



City of Laguna Beach Investment Report September 2012

Honorable Mayor and Members of the City Council,

The requested monthly Investment Report follows. I verify that the investment portfolio is in conformity with California laws and the Treasurer's Investment Policy which is approved annually by the City Council. The Treasurer's cash management program provides sufficient liquidity to meet expenditure requirements for the next six months.

Respectfully submitted,

**Laura Parisi, C.P.A., CCMT
City Treasurer**



City of Laguna Beach
 City Treasurer Monthly Report - Unaudited
 For the Month of September 2012

Cash Activity for the Month

| | | |
|---|-----------|-----------------------------|
| Cash and investments, beginning of month | \$ | 57,688,742.84 |
| Cash receipts | | 1,859,412.29 |
| Cash disbursements | | <u>(4,480,068.58)</u> |
| Cash and investments, end of month | \$ | <u>55,068,086.55</u> |

Cash and Investment Portfolio at Month-End

| | <u>Current Year</u> | | | | <u>Prior Year</u> |
|---|--------------------------------|--------------------------------|---------------------|--|--------------------------------|
| | <u>Market Value</u> | <u>Cost</u> | <u>Pct of Total</u> | <u>Avg Return</u> | <u>Cost</u> |
| Long-term investments: | | | | | |
| Federal agency securities | \$ 36,167,940.00 | \$ 35,996,750.00 | 65% | 1.132% | \$ 33,998,500.00 |
| Medium-term corporate notes | 2,093,040.00 | 2,000,000.00 | 4% | 2.600% | 2,000,000.00 |
| Negotiable Certificates of Deposit - FDIC insured | <u>3,493,114.80</u> | <u>3,495,000.00</u> | 6% | 0.878% | - |
| Subtotal | <u>41,754,094.80</u> | <u>41,491,750.00</u> | 75% | 1.181% | <u>35,998,500.00</u> |
| Short-term investments: | | | | | |
| State Local Agency Investment Fund | 9,690,806.39 | 9,690,806.39 | 18% | 0.348% | 12,145,184.53 |
| Federal agency securities | 1,000,560.00 | 1,000,000.00 | 2% | 1.150% | 998,450.00 |
| Municipal notes and bonds | 1,006,930.00 | 1,009,430.00 | 2% | 1.486% | - |
| Investments in local banks - FDIC insured C.D.s | <u>250,000.00</u> | <u>250,000.00</u> | 0% | 0.360% | <u>500,000.00</u> |
| Subtotal | <u>11,948,296.39</u> | <u>11,950,236.39</u> | 22% | 0.511% | <u>13,643,634.53</u> |
| Savings, checking and change funds | | | | | |
| Savings accounts | 42,860.06 | 42,860.06 | 0% | 0.250% Earnings Allowance Credit (a). | 44,193.22 |
| Checking accounts | 985,347.96 | 985,347.96 | 2% | | 580,883.89 |
| Petty cash/change funds | <u>3,617.75</u> | <u>3,617.75</u> | 0% | | <u>3,617.75</u> |
| Subtotal | <u>1,031,825.77</u> | <u>1,031,825.77</u> | 2% | | <u>628,694.86</u> |
| Trustee-held investments | <u>594,274.39</u> | <u>594,274.39</u> | 1% | 0.348% | <u>1,062,952.74</u> |
| Grand total - cash and investments | \$ <u>55,328,491.35</u> | \$ <u>55,068,086.55</u> | 100% | | \$ <u>51,333,782.13</u> |

(a). The earnings allowance credit applies to funds held by Bank of America and partially offset bank fees.

Cash and Investment Custody (statements are available on request)

| | | | | | | |
|------------------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|
| Union Bank Institutional Custody | \$ | 43,761,584.80 | \$ | 43,501,180.00 | \$ | 37,246,950.00 |
| State Local Agency Investment Fund | | 9,690,806.39 | | 9,690,806.39 | | 12,145,184.53 |
| Bank of New York Trustee | | 594,274.39 | | 594,274.39 | | 1,062,952.74 |
| Bank of America | | 1,028,208.02 | | 1,028,208.02 | | 625,077.11 |
| Citizens Business Bank | | 250,000.00 | | 250,000.00 | | 250,000.00 |
| Internal change funds | | <u>3,617.75</u> | | <u>3,617.75</u> | | <u>3,617.75</u> |
| Cash and investments total | \$ | <u>55,328,491.35</u> | \$ | <u>55,068,086.55</u> | \$ | <u>51,333,782.13</u> |



