

# Kenai Peninsula Borough

## Finance Department

### MEMORANDUM

**TO:** Kelly Cooper, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Borough Mayor *CP*

**THRU:** Brandi Harbaugh, Finance Director *BH*

**DATE:** March 17, 2020

**RE:** Investment Report quarter ended 12/31/19

Attached is the Quarterly Investment Report of the Kenai Peninsula Borough for the quarter ending December 31, 2019.

| Portfolio Statistics      | Quarter Ended 09/30/19 | Quarter Ended 12/31/19 |
|---------------------------|------------------------|------------------------|
| Average Daily Balance     | \$225,066,849          | \$249,657,193          |
| Earned Interest Yield     | 2.149%                 | 1.975%                 |
| Duration in Years         | 2.10                   | 1.99                   |
| Book Value                | \$245,051,944          | \$252,686,319          |
| Market Value              | \$246,662,076          | \$253,886,225          |
| Percent % of Market Value | 99.35%                 | 99.53%                 |

| Investment Description    | Yield quarter ending 09/30/2019 | Yield quarter ending 12/31/2019 | Market Value quarter ending 12/31/2019 |
|---------------------------|---------------------------------|---------------------------------|--|
| Cash and Cash Equivalents | 1.73%                           | 1.40%                           | 63,409,736                             |
| AMLIP                     | 1.87%                           | 1.54%                           | 12,847,928                             |
| U.S. Treasury Securities  | 2.20%                           | 2.04%                           | 45,392,040                             |
| US Agencies               | 2.38%                           | 2.26%                           | 41,563,531                             |
| Corporate Bonds           | 2.63%                           | 2.45%                           | 55,321,449                             |
| Municipal Bonds           | 2.22%                           | 2.29%                           | 18,494,193                             |
| Money Market Mutual Funds | 1.75%                           | 1.51%                           | 15,873,882                             |
| Special Assessments       | 5.55%                           | 5.55%                           | 983,466                                |
| <b>Total</b>              |                                 |                                 | <b>\$253,886,225</b>                   |

| Major Categories:   | Percentage of Portfolio | Book Value quarter ending 12/31/19 |
|---|-------------------------|------------------------------------|
| Bond related funds  | 9.91%                   | \$25,055,059                       |
| Hospital plant/equipment replacement funds (PERF)-unobligated | 17.12%                  | 43,260,413                         |
| School District   | 18.62%                  | 47,059,200                         |
| Capital Project fund restrictions                             | 17.79%                  | 44,949,904                         |
| Special Revenue funds restrictions                            | 19.10%                  | 48,249,245                         |
| Internal Service/Agency fund restrictions                     | 5.32%                   | 13,434,846                         |
| General Fund  | 12.14%                  | 30,677,652                         |
| <b>Total</b>  | <b>100.00%</b>          | <b>\$252,686,319</b>               |

**INVESTMENT PORTFOLIO  
December 31, 2019**

|   | Par Value             | Purchase Price        | Fair Value<br>12/31/2019 |
|---|-----------------------|-----------------------|--------------------------|
| <b>Investments by Borough Finance Director</b>          |                       |                       |                          |
| CORPORATE   | 19,500,000.00         | 19,547,996.00         | 19,542,925.00            |
| COMMERCIAL PAPER  | 0.00                  | 0.00                  | 0.00                     |
| MUNICIPAL   | 0.00                  | 0.00                  | 0.00                     |
| AGENCY  | 16,200,000.00         | 16,232,296.00         | 16,230,314.00            |
| US TREASURY - less than 1 year                          | 15,500,000.00         | 15,475,139.38         | 15,491,260.00            |
| <b>Total Investment by Borough Finance Director:</b>    | <b>51,200,000.00</b>  | <b>51,255,431.38</b>  | <b>51,264,499.00</b>     |
| <b>Investment with External manager:</b>                |                       |                       |                          |
| CORPORATE   | 35,363,000.00         | 35,280,555.28         | 35,778,523.94            |
| MUNICIPAL   | 18,255,000.00         | 18,676,028.70         | 18,494,193.00            |
| AGENCY  | 24,919,447.66         | 25,254,372.49         | 25,333,216.97            |
| US TREASURY   | 29,400,000.00         | 29,104,918.80         | 29,900,780.00            |
| <b>Total Security Investment with External manager:</b> | <b>107,937,447.66</b> | <b>108,315,875.27</b> | <b>109,506,713.91</b>    |
| <b>TOTAL SECURITY INVESTMENTS</b>                       | <b>159,137,447.66</b> | <b>159,571,306.65</b> | <b>160,771,212.91</b>    |
| CASH & CASH EQUIVALENTS                                 | 92,131,546.47         | 92,131,546.47         | 92,131,546.47            |
| SPECIAL ASSESSMENTS                                     | 983,465.59            | 983,465.59            | 983,465.59               |
| <b>TOTAL PORTFOLIO</b>                                  | <b>252,252,459.72</b> | <b>252,686,318.71</b> | <b>253,886,224.97</b>    |

|  |                     |
|--|---------------------|
| Investment Portfolio - Purchase Price      | \$ 159,950,092.45   |
| Investment Portfolio - Fair Value 12/31/19 | 161,149,998.71      |
| <b>Fair Value Adjustment - 12/31/19</b>    | <b>1,199,906.26</b> |
| Fair Value Adjustment - 6/30/19            | 1,308,728.94        |
| Change in Fair Value FY2020                | \$ (108,822.68)     |

