



City of Huntington Beach
City Treasurer's Monthly Report
January 2016

Investment Summary

As of January 31, 2016:

<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	141,151,990	141,067,150	68%	1.38%	None
Local Agency Investment Fund (LAIF)	25,386,289	25,386,289	12%	0.40%	\$50 million
Corporate Bonds	40,565,120	40,690,697	20%	1.35%	30%
Total Portfolio	207,103,399	207,144,135	100%	1.26%	

As of January 31, 2016, the market and book values of the City's investment portfolio were both \$207.1 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 City's portfolio earned \$192,423 for the month of January with fiscal year-to-date earnings of \$691,996. This represents a 23.0% increase in earnings for the month as compared to January 2015.

Market and Economic Summary:

Market Summary	Federal Funds Rate	10-Year Treasury	S&P 500	DOW
November 30, 2015	0.00 - 0.25 %	2.21%	2,080.40	17,719.90
December 31, 2015	0.25 - 0.50 %	2.27%	2,043.94	17,425.03
January 31, 2016	0.25 - 0.50 %	1.94%	1,940.24	16,466.30
Dec - Jan % Change	0	-14.54%	-5.07%	-5.50%

The bond and equity markets were down from December to the end of January of this year. The 10-year Treasury yield decreased from 2.27% at the end of December to 1.94% at the end of January. The S&P 500 decreased 5.07% month over month and the DOW decreased 5.50%. Overall, volatility in the markets continued through the end of the year and into the beginning of 2016.

According to the Bureau of Labor Statistics, the January 2016 U.S. unemployment rate fell to 4.9%, down from 5.0% in December. Nonfarm payrolls grew 151,000 in January, with reasonable gains in construction, finance, and manufacturing. The Federal Reserve household report highlighted that 502,000 more people joined the labor force in January along with 113,000 fewer people reported as being unemployed. This caused the labor participation rate to increase slightly from 62.6% in December to 62.7% in January.

In a press release, the Federal Reserve stated, "Household spending and business fixed investment have been increasing at moderate rates in recent months, and the housing sector has improved further; however, net exports have been soft and inventory investment slowed." While inflation has run below the Fed's target of 2 percent in the short run, partly due to continued declines in energy prices, the Fed expects inflation to rise to their target rate in the medium term as the labor market continues to strengthen. Because of the current economic climate, the Fed decided to maintain the target range for the federal funds rate at $\frac{1}{4}$ to $\frac{1}{2}$ percent. The Committee will reconvene again on March 15th for their second meeting of the year.



City of HB
Portfolio Management
Portfolio Summary
January 31, 2016

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	141,000,000.00	141,151,990.00	141,067,149.72	68.10	1,335	1,109	1.363	1.382
Local Agency Investment Funds	25,386,288.51	25,386,288.51	25,386,288.51	12.26	1	1	0.395	0.400
Corporate Bonds	40,500,000.00	40,565,120.00	40,690,696.68	19.64	1,213	725	1.330	1.348
Investments	206,886,288.51	207,103,398.51	207,144,134.91	100.00%	1,147	898	1.238	1.255

Total Earnings	January 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	192,423.33	691,996.13	
Current Budget	110,000.00	440,000.00	1,320,000.00
Last Year Actual	148,251.90	562,102.39	1,609,974.39
Average Daily Balance	207,140,111.69	188,875,449.63	
Effective Rate of Return	1.09%	1.09%	

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.

A.C. 2/22/10
 Alisa Cutchen, CITY TREASURER

Reporting period 01/01/2016-01/31/2016

Run Date: 02/23/2016 - 14:31

Portfolio CITY
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 PM (PRF_PM1) 7.3.0
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City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2016

