

# **THE CITY OF LONG BEACH OFFICE OF THE CITY AUDITOR**

## **QUARTERLY AUDIT OF CASH AND INVESTMENTS**

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December 31, 2023

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## **EXECUTIVE SUMMARY**

We have conducted a performance audit of the cash and investment balances of the City of Long Beach (the City) as of December 31, 2023. The City's management is responsible for the cash and investment balances. As of December 31, 2023, the City's cash and investment portfolio totaled approximately \$2.3 billion.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **BACKGROUND**

### ***City Charter Mandate***

Pursuant to Section 803 of the Charter of the City of Long Beach, California, the Office of the City Auditor is charged with verifying cash and investment balances in the City Treasury on a quarterly basis and providing a written report to the City Council. The Office of the City Auditor has contracted Windes, Inc. to perform the December 31, 2023 audit.

The audit of cash and investment balances of the City includes verifying cash and investments with outside depositories, and evaluating the City Treasurer's compliance with the relevant provisions of the California Government Code and the City's Investment Policy, which is adopted annually by the City Council.

### ***Pooled Cash and Investments***

The City's pooled cash is a grouping of the City's available cash for investments. The larger amount of money involved in a pool allows the City to earn a higher rate of return than each fund could receive by itself. Pooled funds that are not needed for operations are invested by the Treasury Bureau. The interest income earned in pooled cash and investments is apportioned to funds based on the ratio of daily cash balances to the total of pooled cash and investments.

### ***Non-pooled Cash and Investments***

Generally, non-pooled cash and investments are used for specific project operations or pledged for reserves or interest payments of outstanding debt.

## **BACKGROUND (CONTINUED)**

### ***Asset Management***

The City had an agreement with Chandler Asset Management (“Chandler”) to provide investment advisory and management services related to the City’s pooled investment portfolio. The term of the agreement beginning January 1, 2015 was extended through December 31, 2023.

As of May 1, 2024, the City entered into an agreement with Meeder Public Funds (“Meeder”) as their new investment advisor, to provide investment advisory services related to the City’s pooled investment portfolio. Meeder will provide ongoing oversight of investment activity, including “best practices” recommendation, as well as updates on both financial and regulatory developments, investment strategy review, and performance and credit analysis related to investments in the City’s investment pool. The agreement is for a two-year period, with the option to renew three additional one-year periods.

## **AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of our performance audit were to reconcile cash and investments as to the amount and description recorded on the City’s books with outside depositories and to evaluate the City’s compliance with the relevant provisions of the California Government Code Section 53601 and the City’s Investment Policy.

The scope of this audit was limited to the quarter ended December 31, 2023.

We performed the following procedures:

- Obtained an understanding of the internal controls surrounding the City’s cash and investment process.
- Obtained confirmations of cash held by banks and investments held by the City Treasurer’s safekeeping agent and other custodians as of December 31, 2023 and reconciled them to the City’s general ledger.
- Reconciled the balance of total investments in the City Treasurer’s Investment Activity Portfolio Statistics Report (Sympro) at December 31, 2023 to the City’s general ledger.
- Obtained bank and investment reconciliations at December 31, 2023 and traced balances to the City’s general ledger. This also included testing, on a sample basis, the adjustments made on the reconciliation to ensure they are valid adjustments.
- Compared investments listed in Sympro at December 31, 2023 to the types of investments authorized for the City in accordance with the City’s Investment Policy and the relevant provisions of the California Government Code.

## **AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY (CONTINUED)**

- Compared the portfolio mix of investment types listed in Sympro at December 31, 2023 to the portfolio mix limitations imposed by the City's Investment Policy and the relevant provisions of the California Government Code.
- Reviewed supporting documentation on a sample basis, and the purchase, sale, and maturity of individual investments to determine compliance with the following provisions of the California Government Code and the City's Investment Policy:
  - Purchases of investments meet minimum rating requirements and maximum allowable maturity periods.
  - All sections of the investment transaction record are properly completed and authorized by the City Treasurer.
  - Transactions are supported by documentation from third-party sources (individual broker confirmations, safekeeping statements, custodian statements, etc.)

