

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** August 14, 2012
FROM: FINANCE DEPARTMENT **ITEM NO:** 18
WARDS: ALL

SUBJECT: INVESTMENT SUMMARY AND FINANCIAL REPORTS - JUNE 30, 2012

ISSUE:

The item for City Council consideration is receipt of the monthly financial reports and an investment summary.

RECOMMENDATION:

That the City Council receive these reports.

BACKGROUND:

Sound investment practices are essential to good fiscal management. The Finance Director/Treasurer is responsible for managing the City's investment portfolio. Cash flow is monitored on a daily basis and unexpended cash is directed towards investments that exhibit first safety, then liquidity and an appropriate return on investment. The investment results are summarized and reported to the City Council at each month-end.

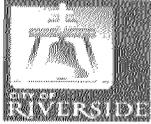
Sound management practices include monitoring revenue and expenditures against the City Council approved budget. Financial reporting is suspended pending the closing of the accounts for the fiscal year and completion of the independent audit.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

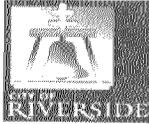
Prepared by: Scott Catlett, Assistant Finance Director
Certified as to availability of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Brent A. Mason, Finance Director/Treasurer
for Scott C. Barber, City Manager
Approved as to form: Gregory P. Priamos, City Attorney

Attachment:
1. Investment Reports



CITY OF RIVERSIDE
Schedule of Cash and Investments
June 30, 2012

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	COST BASIS	YIELD ON MATURITY	ESTIMATED MKT VALUE
<u>MONEY MARKET ACCOUNTS</u>							
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	43,238,356.95	0.44%	43,248,827.43
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	1,056,812.84	0.13%	1,056,812.84
CNI Charter Government Money Market Fund - Class N	Varies	Varies	Aaa	Varies	759,788.73	0.01%	759,788.73
Local Agency Investment Fund	Varies	Varies	NR	Varies	99,525,338.94	0.36%	99,646,724.32
Bank of America	Varies	Varies	Coll. ¹	Varies	24,623,115.47	0.25%	24,623,115.47
Citizens Business Bank	Varies	Varies	Coll. ¹	Varies	5,011,120.15	0.38%	5,011,120.15
SUBTOTAL MONEY MARKET ACCOUNTS					174,214,533.08		
<u>CERTIFICATES OF DEPOSIT</u>							
Medallion Bank (FDIC Gtd)	0.80%	04/15/13	FDIC ²	10/15/10	247,802.92	0.90%	249,478.08
GE Money Bank (FDIC Gtd)	1.75%	07/23/13	FDIC ²	08/06/10	246,658.29	1.80%	250,314.74
Ally Bank (FDIC Gtd)	1.80%	08/06/13	FDIC ²	08/08/10	246,723.98	1.90%	250,257.93
Cache Valley Bank (FDIC Gtd)	1.30%	08/12/13	FDIC ²	08/10/10	161,634.58	1.51%	164,192.14
Enterprise Bank & Trust (FDIC Gtd)	1.55%	08/12/13	FDIC ²	08/12/10	248,624.26	1.69%	252,349.05
BMW Bank of North America (FDIC Gtd)	1.60%	08/13/13	FDIC ²	08/13/10	247,718.60	1.70%	251,313.28
Compass Bank (FDIC Gtd)	1.00%	09/30/13	FDIC ²	09/30/11	248,000.00	1.00%	248,910.16
