

**ANNUAL TREASURER'S REPORT
AND
QUARTERLY INVESTMENT REPORT
FOR THE PERIOD ENDING DECEMBER 31, 2015**

Los Osos Community Services District

BACKGROUND:

In accordance with California Government Code (CGC) Section 53646(b)(1) and the District's Investment Policy, the District Finance Officer and Treasurer shall submit to the Board of Directors a quarterly investment report. The District General Manager is assigned the responsibilities of both Finance Officer and Treasurer as defined in the CGC. The report shall include a complete description of the District's investment portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Los Osos Community Services District by a third party contracted managers, where applicable.

The report must also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy; and, (2) Los Osos Community Services District will meet its expenditure obligations for the next six months as required by CGC Section 53646(b)(2) and (3), respectively. The District Accountant is required to maintain a complete and timely record of all investment transactions, and completes this report, including attachments under the direction of the General Manager.

The Treasurer's Report allows the Board and the public to verify that the District's funds are invested in a safe and prudent manner and that such investments comply with District policy and State Law. The Treasurer's Report is different than a budget report, as its purpose is to report on investment activity, where all cash balances, revenue and expenditures are reported on the monthly financial update provided by the District Accountant.

The District Investment Policy requires Board presentation of quarterly investment reports certified by the District Treasurer; and each January, consideration of the final quarterly investment report in conjunction with consideration of reaffirmation or amendment to its Investment Policy. This report is intended to serve as the Annual Report for 2015 in compliance with District policy.

ANNUAL REPORT

The District's Investment Policy requires that the Board annually consider affirmation of its current policy, or modification of the policy as required or necessary. The Board of Directors of the Los Osos Community Services District considered amendments to its investment policy on January 7, 2016 and on February 4, 2016 adopted Resolution 2016-04 reaffirming the Investment Policy without amendment. The investment policy will once again be reviewed by the Board in January 2017.

QUARTERLY INVESTMENT REPORT

The majority of the District's investments are under the direct management and control of the District; with the exception of the following:

1. Funds held by The Community Foundation of San Luis Obispo County (Foundation). The Foundation manages the investment of the funds detailed below and provides regular activity reports to the District. These funds are invested for specified public purposes under agreement between the District and Foundation. The 2015 Activity Report is included as **Attachment 1** to this report.
2. Funds held in US Bank as a condition of a bond issuance (loan) secured by the District. This fund receives assessment payments from the County and US Bank as Trustee makes the required loan payments on behalf of the District. This balance is included in this report for reference only as the funding is not accessible to the District until the bonded indebtedness is paid off. Included as **Attachment 2** to this report.

This report, which details balances as of December 31, 2015, shows that District investments under its control total \$3,131,173.81 and investments under the control of others total \$1,005,246.72.

The District holds investments with the following:

FDIC insured banking institutions:

Heritage Oaks Bank CD (Attachment 3)	\$51,621.13
Rabobank (Attachment 4)	\$2,096,086.23

Restricted by Agreement or Bond Covenant

Community Foundation	\$169,080.68
US Bank Bond Reserve Trust Account	\$836,166.04

Local Agency Investment Fund (LAIF) (Attachment 5)	\$983,466.45 (includes accrued interest)
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Total Investments	\$4,136,420.53
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FISCAL IMPACT:

Investment earnings for the quarter ending December 31, 2015 are:

Investment	Interest Rate	Amount Earned
Local Agency Investment Fund:	%0.0008	\$ 791.15
Rabobank	%0.0005	\$ <u>1,056.39</u>
Total for quarter		\$ 1,847.54

COMPLIANCE WITH STATE LAW AND DISTRICT POLICY

For the quarter ended December 31, 2015 all investments were in compliance with the adopted Investment Policy and Investment Guidelines which include relevant laws and regulations. The investment portfolio has been structured to ensure that sufficient monies will be available to cover anticipated expenditures in the coming six months.

Prepared by:



Mike Doyel, District Accountant

Approved and Filed:



Peter Kampa, Treasurer

ATTACHMENTS:



December 31, 2015
Los Osos Community Services District Community Fund

Statement of Fund Activity

	Semi-Annual	Year To Date
Beginning Fund Balance	171,848.12	172,027.37
<u>Plus:</u>		
Gifts	0.00	0.00
Total Investment Return	2,066.65	4,424.20
Realized Gains/Losses	-388.29	1,314.57
Unrealized Gains/Losses	-3,036.69	-4,987.83
Other Income	32.65	150.30
Total Revenue	-1,325.68	901.24
<u>Less:</u>		
Grants	0.00	0.00
Administrative Fees	864.07	2,600.55
Investment Management Fees	577.69	1,247.38
Other Expenses	0.00	0.00
Total Expenses	1,441.76	3,847.93
Ending Fund Balance	169,080.68	169,080.68



ACCOUNT NUMBER:
LOS OSOS COMMUNITY SERVICES DISTRICT
WASTEWATER ASSESSMENT DISTRICT NO 1
LIMITED OBLIGATION IMPROVEMENT BONDS
RESERVE FUND

ATTACHMENT 2

This statement is for the period from
October 1, 2015 to October 31, 2015

ASSET DETAIL AS OF 10/31/15

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equivalents					
861,166.040	First Amer Treas Oblig Fd Cl D	861,166.04 1.0000	861,166.04 1.00	100.0 .00**	0.00
Total Cash Equivalents		\$861,166.04	\$861,166.04	100.0	
Total Assets		\$861,166.04	\$861,166.04	100.0	

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period only and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.

