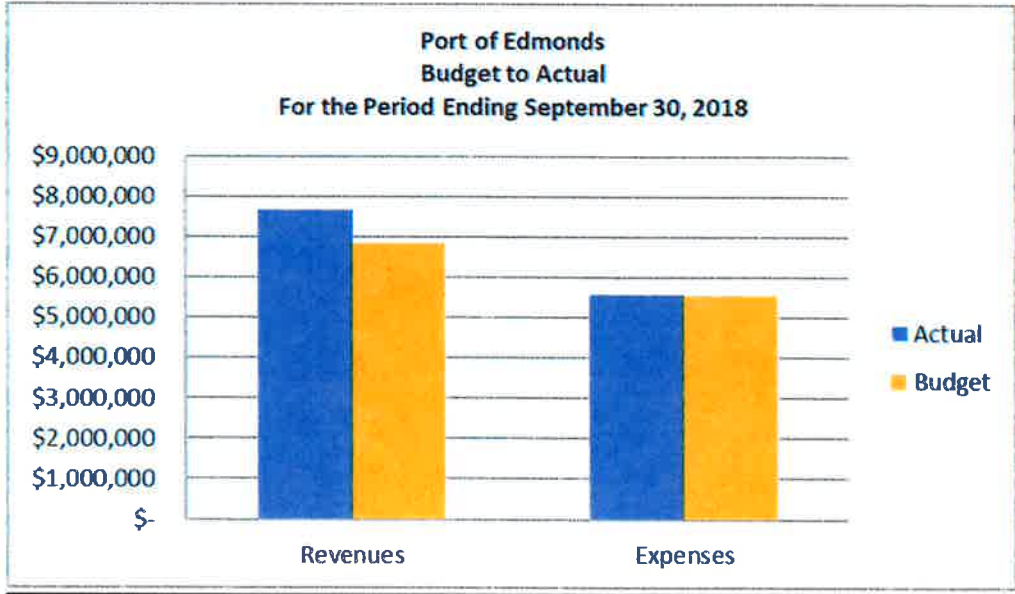


Net income has been trending upwards.



Actual revenues are approximately \$840,000 greater than budget. Actual expenses are approximately \$41,000 greater than budget.

Gross profit (revenues less cost of goods sold) for the nine month period ending September 30, 2018, was \$6,206,000, which is approximately \$482,000 or 8% greater than budget. Net income for the same period was \$2,099,000.

Marina Operations Revenue Actual to Budget:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Fuel Sales, Net	222,777	175,000	47,777	27.30%
Launcher	89,167	66,000	23,167	35.10%
Permanent Moorage	2,623,735	2,512,500	111,235	4.43%
Dry Storage Revenue	555,828	513,000	42,828	8.35%
Parking	72,666	43,500	29,166	67.05%

Rental Properties Revenue Actual to Budget:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Harbor Square Property	1,582,351	1,465,125	117,226	8.00%
Anthony's	226,018	216,000	10,018	4.64%
Landing	92,532	81,750	10,782	13.19%

Operating expenses before depreciation for the nine month period were \$3,239,000, which is approximately \$364,000 or 10% less than budget.

Operating Expenses Actual to Budget:

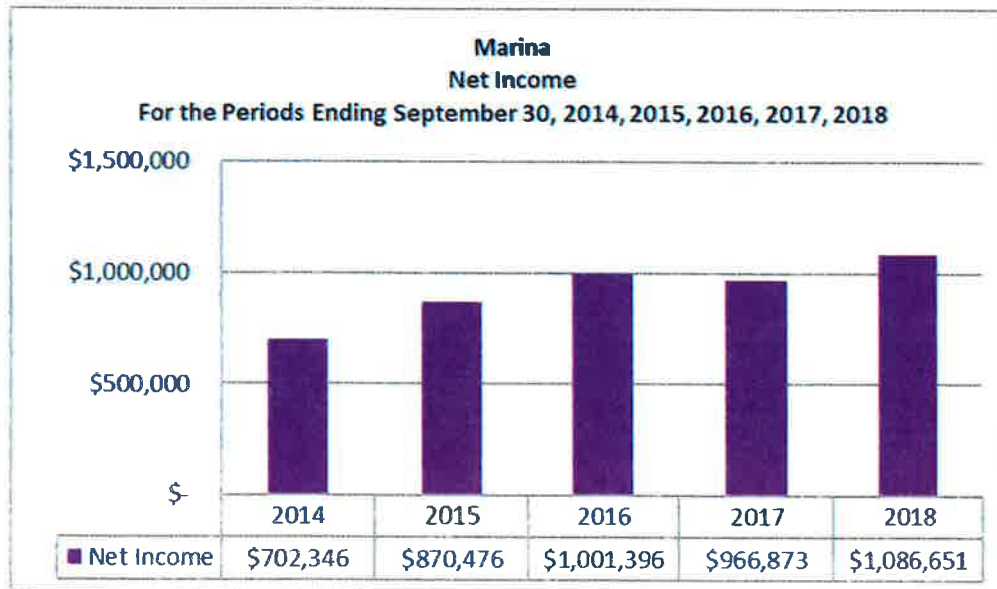
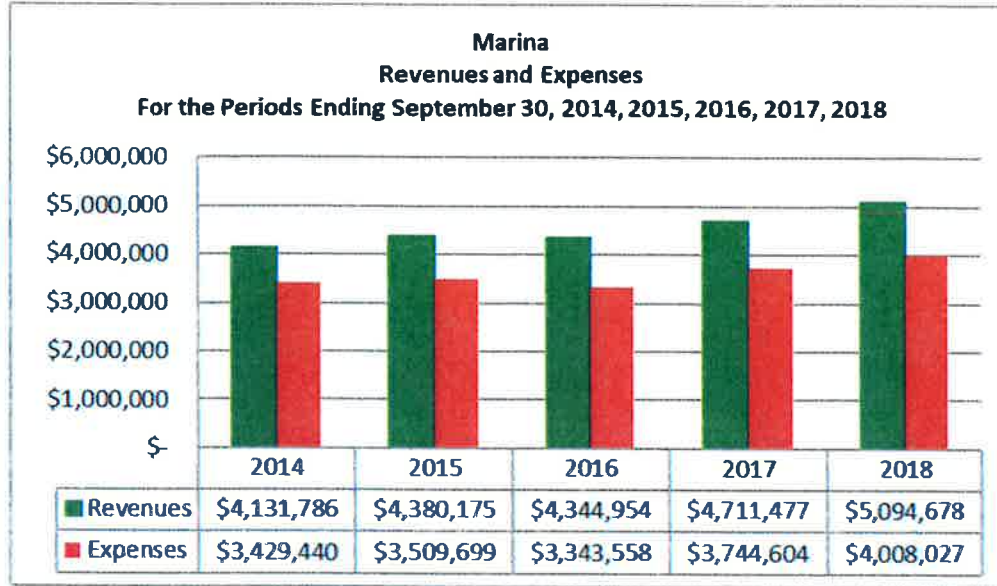
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Other Cost of Goods Sold	46,486	93,750	47,264	50.41%
Audit	870	26,000	25,130	96.65%
Employee Benefits	496,056	533,241	37,185	6.97%
Professional Fees	136,445	158,250	21,805	13.78%
Repair & Maintenance	137,658	305,750	168,092	54.98%
Salaries & Wages	1,475,022	1,510,500	35,478	2.35%
Supplies	166,040	189,750	23,710	12.50%
Utilities	292,051	316,500	24,449	7.72%
Depreciation	1,148,123	1,173,000	24,877	2.12%

