



City of Huntington Beach
Monthly Investment Report
Period Ending: November 30, 2013
Prepared by: Alisa Cutchen, City Treasurer

Portfolio Overview:

As of November 30, 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>
Federal Agency Issues	105,788,450	106,246,751	66%	0.95%	None
Local Agency Investment Fund (LAIF)	23,225,655	23,225,655	14%	0.26%	\$50 million
Corporate Bonds	31,269,296	31,279,809	20%	0.79%	20%
Totals	160,283,401	160,752,215	100%	0.82%	

- **Market value = \$160.3 million** (The current quoted price at which investors can buy/sell a security)
- **Book value = \$160.8 million** (The accounting value of the security as shown on the balance sheet)
- 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.
- The reason that we show the market value, which is the approximate value that the security/portfolio could be sold for at the time it was priced, is due to an accounting rule developed by "GASB" (Governmental Accounting Standards Board). Again, there is no loss to the portfolio or to the security. This is merely an accounting reporting standard.
- As of November 30, 2013 there was approximately \$29 million in the city's operating account (Union Bank). This includes approximately \$11 million which is potentially payable to the State from the previous RDA, and \$3.6 million which is potentially payable to the Housing Authority.
- Due to the potential of rising interest rates, it is possible that callable securities within the City's portfolio may not be called in the near-term. This necessitates that the City maintain higher than usual cash balances in the operating account and in LAIF. The City Treasurer, in conjunction with the Deputy City Treasurer, constantly monitors the projected cash flow of the City to ensure ongoing liquidity (cash available for operations).

Portfolio Earnings and Performance:

Monthly Earnings	\$101,743
Interest:	\$119,194
Adj. Premiums/Discounts	-\$17,450
Capital Gains:	\$0
Monthly Budgeted Interest Income	\$100,000
<i>Monthly Effective Rate of Return</i>	<i>0.75%</i>
Fiscal YTD Earnings	\$216,815
Fiscal YTD Budget	\$200,000
<i>Fiscal YTD Effective Rate of Return</i>	<i>0.75%</i>
Approx. Cash in Bank	\$29 million

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 November, 2013 there was a total of \$15 million in calls/maturities of Federal Agency Securities. \$5MM of Corporate Bonds were purchased.

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
November 30, 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.
Federal Agency Issues - Coupon	106,275,862.07	105,788,450.35	106,246,750.74	66.09	1,634	1,308	0.937	0.950
Local Agency Investment Funds	23,225,654.78	23,225,654.78	23,225,654.78	14.45	1	1	0.259	0.263
Corporate Bonds	30,960,000.00	31,269,295.60	31,279,809.23	19.46	1,018	656	0.780	0.791
Investments	160,461,516.85	160,283,400.73	160,752,214.75	100.00%	1,279	992	0.809	0.820

Cash and Accrued Interest								
Accrued Interest at Purchase		24,076.39	24,076.39					
Subtotal		24,076.39	24,076.39					
Total Cash and Investments	160,461,516.85	160,307,477.12	160,776,291.14		1,279	992	0.809	0.820

Total Earnings	November 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	101,743.34	216,815.25	
Current Budget	100,000.00	200,000.00	1,200,000.00
Last Year Actual	112,000.00	224,000.00	1,344,000.00
Average Daily Balance	165,557,574.93	172,517,557.59	
Effective Rate of Return	0.75%	0.75%	

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 C. Cuten
Alisa Cuten, CITY TREASURER

