

Portfolio Summary
As of February 28, 2018
\$ in millions

<u>Investment Type</u>	<u>Market Value</u>	<u>Book Value</u>	<u>% of Portfolio</u>	<u>Policy Limit</u>	<u>In Compliance</u>
Federal Agency Issues	\$ 140.4	\$ 143.5	62%	None	yes
Local Agency Investment Fund (LAIF)	\$ 27.7	\$ 27.7	12%	\$65 million	yes
Medium Term Notes - IBRD	\$ 5.0	\$ 5.0	2%	10%	yes
Corporate Bonds	\$ 25.9	\$ 26.2	11%	30%	yes
Commercial Paper	\$ 19.8	\$ 19.9	9%	25%	yes
Federal Agency Discount Note	\$ 9.9	\$ 9.9	4%	None	yes
Total Portfolio	\$ 228.7	\$ 232.2	100%		

Portfolio Earnings
As of February 28, 2018

<u>Portfolio Earnings</u>	<u>Month End 2/28/18</u>	<u>FYTD 2/28/18</u>
Current Year	\$ 275,284	\$ 1,239,315
Current Budget	\$ 160,000	\$ 800,000
Last Year Actual	\$ 229,390	\$ 1,030,508
Effective Rate of Return	1.58%	1.45%
Benchmark*	1.49%	

*12 month moving average of interpolated 1.5-year treasury

Monthly Activity
February 2018

<u>Investment Type</u>	<u>Purchases/Deposits</u>	<u>Sales/Maturities/Withdrawals</u>
Federal Agency Issues		
Local Agency Investment Fund (LAIF)		
Medium Term Notes - IBRD		
Corporate Bonds		
Commercial Paper	\$5,000,000	
Federal Agency Discount Note		
TOTAL	\$5,000,000	\$ -

Economic Summary

According to the Bureau of Labor Statistics, the unemployment rate in February was unchanged for the fifth consecutive month at 4.1 percent. The labor force participation rate increased to 63.0 percent and has shown little movement on net over the past 12 months.

The Dow Jones Industrial Average and the S&P 500 were down for the month, and the 10-Year Treasury yield increased as compared to last month.

The Federal Open Market Committee (FOMC) met at the end of January to discuss the current state of the economy and to examine potential future interest rate hikes this year. The Committee decided to maintain the target range for the federal funds rate at 1-1/4 to 1-1/2 percent and will reconvene in March to discuss additional developments in determining the timing and size of future adjustments to the target range of the federal funds rate.

Market Summary December 2017 – February 2018

<u>Market Summary</u>	<u>Federal Funds Rate</u>	<u>10-Year Treasury</u>	<u>S&P 500</u>	<u>DOW</u>
12/31/2017	1.25 - 1.50 %	2.40%	2,673.61	24,719.22
1/31/2018	1.25 - 1.50 %	2.72%	2,823.81	26,149.39
2/28/2018	1.25 - 1.50 %	2.87%	2,713.83	25,029.20
Jan. - Feb. % Change	0.00%	5.51%	-3.89%	-4.28%



City of Huntington Beach
2000 Main St.
Huntington Beach,

City of HB Portfolio Management Portfolio Summary February 28, 2018

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues - Coupon	143,405,000.00	140,446,059.40	143,504,481.88	61.80	1,401	847	1.441	1.461
Local Agency Investment Funds	27,706,095.24	27,706,095.24	27,706,095.24	11.93	1	1	1.393	1.412
Medium Term Notes - IBRD	5,000,000.00	4,979,200.00	4,995,591.35	2.15	608	140	1.093	1.109
Corporate Bonds	26,000,000.00	25,851,045.00	26,208,909.28	11.29	1,242	564	1.626	1.649
Commercial Paper Disc. -Amortizing	20,000,000.00	19,834,100.00	19,847,206.94	8.55	180	143	1.921	1.947
Federal Agency Disc. -Amortizing	10,000,000.00	9,933,000.00	9,942,983.74	4.28	182	134	1.565	1.587
Investments	232,111,095.24	228,749,499.64	232,205,268.43	100.00%	1,043	608	1.495	1.516