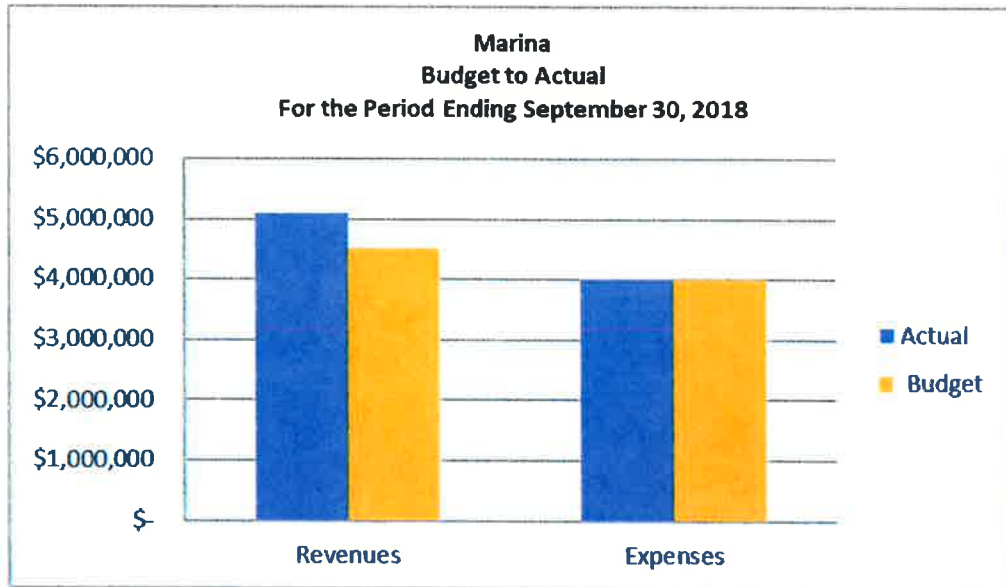
Non-Operating Items – Expenses (Revenues):

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Interest Income	(164,613)	(94,500)	70,113	74.19%
(Gain)/Loss on Fixed Assets	164,625	0	(164,625)	N/A
(Gain)/Loss on Investments	(16,598)	0	16,598	N/A

Net income for the nine months ending September 30, 2018 was \$2,099,000, which is approximately \$800,000 greater than budget.

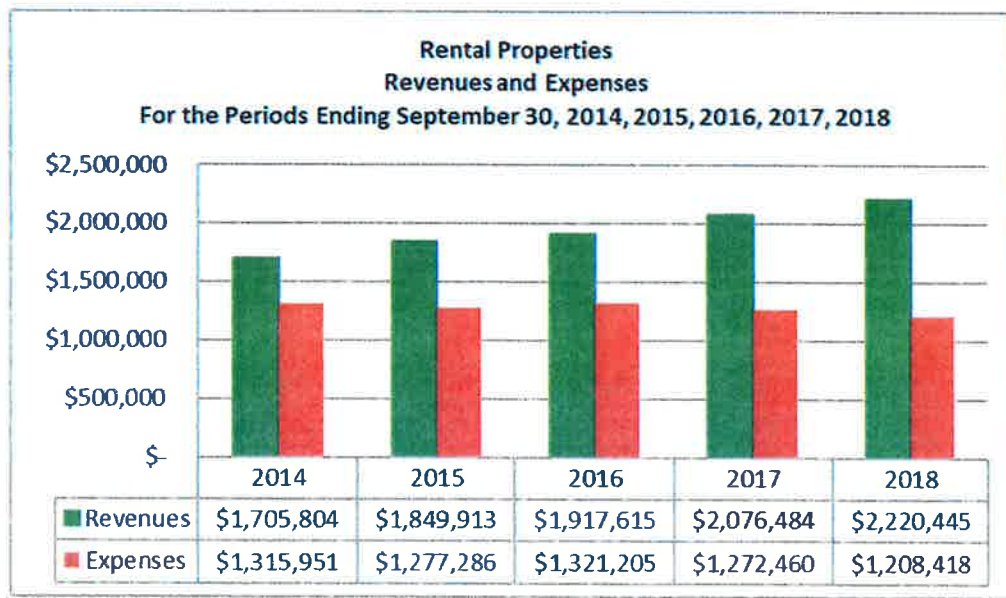
Marina Actual to Budget:

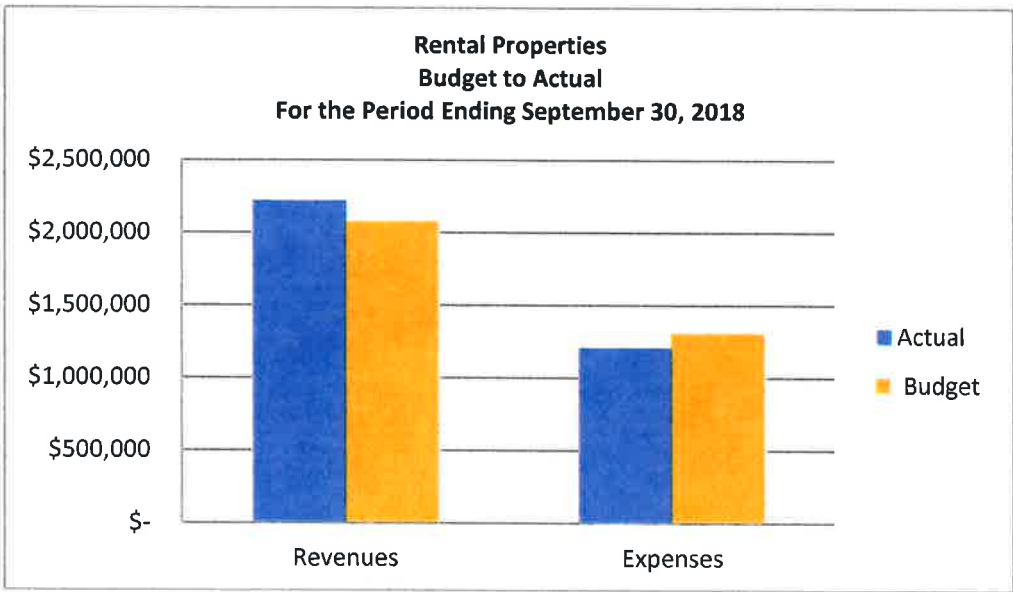
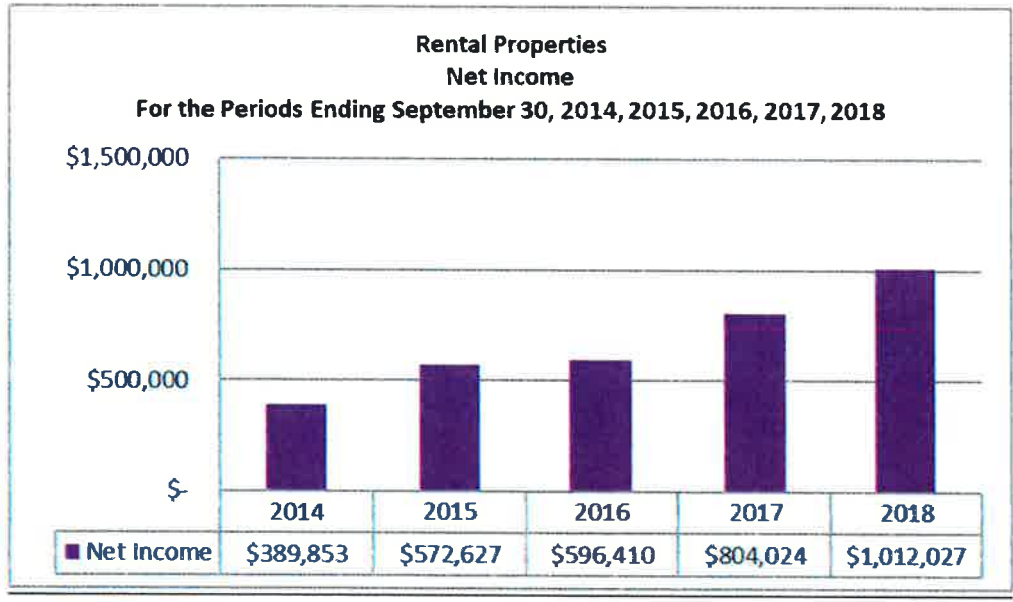