1-8-14

City of HB
Portfolio Management
Portfolio Details - Investments
November 30, 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
Federal Agency Issues - Coupon												
3133EAJ33	3942	Federal Farm Credit Bank		08/15/2012	5,000,000.00	5,000,150.00	4,996,309.03	0.730	AA	0.743	988	08/15/2016
3133805K9	3941	Federal Home Loan Bank		08/08/2012	3,275,862.07	3,275,960.35	3,275,538.70	0.720	AA	0.724	981	08/08/2016
313381M44	3953	Federal Home Loan Bank		12/28/2012	5,000,000.00	4,991,350.00	5,000,000.00	0.650	AA	0.650	1,123	12/28/2016
3134G3LU2	3925	Federal Home Loan Mort Corp		02/14/2012	5,000,000.00	5,008,400.00	5,000,000.00	1.050	AA	1.316	1,171	02/14/2017
3134G3B90	3940	Federal Home Loan Mort Corp		08/15/2012	5,000,000.00	4,968,550.00	5,000,000.00	0.875	AA	0.875	1,353	08/15/2017
3134G33B4	3952	Federal Home Loan Mort Corp		01/11/2013	5,000,000.00	4,944,800.00	5,000,000.00	1.000	AA	1.000	1,502	01/11/2018
3134G47G7	3980	Federal Home Loan Mort Corp		06/26/2013	5,000,000.00	4,953,300.00	5,000,000.00	1.400	AA	1.400	1,668	06/26/2018
3136G0MIK4	3931	Fed. Nat'l Mort. Assoc.		06/21/2012	5,000,000.00	5,002,250.00	5,000,000.00	1.000	AA	0.301	1,298	06/21/2017
3135G0RK1	3945	Fed. Nat'l Mort. Assoc.		11/07/2012	5,000,000.00	4,949,950.00	5,000,000.00	0.900	AA	0.900	1,437	11/07/2017
3136G07K1	3947	Fed. Nat'l Mort. Assoc.		12/07/2012	5,000,000.00	4,963,800.00	5,000,000.00	0.700	AA	1.002	1,466	12/06/2017
3136G17E3	3950	Fed. Nat'l Mort. Assoc.		12/26/2012	5,000,000.00	4,982,850.00	5,000,000.00	0.650	AA	1.042	1,486	12/26/2017
3136G1A66	3951	Fed. Nat'l Mort. Assoc.		12/26/2012	5,000,000.00	4,995,750.00	5,000,000.00	0.700	AA	1.053	1,486	12/26/2017
3135G0SB0	3954	Fed. Nat'l Mort. Assoc.		12/21/2012	5,000,000.00	5,001,650.00	4,993,353.70	0.375	AA	0.440	750	12/21/2015
3136G1AY5	3955	Fed. Nat'l Mort. Assoc.		01/30/2013	5,000,000.00	5,003,600.00	5,000,000.00	0.750	AA	1.078	1,521	01/30/2018
3136G1CJ6	3957	Fed. Nat'l Mort. Assoc.		02/21/2013	5,000,000.00	4,899,900.00	5,000,000.00	0.750	AA	1.193	1,543	02/21/2018
3136G1E62	3961	Fed. Nat'l Mort. Assoc.		02/25/2013	5,000,000.00	5,001,100.00	5,000,000.00	0.600	AA	0.600	998	08/25/2016
3136G1FB0	3963	Fed. Nat'l Mort. Assoc.		02/28/2013	5,000,000.00	4,998,950.00	5,000,000.00	0.750	AA	1.435	1,550	02/28/2018
3136G1EP0	3964	Fed. Nat'l Mort. Assoc.		03/12/2013	5,000,000.00	4,900,400.00	5,000,000.00	1.100	AA	1.100	1,562	03/12/2018
3135G0YA5	3978	Fed. Nat'l Mort. Assoc.		06/19/2013	5,000,000.00	5,001,400.00	5,000,000.00	0.750	AA	0.750	1,114	12/19/2016
3136G1NB1	3979	Fed. Nat'l Mort. Assoc.		06/19/2013	5,000,000.00	4,938,550.00	4,981,411.31	0.800	AA	0.907	1,296	06/19/2017
3136G1RR2	3982	Fed. Nat'l Mort. Assoc.		08/19/2013	5,000,000.00	5,004,350.00	4,998,138.00	0.650	AA	0.667	810	02/19/2016
3136G1TE9	3983	Fed. Nat'l Mort. Assoc.		08/28/2013	3,000,000.00	3,001,440.00	3,000,000.00	1.000	AA	2.114	1,731	08/28/2018
Subtotal and Average					106,275,862.07	105,788,450.35	106,246,750.74			0.950	1,308	
Local Agency Investment Funds												
SYS982	982	Laif City			23,225,654.78	23,225,654.78	23,225,654.78	0.263		0.263	1	
Subtotal and Average					23,225,654.78	23,225,654.78	23,225,654.78			0.263	1	
Corporate Bonds												
03783AJ9	3976	Apple Inc.		05/28/2013	3,000,000.00	2,921,400.00	2,980,626.93	1.000	AA	1.151	1,614	05/03/2018
08466AT8	3895	Berkshire Hathaway Fin		08/26/2011	1,310,000.00	1,374,596.10	1,359,511.51	4.850	AA	1.390	410	01/15/2015
14912L4Y4	3930	Caterpillar Financial Corp.		05/30/2012	2,000,000.00	2,017,200.00	2,004,381.73	1.125	A	0.911	379	12/15/2014
14912L5D9	3936	Caterpillar Financial Corp.		08/03/2012	3,000,000.00	3,030,720.00	3,025,766.81	1.100	A	0.520	544	05/29/2015
36962G4X9	3906	General Electric Capital Corp		09/29/2011	2,000,000.00	2,003,380.00	2,001,035.99	2.100	AA	1.570	37	01/07/2014
36962G4G6	3949	General Electric Capital Corp		12/14/2012	1,650,000.00	1,703,674.50	1,697,187.11	3.750	AA	0.722	348	11/14/2014
36962G6R0	3956	General Electric Capital Corp		01/25/2013	2,000,000.00	2,011,100.00	2,000,826.08	1.000	AA	0.980	768	01/08/2016
											Portfolio CITY	
											AP	
											PM (PRF_PM2)	7.3.0

