

# AGENDA REPORT

## City Council

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**MEETING DATE:** September 9, 2015

**PREPARED BY:** Tim Nash  
Finance Director

**DEPT. DIRECTOR:** Tim Nash

**DEPARTMENT:** Finance

**CITY MANAGER:** Karen P. Brust

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**SUBJECT:**

Treasurer's Annual Report for the Fiscal Year Ended June 30, 2015 and adoption of Investment Policy

**RECOMMENDATION:**

That City Council take the following action:

1. Receive and file the Treasurer's Report for the fiscal year ended June 30, 2015
2. Adopt the attached investment policy

**STRATEGIC PLAN:**

Organizational Efficiency and Effectiveness

**FISCAL CONSIDERATIONS:**

There is no direct fiscal impact associated with this report.

**BACKGROUND:**

The City's adopted Investment Policy (Section XVI) requires the City Treasurer to report investment positions and results of the Pooled Investment Fund and the Investment of Bond Proceeds to the City Council annually at a public meeting. In addition Section XVII requires that the Investment Policy be reviewed and adopted at least annually, regardless of whether there are any proposed changes to the Policy.

This report provides a number of detailed reports on the Pooled Investment Fund of the city for FY 2014-15, as well as a summary report for the investment of bond proceeds.

**ANALYSIS:**

The Annual Investment Report for the Pooled Investment Fund (**Attachment 1**) is produced via the City's SymPro investment-tracking software and includes the following separate reports, which together, are intended to address all significant aspects of the City's Investment Program.

Portfolio Summary  
Portfolio Details – Cash  
Interest Earnings Summary  
Activity Report by Issuer  
Realized Gains and Losses  
Accrued Interest by Security Type

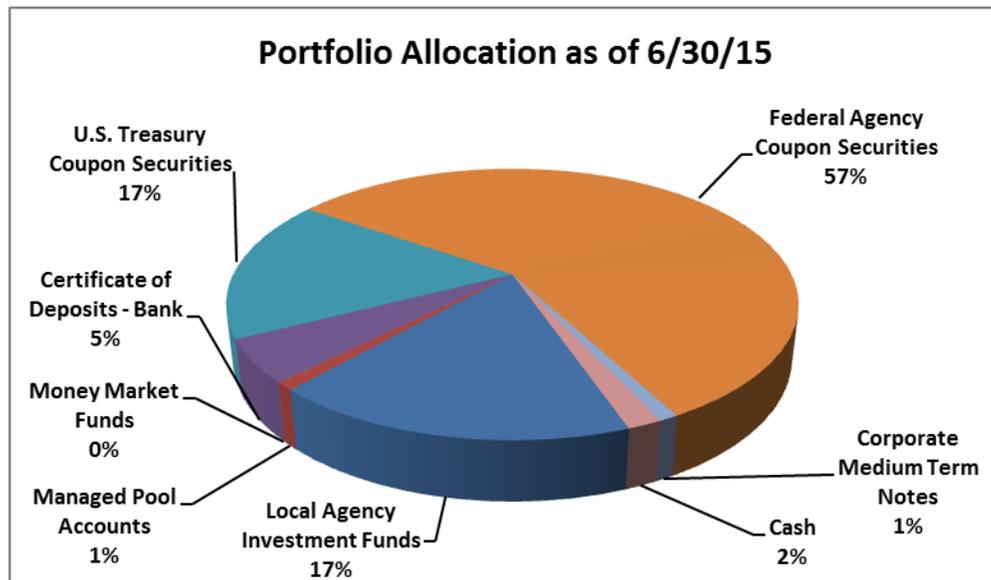
Portfolio Details – Investments  
Portfolio Activity by Type  
Active Investments by Maturity Date  
Interest Earnings by Security Type  
Unrealized Gains and Losses @ 6/30/15  
Purchases Report

As of June 30, 2015, the book value (purchase price of securities as recorded on the City's books) of the Pooled Investment Fund was \$106.1 million and the average weighted yield to maturity was 0.766%. Fiscal year-to-date investment revenue (interest payments and capital