The City finalizes its calculations of accrued interest at the end of the fiscal year; thus, testing of accrued interest is conducted as part of the fiscal year-end cash and investment audit. As such, we did not test accrued interest, which is excluded from the balance of Total Cash and Investments at December 31, 2023, listed in Attachments I and II. In addition, the allocation of pooled cash and investments between funds was outside the scope of this audit. As such, the Schedule of Pooled and Non-Pooled Cash and Investment Balances by Fund is attached for informational purposes only.

## **RESULTS AND CONCLUSIONS**

During our audit, we noted the following reconciling items related to cash and investment activity during the quarter ended December 31, 2023 was not booked in the City's accounting records (MUNIS). The following summarizes our findings:

- \$ (66,102) Adjustments for accrued interest receivable at December 31, 2023 were not posted until after January 2024, which lead to an overstatement of cash in banks, which is included in pooled cash and investments.
- (\$35,189,077) Adjustment to recognize the change in fair value of investments held at December 31, 2023 was not recorded, leading to an overstatement of investment balances. It is the City's policy to recognize the fair value change at fiscal year-end and not during the interim periods.

## RESULTS AND CONCLUSIONS (CONTINUED)

The City's cash and investment balances as of December 31, 2023 are summarized as follows:

Pooled Cash and Investments	\$ 2,196,337,797
Non-Pooled Cash and Investments	<u>142,230,890</u>
Total Cash and Investments	<u>\$ 2,338,568,687</u>

Based on the results of audit procedures performed and adjustments made, cash and investment balances as recorded on the City's books at December 31, 2023, materially agree as to the amount and description with outside depositories. Also, we found the City to be in compliance with all other relevant provisions of the California Government Code and the City's Investment Policy.

## MANAGEMENT COMMENTS

Management concurs that investment activity for the subject period was in full compliance with the applicable sections of the California government Code and City's Investment Policy.

The \$66,102 was due to a difference in valuation between Principal Trust (City's custodian) and the City of Long Beach's standard practice. The reason why there was a market value difference of \$66,102 between the City's portfolio and Principal Trust, was because Principal Trust did not include the City's accrued interest amount (at the time of purchase) in the market value. Since the City paid the accrued interest amount at the time of purchase (which was the ordinary course of business), the City included the accrued interest amount in both the book value of an investment and the market value, until the posting of the first coupon. After the first coupon was received, the book value and market value were both reduced by the amount of the accrued interest at purchase, in which this difference resolved itself. Although cash amounts reported by the City may differ from amounts reported in the City's custodian statements, it is the City's practice to record investment transactions for accrued interest in this manner.

Adjustment for fair value of investments reflects the unrealized change in value of the legacy securities attributable to the movement of market interest rates. The purpose of an adjustment is to fairly report the market value of the pooled investments at a point in time for financial reporting purposes. It is the City's policy to make fair market adjustments at fiscal year end, which occurs on September 30 of each year, rather than every quarter. The City has no management or reporting need for mark to market except on September 30. The City's official financial reports always reflect market value as required and in compliance with GASB 31 standards.



