



City of Huntington Beach Treasurer's Investment Report

Quarter Ending: September 30, 2014

Prepared by: Alisa Cutchen, CPFIM - City Treasurer

Economic and Market Overview:

The following are excerpts from U.S. Bank's *Market and Economic Updated* dated October 6, 2014:

U.S. employment remains the strong positive story for the U.S. economy. For September, the unemployment rate fell to 5.9 percent, the lowest level in six years, helped by a decline in the labor force. The strong positive was seen in nonfarm payrolls rising 248,000, plus strong revisions (up 69,000) to the prior months. Nonfarm payroll growth has averaged more than 200,000 for the past 12 months. The normalization in the jobs market seems to continue to elude wages. Average hourly earnings were unchanged in September, indicating little tightness in the labor market. The strength in the jobs market is consistent with stronger U.S. production, although leading indicators of production seem to be slowing. The non-U.S. global economy seems to be slowing, despite the recent recovery in U.S. growth.

With regards to interest rates, it is anticipated that further increases in interest rate volatility will continue throughout the remainder of the year. Additionally, bond market volatility is likely to move steadily higher during the first half of 2015.

New home sales advanced in April and again in May, then the June number fell 8.1 percent and declined another 2.4 percent in July to a projected annualized level of 412,000. In August, the trend changed yet again with an 18 percent jump in new home sales. New housing starts and permits rebounded in July, but retreated in August. After four months of advancing sales, August numbers show existing homes backed off about 100,000 units annualized. The July Case-Shiller National Home Price Index posted a gain of 5.6 percent year over year, while on a monthly basis the index moved up only 0.5 percent. The year-over-year index result has fallen below the double-digit level experienced for the past year or so and shows a continued slowdown in price increases. Certain markets remain heated, but generally, and as expected, month-over-month increases have calmed some.

MARKETS AT-A-GLANCE

| | Fed Funds Target Rate | 10-yr Treasury Yield | S&P 500 Close | DJIA Close |
|---------------------------------|--------------------------|-------------------------|------------------|---------------|
| LAST WEEK (10/03/14 close) | 0.00 – 0.25% | 2.45% | 1,967.90 | 17,009.69 |
| Prior Week (09/26/14 close) | 0.00 – 0.25% | 2.53% | 1,982.85 | 17,113.15 |
| Last Month End (09/30/14 close) | 0.00 – 0.25% | 2.51% | 1,972.29 | 17,042.90 |
| 2013 Year End (12/31/13 close) | 0.00 – 0.25% | 3.01% | 1,848.36 | 16,576.66 |

Data Source: FactSet

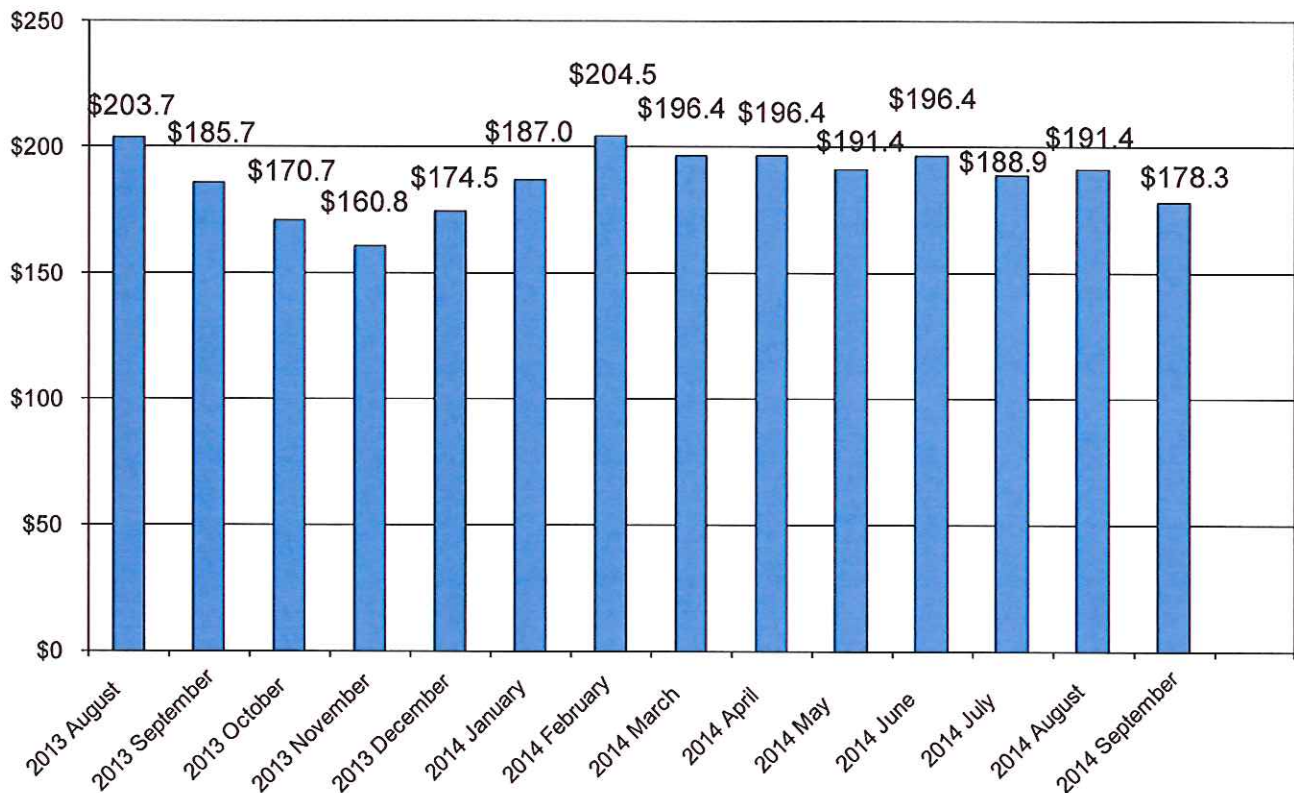
Portfolio Overview:

As of September 30, 2014:

| Investment Type | Market Value | Book Value | % of Portfolio | YTM 365-day | Policy Limit |
|-------------------------------------|--------------------|--------------------|----------------|--------------|--------------|
| Federal Agency Issues | 131,254,633 | 131,855,923 | 74% | 1.23% | None |
| Local Agency Investment Fund (LAIF) | 12,270,760 | 12,270,760 | 7% | 0.25% | \$50 million |
| Corporate Bonds | 34,173,850 | 34,213,478 | 19% | 0.89% | 20% |
| Total Portfolio | 177,699,242 | 178,340,160 | 100% | 1.10% | |

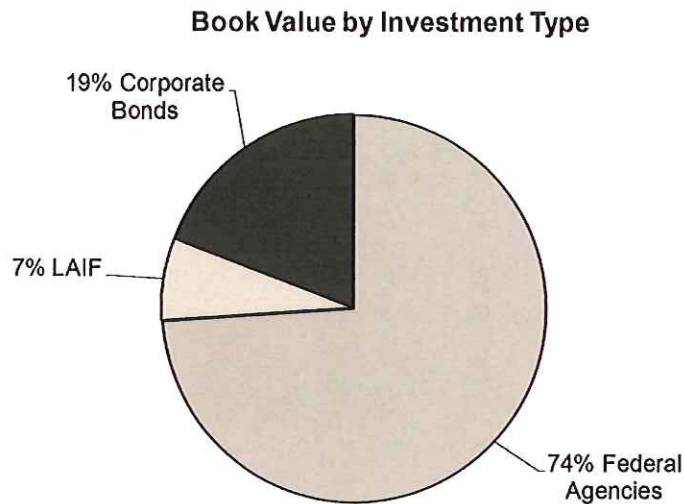
As of September 30, 2014 the market value of the city's investment portfolio was \$177.7 million, with a book value of \$178.3 million. The portfolio is invested in only those investments allowable by state regulations and the City's investment policy. Such investments are purchased to meet the portfolio objectives of preservation of principal, maintenance of sufficient operating liquidity, and to attain a market rate of return throughout budgetary and economic cycles, in that order of absolute priority.

Book Value History - \$ in millions



The book value of the portfolio at September 30, 2014 remains within historical norms.

Portfolio Composition:



Currently, City funds are invested in federal agency securities, corporate bonds and the State of California's pooled account, the Local Agency Investment Fund (LAIF). The four federal government sponsored entities (agencies) that the City purchases the securities from are: Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC/Freddie Mac), Federal National Mortgage Association (FNMA/Fannie Mae) and Federal Farm Credit Bank (FFCB/Farm Credit). Corporate bonds (or notes) are obligations of corporations. All corporate notes are "A" rated or its equivalent or better, per the City's investment policy and state of California regulations. LAIF offers local agencies the opportunity to participate in a major portfolio with overnight liquidity managed by the State of California Treasurer's Office (please see <http://www.treasurer.ca.gov/pmia-laif> for more information). LAIF has been utilized for the City's liquidity portfolio as the yield received at this time is greater than that of similar liquid investments such as money market accounts, short-term Treasury Bills, and commercial paper.

Portfolio Earnings and Performance:

| | |
|-------------------------------------|-------------|
| Monthly Earnings | \$139,169 |
| Interest: | \$159,311 |
| Adj. Premiums/Discounts | -\$20,142 |
| Capital Gains: | \$0 |
| Monthly Budgeted Interest Income | \$100,000 |
| Monthly Effective Rate of Return | .9% |
| Fiscal YTD Earnings | \$1,478,447 |
| Fiscal YTD Budget | \$1,200,000 |
| Fiscal YTD Effective Rate of Return | .8% |
| Benchmark (1) | .3% |
| Approx. Cash in Bank | \$14.2M |

(1) Benchmark: The average of the monthly LAIF rate and the 12-month rolling average 2-year Constant Maturity Treasury (CMT) rate, per Investment Policy Statement.

