



City of Huntington Beach
Monthly Investment Report
Period Ending: April 30, 2014
Prepared by: Alisa Cutchen, City Treasurer

Portfolio Overview:

As of April 30, 2014:

<u>Investment Type</u>	<u>Market Value</u>	<u>Book Value</u>	<u>% of Portfolio</u>	<u>YTM 365-day</u>	<u>Policy Limit</u>
Federal Agency Issues	136,380,460	136,850,117	70%	1.07%	None
Local Agency Investment Fund (LAIF)	25,256,830	25,256,830	13%	0.23%	\$50 million
Corporate Bonds	34,334,436	34,326,071	17%	0.82%	20%
Total Portfolio	195,971,726	196,433,018	100%	0.92%	

- **Market Value Investments = \$196 million** (The current quoted price at which investors can buy/sell a security)
- **Book Value Investments = \$196.4 million** (The accounting value of the security as shown on the balance sheet)
- As interest rates start to rise, some securities that are owned in the portfolio will have interest rates that are lower than the securities that will currently be available in the market. This will result in a market value that is lower than the book value.
- **There is no actual loss** to a security when interest rates rise and the market value of the security falls. If the security is held to maturity, which is the typically the case within such a portfolio, no loss is realized.
- Due to the potential of rising interest rates, it is possible that callable securities within the City's portfolio may not be called in the near-term. This necessitates that the City maintain higher than usual cash balances in the operating account and in LAIF. The City Treasurer, in conjunction with the Deputy City Treasurer, constantly monitors the projected cash flow of the City to ensure ongoing liquidity (cash available for operations).

Portfolio Earnings and Performance:

Monthly Earnings	\$127,830
Interest:	\$151,085
Adj. Premiums/Discounts	-\$23,255
Capital Gains:	\$0
Monthly Budgeted Interest Income	\$100,000
<i>Monthly Effective Rate of Return</i>	<i>0.79%</i>
Fiscal YTD Earnings	\$805,328
Fiscal YTD Budget	\$700,000
<i>Fiscal YTD Effective Rate of Return</i>	<i>0.76%</i>
Approx. Cash in Bank	\$27.1MM

The income generated by the investment portfolio is available to the City for operational liquidity, for meeting the City's financial obligations, and to offset funds required from the citizens and businesses of Huntington Beach.

Portfolio Activity:

For the month of April, 2014 there were no security purchases, calls or sales. \$16,210 in interest earnings was received in the LAIF account for the quarter ending March 31, 2014.

Compliance:

The portfolio is in conformity with all State laws and the Investment Policy statement filed with the City Council on February 3, 2014. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet the next six months' obligations.



City of HB
Portfolio Management
Portfolio Summary
April 30, 2014

City of Huntington Beach
 2000 Main St.
 Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues - Coupon	136,875,862.07	136,380,460.38	136,850,116.69	69.67	1,577	1,244	1.058	1.073
Local Agency Investment Funds	25,256,829.55	25,256,829.55	25,256,829.55	12.86	1	1	0.230	0.233
Corporate Bonds	33,960,000.00	34,334,436.10	34,326,071.29	17.47	1,060	630	0.809	0.821
	196,092,691.62	195,971,726.03	196,433,017.53	100.00%	1,284	977	0.908	0.921

Investments

	April 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Total Earnings				
Current Year	127,829.70		805,328.48	
Current Budget	100,000.00		700,000.00	1,200,000.00
Last Year Actual	112,000.00		784,000.00	1,344,000.00
Average Daily Balance	196,436,692.66		181,382,384.58	
Effective Rate of Return	0.79%		0.76%	

I certify that this report accurately reflects all City pooled investments and is in conformity with all State laws and the investment policy statement filed with the City Council on February 3, 2014. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's obligations. Market Values provided by Union Bank via Interactive Data Corporation.

Alisa Cutchner 5-27-14
 Alisa Cutchner, CITY TREASURER

Reporting period 04/01/2014-04/30/2014

Run Date: 05/22/2014 - 09:36

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Portfolio Details - Investments
April 30, 2014

