



AGENDA
TREASURY OVERSIGHT COMMITTEE
COUNTY OF MONO
STATE OF CALIFORNIA

MEETING LOCATION: Mammoth Lakes CAO Conference Room, 3rd Floor, Sierra Center Mall, Suite 306,
452 Old Mammoth Road, Mammoth Lakes, CA, 93546

TELECONFERENCE LOCATION: CAO Conference Room, 1st Floor, Annex 1, Room 110, 74 North School St.,
Bridgeport, CA 93517

Quarterly Meeting
Monday, November 19, 2018
11:00 AM

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- 1. CALL MEETING TO ORDER:**
 - 2. PUBLIC COMMENTS:**
 - 3. MINUTES:**
 - A. Review and approve the prior minutes of the August 20, 2018 Treasury Oversight Committee Meeting.
 - 4. QUARTERLY INVESTMENT REPORT:**
 - 5. INVESTMENT POLICY; REVIEW AND APPROVE TO AGENDIZE FOR BOARD OF SUPERVISOR MEETING IN JANUARY 2019:**
 - 6. QUESTIONS AND RECOMMENDATIONS:**
 - 7. SCHEDULE 2019 TREASURY OVERSIGHT COMMITTEE MEETING DATES:**
 - 8. ADJOURN MEETING:**

Treasury Oversight Committee Secretary, Janelle Mills
Email: jmills@mono.ca.gov Work Phone: 760-932-5480



MEETING MINUTES

TREASURY OVERSIGHT COMMITTEE, COUNTY OF MONO

STATE OF CALIFORNIA

MEETING LOCATION: Mammoth Lakes CAO Conference Room, 3rd Floor, Sierra Center Mall, Suite 306, 452 Old Mammoth Road, Mammoth Lakes, CA 93546

TELECONFERENCE LOCATION: Bridgeport CAO Conference Room, 1st Floor, Annex 1, Room 110, 74 North School Street, Bridgeport, CA 93517

Quarterly Meeting
Monday, August 20, 2018
11:00 AM

Committee Members Present: Janet Dutcher, Gerald Frank, John Peters, Mollie Nugent, Brooke Bien, George Savage, Dan Holler (alternate) and Rob Patterson (alternate).

Also Present: Janelle Mills, Secretary

Committee Members Absent: Kirk Stapp, Caty Ecklund and Bob Gardner (alternate),
Seven out of eight Committee Members present, a quorum was met.

1. CALL MEETING TO ORDER:

The meeting was called to order at 11:10 AM by Janet Dutcher.

2. PUBLIC COMMENTS:

No public comments.

3. MINUTES:

A. Review and Approve the Minutes of the May 24, 2018 Treasury Oversight Committee Meeting.

MOTION: Mollie Nugent made a motion to approve the minutes of the May 24, 2018 Treasury Oversight Committee Meeting. John Peters seconded the motion. **VOTE: 7 Yeas; 0 Nays**

4. QUARTERLY INVESTMENT REPORT:

A. Review the Quarterly Investment Report for the Quarter Ended June 30, 2018. – Gerald Frank.

The Treasury was in compliance with the Mono County Investment Policy on June 30, 2018. The Weighted Average Maturity (WAM) was 659 days.

It is anticipated that the County Treasury will be able to meet the liquidity requirements of its pooled participants for the next six months.

On the last day of the quarter, on a cost basis, the portfolio totaled \$93,638,816 and the market value was \$92,068,408 or 98.323% of cost. The earned interest rate for the quarter ending June 30, 2018 was 1.7564%.

The following charts were gone over; Portfolio Holdings by Security Sector, Distribution by Asset Category-Market Value, Treasury Cash Balances, Maturity Distribution, Quarterly Yield Comparison and the Investment Pool Participants.

5. PRESENTAION ON INVESTMENT POLICIES FRAME WORK: - Janet Dutcher.

Janet Dutcher prepared an information only handout on best practices for formal investment policies. This information was gathered from a California State Auditor Controller training.

6. INVESTMENT POLICY; REVIEW AND APPROVE TO AGENDIZE FOR BOARD OF SUPERVISOR MEETING IN SEPTEMBER: - Gerald Frank.

The Investment Policy, which does not state anything regarding Bond Proceeds, needs to be updated to accommodate the Mammoth Unified School District's new Bond and any future Bonds. All changes are highlighted in blue. The language to be changed/added will be:

Page 7, ii; Agency Bonds and Certificates of Deposit callable securities in the portfolio shall be 30%,

Page 8; XII Investing of Bond Proceeds

The County Treasurer shall invest bond proceeds using the standards of this Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by this Policy.

Page 8, XIII. Withdrawal Requests;

1. Regular Operation

The County Finance Director seeks to honor all written withdrawal requests for regular operating purposes that are approved by the County Auditor- Controller's Office in a timely fashion. However, the County Finance Director recognizes that occasionally the Pool Participants may request large amounts in withdrawals to cover unexpected operational needs. To accommodate such withdrawals and allow for adequate time for adjustments to the liquidity position of the Pool, the County Finance Director expects all Pool Participants to submit their written requests within the following timeframes:

A. Withdrawals up to \$2 million – 3 business days in advance of disbursement

B. Withdrawals above \$2 million – 5 business days in advance of disbursement and in no case can more than \$5 million dollars be withdrawn in a single business day

Extraordinary withdrawal requests are considered withdrawals outside the normal cash-flow patterns of a Pool Participant. For any withdrawal considered extraordinary, the Finance Director shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury.

In the event that the Finance Director must liquidate investments in order to honor the withdrawal request, the Pool Participant who requests the withdrawal shall be subject to all expenses associated with the liquidation, including, but not limited to loss of principal and interest income, withdrawal penalties, and associated fees.

Page 9; **2. Investing or Depositing Funds Outside the Pool**

There was concern with the wording; **in no case can more than \$5 million dollars be withdrawn in a single business day** however, Gerald Frank explained that our bank will guarantee funds up to \$10 million only. \$5 million must be kept in the account for operating expenditures. The bank will not allow more. The communication between the Pool Participants and the County is imperative to know when money is needed. Should there be a need for another bank in the future, it will be looked at then.

There will be a letter and some type of form sent to all Districts explaining these new changes.

MOTION: Dan Holler made a motion to forward the proposed and recommended Investment Policy to the Board of Supervisors. John Peters seconded the motion.

VOTE: 6 Yeas; 0 Nays

7. QUESTIONS AND RECOMMENDATIONS:

- Gerald Frank explained an opportunity to invest in a General Obligation Revenue Bond. The link for this Bond will be sent to Brooke Bien.
- Brooke Bien asked about the term of sitting on the Treasury Oversight Committee. There is no term according to the Revenue & Taxation Code and the positions are appointed by the Board of Supervisors with no term limits.

8. NEXT MEETING DATE:

Monday, November 19, 2018 at 11:00 AM

9. ADJOURN MEETING:

Meeting ended at 12:24 PM

Respectfully Submitted:

Janelle Mills, Treasury Oversight Committee Secretary



DEPARTMENT OF FINANCE

COUNTY OF MONO

Gerald A. Frank
Assistant Finance Director
Treasurer-Tax Collector

Janet Dutcher, CPA, CGFM
Finance Director

Stephanie Butters
Assistant Finance Director
Auditor-Controller

P.O. Box 495
Bridgeport, California 93517
(760) 932-5480
Fax (760) 932-5481

P.O. Box 556
Bridgeport, California 93517
(760) 932-5490
Fax (760) 932-5491

Date: November 6, 2018
To: Honorable Board of Supervisors
Treasury Oversight Committee
Treasury Pool Participants
From: Gerald Frank
Subject: Quarterly Investment Report

The Treasury Pool investment report for the quarter ended September 30, 2018 is attached pursuant to Government Code §53646(b) and includes the following reports:

- **Portfolio Holdings by Security Sector** - includes, among other information, the type of investment, issuer, date of maturity, par value, dollar amount invested in all securities and market value as calculated by Union Bank, in accordance with Government Code §53646(b)(1).
- **Distribution by Asset Category – Market Value** – Provides a graphic to make it easy to see the asset allocation by type of security.
- **Distribution by Maturity Range – Face Value** – Provides a bar graph to see the maturities of the various investments and gives the reader a sense of the liquidity of the portfolio.
- **Treasury Cash Balances as of the Last Day of the Most Recent 14 Months** – Shows growth in the current mix of cash and investments when compared to prior months and particularly the same time last year. Additionally, the section at the bottom shows maturity by month for all non-same day investments.
- **Mono County Treasury Pool Quarterly Yield Comparison** – Shows, at a glance, the county pool performance in comparison to two-year US Treasuries and the California Local Agency Investment Fund (LAIF).
- **Mono County Treasury Pool Participants** – Provides a graphic to make it easy to see the types of pool participants.

The County also has monetary assets held outside the County Treasury including:

- The Sheriff's Department has two accounts: The Civil Trust Account and the Sheriff's Revolving Fund. The balances in these accounts as of September 30, 2018 were \$29,207 and \$3,460 respectively.
- Mono County's OPEB (Other Post Employment Benefit) trust fund with PARS had a balance of \$20,428,417 as of August 31, 2018. This is an irrevocable trust to mitigate the liability for the County's obligation to pay for retiree health benefits.

The Treasury was out of compliance with the Mono County Investment Policy on September 30, 2018. The out of compliance was due to a 734 day Weighted Average Maturity (WAM) exceeding the 730 day maximum per policy. The WAM went above 730 days on Friday September 28, 2018 and was back to 730 days on the following Monday October 1, 2018. Revenues anticipated in the cash analysis for September were delayed by 1-2 weeks, which caused the WAM to exceed policy constraints.

Weighted Average Maturity (WAM) as of September 30, 2018 was 734 days.

It is anticipated that the County Treasury will be able to meet the liquidity requirements of its pooled participants for the next six months.

The investments are presented at fair market value in accordance with Government Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Pools. On the last day of the quarter, on a cost basis, the portfolio totaled \$84,360,644, and the market value was \$82,751,686 (calculated by Union Bank) or 98.093% of cost. Market value does not include accrued interest which was \$332,463, on the last day of the quarter.

