City of Mission Viejo

Treasurer's Annual Report

Fiscal Year Ended

June 30, 2022

Annual Investment Report

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PORTFOLIO PERFORMANCE AND BENCHMARK COMPARISONS

The City's approach to investments during the year rely on our investment objectives, in order of priority:

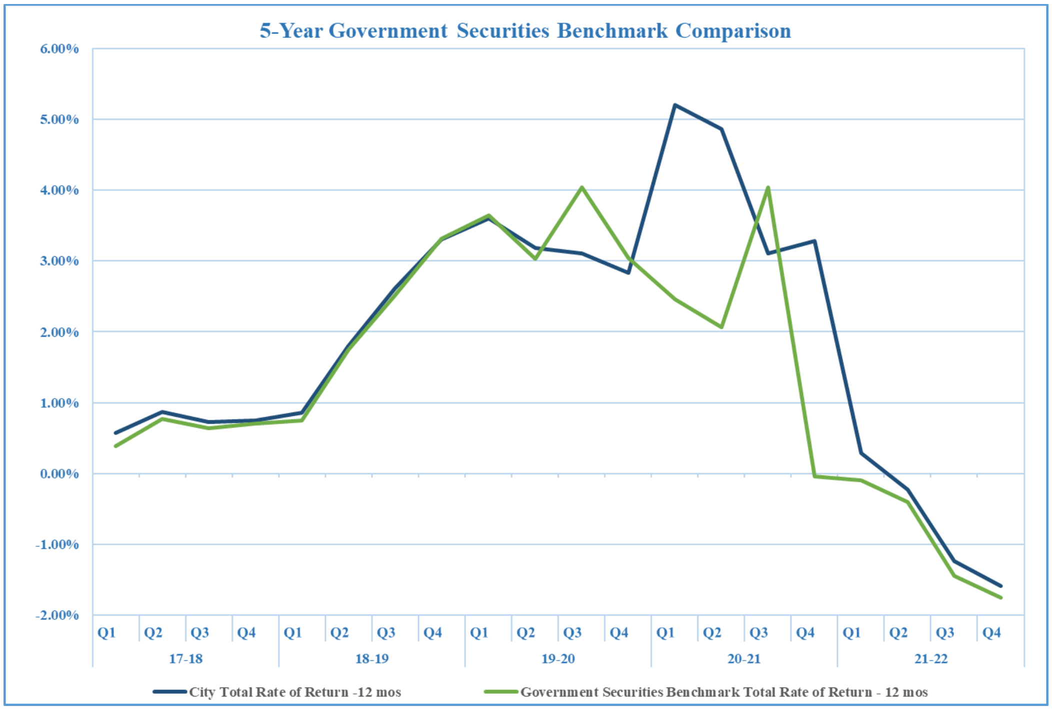
1) Safety of principal, in compliance with applicable laws
2) Maintain sufficient liquidity to meet cash flow needs
3) Attain a market average rate of return consistent with the primary objectives of safety and liquidity

Based on the City's objectives and risk tolerance, a benchmark index is identified that best reflects the composition of securities similar to those allowed by the City's investment policy and represents the manner in which the portfolio is likely to be invested. The performance objective shall be to earn a total rate of return which is approximately equal to the return of the Benchmark Index. The Benchmark Index selected for fiscal year 2021/22 was the Government Securities Index comprised of 60% three-month Treasury Bills; 25% Treasury and Agency securities with maturities greater than one year and up to three years; and 15% Treasury and Agency securities with maturities greater than three years and up to five years. This index provided the short-term liquidity that was prudent to ensure that sufficient resources were available to meet on-going cash flow needs during the year.

