

City of Lompoc

Quarterly Investment Report



December 31, 2020



Quarterly Investment Report

As of December 31, 2020

Quarterly Reporting

This report presents the City's investment portfolio for the quarter ending June 30, 2020. The report includes all investments managed by the City and on behalf of the City by fiscal agents. As required by the City's Investment Policy, the report provides information on the investment type, issuer, purchase date, maturity date, cost, par value, and market value for each security. This report also provides the portfolio yield based on cost and the weighted average days to maturity.

The investment objectives of the City of Lompoc are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet current operating requirements; and third, to earn a rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds. Interest earned on pooled cash and investments are allocated monthly to the various funds based on the respective fund's cash balance. Interest earned from cash and investments with fiscal agents is credited directly to the related accounts. It is common for governments, and is provided for in the City's Investment Policy, to pool cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

Short-term cash is primarily invested in the Local Agency Investment Fund (LAIF) administered by the Treasurer of the State of California.

All investments of the City are held in a safekeeping or custodial account with US Bank. US Bank also provides the City, on a monthly basis, the valuation of all held securities to help the City determine the current market value. In some cases, the market value may be greater than or less than the recorded value. These changes in valuation have no effect on the City's effective yield, since the securities are intended to be held to maturity. These changes will impact the total value of the portfolio, and are required to be reported in accordance with generally accepted accounting principles.

Investment Reporting

The City investment objectives are governed by State law and by the City's adopted Investment Policy. This report provides information regarding the City's investments and investment return in accordance with the Investment Policy.

The following affirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of December 31, 2020 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

The City has historically provided two investment reports to the Council in compliance with the City's Investment Policy. The first is the "Treasurer's Accountability Report" and the second is the "Cash Balance" report. The two reports have been prepared monthly and will continue to be prepared and distributed upon the completion of the cash reconciliation process each month. This Quarterly Investment Report is in addition to the two monthly reports and provides information to the user regarding the investment activities during the previous quarter for the City's investment pool.