Investment Pool earnings are as shown below:

Quarter Ending	12/31/2017	3/31/2018	6/30/2018	9/30/2018
Average Daily Balance	\$89,830,940	\$96,454,256	\$99,054,354	\$87,416,898
Earned Interest (including accruals)	\$342,508	\$381,677	\$433,750	\$415,334
Earned Interest Rate	1.5127%	1.6048%	1.7564%	1.8850%
Number of Days in Quarter	92	90	91	92
Interest Received (net of amortized costs)	\$289,463	\$349,876	\$417,512	\$409,948
Administration Costs	\$11,738	\$16,598	\$10,736	\$10,841
Net Interest for Apportionment	\$277,725	\$333,278	\$406,776	\$399,107



Mono County Portfolio Holdings by Security Sector As of June 30, 2018

Description	CUSIP	Settlement Date	Cost Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
Cash												
Oak Valley Bank Cash	OAKVALLEY0670	02/28/2009	4,150,981.30	4,150,981.30	4,150,981.30	2.048	2.048	N/A	1	None		4.94
Sub Total / Average			4,150,981.30	4,150,981.30	4,150,981.30	2.048	2.048		1		0.00	4.94
Funds In Transit												
Funds in Transit Cash	FIT	03/31/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.000	0.000	N/A	1	None		1.19
Sub Total / Average			1,000,000.00	1,000,000.00	1,000,000.00	0.000	0.000		1		0.00	1.19
Local Government Investment Pools												
California Asset Management Program LGIP	CAMP60481	08/03/2017	3,681,020.48	3,681,020.48	3,681,020.48	2.130	2.130	N/A	1	None		4.38
Local Agency Investment Fund LGIP	LAIF6000Q	07/01/2014	2,572,469.72	2,572,469.72	2,572,469.72	2.063	2.063	N/A	1	NR		3.06
Sub Total / Average			6,253,490.20	6,253,490.20	6,253,490.20	2.102	2.102		1		0.00	7.44
Local Government Notes												
Hilton Creek Community Service District 3.3 7/15/2	LOANHCCSD	07/16/2018	100,000.00	100,000.00	100,000.00	3.300	3.300	07/15/2023	1,749	NR	687.12	0.12
Mono County 2.5 8/1/2022	LOAN2017	08/01/2017	181,398.01	181,398.01	181,398.01	2.500	2.500	08/01/2022	1,401	None	743.23	0.22
Sub Total / Average			281,398.01	281,398.01	281,398.01	2.784	2.784		1,525		1,430.35	0.33
CD Negotiable												
Affinity Federal Credit Union 2.7 8/16/2019	00832KAE9	08/17/2018	243,000.00	243,000.00	243,578.34	2.700	2.700	08/16/2019	320	None	790.92	0.29
ALLEGIANCE BK TEX HOUSTON 2.15 9/29/2022	01748DAX4	09/29/2017	245,000.00	245,000.00	235,271.05	2.150	2.150	09/29/2022	1,460	None	14.43	0.29
ALLY BK MIDVALE UTAH 1.45 2/11/2019	02006LYD9	02/11/2016	245,000.00	245,000.00	244,522.25	1.450	1.450	02/11/2019	134	None	486.64	0.29
American Express Bank, FSB 2.35 5/3/2022	02587CEM8	05/03/2017	245,000.00	245,000.00	236,608.75	2.350	2.350	05/03/2022	1,311	None	2,366.10	0.29
AMERICAN EXPRESS CENTURION BK 1.85 4/29/2020	02587DXK9	04/29/2015	245,000.00	245,000.00	241,851.75	1.850	1.850	04/29/2020	577	None	1,912.34	0.29
Apex Bank 3.1 8/24/2023	03753XBD1	08/24/2018	245,000.00	245,000.00	242,442.20	3.100	3.100	08/24/2023	1,789	None	124.85	0.29
Bank of New England 3.2 7/31/2023	06426KAM0	08/09/2018	247,000.00	247,000.00	245,653.85	3.200	3.200	07/31/2023	1,765	None	0.00	0.29
Belmont Savings Bank 2.7 2/28/2023	080515CH0	02/28/2018	245,000.00	245,000.00	239,313.55	2.700	2.700	02/28/2023	1,612	None	36.25	0.29
BENEFICIAL BANK 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	245,000.00	235,146.10	2.150	2.150	10/18/2022	1,479	None	2,381.20	0.29
BMW Bank North America 2.7 3/9/2022	05580ALT9	03/09/2018	245,000.00	245,000.00	241,501.40	2.700	2.700	03/09/2022	1,256	None	380.59	0.29
CAPITAL ONE BANK USA NATL ASSN 1.8 1/22/2020	140420RD4	01/26/2015	245,000.00	245,000.00	243,566.75	1.800	1.800	01/22/2020	479	None	845.75	0.29
CAPITAL ONE, NATIONAL ASSOCIATION 1.7 10/5/2021	14042RCQ2	10/05/2016	245,000.00	245,000.00	233,568.30	1.700	1.700	10/05/2021	1,101	None	2,031.15	0.29
CIT BK SALT LAKE CITY 2.25 11/26/2019	17284CAF8	11/26/2014	245,000.00	245,000.00	244,076.35	2.250	2.250	11/26/2019	422	None	1,918.05	0.29
COMENITY CAP BK SALT LAKE CITY UTAH 1.6 4/12/2021	20033APV2	04/11/2016	245,000.00	245,000.00	238,382.55	1.600	1.600	04/12/2021	925	None	204.05	0.29
COMMERCE ST BK WEST BEND WIS 1.65 9/26/2019	20070PHK6	06/26/2015	245,000.00	245,000.00	243,213.95	1.650	1.650	09/26/2019	361	None	44.30	0.29
CONNECTONE BK ENGLEWOOD 1.55 7/29/2019	20786ABA2	01/28/2015	245,000.00	245,000.00	244,389.95	1.550	1.550	07/29/2019	302	None	20.81	0.29
Crossfirst Bank 2.05 8/18/2022	22766ABN4	08/18/2017	245,000.00	245,000.00	234,761.45	2.050	2.050	08/18/2022	1,418	None	165.12	0.29
DISCOVER BK GREENWOOD DEL 1.9 5/6/2020	254672NC8	05/06/2015	245,000.00	245,000.00	241,736.60	1.900	1.900	05/06/2020	584	None	1,874.75	0.29
Dollar BK Fed Savings BK 2.9 4/13/2023	25665QAX3	04/13/2018	245,000.00	245,000.00	241,084.90	2.900	2.900	04/13/2023	1,656	None	3,309.18	0.29
Enerbank USA 3.2 8/30/2023	29278TCP3	08/31/2018	245,000.00	245,000.00	243,520.20	3.200	3.200	08/30/2023	1,795	None	0.00	0.29
EVERBANK 1.3 11/4/2019	29976DW48	11/04/2016	245,000.00	245,000.00	241,097.15	1.300	1.300	11/04/2019	400	None	1,300.18	0.29
Farmers State Bank 2.35 9/19/2022	310567AB8	01/19/2018	245,000.00	245,000.00	237,191.85	2.350	2.350	09/19/2022	1,450	None	173.51	0.29



Mono County Portfolio Holdings by Security Sector As of June 30, 2018

Description	CUSIP	Settlement Date	Cost Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
First Bank of Highland 2.2 8/9/2022	319141HD2	08/09/2017	245,000.00	245,000.00	236,216.75	2.200	2.200	08/09/2022	1,409	None	767.89	0.29
FIRST BUSINESS BK MADISON WIS 1.9 1/13/2021	31938QQ98	01/13/2016	245,000.00	245,000.00	239,276.80	1.900	1.900	01/13/2021	836	None	1,007.52	0.29
First Premier Bank 2.05 8/22/2022	33610RQY2	08/22/2017	245,000.00	245,000.00	234,761.45	2.050	2.050	08/22/2022	1,422	None	550.41	0.29
First Technology Federal Credit Union 2.3 8/23/201	33715LBE9	02/23/2018	245,000.00	245,000.00	244,701.10	2.300	2.300	08/23/2019	327	None	108.07	0.29
FLUSHING BANK N Y 1.8 12/10/2018	34387ABA6	12/10/2014	245,000.00	245,000.00	244,821.15	1.800	1.800	12/10/2018	71	None	181.23	0.29
FNB BANK INC 2 2/25/2022	330459BY3	08/25/2017	245,000.00	245,000.00	236,018.30	2.000	2.000	02/25/2022	1,244	None	67.12	0.29
FREEDOM FIN BK W DES MOINES 1.5 7/26/2019	35637RCQ8	01/27/2015	245,000.00	245,000.00	244,409.55	1.500	1.500	07/26/2019	299	None	30.21	0.29
GE Credit Union 3 8/31/2020	369674AX4	08/31/2018	249,000.00	249,000.00	249,577.68	3.000	3.000	08/31/2020	701	None	613.97	0.30
GOLDMAN SACHS BK USA NEW YORK 1.9 4/22/2020	38148JRS2	05/05/2015	244,387.50	245,000.00	242,243.75	1.900	1.953	04/22/2020	570	None	2,053.30	0.29
Industrial and Commercial Bank of China USA, NA 2.	45581EAR2	02/14/2018	245,000.00	245,000.00	238,911.75	2.650	2.650	02/14/2023	1,598	None	284.60	0.29
Knox TVA Employee Credit Union 3.25 8/30/2023	499724AD4	08/30/2018	245,000.00	245,000.00	244,076.35	3.250	3.250	08/30/2023	1,795	None	676.27	0.29
KS Statebank Manhattan KS 2.1 5/17/2022	50116CBE8	11/17/2017	245,000.00	245,000.00	236,067.30	2.100	2.100	05/17/2022	1,325	None	183.25	0.29
LCA Bank Corporation 2.3 1/12/2022	501798LJ9	01/12/2018	245,000.00	245,000.00	238,745.15	2.300	2.300	01/12/2022	1,200	None	1,235.07	0.29
Lebanon Federal Credit Union 3.2 9/21/2023	52248LAA4	09/21/2018	245,000.00	245,000.00	243,419.75	3.200	3.200	09/21/2023	1,817	None	193.32	0.29
MAHOPAC NATL BK N Y 1.45 7/30/2019	560160AQ6	01/30/2015	245,000.00	245,000.00	244,358.10	1.450	1.450	07/30/2019	303	None	603.44	0.29
MARLIN BUSINESS BANK 1.4 10/28/2020	57116AMW5	10/28/2016	245,000.00	245,000.00	236,846.40	1.400	1.400	10/28/2020	759	None	1,456.58	0.29
MB FINANCIAL BANK, NATIONAL ASSN 1.8 1/15/2021	55266CQE9	01/15/2016	245,000.00	245,000.00	241,668.00	1.800	1.800	01/15/2021	838	None	181.23	0.29
MEDALLION BANK 2.15 10/11/2022	58404DAP6	10/11/2017	245,000.00	245,000.00	235,214.70	2.150	2.150	10/11/2022	1,472	None	2,496.65	0.29
Mercantil Bank NA 1.9 3/2/2020	58733AEJ4	08/29/2017	245,000.00	245,000.00	242,314.80	1.900	1.900	03/02/2020	519	None	382.60	0.29
Merrick Bank 2.05 8/10/2022	59013JZP7	08/10/2017	245,000.00	245,000.00	234,839.85	2.050	2.050	08/10/2022	1,410	None	275.21	0.29
MIDDLETON COMMUNITY BANK 1.4 11/27/2018	596689EC9	01/27/2015	245,000.00	245,000.00	244,960.80	1.400	1.400	11/27/2018	58	None	28.19	0.29
Morgan Stanley Bank 2.65 1/11/2023	61747MF63	01/11/2018	245,000.00	245,000.00	239,176.35	2.650	2.650	01/11/2023	1,564	None	1,440.80	0.29
Morgan Stanley Private Bank 2.7 5/4/2020	61760AKS7	05/03/2018	245,000.00	245,000.00	244,806.45	2.700	2.700	05/04/2020	582	None	2,718.49	0.29
Mountain America Federal Credit Union 3 3/27/2023	62384RAF3	03/27/2018	245,000.00	245,000.00	242,184.95	3.000	3.000	03/27/2023	1,639	None	302.05	0.29
Northland Area Federal Credit Union 2.6 2/13/2023	666496AB0	02/13/2018	245,000.00	245,000.00	238,446.25	2.600	2.600	02/13/2023	1,597	None	855.15	0.29
Pine Bluff Cotton Belt FCU 2.8 8/31/2020	72247PAC0	08/29/2018	245,000.00	245,000.00	244,649.65	2.800	2.800	08/31/2020	701	None	18.79	0.29
SALLIE MAE BK SALT LAKE CITY UT 1.8 2/18/2021	795450YG4	02/18/2016	245,000.00	245,000.00	239,487.50	1.800	1.800	02/18/2021	872	None	519.53	0.29
STATE BK & TR CO DEFIANCE OHIO 1.6 2/17/2021	855736DA9	02/17/2016	245,000.00	245,000.00	240,036.30	1.600	1.600	02/17/2021	871	None	139.62	0.29
STERLING BANK 1.7 7/26/2019	85916VBY0	08/28/2017	245,000.00	245,000.00	243,650.05	1.700	1.700	07/26/2019	299	None	22.82	0.29
SYNCHRONY BANK 2 3/20/2020	87164WGC6	03/20/2015	245,000.00	245,000.00	242,589.20	2.000	2.000	03/20/2020	537	None	134.25	0.29
Third Federal Savings and Loan Assn. of Cleveland	88413QBD9	03/26/2015	245,000.00	245,000.00	242,643.10	1.800	1.800	03/26/2020	543	None	48.33	0.29
UNITY BK CLINTON NJ 1.5 9/26/2019	91330ABA4	05/26/2015	245,000.00	245,000.00	243,189.45	1.500	1.500	09/26/2019	361	None	40.27	0.29
University of Iowa Community Credit Union 3 4/28/2	91435LAB3	04/30/2018	245,000.00	245,000.00	242,013.45	3.000	3.000	04/28/2023	1,671	None	583.97	0.29
USAlliance Federal Credit Union 3 8/20/2021	90352RAC9	08/22/2018	245,000.00	245,000.00	244,554.10	3.000	3.000	08/20/2021	1,055	None	161.10	0.29
WELLS FARGO BK NA SIOUXFALLS SD 1.6 8/3/2021	9497486Z5	08/03/2016	245,000.00	245,000.00	234,362.10	1.600	1.600	08/03/2021	1,038	None	289.97	0.29
WEX BANK 2 10/19/2020	92937CGB8	10/18/2017	245,000.00	245,000.00	240,545.90	2.000	2.000	10/19/2020	750	None	2,215.07	0.29
Whitney Bank 1.75 10/25/2019	966594BD4	10/25/2017	245,000.00	245,000.00	242,944.45	1.750	1.750	10/25/2019	390	None	1,855.96	0.29