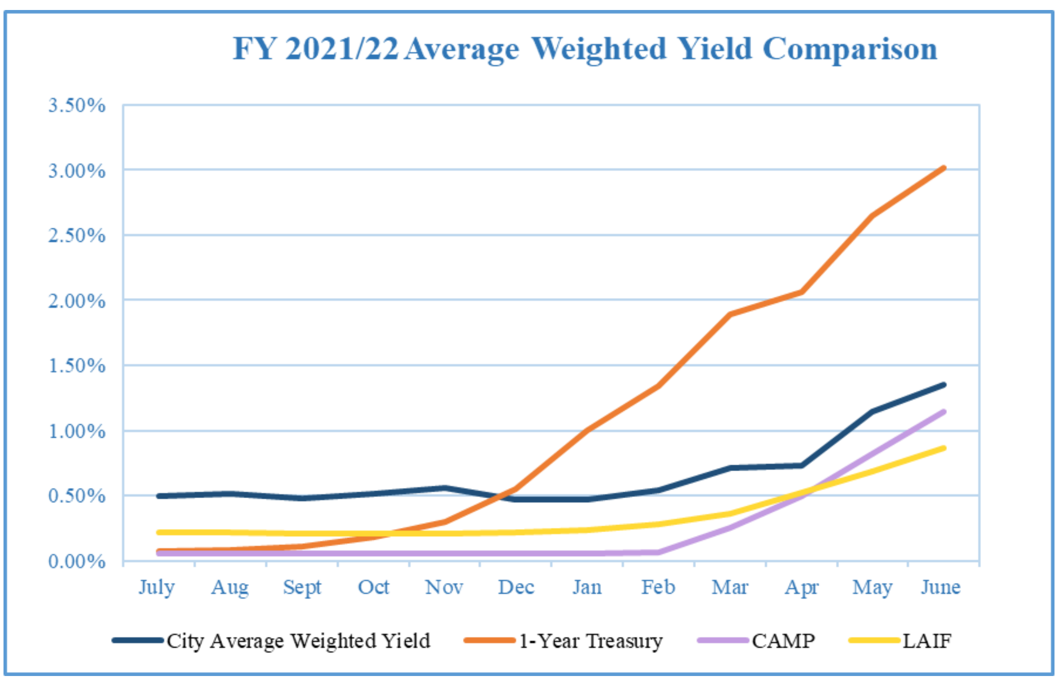
On an average portfolio balance of $47,771,277, the City's average total rate of return for fiscal year 2021/22 was -0.51% compared to the Benchmark Index of -0.76%.

City of Mission Viejo					Benchmark Comparison			
	Cost/Book Value	Average Weighted Days to Maturity	Avg Weighted Yield	Total Rate of Return 12-mos	Government Securities Total Rate of Return - 12 mos	Avg Weighted Yield 1-Year Treasury	Avg Weighted Yield LAIF	Avg Weighted Yield CAMP
July 2021	$ 49,520,865.36	347	0.50%	0.43%	0.03%	0.07%	0.22%	0.05%
Aug 2021	$ 45,740,415.72	376	0.51%	0.38%	0.02%	0.08%	0.22%	0.05%
Sept 2021	$ 43,473,316.37	387	0.48%	0.29%	-0.10%	0.11%	0.21%	0.05%
Oct 2021	$ 39,515,560.00	416	0.51%	0.06%	-0.25%	0.18%	0.20%	0.05%
Nov 2021	$ 30,448,595.04	540	0.56%	-0.03%	-0.26%	0.30%	0.20%	0.05%
Dec 2021	$ 44,192,139.87	376	0.47%	-0.23%	-0.40%	0.55%	0.21%	0.05%
Jan 2022	$ 49,064,609.51	329	0.47%	-0.56%	-0.75%	1.00%	0.23%	0.05%
Feb 2022	$ 47,679,869.92	369	0.54%	-0.62%	-0.77%	1.34%	0.28%	0.06%
Mar 2022	$ 48,545,292.32	416	0.71%	-1.24%	-1.45%	1.89%	0.37%	0.25%
Apr 2022	$ 53,531,932.20	365	0.73%	-1.65%	-1.84%	2.06%	0.52%	0.50%
May 2022	$ 58,465,748.77	460	1.14%	-1.40%	-1.63%	2.65%	0.68%	0.82%
June 2022	$ 63,076,977.26	467	1.35%	-1.59%	-1.75%	3.02%	0.86%	1.14%
Average	**$ 47,771,276.86**	**404**	**0.66%**	**-0.51%**	**-0.76%**	**1.10%**	**0.35%**	**0.26%**

The following chart provides a five-year history of the City's total rate of return compared to the Benchmark Index.



The benchmark comparison exhibit on the previous page also includes comparisons to the 1-year treasury, LAIF and CAMP. The 1-year treasury was selected since our target duration generally hovers around 1.0. LAIF and CAMP were selected as these are the two investment vehicles used by the City for its liquid cash, with LAIF being the preferred investment vehicle. The following chart compares the City's average weighted yield portfolio performance to the 1-year treasury, LAIF and CAMP.



The federal funds rate is an important interest rate in the economy because it affects monetary and financial conditions, which in turn affects the broad economy including employment, growth, inflation, and short-term interest rates. The Federal Open Market Committee (FOMC), the monetary policy-making body of the Federal Reserve System, makes decisions about rate adjustments. The federal funds rate is based on key economic indicators that may show signs of inflation, recession, or other issues. The FOMC meet eight times a year to set the federal funds rate, but can meet more often if the need should arise. The fed funds target rate range was set at 0%-0.25% at the start of the fiscal year 2021/22 in continued response to the pandemic, and the goal to maximize employment and price stability. The federal funds target rate range remained at 0-0.25% until March 2022 when the FOMC raised the target rate range to 0.25-0.50% to mitigate rising inflation due to a strengthened economy and supply chain issues. The FOMC raised its target rate range an additional 0.50% in May and an additional 0.75% in June to a target rate of 1.50%-1.75%. The FOMC reiterated at its June meeting that returning inflation to a 2% rate of inflation is an objective they are strongly committed to. The Fed has stated it will raise rates through 2022 to curb inflation. The increasing target rate range is reflected in the steady upward trend of the City's portfolio performance as well as the other benchmarks during FY 2021/22 in the chart on the previous page.