	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	5,057,178	4,481,750	575,428	12.84%
Operating Expenses Before Depr, O/H	1,765,293	1,882,494	(117,201)	-6.23%
Net Income	1,086,652	521,631	565,021	108.32%

Rental Property Actual to Budget:





	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	2,084,549	1,945,875	138,674	7.13%
Operating Expenses Before Depr, O/H	416,291	489,500	(73,209)	-14.96%
Net Income	1,012,027	772,375	239,652	31.03%

Investing Summary:

- The Port has 16 long-term investments. The first matured in November 2018.
- One bond matured in August 2018. The Port held the bond for 9 months with a yield of 1.406%. Interest on liquid funds rose from 1.05% in November to 1.75% in August. The Port would have likely earned a similar amount of interest in liquid funds or in the investment.
- The Port purchased a \$500,000, 48 month bond in August with a 2.88% yield.
- The Port earned interest of \$164,613 in the first three quarters of 2018, which is 88% greater than same period in 2017.
- The Capital Replacement Reserve is currently \$8,495,334, with a part of the reserve in cash reserves, and part invested long term.
- The Port has \$1,816,950 remaining in outstanding debt. \$1,356,701 of that is due within one year.

TVI Platinum Report

Attached to the quarterly reports this month is TVI's Platinum Report for the Port of Edmonds. TVI (Time Value Investments) is the Port's broker for long term investments. Items of note are as follows:

1. Page 2 of the report shows that the Port has all of its long term bonds in agencies.
 2. The weighted average yield to maturity for the portfolio is 1.75%. This is similar to the Fed Funds 1 year average, which is similar to the liquid interest rate the Port is able to obtain.
 3. The weighted average maturity is 2.26 years. TVI recommends that we maintain an average maturity of 2-3 years. An average maturity over 3 years, they say is too long and an average maturity under 2 is a defensive position.
- Most of the time, long term investment portfolios outperform liquid investments. Occasionally they don't, which is during rapid increase environments like we are in now. However, the Port purchased some of the bonds 4 years ago, when liquid funds were only earning .2%. As the bonds mature, the Port will reinvest in securities with higher interest rates.
 - Page 7 of the report shows the agency distribution. 50% of the Port's investments are in Federal Farm Credit Bank. This is not of concern because the US Treasury is expected to back all agency bonds.

PORT OF EDMONDS
INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	YEAR TO DATE		
	ACTUAL	CURRENT BUDGET	PRIOR YEAR
REVENUES:			
MARINA OPERATIONS:			
REVENUE:			
CONCESSIONS	\$49	0	58
ELECTRICAL FEES	105,176	102,000	104,799
ENVIRONMENTAL FEES	82,684	79,500	81,719
ENVIRONMENTAL FEE - WORKYARD	21,756	17,250	18,647
FUEL SALES	1,109,956	756,000	898,571
LAUNCHER	89,167	66,000	88,964
MISCELLANEOUS	64,602	61,500	75,981
GUEST MOORAGE	157,725	147,000	167,256
PERMANENT MOORAGE	2,623,735	2,512,500	2,481,596
PASSENGER FEES	23,956	19,000	13,284
DRY STORAGE REVENUE	555,828	513,000	523,024
PARKING	72,666	43,500	55,374
TRAVELIFT	102,760	93,000	92,575
WORKYARD	82,305	76,000	82,682
MARINA LATE FEES	24,297	25,500	26,399
GROSS REVENUE	<u>5,116,662</u>	<u>4,511,750</u>	<u>4,710,929</u>
COST OF GOODS SOLD:			
COST OF SALES	46,486	93,750	15,714
ELECTRICAL PURCHASES	51,936	54,000	51,919
FUEL & OIL	887,179	581,000	708,146
LOAN-A-SLIP CREDITS	9,666	5,250	11,939
TOTAL COST OF GOODS SOLD	<u>995,267</u>	<u>734,000</u>	<u>787,718</u>
GROSS PROFIT: MARINA OPER.	<u>4,121,395</u>	<u>3,777,750</u>	<u>3,923,211</u>
RENTAL PROPERTIES:			
HARBOR SQUARE PROPERTY	1,582,351	1,465,125	1,444,069
ANTHONY'S	226,018	216,000	217,787
EDMONDS YACHT SALES	2,757	3,000	2,675
HARBOR SQUARE ATHLETIC CLUB	97,369	96,750	94,533
POE 2 LLC	40,409	40,500	39,424
LANDING	92,532	81,750	81,696
YACHT CLUB	42,970	42,750	41,645
TOTAL RENTAL PROPERTIES	<u>2,084,406</u>	<u>1,945,875</u>	<u>1,921,829</u>
GROSS PROFIT	<u>6,205,801</u>	<u>5,723,625</u>	<u>5,845,040</u>

Note: The Marina Budget and the Rental Properties Budget will not equal the total budget because overhead is allocated by expense category and then allocated a second time to marina and rental property.

