



City of Huntington Beach
Monthly Investment Report
Period Ending: January 31, 2013
Prepared by: Alisa Cutchen, City Treasurer

Portfolio Overview:

As of January 31, 2013:

<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>
Certificates of Deposit	250,000	250,000	0.1%	0.61%	30%
Federal Agency Issues	111,000,340	110,982,475	62%	0.96%	None
Local Agency Investment Fund (LAIF)	48,147,960	48,147,960	27%	0.30%	\$50 million
Corporate Bonds	20,381,938	20,327,143	11%	0.80%	20%
Totals	179,780,238	179,707,578	100%	0.77%	

- **Market value = \$179.8million** (The current quoted price at which investors can buy/sell a security)
- **Book value = \$179.7 million** (The accounting value of the security as show on the balance sheet)
- The market value is slightly higher than the book value because currently, the City's portfolio owns some securities with higher interest rates than similar securities that would currently be available for purchase. (Such portfolio securities were purchased when interest rates were slightly higher.)
- As interest rates start to rise, some securities that are owned in the portfolio will have interest rates that are lower than the securities that will currently be available in the market. This will result in a market value that is lower than the book value.
- There is no actual loss to a security when interest rates rise and the market value of the security falls. If the security is held to maturity, which is the typically the case within such a portfolio, no loss is realized.

Portfolio Earnings and Performance:

<u>Total Earnings</u>	<u>January 31, 2013 Month Ending</u>	<u>Fiscal Year To Date</u>
Current Year	\$ 112,255	\$ 479,771
Effective Rate of Return	0.73%	0.85%

- **Monthly Income = \$112,255**
- **Fiscal Year To Date Income = \$479,771**

The income generated by the investment portfolio is available to the City for operational liquidity, for meeting the City's financial obligations and to offset funds required from the citizens and businesses of Huntington Beach.

Portfolio Activity:

For the month of January 2013, a total of \$17MM in Federal Agency Securities were called or matured. \$1.5MM in Corporate Bonds matured. Federal Agency Securities purchased for the month totaled \$10MM with \$2MM in purchases of Corporate Bonds. There was a transfer from the City's operating account to LAIF in the amount of \$30MM. The funds transferred to LAIF consisted of both funds received from maturities/calls, and income from property taxes received in December 2012.

Compliance:

The portfolio is in conformity with all State laws and the Investment Policy statement filed with the City Council on November 5, 2012. 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 months' obligations.



City of Huntington Beach
2000 Main St.
Huntington Beach, CA

City of HB
Portfolio Management
Portfolio Summary
January 31, 2013

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit	250,000.00	250,000.00	250,000.00	0.14	296	174	0.600	0.608
Federal Agency Issues - Coupon	111,000,000.00	111,000,340.00	110,982,475.23	61.76	1,604	1,410	0.949	0.962
Local Agency Investment Funds	48,147,960.18	48,147,960.18	48,147,960.18	26.79	1	1	0.296	0.300
Corporate Bonds	19,960,000.00	20,381,937.80	20,327,143.27	11.31	975	776	0.784	0.795
Investments	179,357,960.18	179,780,237.98	179,707,578.68	100.00%	1,102	959	0.755	0.765

Cash and Accrued Interest

Accrued Interest at Purchase	6,197.91
Subtotal	6,197.91
Total Cash and Investments	179,786,435.89
	179,713,776.59
	1,102
	959
	0.755
	0.765

Total Earnings

	January 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	112,255.45		479,771.18	
Current Budget	112,000.00		448,000.00	1,344,000.00
Last Year Actual	156,250.00		625,000.00	1,875,000.00
Average Daily Balance	182,030,048.28		166,838,567.49	
Effective Rate of Return	0.73%		0.95%	

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 5, 2012. A copy of this policy is available at the office of the City Clerk. The investment program herein provides sufficient cash flow liquidity to meet the next six month's obligations. Market Values provided by Union Bank via Interactive Data Corporation.