City of HB
Portfolio Management
Portfolio Details - Investments
November 30, 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												
36962G5M2	3986	General Electric Capital Corp		11/19/2013	2,500,000.00	2,547,900.00	2,549,167.56	2.150	AA	0.366	404	01/09/2015
24422ERK7	3937	John Deere Capital		08/03/2012	3,000,000.00	3,025,620.00	3,023,454.24	1.250	A	0.465	366	12/02/2014
24422ERS0	3948	John Deere Capital		12/11/2012	2,000,000.00	2,016,300.00	2,011,879.74	0.950	A	0.570	575	06/29/2015
67459CB9	3977	Occidental Petroleum		05/28/2013	3,000,000.00	3,047,100.00	3,064,941.63	1.750	A	1.055	1,172	02/15/2017
713448CA4	3988	PEPSICO INC		11/19/2013	2,500,000.00	2,506,375.00	2,510,665.87	0.700	A	0.448	620	08/13/2015
931142CX9	3943	Wal-Mart Stores		08/14/2012	3,000,000.00	3,063,930.00	3,050,364.03	1.500	AA	0.606	693	10/25/2015
		Subtotal and Average	28,252,241.07		30,960,000.00	31,269,295.60	31,279,809.23			0.791	656	
		Total and Average	165,557,574.93		160,461,516.85	160,283,400.73	160,752,214.75			0.820	992	

City of HB
Portfolio Management
Portfolio Details - Cash
November 30, 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		24,076.39	24,076.39				0
		Subtotal				24,076.39	24,076.39				
		Total Cash and Investments	165,557,574.93		160,461,516.85	160,307,477.12	160,776,291.14			0.820	992

City of HB
Portfolio Management
Activity By Type
November 1, 2013 through November 30, 2013

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
3133EAU66	3932	Federal Farm Credit Bank	0.875	11/12/2013	0.00	5,000,000.00	
3133EAU66	3933	Federal Farm Credit Bank	0.875	11/12/2013	0.00	5,000,000.00	
3133EAP77	3944	Federal Farm Credit Bank	0.480	11/26/2013	0.00	5,000,000.00	
		Subtotal			0.00	15,000,000.00	106,246,750.74
Local Agency Investment Funds (Monthly Summary)							
		Subtotal					23,225,654.78
Corporate Bonds							
36962G5M2	3986	General Electric Capital Corp	2.150	11/19/2013	2,550,650.00	0.00	
713448CA4	3988	PEPSICO INC	0.700	11/19/2013	2,510,875.00	0.00	
		Subtotal			5,061,525.00	0.00	31,279,809.23
		Total			5,061,525.00	15,000,000.00	160,752,214.75

**City of HB
Portfolio Management
Activity Summary
November 2012 through November 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						
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	
March	2013	37	186,749,407.36	0.782	0.793	0.285	1	1	1,193	1,026	
April	2013	37	186,686,547.88	0.777	0.788	0.264	0	0	1,193	1,002	
May	2013	37	185,019,750.49	0.781	0.792	0.245	2	2	1,205	995	
June	2013	39	186,325,484.36	0.782	0.793	0.244	3	2	1,207	998	
July	2013	39	192,214,287.10	0.789	0.800	0.267	1	1	1,196	968	
August	2013	41	198,208,053.41	0.806	0.817	0.271	2	0	1,198	955	
September	2013	40	199,307,438.40	0.843	0.854	0.257	0	1	1,296	1,021	
October	2013	37	179,253,024.68	0.844	0.856	0.257	0	3	1,306	1,018	
November	2013	36	165,557,574.93	0.809	0.820	0.263	2	3	1,279	992	
	Average	37	182,099,004.98	0.814%	0.826%	0.276	2	2	1,226	1,011	