Monthly investment earnings for September, 2014 were \$139,168. The monthly effective rate of return was 0.9%, with a fiscal year-to-date effective rate of return of 0.8%.

The portfolio yield has been continuing to increase very slightly over the past year; however, overall it remains low due to the historically low interest rates. It is anticipated that the portfolio yield will remain at low levels and that it will take some time for portfolio yields to increase, even as interest rates begin to move upward, as existing securities will continue to remain in the portfolio until maturity, unless they are sold.

Portfolio Activity:

(For details of portfolio activity, please see the Sympro reports attached entitled "Activity Report" for each month.)

Monthly Activity: For the month ending September 30, 2014, no securities matured or were called or purchased. \$13 million was transferred from LAIF to the operating bank account to be utilized for regular operations and capital expenditures.

Quarterly Activity: For the quarter ending September 30, 2014, a total of \$15MM in federal agency securities were called, sold or matured. No corporate bonds were sold or matured. \$5MM in federal agency securities were purchased over the quarter. No corporate bonds were purchased. \$13 million was transferred from LAIF to the operating bank account to be utilized for regular operations and capital expenditures and \$16,210 in quarterly LAIF interest was received during the quarter.

Compliance:

The portfolio is in conformity with all relevant State regulations and the City's 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.

Huntington Beach Scores AAA Credit Rating

Fitch Ratings has scored Huntington Beach's over- all underlying general obligation rating as AAA. Also, the City's Senior Center Lease Revenue Bonds received an AA+ rating.

The Fitch report states that the City's General Fund is well positioned to benefit from ongoing economic growth, while maintaining sufficient financial flexibility to cope with any emerging recessionary trends. The report also states that the City's coastal location and focus on economic development should continue to bolster its diverse economy, strong tax base, and above-average socioeconomic profile.

"We are pleased to report the new rankings by Fitch," says City Manager Fred Wilson. "It really underscores the City's ongoing commitment toward long term financial sustainability and planning. This action signals Wall Street's belief that we are doing all the right things and have created a solid path towards fiscal sustainability in Huntington Beach."

Additional Information:

Retirement Plan Information as of June 30, 2014:

(Due to the delay in statement receipt, information is from previous quarter.)

City of Huntington Beach - Pension/Trust Plans - Market Value Summary

Deferred Compensation Plan Summary Information as of June 30, 2014

| | Beginning Balance (4-1-14) | Contributions | Distributions/ Transfers | Earnings (change in value) Gain/Loss/ Interest | Other Fees/ Adjustments | Ending Balance (6-30-14) |
|--|----------------------------------|--------------------|-----------------------------|--|----------------------------|--------------------------------|
| <i>Reporting is Quarterly</i> | | | | | | |
| ICMA Retirement Corporation (457 Plan) | \$40,346,466 | \$553,556 | (\$805,785) | \$1,146,115 | (\$3,694) | \$41,236,658 |
| Nationwide Retirement Solutions (457 Plan) | \$69,152,761 | \$2,178,405 | (\$666,507) | \$1,691,599 | (\$1,550) | \$72,354,708 |
| Total Deferred Compensation Plan Balances | \$109,499,227 | \$2,731,961 | (\$1,472,292) | \$2,837,714 | (\$5,244) | \$113,591,366 |

City of Huntington Beach Retiree Medical Trust Summary Information as of June 30, 2014

| | Beginning Balance (4-1-14) | Contributions | Distributions/ Transfers | Earnings (change in value) | Other Fees/ Adjustments | Ending Balance (6-30-14) |
|---------------------------------------|----------------------------------|---------------|-----------------------------|----------------------------------|----------------------------|--------------------------------|
| <i>Reporting is Quarterly</i> | | | | | | |
| CalPERS Retiree Medical Trust Account | \$13,776,299 | \$0 | \$0 | \$601,095 | (\$4,378) | \$14,373,016 |

City of Huntington Beach Supplemental Pension Trust Summary Information (monthly reporting, not quarterly) as of June 30, 2014

| | Beginning Balance (6-1-14) | Employer Contributions | Interest & Dividends Plus Net Accrued Income | Realized Gain / Loss | Change in Unrealized Gains / Losses | Other Trust Fees/ Adjustments | Ending Balance (6-30-14) |
|------------------------------------|----------------------------------|---------------------------|--|-------------------------|---|----------------------------------|--------------------------------|
| <i>Reporting is Monthly</i> | | | | | | | |
| Supplemental Pension Trust Account | \$42,831,976 | \$0 | \$107,893 | \$511,905 | \$214,591 | (\$5,689) | \$43,660,676 |

Bond Reserve Accounts - Balances as of September 30, 2014:

| Summary of Investments by Bond Issue As of September 30, 2014 | |
|--|-----------------------------------|
| Bond Issue | Value as of September 30, 2014 |
| City of Huntington Beach - 2004 Judgment Obligation Bonds (Property Tax Refunds) | 1,159 |
| Huntington Beach Public Financing Authority Lease Refunding Bonds 2010 Series A | 1,242,624 |
| Huntington Beach Public Financing Authority Lease Revenue Refunding Bonds 2011 Series A | 2,881,365 |
| Redevelopment Agency of Huntington Beach - 1999 Tax Allocation Refunding Bonds (1/3 of 1992) | 755,803 |
| Redevelopment Agency of Huntington Beach - 2002 Tax Allocation Refunding Bonds (2/3 of 1992) | 1,680,440 |
| Huntington Beach Community Facilities District No. 1990-1 2001 Special Tax Bonds (Goldenwest-Ellis) | 325,075 |
| Huntington Beach Community Facilities District No. 2000-1 2013 Special Tax Bonds (Grand Coast-Hyatt) | 1,091,831 |
| Huntington Beach Community Facilities District No. 2002-1 2002 Special Tax Bonds (McDonnell Centre Business Park) | 492,474 |
| Huntington Beach Community Facilities District No. 2003-1 2013 Special Tax Bonds (Huntington Center - Bella Terra) | 1,680,692 |
| | 10,151,463 |



City of HB
Portfolio Management
Portfolio Summary
July 31, 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 | 129,375,862.07 | 128,714,330.62 | 129,354,436.96 | 68.48 | 1,598 | 1,219 | 1.149 | 1.165 |
| Local Agency Investment Funds | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | 13.38 | 1 | 1 | 0.241 | 0.244 |
| Corporate Bonds | 33,960,000.00 | 34,249,767.90 | 34,255,247.76 | 18.14 | 1,124 | 615 | 0.880 | 0.893 |
| Investments | 188,606,621.72 | 188,234,858.17 | 188,880,444.37 | 100.00% | 1,298 | 946 | 0.978 | 0.992 |
| <hr/> | | | | | | | | |
| Cash and Accrued Interest | | | | | | | | |
| Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | | | | | |
| Subtotal | | 15,020.83 | 15,020.83 | | | | | |
| Total Cash and Investments | 188,606,621.72 | 188,249,879.00 | 188,895,465.20 | | 1,298 | 946 | 0.978 | 0.992 |

| Total Earnings | July 31 Month Ending | Fiscal Year To Date | Fiscal Year Ending |
|---------------------------------|-----------------------|-----------------------|--------------------|
| Current Year | 137,916.29 | 1,206,353.91 | |
| Current Budget | 100,000.00 | 1,000,000.00 | 1,200,000.00 |
| Last Year Actual | 112,000.00 | 1,120,000.00 | 1,344,000.00 |
| Average Daily Balance | 193,802,929.47 | 184,742,976.48 | |
| Effective Rate of Return | 0.84% | 0.78% | |

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 Cutchen 10.8.14
 Alisa Cutchen, CITY TREASURER

Reporting period 07/01/2014-07/31/2014

Run Date: 09/29/2014 - 15:54

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 PM (PRF_PM1) 7.3.0
 Report Ver. 7.3.3b

