

SUBJECT***Fiscal Year 2018 Fourth Quarter Investment Report*****BACKGROUND**

Under the provisions of Section 53600 et seq. of the California government code, Long Beach Transit (LBT) is required to submit a quarterly report of its investment holdings to all members of the LBT Board of Directors.

Attached is the Quarterly Investment Report as of June 30, 2018. LBT's assets are held at the state's Local Agency Investment Fund (LAIF), City National Bank general account, Wells Fargo worker's compensation account and the Corporate Investment Account which contains investment vehicles similarly structured to LAIF.

The cash and investment balance as of June 30, 2018 decreased by \$920,260 when compared to the prior quarter. The decrease is primarily due to payments of new Compressed Natural Gas (CNG) buses and timing of federal grant reimbursement.

The objectives in this financial market continue to be to preserve principal and maintain liquidity. Meeting these objectives require assuming less portfolio risk resulting in lower investment returns.

The \$69.6 million total cash and investment balance includes \$35.6 million in restricted funds. The restricted funds are designated for various capital grants and self-insurance programs. These funds are held until related expenditures are incurred.



Kenneth A. McDonald
President and Chief Executive Officer

Attachments