PORT OF EDMONDS
INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	YEAR TO DATE		
	ACTUAL	CURRENT BUDGET	PRIOR YEAR
OPERATING EXPENSES:			
AUDIT	\$870	26,000	0
ADVERTISING	2,486	7,875	4,057
ADVERTISING - MARKETING - MARI	7,148	8,250	9,110
AUTO AND EQUIPMENT FUEL	15,627	13,875	13,211
BANK CHARGES	4,873	4,125	3,933
BUSINESS TAXES	19,163	15,375	17,637
CLAIMS & DAMAGES	10,104	10,500	6,521
COMMUNICATIONS	7,062	13,500	17,548
ECONOMIC DEVELOPMENT & TOURISM	20,662	15,000	13,862
EDUCATION & TRAINING	8,933	17,000	15,453
EMPLOYEE BENEFITS	496,056	533,241	450,002
HAZARDOUS WASTE DISPOSAL	8,484	15,750	16,411
INSURANCE	135,728	136,500	136,397
LICENSES & PERMITS	2,830	2,250	1,928
MARKETING	17,358	14,125	5,615
MASTER BUSINESS PLAN	2,958	0	14,660
MEALS	1,892	4,500	2,661
MEMBERSHIP DUES	12,735	12,750	12,539
MISCELLANEOUS	65	1,125	1,071
OFFICE	66,921	62,250	48,510
PAYROLL TAXES	156,775	167,250	141,801
PROMOTIONAL HOSTING	343	3,750	757
PROFESSIONAL FEES	136,445	158,250	153,445
RENT	10,000	9,750	9,709
REPAIR AND MAINTENANCE	137,658	305,750	253,008
SALARIES AND WAGES	1,475,022	1,510,500	1,310,724
SUPPLIES	166,040	189,750	154,290
TENANT IMPROVEMENTS	228	2,250	2,090
TRAVEL	13,912	15,375	13,134
UNIFORMS	8,152	9,000	6,090
UTILITIES	292,051	316,500	299,020
OPERATING EXPENSES BEFORE DEPR DEPRECIATION	3,238,581	3,602,116	3,135,194
	1,148,123	1,173,000	1,215,315
TOTAL OPERATING EXPENSES	4,386,704	4,775,116	4,350,509
INCOME FROM OPERATIONS	1,819,097	948,509	1,494,531
OTHER EXPENSE (INCOME):			
INTEREST EXPENSE	46,729	43,500	107,865
INTEREST INCOME	(164,613)	(94,500)	(87,324)
(GAIN)/LOSS ON FIXED ASSETS	164,625	0	0
CHANGE IN FAIR VALUE OF INVEST	(16,598)	0	0
OPERATING GRANTS	(4,500)	0	0
PROPERTY TAXES	(305,223)	(300,000)	(304,042)
OTHER EXPENSE (INCOME), NET	(279,580)	(351,000)	(283,501)
NET INCOME	\$2,098,677	1,299,509	1,778,032

ote: The Marina Budget and the Rental Properties Budget will not equal e total budget because overhead is allocated by expense category and then located a second time to marina and rental property.

PORT OF EDMONDS
MARINA INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	YEAR TO DATE		
	ACTUAL	CURRENT BUDGET	PRIOR YEAR
REVENUES:			
MARINA OPERATIONS:			
REVENUE:			
CONCESSIONS	\$49	0	58
ELECTRICAL FEES	105,176	102,000	104,799
ENVIRONMENTAL FEES	82,684	79,500	81,719
ENVIRONMENTAL FEE - WORKYARD	21,756	17,250	18,647
FUEL SALES:ENVI	1,109,956	756,000	898,571
LAUNCHER	89,167	66,000	88,964
MISCELLANEOUS	30,478	31,500	46,165
GUEST MOORAGE	157,725	147,000	167,256
PERMANENT MOORAGE	2,623,734	2,512,500	2,481,595
PASSENGER FEES	23,956	19,000	13,284
DRY STORAGE REVENUE	555,829	513,000	523,024
PARKING	47,306	43,500	48,239
TRAVELIFT	102,760	93,000	92,575
WORKYARD	82,305	76,000	82,682
LATE FEES	24,297	25,500	26,399
GROSS REVENUE	<u>5,057,178</u>	<u>4,481,750</u>	<u>4,673,977</u>
COST OF GOODS SOLD:			
COST OF SALES	46,486	93,750	15,714
ELECTRICAL PURCHASES	51,936	54,000	51,919
FUEL & OIL	887,179	581,000	708,146
LOAN-A-SLIP CREDITS	9,666	5,250	11,939
TOTAL COST OF GOODS SOLD	<u>995,267</u>	<u>734,000</u>	<u>787,718</u>
GROSS PROFIT: MARINA OPER.	<u>4,061,911</u>	<u>3,747,750</u>	<u>3,886,259</u>
OPERATING EXPENSES:			
ADVERTISING	7,602	8,250	9,547
AUTO AND EQUIPMENT FUEL	9,050	7,500	6,706
BUSINESS TAXES	18,986	15,000	17,526
CLAIMS & DAMAGES	10,104	10,500	6,522
EDUCATION & TRAINING	3,114	5,000	6,045
EMPLOYEE BENEFITS	288,674	296,244	250,146
HAZARDOUS WASTE DISPOSAL	8,484	15,750	16,411
INSURANCE	99,086	99,750	101,320
LICENSES & PERMITS	1,707	1,500	1,755
MARKETING	8,173	6,625	5,615
MISCELLANEOUS	(26)	375	11
OFFICE EXPENSE	10,013	12,750	10,438
PAYROLL TAXES	100,182	107,250	88,693
PROFESSIONAL FEES	4,311	20,250	(1,277)
RENT	10,001	9,750	9,709
REPAIR AND MAINTENANCE	38,799	77,250	107,957
SALARIES AND WAGES	941,875	947,250	818,936
SUPPLIES	79,477	87,000	76,677
UTILITIES	124,681	154,500	141,950
OPERATING EXPENSES BEFORE DEPR & O/H	<u>1,764,293</u>	<u>1,882,494</u>	<u>1,674,687</u>
DEPRECIATION	641,902	639,000	707,296
OVERHEAD ALLOCATION - MARINA	592,164	742,125	557,805
TOTAL OPERATING EXPENSES	<u>2,998,359</u>	<u>3,263,619</u>	<u>2,939,788</u>
INCOME FROM OPERATIONS	<u>1,063,552</u>	<u>484,131</u>	<u>946,471</u>
OTHER EXPENSE (INCOME):			
INTEREST EXPENSE	0	0	17,098
PROPERTY TAX ALLOCATION - MARI	(37,500)	(37,500)	(37,500)
(GAIN)/LOSS ON FIXED ASSETS	14,400	0	0
OTHER EXPENSE (INCOME), NET	<u>(23,100)</u>	<u>(37,500)</u>	<u>(20,402)</u>
NET INCOME	<u>\$1,086,652</u>	<u>521,631</u>	<u>966,873</u>

Note: Marina Revenues on the Port Income Statement are greater than the Marina Revenues on the Marina Income Statement because the Port Income Statement Marina Revenues include Miscellaneous Revenues that are coded to overhead.