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133EAJ33	3942	Federal Farm Credit Bank		08/15/2012	5,000,000.00	5,000,350.00	4,998,569.44	0.730	AA	0.743	837	08/15/2016
313380SK9	3941	Federal Home Loan Bank		08/08/2012	3,275,862.07	3,276,091.38	3,275,588.86	0.720	AA	0.724	830	08/08/2016
313381M44	3953	Federal Home Loan Bank		12/28/2012	5,000,000.00	4,987,350.00	5,000,000.00	0.650	AA	0.650	972	12/28/2016
3130A0GL8	3996	Federal Home Loan Bank		12/27/2013	3,605,544.00	3,605,544.00	3,600,000.00	1.250	AA	1.250	1,701	12/27/2018
3130A0UB7	3997	Federal Home Loan Bank		01/17/2014	5,000,000.00	5,007,250.00	5,000,000.00	1.000	AA	1.000	1,082	04/17/2017
3130A0SR2	4002	Federal Home Loan Bank		02/19/2014	7,500,000.00	7,512,300.00	7,500,000.00	0.700	AA	0.700	841	08/19/2016
3130A0QM5	4003	Federal Home Loan Bank		02/14/2014	5,000,000.00	4,999,350.00	4,997,664.38	1.000	AA	1.010	1,750	02/14/2019
3130A0YE4	4004	Federal Home Loan Bank		03/12/2014	5,000,000.00	4,988,150.00	5,000,000.00	1.000	AA	1.000	1,138	06/12/2017
3130A0YG9	4005	Federal Home Loan Bank		03/12/2014	5,000,000.00	4,994,550.00	5,000,000.00	0.750	AA	0.750	956	12/12/2016
3130A0ZB9	4006	Federal Home Loan Bank		02/28/2014	5,000,000.00	4,978,900.00	5,000,000.00	1.050	AA	2.125	1,764	02/28/2019
3134G3B90	3940	Federal Home Loan Mort Corp		08/15/2012	5,000,000.00	4,959,200.00	5,000,000.00	0.875	AA	0.875	1,202	08/15/2017
3134G3B4	3952	Federal Home Loan Mort Corp		01/11/2013	5,000,000.00	4,939,100.00	5,000,000.00	1.000	AA	1.000	1,351	01/11/2018
3134G47G7	3980	Federal Home Loan Mort Corp		06/26/2013	5,000,000.00	4,946,250.00	5,000,000.00	1.000	AA	1.400	1,517	06/26/2018
3134G4LS5	3987	Federal Home Loan Mort Corp		12/11/2013	5,000,000.00	5,004,750.00	5,000,000.00	1.150	AA	2.174	1,685	12/11/2018
3134G4RC4	3995	Federal Home Loan Mort Corp		12/27/2013	5,000,000.00	5,008,150.00	5,000,000.00	1.550	AA	1.944	1,701	12/27/2018
3134G4TC2	4001	Federal Home Loan Mort Corp		01/30/2014	2,500,000.00	2,506,225.00	2,500,000.00	0.900	AA	1.550	1,370	01/30/2018
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	4,944,900.00	5,000,000.00	0.700	AA	0.900	1,286	11/07/2017
3136G07K1	3947	Fed. Nat'l Mort. Assoc.		12/07/2012	5,000,000.00	4,964,400.00	5,000,000.00	0.700	AA	1.002	1,315	12/06/2017
3136G17E3	3950	Fed. Nat'l Mort. Assoc.		12/26/2012	5,000,000.00	4,982,450.00	5,000,000.00	0.700	AA	1.042	1,335	12/26/2017
3136G1A66	3951	Fed. Nat'l Mort. Assoc.		12/26/2012	5,000,000.00	4,985,300.00	5,000,000.00	0.375	AA	1.053	1,335	12/26/2017
3136G0SB0	3954	Fed. Nat'l Mort. Assoc.		12/21/2012	5,000,000.00	5,006,550.00	4,994,700.93	0.750	AA	0.440	599	12/21/2015
3136G1AY5	3955	Fed. Nat'l Mort. Assoc.		01/30/2013	5,000,000.00	4,985,100.00	5,000,000.00	0.750	AA	1.078	1,370	01/30/2018
3136G1CJ6	3957	Fed. Nat'l Mort. Assoc.		02/21/2013	5,000,000.00	4,907,500.00	5,000,000.00	0.600	AA	1.193	1,392	02/21/2018
3136G1E62	3961	Fed. Nat'l Mort. Assoc.		02/25/2013	5,000,000.00	4,997,650.00	5,000,000.00	0.750	AA	0.600	847	08/25/2016
3136G1FB0	3963	Fed. Nat'l Mort. Assoc.		02/28/2013	5,000,000.00	5,001,900.00	5,000,000.00	1.100	AA	1.435	1,399	02/28/2018
3136G1EP0	3964	Fed. Nat'l Mort. Assoc.		03/12/2013	5,000,000.00	4,970,650.00	5,000,000.00	0.750	AA	1.100	1,411	03/12/2018
3135G0YA5	3978	Fed. Nat'l Mort. Assoc.		06/19/2013	5,000,000.00	4,994,750.00	5,000,000.00	0.750	AA	0.750	963	12/19/2016
3136G1NB1	3979	Fed. Nat'l Mort. Assoc.		06/19/2013	5,000,000.00	4,925,800.00	4,983,593.08	0.900	AA	0.907	1,145	06/19/2017
Subtotal and Average					136,875,862.07	136,380,460.38	136,850,116.69			1.073	1,244	