Long Beach, California  
May 14, 2024

# ATTACHMENT I

## POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

<b>Fund Number</b>	<b>Name of Fund</b>	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
1000	GF - Operating	\$ 85,755,480	\$ 1,431,689	\$ 87,187,169	\$ 23,306,121
1009	GF - District Priority	1,051,948	-	1,051,948	995,817
1010	GF - Cap/Oper Grants	2,499,207	-	2,499,207	2,497,253
1011	GF - Long Beach Recovery Act	38,492,648	-	38,492,648	72,953,086
1020	GF - CLB Measure A	12,228,755	-	12,228,755	42,200,629
1021	GF - CLB Measure US	703,892	-	703,892	877,756
1030	GF - CLB Measure Ma	(10,973)	-	(10,973)	(10,973)
1040	GF - Asset Seizure Federal	944,279	-	944,279	821,011
1041	GF - Asset Seizure US Treasury	906,758	-	906,758	992,011
1042	GF - Asset Seizure State	1,266,184	-	1,266,184	1,054,050
1043	GF - ASF Priority Intvntn Prgm	96,368	-	96,368	74,355
1100	GF - Uplands Oil Operating	22,207,748	-	22,207,748	20,390,992
2000	SR - General Grants	(6,792,447)	-	(6,792,447)	(4,100,589)
2001	SR - American Rescue Plan Act	608,839	-	608,839	6,715,220
2010	SR - City Manager Grants	5,303,531	-	5,303,531	(279,126)
2015	SR - Parks Grants	(2,204,559)	-	(2,204,559)	(1,879,149)
2020	SR - Police Grants	6,491,127	-	6,491,127	5,437,899
2025	SR - City Prosecutor Grants	208,313	-	208,313	270,311
2026	SR - CP Grants Annual Fund	280,658	-	280,658	340,370
2030	SR - Fire Grants	(5,536,064)	-	(5,536,064)	(747,819)
2035	SR - Development Srvs Grants	484,796	-	484,796	527,145
2040	SR - Library Grants	4,304,891	-	4,304,891	3,094,199
2041	SR - Library Grants Annual	(722,500)	-	(722,500)	(219,873)
2100	SR - PS Oil Prod Tax - Fire	20,897	-	20,897	357,298
2150	SR - PS Oil Prod Tax - Police	566,319	-	566,319	534,916
2200	SR - Health Operating	17,674,174	800	17,674,974	8,327,341
2210	SR - Health Grants	(3,002,712)	-	(3,002,712)	(14,181,388)
2300	SR - Cupa Operating	-	-	-	960,616
2301	SR - Cupa Annual	646,129	-	646,129	(20,715)
2310	SR - Cupa Grant	(69)	-	(69)	-
2400	SR - Spec Adver/Prom Operating	14,404,569	-	14,404,569	12,129,250
2500	SR - Housing Operations	7,119,582	-	7,119,582	5,970,790
2501	SR - Housing Annual	11,156,111	6,598	11,162,709	12,307,201
2550	SR - LB Community Invest Co	8,487,178	-	8,487,178	6,577,135
2600	SR - Belmont Shre Pkg Mtr	407,824	-	407,824	213,383
2650	SR - Business Assistance	1,033,784	-	1,033,784	505,031

# ATTACHMENT I

## POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022 (Continued)

<b>Fund Number</b>	<b>Name of Fund</b>	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
2710	SR - Workforce Development Grants	(3,336,262)	28,767	(3,307,495)	(4,323,627)
2711	SR - Comm Dev Grants - HUD	6,593,709	-	6,593,709	4,419,243
2713	SR - Comm Dev - Other Grants	4,673,683	-	4,673,683	2,573,022
2714	SR - CD Grants Annual Fund	(54,791)	-	(54,791)	(61,402)
2760	SR - Housing Auth Grants	(1,530,810)	-	(1,530,810)	84,516
2761	SR - Housing Auth Annual	20,587,037	13,146,707	33,733,744	31,425,990
2810	SR - Dif-Traffic Mitigation Fees	10,424,708	-	10,424,708	8,563,075
2811	SR - Dif-Parks Impact Fees	9,477,861	-	9,477,861	7,869,479
2812	SR - Dif-Police Impact Fees	4,258,425	-	4,258,425	3,509,911
2813	SR - Dif-Fire Impact Fees	1,451,400	-	1,451,400	1,299,955
4005	DS - General Debt Service	14,461,000	10,184,187	24,645,187	18,840,180
4505	DS - Successor Agency	(172)	6,961,709	6,961,537	9,015,935
5010	CP - Capital Grants	(18,546,370)	-	(18,546,370)	(2,064,385)
5015	CP - Bond Proceeds	152,836	56,848,131	57,000,967	(528,786)
5020	CP - Capital Projects	84,720,214	-	84,720,214	86,656,362
5021	CP - CIP Personnel Annual	(9,784)	-	(9,784)	(6,619)
5120	CP - Special Assessment Projects	1,742,859	35,912	1,778,771	1,809,981
5200	CP - Legislative	4,912,736	-	4,912,736	4,912,736
5310	CP - Transport Capital Project	(281,168)	-	(281,168)	(281,168)
5320	CP - State Gas Tax CP Projects	15,236,422	-	15,236,422	12,680,760
5411	CP - County Prop C Metro	32,610,209	-	32,610,209	26,742,970
5412	CP - County Measure R Metro	18,385,931	-	18,385,931	12,907,114
5413	CP - State AB2766 Air Quality	2,327,466	-	2,327,466	1,736,418
5414	CP - County Measure M Metro	22,150,271	-	22,150,271	17,442,699
5416	CP - County Prop A Metro	21,940,106	-	21,940,106	18,611,412
5417	CP - State RMRA Local Return	13,111,657	-	13,111,657	13,230,592
5418	CP - County Measure W	11,823,581	-	11,823,581	17,951,267
5420	CP- State Pt Tran Dev Act SB821	231,710	-	231,710	(126,169)
5500	CP - Successor Agency Operating	174	-	174	174
5501	CP - Successor Agency Annual	9,093,349	34,423	9,127,772	8,288,833
6000	IS - Civic Center Operating	3,722,407	-	3,722,407	5,724,331
6005	IS - Civic Center Debt	100,000	-	100,000	100,000
6020	IS - Civic Center Capital	(2,519,770)	-	(2,519,770)	(3,736,120)
6100	IS - Genral Services Operating	(10,670,247)	804,717	(9,865,530)	5,167,430
6110	IS - General Service Grants	3,156,172	-	3,156,172	2,486,448
6120	IS - General Services Capital	10,568,908	-	10,568,908	13,202,167
6200	IS - Fleet Operating	(4,039,203)	-	(4,039,203)	(4,202,824)