The Benchmark Index also identifies target duration. Duration is the most commonly used measure of risk in bond investing. Duration incorporates a bond's yield, coupon, and final maturity into one number, expressed in years, that indicates how price sensitive a bond or portfolio is to changes in interest rates. The chart below reflects the benchmark duration to the City's actual duration at the end of each month. Increases in duration is due to purchases of new longer-term investments by the City's investment manager, Chandler Asset Management.

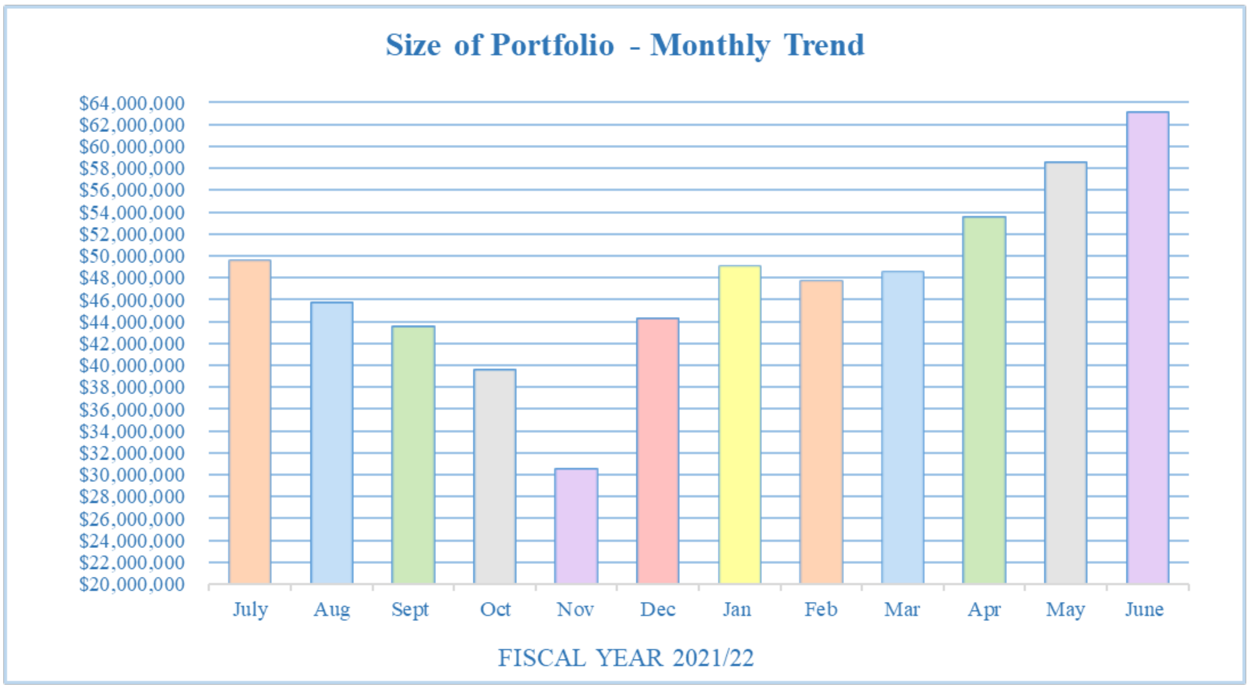
Chandler Asset Management will continue to review the portfolio and make investments to reach the target allocation.

