



# City of Laguna Beach


## Investment Report

### October 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,

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



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

**Cash Activity for the Month**

Cash and investments, beginning of month	\$ 55,068,086.55
Cash receipts	5,861,005.72
Cash disbursements	<u>(4,810,057.09)</u>
<b>Cash and investments, end of month</b>	<b>\$ 56,119,035.18</b>

**Cash and Investment Portfolio at Month-End**

	Market Value	Current Year Cost	Pct of Total	Avg Return	Prior Year Cost
<b>Long-term investments:</b>					
Federal agency securities	\$ 38,113,690.00	\$ 37,995,250.00	68%	1.070%	\$ 33,999,500.00
Medium-term corporate notes	2,093,210.00	2,000,000.00	4%	2.600%	2,000,000.00
Municipal notes and bonds	3,742,642.85	3,745,000.00	7%	0.983%	1,009,430.00
Negotiable Certificates of Deposit - FDIC insured	43,949,542.85	43,740,250.00	78%	1.133%	37,008,930.00
Subtotal	<u>84,908,485.70</u>	<u>84,480,500.00</u>			<u>77,017,860.00</u>
<b>Short-term investments:</b>					
Slate Local Agency Investment Fund	5,654,503.76	5,654,503.76	10%	0.340%	7,552,443.88
Federal agency securities	1,007,570.00	999,500.00	2%	1.051%	1,998,450.00
Municipal notes and bonds	1,006,260.00	1,009,430.00	2%	1.486%	
Certificates of Deposit - negotiable and local banks	499,780.00	500,000.00	1%	0.430%	500,000.00
Subtotal	<u>8,168,113.76</u>	<u>8,163,433.76</u>	15%	0.574%	10,050,893.88
<b>Savings, checking and change funds</b>					
Savings accounts	42,860.06	42,860.06	0%	0.250%	42,193.22
Checking accounts	3,574,341.72	3,574,341.72	6%	Earnings	1,766,085.71
Petty cash/change funds	3,617.75	3,617.75	0%	Allowance	3,617.75
Subtotal	<u>3,620,819.53</u>	<u>3,620,819.53</u>	6%	Credit (a)	1,811,896.68
<b>Trustee-held investments</b>	594,531.89	594,531.89	1%	0.340%	1,063,873.61
<b>Grand total - cash and investments</b>	<b>\$ 56,333,008.03</b>	<b>\$ 56,119,035.18</b>	<b>100%</b>		<b>\$ 49,935,594.17</b>

(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	\$ 46,463,152.85	\$ 46,249,180.00	\$ 39,257,380.00
Slate Local Agency Investment Fund	5,654,503.76	5,654,503.76	7,552,443.88
Bank of New York Trustee	594,531.89	594,531.89	1,063,873.61
Bank of America	3,617,201.78	3,617,201.78	1,808,278.93
CD purchase failed at 10/31/12 completed 11/1/12	-250,000.00	-250,000.00	0.00
Citizens Business Bank	250,000.00	250,000.00	250,000.00
Internal change funds	3,617.75	3,617.75	3,617.75
<b>Cash and investments total</b>	<b>\$ 56,333,008.03</b>	<b>\$ 56,119,035.18</b>	<b>\$ 49,935,594.17</b>