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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												
3133EEA42	4058	Federal Farm Credit Bank		04/23/2015	5,000,000.00	5,000,300.00	5,000,000.00	1.090	AA	1.090	812	04/23/2018
3133EETE0	4060	Federal Farm Credit Bank		04/17/2015	5,000,000.00	5,014,150.00	5,027,272.20	1.125	AA	0.863	770	03/12/2018
3130A3TA2	4038	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,022,000.00	4,999,237.88	1.000	AA	1.010	561	08/15/2017
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,047,250.00	5,028,381.89	1.375	AA	1.100	767	03/09/2018
3130A4VE9	4055	Federal Home Loan Bank		04/27/2015	5,000,000.00	5,000,500.00	5,000,000.00	1.050	AA	1.050	816	04/27/2018
3130A5MD8	4074	Federal Home Loan Bank		06/24/2015	5,000,000.00	5,009,800.00	5,000,000.00	1.000	AA	1.743	1,239	06/24/2019
3130A6U70	4125	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,002,250.00	5,000,000.00	1.450		1.450	1,061	12/28/2018
3130A6U70	4128	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,002,250.00	5,000,000.00	1.450		1.450	1,061	12/28/2018
3130A6X69	4130	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,006,750.00	5,000,000.00	1.500		1.500	1,061	12/28/2018
3137EADS5	4078	Federal Home Loan Mort Corp		09/17/2015	5,000,000.00	5,008,350.00	5,012,257.75	0.875		0.525	256	10/14/2016
3134G7ZA2	4079	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	5,002,150.00	5,000,000.00	1.000		1.860	1,337	09/30/2019
3134G7J69	4090	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	5,000,500.00	5,000,000.00	1.375		1.375	1,703	09/30/2020
3134G7J44	4091	Federal Home Loan Mort Corp		09/30/2015	6,000,000.00	6,000,780.00	6,000,000.00	1.800	AAA	1.800	1,703	09/30/2020
3134G7G70	4092	Federal Home Loan Mort Corp		09/28/2015	5,000,000.00	5,005,700.00	5,000,000.00	1.400		1.400	1,243	06/28/2019
3134G7L90	4115	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	2,000,300.00	2,000,000.00	1.250		2.236	1,732	10/29/2020
3134G7H87	4116	Federal Home Loan Mort Corp		10/22/2015	4,000,000.00	4,000,040.00	4,000,000.00	1.250		2.189	1,725	10/22/2020
3134G7U25	4117	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,996,300.00	5,000,000.00	0.800		0.800	634	10/27/2017
3134G7X71	4118	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	1,985,100.00	2,000,000.00	1.000		1.527	1,183	04/29/2019
3134G7P96	4119	Federal Home Loan Mort Corp		10/29/2015	3,000,000.00	3,000,090.00	3,000,000.00	1.000		1.527	1,183	04/29/2019
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	5,000,500.00	5,000,000.00	1.000	AAA	0.991	907	07/27/2018
3134G74R9	4121	Federal Home Loan Mort Corp		11/25/2015	5,000,000.00	5,000,300.00	5,000,000.00	1.800		1.800	1,759	11/25/2020
3134G8CA5	4123	Federal Home Loan Mort Corp		12/23/2015	5,000,000.00	5,008,450.00	5,000,000.00	1.250	AA	2.276	1,787	12/23/2020
3134G8C72	4124	Federal Home Loan Mort Corp		12/18/2015	6,000,000.00	6,003,180.00	6,000,000.00	1.125		1.125	686	12/18/2017
3134G8F38	4129	Federal Home Loan Mort Corp		12/28/2015	5,000,000.00	5,006,950.00	5,000,000.00	1.100	AAA	1.569	1,061	12/28/2018
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	5,000,300.00	5,000,000.00	0.900	AA	0.900	645	11/07/2017
3136G1EP0	3964	Fed. Nat'l Mort. Assoc.		03/12/2013	5,000,000.00	5,021,250.00	5,000,000.00	1.100	AA	1.100	770	03/12/2018
3136G2D95	4042	Fed. Nat'l Mort. Assoc.		02/19/2015	5,000,000.00	5,002,300.00	5,000,000.00	1.000	AA	2.081	1,479	02/19/2020
3136G2EE3	4043	Fed. Nat'l Mort. Assoc.		02/27/2015	5,000,000.00	5,001,150.00	5,000,000.00	1.125	AA	1.125	1,487	02/27/2020
3136G2K30	4065	Fed. Nat'l Mort. Assoc.		05/27/2015	3,000,000.00	3,001,350.00	3,000,000.00	2.000	AA	2.000	1,577	05/27/2020
3136G2R58	4122	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	5,001,700.00	5,000,000.00	1.040		1.040	998	10/26/2018
Subtotal and Average			141,068,838.57		141,000,000.00	141,151,990.00	141,067,149.72			1.382	1,109	
Local Agency Investment Funds												
SYS982	982	Laif City			25,386,288.51	25,386,288.51	25,386,288.51	0.400		0.400	1	
Subtotal and Average			25,376,267.71		25,386,288.51	25,386,288.51	25,386,288.51			0.400	1	