City of HB
Portfolio Management
Portfolio Details - Investments
July 31, 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 | | | | | | | | | | | | |
| 3133805K9 | 3941 | Federal Home Loan Bank | | 08/08/2012 | 3,275,862.07 | 3,276,058.62 | 3,275,618.95 | 0.720 | AA | 0.724 | 738 | 08/08/2016 |
| 313381M44 | 3953 | Federal Home Loan Bank | | 12/28/2012 | 5,000,000.00 | 4,983,850.00 | 5,000,000.00 | 0.650 | AA | 0.650 | 880 | 12/28/2016 |
| 3130A0GL8 | 3996 | Federal Home Loan Bank | | 12/27/2013 | 3,600,000.00 | 3,603,672.00 | 3,600,000.00 | 1.250 | AA | 1.250 | 1,609 | 12/27/2018 |
| 3130A0SR2 | 4002 | Federal Home Loan Bank | | 02/19/2014 | 7,500,000.00 | 7,502,250.00 | 7,500,000.00 | 0.700 | AA | 0.700 | 749 | 08/19/2016 |
| 3130A0YE4 | 4004 | Federal Home Loan Bank | | 03/12/2014 | 5,000,000.00 | 4,988,600.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 1,046 | 06/12/2017 |
| 3130A0ZB9 | 4006 | Federal Home Loan Bank | | 02/28/2014 | 5,000,000.00 | 4,974,900.00 | 5,000,000.00 | 1.050 | AA | 2.125 | 1,672 | 02/28/2019 |
| 3130A1UV8 | 4008 | Federal Home Loan Bank | | 05/21/2014 | 5,000,000.00 | 4,970,700.00 | 5,000,000.00 | 1.250 | AA | 2.263 | 1,754 | 05/21/2019 |
| 3130A2B62 | 4012 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 4,987,400.00 | 5,000,000.00 | 1.500 | AA | 2.025 | 1,790 | 06/26/2019 |
| 3130A2AH9 | 4013 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 4,990,050.00 | 4,998,406.60 | 1.500 | AA | 2.035 | 1,790 | 06/26/2019 |
| 3134G3B90 | 3940 | Federal Home Loan Mort Corp | | 08/15/2012 | 5,000,000.00 | 4,956,200.00 | 5,000,000.00 | 0.875 | AA | 0.875 | 1,110 | 08/15/2017 |
| 3134G33B4 | 3952 | Federal Home Loan Mort Corp | | 01/11/2013 | 5,000,000.00 | 4,941,450.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 1,259 | 01/11/2018 |
| 3134G47G7 | 3980 | Federal Home Loan Mort Corp | | 06/26/2013 | 5,000,000.00 | 4,951,800.00 | 5,000,000.00 | 1.400 | AA | 1.400 | 1,425 | 06/26/2018 |
| 3134G4RC4 | 3995 | Federal Home Loan Mort Corp | | 12/27/2013 | 5,000,000.00 | 5,008,250.00 | 5,000,000.00 | 1.150 | AA | 1.944 | 1,609 | 12/27/2018 |
| 3134G55H4 | 4010 | Federal Home Loan Mort Corp | | 05/28/2014 | 5,000,000.00 | 4,986,600.00 | 5,000,000.00 | 1.625 | AA | 1.625 | 1,580 | 11/28/2018 |
| 3134G55T8 | 4011 | Federal Home Loan Mort Corp | | 06/12/2014 | 5,000,000.00 | 4,990,800.00 | 5,000,000.00 | 0.700 | AA | 0.700 | 864 | 12/12/2016 |
| 3135G0RK1 | 3945 | Fed. Nat'l Mort. Assoc. | | 11/07/2012 | 5,000,000.00 | 4,939,600.00 | 5,000,000.00 | 0.900 | AA | 0.900 | 1,194 | 11/07/2017 |
| 3136G07K1 | 3947 | Fed. Nat'l Mort. Assoc. | | 12/07/2012 | 5,000,000.00 | 4,961,750.00 | 5,000,000.00 | 0.700 | AA | 1.002 | 1,223 | 12/06/2017 |
| 3136G17E3 | 3950 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,977,950.00 | 5,000,000.00 | 0.700 | AA | 1.042 | 1,243 | 12/26/2017 |
| 3136G1A66 | 3951 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,980,950.00 | 5,000,000.00 | 0.700 | AA | 1.053 | 1,243 | 12/26/2017 |
| 3135G0SB0 | 3954 | Fed. Nat'l Mort. Assoc. | | 12/21/2012 | 5,000,000.00 | 5,002,000.00 | 4,995,509.26 | 0.375 | AA | 0.440 | 507 | 12/21/2015 |
| 3136G1AY5 | 3955 | Fed. Nat'l Mort. Assoc. | | 01/30/2013 | 5,000,000.00 | 4,979,600.00 | 5,000,000.00 | 0.750 | AA | 1.078 | 1,278 | 01/30/2018 |
| 3136G1CJ6 | 3957 | Fed. Nat'l Mort. Assoc. | | 02/21/2013 | 5,000,000.00 | 4,905,700.00 | 5,000,000.00 | 0.750 | AA | 1.193 | 1,300 | 02/21/2018 |
| 3136G1E62 | 3961 | Fed. Nat'l Mort. Assoc. | | 02/25/2013 | 5,000,000.00 | 4,986,650.00 | 5,000,000.00 | 0.600 | AA | 0.600 | 755 | 08/25/2016 |
| 3136G1EP0 | 3964 | Fed. Nat'l Mort. Assoc. | | 03/12/2013 | 5,000,000.00 | 4,958,400.00 | 5,000,000.00 | 1.100 | AA | 1.100 | 1,319 | 03/12/2018 |
| 3135G0YA5 | 3978 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,980,750.00 | 5,000,000.00 | 0.750 | AA | 0.750 | 871 | 12/19/2016 |
| 3136G1NB1 | 3979 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,928,400.00 | 4,984,902.15 | 0.800 | AA | 0.907 | 1,053 | 06/19/2017 |
| Subtotal and Average | | | 134,273,444.30 | | 129,375,862.07 | 128,714,330.62 | 129,354,436.96 | | | 1.165 | 1,219 | |
| Local Agency Investment Funds | | | | | | | | | | | | |
| SYS982 | 982 | Laif City | | | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | 0.244 | | 0.244 | 1 | |
| Subtotal and Average | | | 25,264,468.64 | | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | | | 0.244 | 1 | |
| Corporate Bonds | | | | | | | | | | | | |
| 037833AJ9 | 3976 | Apple Inc. | | 05/28/2013 | 3,000,000.00 | 2,933,040.00 | 2,983,547.49 | 1.000 | AA | 1.151 | 1,371 | 05/03/2018 |
| 084664AT8 | 3895 | Berkshire Hathaway Fin | | 08/26/2011 | 1,310,000.00 | 1,336,710.90 | 1,330,098.73 | 4.850 | AA | 1.390 | 167 | 01/15/2015 |
| 14912L4Y4 | 3930 | Caterpillar Financial Corp. | | 05/30/2012 | 2,000,000.00 | 2,006,000.00 | 2,001,569.92 | 1.125 | A | 0.911 | 136 | 12/15/2014 |

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Report Ver. 7.3.3b

City of HB
Portfolio Management
Portfolio Details - Investments
July 31, 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 |
|-----------------------------|--------------|-------------------------------|-----------------------|------------------|-----------------------|-----------------------|-----------------------|----------------|-----|--------------|---------------------|------------------|
| Corporate Bonds | | | | | | | | | | | | |
| 14912L5D9 | 3936 | Caterpillar Financial Corp. | | 08/03/2012 | 3,000,000.00 | 3,020,910.00 | 3,014,272.32 | 1.100 | A | 0.520 | 301 | 05/29/2015 |
| 36962G4G6 | 3949 | General Electric Capital Corp | | 12/14/2012 | 1,650,000.00 | 1,665,477.00 | 1,664,169.89 | 3.750 | AA | 0.722 | 105 | 11/14/2014 |
| 36962G6R0 | 3956 | General Electric Capital Corp | | 01/25/2013 | 2,000,000.00 | 2,009,960.00 | 2,000,564.18 | 1.000 | AA | 0.980 | 525 | 01/08/2016 |
| 36962G5W0 | 3994 | General Electric Capital Corp | | 12/26/2013 | 5,000,000.00 | 5,150,650.00 | 5,134,805.33 | 2.300 | AAA | 1.291 | 1,000 | 04/27/2017 |
| 36962G6K5 | 4007 | General Electric Capital Corp | | 05/12/2014 | 2,500,000.00 | 2,509,250.00 | 2,520,887.20 | 1.600 | AA | 1.340 | 1,207 | 11/20/2017 |
| 24422ERK7 | 3937 | John Deere Capital | | 08/03/2012 | 3,000,000.00 | 3,009,270.00 | 3,007,861.39 | 1.250 | A | 0.465 | 123 | 12/02/2014 |
| 24422ERS0 | 3948 | John Deere Capital | | 12/11/2012 | 2,000,000.00 | 2,010,720.00 | 2,006,860.13 | 0.950 | A | 0.570 | 332 | 06/29/2015 |
| 674599CB9 | 3977 | Occidental Petroleum | | 05/28/2013 | 3,000,000.00 | 3,048,930.00 | 3,051,435.57 | 1.750 | A | 1.059 | 929 | 02/15/2017 |
| 713448CA4 | 3988 | PEPSICO INC | | 11/19/2013 | 2,500,000.00 | 2,509,700.00 | 2,506,483.17 | 0.700 | A | 0.448 | 377 | 08/13/2015 |
| 931142CX9 | 3943 | Wal-Mart Stores | | 08/14/2012 | 3,000,000.00 | 3,039,150.00 | 3,032,692.44 | 1.500 | AA | 0.606 | 450 | 10/25/2015 |
| Subtotal and Average | | | 34,265,016.52 | | 33,960,000.00 | 34,249,767.90 | 34,255,247.76 | | | 0.893 | 615 | |
| Total and Average | | | 193,802,929.47 | | 188,606,621.72 | 188,234,858.17 | 188,880,444.37 | | | 0.992 | 946 | |

**City of HB
Portfolio Management
Portfolio Details - Cash
July 31, 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 |
|----------------------------|--------------|--------|--------------------|------------------------------|-----------|----------------|----------------|----------------|-----|------------|---------------------|
| Average Balance | | | 0.00 | Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | | | | |
| | | | | Subtotal | | 15,020.83 | 15,020.83 | | | | 0 |
| Total Cash and Investments | | | 193,802,929.47 | 188,606,621.72 | | 188,249,879.00 | 188,895,465.20 | 0.992 | | 946 | |

**City of HB
Portfolio Management
Activity By Type
July 1, 2014 through July 31, 2014**

Page 1

| CUSIP | Investment # | Issuer | Stated Rate | Transaction Date | Purchases or Deposits | Redemptions or Withdrawals | Balance |
|--|--------------|-----------------------------|----------------|---------------------|--------------------------|-------------------------------|-----------------------|
| Federal Agency Issues - Coupon | | | | | | | |
| 3130A0JB7 | 3997 | Federal Home Loan Bank | 1.000 | 07/17/2014 | 0.00 | 5,000,000.00 | |
| 3134G4TC2 | 4001 | Federal Home Loan Mort Corp | 1.550 | 07/30/2014 | 0.00 | 2,500,000.00 | |
| | | Subtotal | | | 0.00 | 7,500,000.00 | 129,354,436.96 |
| Local Agency Investment Funds (Monthly Summary) | | | | | | | |
| SYS982 | 982 | Laif City | 0.244 | | 13,930.10 | 0.00 | |
| | | Subtotal | | | 13,930.10 | 0.00 | 25,270,759.65 |
| Corporate Bonds | | | | | | | |
| | | Subtotal | | | | | 34,255,247.76 |
| | | Total | | | 13,930.10 | 7,500,000.00 | 188,880,444.37 |

