



City of Huntington Beach
City Treasurer's Monthly Report
July 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	142,539,892	142,439,880	63%	1.33%	None
Local Agency Investment Fund (LAIF)	46,462,282	46,462,282	20%	0.59%	\$65 million
Corporate Bonds	37,799,475	37,624,509	17%	1.37%	30%
Total Portfolio	226,801,649	226,526,671	100%	1.18%	

Investment Summary:

As of July 31, 2016 the market value of the City's investment portfolio was approximately \$226.8 million, with a book value of \$226.5 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.

Earnings: The City had earnings of \$208,154 for the month of July with fiscal year-to-date earnings of \$1,900,844. This compares favorably to monthly earnings of \$180,195 in July of 2015, and fiscal year-to-date earnings of \$1,624,043 for fiscal year 2014/15 through 7/31/15.

Market Summary	Federal Funds Rate	10-Year Treasury	S&P 500	DOW
May 31, 2016	0.25 - 0.50 %	1.83%	2,096.95	17,787.20
June 30, 2016	0.25 - 0.50 %	1.49%	2,098.86	17,929.99
July 31, 2016	0.25 - 0.50 %	1.46%	2,173.60	18,432.24
June- July % Change	0	-2.01%	3.56%	2.80%

Bond and Equity Markets:

The 10-year Treasury yield decreased slightly from 1.49% at the end of June to 1.46% at the end of July, and the S&P 500 increased 3.56% month over month. The DJIA increased month over month at 2.80%. While the bond markets remained relatively flat for the month, the equity markets extended their post-Brexit recovery by posting large gains.

Economic Outlook:

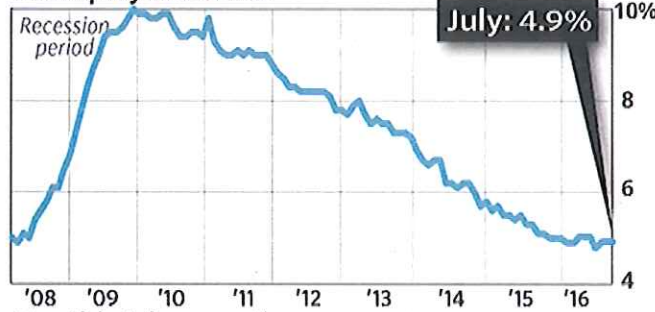
According to the Bureau of Labor Statistics, the U.S. unemployment rate in July of 2016 remained unchanged from the prior month at 4.9%. The United States created 255,000 new jobs in July. Professional and business services led the way by adding 70,000 jobs, followed by leisure and hospitality with 45,000 jobs, and health care closely following with the addition of 43,000 new jobs during the month. Every major industry sector added jobs with the exception of energy and mining companies due to declines in energy prices. This solid jobs report gives support to the belief that while the economy is operating at a moderate level, companies continue to add more workers at a healthy rate. The labor participation rate edged up slightly to 62.8% as more than 400,000 people joined the labor force in search for work.

The change in total nonfarm payroll employment for the past two months was revised up from +11,000 to +24,000 in May, and +287,000 to +292,000 in June. Overall, job gains for the past 3 months have averaged 190,000 per month.

The Federal Open Market Committee (FOMC) met in July to discuss the current state of the economy and to examine potential future interest rate hikes this year. Even with the strong July jobs report, U.S. GDP for the second quarter of 2016 remains low at 1.2%. Because the Committee seeks to foster maximum employment and price stability, they decided to maintain the current range for the federal funds rate at $\frac{1}{4}$ to $\frac{1}{2}$ percent. The Committee stated, "Near-term risks to the economic outlook have diminished. The Committee continues to closely monitor inflation indicators and global economic and financial developments."