Total Earnings	February 28	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	275,284.32		1,239,314.63	
Current Budget	160,000.00		800,000.00	1,920,000.00
Last Year Actual	229,389.96		1,030,508.48	2,752,784.09
Average Daily Balance	227,425,960.54		206,088,576.85	
Effective Rate of Return	1.58%		1.45%	

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 7, 2016. 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. 3-28-18

Alisa Cutchen, CITY TREASURER

Reporting period 02/01/2018-02/28/2018

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City of HB
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Portfolio Details - Investments
February 28, 2018

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Rated	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133EGEV3	4140	Federal Farm Credit Bank		06/15/2016	5,000,000.00	4,831,950.00	5,000,000.00	1.620	AA	1.620	1,201	06/14/2021
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,000,000.00	5,000,299.55	1.375	AA	1.100	8	03/09/2018
3130A7WK7	4136	Federal Home Loan Bank		05/24/2016	5,000,000.00	4,944,700.00	5,000,000.00	1.250	AA	1.250	449	05/24/2019
3130A8DC4	4138	Federal Home Loan Bank		06/30/2016	2,250,000.00	2,188,642.50	2,250,000.00	1.600	AA	1.600	1,035	12/30/2020
3130A8T94	4153	Federal Home Loan Bank		08/10/2016	5,000,000.00	4,920,850.00	5,000,000.00	1.050	AA	1.518	893	08/10/2020
313383VN8	4157	Federal Home Loan Bank		11/16/2016	5,000,000.00	4,967,650.00	5,052,730.38	2.000	AA	1.297	561	09/13/2019
3130AB3L8	4166	Federal Home Loan Bank		04/27/2017	5,000,000.00	4,924,100.00	5,000,000.00	1.750	AA	1.750	1,518	04/27/2022
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,983,800.00	5,000,000.00	1.000	AA	0.991	148	07/27/2018
3134G9RN9	4139	Federal Home Loan Mort Corp		06/23/2016	5,000,000.00	4,938,750.00	5,000,000.00	1.250	AA	1.919	845	06/23/2020
3134G9UY1	4142	Federal Home Loan Mort Corp		06/29/2016	5,000,000.00	4,987,800.00	5,000,000.00	1.000	AA	1.000	120	06/29/2018
3134G9F93	4148	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,900,050.00	5,000,000.00	1.000	AA	0.998	484	06/28/2019
3134G9E78	4149	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,852,250.00	5,000,000.00	1.280	AA	1.280	944	09/30/2020
3134G9C54	4150	Federal Home Loan Mort Corp		06/30/2016	4,655,000.00	4,459,396.90	4,655,000.00	1.500	AA	1.500	1,217	06/30/2021
3134GAUB8	4151	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,864,250.00	5,000,000.00	1.500	AA	1.400	1,217	06/30/2021
3134GBNN8	4256	Federal Home Loan Mort Corp		11/22/2016	5,000,000.00	4,765,650.00	5,000,000.00	1.650	AA	1.650	1,362	11/22/2021
3134G9N94	4257	Federal Home Loan Mort Corp		05/30/2017	5,000,000.00	4,894,250.00	5,000,767.98	1.750	AA	1.744	911	08/28/2020
3134G92Y2	4258	Federal Home Loan Mort Corp		06/14/2017	5,000,000.00	4,887,350.00	5,024,801.08	1.875	AA	1.723	1,244	07/27/2021
3134GBNS7	4259	Federal Home Loan Mort Corp		06/14/2017	5,000,000.00	4,890,100.00	5,023,543.85	1.875	AA	1.733	1,265	08/17/2021
3134GBLT7	4260	Federal Home Loan Mort Corp		06/14/2017	3,000,000.00	2,964,240.00	2,998,086.96	1.500	AA	1.521	545	08/28/2019
3134GBTS1	4261	Federal Home Loan Mort Corp		06/29/2017	3,000,000.00	2,962,620.00	2,999,084.72	1.500	AA	1.521	547	08/30/2019
3136G2R58	4122	Federal Home Loan Mort Corp		06/15/2017	5,000,000.00	4,853,550.00	5,000,000.00	2.125	AA	2.125	1,581	06/29/2022
3135G0K85	4137	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	4,969,200.00	5,000,000.00	1.040	AA	1.040	239	10/26/2018
3136G3SJ5	4141	Fed. Nat'l Mort. Assoc.		06/13/2016	5,000,000.00	4,950,100.00	5,000,000.00	1.400	AA	1.400	469	06/13/2019
3136G3SN6	4143	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	4,807,000.00	4,999,167.36	1.500	AA	1.505	1,217	06/30/2021
3135G0K93	4144	Fed. Nat'l Mort. Assoc.		06/23/2016	3,000,000.00	2,877,660.00	3,000,000.00	1.500	AA	1.500	1,028	12/23/2020
3136G3UT0	4146	Fed. Nat'l Mort. Assoc.		06/28/2016	5,000,000.00	4,926,500.00	5,000,000.00	1.250	AA	1.250	484	06/28/2019
3136G3VU6	4147	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	4,813,000.00	5,000,000.00	1.500	AA	1.500	1,035	12/30/2020
3136G3YG4	4152	Fed. Nat'l Mort. Assoc.		07/19/2016	5,000,000.00	4,884,500.00	5,000,000.00	2.000	AA	1.825	1,236	07/19/2021
3136G4HM8	4159	Fed. Nat'l Mort. Assoc.		07/25/2016	7,500,000.00	7,384,650.00	7,500,000.00	1.000	AA	1.000	420	04/25/2019
				12/02/2016	5,000,000.00	4,851,500.00	5,000,000.00	1.950	AA	1.950	1,372	12/02/2021
Subtotal and Average					143,405,000.00	140,446,059.40	143,504,481.88			1.461	847	
Local Agency Investment Funds												
SY5982	982	Laif City			27,706,095.24	27,706,095.24	27,706,095.24	1.412		1.412	1	
Subtotal and Average					27,706,095.24	27,706,095.24	27,706,095.24			1.412	1	