Farm Bureau Bank (FDIC Gtd)	0.90%	10/15/13	FDIC ²	10/15/10	248,676.23	1.00%	251,836.11
Franklin Security Bank (FDIC Gtd)	0.95%	10/15/13	FDIC ²	10/15/10	247,838.77	1.00%	251,052.88
Essa Bank & Trust (FDIC Gtd)	1.00%	10/21/13	FDIC ²	10/20/10	248,000.00	1.00%	248,049.60
Headwaters State Bank (FDIC Gtd)	1.00%	10/25/13	FDIC ²	10/25/10	249,000.00	1.00%	251,534.82
Wilmington Trust Company (FDIC Gtd)	1.35%	10/29/13	FDIC ²	10/29/10	245,000.00	1.35%	247,525.95
Middleton Community Bank (FDIC Gtd)	1.00%	11/27/13	FDIC ²	10/27/10	248,656.17	1.10%	251,823.66
Boft Federal Bank (FDIC Gtd)	1.10%	05/06/14	FDIC ²	04/13/12	249,448.23	1.00%	250,974.57
CIT Bank (FDIC Gtd)	2.30%	05/12/14	FDIC ²	09/30/10	249,273.34	1.57%	252,061.44
USArneriBank (FDIC Gtd)	1.15%	05/19/14	FDIC ²	04/13/12	249,695.27	1.00%	250,894.89
Gulf Coast Bank & Trust (FDIC Gtd)	1.25%	05/20/14	FDIC ²	04/13/12	150,404.13	1.11%	151,137.00
Aurora Bank FSB (FDIC Gtd)	1.50%	05/23/14	FDIC ²	05/23/11	248,000.00	1.50%	249,946.80
Heritage Bank of Commerce (FDIC Gtd)	1.00%	05/27/14	FDIC ²	04/13/12	108,000.00	1.00%	108,821.88
GE Capital Financial Inc (FDIC Gtd)	1.45%	06/10/14	FDIC ²	06/10/11	246,758.43	1.50%	248,588.21
Discover Bank (FDIC Gtd)	1.35%	06/16/14	FDIC ²	06/15/11	246,756.76	1.40%	248,645.02
Access National Bank Reston (FDIC Gtd)	1.00%	06/23/14	FDIC ²	04/13/12	249,000.00	1.00%	250,665.81
Transportation Alliance Bank Inc (FDIC Gtd)	1.15%	07/07/14	FDIC ²	08/01/11	248,000.00	1.73%	248,014.88
American Express Centurion Bank (FDIC Gtd)	1.20%	08/11/14	FDIC ²	08/11/11	247,473.60	1.30%	249,527.68
Goldman Sachs Bank USA (FDIC Gtd)	1.15%	08/25/14	FDIC ²	08/24/11	247,464.77	1.25%	248,885.36
Flushing Savings Bank (FDIC Gtd)	1.60%	10/07/14	FDIC ²	10/07/10	248,441.57	1.71%	253,984.98
Safra National Bank (FDIC Gtd)	1.00%	11/17/14	FDIC ²	11/16/11	247,171.96	1.14%	249,470.64
Barclays Bank/Delaware (FDIC Gtd)	1.25%	12/15/14	FDIC ²	12/14/11	248,000.00	1.25%	249,361.52
World Financial Capital (FDIC Gtd)	1.00%	01/23/15	FDIC ²	12/23/11	248,668.21	1.06%	250,252.47
EnerBank USA (FDIC Gtd)	2.45%	07/07/15	FDIC ²	09/29/10	202,043.96	2.11%	207,642.00
National Republic Bank (FDIC Gtd)	1.40%	08/05/15	FDIC ²	08/05/11	249,000.00	1.81%	249,351.09
Bank of the West/San Francisco CA (FDIC Gtd)	1.40%	09/14/15	FDIC ²	09/15/11	249,000.00	1.40%	252,814.68
Wells Fargo Bank NA (FDIC Gtd)	0.97%	04/29/16	FDIC ²	04/29/11	247,000.00	1.75%	242,973.90
SUBTOTAL CERTIFICATES OF DEPOSIT					7,813,932.03		
<u>MEDIUM TERM NOTES</u>							
General Electric Capital Corp	5.25%	10/19/12	AA+ / A1	07/25/08	4,999,362.17	5.29%	5,070,000.00
General Electric Capital Corp	2.80%	01/08/13	AA+ / A1	10/25/10	5,038,575.19	1.31%	5,058,300.00
General Electric Capital Corp	1.88%	09/16/13	AA+ / A1	10/25/10	5,021,407.64	1.52%	5,052,150.00
General Electric Capital Corp	1.88%	09/16/13	AA+ / A1	10/25/10	5,021,407.64	1.52%	5,052,150.00