Mono County Portfolio Holdings by Security Sector As of June 30, 2018

Description	CUSIP	Settlement Date	Cost Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
Worlds Foremost Bk Sidney NE 1.75 5/5/2021	981571CE0	05/05/2016	200,000.00	200,000.00	193,436.00	1.750	1.750	05/05/2021	948	None	239.73	0.24
Sub Total / Average			14,658,387.50	14,659,000.00	14,404,643.97	2.171	2.172		967		45,342.20	17.44
Corporate Bonds												
Apple Inc 2.15 2/6/2022-15	037833AY6	10/20/2017	500,095.39	500,000.00	483,410.00	2.150	2.145	02/06/2022	1,225	Moody's-Aa1	1,522.92	0.59
Bank of New York Mellon 3.5 4/28/2023	06406RAG2	04/30/2018	500,250.92	500,000.00	498,810.00	3.500	3.489	04/28/2023	1,671	Moody's-A1	7,291.67	0.59
Bank of New York Mellon 5.45 5/15/2019	06406HBM0	04/20/2017	537,325.00	500,000.00	508,385.00	5.450	1.760	05/15/2019	227	Moody's-A1	10,218.75	0.59
Berkshire Hathaway Inc 3.4 1/31/2022	084670BF4	04/25/2017	528,500.00	500,000.00	503,765.00	3.400	2.135	01/31/2022	1,219	Moody's-Aa2	2,833.33	0.59
Cisco Systems Inc 2.45 6/15/2020-15	17275RAX0	01/23/2018	501,300.00	500,000.00	496,035.00	2.450	2.337	06/15/2020	624	Moody's-A1	3,572.92	0.59
Colgate-Palmolive 2.25 11/15/2022-17	19416QEL0	11/15/2017	499,805.00	500,000.00	482,830.00	2.250	2.258	11/15/2022	1,507	Moody's-Aa3	4,218.75	0.59
General Electric Co. 4.375 9/16/2020	36962G4R2	10/11/2016	553,655.00	500,000.00	510,815.00	4.375	1.550	09/16/2020	717	Moody's-A2	850.69	0.59
International Business Machine Corp 1.875 8/1/2022	459200HG9	10/19/2017	490,400.00	500,000.00	474,035.00	1.875	2.301	08/01/2022	1,401	Moody's-A1	1,536.46	0.59
John Deere Cap 2.3 9/16/2019	24422ESS9	01/16/2018	501,908.75	500,000.00	498,355.00	2.300	2.065	09/16/2019	351	Moody's-A2	447.22	0.59
JPMORGAN CHASE 2.35 1/28/2019	46625HJR2	04/14/2015	1,021,450.00	1,000,000.00	999,130.00	2.350	1.762	01/28/2019	120	Moody's-A3	4,047.22	1.19
Microsoft Corp 2 11/3/2020-20	594918BG8	12/28/2015	501,580.00	500,000.00	491,150.00	2.000	1.931	11/03/2020	765	Moody's-Aaa	4,083.33	0.59
Microsoft Corp 2.65 11/3/2022-22	594918BH6	11/03/2017	507,740.00	500,000.00	489,800.00	2.650	2.320	11/03/2022	1,495	Moody's-Aaa	5,410.42	0.59
Pfizer Corp 2.1 5/15/2019-14	717081DL4	01/19/2017	505,935.00	500,000.00	498,645.00	2.100	1.577	05/15/2019	227	Moody's-A1	3,937.50	0.59
Southern California Edison 3.4 6/1/2023-18	842400GL1	08/03/2018	497,780.00	500,000.00	495,220.00	3.400	3.500	06/01/2023	1,705	Moody's-A1	5,477.78	0.59
United Parcel Service 2.5 4/1/2023-23	911312BK1	04/05/2018	485,225.00	500,000.00	482,125.00	2.500	3.145	04/01/2023	1,644	Moody's-A1	6,215.28	0.59
US Bancorp 3 3/15/2022-22	91159HHC7	04/25/2017	517,195.00	500,000.00	494,475.00	3.000	2.253	03/15/2022	1,262	Moody's-A1	625.00	0.59
US Bank NA 3.4 7/24/2023-23	90331HNV1	08/01/2018	498,910.00	500,000.00	498,105.00	3.400	3.448	07/24/2023	1,758	S&P-AA-	3,116.67	0.59
Sub Total / Average			9,149,055.06	9,000,000.00	8,905,090.00	2.861	2.319		1,002		65,405.91	10.71
Municipal Bonds												
California State GO UNLTD 2.367 4/1/2022	13063DAD0	04/27/2017	251,937.50	250,000.00	243,917.50	2.367	2.200	04/01/2022	1,279	Moody's-Aa3	2,942.31	0.30
California State GO UNLTD 2.367 4/1/2022	13063DAD0	04/27/2017	252,287.50	250,000.00	243,917.50	2.367	2.170	04/01/2022	1,279	Moody's-Aa3	2,942.31	0.30
Central Valley Support Services Joint Powers Agenc	155751CU2	09/04/2018	641,651.40	585,000.00	635,023.35	5.526	3.400	09/01/2023	1,797	S&P-A+	2,604.13	0.70
City of San Jose CA Airport 4.75 3/1/2020-11	798136TK3	09/14/2016	550,655.00	500,000.00	512,405.00	4.750	1.724	03/01/2020	518	Moody's-A2	1,913.19	0.59
HAWTHORNE CA CTFS 2.096 8/1/2019	420507CF0	05/17/2016	252,680.00	250,000.00	247,432.50	2.096	1.751	08/01/2019	305	S&P-AA	858.78	0.30
Lancaster Ca Redev Agy 2.08 8/1/2019	513802EB0	04/18/2017	377,756.25	375,000.00	372,131.25	2.080	1.751	08/01/2019	305	S&P-AA	1,278.33	0.45
LANCASTER REDEV AGY A 2.125 8/1/2021	513802CE6	08/01/2016	661,995.40	655,000.00	630,745.35	2.125	1.900	08/01/2021	1,036	S&P-AA	2,281.13	0.78
Long Beach CA Tidelands 1.794 11/1/2018	54245HAJ3	11/15/2017	700,819.00	700,000.00	699,545.00	1.794	1.671	11/01/2018	32	Moody's-A1	5,197.62	0.83
Los Angeles Cnty Public Wks 6.091 8/1/2022-10	54473ENR1	07/12/2018	555,000.00	500,000.00	546,680.00	6.091	3.176	08/01/2022	1,401	Moody's-Aa2	4,991.24	0.59
MALIBU CA COPS (MALCTF) 1.6 11/1/2018	56117PDQ6	07/15/2016	252,935.00	250,000.00	249,782.50	1.600	1.080	11/01/2018	32	S&P-AA+	1,655.56	0.30
Monrovia CA Redev Agy 2 5/1/2019	611583CP8	04/18/2017	151,195.50	150,000.00	149,043.00	2.000	1.601	05/01/2019	213	S&P-AA	1,241.67	0.18
Palm Desert CA Redev 2.25 10/1/2020	696624CC7	04/26/2018	247,077.50	250,000.00	245,592.50	2.250	2.750	10/01/2020	732	S&P-AA	2,796.88	0.30
Riverside Unified School District-Ref 1.94 8/1/202	769059XS0	05/25/2016	387,156.00	385,000.00	376,275.90	1.940	1.801	08/01/2020	671	Moody's-Aa2	1,224.09	0.46
SALDEV 1.25 7/1/2019	794881BQ4	08/23/2016	159,774.40	160,000.00	157,593.60	1.250	1.300	07/01/2019	274	Fitch-AA+	494.44	0.19
San Bernardino City CA SCH Dist 4 8/1/2020	796711C56	01/16/2018	410,985.65	395,000.00	400,747.25	4.000	2.350	08/01/2020	671	Moody's-A2	2,589.44	0.47



