



City of Huntington Beach
Monthly Investment Report
Period Ending: February 28, 2013
Prepared by: Alisa Cutchen, City Treasurer

Portfolio Overview:

As of February 28, 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	126,163,060	125,982,942	65%	0.95%	None
Local Agency Investment Fund (LAIF)	48,147,960	48,147,960	25%	0.29%	\$50 million
Corporate Bonds	20,384,997	20,311,870	10%	0.80%	20%
Totals	194,946,017	194,692,772	100%	0.77%	

- **Market value = \$194.9million** (The current quoted price at which investors can buy/sell a security)
- **Book value = \$194.7 million** (The accounting value of the security as shown on the balance sheet)
- The market value is slightly higher than the book value because the City's portfolio currently 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>February 28, 2013 Month Ending</u>	<u>Fiscal Year To Date</u>
Current Year	\$ 104,196	\$ 583,967
Effective Rate of Return	0.74%	0.83%

- **Monthly Income = \$104,196**
- **Fiscal Year To Date Income = \$583,967**

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 February 2013, a total of \$5MM in Federal Agency Securities were called or matured. No Corporate Bonds matured. Federal Agency Securities purchased for the month totaled \$20MM with no purchases of Corporate Bonds. There were no transfers to/from the City's operating account to/from LAIF.

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 HB
Portfolio Management
Portfolio Summary
February 28, 2013**

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.
Certificates of Deposit	250,000.00	250,000.00	250,000.00	0.13	296	146	0.600	0.608
Federal Agency Issues - Coupon	126,000,000.00	126,163,060.00	125,982,942.28	64.71	1,580	1,398	0.933	0.946
Local Agency Investment Funds	48,147,960.18	48,147,960.18	48,147,960.18	24.73	1	1	0.282	0.286
Corporate Bonds	19,960,000.00	20,384,966.70	20,311,869.68	10.43	975	748	0.784	0.795
Investments	194,357,960.18	194,946,016.88	194,692,772.14	100.00%	1,125	983	0.756	0.767

Cash and Accrued Interest								
Accrued Interest at Purchase		6,197.91	6,197.91					
Subtotal		6,197.91	6,197.91					
Total Cash and Investments	194,357,960.18	194,952,214.79	194,698,970.05		1,125	983	0.756	0.767

Total Earnings	February 28 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	104,195.98	583,967.16	
Current Budget	112,000.00	560,000.00	1,344,000.00
Last Year Actual	156,250.00	781,250.00	1,875,000.00
Average Daily Balance	183,986,101.22	170,018,242.62	
Effective Rate of Return	0.74%	0.83%	

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 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 Cutcher
Alisa Cutcher, CITY TREASURER