Alice C. Cuthen

Alice Cuthen, CITY TREASURER

Reporting period 01/01/2013-01/31/2013

Run Date: 02/14/2013 - 16:28

Portfolio City
AP
PM (PRF_PMI) 7.3.0
Report Ver. 7.3.3b

City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365 Maturity	Days to Maturity	Maturity Date
Certificates of Deposit												
06426GAA5	3946	Bank of the West	250,000.00	10/02/2012	250,000.00	250,000.00	250,000.00	0.600		0.608	174	07/25/2013
Subtotal and Average			250,000.00		250,000.00	250,000.00	250,000.00	0.600		0.608	174	
Federal Agency Issues - Coupon												
3133EAHZ4	3926	Federal Farm Credit Bank		03/20/2012	3,000,000.00	2,985,900.00	3,000,000.00	1.300	AA	1.300	1,508	03/20/2017
3133EAUE6	3932	Federal Farm Credit Bank		06/14/2012	5,000,000.00	5,010,950.00	5,000,000.00	0.875	AA	0.875	1,229	06/14/2016
3133EAUE6	3933	Federal Farm Credit Bank		06/14/2012	5,000,000.00	5,010,950.00	5,000,000.00	0.875	AA	0.875	1,229	06/14/2016
3133EAJ33	3942	Federal Farm Credit Bank		08/15/2012	5,000,000.00	5,011,750.00	4,997,788.19	0.730	AA	0.743	1,291	08/15/2016
3133EAP77	3944	Federal Farm Credit Bank		08/27/2012	5,000,000.00	5,008,050.00	5,000,000.00	0.480	AA	0.480	937	08/27/2015
3133805K9	3941	Federal Home Loan Bank		08/09/2012	5,000,000.00	5,000,350.00	4,999,353.30	0.720	AA	0.724	1,284	08/08/2016
313381M44	3953	Federal Home Loan Bank		12/28/2012	5,000,000.00	4,974,350.00	5,000,000.00	0.650	AA	0.650	1,426	12/28/2016
3134G3FC9	3920	Federal Home Loan Mort Corp		01/09/2012	5,000,000.00	5,030,000.00	5,000,000.00	1.000	AA	1.000	971	09/30/2015
3134G3KC3	3922	Federal Home Loan Mort Corp		01/27/2012	5,000,000.00	5,035,250.00	5,000,000.00	1.000	AA	1.000	1,090	01/27/2016
3134G3LU2	3925	Federal Home Loan Mort Corp		02/14/2012	5,000,000.00	5,037,800.00	5,000,000.00	1.050	AA	1.316	1,474	02/14/2017
3134G3B90	3940	Federal Home Loan Mort Corp		08/15/2012	5,000,000.00	4,983,350.00	5,000,000.00	0.875	AA	0.875	1,656	08/15/2017
3134G3B4	3952	Federal Home Loan Mort Corp		01/11/2013	5,000,000.00	4,971,300.00	5,000,000.00	1.000	AA	1.000	1,805	01/11/2018
31398A3L4	3954	Fed. Natl Mort. Assoc.		09/17/2010	3,000,000.00	3,017,790.00	3,000,000.00	1.125	AA	1.125	228	09/17/2013
3136FTK73	3924	Fed. Natl Mort. Assoc.		02/22/2012	5,000,000.00	5,003,450.00	5,000,000.00	1.375	AA	1.375	1,482	02/22/2017
3136G0JL6	3929	Fed. Natl Mort. Assoc.		06/07/2012	5,000,000.00	5,013,800.00	5,000,000.00	1.000	AA	1.257	1,587	06/07/2017
3136G0MK4	3931	Fed. Natl Mort. Assoc.		06/21/2012	5,000,000.00	5,010,300.00	5,000,000.00	1.000	AA	1.246	1,601	06/21/2017
3136G0NR8	3935	Fed. Natl Mort. Assoc.		06/28/2012	5,000,000.00	5,007,750.00	4,994,674.48	0.500	AA	0.966	1,243	06/28/2016
3135G0RK1	3945	Fed. Natl Mort. Assoc.		11/07/2012	5,000,000.00	4,981,650.00	5,000,000.00	0.900	AA	0.900	1,740	11/07/2017
3136G1TE3	3950	Fed. Natl Mort. Assoc.		12/07/2012	5,000,000.00	4,959,300.00	5,000,000.00	0.700	AA	1.002	1,769	12/06/2017
3136G1A66	3951	Fed. Natl Mort. Assoc.		12/26/2012	5,000,000.00	4,969,850.00	5,000,000.00	0.650	AA	1.042	1,789	12/26/2017
3135G0SB0	3954	Fed. Natl Mort. Assoc.		12/21/2012	5,000,000.00	4,985,600.00	5,000,000.00	0.700	AA	1.063	1,789	12/26/2017
3136G1AY5	3955	Fed. Natl Mort. Assoc.		01/30/2013	5,000,000.00	5,001,500.00	4,990,659.26	0.375	AA	0.452	1,053	12/21/2015
Subtotal and Average			117,079,030.97		111,000,000.00	111,000,340.00	110,982,475.23	0.962		1.410		
Local Agency Investment Funds												
SYS982	982	Laif City	48,147,960.18		48,147,960.18	48,147,960.18	48,147,960.18	0.300		0.300	1	
Subtotal and Average			48,147,960.18		48,147,960.18	48,147,960.18	48,147,960.18	0.300		0.300	1	
Corporate Bonds												
084664AT8	3895	Berkshire Hathway Fin	1,310,000.00	08/26/2011	1,310,000.00	1,417,197.30	1,396,277.48	4.850	AA	1.390	713	01/15/2015
14912L4Y4	3930	Caterpillar Financial Corp.	2,000,000.00	05/30/2012	2,000,000.00	2,023,120.00	2,007,896.48	1.125	A	0.911	682	12/15/2014
											Portfolio CITY	AP
											PM (PRF_PM2) 7.3.0	

