFERIES LLC.	06/30/2020 06/30/2020	0.180	03/26/2021	1,300,000.00	100.00	(1,299,987.00)	(26.00)
3135G0U27 FANNIE MAE 2.5% 13APR2021 MORGAN STANLEY AND CO., LLC	06/30/2020 07/01/2020	2.500	04/13/2021	1,000,000.00	101.84	(1,018,370.00)	(5,416.67)
Total Government Agencies				2,300,000.00		(2,318,357.00)	(5,442.67)
Grand total				2,300,000.00		(2,318,357.00)	(5,442.67)

SECURITIES SOLD AND MATURED

For the period June 1, 2020 - June 30, 2020

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
Government Agencies												
3134GBN40 FREDDIE MAC 1.625% 29JUN2020 CALLABLE #0001	06/29/2020 06/29/2020	1.625		(1,200,000.00)	1,198,560.00	1,200,000.00 42.10	0.00	1,200,000.00 (1,328.53)	0.00	0.00	9,750.00	1,516.67
Total (Government Agencies)				(1,200,000.00)	1,198,560.00	1,200,000.00 42.10		1,200,000.00 (1,328.53)	0.00	0.00	9,750.00	1,516.67
Government Bonds												
912828XE5 UNITED STATES TREAS NTS DTD 05/31/2015 1.5% DUE 05-31-2020 REG	06/01/2020 06/01/2020	1.500		(500,000.00)	499,746.09	500,000.00 0.00	0.00	500,000.00 0.00	0.00	0.00	3,750.00	0.00
912828XU9 UNITED STATES TREASSURY N/B T NOTE 1.5% 06-15-2020	06/15/2020 06/15/2020	1.500		(500,000.00)	499,765.63	500,000.00 19.00	0.00	500,000.00 (265.69)	0.00	0.00	3,750.00	307.38
912828XH8 USA TREASURY 1.625% 30JUN2020	06/30/2020 06/30/2020	1.625		(500,000.00)	500,039.06	500,000.00 (5.86)	0.00	500,000.00 (603.15)	0.00	0.00	4,062.50	669.64
Total (Government Bonds)				(1,500,000.00)	1,499,550.78	1,500,000.00 13.14		1,500,000.00 (868.84)	0.00	0.00	11,562.50	977.02
Grand total				(2,700,000.00)	2,698,110.78	2,700,000.00 55.24		2,700,000.00 (2,197.37)	0.00	0.00	21,312.50	2,493.69

TRANSACTION REPORT

For the period June 1, 2020 - June 30, 2020

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
05/30/2020 05/30/2020	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
05/31/2020 05/31/2020	912828XE5	Income	Government Bonds	UNITED STATES TREAS NTS	05/31/2020	500,000.00	0.00	0.00	3,750.00	3,750.00
06/01/2020 06/01/2020	912828XE5	Capital Change	Government Bonds	UNITED STATES TREAS NTS	05/31/2020	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/11/2020 06/11/2020	3130A1W95	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/11/2021	670,000.00	0.00	0.00	7,537.50	7,537.50
06/15/2020 06/15/2020	912828XU9	Income	Government Bonds	UNITED STATES TREASSURY	06/15/2020	500,000.00	0.00	0.00	3,750.00	3,750.00
06/15/2020 06/15/2020	912828XU9	Capital Change	Government Bonds	UNITED STATES TREASSURY	06/15/2020	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/29/2020 06/29/2020	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
06/29/2020 06/29/2020	3134GBN40	Capital Change	Government Agencies	FREDDIE MAC 1.625%	06/29/2020	(1,200,000.00)	0.00	1,200,000.00	0.00	1,200,000.00
06/30/2020 06/30/2020	3130AJSG5	Bought	Government Agencies	FEDERAL HOME LOAN BANK	03/26/2021	1,300,000.00	0.00	(1,299,987.00)	(26.00)	(1,300,013.00)
06/30/2020 07/01/2020	3135G0U27	Bought	Government Agencies	FANNIE MAE 2.5% 13APR2021	04/13/2021	1,000,000.00	0.00	(1,018,370.00)	(5,416.67)	(1,023,786.67)
06/30/2020 06/30/2020	912828XH8	Income	Government Bonds	USA TREASURY 1.625%	06/30/2020	500,000.00	0.00	0.00	4,062.50	4,062.50
06/30/2020 06/30/2020	912828XH8	Capital Change	Government Bonds	USA TREASURY 1.625%	06/30/2020	(500,000.00)	0.00	500,000.00	0.00	500,000.00
06/30/2020		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	28.58	28.58

As of June 30, 2020

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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 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 June 30, 2020

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