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City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2016

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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	2,985,060.00	2,990,118.76	1.000	AA	1.151	822	05/03/2018
14912L5P2	4024	Caterpillar Financial Corp.		12/10/2014	3,000,000.00	2,991,180.00	2,984,496.12	1.300	A	1.555	759	03/01/2018
166764AA8	4044	Chevron Corp		02/09/2015	3,000,000.00	2,977,770.00	3,005,489.76	1.104	AA	1.003	673	12/05/2017
268648AP7	4077	EMC Corp		07/14/2015	2,500,000.00	2,390,700.00	2,513,892.00	1.875	AA	1.630	851	06/01/2018
36962G5W0	3994	General Electric Capital Corp		12/26/2013	5,000,000.00	5,073,600.00	5,060,976.85	2.300	AAA	1.291	451	04/27/2017
36962G6K5	4007	General Electric Capital Corp		05/12/2014	2,500,000.00	2,514,725.00	2,511,401.01	1.600	AA	1.340	658	11/20/2017
36962G6W9	4036	General Electric Capital Corp		12/19/2014	2,000,000.00	2,017,480.00	2,007,733.42	1.625	AA	1.442	791	04/02/2018
24422ESR1	4126	John Deere Capital		12/08/2015	1,000,000.00	1,002,360.00	1,003,680.58	1.550		1.350	683	12/15/2017
24422ESR1	4127	John Deere Capital		12/08/2015	2,000,000.00	2,004,720.00	2,007,824.70	1.550		1.337	683	12/15/2017
191216BA7	4049	Coca Cola Co		02/24/2015	2,500,000.00	2,500,975.00	2,494,291.41	1.150	AA	1.258	790	04/01/2018
58933YAC9	4045	Merck & Co Inc		02/09/2015	2,000,000.00	2,003,380.00	2,001,557.50	1.100	AA	1.089	730	01/31/2018
68389XAQ8	4071	Oracle Corp		05/26/2015	3,000,000.00	3,071,160.00	3,055,158.93	2.375	AA	1.731	1,079	01/15/2019
674599CB9	3977	Occidental Petroleum		05/28/2013	3,000,000.00	2,995,140.00	3,021,046.94	1.750	A	1.059	380	02/15/2017
89233P7E0	4023	Toyota Motor Credit		12/10/2014	3,000,000.00	3,004,680.00	2,993,387.84	1.375	AA	1.491	709	01/10/2018
89236TAY1	4039	Toyota Motor Credit		01/26/2015	3,000,000.00	3,032,190.00	3,039,640.86	2.000	AA	1.500	996	10/24/2018
Subtotal and Average			40,695,005.41		40,500,000.00	40,565,120.00	40,690,696.68			1.348	725	
Total and Average			207,140,111.69		206,886,288.51	207,103,398.51	207,144,134.91			1.255	898	

**City of HB
Portfolio Management
Activity By Type
January 1, 2016 through January 31, 2016**

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
		Subtotal					141,067,149.72
Local Agency Investment Funds (Monthly Summary)							
SYS982	982	Laif City	0.400		23,895.75	0.00	
		Subtotal			23,895.75	0.00	25,386,288.51
Corporate Bonds							
		Subtotal					40,690,696.68
		Total			23,895.75	0.00	207,144,134.91

**City of HB
Portfolio Management
Activity Summary
January 2015 through January 2016**

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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					
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	179,934,731.08	1.207	1.223	0.337	7	6	1,184	945
November	2015	39	181,304,552.62	1.200	1.217	0.374	1	3	1,174	933
December	2015	46	186,878,180.67	1.238	1.255	0.400	8	1	1,147	925
January	2016	46	207,140,111.69	1.238	1.255	0.400	0	0	1,147	898
Average		42	200,252,488.21	1.171%	1.188%	0.321	3	3	1,250	940

