

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** JUNE 27, 2017

**TO:** BOARD OF DIRECTORS  
Lake Arrowhead Community Services District

**FROM:**

  
\_\_\_\_\_  
**JESSICA BROWN, Finance Manager**

  
\_\_\_\_\_  
**CATHERINE CERRI, General Manager**

**SUBJECT:** QUARTERLY CASH AND INVESTMENT REPORT AS OF  
SEPTEMBER 30, 2016

**A. RECOMMENDATION**

Approve the Quarterly Cash and Investment Report as of September 30, 2016.

**B. REASON FOR RECOMMENDATION**

Per the District's Investment Policy and as encouraged by California Government Code Section 53646, the Treasurer Finance Manager, or his/her designee, shall submit to each member of the Board of Directors (Board) a quarterly investment report. Presentation of this item to the Board at this time will result in bringing the District into compliance with the reporting requirements as detailed in the District's Investment Policy.

**C. BACKGROUND INFORMATION**

All District investment activities and all components of the investment portfolio for the period complies, in all respects, with the District's Investment Policy. As of September 30, 2016, the District's cash and investments total \$28.0 million and are allocated to the following accounts:

- Checking Account - \$1.7 million or 6.1%
- Local Agency Investment Fund (LAIF) – \$23.5 million or 84.0%
- Federal Agencies - \$2.0 million or 7.2%
- Negotiable CDs - \$756,623 or 2.7%

The majority of District funds are held in LAIF which has a current rate of .63%. All investments held by the District outside of LAIF have stated rates of 1.0 to

2.5%. Although LAIF rates have improved as of September 30, 2016, the District's investments held with Federal Agencies and Negotiable CDs are out performing LAIF.

**D. FISCAL IMPACT**

Current rates from LAIF are 0.63%. All of the transactions in the investment portfolio carry interest rates from 1% to 2.5%. If all investments are carried to maturity, the District will receive an additional \$81,274 in investment income over LAIF assuming LAIF rates don't change.

**E. ATTACHMENTS**

Quarterly Cash and Investment Report as of September 30, 2016.



**Lake Arrowhead Community Services District**  
**Cash and Investment Report**  
*as of September 30, 2016*

**Summary of Portfolio Assets**

Category	Book Value	Adj Book Value	Market Value	Percent of Portfolio	Current Quarter Yield
Checking Account	1,714,188	1,714,188	1,714,188	6.1%	0.00%
LAIF	23,493,205	23,493,205	23,493,205	84.0%	0.63%
Federal Agencies	2,000,000	2,000,000	2,000,380	7.2%	1.15%
Negotiable CDs	750,000	750,000	756,623	2.7%	1.32%
<b>Total Cash &amp; Investments</b>	<b>27,957,393</b>	<b>27,957,393</b>	<b>27,964,396</b>	<b>100.0%</b>	<b>0.65%</b>

**Summary of Portfolio Liquidity**

Category	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio	Par Value	Percent of Portfolio
On Demand	25,207,393	90.2%	25,207,393	90.1%	25,207,393	90.2%
Within FY 15/16	-	0.0%	-	0.0%	-	0.0%
Within FY 16/17	-	0.0%	-	0.0%	-	0.0%
Within FY 17/18	250,000	0.9%	250,513	0.9%	250,000	0.9%
Within FY 18/19	-	0.0%	-	0.0%	-	0.0%
Within FY 19/20	2,250,000	8.0%	2,253,378	8.1%	2,250,000	8.0%
Within FY 20/21	250,000	0.9%	253,113	0.9%	250,000	0.9%
<b>Total</b>	<b>27,957,393</b>	<b>100.0%</b>	<b>27,964,396</b>	<b>100.0%</b>	<b>27,957,393</b>	<b>100.0%</b>

**Portfolio Performance Benchmarks**

LAIF	0.63%
1 Yr US Treasury mo avg	0.59%
2 Yr US Treasury mo avg	0.77%
3 Yr US Treasury mo avg	0.88%
5 Yr US Treasury mo avg	1.14%