ATTACHMENT 3

Heritage Oaks Bank CD

**Please note that this statement was
unavailable at the time of the
agenda publication and will be forwarded
as soon as it becomes available**



Rabobank

Rabobank, N.A.
P.O. Box 6010
Santa Maria, CA 93456

ATTACHMENT 4

Account Number:
Last Statement: November 30, 2015
This Statement: December 31, 2015
Total days in statement period: 31

Page 1 of 1

RABOBANK
1001 LOS OSOS VALLEY ROAD
LOS OSOS, CA 93402

RETURN SERVICE REQUESTED

LOS OSOS COMM SERVICES DIST
PO BOX 6064
LOS OSOS CA 93412-6064

The upgrade of our existing commercial online banking to the new Rabo Commercial Banking system is coming in March 2016. We're investing in a more robust and user-friendly design to better serve you. You'll also enjoy a seamless connection to other Rabobank receivable, payment and reconciliation tools. Vist rabobankamerica.com/rcb today for more details on the conversion to the new platform.

Public Investment Money Market

Account number		Beginning balance	\$2,095,730.24
Avg collected balance	\$2,095,730.00	Total additions	\$355.99
Interest paid year to date	\$4,547.76	Total subtractions	\$0.00
		Ending balance	\$2,096,086.23

CREDITS

Date	Description	Additions
12-31	INTEREST CREDIT	355.99

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
11-30	2,095,730.24	12-31	2,096,086.23		

INTEREST INFORMATION

Annual percentage yield earned	0.20%
Interest-bearing days	31
Average balance for APY	\$2,095,730.24
Interest earned	\$355.99

Interest for 2015 to be reported to the Internal Revenue Service on your tax return is \$4,547.76.

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total overdraft fees	\$0.00	\$0.00
Total returned item fees	\$0.00	\$0.00

Thank you for banking with Rabobank



Rabobank, N.A.
P.O. Box 6002
Arroyo Grande, CA 93421-6002

Account Number:
Last Statement: October 30, 2015
This Statement: November 30, 2015
Total days in statement period: 31
Page 1 of 1

RABOBANK
1001 LOS OSOS VALLEY ROAD
LOS OSOS, CA 93402

RETURN SERVICE REQUESTED

LOS OSOS COMM SERVICES DIST
PO BOX 6064
LOS OSOS CA 93412-6064

As we approach the end of another year, Rabobank is thankful that you've chosen to spend it with us. We appreciate your business and look forward to being your bank of choice for years to come. Rabobank wishes you and your family the happiest of holiday seasons and a wonderful new year. Happy holidays from your friends at Rabobank!

Public Investment Money Market

Account number		Beginning balance	\$2,095,374.31
Avg collected balance	\$2,095,374.00	Total additions	\$355.93
Interest paid year to date	\$4,191.77	Total subtractions	\$0.00
		Ending balance	\$2,095,730.24

CREDITS

Date	Description	Additions
11-30	INTEREST CREDIT	355.93

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
10-30	2,095,374.31	11-30	2,095,730.24		

INTEREST INFORMATION

Annual percentage yield earned	0.20%
Interest-bearing days	31
Average balance for APY	\$2,095,374.31
Interest earned	\$355.93

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total overdraft fees	\$0.00	\$0.00
Total returned item fees	\$0.00	\$0.00

Thank you for banking with Rabobank



Rabobank

Rabobank, N.A.
P.O. Box 6002
Arroyo Grande, CA 93421-6002

Account Number:
Last Statement: September 30, 2015
This Statement: October 30, 2015
Total days in statement period: 30

Page 1 of 1

RABOBANK
1001 LOS OSOS VALLEY ROAD
LOS OSOS, CA 93402

RETURN SERVICE REQUESTED

LOS OSOS COMM SERVICES DIST
PO BOX 6064
LOS OSOS CA 93412-6064

Is your business benefitting from Rabobank's Treasury Management Services?
We offer a full array of disbursement and collection services designed to help accelerate your company's cash flow and maximize the availability of funds, while providing your customers with more convenient and flexible payment options.
Contact a local banker today or visit rabobankamerica.com to learn more.

Public Investment Money Market

Account number		Beginning balance	\$2,098,095.60
Avg collected balance	\$2,095,540.00	Total additions	\$344.47
Interest paid year to date	\$3,835.84	Total subtractions	\$3,065.76
		Ending balance	\$2,095,374.31

DEBITS

Date	Description	Subtractions
10-06	PHONE/ONLINE TRNSFER - REF 2791325L FUNDS TRANSFER TO DEP 2022384701 FROM	3,065.76

CREDITS

Date	Description	Additions
10-30	INTEREST CREDIT	344.47

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
09-30	2,098,095.60	10-06	2,095,029.84	10-30	2,095,374.31

INTEREST INFORMATION

Annual percentage yield earned	0.20%
Interest-bearing days	30
Average balance for APY	\$2,095,540.80
Interest earned	\$344.47

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total overdraft fees	\$0.00	\$0.00
Total returned item fees	\$0.00	\$0.00

Thank you for banking with Rabobank



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www.rabobankamerica.com

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Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
February 23, 2016

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER
P.O. BOX 6064
LOS OSOS, CA 93412

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

October 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2015	10/14/2015	QRD	1482679	SYSTEM	791.15

Account Summary

Total Deposit:	791.15	Beginning Balance:	982,588.16
Total Withdrawal:	0.00	Ending Balance:	983,379.31

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
February 23, 2016

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER
P.O. BOX 6064
LOS OSOS, CA 93412

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

December 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	983,379.31
Total Withdrawal:	0.00	Ending Balance:	983,379.31

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

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February 23, 2016

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER
P.O. BOX 6064
LOS OSOS, CA 93412

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

November 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	983,379.31
Total Withdrawal:	0.00	Ending Balance:	983,379.31