**City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2013**

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												
14912L5D9	3936	Caterpillar Financial Corp.		08/03/2012	3,000,000.00	3,034,440.00	3,040,134.92	1.100	A	0.520	847	05/29/2015
36962G4X9	3906	General Electric Capital Corp		09/29/2011	2,000,000.00	2,033,380.00	2,009,669.24	2.100	AA	1.570	340	01/07/2014
36962G4G6	3949	General Electric Capital Corp		12/14/2012	1,650,000.00	1,737,400.50	1,738,458.63	3.750	AA	0.722	651	11/14/2014
36962G6R0	3956	General Electric Capital Corp		01/25/2013	2,000,000.00	1,999,200.00	2,001,153.45	1.000	AA	0.980	1,071	01/08/2016
24422ERK7	3937	John Deere Capital		08/03/2012	3,000,000.00	3,039,180.00	3,042,945.30	1.250	A	0.465	669	12/02/2014
24422ERS0	3948	John Deere Capital		12/11/2012	2,000,000.00	2,016,180.00	2,018,154.25	0.950	A	0.570	878	06/29/2015
931142CX9	3943	Wal-Mart Stores		08/14/2012	3,000,000.00	3,081,840.00	3,072,453.52	1.500	AA	0.606	996	10/25/2015
		Subtotal and Average	19,462,925.81		19,960,000.00	20,381,937.80	20,327,143.27			0.795	776	
		Total and Average	182,030,048.28		179,357,960.18	179,780,237.98	179,707,578.68			0.765	959	

