



## City of Huntington Beach

### City Treasurer's Monthly Report

### February 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	128,140,680	128,063,539	66%	1.35%	None
Local Agency Investment Fund (LAIF)	25,386,289	25,386,289	13%	0.47%	\$50 million
Corporate Bonds	40,623,650	40,681,485	21%	1.35%	30%
<b>Total Portfolio</b>	<b>194,150,619</b>	<b>194,131,313</b>	<b>100%</b>	<b>1.23%</b>	

#### Investment Summary:

As of February 29, 2016, the market value of the City's investment portfolio was \$194.2 million, with a book value of \$194.1 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 had earnings of \$190,263 for the month of February with fiscal year-to-date earnings of \$883,251.

Bond and Equity Markets: The 10-year Treasury yield decreased from 1.94% at the end of January to 1.74% at the end of February, and the S&P 500 decreased 0.41% month over month. On the other hand, the DJIA increased slightly month over month at 0.30%. Overall, volatility in both the bond and equity markets continued through the first two months of the year.

<u>Market Summary</u>	<u>Federal Funds Rate</u>	<u>10-Year Treasury</u>	<u>S&amp;P 500</u>	<u>DOW</u>
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
February 29, 2016	0.25 - 0.50 %	1.74%	1,932.23	16,516.50
<b>Jan- Feb % Change</b>	<b>0</b>	<b>-10.31%</b>	<b>-0.41%</b>	<b>+0.30%</b>

## Economic Outlook:

According to the Bureau of Labor Statistics, U.S. unemployment rate remained unchanged at 4.9% compared to January (and is forecasted to decrease to 4.5% around mid-year to finish the year at around 4.0%). The U.S. added 242,000 new jobs in February. Health care and social assistance led the hiring with 57,000 new jobs, with retail increasing staffing levels by 55,000. Also, the change in total nonfarm payroll employment for January was revised up from +151,000 to +172,000.

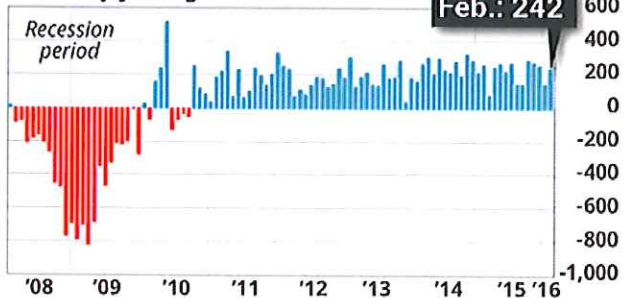
The Federal Open Market Committee (FOMC) met in January to discuss the current state of the economy and to examine potential future interest rate hikes this year. According to the Fed, "The Committee currently expects that economic activity will expand at a moderate pace and labor market indicators will continue to strengthen." While the strong employment numbers showcased higher level of household spending, along with indicators pointing to additional strengthening of the labor market, the Committee decided to maintain the target range for the federal funds rate at  $\frac{1}{4}$  to  $\frac{1}{2}$  percent.

### At a glance: the February jobs report

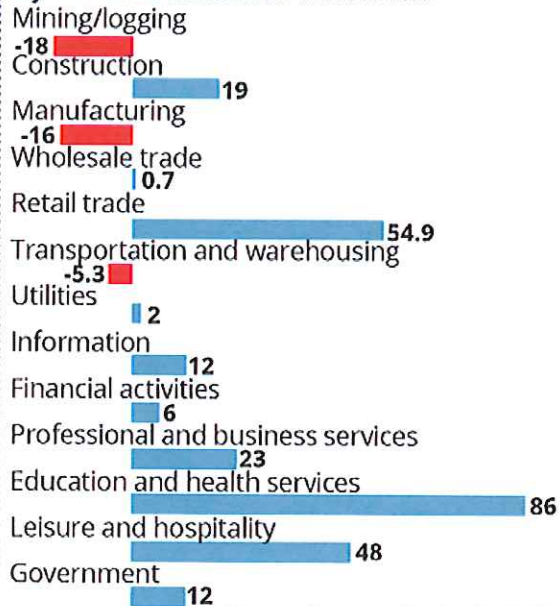
#### Unemployment rate



#### Monthly jobs growth In thousands



#### By selected industries In thousands



Source: Bureau of Labor Statistics



**City of HB  
Portfolio Management  
Portfolio Summary  
February 29, 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	128,000,000.00	128,140,680.00	128,063,539.09	65.97	1,285	1,040	1.332	1.350
Local Agency Investment Funds	25,386,288.51	25,386,288.51	25,386,288.51	13.08	1	1	0.461	0.467
Corporate Bonds	40,500,000.00	40,623,650.00	40,681,485.03	20.96	1,213	696	1.330	1.348
<b>Investments</b>	<b>193,886,288.51</b>	<b>194,150,618.51</b>	<b>194,131,312.63</b>	<b>100.00%</b>	<b>1,102</b>	<b>832</b>	<b>1.217</b>	<b>1.234</b>