Mono County Portfolio Holdings by Security Sector As of June 30, 2018

Description	CUSIP	Settlement Date	Cost Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
University of California 2.836 5/15/2020-18	91412HDG5	08/21/2018	240,542.40	240,000.00	239,440.80	2.836	2.701	05/15/2020	593	Moody's-Aa3	2,174.27	0.29
Victor Valley CA Cmnty Clg Dist 1.324 8/1/2019	92603PEP3	05/05/2016	276,078.00	275,000.00	271,650.50	1.324	1.200	08/01/2019	305	Moody's-Aa2	596.72	0.33
Victor Valley CA Cmnty Clg Dist 1.676 8/1/2020	92603PEQ1	05/05/2016	261,869.40	260,000.00	253,487.00	1.676	1.500	08/01/2020	671	Moody's-Aa2	714.16	0.31
Sub Total / Average			6,632,395.90	6,430,000.00	6,475,410.50	2.964	2.090		736		38,496.27	7.65
US Agency												
FAMC 1.75 6/15/2020	3132X0BG5	01/04/2017	224,977.50	225,000.00	221,490.00	1.750	1.753	06/15/2020	624	None	1,148.44	0.27
FFCB 1.06 11/19/2018-16	3133EGBE4	05/19/2016	1,000,000.00	1,000,000.00	998,260.00	1.060	1.060	11/19/2018	50	Moody's-Aaa	3,857.22	1.19
FFCB 1.18 10/18/2019-16	3133EGLD5	07/18/2016	999,250.00	1,000,000.00	985,180.00	1.180	1.204	10/18/2019	383	Moody's-Aaa	5,310.00	1.19
FFCB 1.3 4/21/2020-16	3133EGNF8	07/22/2016	998,400.00	1,000,000.00	977,320.00	1.300	1.344	04/21/2020	569	Moody's-Aaa	5,741.67	1.19
FFCB 1.49 5/3/2021-17	3133EGC78	11/03/2016	999,250.00	1,000,000.00	965,300.00	1.490	1.507	05/03/2021	946	Moody's-Aaa	6,084.17	1.19
FFCB 2.08 11/1/2022	3133EHM91	11/15/2017	998,080.00	1,000,000.00	965,200.00	2.080	2.121	11/01/2022	1,493	Moody's-Aaa	8,608.89	1.19
FFCB 2.35 1/17/2023	3133EH7F4	01/17/2018	999,770.00	1,000,000.00	973,840.00	2.350	2.355	01/17/2023	1,570	Moody's-Aaa	4,765.28	1.19
FFCB 2.7 4/1/2023	3133EJKN8	04/11/2018	999,196.41	1,000,000.00	986,690.00	2.700	2.717	04/11/2023	1,654	Moody's-Aaa	12,675.00	1.19
FHLB 1.15 1/28/2019-16	3130A8WC3	07/28/2016	1,000,000.00	1,000,000.00	996,320.00	1.150	1.150	01/28/2019	120	Moody's-Aaa	1,980.56	1.19
FHLB 1.375 9/1/2020-16	3130A9AK7	09/28/2016	549,862.50	550,000.00	535,062.00	1.375	1.381	09/01/2020	702	Moody's-Aaa	609.20	0.65
FHLB 1.45 2/28/2019	3130AAYV4	03/15/2017	499,800.00	500,000.00	498,180.00	1.450	1.467	02/28/2019	151	Moody's-Aaa	644.44	0.59
FHLB 1.5 9/30/2021-16	3130A9MG3	11/04/2016	998,750.00	1,000,000.00	960,140.00	1.500	1.526	09/30/2021	1,096	Moody's-Aaa	0.00	1.19
FHLB 1.55 12/20/2019	313383FF3	01/17/2018	990,510.00	1,000,000.00	985,710.00	1.550	2.055	12/20/2019	446	Moody's-Aaa	4,305.56	1.19
FHLB 2 9/9/2022	313380GJ0	09/29/2017	1,002,290.00	1,000,000.00	964,040.00	2.000	1.951	09/09/2022	1,440	Moody's-Aaa	1,166.67	1.19
FHLB 2.08 4/27/2022-18	3130AB6Q4	04/27/2017	1,000,000.00	1,000,000.00	965,540.00	2.080	2.080	04/27/2022	1,305	Moody's-Aaa	8,840.00	1.19
FHLMC 1.25 12/28/2018-16	3134G8U72	03/28/2016	1,000,000.00	1,000,000.00	997,540.00	1.250	1.250	12/28/2018	89	Moody's-Aaa	3,194.44	1.19
FHLMC 1.5 2/25/2021-16	3134GADG6	08/25/2016	1,250,000.00	1,250,000.00	1,209,550.00	1.500	1.500	02/25/2021	879	Moody's-Aaa	1,822.92	1.49
FHLMC 1.75 5/30/2019	3137EADG1	12/31/2015	1,007,770.00	1,000,000.00	995,010.00	1.750	1.516	05/30/2019	242	Moody's-Aaa	5,833.33	1.19
FHLMC 1.75 8/25/2021-16	3134G92E6	08/30/2016	1,000,000.00	1,000,000.00	968,670.00	1.750	1.750	08/25/2021	1,060	Moody's-Aaa	1,701.39	1.19
FHLMC 2.125 4/27/2022-17	3134GBKY7	04/27/2017	1,000,000.00	1,000,000.00	970,150.00	2.125	2.125	04/27/2022	1,305	Moody's-Aaa	9,031.25	1.19
FHLMC 2.375 1/13/2022	3137EADB2	01/13/2017	1,016,560.00	1,000,000.00	982,730.00	2.375	2.025	01/13/2022	1,201	Moody's-Aaa	5,079.86	1.19
FNMA 1.06 4/26/2019-17	3136G3F59	08/19/2016	999,490.00	1,000,000.00	992,380.00	1.060	1.079	04/26/2019	208	Moody's-Aaa	4,534.44	1.19
FNMA 1.25 11/27/2019-17	3136G32J3	08/30/2016	1,250,000.00	1,250,000.00	1,229,575.00	1.250	1.250	11/27/2019	423	Moody's-Aaa	5,338.54	1.49
FNMA 1.25 5/6/2021	3135G0K69	10/26/2016	747,270.00	750,000.00	719,527.50	1.250	1.333	05/06/2021	949	Moody's-Aaa	3,750.00	0.89
FNMA 1.3 1/28/2020-16	3136G3L52	07/28/2016	1,000,000.00	1,000,000.00	981,540.00	1.300	1.300	01/28/2020	485	Moody's-Aaa	2,238.89	1.19
FNMA 1.32 8/26/2019-16	3136G2YB7	02/26/2016	1,000,000.00	1,000,000.00	988,610.00	1.320	1.320	08/26/2019	330	Moody's-Aaa	1,246.67	1.19
FNMA 1.375 10/7/2021	3135G0Q89	10/26/2016	997,470.00	1,000,000.00	955,350.00	1.375	1.428	10/07/2021	1,103	Moody's-Aaa	6,607.64	1.19
FNMA 1.4 8/24/2020-17	3135G0N66	08/24/2016	999,900.00	1,000,000.00	972,560.00	1.400	1.402	08/24/2020	694	Moody's-Aaa	1,400.00	1.19
FNMA 1.45 1/27/2021-17	3136G3H81	07/27/2016	999,100.00	1,000,000.00	968,910.00	1.450	1.471	01/27/2021	850	Moody's-Aaa	2,537.50	1.19
FNMA 1.5 11/30/2020	3135G0F73	12/31/2015	983,000.00	1,000,000.00	971,900.00	1.500	1.863	11/30/2020	792	S&P-AA+	5,000.00	1.19
FNMA 1.5 5/25/2021-17	3136G4GG2	11/23/2016	1,000,000.00	1,000,000.00	963,670.00	1.500	1.500	05/25/2021	968	Moody's-Aaa	5,208.33	1.19
FNMA 1.5 5/28/2021-17	3136G33W3	08/30/2016	1,000,000.00	1,000,000.00	961,510.00	1.500	1.500	05/28/2021	971	Moody's-Aaa	5,083.33	1.19



Mono County Portfolio Holdings by Security Sector As of June 30, 2018

Description	CUSIP	Settlement Date	Cost Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
FNMA 1.5 9/29/2020-17	3136G3VG7	01/04/2017	245,627.50	250,000.00	243,757.50	1.500	1.988	09/29/2020	730	Moody's-Aaa	10.42	0.30
FNMA 1.55 6/15/2020-16	3136G3CU7	03/15/2016	1,000,000.00	1,000,000.00	980,000.00	1.550	1.550	06/15/2020	624	Moody's-Aaa	645.83	1.19
FNMA 1.55 7/28/2021-16	3136G3C78	07/28/2016	1,000,000.00	1,000,000.00	961,150.00	1.550	1.550	07/28/2021	1,032	Moody's-Aaa	2,669.44	1.19
FNMA 1.6 10/28/2021-17	3136G4EU3	10/28/2016	999,200.00	1,000,000.00	950,140.00	1.600	1.617	10/28/2021	1,124	Moody's-Aaa	6,755.56	1.19
FNMA 1.625 1/21/2020	3135G0A78	06/24/2015	997,400.00	1,000,000.00	985,770.00	1.625	1.684	01/21/2020	478	Moody's-Aaa	3,114.58	1.19
FNMA 1.625 10/28/2021-17	3136G4EV1	10/28/2016	1,000,000.00	1,000,000.00	951,930.00	1.625	1.625	10/28/2021	1,124	Moody's-Aaa	6,861.11	1.19
FNMA 1.875 12/28/2020	3135G0H55	12/31/2015	1,000,000.00	1,000,000.00	978,720.00	1.875	1.875	12/28/2020	820	Moody's-Aaa	4,791.67	1.19
FNMA 2 10/5/2022	3135G0T78	10/06/2017	999,340.00	1,000,000.00	961,940.00	2.000	2.014	10/05/2022	1,466	Moody's-Aaa	9,722.22	1.19
FNMA 2.375 1/19/2023	3135G0T94	01/23/2018	994,410.00	1,000,000.00	974,870.00	2.375	2.495	01/19/2023	1,572	Moody's-Aaa	4,684.03	1.19
Sub Total / Average			38,746,673.91	38,775,000.00	37,795,732.00	1.623	1.646		844		174,600.49	46.13
US Treasury												
T-Note 1.25 12/31/2018	912828U99	11/09/2017	996,718.75	1,000,000.00	997,570.00	1.250	1.541	12/31/2018	92	Moody's-Aaa	3,125.00	1.19
T-Note 1.625 3/31/2019	912828C65	01/04/2018	1,495,605.47	1,500,000.00	1,494,090.00	1.625	1.865	03/31/2019	182	Moody's-Aaa	0.00	1.78
T-Note 1.625 6/30/2019	912828WS5	01/09/2018	995,937.50	1,000,000.00	993,280.00	1.625	1.906	06/30/2019	273	Moody's-Aaa	4,062.50	1.19
Sub Total / Average			3,488,261.72	3,500,000.00	3,484,940.00	1.518	1.784		182		7,187.50	4.16
Total / Average			84,360,643.60	84,049,869.51	82,751,685.98	1.990	1.888		734		332,462.72	100.00