City of HB
Portfolio Management
Interest Earnings Summary
November 30, 2013

	November 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	124,759.72	179,204.16
Plus Accrued Interest at End of Period	407,399.63	407,399.63
Less Accrued Interest at Beginning of Period	(417,986.13)	(349,916.97)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	114,173.22	236,686.82
Adjusted by Premiums and Discounts	-17,450.44	-33,209.31
Adjusted by Capital Gains or Losses	0.00	3,250.00
Earnings during Periods	96,722.78	206,727.51
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	24,077.46
Plus Accrued Interest at End of Period	12,269.03	12,269.03
Less Accrued Interest at Beginning of Period	(7,248.47)	(26,258.75)
Interest Earned during Period	5,020.56	10,087.74
Total Interest Earned during Period	119,193.78	246,774.56
Total Adjustments from Premiums and Discounts	-17,450.44	-33,209.31
Total Capital Gains or Losses	0.00	3,250.00
Total Earnings during Period	101,743.34	216,815.25

**State of California
Pooled Money Investment Account
Market Valuation
11/30/2013**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 13,633,461,252.16		\$ 13,644,445,500.00	NA
Notes	\$ 17,263,872,765.03		\$ 17,287,511,000.00	\$ 17,766,123.50
Federal Agency:				
SBA	\$ 556,638,947.67		\$ 551,766,371.10	\$ 529,216.89
MBS-REMICs	\$ 148,524,918.29		\$ 161,234,833.46	\$ 708,261.48
Debentures	\$ 1,374,392,646.97		\$ 1,371,905,500.00	\$ 5,012,535.84
Debentures FR	\$ -		\$ -	\$ -
Discount Notes	\$ 1,898,266,500.01		\$ 1,899,654,000.00	NA
GNMA	\$ -		\$ -	\$ -
Supranational Debentures	\$ 549,880,391.04		\$ 550,117,000.00	\$ 1,033,682.00
CDs and YCDs FR	\$ -		\$ -	\$ -
Bank Notes	\$ -		\$ -	\$ -
CDs and YCDs	\$ 5,975,024,373.94		\$ 5,972,317,037.11	\$ 3,553,097.21
Commercial Paper	\$ 2,224,522,388.94		\$ 2,224,589,770.84	NA
Corporate:				
Bonds FR	\$ -		\$ -	\$ -
Bonds	\$ -		\$ -	\$ -
Repurchase Agreements	\$ -		\$ -	\$ -
Reverse Repurchase	\$ -		\$ -	\$ -
Time Deposits	\$ 4,479,140,000.00		\$ 4,479,140,000.00	NA
AB 55 & GF Loans	\$ 8,441,826,649.37		\$ 8,441,826,649.37	NA
TOTAL	\$ 56,545,550,833.42		\$ 56,584,507,661.88	\$ 28,602,916.92

Fair Value Including Accrued Interest \$ 56,613,110,578.80

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
November 2013**

Cash Receipts and Disbursements	October 2013	November 2013
Receipts		
Property Tax Receipts	\$281,457	\$5,684,647
Utility Tax Receipts (UUT)	1,770,204	1,979,764
Sales Tax Receipts	1,883,000	2,510,700
1/2 Cent Safety Sales Tax Receipts	147,922	176,884
Highway Users Tax Receipts (HUT)	976,880	-
Transient Occupancy Tax Receipts (TOT)	635,350	590,705
Government Funds	147,016	25,478
Capital Funds	64,967	32,043
Debt Service Funds	-	-
Enterprise Funds	5,449,190	4,616,713
Fiduciary Funds	1,408,525	883,600
Special Revenue Funds	2,036,976	1,869,424
All Other Receipts	10,650,678	3,276,402
	<hr/>	<hr/>
Total Receipts	\$25,452,164	\$21,646,359
Disbursements		
Total Disbursements	(29,737,217)	(21,750,977)
	<hr/>	<hr/>
Net Change in Cash Flow	(\$4,285,053)	(\$104,618)
	<hr/>	<hr/>
Summary of Cash by Fund		
	October 2013	November 2013
General Fund	62,649,670	55,496,604
Government Funds	1,102,013	1,015,508
Capital Funds	14,666,613	15,160,616
Debt Service Funds	14,136	16,124
Enterprise Funds	88,367,360	89,095,603
Fiduciary Funds	18,063,818	10,213,256
Special Revenue Funds	15,337,886	13,963,418
	<hr/>	<hr/>
General Ledger Cash Balances	200,201,496	184,961,129 *

* 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.