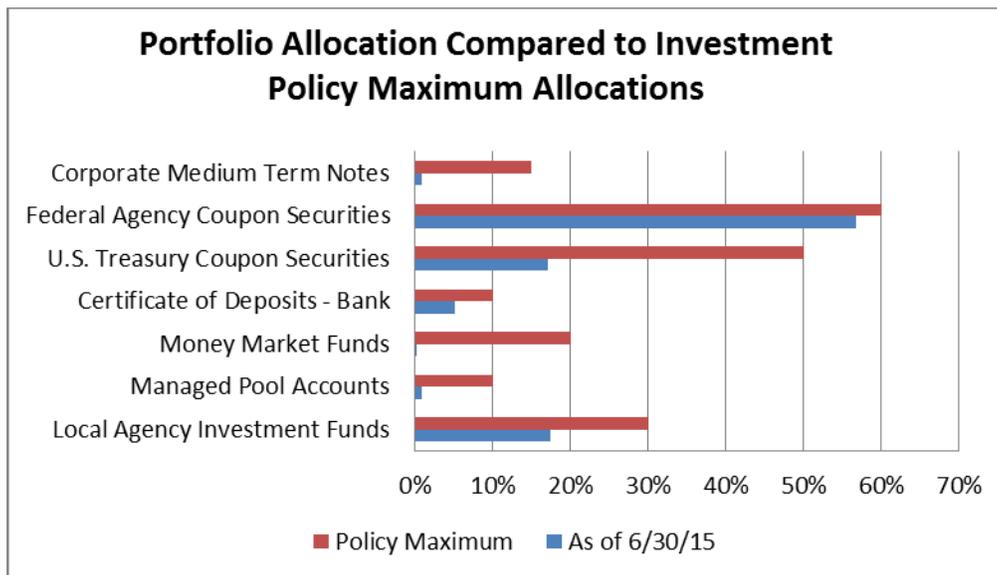
gains) generated by the Pooled Investment Fund as of June 30, 2015 was \$583,973 for an effective rate of return of .65%. The following table compares the Pooled Investment Fund statistics over a rolling 12-month period.

	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014
Book Value	\$ 106,104,321	\$ 94,418,136	\$ 89,477,448	\$ 84,261,980
Market Value	\$ 106,204,190	\$ 94,565,058	\$ 89,468,043	\$ 84,272,604
Unrealized Gain/Loss	\$ 99,869	\$ 146,922	\$ (9,405)	\$ 10,624
Unrealized Gain/Loss as % of Book Value	0.0941%	0.1556%	-0.0105%	0.0126%
Effective Rate of Return	0.65%	0.65%	0.68%	0.53%
Average Yield To Maturity	0.766%	0.623%	0.655%	0.625%
Average Maturity (Years)	1.60	1.17	2.32	1.48

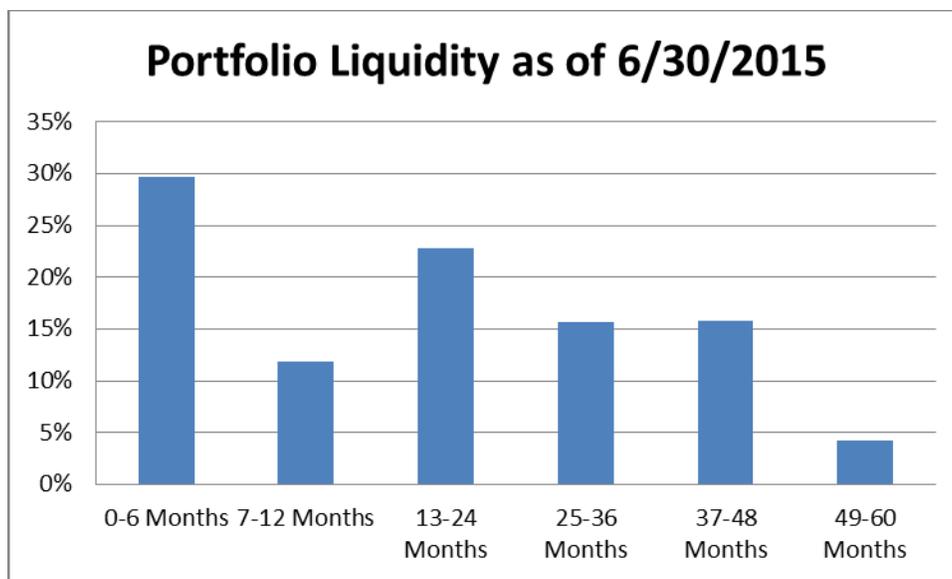
As stated in Section IV. of the city's investment policy the investment objectives for the city's portfolio in priority order are: 1. safety of principal, 2. liquidity of funds 3. return on investments. In order to achieve those objectives the investment policy also defines (a) maximum allocations of the portfolio by security type, (b) liquidity sufficiency and (c) return on investment benchmarks. The charts below provide graphical information about portfolio investment allocation, liquidity and performance compared to various benchmarks.