**City of HB
Portfolio Management
Activity Summary
July 2013 through July 2014**

Page 1

| 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 | | | | | |
| 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 |
| May | 2014 | 41 | 193,837,931.04 | 0.962 | 0.975 | 0.228 | 3 | 4 | 1,286 | 977 |
| June | 2014 | 42 | 189,731,088.09 | 0.984 | 0.997 | 0.228 | 3 | 2 | 1,298 | 979 |
| July | 2014 | 40 | 193,802,929.47 | 0.978 | 0.992 | 0.244 | 0 | 2 | 1,298 | 946 |
| Average | | 40 | 187,485,304.44 | 0.881% | 0.894% | 0.248 | 2 | 2 | 1,267 | 984 |

**City of HB
Portfolio Management
Interest Earnings Summary
July 31, 2014**

Page 1

| | July 31 Month Ending | Fiscal Year To Date |
|--|----------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 117,392.50 | 1,318,360.73 |
| Plus Accrued Interest at End of Period | 397,830.88 | 397,830.88 |
| Less Accrued Interest at Beginning of Period | (362,400.74) | (361,583.64) |
| Less Accrued Interest at Purchase During Period | (0.00) | (0.00) |
| Interest Earned during Period | 152,822.64 | 1,354,607.97 |
| Adjusted by Premiums and Discounts | -20,141.98 | -208,606.75 |
| Adjusted by Capital Gains or Losses | 0.00 | 10,012.19 |
| Earnings during Periods | 132,680.66 | 1,156,013.41 |
| 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 | 13,930.10 | 69,182.33 |
| Plus Accrued Interest at End of Period | 7,416.92 | 7,416.92 |
| Less Accrued Interest at Beginning of Period | (16,111.39) | (26,258.75) |
| Interest Earned during Period | 5,235.63 | 50,340.50 |
| Total Interest Earned during Period | 158,058.27 | 1,404,948.47 |
| Total Adjustments from Premiums and Discounts | -20,141.98 | -208,606.75 |
| Total Capital Gains or Losses | 0.00 | 10,012.19 |
| Total Earnings during Period | 137,916.29 | 1,206,353.91 |

State of California
Pooled Money Investment Account
Market Valuation
7/31/2014

| Description | Carrying Cost Plus | Fair Value | Accrued Interest |
|--------------------------|-------------------------|----------------------|------------------|
| | Accrued Interest Purch. | | |
| United States Treasury: | | | |
| Bills | \$ 12,936,056,080.37 | \$ 12,944,734,000.00 | NA |
| Notes | \$ 21,964,444,237.50 | \$ 21,969,601,500.00 | \$ 18,996,462.00 |
| Federal Agency: | | | |
| SBA | \$ 579,945,675.61 | \$ 576,523,440.50 | \$ 530,681.18 |
| MBS-REMICs | \$ 117,362,737.93 | \$ 125,463,633.49 | \$ 559,088.97 |
| Debentures | \$ 1,781,758,935.04 | \$ 1,780,247,050.00 | \$ 4,593,521.80 |
| Debentures FR | \$ - | \$ - | \$ - |
| Discount Notes | \$ 1,519,393,499.98 | \$ 1,519,515,000.00 | NA |
| GNMA | \$ - | \$ - | \$ - |
| Supranational Debentures | \$ 149,917,129.22 | \$ 149,998,000.00 | \$ 229,514.00 |
| CDs and YCDs FR | \$ - | \$ - | \$ - |
| Bank Notes | \$ 400,000,000.00 | \$ 399,976,535.59 | \$ 119,972.22 |
| CDs and YCDs | \$ 7,800,075,728.99 | \$ 7,795,014,371.07 | \$ 4,155,347.23 |
| Commercial Paper | \$ 3,958,635,580.58 | \$ 3,958,664,497.21 | NA |
| Corporate: | | | |
| Bonds FR | \$ - | \$ - | \$ - |
| Bonds | \$ - | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - | \$ - |
| Reverse Repurchase | \$ - | \$ - | \$ - |
| Time Deposits | \$ 4,881,740,000.00 | \$ 4,881,740,000.00 | NA |
| AB 55 & GF Loans | \$ 1,478,722,721.22 | \$ 1,478,722,721.22 | NA |
| TOTAL | \$ 57,568,052,326.44 | \$ 57,580,200,749.08 | \$ 29,184,587.40 |

| | | |
|---------------------------------------|----|-------------------|
| Fair Value Including Accrued Interest | \$ | 57,609,385,336.48 |
|---------------------------------------|----|-------------------|

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
July 2014

| <u>Cash Receipts and Disbursements</u> | <u>June 2014</u> | <u>July 2014</u> |
|--|---------------------|----------------------|
| Receipts | | |
| Property Tax Receipts | \$1,534,241 | \$621,650 |
| Utility Tax Receipts (UUT) | 1,614,703 | 1,643,089 |
| Sales Tax Receipts | 2,361,280 | 1,787,700 |
| 1/2 Cent Safety Sales Tax Receipts | 202,933 | 163,087 |
| Highway Users Tax Receipts (HUT) | 927,325 | 589,987 |
| Transient Occupancy Tax Receipts (TOT) | 684,962 | 815,616 |
| Government Funds | 60,251 | 39,608 |
| Capital Funds | 238,830 | 116,518 |
| Debt Service Funds | - | 5,462,254 |
| Enterprise Funds | 5,705,891 | 5,253,982 |
| Fiduciary Funds | 3,072,042 | 1,238,594 |
| Internal Service Funds | 386,675 | 648,121 |
| Special Revenue Funds | 3,217,116 | 2,176,648 |
| All Other Receipts | 5,895,831 | 5,033,130 |
| Total Receipts | \$25,902,081 | \$25,589,983 |
| Disbursements | | |
| Total Disbursements | (21,780,146) | (32,705,787) |
| Net Change in Cash Flow | \$4,121,936 | (\$7,115,804) |
| Summary of Cash by Fund | June 2014 | July 2014 |
| General Fund | 89,441,720 | 76,078,977 |
| Government Funds | 989,987 | 945,988 |
| Capital Funds | 11,583,554 | 11,615,684 |
| Debt Service Funds | 15,588 | 5,477,042 |
| Enterprise Funds | 85,460,944 | 86,268,467 |
| Fiduciary Funds | 20,862,336 | 18,869,381 |
| Internal Service Funds | 4,520,643 | 4,826,600 |
| Special Revenue Funds | 22,042,138 | 22,668,423 |
| General Ledger Cash Balances | 234,916,910 | 226,750,563 * |

* 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.



**City of HB
Portfolio Management
Portfolio Summary
August 31, 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 | 131,875,862.07 | 131,523,291.59 | 131,855,179.87 | 68.90 | 1,634 | 1,242 | 1.214 | 1.231 |
| Local Agency Investment Funds | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | 13.21 | 1 | 1 | 0.256 | 0.260 |
| Corporate Bonds | 33,960,000.00 | 34,236,700.10 | 34,234,362.88 | 17.89 | 1,124 | 584 | 0.880 | 0.893 |
| Investments | 191,106,621.72 | 191,030,751.34 | 191,360,302.40 | 100.00% | 1,327 | 960 | 1.028 | 1.042 |
| <hr/> | | | | | | | | |
| Cash and Accrued Interest | | | | | | | | |
| Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | | | | | |
| Subtotal | | 15,020.83 | 15,020.83 | | | | | |
| Total Cash and Investments | 191,106,621.72 | 191,045,772.17 | 191,375,323.23 | | 1,327 | 960 | 1.028 | 1.042 |

| Total Earnings | August 31 | Month Ending | Fiscal Year To Date | Fiscal Year Ending |
|--------------------------|-----------|----------------|---------------------|--------------------|
| Current Year | | 132,924.09 | 1,339,278.00 | |
| Current Budget | | 100,000.00 | 1,100,000.00 | 1,200,000.00 |
| Last Year Actual | | 112,000.00 | 1,232,000.00 | 1,344,000.00 |
| Average Daily Balance | | 187,498,755.91 | 184,997,988.90 | |
| Effective Rate of Return | | 0.83% | 0.79% | |

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 Cutcher 9.18.14
Alisa Cutcher, CITY TREASURER