3-27-13

City of HB
Portfolio Management
Portfolio Details - Investments
February 28, 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
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	146	07/25/2013
		Subtotal and Average	250,000.00		250,000.00	250,000.00				0.608	146	
Federal Agency Issues - Coupon												
3133EAHZ4	3926	Federal Farm Credit Bank		03/20/2012	3,000,000.00	2,997,210.00	3,000,000.00	1.300	AA	1.300	1,480	03/20/2017
3133EAUE6	3932	Federal Farm Credit Bank		06/14/2012	5,000,000.00	5,008,000.00	5,000,000.00	0.875	AA	0.875	1,201	06/14/2016
3133EAUE6	3933	Federal Farm Credit Bank		06/14/2012	5,000,000.00	5,008,000.00	5,000,000.00	0.875	AA	0.875	1,201	06/14/2016
3133EAJ33	3942	Federal Farm Credit Bank		08/15/2012	5,000,000.00	5,009,100.00	4,997,840.28	0.730	AA	0.743	1,263	08/15/2016
3133EAP77	3944	Federal Farm Credit Bank		08/27/2012	5,000,000.00	5,005,250.00	5,000,000.00	0.480	AA	0.480	909	08/27/2015
3133805K9	3941	Federal Home Loan Bank		08/08/2012	5,000,000.00	5,000,250.00	4,999,368.61	0.720	AA	0.724	1,256	08/08/2016
313381M44	3953	Federal Home Loan Bank		12/28/2012	5,000,000.00	4,992,350.00	5,000,000.00	0.650	AA	0.650	1,398	12/28/2016
3134G3FC9	3920	Federal Home Loan Mort Corp		01/09/2012	5,000,000.00	5,024,650.00	5,000,000.00	1.000	AA	1.000	943	09/30/2015
3134G3KC3	3922	Federal Home Loan Mort Corp		01/27/2012	5,000,000.00	5,030,850.00	5,000,000.00	1.000	AA	1.000	1,062	01/27/2016
3134G3LU2	3925	Federal Home Loan Mort Corp		02/14/2012	5,000,000.00	5,041,250.00	5,000,000.00	1.050	AA	1.316	1,446	02/14/2017
3134G3B90	3940	Federal Home Loan Mort Corp		08/15/2012	5,000,000.00	5,004,450.00	5,000,000.00	0.875	AA	0.875	1,628	08/15/2017
3134G33B4	3952	Federal Home Loan Mort Corp		01/11/2013	5,000,000.00	4,989,200.00	5,000,000.00	1.000	AA	1.000	1,777	01/11/2018
31398A3L4	3854	Fed. Natl Mort. Assoc.		09/17/2010	3,000,000.00	3,015,300.00	3,000,000.00	1.125	AA	1.125	200	09/17/2013
3136G0JL6	3929	Fed. Natl Mort. Assoc.		06/07/2012	5,000,000.00	5,013,200.00	5,000,000.00	1.000	AA	1.257	1,559	06/07/2017
3136G0MK4	3931	Fed. Natl Mort. Assoc.		06/21/2012	5,000,000.00	5,011,550.00	5,000,000.00	1.000	AA	1.246	1,573	06/21/2017
3136G0NR8	3935	Fed. Natl Mort. Assoc.		06/28/2012	5,000,000.00	5,004,950.00	4,994,804.69	0.900	AA	0.966	1,215	06/28/2016
3135G0RK1	3945	Fed. Natl Mort. Assoc.		11/07/2012	5,000,000.00	5,003,750.00	5,000,000.00	0.900	AA	0.900	1,712	11/07/2017
3136G07K1	3947	Fed. Natl Mort. Assoc.		12/07/2012	5,000,000.00	4,983,100.00	5,000,000.00	0.700	AA	1.002	1,741	12/06/2017
3136G17E3	3950	Fed. Natl Mort. Assoc.		12/26/2012	5,000,000.00	4,992,850.00	5,000,000.00	0.650	AA	1.042	1,761	12/26/2017
3136G1A66	3951	Fed. Natl Mort. Assoc.		12/26/2012	5,000,000.00	5,008,150.00	5,000,000.00	0.700	AA	1.053	1,761	12/26/2017
3135G0S80	3954	Fed. Natl Mort. Assoc.		12/21/2012	5,000,000.00	4,993,050.00	4,990,928.70	0.375	AA	0.452	1,025	12/21/2015
3136G1AY5	3955	Fed. Natl Mort. Assoc.		01/30/2013	5,000,000.00	5,019,700.00	5,000,000.00	0.750	AA	1.078	1,796	01/30/2018
3136G1CJ6	3957	Fed. Natl Mort. Assoc.		02/21/2013	5,000,000.00	5,000,550.00	5,000,000.00	0.750	AA	1.193	1,818	02/21/2018
3136G1E62	3961	Fed. Natl Mort. Assoc.		02/25/2013	5,000,000.00	5,002,100.00	5,000,000.00	0.600	AA	0.600	1,273	08/25/2016
3135G0NL3	3962	Fed. Natl Mort. Assoc.		02/11/2013	5,000,000.00	5,003,450.00	5,000,000.00	0.625	AA	0.625	1,088	02/22/2016
3136G1F80	3963	Fed. Natl Mort. Assoc.		02/28/2013	5,000,000.00	5,000,800.00	5,000,000.00	0.750	AA	1.435	1,825	02/28/2018
		Subtotal and Average	115,268,416.37		126,163,060.00	126,163,060.00	125,982,942.28			0.946	1,398	
Local Agency Investment Funds												
SYS982	982	Laif City	48,147,960.18		48,147,960.18	48,147,960.18	48,147,960.18	0.286		0.286	1	
		Subtotal and Average	48,147,960.18		48,147,960.18	48,147,960.18	48,147,960.18			0.286	1	