City of Laguna Beach
Investment Portfolio Detail - Unaudited
At September 30, 2012

| Investment Type | Par Value | Market Value | Purchase Price | Premium (Discount) | Purchase or Dated | Maturity Date | Next Call Maturity | Coupon Rate | Yield to Mat (a) | Days to Maturity | Days to Call |
|---|--------------|--------------|----------------|--------------------|-------------------|---------------|--------------------|-------------|------------------|------------------|--------------|
| (1) State Investment Pool (LAIF) | 9,690,806.39 | 9,690,806.39 | 9,690,806.39 | | | Today | Today | 0.348% | 0.348% | Today | Today |
| (2) CD Investment in Local Banks | 250,000.00 | 250,000.00 | 250,000.00 | | 09/20/12 | 09/20/13 | 09/20/13 | 0.360% | 0.360% | 355 | 355 |
| (3) Agency Federal Home Loan Bank | 1,000,000.00 | 1,000,560.00 | 1,000,000.00 | | 06/18/10 | 10/22/12 | 10/22/12 | 1.150% | 1.150% | 22 | 22 |
| (4) California St Var Purp GO and GO Ref | 1,000,000.00 | 1,006,930.00 | 1,009,430.00 | 9,430.00 | 10/03/11 | 09/01/13 | 09/01/13 | 1.500% | 1.000% | 336 | 336 |
| (5) Agency Federal Home Loan Bank | 1,000,000.00 | 1,008,230.00 | 999,500.00 | (500.00) | 08/30/10 | 10/30/13 | 10/30/13 | 1.000% | 1.000% | 395 | 395 |
| (6) CD Ally Bk Midvale Utah | 250,000.00 | 250,900.00 | 250,000.00 | | 01/13/12 | 01/13/14 | 01/13/14 | 1.000% | 1.000% | 470 | 470 |
| (7) CD Barclays Bk Del | 250,000.00 | 250,900.00 | 250,000.00 | | 01/13/12 | 01/13/14 | 01/13/14 | 1.000% | 1.000% | 470 | 470 |
| (8) CD Apple Bk | 250,000.00 | 250,392.50 | 250,000.00 | | 05/23/12 | 05/23/14 | 05/23/14 | 0.500% | 0.500% | 600 | 600 |
| (9) CD Discover Bk | 250,000.00 | 250,230.00 | 250,000.00 | | 05/23/12 | 05/23/14 | 05/23/14 | 0.750% | 0.750% | 600 | 600 |
| (10) CD Goldman Sachs Bk | 250,000.00 | 250,227.50 | 250,000.00 | | 05/23/12 | 05/23/14 | 05/23/14 | 0.800% | 0.800% | 600 | 600 |
| (11) CD Compass Bk | 250,000.00 | 250,152.50 | 250,000.00 | | 06/02/12 | 06/02/14 | 06/02/14 | 0.800% | 0.800% | 610 | 610 |
| (12) CD BMW Bank of NA | 250,000.00 | 249,987.50 | 250,000.00 | | 06/22/12 | 06/23/14 | 06/23/14 | 0.750% | 0.750% | 631 | 631 |
| (13) CD Sallie Mae Bank | 250,000.00 | 249,515.00 | 250,000.00 | | 08/15/12 | 08/15/14 | 08/15/14 | 0.900% | 0.900% | 684 | 684 |
| (14) CD Sovereign Bank | 250,000.00 | 248,395.00 | 250,000.00 | | 08/29/12 | 08/29/14 | 08/29/14 | 0.750% | 0.750% | 698 | 698 |
| (15) Agency Federal Home Loan Bank | 1,000,000.00 | 1,030,190.00 | 1,000,000.00 | | 04/29/11 | 10/29/14 | 10/29/14 | 1.750% | 1.750% | 759 | 759 |
| (16) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,000,580.00 | 1,000,000.00 | | 11/14/11 | 11/14/14 | 11/14/12 | 0.875% | 0.875% | 775 | 45 |
| (17) CD Huntington National Bk | 250,000.00 | 249,522.50 | 250,000.00 | | 06/08/12 | 12/08/14 | 12/08/14 | 0.750% | 0.750% | 799 | 799 |
| (18) CD Safra Natl Bank | 250,000.00 | 249,550.00 | 250,000.00 | | 06/14/12 | 12/15/14 | 12/15/14 | 0.750% | 0.750% | 806 | 806 |
| (19) CD GE Cap Finl Inc. | 250,000.00 | 251,640.00 | 250,000.00 | | 01/06/12 | 01/06/15 | 01/06/15 | 1.500% | 1.500% | 828 | 828 |