PORT OF EDMONDS
RENTAL PROPERTY INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	YEAR TO DATE		
	ACTUAL	CURRENT BUDGET	PRIOR YEAR
REVENUES:			
RENTAL PROPERTIES:			
HARBOR SQUARE PROPERTY	\$1,357,533	1,326,750	1,299,953
HARBOR SQUARE CAMS	212,323	131,250	135,787
MISCELLANEOUS - HS	3,113	2,250	2,680
LATE FEES - HARBOR SQUARE PROP	8,955	3,750	4,588
HARB SQ CONFERENCE ROOM REV	570	1,125	1,150
ANTHONY'S	226,017	216,000	217,788
EDMONDS YACHT SALES	2,757	3,000	2,675
HARBOR SQUARE ATHLETIC CLUB	97,370	96,750	94,533
POE 2 LLC	40,409	40,500	39,423
LANDING	92,532	81,750	81,696
YACHT CLUB	42,970	42,750	41,646
TOTAL RENTAL PROPERTIES	2,084,549	1,945,875	1,921,919
GROSS PROFIT	2,084,549	1,945,875	1,921,919
OPERATING EXPENSES:			
HARB SQ MEETING ROOM COSTS	137	0	90
COST OF SALES - HARBOR SQUARE	6	0	0
ADVERTISING	0	375	0
AUTO & EQUIPMENT FUEL	271	375	216
BANK CHARGES	363	375	347
BUSINESS TAXES	174	375	110
EMPLOYEE BENEFITS	37,332	39,000	32,382
INSURANCE	31,705	31,500	30,240
MASTER BUSINESS PLAN	2,958	0	14,660
MISCELLANEOUS	90	750	1,061
OFFICE	1,247	750	548
PAYROLL TAXES	13,064	12,750	10,688
PROFESSIONAL FEES	690	22,500	49,559
REPAIR AND MAINTENANCE	82,282	131,000	127,385
SALARIES AND WAGES	124,173	118,500	104,625
SUPPLIES	11,784	17,250	15,299
TENANT IMPROVEMENTS	228	2,250	2,090
UTILITIES	109,787	111,750	106,635
OPERATING EXPENSES BEFORE DEPR & O/H	416,291	489,500	495,935
DEPRECIATION	445,338	454,500	446,698
OVERHEAD ALLOCATION - RENTAL P	253,785	318,000	239,060
TOTAL OPERATING EXPENSES	1,115,414	1,262,000	1,181,693
INCOME FROM OPERATIONS	969,135	683,875	740,226
OTHER EXPENSE (INCOME):			
INTEREST EXPENSE	46,729	43,500	90,767
INTEREST INCOME	(8,396)	(4,500)	(4,565)
(GAIN)/LOSS ON FIXED ASSETS -	46,275	0	0
PROPERTY TAX ALLOCATION - RENT	(127,500)	(127,500)	(150,000)
OTHER EXPENSE (INCOME), NET	(42,892)	(88,500)	(63,798)
NET INCOME	\$1,012,027	772,375	804,024

Port of Edmonds
Investment Report
As of September 30, 2018

Long-Term Investments (1 year or more until maturity when purchased)

Security	Remaining Life	Purchased	Final Maturity	Coupon	Par Value	Amortized Book Value	Market Value at 9/30/2018	Percent of Portfolio
FICO STRIP PRN14	0.08	4/19/2018	11/2/2018	0.000%	\$ 250,000	\$ 249,571	\$ 249,506	1.60%
Federal Farm Credit Bank	0.08	10/23/2014	11/6/2018	1.100%	\$ 250,000	\$ 248,451	\$ 249,714	1.60%
Federal Farm Credit Bank	0.46	3/10/2016	2/22/2019	1.120%	\$ 500,000	\$ 494,566	\$ 497,838	3.19%
Federal Natl Mortgage Assn	0.71	10/23/2014	6/13/2019	1.300%	\$ 250,000	\$ 247,579	\$ 247,878	1.59%
FICO STRIP CPN	1.00	1/31/2018	9/26/2019	0.000%	\$ 517,000	\$ 506,963	\$ 504,222	3.23%
Federal Home Loan Bank	1.08	10/23/2014	11/8/2019	1.450%	\$ 250,000	\$ 247,075	\$ 246,281	1.58%
Opus CD - restricted	1.29	1/17/2017	1/17/2020	0.900%	\$ 704,701	N/A	\$ 704,701	4.51%
Federal Natl Mortgage Assn	1.50	10/12/2016	3/20/2020	1.300%	\$ 500,000	\$ 490,391	\$ 489,219	3.13%
Resolution Funding Corporation	1.79	9/27/2016	7/15/2020	0.000%	\$ 525,000	\$ 501,775	\$ 498,656	3.19%
Federal Farm Credit Bank	2.67	6/2/2016	6/2/2021	1.690%	\$ 500,000	\$ 490,574	\$ 484,290	3.10%
Federal Farm Credit Bank	2.88	8/15/2016	8/16/2021	1.440%	\$ 500,000	\$ 484,874	\$ 479,430	3.07%
Federal Home Loan Mtg Corp	3.21	6/20/2017	11/24/2021	2.020%	\$ 500,000	\$ 489,728	\$ 483,096	3.10%
Federal Home Loan Bank	3.33	12/1/2017	1/27/2022	2.070%	\$ 500,000	\$ 497,102	\$ 485,014	3.11%
Federal Farm Credit Bank	3.71	5/25/2017	5/23/2022	2.070%	\$ 500,000	\$ 487,094	\$ 480,858	3.08%
Federal Farm Credit Bank	3.83	8/3/2018	8/8/2022	2.050%	\$ 500,000	\$ 500,000	\$ 480,477	3.08%
Federal Farm Credit Bank	4.13	11/16/2017	11/15/2022	2.230%	\$ 500,000	\$ 494,613	\$ 483,479	3.10%
					<u>\$ 7,246,701</u>	<u>\$ 6,430,355</u>	<u>\$ 7,064,655</u>	<u>45.26%</u>

Short-Term Investments (less than 1 year to maturity when purchased)

Entity	Type	Interest Rate	Amount
Port of Edmonds	Cash and change funds	0.00%	\$ 1,200
Washington Federal	Business checking account	2.00%	\$ 4,957,303
Washington Federal	Revolving checking account	0.00%	\$ 3,000
Opus Bank	HS checking account	2.09%	\$ 899,798
Snohomish County	Tax collections	0.00%	\$ 6,427
Washington LGIP	Short-term investments	2.06%	\$ 38,992
Opus Bank	Money market	2.09%	\$ 2,637,318
			<u>\$ 8,544,038</u>
			<u>\$ 15,608,694</u>
			100.00%

Total Cash and Investments

Opus Bank Money Market consists of:

Environmental Reserve	\$ 1,012,921
Capital Replacement Reserve	\$ 1,624,397
	<u>\$ 2,637,318</u>

Outstanding Debt

2017 Revenue Bond - Opus Bank	\$ 1,816,950
Due Within 1 Year	\$ 1,356,701
Opus Bank Debt Service Reserve	\$ 704,701

Capital Replacement Reserve consists of:

Cash Reserves	\$ 1,668,334
FICO STRIP PRN-7	\$ 535,000
Federal Farm Credit Bank 1.1 11/6/18	\$ 250,000
Federal Farm Credit Bank 1.12 2/22/19	\$ 500,000
Federal Ntl Mortgage 1.3 6/13/19	\$ 250,000
FICO STRIP CPN 0.00 9/26/19	\$ 517,000
Federal Home Loan Bank 1.45 11/8/19	\$ 250,000
Federal Natl Mortgage Assn 1.3 3/30/20	\$ 500,000
Resolution Funding Corp 0 7/15/20	\$ 525,000
Federal Farm Credit Bank 1.69 6/2/21	\$ 500,000
Federal Farm Credit Bank 1.44 8/16/21	\$ 500,000
Federal Home Loan Mtg Corp 2.02 11/24/21	\$ 500,000
Federal Home Loan Bank 2.07 1/27/22	\$ 500,000
Federal Farm Credit Bank 2.07 5/23/22	\$ 500,000
Federal Farm Credit Bank 2.05 8/8/22	\$ 500,000
Federal Farm Credit Bank 2.23 11/15/22	\$ 500,000
	<u>\$ 8,495,334</u>