Reporting period 08/01/2014-08/31/2014

Run Date: 09/18/2014 - 13:01

Portfolio CITY
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.3b

City of HB
Portfolio Management
Portfolio Details - Investments
August 31, 2014

Page 1

| 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 | | | | | | | | | | | | |
| 3133EDTN2 | 4018 | Federal Farm Credit Bank | | 08/26/2014 | 5,000,000.00 | 4,997,450.00 | 5,000,000.00 | 1.330 | AA | 1.330 | 1,274 | 02/26/2018 |
| 3133805K9 | 3941 | Federal Home Loan Bank | | 08/08/2012 | 3,275,862.07 | 3,275,927.59 | 3,275,628.99 | 0.720 | AA | 0.724 | 707 | 08/08/2016 |
| 313381M44 | 3953 | Federal Home Loan Bank | | 12/28/2012 | 5,000,000.00 | 4,993,100.00 | 5,000,000.00 | 0.650 | AA | 0.650 | 849 | 12/28/2016 |
| 3130A0GL8 | 3996 | Federal Home Loan Bank | | 12/27/2013 | 3,600,000.00 | 3,602,664.00 | 3,600,000.00 | 1.250 | AA | 1.250 | 1,578 | 12/27/2018 |
| 3130A0YE4 | 4004 | Federal Home Loan Bank | | 03/12/2014 | 5,000,000.00 | 5,000,950.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 1,015 | 06/12/2017 |
| 3130A0ZB9 | 4006 | Federal Home Loan Bank | | 02/28/2014 | 5,000,000.00 | 5,005,450.00 | 5,000,000.00 | 1.050 | AA | 2.125 | 1,641 | 02/28/2019 |
| 3130A1UV8 | 4008 | Federal Home Loan Bank | | 05/21/2014 | 5,000,000.00 | 4,996,050.00 | 5,000,000.00 | 1.250 | AA | 2.263 | 1,723 | 05/21/2019 |
| 3130A2B62 | 4012 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 5,004,650.00 | 5,000,000.00 | 1.500 | AA | 2.025 | 1,759 | 06/26/2019 |
| 3130A2AH9 | 4013 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 5,003,800.00 | 4,998,433.68 | 1.500 | AA | 2.035 | 1,759 | 06/26/2019 |
| 3130A2TG1 | 4017 | Federal Home Loan Bank | | 08/27/2014 | 5,000,000.00 | 4,981,850.00 | 5,000,000.00 | 1.500 | AA | 2.052 | 1,821 | 08/27/2019 |
| 3134G3B90 | 3940 | Federal Home Loan Mort Corp | | 08/15/2012 | 5,000,000.00 | 4,970,400.00 | 5,000,000.00 | 0.875 | AA | 0.875 | 1,079 | 08/15/2017 |
| 3134G33B4 | 3952 | Federal Home Loan Mort Corp | | 01/11/2013 | 5,000,000.00 | 4,957,700.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 1,228 | 01/11/2018 |
| 3134G47G7 | 3980 | Federal Home Loan Mort Corp | | 06/26/2013 | 5,000,000.00 | 4,976,000.00 | 5,000,000.00 | 1.400 | AA | 1.400 | 1,394 | 06/26/2018 |
| 3134G4RC4 | 3995 | Federal Home Loan Mort Corp | | 12/27/2013 | 5,000,000.00 | 5,003,700.00 | 5,000,000.00 | 1.150 | AA | 1.944 | 1,578 | 12/27/2018 |
| 3134G55H4 | 4010 | Federal Home Loan Mort Corp | | 05/28/2014 | 5,000,000.00 | 5,016,950.00 | 5,000,000.00 | 1.625 | AA | 1.625 | 1,549 | 11/28/2018 |
| 3134G55T8 | 4011 | Federal Home Loan Mort Corp | | 06/12/2014 | 5,000,000.00 | 4,999,300.00 | 5,000,000.00 | 0.700 | AA | 0.700 | 833 | 12/12/2016 |
| 3135G0RK1 | 3945 | Fed. Nat'l Mort. Assoc. | | 11/07/2012 | 5,000,000.00 | 4,956,650.00 | 5,000,000.00 | 0.900 | AA | 0.900 | 1,163 | 11/07/2017 |
| 3136G07K1 | 3947 | Fed. Nat'l Mort. Assoc. | | 12/07/2012 | 5,000,000.00 | 4,977,700.00 | 5,000,000.00 | 0.700 | AA | 1.002 | 1,192 | 12/06/2017 |
| 3136G17E3 | 3950 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,994,250.00 | 5,000,000.00 | 0.700 | AA | 1.042 | 1,212 | 12/26/2017 |
| 3136G1A66 | 3951 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,996,300.00 | 5,000,000.00 | 0.700 | AA | 1.053 | 1,212 | 12/26/2017 |
| 3135G0SB0 | 3954 | Fed. Nat'l Mort. Assoc. | | 12/21/2012 | 5,000,000.00 | 5,005,400.00 | 4,995,778.70 | 0.375 | AA | 0.440 | 476 | 12/21/2015 |
| 3136G1AY5 | 3955 | Fed. Nat'l Mort. Assoc. | | 01/30/2013 | 5,000,000.00 | 4,996,650.00 | 5,000,000.00 | 0.750 | AA | 1.078 | 1,247 | 01/30/2018 |
| 3136G1CJ6 | 3957 | Fed. Nat'l Mort. Assoc. | | 02/21/2013 | 5,000,000.00 | 4,928,900.00 | 5,000,000.00 | 0.750 | AA | 1.193 | 1,269 | 02/21/2018 |
| 3136G1E62 | 3961 | Fed. Nat'l Mort. Assoc. | | 02/25/2013 | 5,000,000.00 | 4,995,550.00 | 5,000,000.00 | 0.600 | AA | 0.600 | 724 | 08/25/2016 |
| 3136G1EP0 | 3964 | Fed. Nat'l Mort. Assoc. | | 03/12/2013 | 5,000,000.00 | 4,952,000.00 | 5,000,000.00 | 1.100 | AA | 1.100 | 1,288 | 03/12/2018 |
| 3135G0YA5 | 3978 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,991,150.00 | 5,000,000.00 | 0.750 | AA | 0.750 | 840 | 12/19/2016 |
| 3136G1NB1 | 3979 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,942,800.00 | 4,985,338.50 | 0.800 | AA | 0.907 | 1,022 | 06/19/2017 |
| Subtotal and Average | | | 127,983,864.64 | | 131,875,862.07 | 131,523,291.59 | 131,855,179.87 | | | 1.231 | 1,242 | |
| Local Agency Investment Funds | | | | | | | | | | | | |
| SYS982 | 982 | Laif City | | | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | 0.260 | | 0.260 | 1 | |
| Subtotal and Average | | | 25,270,759.65 | | 25,270,759.65 | 25,270,759.65 | 25,270,759.65 | | | 0.260 | 1 | |
| Corporate Bonds | | | | | | | | | | | | |
| 037833AJ9 | 3976 | Apple Inc. | | 05/28/2013 | 3,000,000.00 | 2,941,110.00 | 2,983,912.56 | 1.000 | AA | 1.151 | 1,340 | 05/03/2018 |
| 084664AT8 | 3895 | Berkshire Hathaway Fin | | 08/26/2011 | 1,310,000.00 | 1,331,890.10 | 1,326,422.13 | 4.850 | AA | 1.390 | 136 | 01/15/2015 |

Portfolio CITY

AP

PM (PRF_PM2) 7.3.0

Report Ver. 7.3.3b

Run Date: 09/18/2014 - 13:01

City of HB
Portfolio Management
Portfolio Details - Investments
August 31, 2014

Page 2

| 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 | | | | | | | | | | | | |
| 14912L4Y4 | 3930 | Caterpillar Financial Corp. | | 05/30/2012 | 2,000,000.00 | 2,004,540.00 | 2,001,218.45 | 1.125 | A | 0.911 | 105 | 12/15/2014 |
| 14912L5D9 | 3936 | Caterpillar Financial Corp. | | 08/03/2012 | 3,000,000.00 | 3,017,880.00 | 3,012,835.51 | 1.100 | A | 0.520 | 270 | 05/29/2015 |
| 36962G4G6 | 3949 | General Electric Capital Corp | | 12/14/2012 | 1,650,000.00 | 1,660,890.00 | 1,660,042.74 | 3.750 | AA | 0.722 | 74 | 11/14/2014 |
| 36962G6R0 | 3956 | General Electric Capital Corp | | 01/25/2013 | 2,000,000.00 | 2,010,400.00 | 2,000,531.44 | 1.000 | AA | 0.980 | 494 | 01/08/2016 |
| 36962G5W0 | 3994 | General Electric Capital Corp | | 12/26/2013 | 5,000,000.00 | 5,140,350.00 | 5,130,703.75 | 2.300 | AAA | 1.291 | 969 | 04/27/2017 |
| 36962G6K5 | 4007 | General Electric Capital Corp | | 05/12/2014 | 2,500,000.00 | 2,515,725.00 | 2,520,360.19 | 1.600 | AA | 1.340 | 1,176 | 11/20/2017 |
| 24422ERK7 | 3937 | John Deere Capital | | 08/03/2012 | 3,000,000.00 | 3,007,470.00 | 3,005,912.29 | 1.250 | A | 0.465 | 92 | 12/02/2014 |
| 24422ERS0 | 3948 | John Deere Capital | | 12/11/2012 | 2,000,000.00 | 2,010,320.00 | 2,006,232.68 | 0.950 | A | 0.570 | 301 | 06/29/2015 |
| 674599CB9 | 3977 | Occidental Petroleum | | 05/28/2013 | 3,000,000.00 | 3,046,320.00 | 3,049,747.31 | 1.750 | A | 1.059 | 898 | 02/15/2017 |
| 713448CA4 | 3988 | PEPSICO INC | | 11/19/2013 | 2,500,000.00 | 2,509,875.00 | 2,505,960.34 | 0.700 | A | 0.448 | 346 | 08/13/2015 |
| 931142CX9 | 3943 | Wal-Mart Stores | | 08/14/2012 | 3,000,000.00 | 3,039,930.00 | 3,030,483.49 | 1.500 | AA | 0.606 | 419 | 10/25/2015 |
| Subtotal and Average | | | 34,244,131.63 | | 33,960,000.00 | 34,236,700.10 | 34,234,362.88 | | | 0.893 | 584 | |
| Total and Average | | | 187,498,755.91 | | 191,106,621.72 | 191,030,751.34 | 191,360,302.40 | | | 1.042 | 960 | |

**City of HB
Portfolio Management
Portfolio Details - Cash
August 31, 2014**

Page 3

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | S&P | YTM 365 | Days to Maturity |
|----------------------------|--------------|--------|--------------------|------------------------------|----------------|----------------|----------------|----------------|-----|------------|---------------------|
| Average Balance | | | 0.00 | Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | | | | 0 |
| | | | | Subtotal | | 15,020.83 | 15,020.83 | | | | |
| Total Cash and Investments | | | 187,498,755.91 | | 191,106,621.72 | 191,045,772.17 | 191,375,323.23 | | | 1.042 | 960 |

City of HB
Portfolio Management
Activity By Type
August 1, 2014 through August 31, 2014