At a glance: the July jobs report

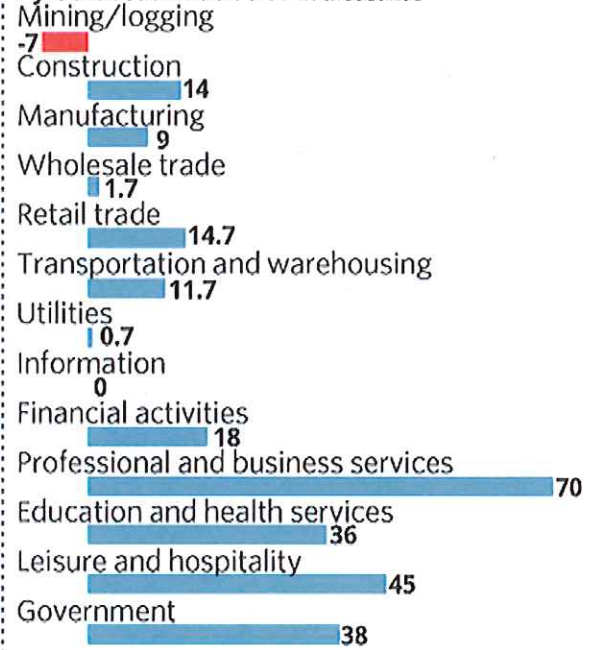
Unemployment rate



Monthly jobs growth In thousands



By selected industries In thousands



Source: Bureau of Labor Statistics



City of HB
Portfolio Management
Portfolio Summary
July 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	142,405,000.00	142,539,892.50	142,439,879.71	62.88	1,343	1,169	1.310	1.328
Local Agency Investment Funds	46,462,281.51	46,462,281.51	46,462,281.51	20.51	1	1	0.580	0.588
Corporate Bonds	37,500,000.00	37,799,475.00	37,624,509.49	16.61	1,202	570	1.353	1.371
Investments	226,367,281.51	226,801,649.01	226,526,670.71	100.00%	1,044	830	1.167	1.183
<hr/>								
Cash and Accrued Interest								
Accrued Interest at Purchase		6,544.44	6,544.44					
Subtotal		6,544.44	6,544.44					
Total Cash and Investments	226,367,281.51	226,808,193.45	226,533,215.15		1,044	830	1.167	1.183

Total Earnings	July 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	208,154.22	1,900,844.23	
Current Budget	110,000.00	1,100,000.00	1,320,000.00
Last Year Actual	180,195.42	1,624,043.33	1,896,136.33
Average Daily Balance	230,059,053.62	203,944,686.45	
Effective Rate of Return	1.07%	1.12%	