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CUSIP	Investment #	Investment Notes - IBRD	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Rated Rate	S&P	YTM 365 Maturity	Days to Maturity	Maturity Date
Medium Term Notes - IBRD													
459058FE8	4158		Intl Bk Recon & Development		11/18/2016	5,000,000.00	4,979,200.00	4,995,591.35	0.876	AAA	1.109	140	07/19/2018
			Subtotal and Average	4,995,098.46		5,000,000.00	4,979,200.00	4,995,591.35			1.109	140	
Corporate Bonds													
037833AR1	4262		Apple Inc.		06/26/2017	5,000,000.00	5,007,250.00	5,132,498.74	2.850	AA	1.980	1,162	05/06/2021
06406HCZ0	4155		Bank of New York		10/24/2016	5,000,000.00	4,943,650.00	5,051,157.75	2.150	A	1.617	725	02/24/2020
17275RBSG6	4154		Cisco Systems Inc		09/27/2016	3,000,000.00	2,950,260.00	3,004,407.40	1.400	AA	1.303	568	09/20/2019
268648AP7	4077		EMC Corp		07/14/2015	2,500,000.00	2,492,450.00	2,501,488.43	1.875	AA	1.630	92	06/01/2018
494368BP7	4164		Kimberly Clark Corp		12/28/2016	2,000,000.00	1,963,820.00	1,993,902.36	1.850	A	2.008	731	03/01/2020
191216BA7	4049		Coca Cola Co		02/24/2015	2,500,000.00	2,497,875.00	2,499,780.44	1.150	AA	1.258	31	04/01/2018
68389XAQ8	4071		Oracle Corp		05/26/2015	3,000,000.00	2,997,000.00	3,016,278.11	2.375	AA	1.731	320	01/15/2019
89236TAY1	4039		Toyota Motor Credit		01/26/2015	3,000,000.00	2,998,740.00	3,009,396.05	2.000	AA	1.500	237	10/24/2018
			Subtotal and Average	26,213,356.90		26,000,000.00	25,851,045.00	26,208,909.28			1.649	564	
Commercial Paper Disc. -Amortizing													
06538CHT1	4265		BANK OF TOKYO-MIT NY		02/28/2018	5,000,000.00	4,947,050.00	4,946,548.61	2.150		2.204	179	08/27/2018
46640QGA3	4263		JP Morgan		01/11/2018	15,000,000.00	14,887,050.00	14,900,658.33	1.820	A-1	1.862	131	07/10/2018
			Subtotal and Average	15,067,083.28		20,000,000.00	19,834,100.00	19,847,206.94			1.947	143	
Federal Agency Disc. -Amortizing													
313385ZG4	4264		Federal Home Loan Bank		01/12/2018	10,000,000.00	9,933,000.00	9,942,983.74	1.532	AA	1.587	134	07/13/2018
			Subtotal and Average	9,937,239.56		10,000,000.00	9,933,000.00	9,942,983.74			1.587	134	
			Total and Average	227,425,960.54		232,111,095.24	228,749,499.64	232,205,268.43			1.516	508	