Page 1

| CUSIP | Investment # | Issuer | Stated Rate | Transaction Date | Purchases or Deposits | Redemptions or Withdrawals | Balance |
|--|--------------|--------------------------|----------------|---------------------|--------------------------|-------------------------------|-----------------------|
| Federal Agency Issues - Coupon | | | | | | | |
| 3133EDTN2 | 4018 | Federal Farm Credit Bank | 1.330 | 08/26/2014 | 5,000,000.00 | 0.00 | |
| 3130A0SR2 | 4002 | Federal Home Loan Bank | 0.700 | 08/19/2014 | 0.00 | 7,500,000.00 | |
| 3130A2TG1 | 4017 | Federal Home Loan Bank | 1.500 | 08/27/2014 | 5,000,000.00 | 0.00 | |
| Subtotal | | | | | 10,000,000.00 | 7,500,000.00 | 131,855,179.87 |
| Local Agency Investment Funds (Monthly Summary) | | | | | | | |
| Subtotal | | | | | | | 25,270,759.65 |
| Corporate Bonds | | | | | | | |
| Subtotal | | | | | | | 34,234,362.88 |
| Total | | | | | 10,000,000.00 | 7,500,000.00 | 191,360,302.40 |

**City of HB
Portfolio Management
Activity Summary
August 2013 through August 2014**

Page 1

| 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 | | | | | |
| 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 |
| May | 2014 | 41 | 193,837,931.04 | 0.962 | 0.975 | 0.228 | 3 | 4 | 1,286 | 977 |
| June | 2014 | 42 | 189,731,088.09 | 0.984 | 0.997 | 0.228 | 3 | 2 | 1,298 | 979 |
| July | 2014 | 40 | 193,802,929.47 | 0.978 | 0.992 | 0.244 | 0 | 2 | 1,298 | 946 |
| August | 2014 | 41 | 187,498,755.91 | 1.028 | 1.042 | 0.260 | 2 | 1 | 1,327 | 960 |
| Average | | 40 | 187,116,159.32 | 0.900% | 0.912% | 0.248 | 2 | 2 | 1,277 | 983 |

**City of HB
Portfolio Management
Interest Earnings Summary
August 31, 2014**

Page 1

| | August 31 Month Ending | Fiscal Year To Date |
|--|------------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 128,668.10 | 1,447,028.83 |
| Plus Accrued Interest at End of Period | 416,648.50 | 416,648.50 |
| Less Accrued Interest at Beginning of Period | (397,830.88) | (361,583.64) |
| Less Accrued Interest at Purchase During Period | (0.00) | (0.00) |
| Interest Earned during Period | 147,485.72 | 1,502,093.69 |
| Adjusted by Premiums and Discounts | -20,141.97 | -228,748.72 |
| Adjusted by Capital Gains or Losses | 0.00 | 10,012.19 |
| Earnings during Periods | 127,343.75 | 1,283,357.16 |
| 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 | 0.00 | 69,182.33 |
| Plus Accrued Interest at End of Period | 12,997.26 | 12,997.26 |
| Less Accrued Interest at Beginning of Period | (7,416.92) | (26,258.75) |
| Interest Earned during Period | 5,580.34 | 55,920.84 |
| Total Interest Earned during Period | 153,066.06 | 1,558,014.53 |
| Total Adjustments from Premiums and Discounts | -20,141.97 | -228,748.72 |
| Total Capital Gains or Losses | 0.00 | 10,012.19 |
| Total Earnings during Period | 132,924.09 | 1,339,278.00 |

State of California
Pooled Money Investment Account
Market Valuation
8/31/2014

| Carrying Cost Plus | | | |
|--------------------------|-------------------------|----------------------|------------------|
| Description | Accrued Interest Purch. | Fair Value | Accrued Interest |
| United States Treasury: | | | |
| Bills | \$ 11,337,702,416.48 | \$ 11,347,203,500.00 | NA |
| Notes | \$ 20,963,749,276.64 | \$ 20,979,492,500.00 | \$ 17,255,748.00 |
| Federal Agency: | | | |
| SBA | \$ 574,538,034.57 | \$ 571,141,911.05 | \$ 525,162.18 |
| MBS-REMICs | \$ 114,523,260.77 | \$ 122,656,458.65 | \$ 545,455.32 |
| Debentures | \$ 1,811,757,060.04 | \$ 1,809,416,400.00 | \$ 5,740,238.00 |
| Debentures FR | \$ - | \$ - | \$ - |
| Discount Notes | \$ 1,419,400,222.20 | \$ 1,419,718,800.00 | NA |
| GNMA | \$ - | \$ - | \$ - |
| Supranational Debentures | \$ 149,917,129.22 | \$ 150,100,000.00 | \$ 99,325.00 |
| CDs and YCDs FR | \$ - | \$ - | \$ - |
| Bank Notes | \$ 300,000,000.00 | \$ 300,001,091.98 | \$ 123,694.44 |
| CDs and YCDs | \$ 8,500,015,389.30 | \$ 8,496,403,948.00 | \$ 4,349,437.49 |
| Commercial Paper | \$ 3,708,839,386.11 | \$ 3,709,246,611.11 | NA |
| Corporate: | | | |
| Bonds FR | \$ - | \$ - | \$ - |
| Bonds | \$ - | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - | \$ - |
| Reverse Repurchase | \$ - | \$ - | \$ - |
| Time Deposits | \$ 5,000,240,000.00 | \$ 5,000,240,000.00 | NA |
| AB 55 & GF Loans | \$ 978,969,721.22 | \$ 978,969,721.22 | NA |
| TOTAL | \$ 54,859,651,896.55 | \$ 54,884,590,942.01 | \$ 28,639,060.43 |

| | | |
|---------------------------------------|----|-------------------|
| Fair Value Including Accrued Interest | \$ | 54,913,230,002.44 |
|---------------------------------------|----|-------------------|

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
August 2014

| <u>Cash Receipts and Disbursements</u> | <u>July 2014</u> | <u>August 2014</u> |
|--|----------------------|-----------------------|
| Receipts | | |
| Property Tax Receipts | \$621,650 | \$363,796 |
| Utility Tax Receipts (UUT) | 1,643,089 | 1,809,741 |
| Sales Tax Receipts | 1,787,700 | 2,380,800 |
| 1/2 Cent Safety Sales Tax Receipts | 163,087 | 207,201 |
| Highway Users Tax Receipts (HUT) | 589,987 | - |
| Transient Occupancy Tax Receipts (TOT) | 815,616 | 1,071,243 |
| Government Funds | 39,608 | 27,626 |
| Capital Funds | 116,518 | 8,916 |
| Debt Service Funds | 5,462,254 | - |
| Enterprise Funds | 5,253,982 | 5,382,771 |
| Fiduciary Funds | 1,238,594 | 1,089,606 |
| Internal Service Funds | 648,121 | 407,603 |
| Special Revenue Funds | 2,176,648 | 807,410 |
| All Other Receipts | 5,033,130 | 6,035,800 |
| Total Receipts | \$25,589,983 | \$19,592,515 |
| Disbursements | | |
| Total Disbursements | (32,705,787) | (45,040,104) |
| Net Change in Cash Flow | (\$7,115,804) | (\$25,447,589) |
| Summary of Cash by Fund | July 2014 | August 2014 |
| General Fund | 76,078,977 | 67,673,089 |
| Government Funds | 945,988 | 652,107 |
| Capital Funds | 11,615,684 | 11,598,599 |
| Debt Service Funds | 5,477,042 | 1,671,664 |
| Enterprise Funds | 86,268,467 | 82,081,752 |
| Fiduciary Funds | 18,869,381 | 12,119,810 |
| Internal Service Funds | 4,826,600 | 4,741,989 |
| Special Revenue Funds | 22,668,423 | 21,444,608 |
| General Ledger Cash Balances | 226,750,563 | 201,983,618 * |

* 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.



City of HB
Portfolio Management
Portfolio Summary
September 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 | 131,875,862.07 | 131,254,632.62 | 131,855,922.78 | 73.94 | 1,634 | 1,212 | 1.214 | 1.231 |
| Local Agency Investment Funds | 12,270,759.65 | 12,270,759.65 | 12,270,759.65 | 6.88 | 1 | 1 | 0.243 | 0.246 |
| Corporate Bonds | 33,960,000.00 | 34,173,850.00 | 34,213,477.97 | 19.18 | 1,124 | 554 | 0.880 | 0.893 |
| Investments | 178,106,621.72 | 177,699,242.27 | 178,340,160.40 | 100.00% | 1,424 | 1,002 | 1.083 | 1.098 |
| Cash and Accrued Interest | | | | | | | | |
| Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | | | | | |
| Subtotal | | 15,020.83 | 15,020.83 | | | | | |
| Total Cash and Investments | 178,106,621.72 | 177,714,263.10 | 178,355,181.23 | | 1,424 | 1,002 | 1.083 | 1.098 |

| Total Earnings | September 30 Month Ending | Fiscal Year To Date | Fiscal Year Ending |
|---------------------------------|---------------------------|-----------------------|--------------------|
| Current Year | 139,168.89 | 1,478,446.89 | 1,478,446.89 |
| Current Budget | 100,000.00 | 1,200,000.00 | 1,200,000.00 |
| Last Year Actual | 112,000.00 | 1,344,000.00 | 1,344,000.00 |
| Average Daily Balance | 187,916,562.38 | 185,237,871.66 | |
| Effective Rate of Return | 0.90% | 0.80% | |

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 Cutchen, CITY TREASURER

10.9.14

Reporting period 09/01/2014-09/30/2014

Run Date: 10/09/2014 - 13:14

Portfolio CITY
 AP
 PM (PRF_PM1) 7.3.0
 Report Ver. 7.3.3b

City of HB
Portfolio Management
Portfolio Details - Investments
September 30, 2014

