



City of Huntington Beach
City Treasurer's Monthly Report
November, 2015

Portfolio Overview:

<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	114,787,780	115,074,371	65%	1.36%	None
Local Agency Investment Fund (LAIF)	25,362,393	25,362,393	14%	0.37%	\$50 million
Corporate Bonds	37,569,590	37,696,590	21%	1.35%	30%
Total Portfolio	177,719,763	178,133,354	100%	1.22%	

As of November 30, 2015 the market value of the City's investment portfolio was \$177.7 million, with a book value of \$178.1 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. The portfolio remained in compliance with all State regulations and the Investment Policy Statement.

Investment Policy Statement:

An updated Investment Policy Statement was approved at the November 2, 2015 City Council meeting. The Investment Policy was amended as follows:

- Section 10.0 Authorized and Suitable Investments, K. Medium-Term Corporate Notes was amended to increase the maximum allowable percentage of the portfolio to be invested in medium-term corporate notes from 20% to 30% of the total investment portfolio to correspond with California Government Code Section 53601.

- Section 17.1 Market Yield (Benchmark) was amended to simplify the current benchmark of the combined 12-month rolling average 2-Year Constant Maturity Treasury (CMT) rate and the average of the monthly LAIF rate to simply the 2-Year Constant Maturity Treasury (CMT) rate. Such rate is published daily hence providing additional transparency in reporting due to the public nature of such a benchmark.

Market Summary:

The bond and equity markets experienced slight growth during the month of November, 2015. The 10-year Treasury yield increased from 2.15% at the end of October to 2.21% at the end of November. The S&P 500 increased 0.05% month over month and the Dow Jones Industrial Average increased by 0.32%.

Market Summary	Federal Funds Rate	10-Year Treasury	S&P 500	DOW
Qtr End 9/30/15	0.00 - 0.25 %	2.04%	1,920.00	16,284.70
October 30, 2015	0.00 - 0.25 %	2.15%	2,079.40	17,663.54
November 30, 2015	0.00 - 0.25 %	2.21%	2,080.40	17,719.90
Oct - Nov % Change	<i>0</i>	<i>2.79%</i>	<i>0.05%</i>	<i>0.32%</i>

Economic Outlook:

The Federal Reserve will hold the last Federal Open Market Committee (FOMC) meeting of 2015 (December 15-16). FOMC members will discuss the state of the economy and will make a public announcement regarding their decision on whether to raise interest rates. Because of a combination of solid economic data and strong U.S. consumer confidence, it is likely we will see a hike in interest rates in December.

The U.S. unemployment rate remains at 5.0% (the lowest level since the recession officially ended in June 2009) and is projected to decrease further in the coming months.

The Wall Street Journal reported that consumers spent less this year over the Thanksgiving holiday weekend as opposed to the same period in 2014 at "brick and mortar" retailers. This downturn in "brick and mortar" sales was offset by strong online sales, specifically on Cyber Monday, where online sales increased by 16 percent year-over-year to over \$3.07 billion.

Global manufacturing levels were down at the end of November (especially in China and Europe) as compared to the previous month, specifically in the machinery and primary metals industries. The dollar continued to strengthen therefore limiting foreign countries from increasing manufacturing orders. However, auto sales in the United States continued their

strong run with sales through November of over 18 million units. Thus far, 2015 has shown the largest increase in auto sales since the economic collapse in 2008 (though auto sales have yet to reach prior expansion peaks of 21 million back in the mid- 2000's).



City of HB
Portfolio Management
Portfolio Summary
November 30, 2015

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	115,000,000.00	114,787,780.00	115,074,370.99	64.60	1,407	1,186	1.341	1.360
Local Agency Investment Funds	25,362,392.76	25,362,392.76	25,362,392.76	14.24	1	1	0.369	0.374
Corporate Bonds	37,500,000.00	37,569,590.00	37,696,590.46	21.16	1,251	790	1.330	1.349
Investments	177,862,392.76	177,719,762.76	178,133,354.21	100.00%	1,174	933	1.200	1.217
<hr/>								
Cash and Accrued Interest								
Accrued Interest at Purchase		5,598.96	5,598.96					
Subtotal		5,598.96	5,598.96					
Total Cash and Investments	177,862,392.76	177,725,361.72	178,138,953.17		1,174	933	1.200	1.217