City of HB
Portfolio Management
Portfolio Details - Investments
February 28, 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												
084664AT8	3895	Berkshire Hathaway Fin		08/26/2011	1,310,000.00	1,415,481.20	1,392,600.88	4.850	AA	1.390	685	01/15/2015
14912L4Y4	3930	Caterpillar Financial Corp.		05/30/2012	2,000,000.00	2,022,880.00	2,007,545.01	1.125	A	0.911	654	12/15/2014
14912L5D9	3936	Caterpillar Financial Corp.		08/03/2012	3,000,000.00	3,034,680.00	3,038,698.11	1.100	A	0.520	819	05/29/2015
36962G4X9	3906	General Electric Capital Corp		09/29/2011	2,000,000.00	2,029,800.00	2,008,805.92	2.100	AA	1.570	312	01/07/2014
36962G4G6	3949	General Electric Capital Corp		12/14/2012	1,650,000.00	1,736,245.50	1,734,331.48	3.750	AA	0.722	623	11/14/2014
36962G6R0	3956	General Electric Capital Corp		01/25/2013	2,000,000.00	2,006,260.00	2,001,120.71	1.000	AA	0.980	1,043	01/08/2016
24422ERK7	3937	John Deere Capital		08/03/2012	3,000,000.00	3,043,260.00	3,040,996.20	1.250	A	0.465	641	12/02/2014
24422ERS0	3948	John Deere Capital		12/11/2012	2,000,000.00	2,018,480.00	2,017,526.80	0.950	A	0.570	850	06/29/2015
931142CX9	3943	Wal-Mart Stores		08/14/2012	3,000,000.00	3,077,910.00	3,070,244.57	1.500	AA	0.606	966	10/25/2015
		Subtotal and Average	20,319,724.57		19,960,000.00	20,384,996.70	20,311,869.68			0.795	748	
		Total and Average	183,986,101.22		194,357,960.18	194,946,016.88	194,692,772.14			0.767	983	

City of HB
 Portfolio Management
 Portfolio Details - Cash
 February 28, 2013

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	6,197.91	6,197.91	6,197.91				0
		Subtotal			6,197.91	6,197.91	6,197.91				
		Total Cash and Investments	183,986,101.22		194,357,960.18	194,952,214.79	194,698,970.05			0.767	983

City of HB
Portfolio Management
Activity By Type
February 1, 2013 through February 28, 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							
3136FTK73	3924	Fed. Nat'l Mort. Assoc.	1.375	02/22/2013	0.00	5,000,000.00	
3136G1CJ6	3957	Fed. Nat'l Mort. Assoc.	0.750	02/21/2013	5,000,000.00	0.00	
3136G1E62	3961	Fed. Nat'l Mort. Assoc.	0.600	02/25/2013	5,000,000.00	0.00	
3135G0NL3	3962	Fed. Nat'l Mort. Assoc.	0.625	02/11/2013	5,000,000.00	0.00	
3136G1FB0	3963	Fed. Nat'l Mort. Assoc.	0.750	02/28/2013	5,000,000.00	0.00	
Subtotal							125,982,942.28
Local Agency Investment Funds (Monthly Summary)							
Subtotal							48,147,960.18
Corporate Bonds							
Subtotal							20,311,869.68
Total					20,000,000.00	5,000,000.00	194,692,772.14

**City of HB
Portfolio Management**

**Activity Summary
February 2012 through February 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						
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	189,501,918.57	1.000	1.014	0.348	0	2	1,299	1,099	
October	2012	35	183,378,685.54	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	
February	2013	37	183,986,101.22	0.756	0.767	0.286	4	1	1,125	983	
Average		37	174,638,127.43	1.013%	1.027%	0.349	3	3	1,233	1,045	