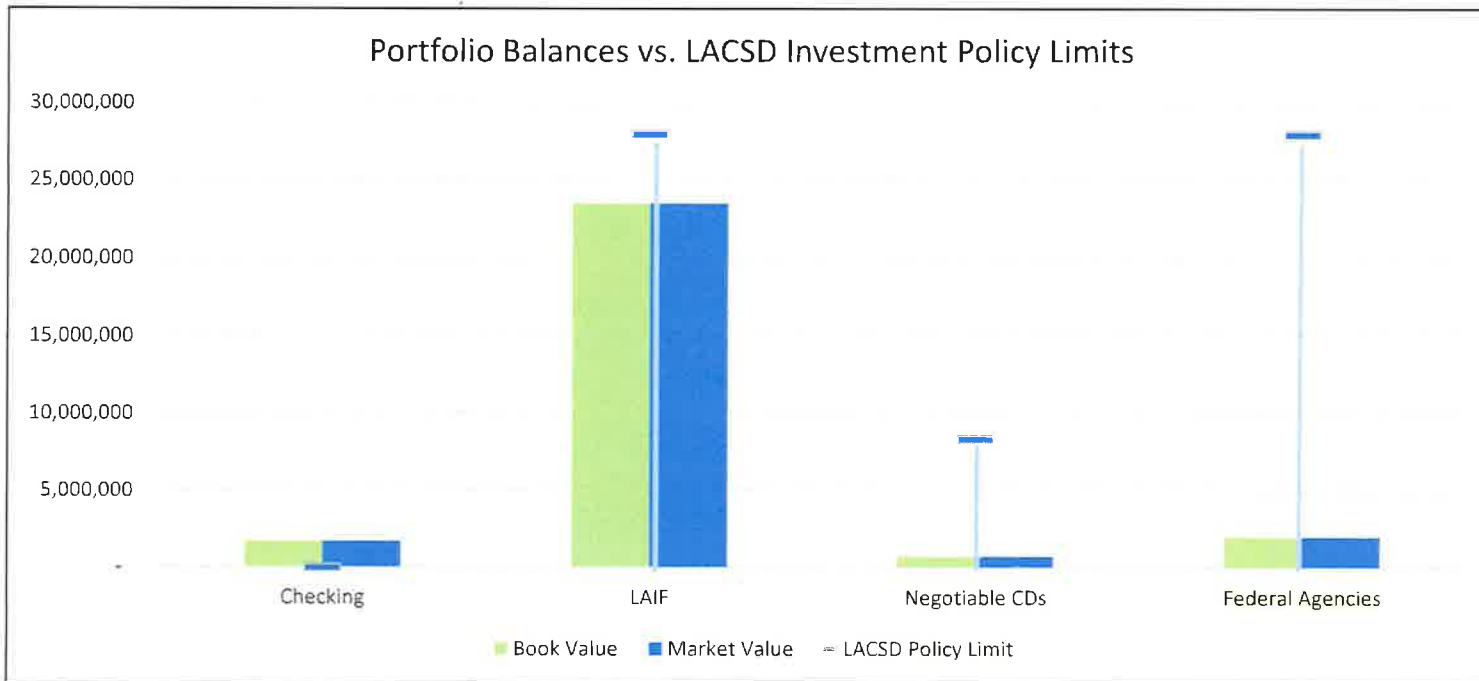
**Lake Arrowhead Community Services District**  
**Portfolio Details**  
**As of September 30, 2016**

Type	Issuer	CUSIP	Purchase Date	Maturity Date	Par Value	Market Value	Book Value	Stated Rate
Checking Account	Union Bank				\$ 1,714,188	\$ 1,714,188	\$ 1,714,188	
LAIF	LAIF				\$ 23,493,205	\$ 23,493,205	\$ 23,493,205	0.63%
Negotiable CD	Capital One	140420YR5	5/4/2016	5/4/2020	\$ 250,000	\$ 252,998	\$ 250,000	1.35%
Negotiable CD	Ally Bank	02006LA78	5/5/2016	5/7/2018	\$ 250,000	\$ 250,513	\$ 250,000	1.00%
Negotiable CD	Synchrony Bank	87165EJL2	5/6/2016	5/6/2021	\$ 250,000	\$ 253,113	\$ 250,000	1.60%
Federal Agency	Freddie Mac	3134G9GZ4	5/25/2016	11/25/2019	\$ 1,000,000	\$ 1,000,090	\$ 1,000,000	1.30%
Federal Agency	Fannie Mae	3136G3RH0	6/1/2016	6/1/2020	\$ 1,000,000	\$ 1,000,290	\$ 1,000,000	1% - 2.5% (1.71%)
					\$ 27,957,393	\$ 27,964,396	\$ 27,957,393	