Duration Comparison
FY 2021/22

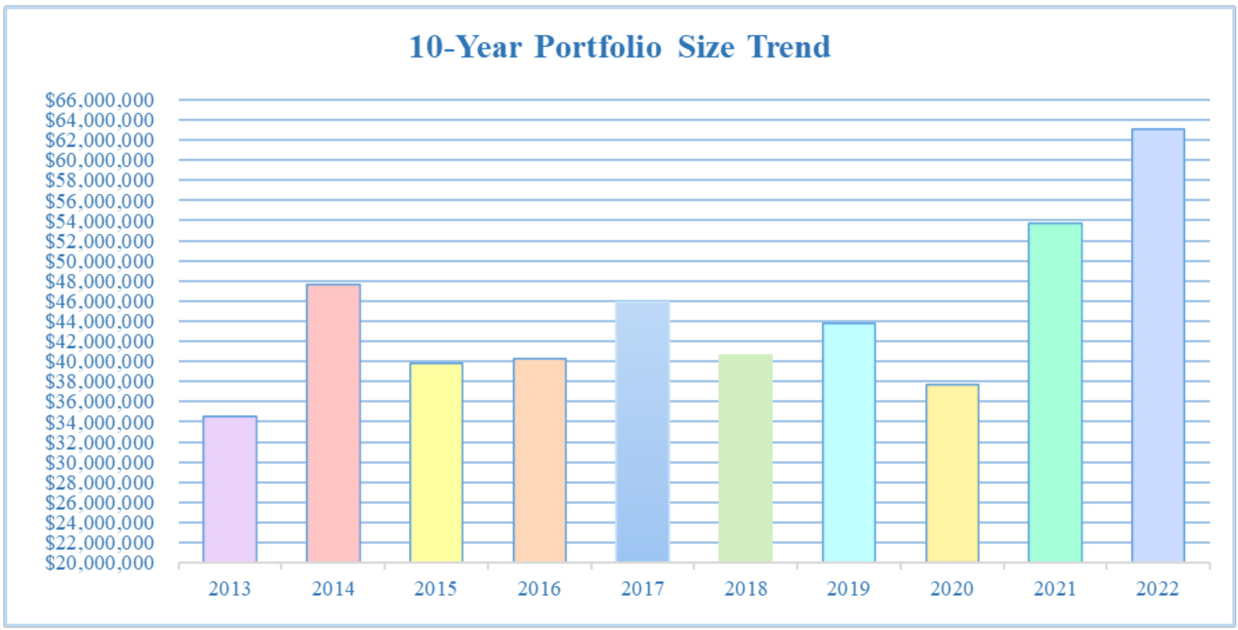
	Duration	Government Benchmark Duration
July	0.88	1.11
August	0.96	1.11
September	0.99	1.11
October	1.06	1.12
November	1.36	1.11
December	0.95	1.11
January	0.83	1.11
February	0.92	1.10
March	1.05	1.10
April	0.91	1.10
May	1.15	1.09
June	1.18	1.09
FY Average	**1.02**	**1.11**

REVIEW OF TRENDS REGARDING THE SIZE OF THE PORTFOLIO

The size of the City's portfolio fluctuates over the course of the fiscal year. The City's portfolio will typically spike in December/January and April/May as a result of significant property tax allocations received in those months. In September 2021, City Council approved the purchase of the former Stein Mart building for $11,900,000. Escrow closed in November 2021 which resulted in a significant decrease in the portfolio. In December 2021, the Mission Viejo Community Development Financing Authority (CDFA) issued bonds to finance Phase 1 of the City's Core Area Vision Project which includes the acquisition of the former Stein Mart building. The City was reimbursed by the CDFA with bond proceeds for the acquisition of the property in January 2022 which resulted in an increase to the portfolio. In March 2021, the President signed the American Rescue Plan Act (ARPA), which provides relief in response to the pandemic. The City received approximately $9.8 million. The first distribution was received in May 2021. The second distribution totaling $4.9 million was received in June 2022.



The City's portfolio balance will fluctuate from year to year depending upon a variety of factors. It is not uncommon for resources to be accumulated in one fiscal year and expended in another fiscal year for completion of major capital projects. In some instances, project funding is provided by the City with reimbursement from grant resources in future fiscal years. The significant increase in the portfolio balance in 2014 is in part due to the receipt of $4.8 million in park development fees that were expended on several park facility projects in the subsequent years. The largest project utilizing these funds was the Marguerite Aquatics Rehabilitation project which began in late 2016 and was substantially completed during the 2018 year, causing the portfolio balance to decline from the 2014 balance. The City purchased Casta del Sol Golf course during FY 2019/20 which resulted in a decrease of the portfolio. As stated above, the City received ARPA funds in FY 20/21 and FY 21/22 which caused the portfolio to increase.



PORTFOLIO RISK MANAGEMENT

Although all investments contain an element of risk, the City's investment policy, procedures, and investment strategies are designed to limit exposure to risk. The different types of risk are discussed below, as they pertain to the portfolio.

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow liquidity needed for operations. The investment policy sets a Benchmark Index for its portfolio. The Benchmark Index has characteristics similar to those of the portfolio in terms of types of securities and maturities. The City manages its exposure to interest rate risk by keeping the average duration of the portfolio in line with the duration of the Benchmark Index. The average duration of the City's portfolio for FY 2021/22 was 1.02 compared to the Benchmark Index of 1.11.