City of HB
Portfolio Management
Interest Earnings Summary
February 28, 2013

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	131,704.86	753,701.52
Plus Accrued Interest at End of Period	229,426.36	229,426.36
Less Accrued Interest at Beginning of Period	(252,692.23)	(355,348.37)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	108,438.99	627,779.51
Adjusted by Premiums and Discounts	-14,806.54	-80,611.53
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	93,632.45	547,167.98
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	40,085.61
Plus Accrued Interest at End of Period	24,271.24	24,271.24
Less Accrued Interest at Beginning of Period	(13,707.71)	(27,557.67)
Interest Earned during Period	10,563.53	36,799.18
Total Interest Earned during Period	119,002.52	664,578.69
Total Adjustments from Premiums and Discounts	-14,806.54	-80,611.53
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	104,195.98	583,967.16

**State of California
Pooled Money Investment Account
Market Valuation
2/28/2013**

Description	Carrying Cost Plus Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 21,364,321,394.72	\$ 21,383,434,100.00	NA
Notes	\$ 15,231,781,609.50	\$ 15,272,690,500.00	\$ 20,404,400.50
Federal Agency:			
SBA	\$ 531,624,405.41	\$ 531,729,410.70	\$ 539,362.58
MBS-REMICs	\$ 230,012,064.39	\$ 249,375,135.18	\$ 1,099,604.33
Debentures	\$ 1,000,310,087.04	\$ 1,000,948,000.00	\$ 1,491,778.00
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 5,393,961,583.34	\$ 5,398,026,000.00	NA
GNMA	\$ 2,203.34	\$ 2,222.19	\$ 22.57
IBRD Debenture	\$ 399,961,857.92	\$ 400,820,000.00	\$ 416,668.00
IBRD Deb FR	\$ -	\$ -	
CDs and YCDs FR	\$ 400,000,000.00	\$ 400,000,000.00	\$ 96,927.77
Bank Notes	\$ -	\$ -	\$ -
CDs and YCDs	\$ 5,750,002,164.56	\$ 5,748,394,211.65	\$ 1,313,527.78
Commercial Paper	\$ 2,849,419,638.92	\$ 2,849,524,763.88	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 4,242,640,000.00	\$ 4,242,640,000.00	NA
AB 55 & GF Loans	\$ 1,636,124,016.23	\$ 1,636,124,016.23	NA
TOTAL	\$ 59,030,161,025.37	\$ 59,113,708,359.83	\$ 25,362,291.53

Fair Value Including Accrued Interest \$ 59,139,070,651.36

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 2013**

Cash Receipts and Disbursements	January 2013	February 2013
Receipts		
Property Tax Receipts	\$14,302,643	\$40,775
Utility Tax Receipts (UUT)	1,633,467	1,759,676
Sales Tax Receipts	1,534,100	1,901,700
1/2 Cent Safety Sales Tax Receipts	150,911	147,076
Highway Users Tax Receipts (HUT)	400,788	419,242
Transient Occupancy Tax Receipts (TOT)	362,225	405,189
Government Funds	69,982	111,492
Capital Funds	163,611	111,443
Debt Service Funds	-	3,831,799
Enterprise Funds	4,927,138	4,351,721
Fiduciary Funds	7,939,378	733,324
Special Revenue Funds	1,841,342	1,443,183
All Other Receipts	4,150,725	3,040,741
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Total Receipts	\$37,476,309	\$18,297,359
Disbursements		
Total Disbursements	(20,836,761)	(26,948,542)
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Net Change in Cash Flow	\$16,639,548	(\$8,651,182)
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Summary of Cash by Fund		
	January 2013	February 2013
General Fund	74,440,764	66,878,640
Government Funds	1,266,469	1,265,293
Capital Funds	10,795,055	10,665,458
Debt Service Funds	13,072	977,171
Enterprise Funds	89,117,699	90,167,879
Fiduciary Funds	19,169,455	18,433,949
Special Revenue Funds	14,376,806	14,412,783
General Ledger Cash Balances	209,179,320	202,801,173 *
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* 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.