TVI Platinum Reporting Prepared for:



Port Of Edmonds

As of September 28, 2018

Recipient Info:

Provider Info:

Time Value Investments, Inc.
9725 3rd Ave NE, Suite 610
Seattle, WA 98115

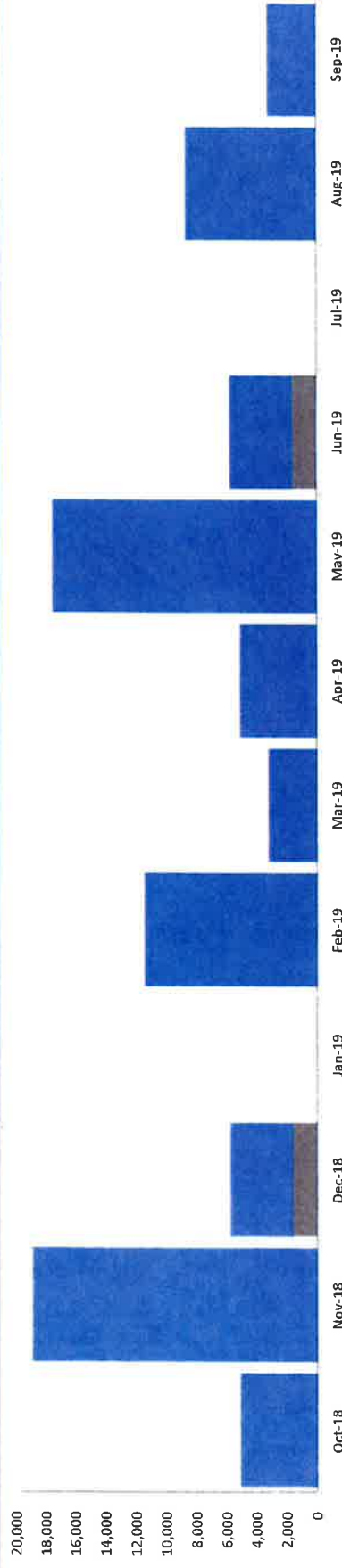
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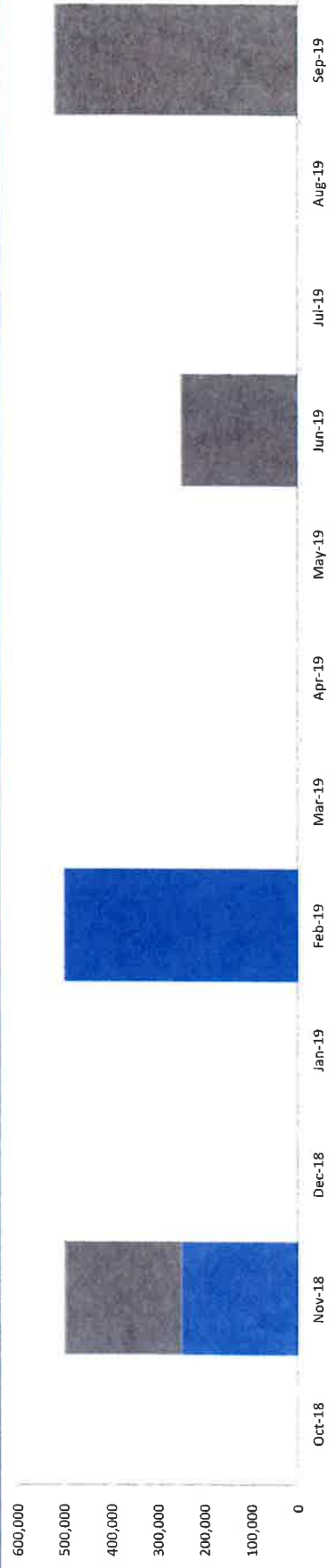
Cash-Flows - from 10/2018 to 09/2019 - Assuming None Called

Type	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Callible	5,175	268,988	4,225	0	511,525	3,250	5,175	17,613	4,225	0	8,725	3,250
Non-Callible	0	250,000	1,625	0	0	0	0	0	251,625	0	0	517,000
TOTAL	5,175	518,988	5,850	0	511,525	3,250	5,175	17,613	255,850	0	8,725	520,250

Interest Payments

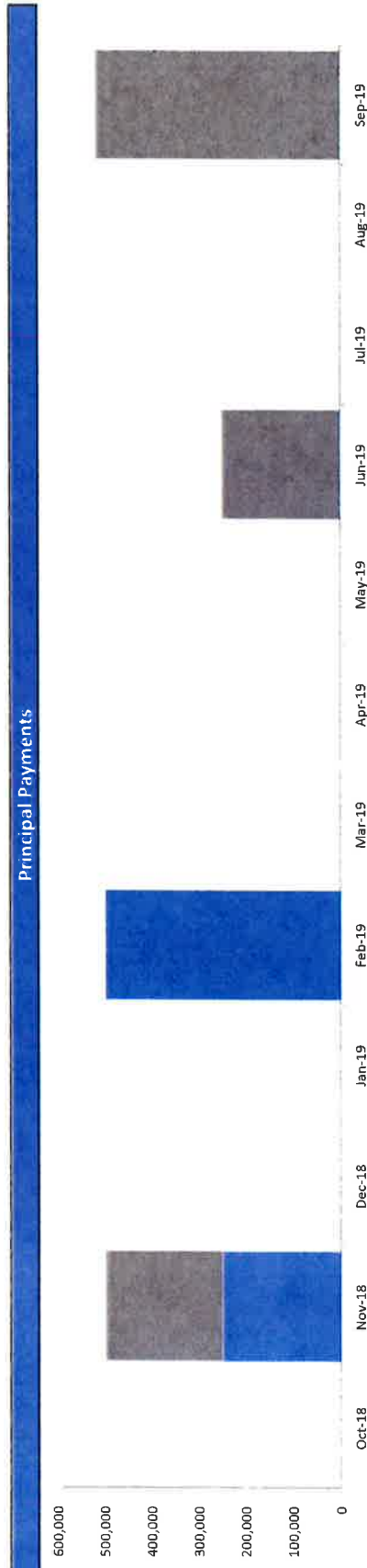
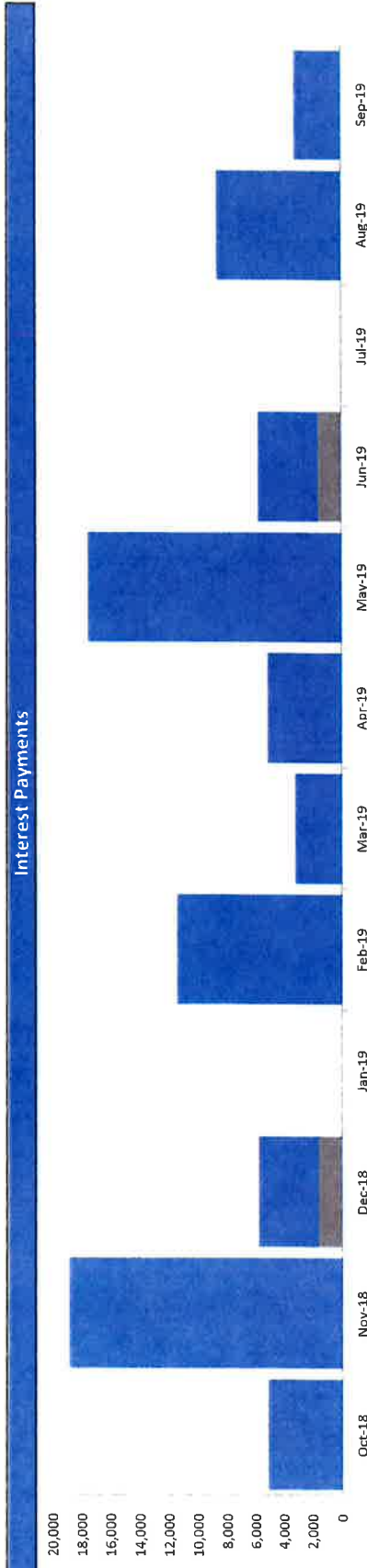


