

SUBJECT***Fiscal Year 2018 Second 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 December 31, 2017. 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 December 31, 2017 increased by \$10,550,656 when compared to the prior quarter. The increase is primarily due to funding receipts from various agencies in the beginning of the new 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 \$68.0 million total cash and investment balance includes \$44.9 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