| (20) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,003,790.00 | 1,000,000.00 | | 02/13/12 | 02/13/15 | 02/13/14 | 0.550% | 0.550% | 866 | 501 |
| (21) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,006,580.00 | 1,000,000.00 | | 12/30/11 | 06/30/15 | 12/30/13 | 1.000% | 1.000% | 1,003 | 456 |
| (22) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,002,570.00 | 1,000,000.00 | | 01/30/12 | 10/30/15 | 01/30/13 | 1.000% | 1.000% | 1,125 | 122 |
| (23) General Electric Capital Corp | 1,000,000.00 | 1,035,630.00 | 1,000,000.00 | | 08/09/11 | 11/09/15 | 11/09/15 | 2.250% | 2.250% | 1,135 | 1,135 |
| (24) General Electric Capital Corp | 1,000,000.00 | 1,057,410.00 | 1,000,000.00 | | 08/26/11 | 05/09/16 | 05/09/16 | 2.950% | 2.950% | 1,317 | 1,317 |
| (25) Agency Federal Natl Mtg Assn | 1,000,000.00 | 1,011,940.00 | 1,000,000.00 | | 06/06/11 | 06/06/16 | 06/06/13 | 2.200% | 2.200% | 1,345 | 249 |
| (26) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,000,360.00 | 1,000,000.00 | | 10/11/11 | 10/11/16 | 10/11/12 | 1.370% | 1.370% | 1,472 | 11 |
| (27) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,000,730.00 | 1,000,000.00 | | 10/18/11 | 10/18/16 | 10/18/12 | 1.620% | 1.620% | 1,479 | 18 |
| (28) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,001,980.00 | 1,000,000.00 | | 11/28/11 | 11/28/16 | 11/28/12 | 1.510% | 1.510% | 1,520 | 59 |
| (29) Agency Federal Natl Mtg Assn Step | 1,000,000.00 | 1,002,920.00 | 1,000,000.00 | | 12/28/11 | 12/28/16 | 12/28/13 | 1.300% | 1.300% | 1,550 | 454 |
| (30) Agency Federal Home Ln Mtg Corp Step | 1,000,000.00 | 1,002,980.00 | 1,000,000.00 | | 01/11/12 | 01/11/17 | 01/11/14 | 1.250% | 1.250% | 1,564 | 468 |
| (31) Agency Federal Farm Credit Bank | 2,000,000.00 | 2,007,220.00 | 2,000,000.00 | | 01/18/12 | 01/18/17 | 01/18/13 | 1.270% | 1.270% | 1,571 | 110 |
| (32) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,004,010.00 | 1,000,000.00 | | 01/30/11 | 01/30/17 | 01/30/13 | 1.230% | 1.230% | 1,583 | 122 |
| (33) Agency Federal Natl Mtg Assn Step | 1,000,000.00 | 1,002,460.00 | 1,000,000.00 | | 01/30/11 | 01/30/17 | 01/30/13 | 0.750% | 0.750% | 1,583 | 122 |
| (34) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,002,720.00 | 1,000,000.00 | | 02/06/12 | 02/06/17 | 02/06/13 | 1.070% | 1.070% | 1,590 | 129 |
| (35) Agency Federal Natl Mtg Assn | 2,000,000.00 | 2,027,580.00 | 2,000,000.00 | | 02/14/12 | 02/14/17 | 02/14/14 | 1.250% | 1.250% | 1,598 | 502 |
| (36) Agency Federal Home Ln Mtg Corp Step | 1,000,000.00 | 1,003,520.00 | 1,000,000.00 | | 02/15/12 | 02/15/17 | 02/15/14 | 1.000% | 1.000% | 1,599 | 503 |
| (37) Agency Federal Natl Mtg Assn | 1,000,000.00 | 1,013,480.00 | 1,000,000.00 | | 02/21/12 | 02/21/17 | 02/21/14 | 1.300% | 1.300% | 1,605 | 509 |
| (38) Agency Federal Home Loan Bank | 1,000,000.00 | 1,000,910.00 | 999,000.00 | (1,000.00) | 05/30/12 | 05/30/17 | 11/30/12 | 1.150% | 1.173% | 1,703 | 61 |
| (39) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,004,820.00 | 1,000,000.00 | | 06/20/12 | 06/20/17 | 06/20/13 | 1.100% | 1.100% | 1,724 | 263 |
| (40) Agency Federal Natl Mtg Assn | 1,000,000.00 | 1,004,930.00 | 1,000,000.00 | | 06/28/12 | 06/28/17 | 06/28/13 | 1.160% | 1.160% | 1,732 | 271 |