Principal Payments



Cash-Flows - from 10/2018 to 09/2019 - Recognizing Likelihood of Call*

Type	Par Value	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Callable	5,000,000	5,175	268,988	4,225	0	511,525	3,250	5,175	17,613	4,225	0	8,725	3,250
Non-Callable	1,542,000	0	250,000	1,625	0	0	0	0	0	251,625	0	0	517,000
TOTAL	6,542,000	5,175	518,988	5,850	0	511,525	3,250	5,175	17,613	255,850	0	8,725	520,250



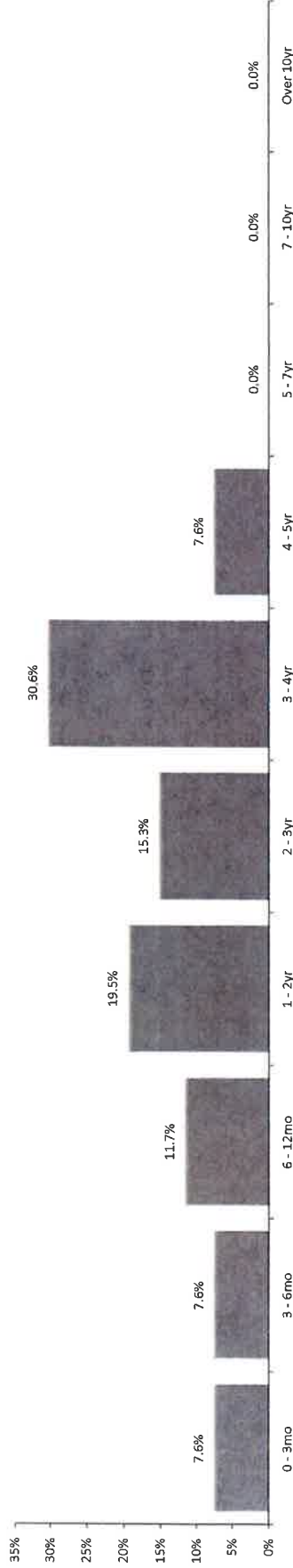
* Likelihood based on 09/28/2018 market rates

Extended Cash-Flows															
#	Cusip	Par Value	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Year 1 Total
1	31771EAQ4	250,000	0	250,000	0	0	0	0	0	0	0	0	0	0	250,000
2	3133ECN59*	250,000	0	251,375	0	0	0	0	0	0	0	0	0	0	251,375
3	3133EFC70*	500,000	0	0	0	0	502,800	0	0	0	0	0	0	0	502,800
4	3136GIN54	250,000	0	0	1,625	0	0	0	0	0	251,625	0	0	0	253,250
5	31771KAA5	517,000	0	0	0	0	0	0	0	0	0	0	0	517,000	517,000
6	313380ZND*	250,000	0	1,813	0	0	0	0	0	1,813	0	0	0	0	3,625
7	3135GQQ63*	500,000	0	0	0	0	0	3,250	0	0	0	0	0	3,250	6,500
8	76116FAD9	525,000	0	0	0	0	0	0	0	0	0	0	0	0	0
9	3133EGDHS*	500,000	0	0	4,225	0	0	0	0	0	4,225	0	0	0	8,450
10	3133EQP3*	500,000	0	0	0	0	0	0	0	0	0	0	3,600	0	7,200
11	3134GBMX7*	500,000	0	5,050	0	0	0	0	0	5,050	0	0	0	0	10,100
12	3130ACP99*	500,000	5,175	0	0	0	0	0	5,175	0	0	0	0	0	10,350
13	3133EHJY0*	500,000	0	5,175	0	0	0	0	0	5,175	0	0	0	0	10,350
14	3133EHTY9*	500,000	0	0	0	0	5,125	0	0	0	0	0	5,125	0	10,250
15	3133EHS38*	500,000	0	5,575	0	0	0	0	0	5,575	0	0	0	0	11,150
TOTAL		6,542,000	5,175	518,988	5,850	0	511,525	3,250	5,175	17,613	255,850	0	8,725	520,250	1,852,400

See Cash-Flows graph above "Recognizing Likelihood of Call" for current projected cash-flows

* Callable - currently not likely to be called
 * Callable - currently likely to be called

