

Staff Report

for the Regular Meeting of the Board of Directors February 28, 2018

TO: Board of Directors

FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer

DATE: February 21, 2018

SUBJECT: Quarterly Investment, Short-Term Forecast & Reserves

FINANCE

RECOMMENDATION:

Receive and file the quarterly investment, short-term cash forecast and reserve report for the period ending December 31, 2017.

BACKGROUND:

The Nevada Irrigation District's Investment Policy requires and Government Code Section 53646 encourages submittal to the Board of Directors a quarterly investment report. This report presents the District's cash and investment portfolio at December 31, 2017. It includes all investments managed by the Agency excluding those held for external trustees.

Short-term investments are highly liquid and readily accessible, therefore the cost basis will equal its' market value. Because of this characteristic, interest rate earnings are lower than long-term investments.

The 2018 budget anticipates an additional \$7.9 Million reserve draw and short-term cash forecast is sufficient to meet this demand. Fiscal Year 2017 earnings came in at \$1,058,457 compared to prior year of \$856,125 an increase of \$202,332. Staff feels comfortable with the current maturity ladder holding 52.3% of total cash out to 2021. The current reserve level of \$75,041,496 excludes encumbrances. Reserve balance adjustments occur at fiscal year-end depending on approved budget amendments, operating results and policy guidance. Excluding encumbrances, 2016A bond trustee cash is \$17,834,264.

BUDGETARY IMPACT: N/A

Attachments: Reserves Workshop Attachment D

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): December 31, 2017

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
<u>L-Term Investments</u>							
Corporate Obligations	ALLY BK	1.250%	8/19/2019	\$ 250,000	\$ 246,650	\$ (3,350)	\$ 98.66
Corporate Obligations	AMERICAN EXP	1.900%	6/1/2020	250,000	248,025	(1,975)	99.21
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	249,753	(248)	99.90
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	243,863	(6,138)	97.55
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	250,673	673	100.27
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	250,658	658	100.26
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	250,658	658	100.26
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	250,958	958	100.38
Corporate Obligations	COMENTY CAP BK	1.750%	10/29/2021	250,000	242,648	(7,353)	97.06
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	243,578	(6,423)	97.43
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	248,555	(1,445)	99.42
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	247,575	(2,425)	99.03
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	248,913	(1,088)	99.57
Corporate Obligations	JP MORGAN CHAS0	1.125%	2/19/2018	250,000	249,945	(55)	99.98
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	249,798	(203)	99.92
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	249,798	(203)	99.92
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	249,730	(270)	99.89
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	248,038	(1,963)	99.22
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	247,543	(2,458)	99.02
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	243,853	(6,148)	97.54
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	246,048	(3,953)	98.42
Corporate Obligations	STATE BK	1.200%	1/25/2018	250,000	249,990	(10)	100.00
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	248,928	(1,073)	99.57
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	244,805	(5,195)	97.92
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	248,310	(1,690)	99.32
Government Obligations	FFCB BDS	1.060	11/9/2018	1,989,000	1,986,800	(2,200)	99.34
Government Obligations	FFCB BDS	1.340	10/13/2020	3,000,000	2,928,900	(71,100)	97.63
Government Obligations	FFCB BDS	1.490	3/30/2020	2,000,000	1,972,460	(27,540)	98.62
Government Obligations	FFCB BDS	1.500	7/6/2021	2,000,000	1,951,320	(48,680)	97.57
Government Obligations	FFCB BDS	1.520	11/15/2021	4,500,000	4,369,365	(130,635)	97.10