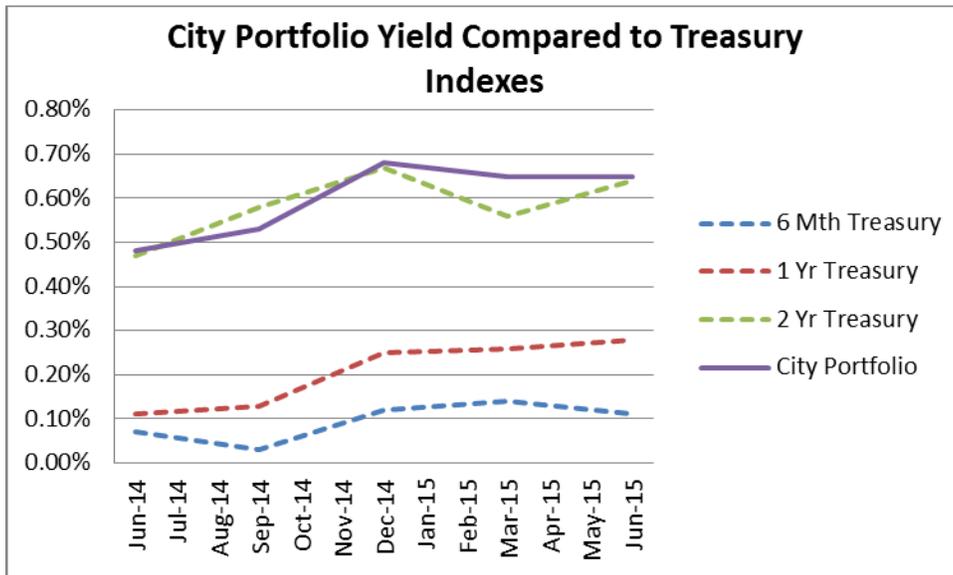
The largest allocation (57%) in the pooled investment portfolio is to federal agency securities. These securities are issued by Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit and Federal Home Loan Mortgage. This diversity of issuers provides additional security. Although the Federal Agency securities were downgraded by Standard & Poors to AA+ in August 2011, they continue to be regarded as among the safest securities in the global market. The next largest allocation (17%) is to U.S. Treasury coupon securities which are issued by the U.S. Government and carry the full faith and credit of the U.S. Government. Also at (17%) of the portfolio is the Local Agency Investment Fund (LAIF) which is a program created by state statute that began in 1977 as an investment alternative for California's local governments and special districts. All securities in LAIF are purchased under the authority of Government Code Section 16430 and 16480.4. All funds invested in LAIF are essentially available overnight.



As of June 30, 2015 the portfolio was nearing its maximum allocation to Federal Agency Coupon Securities of 60%. As securities mature the proceeds can be reinvested in Federal Agency Securities while new investments in the pool will more than likely need to be directed to other investment options.



The portfolio is currently very liquid with 20% available overnight and nearly 30% available within 180 days. The weighted average maturity of the entire portfolio is just over 1.5 years. After analyzing cash flow cycles over the last five years and factoring in anticipated expenditures in the six year financial plan it is anticipated that as securities mature new investments will be directed to the 49-60 month segment to take advantage of higher rates further out on the yield curve.