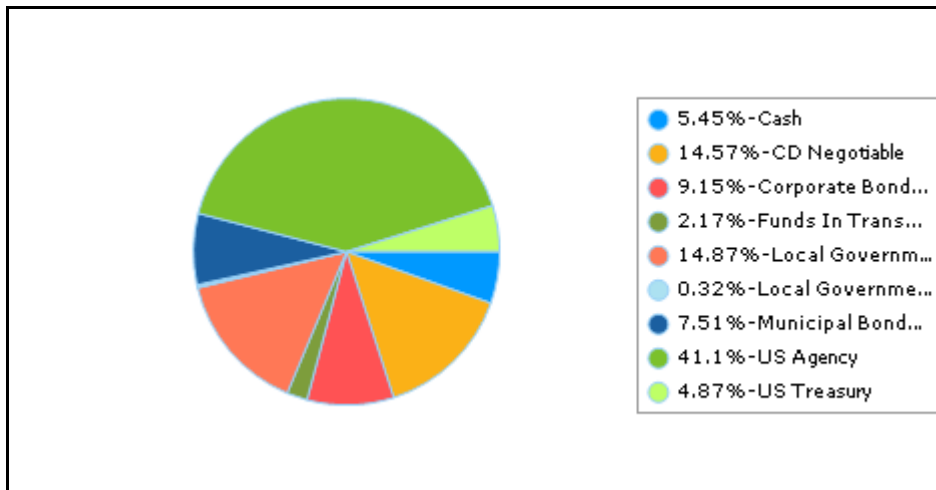
Mono County Distribution by Asset Category - Market Value Investment Portfolio

Begin Date: 6/30/2018, End Date: 9/30/2018

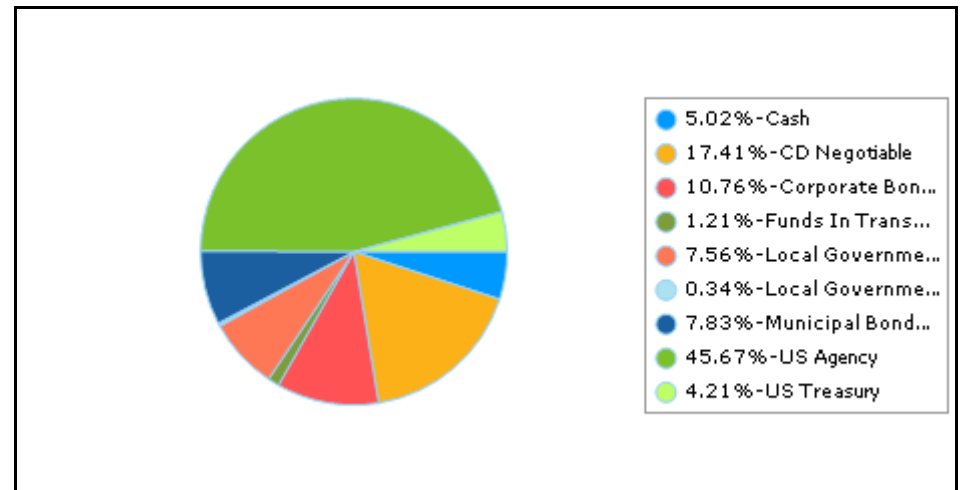
Asset Category Allocation

Asset Category	Market Value 6/30/2018	% of Portfolio 6/30/2018	Market Value 9/30/2018	% of Portfolio 9/30/2018
Cash	5,017,640.14	5.45	4,150,981.30	5.02
CD Negotiable	13,414,190.10	14.57	14,404,643.97	17.41
Corporate Bonds	8,421,595.00	9.15	8,905,090.00	10.76
Funds In Transit	2,000,000.00	2.17	1,000,000.00	1.21
Local Government Investment Pools	13,694,838.03	14.87	6,253,490.20	7.56
Local Government Notes	294,484.01	0.32	281,398.01	0.34
Municipal Bonds	6,909,890.40	7.51	6,475,410.50	7.83
US Agency	37,836,380.75	41.10	37,795,732.00	45.67
US Treasury	4,479,390.00	4.87	3,484,940.00	4.21
Total / Average	92,068,408.43	100.00	82,751,685.98	100.00