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): December 31, 2017

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Government Obligations	FFCB NT	1.640	2/10/2021	1,500,000	1,464,300	(35,700)	97.62
Government Obligations	FHLB BDS	1.370	10/24/2019	147,059	145,282	(1,776)	98.79
Government Obligations	FHLB BDS	1.400	5/18/2020	1,225,000	1,205,817	(19,184)	98.43
Government Obligations	FHLB BDS	1.600	11/26/2021	3,477,250	3,407,005	(70,245)	97.34
Government Obligations	FHLB BDS	1.700	4/28/2020	464,286	458,658	(5,628)	98.79
Government Obligations	FHLB BDS	1.720	10/28/2020	2,000,000	1,975,980	(24,020)	98.80
Government Obligations	FHLMC MTN	1.600	8/9/2021	6,000,000	5,800,740	(199,260)	96.68
Government Obligations	FHLMC NTS	1.950	12/2/2021	1,000,000	982,170	(17,830)	98.22
Government Obligations	FNMA NT	1.400	11/26/2019	3,000,000	2,956,890	(43,110)	98.56
Government Obligations	FNMA NT	1.500	5/25/2021	1,996,400	1,951,420	(44,980)	97.57
Government Obligations	FNMA NT	1.500	7/27/2021	7,000,000	6,818,350	(181,650)	97.41
Government Obligations	FNMA NT	1.550	7/28/2020	500,000	489,245	(10,755)	97.85
Government Obligations	FNMA NTS	1.500	8/25/2021	2,000,000	1,927,600	(72,400)	96.38
Government Obligations	FNMA NTS	1.500	9/29/2021	3,000,000	2,885,130	(114,870)	96.17
Government Obligations	FNMA NTS	1.510	9/30/2021	4,000,000	3,882,320	(117,680)	97.06
Government Obligations	FNMA NTS	1.750	5/25/2021	2,000,000	1,972,180	(27,820)	98.61

Total L-Term Investments \$ 59,048,995

S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	12/31/2017	21,177	21,177	N/A	N/A
Local Investment Pool	Local Agency IF	0.99%	12/31/2017	12,198,438	12,198,438	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	12/31/2017	3,772,886	3,772,886	N/A	N/A

Total S-Term Investments \$ 15,992,501

	YTD Interest
L-Term Investments	904,557
S-Term Investments	153,900
	\$ 1,058,457

Total Investment \$ 75,041,496

Annualized Return 1.46% excludes Wells Fargo Checking Account

Nevada Irrigation District

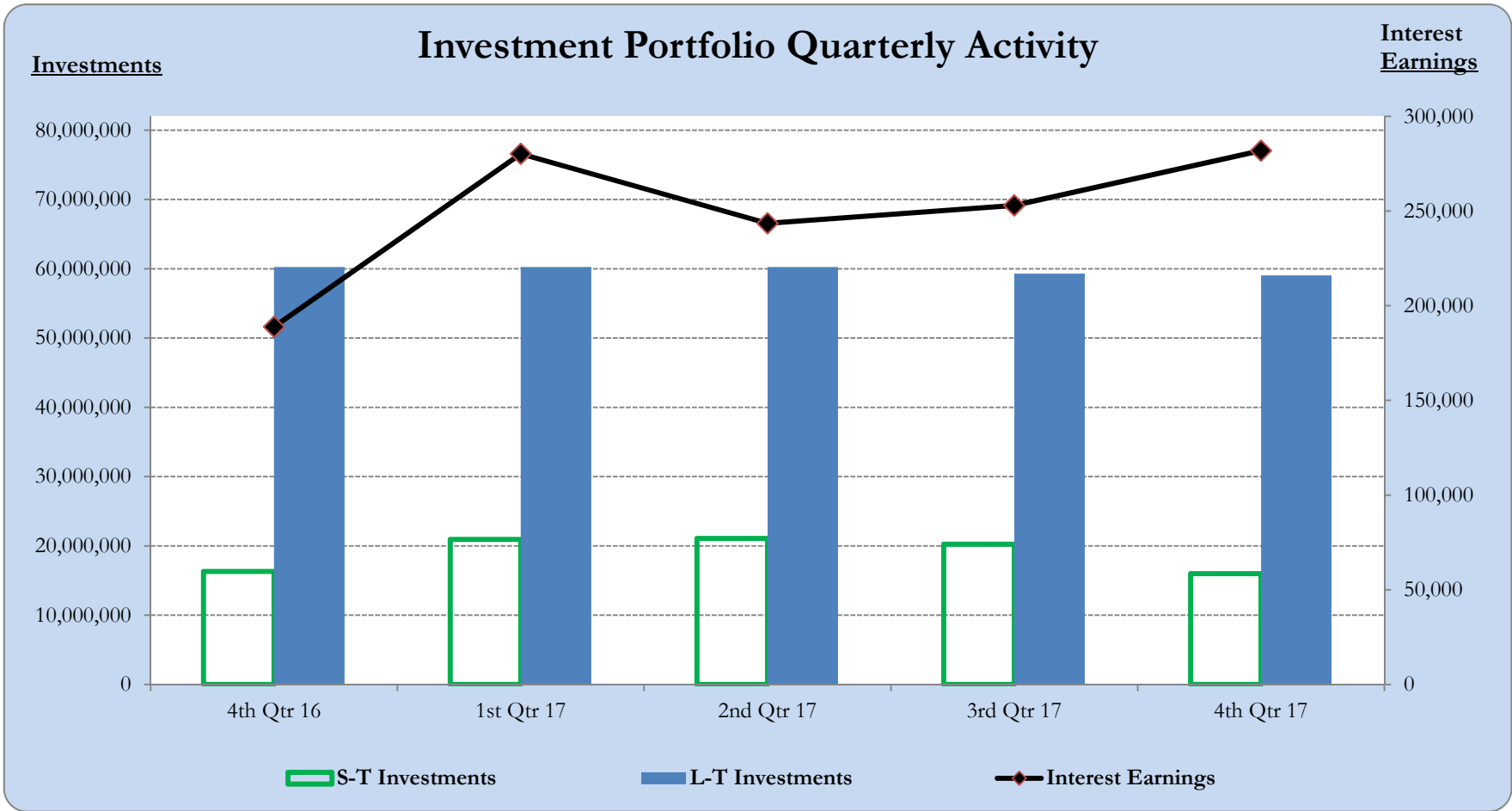
Quarterly Cash & Investment Report (excl External Trustees): December 31, 2017