Quarterly Investment Report

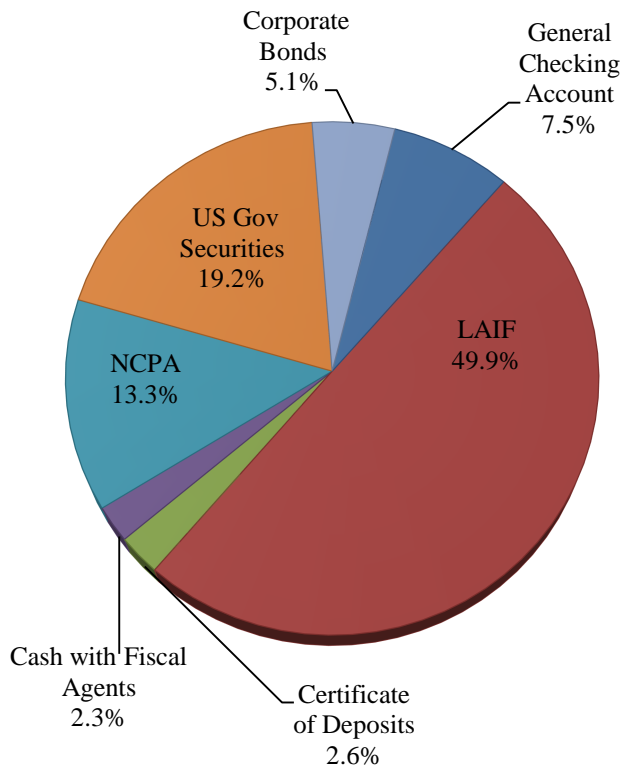
As of December 31, 2020

Current Portfolio Summary

| Type of Investments | Percent of Portfolio | Yield | Book Value | Market Value |
|---|----------------------|--------------|----------------------|-----------------------|
| City Held Cash & Bank of America - Checking Account | 3.0% | 0.25% | \$ 3,187,947 | \$ 3,187,947 |
| Local Agency Investment Fund (LAIF), Ca. State Treasurer | 66.4% | 0.54% | 70,807,030 | 70,967,855 |
| Certificate of Deposits | 0.9% | 2.99% | 1,000,000 | 1,066,348 |
| Cash with Fiscal Agents - Other | 5.5% | 0.06% | 5,829,446 | 5,829,446 |
| Cash with Fiscal Agents - Northern California Power Agency (NCPA) | 12.9% | 1.52% | 13,766,246 | 13,766,246 |
| US Government Securities | 6.6% | 2.16% | 7,000,000 | 7,248,170 |
| Corporate Bonds | 4.7% | 2.50% | 5,000,000 | 5,120,460 |
| Total City Investments | 100% | 0.85% | \$106,590,669 | \$ 107,186,472 |

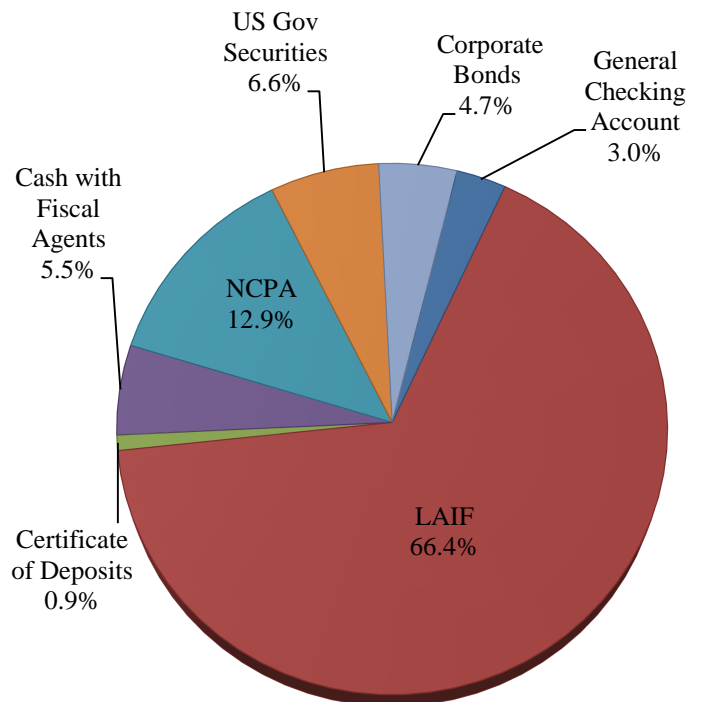
Percentage of Portfolio by Type - Year Over Year

December 31, 2019



Total City Investments \$97,493,148

December 31, 2020



Total City Investments \$ 106,590,669

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As of December 31, 2020

City Cash & General Checking

| Cash Bank Accounts | Rate | Book Value | Market Value |
|--------------------|--------------|---------------------|---------------------|
| Petty Cash | 0.00% | \$ 4,585 | \$ 4,585 |
| Bank of America | 0.25% | 3,183,362 | 3,183,362 |
| Total Cash | 0.25% | \$ 3,187,947 | \$ 3,187,947 |

Local Agency Investment Fund

| California Treasurer | Rate | Book Value | Market Value |
|------------------------------|--------------|----------------------|----------------------|
| Local Agency Investment Fund | 0.54% | \$ 70,807,030 | \$ 70,967,855 |
| Total LAIF | 0.54% | \$ 70,807,030 | \$ 70,967,855 |

Certificate of Deposits

| Bank | Rate | Purchase Date | Maturity Date | Par Value | Book Value | Market Value |
|--------------------------------------|--------------|---------------|---------------|---------------------|---------------------|---------------------|
| Morgan Stanley | 2.65% | 1/11/2018 | 1/11/2023 | \$ 250,000 | \$ 250,000 | \$ 262,905 |
| Morgan Stanley Pvt Bank | 3.55% | 11/8/2018 | 11/8/2023 | 250,000 | 250,000 | 273,500 |
| State Bank of India | 2.25% | 1/26/2017 | 1/26/2022 | 250,000 | 250,000 | 255,868 |
| Wells Fargo | 3.50% | 11/9/2018 | 11/9/2023 | 250,000 | 250,000 | 274,075 |
| Total Certificate of Deposits | 2.99% | | | \$ 1,000,000 | \$ 1,000,000 | \$ 1,066,348 |