In the chart above the performance of the portfolio is compared to the six month, one year and two year treasury yields. The portfolio compares favorably with the two year treasury while carrying a weighted average maturity of just over 1.5 years.

The Annual Investment Report for the Investment of Bond Proceeds (**Attachment 2**) is straightforward and is subject to only very minor changes in activity from year-to-year. Bond proceeds are held by trustee banks and investments are based upon the bond indenture agreement for each bond issue. Rates on available investment vehicles (which are extremely limited by the bond indentures) are yielding near zero at this point.

The current City of Encinitas investment policy is shown in **Attachment 3**. The investment policy was last updated in 2013 and staff is not recommending any changes to the investment policy at this time.

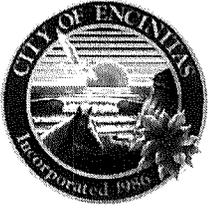
**ENVIRONMENTAL CONSIDERATIONS:**

This item is not a project as defined by the California Environmental Quality Act, therefore there are not environmental impacts associated with this agenda report.

**ATTACHMENTS:**

1. Annual Investment Report for the Pooled Investment Fund
2. Annual Investment Report for the Investment of Bond Proceeds
3. City of Encinitas Investment Policy

ATTACHMENT 1  
Annual Investment Report for the Pooled Investment Fund



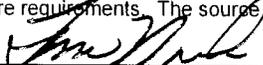
**City of Encinitas - YTD Report  
Portfolio Management  
Portfolio Summary  
June 30, 2015**

CITY OF ENCINITAS  
505 S. VULCAN  
ENCINITAS, ENCINITAS, CA 9  
(760)633-2641

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>YTM</b>	<b>Term</b>	<b>Days to Maturity</b>
Local Agency Investment Funds	18,571,359.56	18,571,359.56	18,571,359.56	17.80	0.310	1	1
Managed Pool Accounts	1,000,769.07	1,000,769.07	1,000,769.07	0.96	0.090	1	1
Money Market Funds	21,654.28	21,654.28	21,654.28	0.02	0.010	1	1
Certificates of Deposit - Bank	5,456,000.00	5,476,343.44	5,456,000.00	5.23	1.211	1,171	683
U.S. Treasury Coupon Securities	18,000,000.00	18,121,580.00	18,083,335.38	17.33	0.622	864	517
Federal Agency Coupon Securities	56,000,000.00	56,346,737.77	56,308,687.74	53.97	0.932	1,145	812
Federal Agency Callable Securities	3,900,000.00	3,902,912.00	3,900,000.00	3.74	0.598	1,185	538
Corporate Medium Term Notes	1,000,000.00	999,950.00	999,631.71	0.96	1.396	1,266	41
	<b>103,949,782.91</b>	<b>104,441,306.12</b>	<b>104,341,437.74</b>	<b>100.00%</b>	<b>0.766</b>	<b>885</b>	<b>584</b>
<b>Investments</b>							
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	1,762,883.61	1,762,883.61	1,762,883.61		0.000	1	1
<b>Total Cash and Investments</b>	<b>105,712,666.52</b>	<b>106,204,189.73</b>	<b>106,104,321.35</b>		<b>0.766</b>	<b>885</b>	<b>584</b>

<b>Total Earnings</b>	<b>June 30 Period Ending</b>	<b>Fiscal Year Ending</b>
Current Year	583,973.01	583,973.01
<b>Average Daily Balance</b>	<b>89,692,825.62</b>	
<b>Effective Rate of Return</b>	<b>0.65%</b>	

I certify the accuracy of the attached report on the City of Encinitas' Pooled Investment Fund. All funds for which the City has oversight responsibility are reflected in this report. All investments are in compliance with the City's adopted Investment Policy, which is available through the City Clerk's office. The City's Investment Program provides sufficient liquidity to meet the next six (6) months expenditure requirements. The source of the market values of investments owned is Union Bank of California Custody Services.