Maturity Year ⇌

Month	2017	2018	2019	2020	2021	Grand Total
Jan		250,000				250,000
Feb		250,000	750,000		1,500,000	2,500,000
Mar				2,000,000		2,000,000
Apr			250,000	464,286		714,286
May				1,725,000	3,996,400	5,721,400
Jun				500,000	250,000	750,000
Jul				500,000	9,000,000	9,500,000
Aug			1,000,000		8,250,000	9,250,000
Sep					7,000,000	7,000,000
Oct			397,059	6,250,000	250,000	6,897,059
Nov		1,989,000	3,000,000		7,977,250	12,966,250
Dec	15,992,501		500,000		1,000,000	17,492,501
Grand Total	15,992,501	2,489,000	5,897,059	11,439,286	39,223,650	75,041,496

Portfolio %	21.3%	3.3%	7.9%	15.2%	52.3%	100.0%
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Nevada Irrigation District
 Quarterly Cash & Investment Report (excl External Trustees): December 31, 2017



Nevada Irrigation District

Short-Term Cash Forecast: Jan thru Dec 2018

	Actual	Forecast ⇨				
	2017 Dec	2018 Jan - Mar	2018 Apr - Jun	2018 Jul - Sep	2018 Oct - Dec	
Union Bank	21,177					
Wells Fargo	3,772,886					
LAIF	12,198,438					
Short-T Cash	\$ 15,992,501					
						Reconcile to Budget Total
<u>Wells Fargo</u>						
Budget Receipts	17,388,015	16,252,367	15,433,671	12,933,969	62,008,022	
Budget Disbursements	19,827,541	17,949,897	23,151,809	20,569,641	81,498,889	
Encumbrance Impact	409,130	409,130	409,130	409,130		
Transfer Ins/(Outs)	2,400,000	1,800,000	7,700,000	7,600,000		(19,490,867) Budget Rec - Disb
Ending Balance	3,324,230	3,017,570	2,590,300	2,145,498		1,513,940 Interfund, Interest
						10,000,000 2016A Cash
						(7,976,927) Original Budget
<u>LAIF</u>						
2016A Drawdown	5,000,000	-	5,000,000	-		(10,636,521) 2017 Enc Rollover
Transfer Ins/(Outs) WF	(2,400,000)	(1,800,000)	(7,700,000)	(7,600,000)	9,000,000	2018 Est Rollover
Transfer Ins/(Outs) UB	800,000	300,000	2,300,000	6,889,000		(1,636,521) Net Cash Impact
Ending Balance	15,598,438	14,098,438	13,698,438	12,987,438		
Total Short-Term Cash	\$ 18,943,845	\$ 17,116,008	\$ 16,288,738	\$ 15,132,936		