# ATTACHMENT I

## **POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES** **BY FUND AT DECEMBER 31, 2023** **WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022** **(Continued)**

<b>Fund Number</b>	<b>Name of Fund</b>	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
6205	IS - Fleet Debt	(1,720,258)	-	(1,720,258)	241,021
6210	IS - Fleet Grants	1,342,464	-	1,342,464	1,258,785
6220	IS - Fleet Capital	6,024,166	-	6,024,166	5,168,325
6230	IS - Fleet Replacement	50,770,066	13,558,782	64,328,848	53,821,968
6300	IS - Workers' Compensation	32,330,789	-	32,330,789	37,384,055
6350	IS - General Liability	14,207,474	-	14,207,474	3,568,777
6390	IS - Disaster Recovery	-	-	-	630,841
6400	IS - EBF - Operating	117,300,312	-	117,300,312	(86,743,944)
6401	IS - EBF - Healthcare	30,886,818	-	30,886,818	131,107,528
6402	IS - EBF - Payroll Taxes	(5,121,366)	-	(5,121,366)	48,141,004
6403	IS - EBF - Paid time off	21,682,467	-	21,682,467	20,310,792
6405	IS - EBF - Pension & Retirement	(78,907,449)	-	(78,907,449)	(76,855,569)
7000	EF - Gas Operating	49,024,629	750	49,025,379	41,997,742
7005	EF - Gas Debt	782,203	7,679,211	8,461,414	8,028,372
7020	EF - Gas Cap/Oper Proj	16,563,103	-	16,563,103	15,968,226
7035	EF - Gas Prepay (LBBFA)	(3,766)	-	(3,766)	566
7100	EF - Water Operating	3,480,492	20,000	3,500,492	46,422,450
7101	EF - Water Reclaimed Operating	1,096,037	-	1,096,037	2,233,689
7105	EF - Water Debt	1,514,971	2,974,784	4,489,755	4,299,335
7106	EF - Water Debt Others	(317,289)	-	(317,289)	(206,949)
7120	EF - Water Capital Projects	17,667,818	-	17,667,818	(7,617,751)
7121	EF - Water Reclaimed Capital	(1,800,788)	-	(1,800,788)	(1,155,543)
7200	EF - Sewer Operating	12,736,446	-	12,736,446	16,428,906
7205	EF - Sewer Debt	145,950	-	145,950	139,446
7220	EF - Sewer Capital Projects	(2,073,580)	-	(2,073,580)	(1,623,400)
7300	EF - Sol Waste Operating	14,147,670	3,000	14,150,670	9,627,321
7310	EF - Sol Waste Cap/Oper Grants	1,081,228	-	1,081,228	476,530
7320	EF - Sol Waste Cap/Oper Proj	(424,955)	-	(424,955)	(424,955)
7350	EF - SERRF Operations	23,594,203	-	23,594,203	35,461,938
7355	EF - SERRF JPA Debt	161	-	161	155
7400	EF - Airport Operating	60,990,177	-	60,990,177	53,228,752
7410	EF - Airport Grants	(488,399)	-	(488,399)	2,670,343
7411	EF - Airport Passenger Fac Chrg	4,499,100	-	4,499,100	6,000,099
7412	EF - Airport Customer Fac Chrg	9,608,683	-	9,608,683	13,329,681
7420	EF - Airport Cap/Oper Proj	(8,080,536)	-	(8,080,536)	(5,084,351)
7425	EF - Airport Debt	(1,001,002)	11,223,782	10,222,780	16,978,130