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

8-23-16

Reporting period 07/01/2016-07/31/2016

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City of HB
Portfolio Management
Portfolio Details - Investments
July 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												
3133EGEV3	4140	Federal Farm Credit Bank		06/15/2016	5,000,000.00	5,005,150.00	5,000,000.00	1.620		1.620	1,778	06/14/2021
3130A3TA2	4038	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,015,650.00	4,999,485.50	1.000	AA	1.010	379	08/15/2017
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,046,450.00	5,021,642.13	1.375	AA	1.100	585	03/09/2018
3130A7WK7	4136	Federal Home Loan Bank		05/24/2016	5,000,000.00	5,013,600.00	5,000,000.00	1.250		1.250	1,026	05/24/2019
3130A8DC4	4138	Federal Home Loan Bank		06/30/2016	2,250,000.00	2,247,862.50	2,250,000.00	1.600		1.600	1,612	12/30/2020
3137EADS5	4078	Federal Home Loan Mort Corp		09/17/2015	5,000,000.00	5,004,700.00	5,003,536.82	0.875		0.525	74	10/14/2016
3134G7U25	4117	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	5,001,250.00	5,000,000.00	0.800		0.800	452	10/27/2017
3134G7X71	4118	Federal Home Loan Mort Corp		10/29/2015	2,000,000.00	1,997,180.00	2,000,000.00	1.000		1.527	1,001	04/29/2019
3134G7P96	4119	Federal Home Loan Mort Corp		10/29/2015	3,000,000.00	3,002,010.00	3,000,000.00	1.000		1.527	1,001	04/29/2019
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	5,000,450.00	5,000,000.00	1.000	AAA	0.991	725	07/27/2018
3134G9RN9	4139	Federal Home Loan Mort Corp		06/23/2016	5,000,000.00	5,003,700.00	5,000,000.00	1.250		1.919	1,422	06/23/2020
3134G9UY1	4142	Federal Home Loan Mort Corp		06/29/2016	5,000,000.00	5,003,350.00	5,000,000.00	1.000		1.000	697	06/29/2018
3134G9ZF7	4145	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	5,001,500.00	5,000,000.00	1.700		1.700	1,794	06/30/2021
3134G9F93	4148	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	5,000,150.00	5,000,000.00	1.000	AAA	0.998	1,061	06/28/2019
3134G9E78	4149	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,992,500.00	5,000,000.00	1.280	AAA	1.280	1,521	09/30/2020
3134G9C54	4150	Federal Home Loan Mort Corp		06/30/2016	4,655,000.00	4,655,000.00	4,655,000.00	1.500		1.500	1,794	06/30/2021
3134G9G35	4151	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,997,400.00	5,000,000.00	1.000	AAA	1.592	1,794	06/30/2021
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	5,003,250.00	5,000,000.00	0.900	AA	0.900	463	11/07/2017
3136G2R58	4122	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	5,003,750.00	5,000,000.00	1.040		1.040	816	10/26/2018
3135G0ZL0	4132	Fed. Nat'l Mort. Assoc.		03/09/2016	5,000,000.00	5,018,350.00	5,011,443.73	1.000	AA	0.800	422	09/27/2017
3136G2WZ6	4133	Fed. Nat'l Mort. Assoc.		03/11/2016	5,000,000.00	5,000,950.00	5,000,000.00	1.820		1.820	1,660	02/16/2021
3136G3FY6	4134	Fed. Nat'l Mort. Assoc.		03/30/2016	5,000,000.00	5,003,450.00	5,000,000.00	1.250		2.042	1,702	03/30/2021
3136G3KM6	4135	Fed. Nat'l Mort. Assoc.		05/17/2016	5,000,000.00	5,004,400.00	5,000,000.00	1.100	AAA	1.912	1,750	05/17/2021
3135G0K85	4137	Fed. Nat'l Mort. Assoc.		06/13/2016	5,000,000.00	5,009,450.00	5,000,000.00	1.400		1.400	1,046	06/13/2019
3136G3SJ5	4141	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	5,000,650.00	4,998,771.53	1.500		1.505	1,794	06/30/2021
3136G3SN6	4143	Fed. Nat'l Mort. Assoc.		06/23/2016	3,000,000.00	3,000,240.00	3,000,000.00	1.500		1.500	1,605	12/23/2020
3135G0K93	4144	Fed. Nat'l Mort. Assoc.		06/28/2016	5,000,000.00	5,002,800.00	5,000,000.00	1.250		1.250	1,061	06/28/2019
3136G3UT0	4146	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	5,004,000.00	5,000,000.00	1.500		1.500	1,612	12/30/2020
3136G3VU6	4147	Fed. Nat'l Mort. Assoc.		07/19/2016	5,000,000.00	5,000,400.00	5,000,000.00	1.125		1.819	1,813	07/19/2021
3136G3YG4	4152	Fed. Nat'l Mort. Assoc.		07/25/2016	7,500,000.00	7,500,300.00	7,500,000.00	1.000		1.000	997	04/25/2019
Subtotal and Average			139,215,635.47		142,405,000.00	142,539,892.50	142,439,879.71			1.328	1,169	
Local Agency Investment Funds												
SYS982	982	Laif City			46,462,281.51	46,462,281.51	46,462,281.51	0.588		0.588	1	
Subtotal and Average			53,215,389.58		46,462,281.51	46,462,281.51	46,462,281.51			0.588	1	