**City of Laguna Beach**  
**Investment Portfolio Detail - Unaudited**  
**At October 31, 2012**

Investment Type	Par Value	Market Value	Purchase Price	Premium (Discount)	Purchase or Dated	Maturity Date	Next Call Maturity	Coupon Rate	Yield Mat (a)	Days to Maturity	Days to Call
(1) State Investment Pool (LAIF)	5,654,503.76	5,654,503.76	5,654,503.76		09/20/12	Today	Today	0.340%	0.340%	Today	Today
(2) CD Investment in Local Banks	250,000.00	250,000.00	250,000.00		10/03/11	09/20/13	09/20/13	0.360%	0.360%	324	324
(3) California St Var Purp GO and GO Ref	1,006,260.00	1,006,260.00	1,009,430.00	9,430.00	10/23/12	09/01/13	09/01/13	1.500%	1.000%	305	305
(4) CD Bank Hapoalim BM NY	250,000.00	249,780.00	250,000.00		08/30/10	10/23/13	10/23/13	0.500%	0.500%	357	357
(5) Agency Federal Home Loan Bank	1,000,000.00	1,007,570.00	999,500.00	(500.00)	01/13/12	10/30/13	10/30/13	1.000%	1.051%	364	364
(6) CD Ally Bk Midvale Utah	250,000.00	250,942.50	250,000.00		01/13/12	01/13/14	01/13/14	1.000%	1.000%	439	439
(7) CD Barclays Bk Del	250,000.00	250,942.50	250,000.00		01/13/12	01/13/14	01/13/14	1.000%	1.000%	439	439
(8) CD Apple Bk	250,000.00	250,615.00	250,000.00		05/23/12	05/23/14	05/23/14	0.500%	0.500%	569	569
(9) CD Discover Bk	250,000.00	250,460.00	250,000.00		05/23/12	05/23/14	05/23/14	0.750%	0.750%	569	569
(10) CD Goldman Sachs Bk	250,000.00	250,460.00	250,000.00		05/23/12	05/23/14	05/23/14	0.800%	0.800%	569	569
(11) CD Compass Bk	250,000.00	250,392.50	250,000.00		06/02/12	06/02/14	06/02/14	0.800%	0.800%	579	579
(12) CD BMW Bank of NA	250,000.00	250,242.50	250,000.00		06/22/12	06/23/14	06/23/14	0.750%	0.750%	600	600
(13) CD Sallie Mae Bank	250,000.00	249,817.50	250,000.00		08/15/12	08/15/14	08/15/14	0.900%	0.900%	653	653
(14) CD Sovereign Bank	250,000.00	248,752.50	250,000.00		08/29/12	08/29/14	08/29/14	0.750%	0.750%	667	667
(15) Agency Federal Home Loan Bank	1,000,000.00	1,028,010.00	1,000,000.00		04/29/11	10/29/14	10/29/14	1.750%	1.750%	728	728
(16) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,000,190.00	1,000,000.00		11/14/11	11/14/14	11/14/14	0.875%	0.875%	744	744
(17) CD Huntington National Bk	250,000.00	249,635.00	250,000.00		06/08/12	12/08/14	12/08/14	0.750%	0.750%	768	768
(18) CD Safra Natl Bank	250,000.00	249,662.50	250,000.00		06/14/12	12/15/14	12/15/14	0.750%	0.750%	775	775
(19) CD GE Cap Finl Inc.	250,000.00	251,672.50	250,000.00		01/06/12	01/06/15	01/06/15	1.500%	1.500%	797	797
(20) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,003,370.00	1,000,000.00		02/13/12	02/13/15	02/13/14	0.550%	0.550%	835	470
(21) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,006,170.00	1,000,000.00		12/30/11	06/30/15	12/30/13	1.000%	1.000%	972	425
(22) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,002,010.00	1,000,000.00		01/30/12	10/30/15	01/30/13	1.000%	1.000%	1,094	91
(23) General Electric Capital Corp	1,000,000.00	1,035,170.00	1,000,000.00		08/09/11	11/09/15	11/09/15	2.250%	2.250%	1,104	1,104
(24) General Electric Capital Corp	1,000,000.00	1,058,040.00	1,000,000.00		08/26/11	05/09/16	05/09/16	2.950%	2.950%	1,286	1,286
(25) Agency Federal Natl Mtg Assn	1,000,000.00	1,010,480.00	1,000,000.00		06/06/11	06/06/16	06/06/13	2.200%	2.200%	1,314	218
(26) Agency Federal Home Loan Bank	1,000,000.00	995,500.00	1,000,000.00		10/24/12	10/24/16	04/24/13	0.600%	0.600%	1,454	175
(27) CD Everbank Jacksonville Fla	250,000.00	248,155.00	250,000.00		10/31/12	10/31/16	10/31/16	0.900%	0.900%	1,461	1,461
(28) Failed good trade completed 11/1/12	(250,000.00)	(250,000.00)	(250,000.00)								
(29) Agency Federal Farm Credit Bank	1,000,000.00	1,000,950.00	1,000,000.00		11/28/11	11/28/16	11/28/12	1.510%	1.510%	1,489	28
(30) Agency Federal Natl Mtg Assn Step	1,000,000.00	1,001,980.00	1,000,000.00		12/28/11	12/28/16	12/28/13	1.300%	1.300%	1,519	423
(31) Agency Federal Home Ln Mtg Corp Step	1,000,000.00	1,002,290.00	1,000,000.00		01/11/12	01/11/17	01/11/14	1.250%	1.250%	1,533	437
(32) Agency Federal Farm Credit Bank	1,000,000.00	996,330.00	998,000.00	(2,000.00)	10/29/12	01/11/17	01/11/13	0.640%	0.688%	1,533	72
(33) Agency Federal Farm Credit Bank	2,000,000.00	2,005,100.00	2,000,000.00		01/18/12	01/18/17	01/18/13	1.270%	1.270%	1,540	79
(34) Agency Federal Farm Credit Bank	1,000,000.00	1,002,960.00	1,000,000.00		01/30/11	01/30/17	01/30/13	1.230%	1.230%	1,552	91
(35) Agency Federal Natl Mtg Assn Step	1,000,000.00	1,001,970.00	1,000,000.00		01/30/11	01/30/17	01/30/13	0.750%	0.750%	1,552	91
(36) Agency Federal Farm Credit Bank	1,000,000.00	1,002,170.00	1,000,000.00		02/06/12	02/06/17	02/06/13	1.070%	1.070%	1,559	98
(37) Agency Federal Natl Mtg Assn	2,000,000.00	2,025,660.00	2,000,000.00		02/14/12	02/14/17	02/14/14	1.250%	1.250%	1,567	471
(38) Agency Federal Home Ln Mtg Corp Step	1,000,000.00	1,003,060.00	1,000,000.00		02/15/12	02/15/17	02/15/14	1.000%	1.000%	1,568	472
(39) Agency Federal Natl Mtg Assn	1,000,000.00	1,012,580.00	1,000,000.00		02/21/12	02/21/17	02/21/14	1.300%	1.300%	1,574	478
(40) Agency Federal Home Loan Bank	1,000,000.00	1,000,730.00	999,000.00	(1,000.00)	05/30/12	05/30/17	11/30/12	1.150%	1.173%	1,672	30
(41) Agency Federal Farm Credit Bank	1,000,000.00	1,003,880.00	1,000,000.00		06/20/12	06/20/17	06/20/13	1.100%	1.100%	1,693	232