# ATTACHMENT I

## POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022 (Continued)

<b>Fund Number</b>	<b>Name of Fund</b>	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
7500	EF - Development Svcs Operating	47,601,022	-	47,601,022	48,228,991
7510	EF - Development Svcs Grants	(2,043,691)	-	(2,043,691)	(1,927,315)
7520	EF - Development Svc Casp Sb1186	688,888	-	688,888	566,454
7550	EF - Towing Operating	1,932,953	1,700	1,934,653	1,777,115
7600	EF - Tidelands Operating	111,250,843	2,000	111,252,843	93,632,599
7605	EF - Tidelands Debt	(39,530)	724,811	685,281	(48,098)
7610	EF - Tidelands Capital Grants	264,963	-	264,963	197,847
7620	EF - Tidelands Capital Projects	(5,272,001)	-	(5,272,001)	(493,237)
7630	EF - Tidelands Parking	-	-	-	(47,748)
7631	EF - Tidelands Parking Annual	7,703,563	-	7,703,563	7,716,308
7635	EF - TF Convntn Ctr Pkg Surchg	3,053,864	-	3,053,864	3,667,718
7700	EF - TF Marina Operating	41,803,446	9,097,682	50,901,128	49,232,145
7710	EF - TF Marina Capital Grant	1,606,552	-	1,606,552	1,606,552
7720	EF - TF Marina Capital Projects	(34,469)	-	(34,469)	2,350
7750	EF - TF Queen Mary Project Oper	(47,938)	90,768	42,830	556,080
7751	EF - TF QM Entertainment Dist Ops	332,468	-	332,468	(563,578)
7770	EF - TF Queen Mary Capitl Proj	263,777	-	263,777	(44,370)
7800	EF - Tidelands Oil	77,813,143	-	77,813,143	67,374,561
7850	EF - TF Subsidence	198,469,530	-	198,469,530	193,256,772
7885	EF - TF Aqua Of The Pac Debt	(1,359)	-	(1,359)	5,084,663
7900	EF - Harbor Operating	4,182,854,550	900	4,182,855,450	3,949,398,354
7901	EF - Harbor CTP 2022 Zero Emss	64,227,037	-	64,227,037	27,533,246
7910	EF - Harbor Cap/Oper Grants	122,085,493	-	122,085,493	117,548,039
7920	EF - Harbor Cap/Oper Proj	(3,564,698,996)	-	(3,564,698,996)	(3,370,387,313)
7933	EF - HA Debt 2014B Bonds	612,812	-	612,812	4,854,375
7934	EF - HA Debt 2015A Bonds	-	-	-	4,444,000
7935	EF - HA Debt 2015B Bonds	4,455,344	-	4,455,344	6,235,187
7936	EF - HA Debt 2015C Bonds	413,031	-	413,031	413,031
7937	EF - HA Debt 2015D Bonds	417,906	-	417,906	417,906
7938	EF - HA Debt 2017A Bonds	635,063	-	635,063	635,063
7939	EF - HA Debt 2017B Bonds	162,406	-	162,406	162,406
7940	EF - HA Debt 2017C Bonds	266,625	-	266,625	266,625
7942	EF - HA Debt 2019A Bonds	1,008,188	-	1,008,188	1,008,188
7943	EF - HA Debt 2020A Bonds	6,226,969	-	6,226,969	326,969
7944	EF - HA Debt 2020B Bonds	13,597,125	-	13,597,125	8,104,156
7948	EF - HA Debt 2021 TIFIA	2,246,738	-	2,246,738	2,179,380