Portfolio Holdings as of 6/30/2018

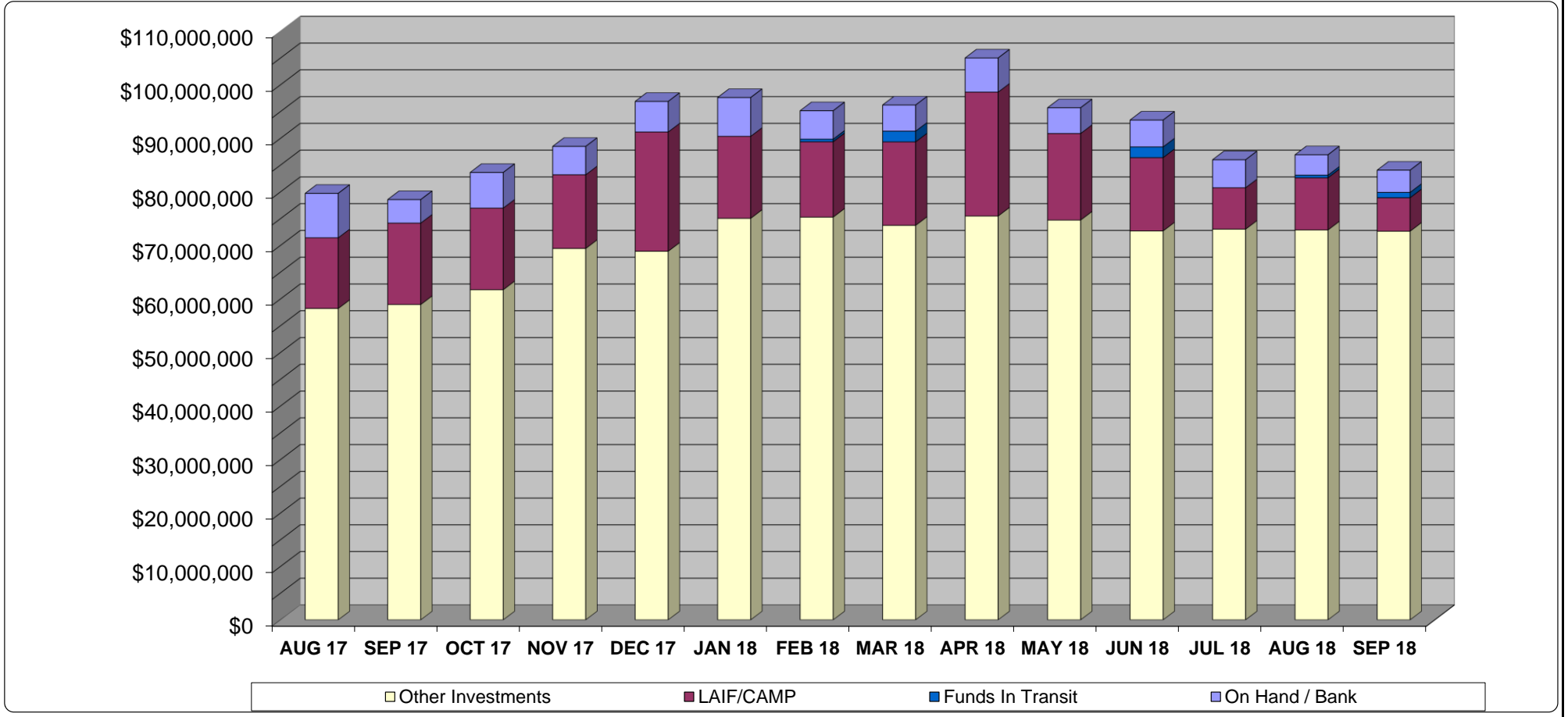


Portfolio Holdings as of 9/30/2018



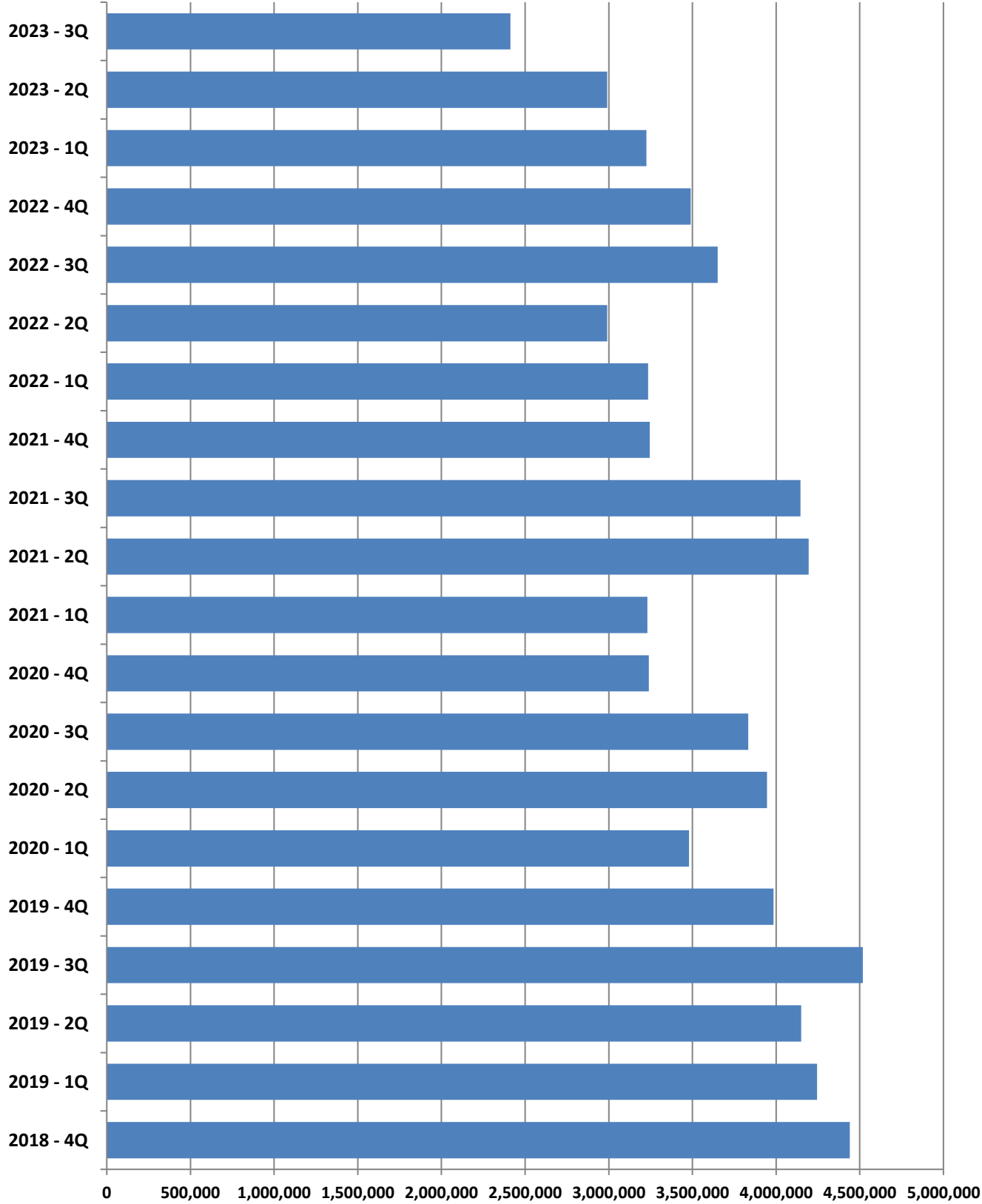
TREASURY CASH BALANCES AS OF THE LAST DAY OF THE MOST RECENT 14 MONTHS

	AUG 17	SEP 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	JUN 18	JUL 18	AUG 18	SEP 18
On Hand / Bank	\$8,298,117	\$4,395,282	\$6,655,525	\$5,299,437	\$5,716,233	\$7,245,740	\$5,304,391	\$4,880,952	\$6,378,611	\$4,809,632	\$5,017,640	\$5,226,165	\$3,803,562	\$4,150,981
Funds In Transit							\$490,000	\$2,000,000			\$2,000,000		\$490,000	\$1,000,000
LAIF/CAMP	\$13,206,282	\$15,208,708	\$15,251,771	\$13,765,638	\$22,275,140	\$15,319,858	\$14,081,744	\$15,597,787	\$23,145,852	\$16,172,083	\$13,694,838	\$7,735,895	\$9,746,095	\$6,253,490
Other Investments	\$58,219,229	\$58,955,736	\$61,714,193	\$69,424,194	\$68,901,424	\$75,051,424	\$75,275,256	\$73,740,531	\$75,480,531	\$74,725,531	\$72,699,484	\$73,031,026	\$72,883,593	\$72,645,398
TOTAL	\$79,723,627	\$78,559,726	\$83,621,489	\$88,489,269	\$96,892,797	\$97,617,022	\$95,151,390	\$96,219,270	\$105,004,994	\$95,707,246	\$93,411,962	\$85,993,086	\$86,923,250	\$84,049,870

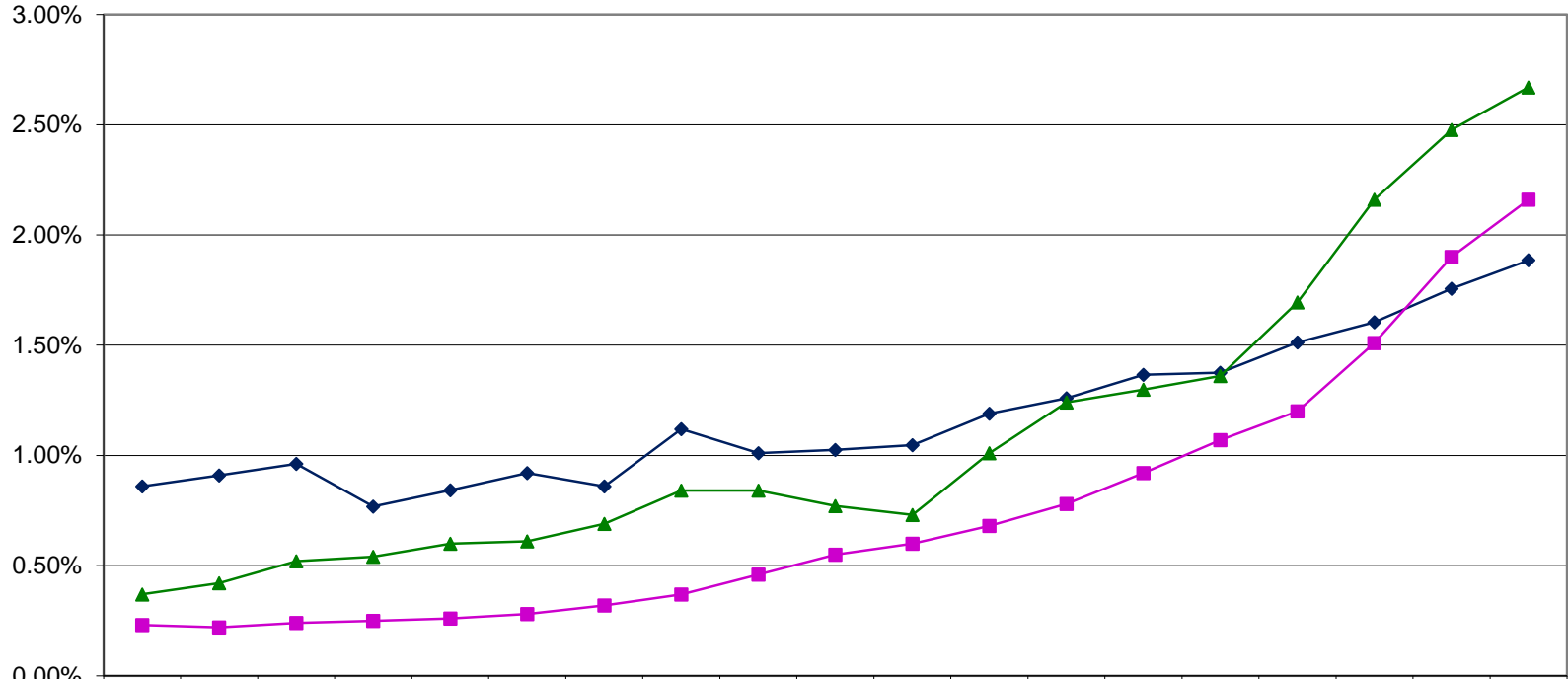


MATURITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
Calendar Year 2018											\$2,195,000.00	\$2,245,000.00	\$4,440,000.00
Calendar Year 2019	\$2,000,000.00	\$745,000.00	\$1,500,000.00	\$1,000,000.00	\$2,150,000.00	\$1,000,000.00	\$1,140,000.00	\$2,388,000.00	\$990,000.00	\$1,245,000.00	\$1,740,000.00	\$1,000,000.00	\$16,898,000.00
Calendar Year 2020	\$2,245,000.00		\$1,235,000.00	\$1,490,000.00	\$730,000.00	\$1,725,000.00		\$2,534,000.00	\$1,300,000.00	\$740,000.00	\$1,500,000.00	\$1,000,000.00	\$14,499,000.00
Calendar Year 2021	\$1,490,000.00	\$1,740,000.00		\$245,000.00	\$3,950,000.00		\$1,000,000.00	\$2,145,000.00	\$1,000,000.00	\$3,245,000.00			\$14,815,000.00
Calendar Year 2022	\$1,745,000.00	\$745,000.00	\$745,000.00	\$2,500,000.00	\$490,000.00			\$2,161,398.01	\$1,490,000.00	\$1,490,000.00	\$2,000,000.00		\$13,366,398.01
Calendar Year 2023	\$2,245,000.00	\$735,000.00	\$245,000.00	\$2,490,000.00		\$500,000.00	\$847,000.00	\$735,000.00	\$830,000.00				\$8,627,000.00
TOTAL													\$72,645,398.01

Maturity Distribution As of 9/30/2018

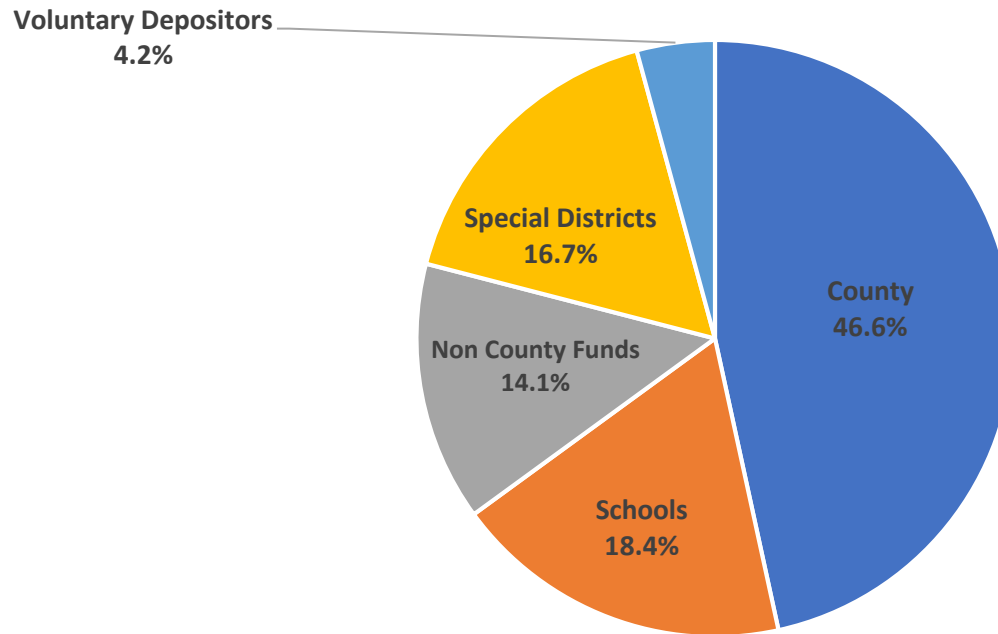


MONO COUNTY TREASURY POOL
 QUARTERLY YIELD COMPARISON



	3/31 2014	6/30 2014	9/30 2014	12/31 2014	3/31 2015	6/30 2015	9/30 2015	12/31 2015	3/31 2016	6/30 2016	9/30 2016	12/30 2016	3/31 2017	6/30 2017	9/30 2017	12/31 2017	3/31 2018	6/30 2018	9/30 2018
—◆— COUNTY	0.86%	0.91%	0.96%	0.77%	0.84%	0.92%	0.86%	1.12%	1.01%	1.03%	1.05%	1.19%	1.26%	1.37%	1.38%	1.51%	1.60%	1.76%	1.89%
—■— LAIF	0.23%	0.22%	0.24%	0.25%	0.26%	0.28%	0.32%	0.37%	0.46%	0.55%	0.60%	0.68%	0.78%	0.92%	1.07%	1.20%	1.51%	1.90%	2.16%
—▲— 2YR TREAS	0.37%	0.42%	0.52%	0.54%	0.60%	0.61%	0.69%	0.84%	0.84%	0.77%	0.73%	1.01%	1.24%	1.30%	1.36%	1.69%	2.16%	2.48%	2.67%

Investment Pool Participants as of 9/30/2018



The Pool is comprised of monies deposited by mandatory and voluntary participants. Mandatory participants include the County of Mono, School Districts, and Special Districts. Voluntary participants are those agencies that are not required to invest their monies in the County Pool and do so only as an investment option.