Page 1

| 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 | | | | | | | | | | | | |
| 3133EDTN2 | 4018 | Federal Farm Credit Bank | | 08/26/2014 | 5,000,000.00 | 4,985,850.00 | 5,000,000.00 | 1.330 | AA | 1.330 | 1,244 | 02/26/2018 |
| 3133805K9 | 3941 | Federal Home Loan Bank | | 08/08/2012 | 3,275,862.07 | 3,276,058.62 | 3,275,639.02 | 0.720 | AA | 0.724 | 677 | 08/08/2016 |
| 313381M44 | 3953 | Federal Home Loan Bank | | 12/28/2012 | 5,000,000.00 | 4,987,500.00 | 5,000,000.00 | 0.650 | AA | 0.650 | 819 | 12/28/2016 |
| 3130A0GL8 | 3996 | Federal Home Loan Bank | | 12/27/2013 | 3,600,000.00 | 3,598,524.00 | 3,600,000.00 | 1.250 | AA | 1.250 | 1,548 | 12/27/2018 |
| 3130A0YE4 | 4004 | Federal Home Loan Bank | | 03/12/2014 | 5,000,000.00 | 4,989,550.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 985 | 06/12/2017 |
| 3130A0ZB9 | 4006 | Federal Home Loan Bank | | 02/28/2014 | 5,000,000.00 | 4,999,900.00 | 5,000,000.00 | 1.050 | AA | 2.125 | 1,611 | 02/28/2019 |
| 3130A1UV8 | 4008 | Federal Home Loan Bank | | 05/21/2014 | 5,000,000.00 | 4,984,100.00 | 5,000,000.00 | 1.250 | AA | 2.263 | 1,693 | 05/21/2019 |
| 3130A2B62 | 4012 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 5,000,250.00 | 5,000,000.00 | 1.500 | AA | 2.025 | 1,729 | 06/26/2019 |
| 3130A2AH9 | 4013 | Federal Home Loan Bank | | 06/26/2014 | 5,000,000.00 | 5,009,250.00 | 4,998,460.76 | 1.500 | AA | 2.035 | 1,729 | 06/26/2019 |
| 3130A2TG1 | 4017 | Federal Home Loan Bank | | 08/27/2014 | 5,000,000.00 | 4,963,900.00 | 5,000,000.00 | 1.500 | AA | 2.052 | 1,791 | 08/27/2019 |
| 3134G3B90 | 3940 | Federal Home Loan Mort Corp | | 08/15/2012 | 5,000,000.00 | 4,959,750.00 | 5,000,000.00 | 0.875 | AA | 0.875 | 1,049 | 08/15/2017 |
| 3134G33B4 | 3952 | Federal Home Loan Mort Corp | | 01/11/2013 | 5,000,000.00 | 4,943,600.00 | 5,000,000.00 | 1.000 | AA | 1.000 | 1,198 | 01/11/2018 |
| 3134G47G7 | 3980 | Federal Home Loan Mort Corp | | 06/26/2013 | 5,000,000.00 | 4,958,700.00 | 5,000,000.00 | 1.400 | AA | 1.400 | 1,364 | 06/26/2018 |
| 3134G4RC4 | 3995 | Federal Home Loan Mort Corp | | 12/27/2013 | 5,000,000.00 | 5,008,200.00 | 5,000,000.00 | 1.150 | AA | 1.944 | 1,548 | 12/27/2018 |
| 3134G55H4 | 4010 | Federal Home Loan Mort Corp | | 05/28/2014 | 5,000,000.00 | 4,996,950.00 | 5,000,000.00 | 1.625 | AA | 1.625 | 1,519 | 11/28/2018 |
| 3134G55T8 | 4011 | Federal Home Loan Mort Corp | | 06/12/2014 | 5,000,000.00 | 4,990,100.00 | 5,000,000.00 | 0.700 | AA | 0.700 | 803 | 12/12/2016 |
| 3135G0RK1 | 3945 | Fed. Nat'l Mort. Assoc. | | 11/07/2012 | 5,000,000.00 | 4,937,300.00 | 5,000,000.00 | 0.900 | AA | 0.900 | 1,133 | 11/07/2017 |
| 3136G07K1 | 3947 | Fed. Nat'l Mort. Assoc. | | 12/07/2012 | 5,000,000.00 | 4,963,850.00 | 5,000,000.00 | 0.700 | AA | 1.002 | 1,162 | 12/06/2017 |
| 3136G17E3 | 3950 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,979,700.00 | 5,000,000.00 | 0.700 | AA | 1.042 | 1,182 | 12/26/2017 |
| 3136G1A66 | 3951 | Fed. Nat'l Mort. Assoc. | | 12/26/2012 | 5,000,000.00 | 4,981,750.00 | 5,000,000.00 | 0.700 | AA | 1.053 | 1,182 | 12/26/2017 |
| 3135G0SB0 | 3954 | Fed. Nat'l Mort. Assoc. | | 12/21/2012 | 5,000,000.00 | 5,007,850.00 | 4,996,048.15 | 0.375 | AA | 0.440 | 446 | 12/21/2015 |
| 3136G1AY5 | 3955 | Fed. Nat'l Mort. Assoc. | | 01/30/2013 | 5,000,000.00 | 4,981,800.00 | 5,000,000.00 | 0.750 | AA | 1.078 | 1,217 | 01/30/2018 |
| 3136G1CJ6 | 3957 | Fed. Nat'l Mort. Assoc. | | 02/21/2013 | 5,000,000.00 | 4,912,600.00 | 5,000,000.00 | 0.750 | AA | 1.193 | 1,239 | 02/21/2018 |
| 3136G1E62 | 3961 | Fed. Nat'l Mort. Assoc. | | 02/25/2013 | 5,000,000.00 | 4,992,250.00 | 5,000,000.00 | 0.600 | AA | 0.600 | 694 | 08/25/2016 |
| 3136G1EP0 | 3964 | Fed. Nat'l Mort. Assoc. | | 03/12/2013 | 5,000,000.00 | 4,931,200.00 | 5,000,000.00 | 1.100 | AA | 1.100 | 1,258 | 03/12/2018 |
| 3135G0YA5 | 3978 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,984,700.00 | 5,000,000.00 | 0.750 | AA | 0.750 | 810 | 12/19/2016 |
| 3136G1NB1 | 3979 | Fed. Nat'l Mort. Assoc. | | 06/19/2013 | 5,000,000.00 | 4,929,450.00 | 4,985,774.85 | 0.800 | AA | 0.907 | 992 | 06/19/2017 |
| Subtotal and Average | | | 131,855,563.71 | | 131,875,862.07 | 131,254,632.62 | 131,855,922.78 | | | 1.231 | 1,212 | |
| Local Agency Investment Funds | | | | | | | | | | | | |
| SYS982 | 982 | Laif City | | | 12,270,759.65 | 12,270,759.65 | 12,270,759.65 | 0.246 | | 0.246 | 1 | |
| Subtotal and Average | | | 21,837,426.32 | | 12,270,759.65 | 12,270,759.65 | 12,270,759.65 | | | 0.246 | 1 | |
| Corporate Bonds | | | | | | | | | | | | |
| 037833AJ9 | 3976 | Apple Inc. | | 05/28/2013 | 3,000,000.00 | 2,925,960.00 | 2,984,277.63 | 1.000 | AA | 1.151 | 1,310 | 05/03/2018 |
| 084664AT8 | 3895 | Berkshire Hathaway Fin | | 08/26/2011 | 1,310,000.00 | 1,326,964.50 | 1,322,745.54 | 4.850 | AA | 1.390 | 106 | 01/15/2015 |

Portfolio CITY
AP
PM (PRF_PM2) 7.3.0

Run Date: 10/09/2014 - 13:14

Report Ver. 7.3.3b

**City of HB
Portfolio Management
Portfolio Details - Investments
September 30, 2014**

Page 2

| 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 | | | | | | | | | | | | |
| 14912L4Y4 | 3930 | Caterpillar Financial Corp. | | 05/30/2012 | 2,000,000.00 | 2,003,700.00 | 2,000,866.97 | 1.125 | A | 0.911 | 75 | 12/15/2014 |
| 14912L5D9 | 3936 | Caterpillar Financial Corp. | | 08/03/2012 | 3,000,000.00 | 3,016,140.00 | 3,011,398.70 | 1.100 | A | 0.520 | 240 | 05/29/2015 |
| 36962G4G6 | 3949 | General Electric Capital Corp | | 12/14/2012 | 1,650,000.00 | 1,656,880.50 | 1,655,915.58 | 3.750 | AA | 0.722 | 44 | 11/14/2014 |
| 36962G6R0 | 3956 | General Electric Capital Corp | | 01/25/2013 | 2,000,000.00 | 2,007,600.00 | 2,000,498.70 | 1.000 | AA | 0.980 | 464 | 01/08/2016 |
| 36962G5V0 | 3994 | General Electric Capital Corp | | 12/26/2013 | 5,000,000.00 | 5,137,500.00 | 5,126,602.16 | 2.300 | AAA | 1.291 | 939 | 04/27/2017 |
| 36962G6K5 | 4007 | General Electric Capital Corp | | 05/12/2014 | 2,500,000.00 | 2,504,650.00 | 2,519,833.18 | 1.600 | AA | 1.340 | 1,146 | 11/20/2017 |
| 24422ERK7 | 3937 | John Deere Capital | | 08/03/2012 | 3,000,000.00 | 3,005,160.00 | 3,003,963.18 | 1.250 | A | 0.465 | 62 | 12/02/2014 |
| 24422ERS0 | 3948 | John Deere Capital | | 12/11/2012 | 2,000,000.00 | 2,007,940.00 | 2,005,605.23 | 0.950 | A | 0.570 | 271 | 06/29/2015 |
| 674599CB9 | 3977 | Occidental Petroleum | | 05/28/2013 | 3,000,000.00 | 3,038,100.00 | 3,048,059.06 | 1.750 | A | 1.059 | 868 | 02/15/2017 |
| 713448CA4 | 3988 | PEPSICO INC | | 11/19/2013 | 2,500,000.00 | 2,508,425.00 | 2,505,437.50 | 0.700 | A | 0.448 | 316 | 08/13/2015 |
| 931142CX9 | 3943 | Wal-Mart Stores | | 08/14/2012 | 3,000,000.00 | 3,034,830.00 | 3,028,274.54 | 1.500 | AA | 0.606 | 389 | 10/25/2015 |
| Subtotal and Average | | | 34,223,572.35 | | 33,960,000.00 | 34,173,850.00 | 34,213,477.97 | | | 0.893 | 554 | |
| Total and Average | | | 187,916,562.38 | | 178,106,621.72 | 177,699,242.27 | 178,340,160.40 | | | 1.098 | 1,002 | |