**City of Laguna Beach**  
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(42) Agency Federal Natl Mtg Assn	1,000,000.00	1,004,650.00	1,000,000.00		06/28/12	06/28/17	06/28/13	1.160%	1.160%	1,701	240
(43) Agency Federal Natl Mtg Assn	1,000,000.00	1,004,320.00	1,000,000.00		06/28/12	06/28/17	06/28/13	1.125%	1.125%	1,701	240
(44) Agency Federal Farm Credit Bank	1,000,000.00	1,002,970.00	1,000,000.00		07/11/12	07/10/17	07/10/13	1.040%	1.040%	1,713	252
(45) Agency Federal Farm Credit Bank	1,000,000.00	1,002,370.00	1,000,000.00		07/25/12	07/24/17	07/24/13	0.970%	0.970%	1,727	266
(46) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,003,600.00	1,000,000.00		07/24/12	07/24/17	07/24/13	1.125%	1.125%	1,727	266
(47) Agency Federal Home Ln Mtg Corp	1,000,000.00	1,001,250.00	1,000,000.00		07/25/12	07/25/17	01/25/13	1.100%	1.100%	1,728	86
(48) Agency Federal Farm Credit Bank	1,000,000.00	1,000,710.00	999,000.00	(1,000.00)	09/05/12	09/05/17	12/05/12	0.990%	1.011%	1,770	35
(49) Agency Federal Farm Credit Bank	2,000,000.00	1,998,300.00	1,999,250.00	(750.00)	09/18/12	09/05/17	09/05/13	0.970%	0.980%	1,770	309
(50) Agency Federal Farm Credit Bank	1,000,000.00	998,930.00	1,000,000.00		09/13/12	09/13/17	12/13/12	1.020%	1.020%	1,778	43
(51) CD Gold Coast Bank	250,000.00	248,635.00	250,000.00		09/19/12	09/19/17	09/19/17	1.000%	1.000%	1,784	1,784
(52) CD World Financial Capital	245,000.00	243,757.85	245,000.00		09/27/12	09/21/17	09/21/17	1.050%	1.050%	1,786	1,786
(53) Agency Federal Natl Mtg Assn Step	1,000,000.00	999,640.00	1,000,000.00		09/25/12	09/25/17	09/25/13	0.500%	0.500%	1,790	329
(54) Agency Federal Natl Mtg Assn	1,000,000.00	999,300.00	1,000,000.00		09/27/12	09/27/17	09/27/13	1.000%	1.000%	1,792	331
(55) Agency Federal Natl Mtg Assn Step	1,000,000.00	1,001,150.00	1,000,000.00		09/27/12	09/27/17	03/27/14	0.700%	0.700%	1,792	512
(56) CD American Express Centurion	250,000.00	248,500.00	250,000.00		10/04/12	10/04/17	10/04/17	1.550%	1.550%	1,799	1,799
(57) Agency Federal Farm Credit Bank	1,000,000.00	995,390.00	1,000,000.00		10/10/12	10/10/17	01/10/13	0.900%	0.900%	1,805	71
(58) Agency Federal Natl Mtg Assn	1,000,000.00	998,590.00	1,000,000.00		10/18/12	10/18/17	10/18/13	0.870%	0.870%	1,813	352
(58) Agency Federal Natl Mtg Assn	1,000,000.00	997,130.00	1,000,000.00		10/25/12	10/25/17	10/25/13	0.900%	0.900%	1,820	359
<b>(59) Total Investments</b>	<b>51,899,503.76</b>	<b>52,117,656.61</b>	<b>51,903,683.76</b>	<b>4,180.00</b>				<b>Avg. Yield or Days</b>	<b>1.045%</b>	<b>1,234</b>	<b>316</b>
								<b>Benchmark 2-Year Treasury Rate</b>	<b>0.280%</b>		
(60) Savings, checking and change funds		3,620,819.53	3,620,819.53								
(61) Trustee-held investments		594,531.89	594,531.89								
<b>(62) Grand total - cash and investments</b>		<b>56,333,008.03</b>	<b>56,119,035.18</b>								

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