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City of HB

Portfolio Management

Activity By Type

February 1, 2018 through February 28, 2018

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
Subtotal							143,504,481.88
Local Agency Investment Funds (Monthly Summary)							
Subtotal							27,706,095.24
Medium Term Notes - IBRD							
Subtotal							4,995,591.35
Corporate Bonds							
Subtotal							26,208,909.28
Commercial Paper Disc. -Amortizing							
06538CHT1	4265	BANK OF TOKYO-MIT NY	2.150	02/28/2018	4,946,250.00	0.00	
Subtotal					4,946,250.00	0.00	19,847,206.94
Federal Agency Disc. -Amortizing							
Subtotal							9,942,983.74
Total					4,946,250.00	0.00	232,205,268.43

City of HB
Portfolio Management
Activity Summary
February 2017 through February 2018

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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					
February	2017	48	215,339,319.67	1.357	1.376	0.777	0	0	1,179	857
March	2017	47	213,717,521.37	1.315	1.333	0.821	0	1	1,136	788
April	2017	48	213,723,352.90	1.351	1.370	0.884	2	1	1,174	827
May	2017	49	225,340,416.22	1.343	1.361	0.925	1	0	1,123	772
June	2017	52	231,210,075.29	1.402	1.422	0.978	6	3	1,219	866
July	2017	50	227,046,687.72	1.398	1.417	1.051	0	2	1,246	845
August	2017	47	208,273,796.65	1.399	1.418	1.084	0	3	1,258	843
September	2017	46	201,272,141.13	1.415	1.435	1.111	0	1	1,275	835
October	2017	45	196,034,063.90	1.437	1.457	1.143	0	1	1,310	839
November	2017	44	188,015,052.55	1.439	1.459	1.172	0	1	1,310	821
December	2017	41	196,385,752.92	1.414	1.433	1.239	0	3	1,114	688
January	2018	42	224,063,945.55	1.473	1.493	1.350	2	1	1,061	642
February	2018	43	227,425,960.54	1.495	1.516	1.412	1	0	1,043	608
Average		46	212,826,397.50	1.403%	1.422%	1.073	1	1	1,188	787

City of HB
Portfolio Management
Interest Earnings Summary
February 28, 2018

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	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	170,625.00	1,290,768.33
Plus Accrued Interest at End of Period	580,789.38	580,789.38
Less Accrued Interest at Beginning of Period	(526,831.02)	(717,589.16)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	224,583.36	1,153,968.55
Adjusted by Premiums and Discounts	20,690.32	-8,807.53
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	245,273.68	1,145,161.02
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	50,074.88
Plus Accrued Interest at End of Period	67,646.01	67,646.01
Less Accrued Interest at Beginning of Period	(37,635.37)	(23,567.28)
Interest Earned during Period	30,010.64	94,153.61
Total Interest Earned during Period	254,594.00	1,248,122.16
Total Adjustments from Premiums and Discounts	20,690.32	-8,807.53
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	275,284.32	1,239,314.63