Total Earnings	February 29 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	190,263.31	883,250.85	
Current Budget	110,000.00	550,000.00	1,320,000.00
Last Year Actual	156,223.80	718,326.19	1,645,876.19
<b>Average Daily Balance</b>	<b>204,413,571.12</b>	<b>191,839,959.65</b>	
<b>Effective Rate of Return</b>	<b>1.17%</b>	<b>1.11%</b>	

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.

AC  
Alisa Cutchen, CITY TREASURER

3-30-16

Reporting period 02/01/2016-02/29/2016

Run Date: 03/23/2016 - 13:04

Portfolio CITY  
AP  
PM (PRF\_PM1) 7.3.0  
Report Ver. 7.3.3b



**City of HB**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**February 29, 2016**

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
<b>Federal Agency Issues - Coupon</b>												
3133EEA42	4058	Federal Farm Credit Bank		04/23/2015	5,000,000.00	5,000,450.00	5,000,000.00	1.090	AA	1.090	783	04/23/2018
3133EETE0	4060	Federal Farm Credit Bank		04/17/2015	5,000,000.00	5,022,050.00	5,026,197.08	1.125	AA	0.863	741	03/12/2018
3130A3TA2	4038	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,020,550.00	4,999,279.15	1.000	AA	1.010	532	08/15/2017
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,046,650.00	5,027,258.60	1.375	AA	1.100	738	03/09/2018
3130A4VE9	4055	Federal Home Loan Bank		04/27/2015	5,000,000.00	5,000,300.00	5,000,000.00	1.050	AA	1.050	787	04/27/2018
3130A5MD8	4074	Federal Home Loan Bank		06/24/2015	5,000,000.00	5,008,950.00	5,000,000.00	1.000	AA	1.743	1,210	06/24/2019
3130A6U70	4125	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,000,100.00	5,000,000.00	1.450		1.450	1,032	12/28/2018
3130A6U70	4128	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,000,100.00	5,000,000.00	1.450		1.450	1,032	12/28/2018
3130A6X69	4130	Federal Home Loan Bank		12/28/2015	5,000,000.00	5,006,600.00	5,000,000.00	1.500		1.500	1,032	12/28/2018
3137EADS5	4078	Federal Home Loan Mort Corp		09/17/2015	5,000,000.00	5,006,050.00	5,010,804.26	0.875		0.525	227	10/14/2016
3134G7ZA2	4079	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	5,001,450.00	5,000,000.00	1.000		1.860	1,308	09/30/2019
3134G7J69	4090	Federal Home Loan Mort Corp		09/30/2015	5,000,000.00	5,000,600.00	5,000,000.00	1.375		1.375	1,674	09/30/2020
3134G7J44	4091	Federal Home Loan Mort Corp		09/30/2015	6,000,000.00	6,000,840.00	6,000,000.00	1.800	AAA	1.800	1,674	09/30/2020
3134G7G70	4092	Federal Home Loan Mort Corp		09/28/2015	5,000,000.00	5,003,000.00	5,000,000.00	1.400		1.400	1,214	06/28/2019
3134G7L90	4115	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	2,000,480.00	2,000,000.00	1.250		2.236	1,703	10/29/2020
3134G7H87	4116	Federal Home Loan Mort Corp		10/22/2015	4,000,000.00	4,000,520.00	4,000,000.00	1.250		2.189	1,696	10/22/2020
3134G7U25	4117	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,989,800.00	5,000,000.00	0.800		0.800	605	10/27/2017
3134G7X71	4118	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	1,988,420.00	2,000,000.00	1.000		1.527	1,154	04/29/2019
3134G7P96	4119	Federal Home Loan Mort Corp		10/29/2015	3,000,000.00	3,000,420.00	3,000,000.00	1.000		1.527	1,154	04/29/2019
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	5,000,550.00	5,000,000.00	1.000	AAA	0.991	878	07/27/2018
3134G74R9	4121	Federal Home Loan Mort Corp		11/25/2015	5,000,000.00	5,002,000.00	5,000,000.00	1.800		1.800	1,730	11/25/2020
3134G8CA5	4123	Federal Home Loan Mort Corp		12/23/2015	5,000,000.00	5,008,050.00	5,000,000.00	1.250	AA	2.276	1,758	12/23/2020
3134G8C72	4124	Federal Home Loan Mort Corp		12/18/2015	6,000,000.00	6,001,800.00	6,000,000.00	1.125		1.125	657	12/18/2017
3134G8F38	4129	Federal Home Loan Mort Corp		12/28/2015	5,000,000.00	5,006,750.00	5,000,000.00	1.100	AAA	1.569	1,032	12/28/2018
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	4,996,050.00	5,000,000.00	0.900	AA	0.900	616	11/07/2017
3136G1EP0	3964	Fed. Nat'l Mort. Assoc.		03/12/2013	5,000,000.00	5,024,200.00	5,000,000.00	1.100	AA	1.100	741	03/12/2018
3136G2R58	4122	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	5,003,950.00	5,000,000.00	1.040		1.040	969	10/26/2018
<b>Subtotal and Average</b>			<b>138,341,202.33</b>		<b>128,000,000.00</b>	<b>128,140,680.00</b>	<b>128,063,539.09</b>			<b>1.350</b>	<b>1,040</b>	
<b>Local Agency Investment Funds</b>												
SYS982	982	Laif City			25,386,288.51	25,386,288.51	25,386,288.51	0.467		0.467	1	
<b>Subtotal and Average</b>			<b>25,386,288.51</b>		<b>25,386,288.51</b>	<b>25,386,288.51</b>	<b>25,386,288.51</b>			<b>0.467</b>	<b>1</b>	
<b>Corporate Bonds</b>												
037833AJ9	3976	Apple Inc.		05/28/2013	3,000,000.00	2,992,110.00	2,990,483.83	1.000	AA	1.151	793	05/03/2018
14912L5P2	4024	Caterpillar Financial Corp.		12/10/2014	3,000,000.00	2,989,440.00	2,985,116.28	1.300	A	1.555	730	03/01/2018