CITY OF RIVERSIDE
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June 30, 2012

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General Electric Capital Corp	5.90%	05/13/14	AA+ / A1	02/07/12	5,445,358.34	1.07%	5,431,200.00
Rabobank Nederland	4.20%	05/13/14	AA / Aa2	07/10/09	5,034,789.17	3.81%	5,229,500.00
Berkshire Hathaway Finance Corp	4.85%	01/15/15	AA+ / Aa2	10/13/11	7,573,485.97	1.55%	7,701,680.00
Wells Fargo Bank NA	4.75%	02/09/15	A+ / A1	05/17/10	10,280,784.25	3.61%	10,716,900.00
Toyota Motor Credit Corp	2.80%	01/11/16	AA- / Aa3	09/15/11	10,299,071.61	1.92%	10,506,600.00
SUBTOTAL MEDIUM TERM NOTES					58,714,241.98		
U.S. GOV'T AGENCY							
Federal National Mortgage Association Pool	4.83%	01/01/13	AA+ / Aaa	05/29/09	4,207,828.93	3.17%	4,215,765.06
Federal National Mortgage Association Pool	4.85%	06/01/13	AA+ / Aaa	06/26/09	4,753,178.55	3.14%	4,824,001.83
Federal National Mortgage Association Pool	4.55%	06/01/13	AA+ / Aaa	10/21/09	14,418,040.26	2.56%	14,547,146.96
Federal Home Loan Mortgage Corporation Pool	4.00%	09/01/13	AA+ / Aaa	12/16/08	1,039,388.58	3.85%	1,050,050.76
Federal National Mortgage Association Pool	5.16%	10/01/13	AA+ / Aaa	07/15/09	7,676,478.46	2.92%	7,863,862.30
Federal Home Loan Bank	3.63%	10/18/13	AA+ / Aaa	02/23/09	10,132,567.69	2.58%	10,424,900.00
Federal National Mortgage Association	2.88%	12/11/13	AA+ / Aaa	03/12/09	10,028,295.94	2.67%	10,371,000.00
Federal Home Loan Bank	2.38%	03/14/14	AA+ / Aaa	03/04/11	5,073,826.75	1.49%	5,170,200.00
Federal Home Loan Mortgage Corporation	4.50%	04/02/14	AA+ / Aaa	08/24/09	4,104,402.71	2.96%	4,282,720.00
Federal Home Loan Bank	5.38%	06/13/14	AA+ / Aaa	08/24/09	5,225,095.07	2.98%	5,480,500.00
Federal Home Loan Mortgage Corporation	1.10%	08/08/14	AA+ / Aaa	08/08/11	9,999,843.48	1.12%	10,006,500.00
Federal Home Loan Mortgage Corporation	1.00%	08/20/14	AA+ / Aaa	12/27/11	10,074,008.99	0.65%	10,116,100.00
Federal National Mortgage Association	3.00%	09/16/14	AA+ / Aaa	02/17/11	1,024,157.90	1.88%	1,058,070.00
Federal Home Loan Mortgage Corporation	1.27%	01/26/15	AA+ / Aaa	07/26/11	12,000,000.00	1.27%	12,006,600.00
Federal National Mortgage Association	1.00%	04/24/15	AA+ / Aaa	10/24/11	20,000,000.00	1.00%	20,036,200.00
Federal National Mortgage Association	2.38%	07/28/15	AA+ / Aaa	02/06/12	8,447,862.32	0.54%	8,441,600.00
Federal Home Loan Mortgage Corporation	1.75%	09/10/15	AA+ / Aaa	02/06/12	5,187,108.53	0.57%	5,186,850.00
Federal Home Loan Mortgage Corporation	4.75%	01/19/16	AA+ / Aaa	08/29/11	11,294,540.31	1.03%	11,437,800.00
Federal Home Loan Mortgage Corporation	2.50%	05/27/16	AA+ / Aaa	02/06/12	8,536,225.37	0.76%	8,534,800.00
Federal Home Loan Mortgage Corporation	2.00%	08/25/16	AA+ / Aaa	02/06/12	7,333,339.49	0.83%	7,355,320.00
Federal National Mortgage Association	1.25%	09/28/16	AA+ / Aaa	02/06/12	8,132,778.20	0.85%	8,139,680.00
Federal National Mortgage Association	1.38%	11/15/16	AA+ / Aaa	12/27/11	10,067,708.89	1.22%	10,235,000.00
Federal National Mortgage Association	1.25%	01/30/17	AA+ / Aaa	05/17/12	5,065,469.35	0.96%	5,078,800.00
Federal Home Loan Mortgage Corporation	1.00%	03/08/17	AA+ / Aaa	05/17/12	4,999,512.52	1.00%	5,027,050.00
Federal National Mortgage Association	1.13%	04/27/17	AA+ / Aaa	05/17/12	3,011,319.14	1.04%	3,028,170.00
SUBTOTAL U.S. GOV'T AGENCY					191,832,977.43		
TOTAL INVESTMENTS					432,575,684.52		
MISCELLANEOUS CASH					55,000.00		
TOTAL CASH & INVESTMENTS					432,630,684.52		

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 02/21/2012. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 1.42 years. Weighted average yield on cost is 1.195%.

Verified by: Jason G. Al-Imam
 Jason G. Al-Imam, Controller

Approved by: Brent A. Mason
 Brent A. Mason, Finance Director/Treasurer

¹ Collateralized in accordance with Section 53652 of the CA state code.
² Rated Superior by IDC Financial Publishing, Inc.

CITY OF RIVERSIDE
POOLED CASH AND INVESTMENTS BY FUND
JUNE 30, 2012

Electric Fund	206,702,873
Sewer Fund	23,200,059
Transportation Funds	8,514,331
General Fund	31,795,845
Redevelopment Agency	45,315,555
Trust Funds	26,118,969
Water Fund	70,043,034
Park and Recreation Capital Improvement Funds	1,359,593
Internal Service Liability and Workers' Compensation Funds	1,950,851
Other Miscellaneous Funds	17,629,575
Total Cash and Investments	<u><u>432,630,685</u></u>

INTERFUND LOANS – NEW LOANS DURING THE MONTH

Date of Change	Date of City Council Approval	Loan Purpose	Payable Fund	Receivable Fund	Current Amount
None					

INTERFUND LOANS – FISCAL YEAR END RECEIVABLE FUND CHANGES

Date of Change	Date of City Council Approval	Loan Purpose	Payable Fund	Receivable Fund	Current Amount
None					