Districts Participating in Pool

Antelope Valley Fire Protection District, Antelope Valley Water District, Birchim Community Service District, Bridgeport Fire Protection District, Chalfant Valley Fire Protection District, County Service Area #1, County Service Area #2, County Service Area #5, Hilton Creek Community Services District, June Lake Fire Protection District, Lee Vining Fire Protection District, Lee Vining Public Utility District, Long Valley Fire Protection District, Mammoth Community Service District, Mammoth Lakes Mosquito Abatement District, Mono City Fire Protection District, Mono County Resource Conservation District, Paradise Fire Protection District, Tri-Valley Ground Water Management District, Wheeler Crest Community Service District, Wheeler Crest Fire Protection District, White Mountain Fire Protection District.

Districts Not Participating in Pool

Bridgeport Public Utility District, Inyo-Mono Resource Conservation District, June Lake Public Utility District, Mammoth Lakes Community Water District, Mammoth Lakes Fire Protection District, Southern Mono Healthcare District.

MONO COUNTY STATEMENT OF INVESTMENT POLICY



January 8, 2019

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**COUNTY OF MONO
INVESTMENT POLICY**

I. Introduction

The intent of the Investment Policy of the County of Mono is to define the parameters within which funds are to be managed. In methods, procedures, and practices, the policy formalizes the framework for the County's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the County's funds. The guidelines are intended to be broad enough to allow the Director of Finance to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The investment program shall be operated in conformance with Government Code §53601, et seq. which provides legal authorization for the investment and deposit of funds of specified local agencies and which is made applicable to counties by Government Code §53635.2.

III. Scope

The policy applies to activities of the County with regard to investing the financial assets of all funds. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of California.

Note that any excluded funds such as the Other Post Employment Benefit Trust Fund are covered by separate policies.

Except for funds in certain restricted and special funds, the County commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

IV. General Objectives

The primary objectives, in priority order, of investment activities shall be:

1. **Safety** – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate the credit risk and interest rate risk.
2. **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **Yield** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. Standards of Care

1. **Prudence** – The standard to be used by the Director of Finance/Investment Officer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Finance Director acting in accordance with written procedures and this

investment policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The "prudent person" standard states that,

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. **Ethics and Conflicts of Interest** – Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the County.
3. **Delegation of Authority and Responsibilities Governing Body** – The Board of Supervisors (Board) will retain ultimate fiduciary responsibility for the portfolio. The Board will receive monthly and quarterly reports, designate investment officers and annually review the investment policy making any necessary changes by adoption.

Delegation of Authority – Pursuant to Government Code §53607, authority to invest or reinvest, or to sell or exchange securities so purchased, may be delegated for a one-year period; thereafter, the County Finance Director shall assume full responsibility for those transactions until the delegation of authority is revoked or expires, [and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.](#)

Responsibility for the operation of the investment program shall be delegated by ordinance pursuant to Government Code §27000.1 to the Finance Director until the Board of Supervisors revokes its delegation of authority, by ordinance, or decides not to renew the annual delegation. The Finance Director shall act in accordance with established, written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

All participants in the investment process shall seek to act responsibly as custodians of the public trust.

Treasury Oversight Committee – A County Treasury Oversight Committee has been established in accordance with §27130 et seq. of the Government Code to promote public interest by involving depositors in the management of their funds. The Treasury Oversight Committee shall:

- A. Review and monitor the Investment Policy,
- B. Annually review the investments made by the County Treasury,
- C. Cause an annual audit to be conducted to determine the County Treasury's compliance with Government Code §27130 et seq., and

- D. Meet on other matters as necessary.

By statute, the County Treasury Oversight Committee has no authority to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or to impinge on the day-to-day operations of the County Treasury.

Committee members may not accept any honoraria, gifts or gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasury conducts business, which are more than the limits imposed by State Law, or by the Fair Political Practices Commission.

Investment Advisor – The County may engage the services of one or more external investment managers to assist in the management of the entity’s investment portfolio in a manner consistent with the entity’s objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

VI. Authorized Financial Institutions, Depositories and Broker/Dealers

1. Financial institutions and depositories authorized to provide investment services and security broker/dealers will be selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under both Government Code §53601.5 and Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
2. All financial institutions and broker/dealers who desire to become qualified for investment transactions shall meet the requirements of Government Code §53601.5 and, in addition, must supply the following as deemed appropriate by the Finance Director.
 - A. Audited financial statements demonstrating compliance with the state and federal capital adequacy guidelines.
 - B. Proof of Financial Industry Regulation Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
 - C. Proof of California state registration.
 - D. Certification of having read and understood and agreeing to comply with the County’s investment policy.
 - E. Evidence of adequate insurance coverage meeting any applicable requirements of State law and otherwise deemed adequate by the Finance Director.
3. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

VII. Safekeeping and Custody

1. **Delivery vs. Payment** – All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
2. **Safekeeping** – Pursuant to Government Code §53608, the Board delegates to the Finance Director its authority to deposit securities for safekeeping. Securities will be held by a third-party custodian meeting the requirements of Government Code §53608 or other applicable law and selected by the Finance Director. The safekeeping institution shall annually provide a

copy of their most recent report on internal controls (Statement of Auditing Standards No. 70)

3. Internal Controls – The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- A. Control of collusion,
- B. Separation of transaction authority from accounting and recordkeeping,
- C. Custodial safekeeping,
- D. Avoidance of physical delivery securities,
- E. Clear delegation of authority to subordinate staff members,
- F. Written confirmation of transactions for investments and wire transfers,
- G. Dual authorization of wire transfers,
- H. Development of a wire transfer agreement with the lead bank and third-party custodian,
- I. Staff training, and
- J. Review, maintenance and monitoring of security procedures both manual and automated.

VIII. Authorized Investments

1. Investment Types – All investments shall be made in accordance with §53600 et seq. of the California Government Code and as described within this Investment Policy and summarized in Appendix A. Permitted investments under this policy shall include:

- A. **United States Treasury notes, bonds bills, or certificates of indebtedness**, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. [[Gov't Code §53601\(b\).](#)]

There is no limitation as to the percentage of the portfolio that can be invested in this category.

- B. **Federal Agency or United States Government-Sponsored Enterprise Obligations, Participations, or other Instruments**, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises §53601(f) such as Fannie Mae and Freddie Mac.

There is no limitation as to the percentage of the portfolio that can be invested in this category.

- C. **State of California Notes & Bonds** registered state warrants or treasury notes of California including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. [[Gov't Code §53601\(c\).](#)]

There is no limitation as to the percentage of the portfolio that can be invested in this category.

- D. **Notes and Bonds of Other 49 States** registered treasury notes or bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of that state. [\[Gov't Code §53601\(d\).\]](#)

There is no limitation as to the percentage of the portfolio that can be invested in this category.

- E. **Negotiable Certificates of Deposit (NCDs)** issued by a nationally or state chartered bank, a state or federal savings and loan association, a State or federal credit union or by a state-licensed branch of a foreign bank. [\[Gov't Code §53601\(i\).\]](#)

No more than 30% of the portfolio may be invested in NCDs

- F. **Banker's acceptances**, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. [\[Gov't Code §53601\(g\).\]](#)

May not exceed 180 days to maturity or be more than 40% of the market value of the portfolio and no more than 30% of the County's moneys may be invested in banker's acceptances in the same bank.

- G. **Commercial paper** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO) such as Standard & Poor's or Moody's. [\[Gov't Code §53601\(h\) & §53635\(a\).\]](#)

Must have a maximum maturity of 270 days or less, no more than 40% of the portfolio may be invested in eligible commercial paper and no more than 10% may be invested in any one issuer's commercial paper.

- H. **Medium-term notes** include corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and rated "A" or better by an NRSRO. [\[Gov't Code §53601\(k\).\]](#)

May not exceed 30% of the portfolio may be invested in medium-term notes.

- I. **Reverse repurchase agreements** whose underlying purchased securities consist of the aforementioned instruments, subject to all the conditions set forth in Government Code §53601(j)(3).

May not exceed 20% of the base value of the portfolio and no agreement may exceed 92 days.

- J. **Money market mutual funds** – shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment company Act of 1940 (15 U.S.C. §80a-1 et sec. [\[Gov't Code §53601\(l\).\]](#)

No more than 20% of the portfolio may be invested in money market funds.

- K. **Local Agency Investment Fund** – established by the State Treasurer for the benefit of local agencies. [\[Gov't Code §16429.1.\]](#)

No more than \$65 million may be invested in LAIF (LAIF rules)

- L. **California Asset Management Program (CAMP)**. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of

the State of California which invests exclusively in investments permitted by §53601 of the Government Code as it may be amended. [Gov't Code §53601(p).]

No more than 20% of the portfolio may be invested in the California Asset Management Program

M. **Commercial or Savings Bank, Savings and Loan or Credit Union** may be used to invest surplus funds up to 30% of the portfolio pursuant to §§53601.8 and 53635.8 of the Government Code.

No more than 10% can be invested in any one institution.

N. **Bonds, notes, warrants or other evidences of indebtedness** of a local agency within the State of California, including local agencies formed within Mono County. [Gov't Code §53601(e).]

May not exceed 5 years to maturity. All investments with local agencies formed within Mono County must be pre-approved by the Board of Supervisors.

O. **Supranationals** – United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States and rated AA or better by an NRSRO. [Gov't Code §53601(q).]

No more than 30% may be invested in supranationals

2. **Collateralization** – Where allowed by state law, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit. Repurchase agreements will be collateralized at 102 percent.