City of Laguna Beach
Investment Portfolio Detail - Unaudited
At September 30, 2012

| Investment Type | Par Value | Market Value | Purchase Price | Premium (Discount) | Purchase or Dated | Maturity Date | Next Call Maturity | Coupon Rate | Yield to Mat (a) | Days to Maturity | Days to Call |
|--|----------------------|----------------------|----------------------|--------------------|-------------------|---------------|--------------------|---------------------------------------|------------------|------------------|--------------|
| (41) Agency Federal Natl Mtg Assn | 1,000,000.00 | 1,004,560.00 | 1,000,000.00 | | 06/28/12 | 06/28/17 | 06/28/13 | 1.125% | 1.125% | 1,732 | 271 |
| (42) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,003,990.00 | 1,000,000.00 | | 07/11/12 | 07/10/17 | 07/10/13 | 1.040% | 1.040% | 1,744 | 283 |
| (43) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,003,510.00 | 1,000,000.00 | | 07/25/12 | 07/24/17 | 07/24/13 | 0.970% | 0.970% | 1,758 | 297 |
| (44) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,004,110.00 | 1,000,000.00 | | 07/24/12 | 07/24/17 | 07/24/13 | 1.125% | 1.125% | 1,758 | 297 |
| (45) Agency Federal Home Ln Mtg Corp | 1,000,000.00 | 1,001,760.00 | 1,000,000.00 | | 07/25/12 | 07/25/17 | 01/25/13 | 1.100% | 1.100% | 1,759 | 117 |
| (46) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,000,930.00 | 999,000.00 | (1,000.00) | 09/05/12 | 09/05/17 | 12/05/12 | 0.990% | 1.011% | 1,801 | 66 |
| (47) Agency Federal Farm Credit Bank | 2,000,000.00 | 2,003,640.00 | 1,999,250.00 | (750.00) | 09/18/12 | 09/05/17 | 09/05/13 | 0.970% | 0.980% | 1,801 | 340 |
| (48) Agency Federal Farm Credit Bank | 1,000,000.00 | 1,000,790.00 | 1,000,000.00 | | 09/13/12 | 09/13/17 | 12/13/12 | 1.020% | 1.020% | 1,809 | 74 |
| (49) CD Gold Coast Bank | 250,000.00 | 248,285.00 | 250,000.00 | | 09/19/12 | 09/19/17 | 09/19/17 | 1.000% | 1.000% | 1,815 | 1,815 |
| (50) CD World Financial Capital | 245,000.00 | 243,417.30 | 245,000.00 | | 09/27/12 | 09/21/17 | 09/21/17 | 1.050% | 1.050% | 1,817 | 1,817 |
| (51) Agency Federal Natl Mtg Assn Step | 1,000,000.00 | 999,380.00 | 1,000,000.00 | | 09/25/12 | 09/25/17 | 09/25/13 | 0.500% | 0.500% | 1,821 | 360 |
| (52) Agency Federal Natl Mtg Assn | 1,000,000.00 | 999,710.00 | 1,000,000.00 | | 09/27/12 | 09/27/17 | 09/27/13 | 1.000% | 1.000% | 1,823 | 362 |
| (53) Agency Federal Natl Mtg Assn Step | 1,000,000.00 | 1,001,060.00 | 1,000,000.00 | | 09/27/12 | 09/27/17 | 03/27/14 | 0.700% | 0.700% | 1,823 | 543 |
| (54) Total Investments | 53,435,806.39 | 53,702,391.19 | 53,441,986.39 | 6,180.00 | | | | Avg. Yield or Days | 1.031% | 1,132 | 297 |
| | | | | | | | | Benchmark 2-Year Treasury Rate | 0.230% | | |
| (55) Savings, checking and change funds | | 1,031,825.77 | 1,031,825.77 | | | | | | | | |
| (56) Trustee-held investments | | 594,274.39 | 594,274.39 | | | | | | | | |
| (57) Grand total - cash and investments | | 55,328,491.35 | 55,068,086.55 | | | | | | | | |

(a) Excluding bonds with interest rates that increase in the future. The lower, more conservative coupon rate as been reported.