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Portfolio Management
Distribution of Investments By Type
February 2017 through February 2018

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Security Type	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	Average by Period
Repurchase Agreements														
Certificates of Deposit														
Commercial Paper - Interest Bearing														
Federal Agency Issues - Coupon	69.0	66.7	71.4	68.9	75.5	76.1	76.0	75.4	76.0	77.0	66.9	63.2	61.8	71.1%
Local Agency Investment Funds	7.8	10.1	7.8	11.6	5.1	3.1	3.3	3.4	2.0	2.0	17.6	12.2	11.9	7.5%
Treasury Securities - Coupon														
Medium Term Notes - IBRD	2.3	2.3	2.3	2.2	2.2	2.3	2.5	2.5	2.6	2.7	2.3	2.2	2.2	2.4%
Negotiable CD's														
Certificates of Deposit - Bank														
Corporate Bonds	20.9	20.9	18.5	17.3	17.3	18.5	18.2	18.7	19.5	18.4	13.2	11.5	11.3	17.2%
Mortgage Backed Securities														
Bankers Acceptances -Amortizing														
Commercial Paper Disc. -Amortizing												6.6	8.6	1.2%
Federal Agency Disc. -Amortizing												4.4	4.3	0.7%
Treasury Discounts -Amortizing														
Miscellaneous Discounts -Amortizing														
Money Market Acct														
Passbook/Checking Accounts -3														
Rolling Repurchase Agreements														

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Fair Value Including Accrued Interest	\$ 76,403,627,722.46
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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
February 2018

<u>Cash Receipts and Disbursements</u>	<u>January 2018</u>	<u>February 2018</u>
Receipts		
General Fund		
Property Tax	16,582,996	115,166
Local Sales Tax	2,658,100	3,544,200
Public Safety Sales Tax	175,971	182,127
Transient Occupancy Tax (TOT)	684,976	747,856
Utility Users Tax (UUT)	1,538,539	1,581,912
Other Revenue	2,963,510	3,924,564
Total General Fund Revenue	24,604,092	10,095,825
Capital Projects Funds	186,914	293,049
Debt Service Funds	1,938	454,962
Enterprise Funds	6,752,117	4,733,643
General Fund Other	242,847	261,856
Internal Service Funds	535,431	502,414
Special Revenue Funds	3,769,238	361,252
Grant Funds	930,629	506,729
Trust and Agency Funds	7,081,456	934,042
Total Receipts	\$44,104,662	\$18,143,773
Disbursements		
General Fund		
Personal Services	(12,094,073)	(12,036,371)
Operating Expenses	(1,025,970)	(3,355,017)
Capital Expenditures	(159,285)	(137,207)
Non-Operating Expenses	(4,208)	(563,567)
Total General Fund Disbursements	(13,283,536)	(16,092,162)

Capital Projects Funds	(666,703)	(980,940)
Debt Service Funds	(1,938)	(233,988)
Enterprise Funds	(4,462,939)	(4,906,108)
General Fund Other	(80,019)	(305,386)
Internal Service Funds	(404,639)	(699,448)
Special Revenue Funds	(606,405)	(1,090,926)
Grant Funds	(423,016)	(953,123)
Trust and Agency Funds	(2,641,942)	(988,116)
Total Disbursements	(22,571,138)	(26,250,197)

Net Change in Cash Flow	\$21,533,524	(\$8,106,424)
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Summary of Cash by Fund	January 2018	February 2018
General Fund	\$80,579,016	\$73,879,962
General Fund Other	4,233,827	4,190,297
Capital Projects Funds	18,059,779	17,136,528
Debt Service Funds	31,016	251,991
Enterprise Funds	73,886,045	75,858,011
Trust and Agency Funds	15,135,122	15,081,048
Internal Service Funds	21,249,245	20,852,211
Special Revenue Funds	30,719,572	29,767,590
General Ledger Cash Balances	\$243,893,624	\$237,017,638

* 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.