

SUBJECT

Fiscal Year 2017 Third Quarter Investment Report

BACKGROUND

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

Attached is the Quarterly Investment Report as of March 31, 2017. The Company'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 March 31, 2017 increased by \$3,229,469 when compared to the prior quarter. This increase is primarily attributed to the receipt of Proposition A funding from the City of Long Beach for the first two quarters of the fiscal year.

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 \$75.1 million total cash and investment balance includes \$44.7 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.