Cash with Fiscal Agents - Other

| Description | Rate | Book Value | Market Value |
|--|--------------|---------------------|---------------------|
| * Deutsche & Sterling Bank - Fleet Lease Purchase Fund | 0.08% | \$ 4,106,824 | \$ 4,106,824 |
| * Bank of America - Public Capital Corp | 0.01% | 778,880 | 778,880 |
| * US Bank - Bond Reserve Account | 0.01% | 943,742 | 943,742 |
| Total Cash with Fiscal Agent - Other | 0.06% | \$ 5,829,446 | \$ 5,829,446 |

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Cash with Fiscal Agent - Northern California Power Agency

| NCPA | Rate | Book Value | Market Value |
|--|--------------|----------------------|----------------------|
| * General Operating Reserves | 1.52% | \$ 13,081,399 | \$ 13,081,399 |
| * Restricted Security Account | 1.52% | 684,847 | 684,847 |
| Total Cash with Fiscal Agent - Northern California Power Agency | 1.52% | \$ 13,766,246 | \$ 13,766,246 |

US Government Securities

| Security Description | Rate | Purchase Date | Maturity Date | Par Value | Book Value | Market Value |
|--|--------------|---------------|---------------|---------------------|---------------------|---------------------|
| FNMA - Fannie Mae | 2.00% | 1/20/2017 | 1/5/2022 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,038,060 |
| FFCB - Federal Farm Credit Bank | 2.01% | 12/8/2016 | 12/8/2021 | 2,000,000 | 2,000,000 | 2,034,760 |
| FHLB - Federal Home Loan Bank (Bullet) | 2.38% | 1/8/2018 | 9/8/2023 | 3,000,000 | 3,000,000 | 3,175,350 |
| Total Government Securities | 2.16% | | | \$ 7,000,000 | \$ 7,000,000 | \$ 7,248,170 |

Corporate Bonds

| Security Description | Rate | Purchase Date | Maturity Date | Par Value | Book Value | Market Value |
|---------------------------|--------------|---------------|---------------|---------------------|---------------------|---------------------|
| Toyota Motor Credit Corp. | 2.60% | 1/24/2017 | 1/11/2022 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,047,180 |
| Apple Inc. | 2.50% | 2/17/2017 | 2/9/2022 | 2,000,000 | 2,000,000 | 2,045,520 |
| Apple Inc. | 2.30% | 5/12/2017 | 5/11/2022 | 1,000,000 | 1,000,000 | 1,027,760 |
| | 2.50% | | | \$ 5,000,000 | \$ 5,000,000 | \$ 5,120,460 |

Investment Activity

| Sales/Redemptions | Rate | Purchase/Call Date | Maturity Date | Par Value | Book Value | Market Value |
|-------------------------------|--------------|--------------------|---------------|-------------------|-------------------|-------------------|
| HSBC Bank USA | 3.10% | 11/17/2015 | 11/17/2020 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| Total Sales/Redemption | 3.10% | | | \$ 250,000 | \$ 250,000 | \$ 250,000 |

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Summary Information

| Years to Maturity | Percent of Portfolio | Book Value |
|---|-----------------------------|-----------------------|
| On demand | 21.4% | \$ 22,783,640 |
| Within One Year | 68.3% | 72,807,030 |
| One to Two Years | 6.8% | 7,250,000 |
| Two to Three Years | 3.5% | 3,750,000 |
| Three to Four Years | 0.0% | - |
| Four to Five Years | 0.0% | - |
| Total City Investments | | \$ 106,590,669 |
| Estimate Annually Interest | | \$ 1,973,240 |
| Weighted Average Years to Maturity | | 0.20 |

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of December 31, 2020 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months. City funds currently under the management of fiscal agents are indicated above with an "*".



Dean Albro, Management Service Director

5/14/2021

Date