Portfolio CITY  
AP  
PM (PRF\_PM2) 7.3.0

Run Date: 03/23/2016 - 13:04

Report Ver. 7.3.3b

**City of HB**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**February 29, 2016**

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
<b>Corporate Bonds</b>												
166764AA8	4044	Chevron Corp		02/09/2015	3,000,000.00	2,976,030.00	3,005,241.73	1.104	AA	1.003	644	12/05/2017
268648AP7	4077	EMC Corp		07/14/2015	2,500,000.00	2,406,175.00	2,513,395.85	1.875	AA	1.630	822	06/01/2018
36962G5W0	3994	General Electric Capital Corp		12/26/2013	5,000,000.00	5,089,650.00	5,056,875.27	2.300	AAA	1.291	422	04/27/2017
36962G6K5	4007	General Electric Capital Corp		05/12/2014	2,500,000.00	2,516,650.00	2,510,873.99	1.600	AA	1.340	629	11/20/2017
36962G6W9	4036	General Electric Capital Corp		12/19/2014	2,000,000.00	2,018,940.00	2,007,436.36	1.625	AA	1.442	762	04/02/2018
24422ESR1	4126	John Deere Capital		12/08/2015	1,000,000.00	1,005,100.00	1,003,516.75	1.550		1.350	654	12/15/2017
24422ESR1	4127	John Deere Capital		12/08/2015	2,000,000.00	2,010,200.00	2,007,476.42	1.550		1.337	654	12/15/2017
191216BA7	4049	Coca Cola Co		02/24/2015	2,500,000.00	2,507,075.00	2,494,510.97	1.150	AA	1.258	761	04/01/2018
58933YAC9	4045	Merck & Co Inc		02/09/2015	2,000,000.00	2,000,860.00	2,001,492.51	1.100	AA	1.089	701	01/31/2018
68389XAQ8	4071	Oracle Corp		05/26/2015	3,000,000.00	3,082,710.00	3,053,603.70	2.375	AA	1.731	1,050	01/15/2019
674599CB9	3977	Occidental Petroleum		05/28/2013	3,000,000.00	2,991,180.00	3,019,358.68	1.750	A	1.059	351	02/15/2017
89233P7E0	4023	Toyota Motor Credit		12/10/2014	3,000,000.00	3,005,910.00	2,993,671.62	1.375	AA	1.491	680	01/10/2018
89236TAY1	4039	Toyota Motor Credit		01/26/2015	3,000,000.00	3,031,620.00	3,038,431.07	2.000	AA	1.500	967	10/24/2018
<b>Subtotal and Average</b>			<b>40,686,080.27</b>		<b>40,500,000.00</b>	<b>40,623,650.00</b>	<b>40,681,485.03</b>			<b>1.348</b>	<b>696</b>	
<b>Total and Average</b>			<b>204,413,571.12</b>		<b>193,886,288.51</b>	<b>194,150,618.51</b>	<b>194,131,312.63</b>			<b>1.234</b>	<b>832</b>	