  
 \_\_\_\_\_ 8/26/15  
 Tim Nash, Finance Director \ Treasurer

Reporting period 07/01/2014-06/30/2015  
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No fiscal year history available

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**City of Encinitas - YTD Report  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	S&P Moody's	Maturity Date
<b>Local Agency Investment Funds</b>											
SYS1012	1012	CA Local Agency Invstment Fund			18,571,359.56	18,571,359.56	18,571,359.56	0.310	0.310	NR	
<b>Subtotal and Average</b>			<b>22,268,174.38</b>		<b>18,571,359.56</b>	<b>18,571,359.56</b>	<b>18,571,359.56</b>		<b>0.310</b>		
<b>Managed Pool Accounts</b>											
SYS1003	1003	CA Asset Management Program			1,000,769.07	1,000,769.07	1,000,769.07	0.090	0.090	AAA	
<b>Subtotal and Average</b>			<b>1,000,465.09</b>		<b>1,000,769.07</b>	<b>1,000,769.07</b>	<b>1,000,769.07</b>		<b>0.090</b>		
<b>Money Market Funds</b>											
SYS1004	1004	Union Bank Custody Acct.			21,654.28	21,654.28	21,654.28	0.010	0.010	AAA	
<b>Subtotal and Average</b>			<b>3,067,578.30</b>		<b>21,654.28</b>	<b>21,654.28</b>	<b>21,654.28</b>		<b>0.010</b>		
<b>Certificates of Deposit - Bank</b>											
05568P3A3	1450	BMW Bank North America		04/12/2013	248,000.00	248,362.08	248,000.00	0.650	0.650	NR	NR 10/13/2015
38143AP25	1435	Goldman Sachs Bank, USA		10/24/2012	248,000.00	248,575.36	248,000.00	1.050	1.050	NR	NR 10/26/2015
92937CBM9	1456	Wex Bank		11/15/2013	248,000.00	248,436.48	248,000.00	0.650	0.650	NR	NR 11/16/2015
03784JDM3	1483	Apple Bank for Savings		12/10/2014	248,000.00	248,059.52	248,000.00	0.400	0.400	NR	NR 12/31/2015
02005QV34	1449	Ally Bank		04/10/2013	248,000.00	248,525.76	248,000.00	0.650	0.650	NR	NR 04/11/2016
33767AGC9	1485	First Bank Puerto Rico		12/05/2014	248,000.00	248,620.00	248,000.00	0.800	0.800	NR	NR 06/06/2016
140420QG8	1479	Capital One Bank USA, NA		10/22/2014	248,000.00	248,744.00	248,000.00	1.000	1.000	NR	NR 10/24/2016
795450PZ2	1437	Sallie Mae Bank/Murray		10/24/2012	248,000.00	250,348.56	248,000.00	1.350	1.350	NR	NR 10/24/2016
36160XY43	1439	GE Capital Bank		10/26/2012	248,000.00	250,157.60	248,000.00	1.350	1.350	NR	NR 10/26/2016
20033ADJ2	1455	Comenity Capital Bank		11/12/2013	248,000.00	249,671.52	248,000.00	1.000	1.000	NR	NR 11/14/2016
71270QKU9	1486	Peoples United Bank		12/10/2014	248,000.00	248,629.92	248,000.00	1.000	1.000	NR	NR 12/12/2016
52168UCU4	1476	Leader Bank		10/23/2014	248,000.00	248,329.84	248,000.00	1.050	1.050	NR	NR 04/21/2017
20451PKJ4	1470	Compass Bank		06/11/2014	248,000.00	248,533.20	248,000.00	1.050	1.050	NR	NR 05/11/2017
628779FH8	1471	NBT Bank		06/06/2014	248,000.00	248,669.60	248,000.00	0.950	0.950	NR	NR 06/06/2017
23204HBH0	1474	Customers Bank		06/18/2014	248,000.00	248,404.24	248,000.00	0.950	0.950	NR	NR 06/19/2017
02587DLV8	1438	American Express Centurion		10/25/2012	248,000.00	250,856.96	248,000.00	1.500	1.500	NR	NR 10/25/2017
45083ADZ2	1482	Iberia Bank /LA		12/04/2014	248,000.00	247,712.32	248,000.00	1.200	1.200	NR	NR 12/04/2017
254672CB2	1477	Discovery Bank		10/22/2014	248,000.00	248,114.08	248,000.00	1.800	1.800	NR	NR 10/22/2018
0606247A5	1454	Bank of Baroda		11/12/2013	248,000.00	250,418.00	248,000.00	2.050	2.050	NR	NR 11/13/2018
8562843F9	1484	State Bank of India		12/05/2014	248,000.00	249,855.04	248,000.00	2.000	2.000	NR	NR 12/05/2018
87164YEB6	1478	Synchrony Bank		10/17/2014	248,000.00	248,865.52	248,000.00	2.000	2.000	NR	NR 10/17/2019
17284C5K6	1487	CIT Bank		12/10/2014	248,000.00	248,453.84	248,000.00	2.200	2.200	NR	NR 12/10/2019
<b>Subtotal and Average</b>			<b>4,502,049.32</b>		<b>5,456,000.00</b>	<b>5,476,343.44</b>	<b>5,456,000.00</b>		<b>1.211</b>		