CREDIT RISK

Credit risk is defined as the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of the rating by a nationally recognized statistical rating organization. The City mitigates credit risk by adopting the following strategies:

- Diversify investments so that potential losses on individual securities can be minimized.
- Limit the types of investments the City can hold.
- Limit investment in securities of any single issuer to no more than 5% of the City's total portfolio.
- Require a minimum rating measured by at least one nationally recognized statistical rating organization.
- Pre-qualify financial institutions and broker/dealers for competitive bidding of investments.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments, other than as follows. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of secured public deposits. The investment policy requires delivery vs. payment procedures and that all securities be held in safekeeping by a third-party bank trust department.

As of June 30, 2022, all of the City's deposits with financial institutions in excess of federal depository insurance limits were collateralized by an interest in an undivided collateral pool as required by State law.

MARKET RISK

Market risk is defined as the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds which are not needed for cash flow purposes. The City further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments.

PORTFOLIO COMPOSITION

PERMITTED INVESTMENTS

The City's investment policy list of permitted investments includes U.S. Treasury securities, securities issued by U.S. Government agencies, banker's acceptances, federally insured and collateralized time deposits, negotiable certificates of deposit, repurchase agreements, commercial paper, and supranationals. The City's portfolio only included those investment allowed in the Investment Policy during fiscal year 2021/22.

The table below identifies the investment types that are authorized by the City's Investment Policy. The table also identifies certain provisions of the investment policies that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Securities	5 years	100%	None
US Government Sponsored Entities Securities (FFC, FHLB, FNMA, FHLMC)	5 years	100%	25% of total portfolio
Banker's Acceptances	180 days	40%	5% of total portfolio
Federally Insured Time Deposits	5 years	20%	Maximum covered under federal insurance
Collateralized Time Deposits	5 years	20%	N/A
Negotiable Certificates of Deposit	5 years	30%	5% of total portfolio
Certificate of Deposit Placement Service	5 years	30%	N/A
Repurchase Agreements	1 year	100%	N/A
Commercial Paper	270 days	25%	5% of total portfolio
Local Agency Investment Fund	N/A	$65 million	N/A
Orange County Investment Pool	N/A	10%	N/A
California Asset Management Pool	5 years	15%	5% of market value of total assets in investment pool
Mutual Funds & Money Market Mutual Funds	N/A	20%	10% of total portfolio
Municipal Securities	5 years	30%	5% of total portfolio
Supranationals	5 years	30%	10% of total portfolio
Corporate Medium Term Notes	5 years	30%	5% of total portfolio
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities	5 years	20%	5% of total portfolio

The Investment Policy requires annual disclosure of investment practices of investment pools and government money market funds in which the City participates that differ from the City's own policies.

LAIF

The City may not invest directly in reverse repurchase agreements, however it should be noted that the State Treasurer's Statement on Portfolio Management Goals, Objectives and Policies allows reverse repurchase agreements up to ten percent of the State's total portfolio of approximately $234.5 billion. The Local Agency Investment Fund (LAIF) program constitutes approximately 15.2% of that portfolio. All reverses in the State's portfolio are cash matched either to the maturity of the re-investment or an adequately positive cash flow date which is approximate to the maturity of the reinvestment. In addition, only securities already held in the portfolio and unencumbered may be reversed. No item purchased against a reverse will be used as a reversible security while the original reverse is outstanding. As of June 30, 2022, the State's total portfolio did not include any reverse repurchase agreements.

The State pool also allows investment in Bank Notes, Corporate Bonds, Structured Notes, Pooled Loans and Strips, investment vehicles not permitted in the City's 2021/22 investment policy. Bank Notes are senior, unsecured promissory notes issued in the United States on either an underwritten or continuously-offered basis by domestic commercial banks. The Notes represent senior debt of the bank and have a maximum maturity of one year. Bank Notes are not deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other insurer. The State had $100 million in Bank Notes in their portfolio, 0.04% of total portfolio holdings. The State's investment in Corporate Bonds is limited to "blue chip" companies with credit ratings within the top three ratings of a nationally recognized rating service, nothing lower than an "A" rated company. There is no limit on what percent of its portfolio may be invested in these instruments. There is no maximum maturity either; however, the State's practice is to keep the maturities at five years or less. As of June 30, 2022, the State had $492.7 million in Corporate Bonds, 0.21% of total portfolio holdings. Structured notes are debt securities whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises or an international agency such as the World Bank. As of June 30, 2022, the State held $2.35 billion in structured notes, 1.0% of total portfolio. Asset-backed securities entitle the purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages, small business loans, or credit card receivables. As of June 30, 2022, the State held $2.05 billion (0.88% of portfolio) of asset-backed securities. Pooled Loans represent interim financing to State agencies with pending, publicly approved bond issues. These loans have a maximum maturity of one year. As of June 30, 2022, the State had $828.2 million, or 0.35% of portfolio, outstanding in Pooled Loans. U.S. Treasury STRIPS (Separate Trading of Registered Interest and Principal of Securities) are issued by the Treasury as zero-coupon bonds and represent the principal or interest coupon payments from selected Treasury notes and bonds. The value of STRIPs is based on the interest rate market and is not based on the value of the underlying securities. As of June 30, 2022, the State did not own any STRIPs.