# ATTACHMENT I

## POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022 (Continued)

<b>Fund Number</b>	<b>Name of Fund</b>	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
8000	CS - Fiduciary Operating	4,111,396	-	4,111,396	3,987,953
8010	CS - Prisoner Welfare	327,687	1,500	329,187	315,087
8100	CS - Asmt Cfd5 LB Towne Center	252,636	1,106,821	1,359,457	1,289,643
8105	CS - Asmt Cfd6 Pike Pub Imprv	931,587	3,330,726	4,262,313	4,187,609
8110	CS - Asmt Cfd7-1 Douglas Pk Cm	768,039	1,247,290	2,015,329	1,755,371
8115	CS - Asmt Cfd7-2 Belmont Shore	(16,593)	602,276	585,683	563,628
8120	CS - Asmt Cfd8-1 Toledo Ugd Ut	88,193	174,112	262,305	247,395
8125	CS - Asmt Cfd11-1 Douglas Pk N	60,455	-	60,455	8,492
8190	CS - Other Special Assessment	154,329	-	154,329	150,268
8200	CS - ICTF JPA Operating	4,652,012	-	4,652,012	3,928,684
8300	CS - Earthquake Asmt Dist 90-3	277,430	-	277,430	270,140
8310	CS - Earthquake Asmt Dist 93-1	577,858	-	577,858	562,680
8400	CS - Los Cerritos Wetlands Aut	-	906,355	906,355	549,943
8500	CS - Pkg & Bus Area Improve	2,065,449	-	2,065,449	3,051,188
8550	CS - Promenade District	622,612	-	622,612	554,204
8600	PP - Expendable Trust	(719)	-	(719)	(35,455)
8610	PP - Library Miller Trust	598,094	-	598,094	617,138
8620	PP - Homeless Expendable Trust	5,258	-	5,258	5,120
9900	Accrued Interest Receivable	(9,352,122)	-	(9,352,122)	(5,044,911)
	Unrealized losses on investments **	(35,189,077)	-	(35,189,077)	(71,019,751)
<b>TOTAL CASH AND INVESTMENTS</b>		<u>\$ 2,196,337,797</u>	<u>\$ 142,230,890</u>	<u>\$ 2,338,568,687</u>	<u>\$ 2,094,985,616</u>

\* The City's pooled cash and investments were audited in aggregate and the allocation among funds was outside the scope of the performance audit. The allocation is presented for informational purposes only.

\*\*Unrealized losses on investments are due to market changes and represent the difference between the City's cost basis and the fair market value. The City's policy is to recognize the unrealized gains and losses at the end of the fiscal year for financial statement purposes in compliance with Governmental Accounting Standards. All unrealized gains or losses are reported to the City Council through the Quarterly Investment Report by the City Treasurer.

## ATTACHMENT II

### **POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY SECURITY TYPE AT DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022**

	<b>Pooled December 31, 2023</b>	<b>Non-Pooled December 31, 2023</b>	<b>Total at December 31, 2023</b>	<b>Total at December 31, 2022</b>
<b>CASH</b>				
Cash in Banks	\$ 12,730,405	\$ 13,448,050	\$ 26,178,455	\$ 28,166,867
Cash with Fiscal Agents	<u>-</u>	<u>121,271,300</u>	<u>121,271,300</u>	<u>61,536,461</u>
Total Cash	<u>12,730,405</u>	<u>134,719,350</u>	<u>147,449,755</u>	<u>89,703,328</u>
<b>INVESTMENTS</b>				
U.S. Treasury Notes	1,128,105,013	-	1,128,105,013	1,326,521,706
Federal Farm Credit Bank	127,076,070	-	127,076,070	16,487,530
Federal Home Loan Bank	165,754,266	-	165,754,266	109,580,804
Federal National Mortgage Association (FNMA)	74,503,380	-	74,503,380	90,287,194
Federal Home Loan Mortgage Corporation (FHLMC)	217,296,721	-	217,296,721	68,148,869
Local Agency Investment Fund (L.A.I.F.)	347,851	-	347,851	6,687
Guaranteed Investment Contracts	-	7,511,540	7,511,540	7,186,209
Money Market (Federal Investors)	271,332,895	-	271,332,895	141,163,679
Federal Home Loan Discount	-	-	-	165,108,225
Corporate Notes	<u>199,191,196</u>	<u>-</u>	<u>199,191,196</u>	<u>80,791,385</u>
Total Investments	<u>2,183,607,392</u>	<u>7,511,540</u>	<u>2,191,118,932</u>	<u>2,005,282,288</u>
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 2,196,337,797</u>	<u>\$ 142,230,890</u>	<u>\$ 2,338,568,687</u>	<u>\$ 2,094,985,616</u>