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**City of Encinitas - YTD Report  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	S&P Moody's	Maturity Date
<b>U.S. Treasury Coupon Securities</b>											
912828QJ2	1462	U.S. Treasury Notes		01/17/2014	2,000,000.00	2,025,460.00	2,022,570.04	2.125	0.419	AA+ Aaa	02/29/2016
912828QF0	1461	U.S. Treasury Notes		01/17/2014	2,000,000.00	2,028,120.00	2,025,031.48	2.000	0.487	AA+ Aaa	04/30/2016
912828VG2	1464	U.S. Treasury Notes		01/17/2014	2,000,000.00	2,003,760.00	1,999,285.34	0.500	0.538	AA+ Aaa	06/15/2016
912828QX1	1459	U.S. Treasury Notes		12/23/2013	2,000,000.00	2,024,380.00	2,020,852.72	1.500	0.531	AA+ Aaa	07/31/2016
912828RF9	1489	U.S. Treasury Notes		12/11/2014	2,000,000.00	2,014,380.00	2,012,834.61	1.000	0.447	AA+ Aaa	08/31/2016
912828F47	1488	U.S. Treasury Notes		12/11/2014	2,000,000.00	2,002,660.00	1,999,945.83	0.500	0.502	AA+ Aaa	09/30/2016
912828WA4	1481	U.S. Treasury Notes		11/04/2014	2,000,000.00	2,005,320.00	2,003,008.09	0.625	0.508	AA+ Aaa	10/15/2016
912828UE8	1490	U.S. Treasury Notes		12/17/2014	2,000,000.00	1,995,780.00	1,986,619.37	0.750	1.022	AA+ Aaa	12/31/2017
912828VK3	1491	U.S. Treasury Notes		02/20/2015	2,000,000.00	2,021,720.00	2,013,187.90	1.375	1.150	AA+ Aaa	06/30/2018
<b>Subtotal and Average</b>			<b>16,423,456.28</b>		<b>18,000,000.00</b>	<b>18,121,580.00</b>	<b>18,083,335.38</b>		<b>0.622</b>		
<b>Federal Agency Coupon Securities</b>											
3135G0LN1	1444	Federal Nat'l Mortgage Assoc.		12/27/2012	2,000,000.00	2,000,020.00	2,000,007.18	0.500	0.370	AAA Aaa	07/02/2015
3134G3ZA1	1448	Federal Home Loan Mortgage		03/28/2013	2,000,000.00	2,000,900.00	2,000,469.10	0.500	0.351	AAA Aaa	08/28/2015
313370JB5	1442	Federal Home Loan Bank		12/27/2012	2,000,000.00	2,006,320.00	2,005,155.85	1.750	0.415	AAA Aaa	09/11/2015
313371NW2	1429	Federal Home Loan Bank		06/27/2012	2,000,000.00	2,010,340.00	2,006,806.43	1.375	0.600	AAA Aaa	12/11/2015
3134A4ZT4	1440	Federal Home Loan Mortgage		12/27/2012	2,000,000.00	2,049,820.00	2,047,274.57	4.750	0.420	AAA Aaa	01/19/2016
3133ECGT5	1447	Federal Farm Credit		03/28/2013	2,000,000.00	2,003,300.00	1,999,917.95	0.410	0.416	AAA Aaa	03/01/2016
3137EADQ9	1446	Federal Home Loan Mortgage		03/28/2013	2,000,000.00	2,002,720.00	2,001,358.93	0.500	0.421	AAA Aaa	05/13/2016
3135G0ES8	1453	Federal Nat'l Mortgage Assoc.		06/26/2013	2,000,000.00	2,023,520.00	2,010,050.21	1.375	1.002	AAA Aaa	11/15/2016
3137EADT3	1467	Federal Home Loan Mortgage		03/10/2014	2,000,000.00	2,009,100.00	2,003,461.41	0.875	0.768	AAA Aaa	02/22/2017
3137EADC0	1466	Federal Home Loan Mortgage		03/10/2014	2,000,000.00	2,012,600.00	2,007,049.76	1.000	0.788	AAA Aaa	03/08/2017
3135G0JA2	1473	Federal Nat'l Mortgage Assoc.		06/09/2014	1,000,000.00	1,007,590.00	1,005,570.31	1.125	0.815	AAA Aaa	04/27/2017
3137EADF3	1468	Federal Home Loan Mortgage		03/10/2014	2,000,000.00	2,022,360.00	2,014,395.36	1.250	0.858	AAA Aaa	05/12/2017
3133EEX62	1502	Federal Farm Credit		06/24/2015	1,000,000.00	999,887.78	1,000,539.19	0.800	0.781	AA+ Aaa	06/16/2017
3133EDSU7	1508	Federal Farm Credit		06/26/2015	1,000,000.00	1,007,458.89	1,007,204.55	1.000	0.830	AA+ Aaa	08/15/2017
3136G0YE5	1494	Federal Nat'l Mortgage Assoc.		05/27/2015	1,000,000.00	1,007,302.22	1,007,166.79	1.000	0.780	AA+ Aaa	08/28/2017
3136G0ZH7	1480	Federal Nat'l Mortgage Assoc.		11/04/2014	2,000,000.00	2,003,820.00	2,000,614.30	1.050	1.036	AAA Aaa	09/05/2017
3130A4TR3	1495	Federal Home Loan Bank		05/27/2015	2,000,000.00	2,004,073.06	2,004,480.55	0.875	0.820	AA+ Aaa	10/16/2017
3135G0TG8	1504	Federal Nat'l Mortgage Assoc.		06/26/2015	2,000,000.00	2,001,788.33	2,000,807.82	0.875	0.990	AA+ Aaa	02/08/2018
3137EADP1	1492	Federal Home Loan Mortgage		03/20/2015	2,000,000.00	1,993,671.94	1,992,972.75	0.875	1.020	AA+ Aaa	03/07/2018
3133EEM98	1496	Federal Farm Credit		05/27/2015	2,000,000.00	1,995,553.33	1,998,629.05	1.000	1.030	AA+ Aaa	05/21/2018
3135G0E33	1501	Federal Nat'l Mortgage Assoc.		06/24/2015	2,000,000.00	1,999,480.00	1,998,909.32	1.125	1.160	AA+ Aaa	07/20/2018
3130A5E54	1497	Federal Home Loan Bank		05/27/2015	2,000,000.00	1,994,395.56	2,000,855.56	1.100	1.100	AA+ Aaa	08/13/2018
3135G0YM9	1503	Federal Nat'l Mortgage Assoc.		06/26/2015	2,000,000.00	2,053,388.33	2,050,715.28	1.875	1.230	AA+ Aaa	09/18/2018
3130A53Z0	1493	Federal Home Loan Bank		04/24/2015	2,000,000.00	1,992,818.33	1,998,761.24	1.050	1.070	AA+ Aaa	10/23/2018