LAIF reports a factor representing the Agency's participation in market value changes in the LAIF pool. The reporting of balances on deposit with LAIF reflects this factor. On June 30, 2022 LAIF market value was 98.7% of the amortized cost. As previously stated, LAIF funds now represent 15.2% of the State's portfolio. During this fiscal year, the State portfolio has increased in size from $193.3 billion at June 30, 2021 to $234.5 billion at June 30, 2022. LAIF membership has remained at 2,387 participants as of June 2022. LAIF balances have decreased from $37.1 billion to $35.8 billion during that time frame.

CAMP

California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. CAMP is rated AAAm by Standard & Poor's and is managed to maintain a dollar-weighted average portfolio maturity of 90 days or less and seeks to maintain a constant net asset value (NAV) of $1.00. At June 30, 2022, CAMP's weighted average maturity was 28 days. CAMP can only invest in securities authorized for investment by the California Government Code. As of June 2022, CAMP had about $7.3 billion in deposits under its management in the Cash Reserve Portfolio. CAMP is professionally managed by PFM Asset Management LLC and is directed by a Board of Trustees composed of experienced local government finance directors and treasurers. The fund invests primarily in U.S. Treasury and Federal agency securities and repurchase agreements secured by such obligations. The fund may also invest in bankers' acceptances, commercial paper, certificates of deposit and U.S. government-supported corporate debt. While the Trust seeks to maintain a stable net asset value of $1.00 per share, it is possible to lose money investing in the Trust. The fund is not insured or guaranteed by the U. S. Government or any other government agency.

MONEY MARKET FUNDS

The City investment policy permits investment in "mutual funds invested in U.S. Government securities permitted under this policy and under the California Government Code Section 53601 with final stated maturities of one year or less." The City has investments in First American Money Market Government Obligation Fund – Y Class. The First American Money Market Government Obligation Fund was established in 1990. This is a money fund that invests in very short-term Treasury and Agency debt. It is rated AAA by all three rating agencies (Moody's, S&P, and Fitch). An S&P rated money market fund has a weighted average maturity (WAM) of no longer than 60 days. Moody's does not have an explicit limit. Their rating is determined by Moody's scorecard. To achieve an AAAm rating from Moody's a money fund must demonstrate a "very strong ability to meet the dual objectives of providing liquidity and preserving capital."

These funds contain language in their prospectuses that allows investment in repurchase agreements, reverse repurchase agreements and lending of portfolio securities. The City's investment policy prohibits City investment staff from investing directly in reverse repurchase agreements and from doing securities lending but allows pool or fund managers to do so, provided the Treasurer can adequately judge the risk and provided disclosure is made annually of such practices (Section III. A.14.e.). The investment policy limits repurchase agreements to 10% of portfolio and maturities to 30 days. Prospectus language is typically a uniform platform with broad statements intended to provide shareholder information for various government money funds within the company. The actual practice of each portfolio works within much narrower constraints. First American makes extensive use of repurchase agreements and comply with the State of California provisions, e.g., repurchase agreements will have a term no longer than one year and will be collateralized at 102% or better. In practice, repurchase agreements are typically overnight in nature. Although the funds assert that prospectus language does not reflect internal policies, their legal obligations are limited to the language contained in the official prospectus.

PORTFOLIO DIVERSIFICATION

The Investment Policy establishes limits on the percentage of the portfolio that can be invested in each permitted investment to insure proper diversification and mitigate credit risk. The following table illustrates the diversification of the City's portfolio during FY 2021/22. The portfolio was diversified in accordance with the policy limitations throughout the fiscal year.