Portfolio CITY
AP
PM (PRF_PM2) 7.3.0

City of HB
Portfolio Management
Portfolio Details - Cash
January 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to 365 Maturity
		Average Balance	0.00	Accrued Interest at Purchase	6,197.91	6,197.91	6,197.91				0
		Subtotal			6,197.91	6,197.91	6,197.91				
		Total Cash and Investments	182,030,048.28		179,357,960.18	179,786,435.89	179,743,776.59			0.765	959

City of HB
Portfolio Management
Activity By Type
January 1, 2013 through January 31, 2013

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Certificates of Deposit							
Subtotal							250,000.00
Federal Agency Issues - Coupon							
3134G3HV5	3919	Federal Home Loan Mort Corp	1.125	01/25/2013	0.00	5,000,000.00	
3134G3GN4	3921	Federal Home Loan Mort Corp	1.500	01/18/2013	0.00	7,000,000.00	
3134G3B4	3952	Federal Home Loan Mort Corp	1.000	01/11/2013	5,000,000.00	0.00	
3136FTA58	3923	Fed. Nat'l Mort. Assoc.	1.300	01/30/2013	0.00	5,000,000.00	
3136G1AY5	3955	Fed. Nat'l Mort. Assoc.	0.750	01/30/2013	5,000,000.00	0.00	
Subtotal							17,000,000.00
Subtotal							110,982,475.23
Local Agency Investment Funds (Monthly Summary)							
SYS982	982	Laif City	0.300		30,014,709.23	0.00	
Subtotal							30,014,709.23
Subtotal							48,147,960.18
Corporate Bonds							
36962G6R0	3956	General Electric Capital Corp	1.000	01/25/2013	2,001,160.00	0.00	
36962GZY3	3997	General Electric Capital Corp	5.450	01/15/2013	0.00	1,500,000.00	
Subtotal							2,001,160.00
Subtotal							20,327,143.27
Total							179,707,578.68

City of HB
Portfolio Management
Activity Summary
January 2012 through January 2013

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Days to Maturity	Average
				360 Equivalent	365 Equivalent						
January	2012	40	161,736,755.70	1.143	1.159	0.385	5	2	1,138	963	
February	2012	42	174,741,686.41	1.197	1.214	0.389	2	0	1,242	1,043	
March	2012	38	174,394,254.80	1.158	1.174	0.383	1	5	1,186	993	
April	2012	40	173,406,734.12	1.174	1.191	0.367	2	0	1,221	1,015	
May	2012	40	181,650,062.55	1.168	1.184	0.363	1	1	1,218	994	
June	2012	37	188,798,856.18	1.078	1.093	0.358	6	9	1,264	1,106	
July	2012	33	178,453,606.72	1.011	1.025	0.363	0	4	1,133	964	
August	2012	39	178,919,282.36	1.034	1.049	0.377	7	1	1,320	1,129	
September	2012	37	169,501,918.57	1.000	1.014	0.348	0	2	1,299	1,099	
October	2012	35	163,378,685.54	0.968	0.981	0.348	1	2	1,283	1,071	
November	2012	36	161,479,959.57	0.963	0.976	0.324	1	0	1,299	1,068	
December	2012	35	160,292,718.24	0.903	0.915	0.326	7	8	1,340	1,159	
January	2013	34	182,030,048.28	0.755	0.765	0.300	3	4	1,102	959	
Average		37	172,971,412.59	1.043%	1.057%	0.356	3	3	1,234	1,043	

City of HB
Portfolio Management
Interest Earnings Summary
January 31, 2013

	January 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	231,767.50	621,996.66
Plus Accrued Interest at End of Period	252,692.23	252,692.23
Less Accrued Interest at Beginning of Period	(366,499.15)	(365,348.37)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	117,960.58	519,340.52
Adjusted by Premiums and Discounts	-17,231.55	-65,804.99
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	100,729.03	453,535.53
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	14,709.23	40,085.61
Plus Accrued Interest at End of Period	13,707.71	13,707.71
Less Accrued Interest at Beginning of Period	(16,890.52)	(27,557.67)
Interest Earned during Period	11,526.42	26,235.65
Total Interest Earned during Period	129,487.00	545,576.17
Total Adjustments from Premiums and Discounts	-17,231.55	-65,804.99
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	112,255.45	479,771.18