IX. Investment Parameters

1. **Mitigating Credit Risk in the portfolio** – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The County shall mitigate credit risk by adopting the following:

Diversification – The investments will be diversified by

- i. Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- ii. Limiting investment in securities that have higher credit risks,
- iii. Investing in securities with varying maturities, and
- iv. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

2. Mitigating Market Risk in the portfolio – Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The County recognizes that, over time, longer-term/core portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The County shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The County further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The County, therefore, adopts the following strategies to control and mitigate market risk:

- i. The County shall maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements,
- ii. The maximum percentage of callable Agency Bonds or Certificate of Deposits in the portfolio shall be 30%,
- iii. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy,
- iv. Liquidity funds will be held in LAIF, CAMP or money market instruments maturing one year and shorter,
- v. Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in higher quality and liquid securities.
- vi. **It is recommended that** the Weighted Average Maturity of the portfolio **not** exceed 24 months (730 Days) or such shorter dollar-weighted average maturity as may be required by State law. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that the appropriate Weighted Average Maturity is maintained.

X. Reporting

1. The Finance Director shall provide quarterly investment reports to the Board of Supervisors and The Treasury Oversight Committee within 30 days following the end of the quarter covered by the report. These reports shall include the following investment information as required by Government Code §53646(b):
 - A. The type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held in the County Treasury,
 - B. Market value as of the date of the report and the source of this valuation,
 - C. The weighted average maturity of the investments within the Treasury,
 - D. Distribution by type of investment,
 - E. A description of all the County's funds and investments that are under the management of contracted parties,

- F. A statement of compliance of the portfolio to this Statement of Investment Policy or manner in which the portfolio is not in compliance, and
 - G. A statement denoting the ability of the County to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.
2. The Treasury Oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with Chapter 5, Article 6 (§27130-§27137) of the Government Code and this Statement of Investment Policy.

XI. Investment Pool Costs and Earnings Distribution

Costs directly related to the operation and management of the investment pool shall be deducted quarterly directly from net interest earnings prior to the distribution of interest earnings for the quarter. Pool costs include, but are not limited to, staff time, investment tracking costs, brokerage costs, and treasury pool audit costs.

Interest earnings shall be allocated quarterly according to each fund's average daily cash balances as a percentage of the total investment pool. Earnings shall be the net of received interest, amortized premiums, accreted discounts and profit or loss on the sale of trade of a security attributable to the quarter being apportioned, plus adjustments from prior quarters. The interest shall be apportioned as of the last day of the quarter and added to each participating fund's balance in the pooled investment fund.

XII. Investing of Bond Proceeds

The County Treasurer shall invest bond proceeds using the standards of this Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by this Policy.

XIII. Withdrawal Requests

1. Regular Operation

The County Finance Director seeks to honor all written withdrawal requests for regular operating purposes that are approved by the County Auditor- Controller's Office in a timely fashion. However, the County Finance Director recognizes that occasionally the Pool Participants may request large amounts in withdrawals to cover unexpected operational needs. To accommodate such withdrawals and allow for adequate time for adjustments to the liquidity position of the Pool, the County Finance Director expects all Pool Participants to submit their written requests within the following timeframes:

- A. Withdrawals up to \$2 million – 3 business days in advance of disbursement
- B. Withdrawals above \$2 million – 5 business days in advance of disbursement and in no case can more than \$5 million dollars be withdrawn in a single business day

Extraordinary withdrawal requests are considered withdrawals outside the normal cash-flow patterns of a Pool Participant. For any withdrawal considered extraordinary, the Finance Director shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury. In the event that the Finance Director

must liquidate investments in order to honor the withdrawal request, the Pool Participant who requests the withdrawal shall be subject to all expenses associated with the liquidation, including, but not limited to loss of principal and interest income, withdrawal penalties, and associated fees.

2. Investing or Depositing Funds Outside the Pool

Any entity that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the Finance Director who shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury. Prior to approval, the Finance Director shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the pool (Government Code §27136). If it is necessary to liquidate securities, all losses occurring from the sale of a security prior to its maturity shall be borne by the entity wishing to withdraw funds.

XIV. Terms and Conditions for Outside Investors

Outside local agencies, where the County Finance Director does not serve as the agency's treasurer, may invest in Mono County's Investment Pool as permitted by Government Code §53684. Deposits are subject to the consent of the County Finance Director. The local agency legislative body must approve the county investment pool as an authorized investment. If the County Finance Director deems appropriate, the deposits may be returned at any time.

XV. Policy Review

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal liquidity, rate of return and its relevance to current law and financial and economic trends.

SUMMARY OF INVESTMENT LIMITATIONS					
Investment Type	Government Code Reference	Limit¹ Per Investment Type(s)	Limit¹ Per Institution	Minimum² Ratings	Maxium² Allowable Maturity
United States Treasuries	§53601 (b)	None	None	None	5 years
United States Federal Agencies & Government-Sponsored Enterprises	§53601 (f)	None	None	None	5 years
State of California Notes & Bonds	§53601 (c) & 53601 (e)	None	None	None	5 years
Notes & Bonds of Other 49 States	§53601 (d)	None	None	None	5 years
California Local Agency Debt	§53601 (a), (c) & (e)	None	None	None	5 years
Medium-Term Notes	§53601 (k)	30%	None	A	5 years
Negotiable Certificates of Deposit	§53601 (i)	30%	None	N/A	5 years
Bankers Acceptances	§53601 (g)	40%	30%	A-1	180 days
Commercial Paper	§53601 (h) & 53635 (a)	40%	10%	A-1 (short) A (long)	270 days
Reverse Repurchase Agreements	§53601 (j)	20%	None	Primary Dealer	92 days
Local Agency Investment Fund (LAIF)	§16429.1	N/A	N/A	N/A	N/A
California Asset Management Program (CAMP)	§53601(p)	N/A	N/A	N/A	N/A
Money Market Mutual Funds	§53601(l)	20%	10%	AAA	N/A
Commercial or Savings Bank, Savings and Loan or Credit Union	§53601.8 & 53635.8	30%	10%	N/A	N/A
Supranationals	§53601(q)	30%	N/A	AA	5 years

¹ Based on total of surplus funds at the time the investment decision is made.

² At the time of purchase.

GLOSSARY

Accreted Discount – The increase in the value of a discounted instrument as time passes and it approaches maturity. The value of the instrument will accrete (grow) at the interest rate implied by the discounted issuance price, the value at maturity and the term to maturity.

Accrued Interest – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

Amortization – The reduction of debt through regular payment of principal scheduled to complete repayment by maturity. Usually the payment of interest is incorporated to compensate the lender over the life of the debt.

Bankers' Acceptance – A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank “accepts” such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

Basis point – One basis point is equal to 1/100 of 1%. For example, if interest rates increase from 4.25% to 4.5%, the difference is referred to as a 25-basis-point increase.

Book Value – The value of a security as carried in the records of an investor. Generally, this is the initial outlay for the investment and may be net or gross of expenses such as trading costs, services charges, etc.

Bond – A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies, municipalities, states and U.S. and foreign governments to finance a variety of projects and activities.

Broker/Dealer – Any person engaged in the business of effecting transactions in securities in this state for the account of others or for his/her own account. Broker/Dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of his/her own issue.

Commercial Paper – Short-term, unsecured promissory note issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30 – 45 days.

Coupon Rate – The interest rate stated on a bond when it is issued. The coupon is typically paid semi-annually.

Current Yield – The annual income (interest or dividends) divided by the current price of the security. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSIP Numbers – An acronym for Committee on Uniform Security Identification Procedures, CUSIP numbers are identification numbers assigned to each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

Debt Instrument – An instrument or promissory note which evidences and documents the terms of the loaning of funds from one party to another. Typically, the instrument contains the loan date, the maturity date, the repayment provisions, and the interest rate of the borrowing.

Default – The failure to pay debt obligations as agreed in the terms of the debt

Discount – The condition of the price of a bond that is lower than par. The discount equals the difference between the price paid for a security and the security's par value.

Earnings Apportionment – The quarterly interest distribution to the Pool participants.

Fair Value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale.

Fannie Mae (FNMA, Federal National Mortgage Association) – A government-sponsored enterprise (GSE) that was created in 1938 to expand the flow of mortgage money by creating a secondary mortgage market. Fannie Mae is a publicly traded company which operates under a congressional charter that directs Fannie Mae to channel its efforts into increasing the availability and affordability of homeownership for low-, moderate-, and middle-income Americans.

Federal Government Agency – Debt issued by government sponsored entities (GSE) to facilitate various types of lending. For example, the Federal Farm Credit Bank provides funds to farmers and FNMA provides funds to the real estate mortgage markets.

Freddie Mac (FHLMC, Federal Home Loan Mortgage Corp.) – A stockholder owned government sponsored enterprise (GSE) chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle-income Americans. The FHLMC purchases, guarantees and securitizes mortgages to form mortgage-backed securities. The mortgage-backed securities that it issues tend to be very liquid and carry a credit rating close to that of U.S. Treasuries.

Government-Sponsored Enterprise (GSE) – Privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for the certain borrowing sectors of the economy. Members of these sectors include students, farmers and homeowners.

Local Agency Investment Fund (LAIF) – The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

Market Value – The price at which a security is trading and could presumably be purchased or sold.

Maturity – The date upon which the principal of a security becomes due and payable to the holder.

Money Market Mutual Fund – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty

Par Value – The face value of a bond. Par value is important for a bond or fixed-income instrument because it determines its maturity value as well as the dollar value of coupon payments.

Premium – The condition of the price of a bond that is higher than par. The premium equals the difference between the price paid for a security and the security's par value.

Principal – The face amount of a security not taking into account discounts or premiums. The amount borrowed or the amount still owed on a loan, separate from interest.

Repurchase Agreement (Repo) – A form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction, (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.

Reverse Repurchase Agreement – The purchase of securities with the agreement to sell them at a higher price at a specific future date.

Registered Warrants – A “promise to pay” with interest, that is issued by the State of California when there is not enough cash to meet all of the State's payment obligations.

Settlement Date – The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day the securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

Supranational Bonds – These bonds are issued when two or more central governments issue foreign bonds to promote economic development for the member countries. These include bonds issued by the International Bank for Reconstruction and Development, or World Bank, and the International American Development Bank.

Trade Date – The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. Treasury Obligation – Direct obligations of the United States Treasury whose payment is guaranteed by the United States of America.

Weighted Average Maturity (WAM) - The weighted average of the time until all securities in a portfolio mature.

TEMPORARY CONSTRAINTS AND RESTRICTIONS ON INVESTMENTS

1. County of Mono restricts transactions with the following banks from October 20, 2015 until June 30, 2020:

Citigroup, JP Morgan Chase, Barclays, Royal Bank of Scotland, and Deutsche Bank

2. County of Mono restricts the purchase of any retail products issued by Wells Fargo Bank from December 1, 2016 until June 30, 2019.