	US Treasury Securities	FHLB Agency Securities	FFCB Agency Securities	FNMA Agency Securities	FHLMC Agency Securities	Total Agency Securities	IBRD Supranational Securities
Maximum	100%	25%	25%	25%	25%	100%	30%
FY Avg	26.9%	2.6%	0.9%	1.5%	5.5%	10.6%	2.0%
July	20.5%	4.1%	0.4%	1.5%	5.2%	11.2%	1.3%
August	23.3%	4.4%	0.5%	1.6%	5.6%	12.1%	1.4%
September	24.4%	3.2%	0.5%	1.7%	5.9%	11.3%	2.3%
October	26.2%	3.5%	0.6%	1.8%	6.5%	12.4%	2.5%
November	32.7%	3.1%	0.7%	2.4%	8.4%	14.6%	3.3%
December	23.8%	2.1%	0.5%	1.6%	5.8%	10.1%	2.3%
January	20.5%	1.9%	0.8%	1.5%	5.2%	9.4%	2.0%
February	23.2%	2.0%	1.9%	1.5%	5.4%	10.7%	2.1%
March	27.5%	1.9%	1.8%	1.5%	5.3%	10.5%	2.0%
April	24.8%	1.7%	1.2%	1.3%	4.8%	9.0%	1.8%
May	36.5%	1.6%	1.1%	1.2%	4.4%	8.3%	1.7%
June	39.6%	1.5%	1.0%	1.1%	3.7%	7.3%	1.6%

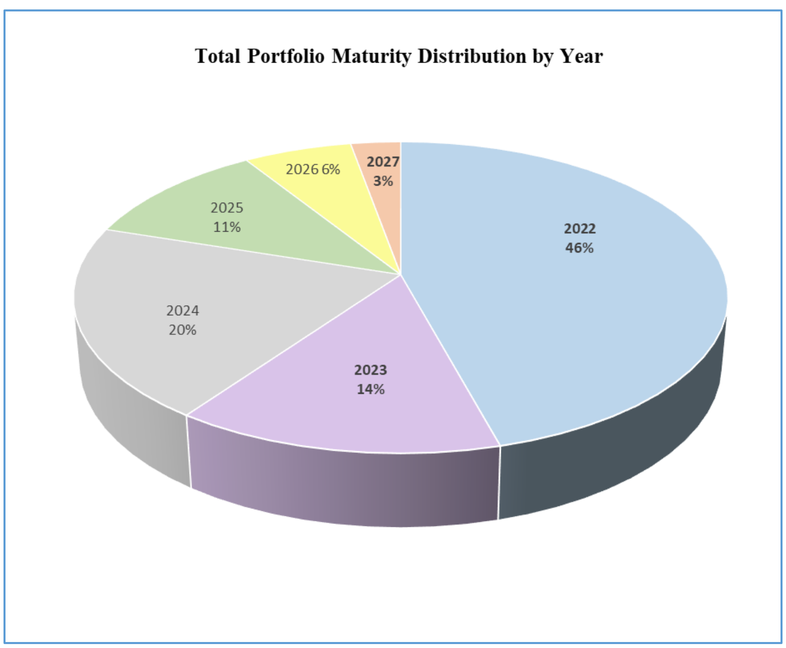
	LAIF	Camp	Government Money Market Funds	Corporate Notes	ABS	CMO	Negotiable CD	Commercial Paper
Maximum	65M	15%	20%	30%	20%	20%	30%	25%
FY Avg	40.7%	2.5%	2.0%	8.7%	3.0%	1.2%	1.6%	0.8%
July	51.4%	2.3%	1.1%	7.1%	2.3%	1.4%	0.5%	0.9%
August	47.4%	2.5%	0.6%	7.5%	2.5%	1.3%	0.6%	0.9%
September	44.6%	2.6%	1.6%	7.5%	2.7%	1.4%	0.6%	1.0%
October	39.1%	2.9%	2.3%	8.3%	3.0%	1.5%	0.6%	1.1%
November	20.9%	3.8%	3.2%	11.3%	4.4%	2.0%	3.9%	0.0%
December	45.5%	2.6%	0.0%	7.8%	2.9%	1.3%	2.7%	1.1%
January	51.1%	2.4%	0.4%	7.0%	2.8%	1.2%	2.4%	1.0%
February	45.5%	2.4%	1.2%	7.3%	3.0%	1.2%	2.5%	1.0%
March	40.2%	2.4%	0.2%	9.5%	3.1%	1.1%	2.5%	1.0%
April	36.5%	2.2%	11.2%	8.8%	2.9%	0.9%	0.9%	0.9%
May	33.1%	2.0%	1.4%	11.2%	3.5%	0.8%	0.8%	0.8%
June	33.3%	1.9%	0.2%	11.7%	3.2%	0.6%	0.8%	0.0%

MATURITY DIVERSIFICATION

The City mitigates market risk and interest rate risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds which are not needed for cash flow purposes. The City requires one month of budgeted operating and capital expenditures in short-term investments. The following table reflects a summary of investment maturities by calendar year as of June 30, 2022.