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City of HB
Portfolio Management
Portfolio Details - Investments
July 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	3,005,310.00	2,992,309.18	1.000	AA	1.151	640	05/03/2018
14912L5P2	4024	Caterpillar Financial Corp.		12/10/2014	3,000,000.00	3,011,700.00	2,988,217.05	1.300	A	1.555	577	03/01/2018
166764AA8	4044	Chevron Corp		02/09/2015	3,000,000.00	3,002,910.00	3,004,001.57	1.104	AA	1.003	491	12/05/2017
268648AP7	4077	EMC Corp		07/14/2015	2,500,000.00	2,478,550.00	2,510,915.14	1.875	AA	1.630	669	06/01/2018
36962G5W0	3994	General Electric Capital Corp		12/26/2013	5,000,000.00	5,054,950.00	5,036,367.36	2.300	AAA	1.291	269	04/27/2017
36962G6K5	4007	General Electric Capital Corp		05/12/2014	2,500,000.00	2,512,700.00	2,508,238.94	1.600	AA	1.340	476	11/20/2017
36962G6W9	4036	General Electric Capital Corp		12/19/2014	2,000,000.00	2,025,320.00	2,005,951.07	1.625	AA	1.442	609	04/02/2018
24422ESR1	4126	John Deere Capital		12/08/2015	1,000,000.00	1,009,600.00	1,002,697.63	1.550		1.350	501	12/15/2017
24422ESR1	4127	John Deere Capital		12/08/2015	2,000,000.00	2,019,200.00	2,005,735.02	1.550		1.337	501	12/15/2017
191216BA7	4049	Coca Cola Co		02/24/2015	2,500,000.00	2,510,925.00	2,495,608.77	1.150	AA	1.258	608	04/01/2018
58933YAC9	4045	Merck & Co Inc		02/09/2015	2,000,000.00	2,008,140.00	2,001,167.58	1.100	AA	1.089	548	01/31/2018
68389XAQ8	4071	Oracle Corp		05/26/2015	3,000,000.00	3,086,880.00	3,045,827.53	2.375	AA	1.731	897	01/15/2019
89233P7E0	4023	Toyota Motor Credit		12/10/2014	3,000,000.00	3,014,250.00	2,995,090.54	1.375	AA	1.491	527	01/10/2018
89236TAY1	4039	Toyota Motor Credit		01/26/2015	3,000,000.00	3,059,040.00	3,032,382.11	2.000	AA	1.500	814	10/24/2018
Subtotal and Average			37,628,028.58		37,500,000.00	37,799,475.00	37,624,509.49			1.371	570	
Total and Average			230,059,053.62		226,367,281.51	226,801,649.01	226,526,670.71			1.183	830	

**City of HB
Portfolio Management
Portfolio Details - Cash
July 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
Average Balance			0.00	Accrued Interest at Purchase		6,544.44	6,544.44				0
				Subtotal		6,544.44	6,544.44				
Total Cash and Investments			230,059,053.62		226,367,281.51	226,808,193.45	226,533,215.15			1.183	830

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

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
3133EEA42	4058	Federal Farm Credit Bank	1.090	07/07/2016	0.00	5,000,000.00	
3134G7L90	4115	Federal Home Loan Mort Corp	1.250	07/29/2016	0.00	2,000,000.00	
3134G7H87	4116	Federal Home Loan Mort Corp	1.250	07/22/2016	0.00	4,000,000.00	
3136G3VU6	4147	Fed. Nat'l Mort. Assoc.	1.125	07/19/2016	5,000,000.00	0.00	
3136G3YG4	4152	Fed. Nat'l Mort. Assoc.	1.000	07/25/2016	7,500,000.00	0.00	
Subtotal					12,500,000.00	11,000,000.00	142,439,879.71
Local Agency Investment Funds (Monthly Summary)							
SYS982	982	Laif City	0.588		46,689.28	10,000,000.00	
Subtotal					46,689.28	10,000,000.00	46,462,281.51
Corporate Bonds							
Subtotal							37,624,509.49
Total					12,546,689.28	21,000,000.00	226,526,670.71

City of HB
Portfolio Management
Activity Summary
July 2015 through July 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					
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	1.207	1.223	0.337	7	6	1,184	944
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
March	2016	47	201,877,568.13	1.232	1.249	0.506	4	0	1,140	869
April	2016	45	204,141,812.62	1.280	1.298	0.525	0	2	1,181	893
May	2016	44	208,914,656.20	1.168	1.184	0.552	2	3	976	736
June	2016	46	228,822,479.77	1.156	1.172	0.576	14	12	1,006	806
July	2016	45	230,059,053.62	1.167	1.183	0.588	2	3	1,044	830
Average		44	204,714,921.57	1.202%	1.218%	0.443	4	3	1,143	878