City of HB
Portfolio Management
Portfolio Details - Cash
September 30, 2014

Page 3

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | S&P | YTM 365 | Days to Maturity |
|----------------------------|--------------|--------|--------------------|------------------------------|----------------|----------------|----------------|----------------|-----|------------|---------------------|
| Average Balance | | | 0.00 | Accrued Interest at Purchase | | 15,020.83 | 15,020.83 | 0 | | | |
| | | | | Subtotal | | 15,020.83 | 15,020.83 | | | | |
| Total Cash and Investments | | | 187,916,562.38 | | 178,106,621.72 | 177,714,263.10 | 178,355,181.23 | | | 1.098 | 1,002 |

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

Page 1

| CUSIP | Investment # | Issuer | Stated Rate | Transaction Date | Purchases or Deposits | Redemptions or Withdrawals | Balance |
|---|--------------|-----------|----------------|---------------------|--------------------------|-------------------------------|----------------|
| Federal Agency Issues - Coupon | | | | | | | |
| | | Subtotal | | | | | 131,855,922.78 |
| Local Agency Investment Funds (Monthly Summary) | | | | | | | |
| SYS982 | 982 | Laif City | 0.246 | | 0.00 | 13,000,000.00 | |
| | | Subtotal | | | 0.00 | 13,000,000.00 | 12,270,759.65 |
| Corporate Bonds | | | | | | | |
| | | Subtotal | | | | | 34,213,477.97 |
| | | Total | | | 0.00 | 13,000,000.00 | 178,340,160.40 |

**City of HB
Portfolio Management
Activity Summary
September 2013 through September 2014**

Page 1

| 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 | | | | | |
| 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 |
| May | 2014 | 41 | 193,837,931.04 | 0.962 | 0.975 | 0.228 | 3 | 4 | 1,286 | 977 |
| June | 2014 | 42 | 189,731,088.09 | 0.984 | 0.997 | 0.228 | 3 | 2 | 1,298 | 979 |
| July | 2014 | 40 | 193,802,929.47 | 0.978 | 0.992 | 0.244 | 0 | 2 | 1,298 | 946 |
| August | 2014 | 41 | 187,498,755.91 | 1.028 | 1.042 | 0.260 | 2 | 1 | 1,327 | 960 |
| September | 2014 | 41 | 187,916,562.38 | 1.083 | 1.098 | 0.246 | 0 | 0 | 1,424 | 1,002 |
| Average | | 40 | 186,306,446.35 | 0.921% | 0.934% | 0.246 | 2 | 2 | 1,294 | 987 |

**City of HB
Portfolio Management
Interest Earnings Summary
September 30, 2014**

Page 1

September 30 Month Ending

Fiscal Year To Date

| | | |
|--|-------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 27,500.00 | 1,474,528.83 |
| Plus Accrued Interest at End of Period | 544,044.05 | 544,044.05 |
| Less Accrued Interest at Beginning of Period | (416,648.50) | (361,583.64) |
| Less Accrued Interest at Purchase During Period | (0.00) | (0.00) |
| Interest Earned during Period | 154,895.55 | 1,656,989.24 |
| Adjusted by Premiums and Discounts | -20,142.00 | -248,890.72 |
| Adjusted by Capital Gains or Losses | 0.00 | 10,012.19 |
| Earnings during Periods | 134,753.55 | 1,418,110.71 |
| 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 | 0.00 | 69,182.33 |
| Plus Accrued Interest at End of Period | 17,412.60 | 17,412.60 |
| Less Accrued Interest at Beginning of Period | (12,997.26) | (26,258.75) |
| Interest Earned during Period | 4,415.34 | 60,336.18 |
| Total Interest Earned during Period | 159,310.89 | 1,717,325.42 |
| Total Adjustments from Premiums and Discounts | -20,142.00 | -248,890.72 |
| Total Capital Gains or Losses | 0.00 | 10,012.19 |
| Total Earnings during Period | 139,168.89 | 1,478,446.89 |

State of California
Pooled Money Investment Account
Market Valuation
9/30/2014

| Description | Carrying Cost Plus | | Fair Value | Accrued Interest |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|
| | Accrued Interest Purch. | Amortized Cost | | |
| United States Treasury: | | | | |
| Bills | \$ 11,137,909,675.57 | \$ 11,144,028,974.24 | \$ 11,147,231,000.00 | NA |
| Notes | \$ 20,613,431,491.60 | \$ 20,611,735,881.66 | \$ 20,620,552,000.00 | \$ 20,714,247.00 |
| Federal Agency: | | | | |
| SBA | \$ 571,481,035.26 | \$ 571,481,035.26 | \$ 567,433,519.70 | \$ 521,914.04 |
| MBS-REMICs | \$ 109,474,286.60 | \$ 109,474,286.60 | \$ 116,983,332.51 | \$ 521,209.85 |
| Debentures | \$ 1,959,407,587.90 | \$ 1,959,148,157.35 | \$ 1,958,751,700.00 | \$ 1,655,043.25 |
| Debentures FR | \$ - | \$ - | \$ - | \$ - |
| Discount Notes | \$ 1,299,421,361.10 | \$ 1,299,712,319.44 | \$ 1,299,922,000.00 | NA |
| GNMA | \$ - | \$ - | \$ - | \$ - |
| Supranational Debentures | \$ 399,927,859.19 | \$ 399,927,859.19 | \$ 399,644,500.00 | \$ 192,809.50 |
| CDs and YCDs FR | \$ - | \$ - | \$ - | \$ - |
| Bank Notes | \$ 400,000,000.00 | \$ 400,000,000.00 | \$ 399,896,651.17 | \$ 139,833.33 |
| CDs and YCDs | \$ 9,475,026,364.38 | \$ 9,475,015,822.71 | \$ 9,471,060,198.00 | \$ 3,941,784.74 |
| Commercial Paper | \$ 4,354,195,497.74 | \$ 4,354,921,548.28 | \$ 4,354,205,466.67 | NA |
| Corporate: | | | | |
| Bonds FR | \$ - | \$ - | \$ - | \$ - |
| Bonds | \$ - | \$ - | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - | \$ - | \$ - |
| Reverse Repurchase | \$ - | \$ - | \$ - | \$ - |
| Time Deposits | \$ 5,082,740,000.00 | \$ 5,082,740,000.00 | \$ 5,082,740,000.00 | NA |
| AB 55 & GF Loans | \$ 1,047,229,467.74 | \$ 1,047,229,467.74 | \$ 1,047,229,467.74 | NA |
| TOTAL | \$ 56,450,244,627.08 | \$ 56,455,415,352.47 | \$ 56,465,649,835.79 | \$ 27,686,841.71 |

Fair Value Including Accrued Interest

\$ 56,493,336,677.50

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.000181284). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,003,625.69 or \$20,000,000.00 x 1.000181284.



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

Finance Department

September 2014

| <u>Cash Receipts and Disbursements</u> | <u>August 2014</u> | <u>September 2014</u> |
|--|-----------------------|-----------------------|
| Receipts | | |
| Property Tax Receipts | \$363,796 | \$1,549,610 |
| Utility Tax Receipts (UUT) | 1,809,741 | 1,808,755 |
| Sales Tax Receipts | 2,380,800 | 2,322,197 |
| 1/2 Cent Safety Sales Tax Receipts | 207,201 | 173,787 |
| Highway Users Tax Receipts (HUT) | - | 866,117 |
| Transient Occupancy Tax Receipts (TOT) | 1,071,243 | 1,077,692 |
| Government Funds | 27,626 | 134,920 |
| Capital Funds | 8,916 | 62,458 |
| Debt Service Funds | - | 1,121,706 |
| Enterprise Funds | 5,382,771 | 5,316,591 |
| Fiduciary Funds | 1,089,606 | 3,280,920 |
| Internal Service Funds | 407,603 | 415,558 |
| Special Revenue Funds | 807,410 | 2,088,702 |
| All Other Receipts | 6,035,800 | 3,016,765 |
| Total Receipts | \$19,592,515 | \$23,235,780 |
| Disbursements | | |
| Total Disbursements | (45,040,104) | (29,223,331) |
| Net Change in Cash Flow | (\$25,447,589) | (\$5,987,551) |
| Summary of Cash by Fund | August 2014 | September 2014 |
| General Fund | 67,673,089 | 63,874,739 |
| Government Funds | 652,107 | 647,386 |
| Capital Funds | 11,598,599 | 11,604,256 |
| Debt Service Funds | 1,671,664 | 10,036 |
| Enterprise Funds | 82,081,752 | 82,614,366 |
| Fiduciary Funds | 12,119,810 | 10,934,505 |
| Internal Service Funds | 4,741,989 | 4,859,704 |
| Special Revenue Funds | 21,444,608 | 21,331,031 |
| General Ledger Cash Balances | 201,983,618 | 195,876,024 * |

* 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.