**City of Encinitas - YTD Report  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	S&P Moody's	Maturity Date
<b>Federal Agency Coupon Securities</b>											
3135G0YT4	1505	Federal Nat'l Mortgage Assoc.		06/26/2015	2,000,000.00	2,026,818.06	2,026,199.89	1.625	1.270	AA+	Aaa 11/27/2018
3135G0ZA4	1500	Federal Nat'l Mortgage Assoc.		06/24/2015	2,000,000.00	2,050,720.83	2,048,194.59	1.875	1.377	AA+	Aaa 02/19/2019
3133782M2	1498	Federal Home Loan Bank		05/27/2015	2,000,000.00	2,017,463.33	2,019,473.07	1.500	1.320	AA+	Aaa 03/08/2019
313379EE5	1499	Federal Home Loan Bank		05/27/2015	2,000,000.00	2,009,960.00	2,017,228.36	1.625	1.400	AA+	Aaa 06/14/2019
3135G0ZG1	1506	Federal Nat'l Mortgage Assoc.		06/26/2015	2,000,000.00	2,026,131.11	2,022,629.69	1.750	1.595	AA+	Aaa 09/12/2019
3135G0ZY2	1507	Federal Nat'l Mortgage Assoc.		06/26/2015	2,000,000.00	2,013,416.67	2,011,788.68	1.750	1.645	AA+	Aaa 11/26/2019
<b>Subtotal and Average</b>			<b>32,088,451.91</b>		<b>56,000,000.00</b>	<b>56,346,737.77</b>	<b>56,308,687.74</b>		<b>0.932</b>		
<b>Federal Agency Callable Securities</b>											
313383FB2	1451	Federal Home Loan Bank		06/19/2013	2,900,000.00	2,903,132.00	2,900,000.00	0.580	0.580	AAA	Aaa 12/19/2016
3134G56W0	1472	Federal Home Loan Mortgage		06/23/2014	1,000,000.00	999,780.00	1,000,000.00	0.650	0.650	AAA	Aaa 12/23/2016
<b>Subtotal and Average</b>			<b>9,210,192.84</b>		<b>3,900,000.00</b>	<b>3,902,912.00</b>	<b>3,900,000.00</b>		<b>0.598</b>		
<b>Corporate Medium Term Notes</b>											
36962G4N1	1421	General Electric Capital Corp		02/22/2012	1,000,000.00	999,950.00	999,631.71	1.000	1.396	AA+	Aa2 08/11/2015
<b>Subtotal and Average</b>			<b>997,974.46</b>		<b>1,000,000.00</b>	<b>999,950.00</b>	<b>999,631.71</b>		<b>1.396</b>		
<b>Total and Average</b>			<b>89,692,825.62</b>		<b>103,949,782.91</b>	<b>104,441,306.12</b>	<b>104,341,437.74</b>		<b>0.766</b>		