RECEIVED
FEB 14 2013

Finance Department

State of California
Pooled Money Investment Account
Market Valuation
1/31/2013

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 22,562,328,023.14		\$ 22,584,211,250.00	NA
Notes	\$ 15,331,927,365.10		\$ 15,371,356,500.00	\$ 16,480,709.00
Federal Agency:				
SBA	\$ 520,393,793.59		\$ 520,472,808.42	\$ 537,396.72
MBS-REMICs	\$ 242,732,974.68		\$ 263,492,502.64	\$ 1,160,853.22
Debentures	\$ 1,000,310,087.04		\$ 1,001,138,000.00	\$ 1,242,608.00
Debentures FR	\$ -		\$ -	\$ -
Discount Notes	\$ 5,094,092,666.66		\$ 5,098,638,000.00	NA
GNMA	\$ 3,019.07		\$ 3,043.85	\$ 30.77
IBRD Debenture	\$ 399,961,857.92		\$ 400,980,000.00	\$ 250,000.00
IBRD Deb FR	\$ -		\$ -	\$ -
CDs and YCDs FR	\$ 400,000,000.00		\$ 400,000,000.00	\$ 436,659.72
Bank Notes	\$ -		\$ -	\$ -
CDs and YCDs	\$ 6,450,002,386.75		\$ 6,447,827,206.26	\$ 991,722.24
Commercial Paper	\$ 4,099,200,208.37		\$ 4,098,735,222.23	NA
Corporate:				
Bonds FR	\$ -		\$ -	\$ -
Bonds	\$ -		\$ -	\$ -
Repurchase Agreements	\$ -		\$ -	\$ -
Reverse Repurchase	\$ -		\$ -	\$ -
Time Deposits	\$ 4,153,640,000.00		\$ 4,153,640,000.00	NA
AB 55 & GF Loans	\$ 1,197,076,016.23		\$ 1,197,076,016.23	NA
TOTAL	\$ 61,451,668,398.55		\$ 61,537,570,549.63	\$ 21,099,979.67

Fair Value Including Accrued Interest \$ 61,558,670,529.30

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 2013**

<u>Cash Receipts and Disbursements</u>	<u>December 2012</u>	<u>January 2013</u>
Receipts		
Property Tax Receipts	\$19,207,861	\$14,302,643
Utility Tax Receipts (UUT)	1,664,572	1,633,467
Sales Tax Receipts	2,403,468	1,534,100
1/2 Cent Safety Sales Tax Receipts	186,304	150,911
Highway Users Tax Receipts (HUT)	-	400,788
Transient Occupancy Tax Receipts (TOT)	405,379	362,225
Government Funds	79,252	69,982
Capital Funds	8,199	163,611
Debt Service Funds	-	-
Enterprise Funds	4,393,478	4,927,138
Fiduciary Funds	2,770,274	7,939,378
Special Revenue Funds	1,178,891	1,841,342
All Other Receipts	1,848,451	4,150,725
Total Receipts	\$34,146,128	\$37,476,309
Disbursements		
Total Disbursements	(18,505,802)	(20,836,761)
Net Change in Cash Flow	\$15,640,327	\$16,639,548
Summary of Cash by Fund		
	December 2012	January 2013
General Fund	67,732,593	74,440,764
Government Funds	1,457,748	1,266,469
Capital Funds	10,454,129	10,795,055
Debt Service Funds	13,072	13,072
Enterprise Funds	89,776,494	89,117,699
Fiduciary Funds	10,930,325	19,169,455
Special Revenue Funds	12,209,260	14,376,806
General Ledger Cash Balances	192,573,620	209,179,320 *

* 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.