Total Earnings	November 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	163,885.51	329,488.65	
Current Budget	110,000.00	220,000.00	1,320,000.00
Last Year Actual	101,743.00	216,815.00	1,479,308.00
Average Daily Balance	181,304,552.62	183,692,628.75	
Effective Rate of Return	1.10%	1.07%	

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 November 2, 2015. 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

12.29.15

Reporting period 11/01/2015-11/30/2015

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Portfolio CITY
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City of HB
Portfolio Management
Portfolio Details - Investments
November 30, 2015

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												
3133EEA42	4058	Federal Farm Credit Bank		04/23/2015	5,000,000.00	5,000,600.00	5,000,000.00	1.090	AA	1.090	874	04/23/2018
3133EETE0	4060	Federal Farm Credit Bank		04/17/2015	5,000,000.00	5,001,800.00	5,029,422.44	1.125	AA	0.863	832	03/12/2018
3130A3PA6	4020	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,004,250.00	5,000,000.00	1.550	AA	1.892	1,490	12/30/2019
3130A3TA2	4038	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,007,250.00	4,999,155.34	1.000	AA	1.010	623	08/15/2017
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,029,400.00	5,030,628.48	1.375	AA	1.100	829	03/09/2018
3130A4VE9	4055	Federal Home Loan Bank		04/27/2015	5,000,000.00	4,981,600.00	5,000,000.00	1.050	AA	1.050	878	04/27/2018
3130A5MD8	4074	Federal Home Loan Bank		06/24/2015	5,000,000.00	5,004,300.00	5,000,000.00	1.000	AA	1.743	1,301	06/24/2019
3137EADS5	4078	Federal Home Loan Mort Corp		09/17/2015	5,000,000.00	5,008,600.00	5,015,164.73	0.875		0.525	318	10/14/2016
3134G7ZA2	4079	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	5,001,100.00	5,000,000.00	1.000		1.860	1,399	09/30/2019
3134G7J69	4090	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	4,967,850.00	5,000,000.00	1.375		1.375	1,765	09/30/2020
3134G7J44	4091	Federal Home Loan Mort Corp		09/30/2015	6,000,000.00	6,003,120.00	6,000,000.00	1.800	AAA	1.800	1,765	09/30/2020
3134G7G70	4092	Federal Home Loan Mort Corp		09/28/2015	5,000,000.00	5,001,400.00	5,000,000.00	1.400		1.400	1,305	06/28/2019
3134G7L90	4115	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	1,988,860.00	2,000,000.00	1.250		2.236	1,794	10/29/2020
3134G7H87	4116	Federal Home Loan Mort Corp		10/22/2015	4,000,000.00	3,976,040.00	4,000,000.00	1.250		2.189	1,787	10/22/2020
3134G7U25	4117	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,975,800.00	5,000,000.00	0.800		0.800	696	10/27/2017
3134G7X71	4118	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	1,967,920.00	2,000,000.00	1.000		1.527	1,245	04/29/2019
3134G7P96	4119	Federal Home Loan Mort Corp		10/29/2015	3,000,000.00	2,989,470.00	3,000,000.00	1.000		1.527	1,245	04/29/2019
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,963,800.00	5,000,000.00	1.000	AAA	0.991	969	07/27/2018
3134G74R9	4121	Federal Home Loan Mort Corp		11/25/2015	5,000,000.00	4,939,150.00	5,000,000.00	1.800		1.800	1,821	11/25/2020
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	5,002,900.00	5,000,000.00	0.900	AA	0.900	707	11/07/2017
3136G1EP0	3964	Fed. Nat'l Mort. Assoc.		03/12/2013	5,000,000.00	5,004,200.00	5,000,000.00	1.100	AA	1.100	832	03/12/2018
3136G2D95	4042	Fed. Nat'l Mort. Assoc.		02/19/2015	5,000,000.00	5,005,700.00	5,000,000.00	1.000	AA	2.081	1,541	02/19/2020
3136G2EE3	4043	Fed. Nat'l Mort. Assoc.		02/27/2015	5,000,000.00	4,998,100.00	5,000,000.00	1.125	AA	1.125	1,549	02/27/2020
3136G2K30	4065	Fed. Nat'l Mort. Assoc.		05/27/2015	3,000,000.00	3,005,370.00	3,000,000.00	2.000	AA	2.000	1,639	05/27/2020
3136G2R58	4122	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	4,959,200.00	5,000,000.00	1.040		1.040	1,060	10/26/2018
Subtotal and Average			118,241,364.65		115,000,000.00	114,787,780.00	115,074,370.99			1.360	1,186	
Local Agency Investment Funds												
SYS982	982	Laif City			25,362,392.76	25,362,392.76	25,362,392.76	0.374		0.374	1	
Subtotal and Average			25,362,392.76		25,362,392.76	25,362,392.76	25,362,392.76			0.374	1	
Corporate Bonds												
037833AJ9	3976	Apple Inc.		05/28/2013	3,000,000.00	2,983,140.00	2,989,388.62	1.000	AA	1.151	884	05/03/2018
14912L5P2	4024	Caterpillar Financial Corp.		12/10/2014	3,000,000.00	2,976,390.00	2,983,255.81	1.300	A	1.555	821	03/01/2018
166764AA8	4044	Chevron Corp		02/09/2015	3,000,000.00	2,989,380.00	3,005,985.83	1.104	AA	1.003	735	12/05/2017
268648AP7	4077	EMC Corp		07/14/2015	2,500,000.00	2,425,875.00	2,514,884.28	1.875	AA	1.630	913	06/01/2018