**City of HB  
Portfolio Management  
Activity By Type  
February 1, 2016 through February 29, 2016**

Page 1

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Federal Agency Issues - Coupon</b>							
3136G2D95	4042	Fed. Nat'l Mort. Assoc.	2.000	02/19/2016	0.00	5,000,000.00	
3136G2EE3	4043	Fed. Nat'l Mort. Assoc.	1.125	02/27/2016	0.00	5,000,000.00	
3136G2K30	4065	Fed. Nat'l Mort. Assoc.	2.000	02/27/2016	0.00	3,000,000.00	
<b>Subtotal</b>					<b>0.00</b>	<b>13,000,000.00</b>	<b>128,063,539.09</b>
<b>Local Agency Investment Funds (Monthly Summary)</b>							
<b>Subtotal</b>							<b>25,386,288.51</b>
<b>Corporate Bonds</b>							
<b>Subtotal</b>							<b>40,681,485.03</b>
<b>Total</b>					<b>0.00</b>	<b>13,000,000.00</b>	<b>194,131,312.63</b>

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

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					
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	1.243	1.261	0.446	0	0	1,147	898
February	2016	43	204,413,571.12	1.217	1.234	0.467	0	3	1,102	832
Average		43	201,628,747.67	1.185%	1.201%	0.341	3	3	1,237	935



**City of HB  
Portfolio Management  
Interest Earnings Summary  
February 29, 2016**

Page 1

	February 29 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	142,875.00	750,806.18
Plus Accrued Interest at End of Period	624,780.75	624,780.75
Less Accrued Interest at Beginning of Period	( 573,989.52)	( 473,232.05)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	193,666.23	902,354.88
Adjusted by Premiums and Discounts	-12,822.28	-64,219.68
Adjusted by Capital Gains or Losses	0.00	2,188.15
Earnings during Periods	180,843.95	840,323.35
<b>Pass Through Securities:</b>		
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
<b>Cash/Checking Accounts:</b>		
Interest Collected	0.00	48,795.26
Plus Accrued Interest at End of Period	21,213.04	21,213.04
Less Accrued Interest at Beginning of Period	( 11,793.68)	( 27,080.80)
Interest Earned during Period	9,419.36	42,927.50
<b>Total Interest Earned during Period</b>	<b>203,085.59</b>	<b>945,282.38</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-12,822.28</b>	<b>-64,219.68</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>2,188.15</b>
<b>Total Earnings during Period</b>	<b>190,263.31</b>	<b>883,250.85</b>





Fair Value Including Accrued Interest	\$ 64,282,545,927.20
---------------------------------------	----------------------

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  
February 2016

Cash Receipts and Disbursements	January 2016	February 2016
<b>Receipts</b>		
Property Tax Receipts	\$13,927,619	\$969,332
Utility Tax Receipts (UUT)	1,657,135	1,713,107
Sales Tax Receipts	1,927,000	2,569,200
1/2 Cent Safety Sales Tax Receipts	182,817	160,708
Highway Users Tax Receipts (HUT)	-	318,230
Transient Occupancy Tax Receipts (TOT)	531,057	599,423
Government Funds	183,953	140,394
Capital Funds	2,256	1,063,025
Debt Service Funds	-	-
Enterprise Funds	4,449,839	4,417,795
Fiduciary Funds	4,984,952	1,315,216
Internal Service Funds	490,460	491,884
Special Revenue Funds	1,019,519	1,004,984
All Other Receipts	4,066,211	4,940,084
<b>Total Receipts</b>	<b>\$33,422,819</b>	<b>\$19,703,381</b>
<b>Disbursements</b>		
<b>Total Disbursements</b>	<b>(27,049,762)</b>	<b>(28,541,768)</b>
<b>Net Change in Cash Flow</b>	<b>\$6,373,057</b>	<b>(\$8,838,387)</b>
<b>Summary of Cash by Fund</b>	<b>January 2016</b>	<b>February 2016</b>
General Fund	\$78,252,678	\$73,840,930
Government Funds	2,112,476	2,117,236
Capital Funds	18,062,592	17,815,013
Debt Service Funds	6,262	-
Enterprise Funds	73,227,400	75,368,546
Fiduciary Funds	12,654,294	13,828,715
Internal Service Funds	11,201,218	10,921,344
Special Revenue Funds	27,778,373	28,012,610
<b>General Ledger Cash Balances</b>	<b>\$223,295,291</b>	<b>\$221,904,394 *</b>

\* 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.