Local Agency Investment Funds

SY982	982	Laif City	25,249,264.56	25,256,829.55	25,256,829.55	0.233	1
Subtotal and Average				25,256,829.55	25,256,829.55	0.233	1

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Corporate Bonds												
037833AJ9	3976	Apple Inc.		05/28/2013	3,000,000.00	2,929,410.00	2,982,452.28	1.000	AA	1.151	1,463	05/03/2018
084564AT8	3895	Berkshire Hathaway Fin		08/26/2011	1,310,000.00	1,351,343.60	1,341,128.52	4.850	AA	1.390	259	01/15/2015
14912L4Y4	3930	Caterpillar Financial Corp.		05/30/2012	2,000,000.00	2,010,860.00	2,002,624.35	1.125	A	0.911	228	12/15/2014
14912L5D9	3936	Caterpillar Financial Corp.		08/03/2012	3,000,000.00	3,025,050.00	3,018,582.76	1.100	A	0.520	393	05/29/2015
36962G4G6	3949	General Electric Capital Corp		12/14/2012	1,650,000.00	1,680,442.50	1,676,551.35	3.750	AA	0.722	197	11/14/2014
36962G6R0	3956	General Electric Capital Corp		01/25/2013	2,000,000.00	2,013,360.00	2,000,662.39	1.000	AA	0.980	617	01/08/2016
36962G5M2	3986	General Electric Capital Corp		11/19/2013	2,500,000.00	2,532,250.00	2,530,637.07	2.150	AA	0.366	253	01/09/2015
36962G5W0	3994	General Electric Capital Corp		12/26/2013	5,000,000.00	5,156,900.00	5,147,110.07	2.300	AAA	1.291	1,092	04/27/2017
24422ERK7	3937	John Deere Capital		08/03/2012	3,000,000.00	3,017,730.00	3,013,708.71	1.250	A	0.465	215	12/02/2014
24422ERS0	3948	John Deere Capital		12/11/2012	2,000,000.00	2,014,260.00	2,008,742.48	0.950	A	0.570	424	06/29/2015
674599CB9	3977	Occidental Petroleum		05/28/2013	3,000,000.00	3,050,400.00	3,056,500.34	1.750	A	1.055	1,021	02/15/2017
713448CA4	3988	PEPSICO INC		11/19/2013	2,500,000.00	2,505,750.00	2,508,051.68	0.700	A	0.448	469	08/13/2015
931142CX9	3943	Wal-Mart Stores		08/14/2012	3,000,000.00	3,046,680.00	3,039,319.29	1.500	AA	0.606	542	10/25/2015
Subtotal and Average					33,960,000.00	34,334,436.10	34,326,071.29			0.821	630	
Total and Average					196,092,691.62	195,971,726.03	196,433,017.53			0.921	977	

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City of HB
Portfolio Management
Activity By Type
April 1, 2014 through April 30, 2014

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
		Subtotal					136,850,116.69
Local Agency Investment Funds (Monthly Summary)							
		Laif City	0.233		16,210.70	0.00	
		Subtotal			16,210.70	0.00	25,256,829.55
Corporate Bonds							
		Subtotal					34,326,071.29
		Total			16,210.70	0.00	196,433,017.53

City of HB
Portfolio Management
Activity Summary
April 2013 through April 2014

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Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
April	2013	37	186,686,547.88	0.777	0.788	0.264	0	0	1,193	1,002
May	2013	37	185,019,750.49	0.781	0.792	0.245	2	2	1,205	995
June	2013	39	186,325,484.36	0.782	0.793	0.244	3	2	1,207	998
July	2013	39	192,214,287.10	0.789	0.800	0.267	1	1	1,196	968
August	2013	41	198,208,053.41	0.806	0.817	0.271	2	0	1,198	955
September	2013	40	199,307,438.40	0.843	0.854	0.257	0	1	1,296	1,021
October	2013	37	179,253,024.68	0.813	0.825	0.257	0	3	1,306	1,018
November	2013	36	165,557,574.93	0.809	0.820	0.263	2	3	1,279	992
December	2013	40	165,737,784.63	0.916	0.929	0.264	5	1	1,304	1,031
January	2014	40	177,491,428.43	0.892	0.904	0.244	2	1	1,259	988
February	2014	40	188,868,178.60	0.851	0.863	0.236	3	3	1,180	936
March	2014	42	197,031,584.93	0.909	0.921	0.236	2	0	1,284	1,003
April	2014	42	196,436,692.66	0.908	0.921	0.233	0	0	1,284	977
Average		39	185,978,112.59	0.837%	0.848%	0.252	2	1	1,245	991