Maturity Distribution



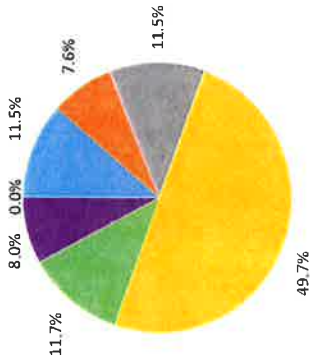
Portfolio Details - Sorted by Maturity

#	CUSIP/Sec-ID	Sec Desc 1	Weight	Par Value	Coupon *	Settle Dt	Mat Dt	Nxt Call Dt	Rating ***	YTM **	YTW **	Duration	Call Type	Estimated Bps to Call	Estimated Redem. Date
1	31771EAQ4	FICO 0 11/02/18	3.8%	250,000	0.00	4/20/2018	11/2/2018		NR AGY	1.95	1.95	0.10			11/2/2018
2	3133EGNS9	FFCB 1.1 11/06/18	3.8%	250,000	1.10	10/23/2014	11/6/2018	10/4/2018	AAA	1.39	1.39	0.11	Anytime	(67)	11/6/2018
3	3133EFC70	FFCB 1.12 02/22/19	7.6%	500,000	1.12	3/10/2016	2/22/2019	10/4/2018	AAA	1.12	1.12	0.40	Anytime	(147)	2/22/2019
4	3136GIN54	FNMA 1.3 06/13/19	3.8%	250,000	1.30	10/23/2014	6/13/2019		AAA	1.47	1.47	0.69	Annual		6/13/2019
5	31771KAA5	FICO 0 09/26/19	7.9%	517,000	0.00	1/31/2018	9/26/2019		NR AGY	2.00	2.00	0.98			9/26/2019
6	313380ZNO	FHLB 1.45 11/08/19	3.8%	250,000	1.45	10/23/2014	11/8/2019	10/4/2018	AAA	1.68	1.68	1.09	Anytime	(146)	11/8/2019
7	3135G0063	FNMA 1.3 03/30/20	7.6%	500,000	1.30	10/13/2016	3/30/2020	12/30/2018	AAA	1.25	0.93	1.46	Quarterly	(156)	3/30/2020
8	76116FAD9	RFCSP 0 07/15/20	8.0%	525,000	0.00	9/27/2016	7/15/2020		NR AGY	1.09	1.09	1.77			7/15/2020
9	3133EGDHS	FFCB 1.69 06/02/21	7.6%	500,000	1.69	6/3/2016	6/2/2021	10/4/2018	AAA	1.63	1.40	2.58	Anytime	(158)	6/2/2021
10	3133EGOP3	FFCB 1.44 08/16/21	7.6%	500,000	1.44	8/16/2016	8/16/2021	10/4/2018	AAA	1.39	1.20	2.79	Anytime	(186)	8/16/2021
11	3134GBMX7	FHLMC 2.02 11/24/21	7.6%	500,000	2.02	6/21/2017	11/24/2021	11/24/2018	AAA	1.92	1.56	2.99	Quarterly	(120)	11/24/2021
12	3130ACP99	FHLB 2.07 01/27/22	7.6%	500,000	2.07	12/1/2017	1/27/2022	10/27/2018	AAA	2.07	2.07	3.12	Quarterly	(117)	1/27/2022
13	3133EHY0	FFCB 2.07 05/23/22	7.6%	500,000	2.07	5/25/2017	5/23/2022	10/4/2018	AAA	2.00	1.73	3.43	Anytime	(129)	5/23/2022
14	3133EHTY9	FFCB 2.05 08/08/22	7.6%	500,000	2.05	8/16/2018	8/8/2022	10/4/2018	AAA	2.88	2.88	3.62	Anytime	(133)	8/8/2022
15	3133EHS38	FFCB 2.23 11/15/22	7.6%	500,000	2.23	11/16/2017	11/15/2022	11/15/2018	AAA	2.20	2.10	3.82	Anytime	(116)	11/15/2022
TOTAL and AVERAGES				6,542,000	1.37	2.26 yrs	0.31 yrs			1.75	1.64	2.15			

** Yields calculated using cost price, at settlement date

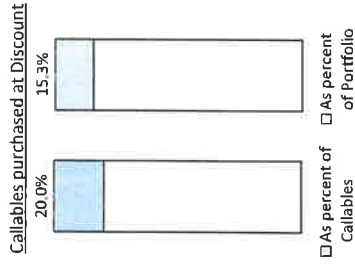
*** NR AGY = Non-Rated U.S. Government Agency

Agency Distribution



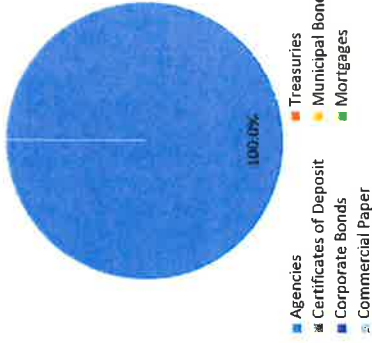
■ FNMA ■ FHLMC ■ FHLB ■ FFCB ■ FICO ■ RFCSP ■ Other

Callable Breakdown



□ As percent of Callables □ As percent of Portfolio

Portfolio Composition



■ Agencies ■ Certificates of Deposit ■ Corporate Bonds ■ Commercial Paper ■ Treasuries ■ Municipal Bonds ■ Mortgages

Amortization/Accretion Book Calculations

#	CUSIP/Sec-ID	Sec Desc 1	Con	Mat Dt	Par Value	Cost	Purch Px	Book Val	Book Px	Book YTM	Mkt Val	Mkt Px	Mkt YTM	Unrealized Gain/Loss
1	31771EAQ4	FICO 0 11/02/18	0.00	11/2/2018	250,000	247,426	98.97	249,540	99.82	0.35	249,506	99.80	2.10	(34)
2	3133ECNS9	FFCB 1.1 11/06/18	1.10	11/6/2018	250,000	247,195	98.88	249,923	99.97	1.11	249,714	99.89	2.18	(209)
3	3133EFC70	FFCB 1.12 02/22/19	1.12	2/22/2019	500,000	500,000	100.00	500,000	100.00	1.12	497,838	99.57	2.21	(2,163)
4	3136G1N54	FNMA 1.3 06/13/19	1.30	6/13/2019	250,000	248,099	99.24	249,700	99.88	1.33	247,878	99.15	2.51	(1,822)
5	31771KAA5	FICO 0 09/26/19	0.00	9/26/2019	517,000	500,272	96.76	506,869	98.04	1.20	504,222	97.53	2.53	(2,647)
6	313380ZNO	FHLB 1.45 11/08/19	1.45	11/8/2019	250,000	247,278	98.91	249,379	99.75	1.50	246,281	98.51	2.82	(3,098)
7	3135G0Q63	FNMA 1.3 03/30/20	1.30	3/30/2020	500,000	500,844	100.17	500,000	100.00	1.30	489,219	97.84	2.77	(10,782)
8	76116FAD9	RFCSP 0 07/15/20	0.00	7/15/2020	525,000	503,761	95.95	514,849	98.07	0.51	498,656	94.98	2.89	(16,193)
9	3133EGDH5	FFCB 1.69 06/02/21	1.69	6/2/2021	500,000	501,430	100.29	500,000	100.00	1.69	484,290	96.86	2.92	(15,711)
10	3133EGQP3	FFCB 1.44 08/16/21	1.44	8/16/2021	500,000	501,189	100.24	500,000	100.00	1.44	479,430	95.89	2.94	(20,570)
11	3134GBMX7	FHLMC 2.02 11/24/21	2.02	11/24/2021	500,000	502,102	100.42	500,000	100.00	2.02	483,096	96.62	3.15	(16,904)
12	3130ACP99	FHLB 2.07 01/27/22	2.07	1/27/2022	500,000	500,000	100.00	500,000	100.00	2.07	485,014	97.00	3.02	(14,987)
13	3133EHV0	FFCB 2.07 05/23/22	2.07	5/23/2022	500,000	501,655	100.33	500,000	100.00	2.07	480,858	96.17	3.19	(19,143)
14	3133EHTY9	FFCB 2.05 08/08/22	2.05	8/8/2022	500,000	484,405	96.88	484,930	96.99	2.85	480,477	96.10	3.13	(4,453)
15	3133EHS38	FFCB 2.23 11/15/22	2.23	11/15/2022	500,000	500,638	100.13	500,073	100.01	2.23	483,479	96.70	3.09	(16,595)
TOTAL								6,542,000	6,486,291	1.58	6,359,954	2.82	(145,309)	