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

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	July 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	111,202.78	1,832,333.88
Plus Accrued Interest at End of Period	429,066.10	517,441.10
Less Accrued Interest at Beginning of Period	(347,826.94)	(473,232.05)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	192,441.94	1,876,542.93
Adjusted by Premiums and Discounts	-10,863.34	-124,294.04
Adjusted by Capital Gains or Losses	0.00	22,130.97
Earnings during Periods	181,578.60	1,774,379.86
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	46,689.28	124,788.26
Plus Accrued Interest at End of Period	28,756.91	28,756.91
Less Accrued Interest at Beginning of Period	(48,870.57)	(27,080.80)
Interest Earned during Period	26,575.62	126,464.37
Total Interest Earned during Period	219,017.56	2,003,007.30
Total Adjustments from Premiums and Discounts	-10,863.34	-124,294.04
Total Capital Gains or Losses	0.00	22,130.97
Total Earnings during Period	208,154.22	1,900,844.23



State of California

Pooled Money Investment Account

Market Valuation

7/31/2016

Carrying Cost Plus			
Description	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 11,504,294,495.82	\$ 11,533,485,500.00	NA
Notes	\$ 21,048,104,424.04	\$ 21,068,356,000.00	\$ 37,803,907.50
Federal Agency:			
SBA	\$ 733,575,756.69	\$ 727,232,735.96	\$ 465,338.50
MBS-REMICs	\$ 58,552,739.48	\$ 62,184,419.52	\$ 277,184.19
Debentures	\$ 1,025,156,399.61	\$ 1,025,881,250.00	\$ 1,935,332.75
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 7,677,401,847.13	\$ 7,687,069,000.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 599,982,831.85	\$ 601,347,000.00	\$ 1,549,653.00
CDs and YCDs FR	\$ 400,000,000.00	\$ 400,000,000.00	\$ 441,349.17
Bank Notes	\$ 800,000,000.00	\$ 799,626,987.52	\$ 1,303,861.11
CDs and YCDs	\$ 12,825,007,758.81	\$ 12,821,149,153.48	\$ 16,550,909.66
Commercial Paper	\$ 7,136,668,986.19	\$ 7,141,920,902.85	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 5,330,440,000.00	\$ 5,330,440,000.00	NA
AB 55 & GF Loans	502,313,000.00	\$ 502,313,000.00	NA
TOTAL	\$ 69,641,498,239.62	\$ 69,701,005,949.33	\$ 60,327,535.88

Fair Value Including Accrued Interest \$ 69,761,333,485.21

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 2016

Cash Receipts and Disbursements

July 2016

Receipts

General Fund	
Property Tax	\$4,988,158
Local Sales Tax	2,527,800
Public Safety Sales Tax	176,649
Transient Occupancy Tax Receipts (TOT)	982,201
Utility Users Tax (UUT)	1,524,441
Other Revenue	5,939,062
Total General Fund Revenue	16,138,311
Capital Projects Funds	18,562
Debt Service Funds	-
Enterprise Funds	4,678,540
General Fund Other	56,732
Internal Service Funds	705,878
Special Revenue Funds	1,498,793
Grant Funds	600,954
Trust and Agency Funds	1,767,980
Total Receipts	\$25,465,749

Disbursements

General Fund	
Personal Services	(18,001,215)
Operating Expenses	(4,834,450)
Capital Expenditures	(536,890)
Non-Operating Expenses	(34,208)
Total General Fund Disbursements	(23,406,763)

Capital Projects Funds	(972,747)
Debt Service Funds	(20,190)
Enterprise Funds	(6,186,729)
General Fund Other	(333,953)
Internal Service Funds	(866,647)
Special Revenue Funds	(1,214,435)
Grant Funds	(913,769)
Trust and Agency Funds	(3,536,934)
Total Disbursements	(37,452,166)

Net Change in Cash Flow	(11,986,417)
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Summary of Cash by Fund	July 2016
General Fund	\$79,348,705
General Fund Other	1,730,261
Capital Projects Funds	20,863,920
Debt Service Funds	4,646,455
Enterprise Funds	74,960,387
Trust and Agency Funds	15,966,722
Internal Service Funds	10,933,251
Special Revenue Funds	30,102,207
General Ledger Cash Balances	\$238,551,909

* 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.