	US Treasury Securities	Agency Securities	IBRD Supranational Sccurities	LAIF	Camp	Government Money Market Funds
Par Value	$ 25,200,000	$ 4,630,000	$ 990,000	N/A	N/A	N/A
Cost Value	25,082,389	4,666,847	1,014,014	20,824,240	1,143,550	103,174
2022	5,762,360	129,706	-	20,824,240	1,143,550	103,174
2023	4,489,824	2,552,607	154,667	-	-	-
2024	7,220,426	626,068	859,347	-	-	-
2025	3,114,041	1,358,466	-	-	-	-
2026	3,039,762	-	-	-	-	-
2027	1,455,977	-	-	-	-	-

	Corporate Notes	ABS Asset Backed Securities	CMO Collateralized Mortgage Obligation	Negotiable CD	Total Portfolio
Par Value	$ 7,405,000	$ 2,020,983	$ 384,318	$ 475,000	N/A
Cost Value	7,352,316	2,023,010	392,669	474,768	63,076,977
2022	196,942	-	35,259	474,768	28,670,000
2023	1,385,722	34,229	357,410		8,974,459
2024	3,687,786	363,224		-	12,756,850
2025	1,951,970	545,723	-	-	6,970,201
2026	129,896	734,910			3,904,568
2027	-	344,924	-	-	1,800,900



INVESTMENT INCOME

Close of the accounting records for FY 2021/22 is in progress. The estimated investment income for FY 2021/22 is projected to be $397,035 compared to $420,332 in FY 2020/21, a projected decrease of $23,297 due to significantly lower yields. Investment income includes interest earned and realized gains and losses on all demand deposit accounts and investments.

The Governmental Accounting Standards Board Statement 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools”, establishes rules for reporting investment valuation. The Statement generally requires governmental entities to report investments at fair value in the City’s external financial statements and to reflect the related unrealized gains and losses as a component on investment income. Investments reported in the Annual Investment Report are reported at cost and therefore, investment income for this report do not include unrealized gains and losses; however, unrealized gains and losses are included in the City’s Annual Comprehensive Financial Report (ACFR) in compliance with United States Generally Accepted Accounting Principles (GAAP).

ANTICIPATED INVESTMENT ACTIVITY

The City's cash flow projection for fiscal year 2022/23 is based on the adopted budget and prior year historical cash flows. The projection shows that the portfolio balance will increase by $387,657 during fiscal year 2022/23.

Capital projects expected to be completed during fiscal year 2022/23 include, Sidewalk Repair, Residential Street Resurfacing, Arterial Highway Resurfacing and Slurry Seal, Civic Center EV Charging Stations, Santa Margarita Pkwy Traffic Signal Synchronization, Catch Basin Debris Screens-Northerly Area, Crown Valley Parkway Traffic Signal Synchronization, Audible Pedestrian Push Button Systems, Marty Russo Youth Athletic Park Lights, Madrid Fore Playground Rehabilitation, and Library Roof Underlay Replacement. $7.72 million has been budgeted for these projects. In fiscal year 2022/23, it will be the City's policy to maintain a minimum of six months of budgeted operating and capital expenditures in short-term investments to provide sufficient liquidity for expected disbursements. Based on cash flow requirements and with the help of Chandler, the City's investment plan will be to maintain sufficient short-term liquidity for planned expenditures and invest excess resources to match the benchmark index.

Cash Flow Forecast
Fiscal Year 2022-23

	Revenue	Expenditure	Change to Portfolio	
			Cash & Investments @ 6/30/22	$ 65,589,729
July	$ 3,874,891	$ 8,663,375	$ (4,788,483)	60,801,246
August	4,406,479	7,540,864	(3,134,385)	57,666,861
September	3,873,344	6,059,683	(2,186,339)	55,480,522
October	2,906,515	7,311,103	(4,404,588)	51,075,934
November	8,023,663	17,665,631	(9,641,967)	41,433,967
December	21,076,003	9,390,856	11,685,147	53,119,114
January	8,931,078	6,244,784	2,686,294	55,805,408
February	4,290,244	6,429,736	(2,139,492)	53,665,916
March	6,623,397	5,600,121	1,023,277	54,689,192
April	10,310,011	7,383,427	2,926,584	57,615,776
May	10,316,897	6,308,225	4,008,672	61,624,448
June	8,642,420	4,289,482	4,352,938	65,977,386
Total	**93,274,942**	**92,887,285**	**387,657**	

INVESTMENT POLICY COMPLIANCE

As City Treasurer of the City of Mission Viejo, I certify that I have complied with the annual Investment Policy adopted by the City Council effective September 14, 2021.

DocuSigned by:
Cheryl Dyas
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Cheryl Dyas
Director of Administrative Services/
City Treasurer

8/12/2022

Date