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Portfolio Management
Interest Earnings Summary
April 30, 2014

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	April 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	73,652.78	801,716.15
Plus Accrued Interest at End of Period	459,610.42	459,610.42
Less Accrued Interest at Beginning of Period	(387,013.49)	(349,916.97)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	146,249.71	911,409.60
Adjusted by Premiums and Discounts	-23,255.42	-147,021.30
Adjusted by Capital Gains or Losses	0.00	4,930.00
Earnings during Periods	122,994.29	769,318.30
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	16,210.70	55,252.23
Plus Accrued Interest at End of Period	7,016.70	7,016.70
Less Accrued Interest at Beginning of Period	(18,391.99)	(26,258.75)
Interest Earned during Period	4,835.41	36,010.18
Total Interest Earned during Period	151,085.12	947,419.78
Total Adjustments from Premiums and Discounts	-23,255.42	-147,021.30
Total Capital Gains or Losses	0.00	4,930.00
Total Earnings during Period	127,829.70	805,328.48

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State of California
Pooled Money Investment Account
Market Valuation
4/30/2014

Carrying Cost Plus			
Description	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 14,384,581,975.64	\$ 14,396,101,500.00	NA
Notes	\$ 19,416,320,497.07	\$ 19,431,452,000.00	\$ 16,581,474.00
Federal Agency:			
SBA	\$ 574,456,315.61	\$ 571,605,947.50	\$ 532,711.73
MBS-REMICs	\$ 128,087,477.02	\$ 137,610,917.56	\$ 610,713.77
Debentures	\$ 1,442,755,391.02	\$ 1,441,895,020.00	\$ 3,277,605.70
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 1,649,032,750.03	\$ 1,649,902,500.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 149,906,515.88	\$ 149,916,000.00	\$ 213,889.00
CDs and YCDs FR	\$ -	\$ -	\$ -
Bank Notes	\$ 600,000,000.00	\$ 599,951,268.23	\$ 211,333.34
CDs and YCDs	\$ 12,000,000,919.77	\$ 11,996,043,092.60	\$ 4,129,257.00
Commercial Paper	\$ 7,897,516,194.49	\$ 7,897,225,375.00	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 4,653,640,000.00	\$ 4,653,640,000.00	NA
AB 55 & GF Loans	\$ 252,317,416.02	\$ 252,317,416.02	NA
TOTAL	\$ 63,148,615,452.55	\$ 63,177,661,036.91	\$ 25,556,984.54

Fair Value Including Accrued Interest	\$	63,203,218,021.45
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Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



Statement of Cash Receipts and Disbursements and Summary of Cash by Fund

Finance Department
April 2014

<u>Cash Receipts and Disbursements</u>	<u>March 2014</u>	<u>April 2014</u>
Receipts		
Property Tax Receipts	\$2,652,392	\$18,316,610
Utility Tax Receipts (UUT)	1,733,140	1,675,514
Sales Tax Receipts	2,473,894	1,635,500
1/2 Cent Safety Sales Tax Receipts	224,962	150,280
Highway Users Tax Receipts (HUT)	457,632	832,239
Transient Occupancy Tax Receipts (TOT)	615,834	892,276
Government Funds	103,754	78,147
Capital Funds	79,661	9,808
Debt Service Funds	2,730,455	-
Enterprise Funds	6,643,894	3,098,217
Fiduciary Funds	1,116,356	3,125,065
Internal Service Funds	12,827	114,311
Special Revenue Funds	3,242,105	1,572,380
All Other Receipts	4,685,415	3,793,279
Total Receipts	\$26,772,320	\$35,293,626
Disbursements		
Total Disbursements	(29,627,534)	(21,650,363)
Net Change in Cash Flow	(\$2,855,215)	\$13,643,263
Summary of Cash by Fund	March 2014	April 2014
General Fund	67,622,018	79,619,329
Government Funds	1,014,878	969,978
Capital Funds	15,217,558	15,151,619
Debt Service Funds	15,588	15,588
Enterprise Funds	87,446,269	87,861,130
Fiduciary Funds	17,005,522	18,672,648
Internal Service Funds	4,801,077	4,686,766
Special Revenue Funds	17,170,356	18,052,672
General Ledger Cash Balances	210,293,266	225,029,730 *

* Total cash will differ from investment portfolio total due to outstanding checks and/or other timing differences.

Note: Above information was obtained from the City's accounting system records. The above information includes receipts from maturing investments and payments for purchased investments in the city investment portfolio. This statement is prepared in compliance with the City's Charter.