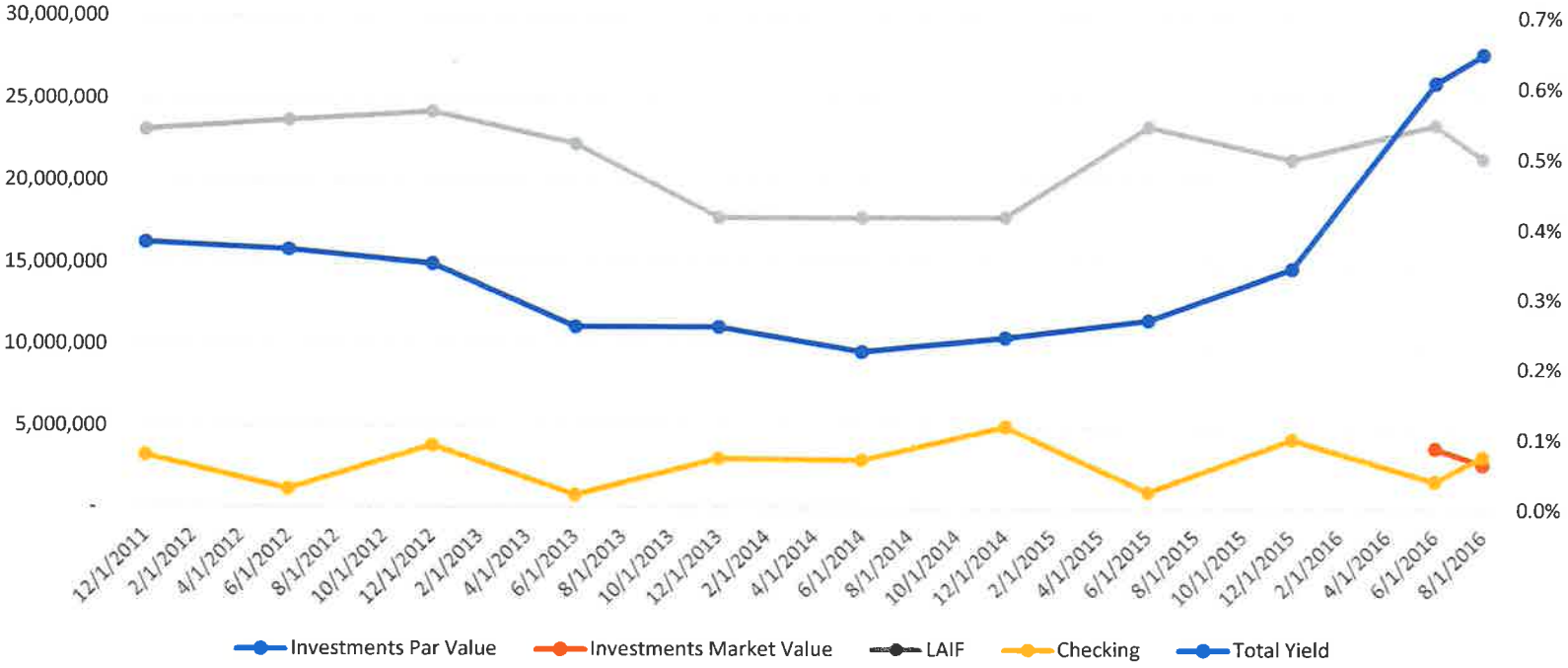


## Lake Arrowhead Community Services District Investment Policy Compliance Report

Investment Type	Book Value	Market Value	LACSD Policy Limit	Description of Limit
Checking	1,714,188	1,714,188	None	None
LAIF	23,493,205	23,493,205	27,957,393	Up to 100% of portfolio
Negotiable CDs	750,000	756,623	8,387,218	Up to 30% of portfolio
Federal Agencies	2,000,000	2,000,380	27,957,393	Up to 100% of portfolio
<b>Total Portfolio</b>	<b>27,957,393</b>	<b>27,964,396</b>		



### 5 Year Balance and Yield History



### Market Rates