**City of HB
Portfolio Management
Interest Earnings Summary
January 31, 2016**

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	January 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	56,250.00	607,931.18
Plus Accrued Interest at End of Period	573,989.52	573,989.52
Less Accrued Interest at Beginning of Period	(433,614.92)	(473,232.05)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<hr/>	<hr/>
Interest Earned during Period	196,624.60	708,688.65
Adjusted by Premiums and Discounts	-12,822.25	-51,397.40
Adjusted by Capital Gains or Losses	0.00	2,188.15
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Earnings during Periods	183,802.35	659,479.40
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)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	23,895.75	48,795.26
Plus Accrued Interest at End of Period	10,802.27	10,802.27
Less Accrued Interest at Beginning of Period	(26,077.04)	(27,080.80)
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Interest Earned during Period	8,620.98	32,516.73
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Total Interest Earned during Period	205,245.58	741,205.38
Total Adjustments from Premiums and Discounts	-12,822.25	-51,397.40
Total Capital Gains or Losses	0.00	2,188.15
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Total Earnings during Period	192,423.33	691,996.13



**State of California
Pooled Money Investment Account
Market Valuation
1/31/2016**

Carrying Cost Plus			
Description	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 10,716,788,929.78	\$ 10,732,715,000.00	NA
Notes	\$ 22,948,989,365.93	\$ 22,945,878,000.00	\$ 31,724,504.50
Federal Agency:			
SBA	\$ 636,503,377.80	\$ 628,758,334.05	\$ 810,933.69
MBS-REMICs	\$ 71,854,429.15	\$ 76,482,402.65	\$ 340,348.96
Debentures	\$ 911,990,206.68	\$ 911,454,450.00	\$ 4,904,383.50
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 7,285,122,597.15	\$ 7,293,939,000.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 350,151,164.92	\$ 350,836,500.00	\$ 839,930.00
CDs and YCDs FR	\$ 200,000,000.00	\$ 200,000,000.00	\$ 174,626.67
Bank Notes	\$ 300,000,000.00	\$ 299,931,728.51	\$ 334,833.33
CDs and YCDs	\$ 10,885,007,118.52	\$ 10,883,476,258.97	\$ 10,972,608.36
Commercial Paper	\$ 4,429,128,966.72	\$ 4,431,721,798.60	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 5,650,040,000.00	\$ 5,650,040,000.00	NA
AB 55 & GF Loans	924,304,000.00	\$ 924,304,000.00	NA
TOTAL	\$ 65,309,880,156.65	\$ 65,329,537,472.78	\$ 50,102,169.01

Fair Value Including Accrued Interest	\$	65,379,639,641.79
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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
January 2016

Cash Receipts and Disbursements	December 2015	January 2016
Receipts		
Property Tax Receipts	\$25,280,141	\$13,927,619
Utility Tax Receipts (UUT)	1,640,186	1,657,135
Sales Tax Receipts	2,409,371	1,927,000
1/2 Cent Safety Sales Tax Receipts	204,542	182,817
Highway Users Tax Receipts (HUT)	688,518	-
Transient Occupancy Tax Receipts (TOT)	554,162	531,057
Government Funds	82,139	183,953
Capital Funds	2,951,027	2,256
Debt Service Funds	-	-
Enterprise Funds	5,062,936	4,449,839
Fiduciary Funds	2,977,023	4,984,952
Internal Service Funds	492,664	490,460
Special Revenue Funds	1,917,804	1,019,519
All Other Receipts	2,748,868	4,066,211
Total Receipts	\$47,009,382	\$33,422,819
Disbursements		
Total Disbursements	(28,059,158)	(27,049,762)
Net Change in Cash Flow	\$18,950,224	\$6,373,057
Summary of Cash by Fund	December 2015	January 2016
General Fund	\$74,409,430	\$78,252,678
Government Funds	2,052,125	2,112,476
Capital Funds	19,247,799	18,062,592
Debt Service Funds	6,262	6,262
Enterprise Funds	75,055,620	73,227,400
Fiduciary Funds	9,116,668	12,654,294
Internal Service Funds	9,872,797	11,201,218
Special Revenue Funds	27,429,635	27,778,373
General Ledger Cash Balances	\$217,190,335	\$223,295,291 *

* 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.