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**City of HB
Portfolio Management
Portfolio Details - Cash
November 30, 2015**

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		5,598.96	5,598.96				0
				Subtotal		5,598.96	5,598.96				
Total Cash and Investments			181,304,552.62		177,862,392.76	177,725,361.72	178,138,953.17			1.217	933

City of HB
Portfolio Management
Activity By Type
November 1, 2015 through November 30, 2015

Page 1

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
3130A3YL2	4040	Federal Home Loan Bank	1.000	11/20/2015	0.00	5,000,000.00	
3134G6AU7	4041	Federal Home Loan Mort Corp	1.400	11/20/2015	0.00	5,000,000.00	
3134G74R9	4121	Federal Home Loan Mort Corp	1.800	11/25/2015	5,000,000.00	0.00	
3136G1NB1	3979	Fed. Nat'l Mort. Assoc.	0.800	11/06/2015	0.00	4,991,520.18	
		Subtotal			5,000,000.00	14,991,520.18	115,074,370.99
Local Agency Investment Funds (Monthly Summary)							
		Subtotal					25,362,392.76
Corporate Bonds							
		Subtotal					37,696,590.46
		Total			5,000,000.00	14,991,520.18	178,133,354.21

**City of HB
Portfolio Management
Activity Summary
November 2014 through November 2015**

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					
November	2014	35	166,568,219.77	0.968	0.981	0.261	0	2	1,264	848
December	2014	37	179,431,920.78	1.052	1.066	0.267	9	7	1,268	915
January	2015	36	186,653,300.48	1.049	1.063	0.262	1	2	1,269	898
February	2015	42	193,794,027.30	1.155	1.171	0.266	8	2	1,338	1,004
March	2015	42	203,229,327.76	1.195	1.212	0.278	1	1	1,390	1,022
April	2015	46	202,037,046.95	1.209	1.226	0.283	5	1	1,374	1,031
May	2015	45	218,277,154.90	1.162	1.179	0.290	2	3	1,297	959
June	2015	41	221,977,102.78	1.059	1.074	0.299	2	6	1,175	853
July	2015	44	220,974,892.46	1.144	1.160	0.320	3	0	1,253	908
August	2015	43	207,414,248.06	1.210	1.227	0.330	0	1	1,327	948
September	2015	40	192,954,371.29	1.159	1.175	0.337	5	8	1,172	894
October	2015	41	186,003,670.17	1.209	1.226	0.357	7	6	1,184	944
November	2015	39	181,304,552.62	1.200	1.217	0.374	1	3	1,174	933
Average		41	197,045,548.15	1.136%	1.152%	0.302	3	3	1,268	935

**City of HB
Portfolio Management
Interest Earnings Summary
November 30, 2015**

Page 1

November 30 Month Ending

Fiscal Year To Date

CD/Coupon/Discount Investments:

Interest Collected	132,722.22	435,128.47
Plus Accrued Interest at End of Period	375,836.10	375,836.10
Less Accrued Interest at Beginning of Period	(342,211.54)	(473,232.05)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	166,346.78	337,732.52
Adjusted by Premiums and Discounts	-12,237.42	-25,872.35
Adjusted by Capital Gains or Losses	1,979.82	2,188.15
Earnings during Periods	156,089.18	314,048.32

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	24,899.51
Plus Accrued Interest at End of Period	17,621.62	17,621.62
Less Accrued Interest at Beginning of Period	(9,825.29)	(27,080.80)
Interest Earned during Period	7,796.33	15,440.33

Total Interest Earned during Period	174,143.11	353,172.85
Total Adjustments from Premiums and Discounts	-12,237.42	-25,872.35
Total Capital Gains or Losses	1,979.82	2,188.15
Total Earnings during Period	163,885.51	329,488.65



**State of California
Pooled Money Investment Account
Market Valuation
11/30/2015**

Description	Carrying Cost Plus Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 10,221,934,392.28	\$ 10,231,838,500.00	NA
Notes	\$ 21,152,081,069.54	\$ 21,124,917,000.00	\$ 31,180,343.50
Federal Agency:			
SBA	\$ 627,706,907.16	\$ 620,679,494.28	\$ 540,232.15
MBS-REMICs	\$ 75,812,812.71	\$ 80,509,664.27	\$ 359,618.00
Debentures	\$ 1,214,447,021.27	\$ 1,212,578,100.00	\$ 3,355,148.15
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 6,936,965,569.40	\$ 6,944,115,500.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 350,165,819.35	\$ 350,269,000.00	\$ 412,848.00
CDs and YCDs FR	\$ 200,000,000.00	\$ 200,000,000.00	\$ 89,384.44
Bank Notes	\$ 400,000,000.00	\$ 399,835,381.58	\$ 214,333.33
CDs and YCDs	\$ 10,285,010,933.58	\$ 10,283,225,868.15	\$ 10,256,772.18
Commercial Paper	\$ 3,012,020,077.79	\$ 3,012,982,888.88	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 5,896,540,000.00	\$ 5,896,540,000.00	NA
AB 55 & GF Loans	4,454,245,202.41	\$ 4,454,245,202.41	NA
TOTAL	\$ 64,826,929,805.49	\$ 64,811,736,599.57	\$ 46,408,679.75

Fair Value Including Accrued Interest	\$ 64,858,145,279.32
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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
November 2015

<u>Cash Receipts and Disbursements</u>	<u>October 2015</u>	<u>November 2015</u>
Receipts		
Property Tax Receipts	\$223,073	\$5,292,108
Utility Tax Receipts (UUT)	1,857,202	1,727,049
Sales Tax Receipts	1,902,200	2,536,200
1/2 Cent Safety Sales Tax Receipts	156,826	172,311
Highway Users Tax Receipts (HUT)	355,916	-
Transient Occupancy Tax Receipts (TOT)	794,053	761,035
Government Funds	187,487	286,992
Capital Funds	2,129,537	21,154
Debt Service Funds	-	80
Enterprise Funds	4,513,376	4,547,668
Fiduciary Funds	1,291,998	1,286,967
Internal Service Funds	753,150	560,630
Special Revenue Funds	1,744,983	1,222,822
All Other Receipts	9,785,778	3,707,138
Total Receipts	\$25,695,580	\$22,122,154
Disbursements		
Total Disbursements	(29,359,034)	(22,549,028)
Net Change in Cash Flow	(\$3,663,454)	(\$426,875)
Summary of Cash by Fund	October 2015	November 2015
General Fund	59,310,292	58,162,306
Government Funds	1,865,852	2,033,598
Capital Funds	19,531,986	18,057,804
Debt Service Funds	10,681	8,762
Enterprise Funds	73,529,886	75,730,678
Fiduciary Funds	7,142,166	7,279,312
Internal Service Funds	8,656,420	8,800,412
Special Revenue Funds	28,581,126	28,522,028
General Ledger Cash Balances	198,628,409	198,594,899 *

* 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.