**City of Encinitas - YTD Report  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	S&P Moody's
<b>Passbook/Checking Accounts</b>										
SYS1010	1010	Union Bank Checking Acct.			1,762,883.61	1,762,883.61	1,762,883.61		0.000	
		<b>Average Balance</b>	<b>0.00</b>							
<b>Total Cash and Investments</b>			<b>89,692,825.62</b>		<b>105,712,666.52</b>	<b>106,204,189.73</b>	<b>106,104,321.35</b>		<b>0.766</b>	

**City of Encinitas - YTD Report  
Portfolio Management  
Activity By Type  
July 1, 2014 through June 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>							
SYS1010	1010	Union Bank Checking Acct.			49,086,309.56	55,988,831.02	
		<b>Subtotal</b>			<b>49,086,309.56</b>	<b>55,988,831.02</b>	<b>0.00</b>
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS1012	1012	CA Local Agency Invstment Fund	0.310		29,043,472.48	25,500,000.00	
		<b>Subtotal</b>			<b>29,043,472.48</b>	<b>25,500,000.00</b>	<b>18,571,359.56</b>
<b>Managed Pool Accounts (Monthly Summary)</b>							
SYS1003	1003	CA Asset Management Program	0.090		769.07	0.00	
		<b>Subtotal</b>			<b>769.07</b>	<b>0.00</b>	<b>1,000,769.07</b>
<b>Money Market Funds (Monthly Summary)</b>							
SYS1004	1004	Union Bank Custody Acct.	0.010		64,276,098.87	66,365,623.58	
		<b>Subtotal</b>			<b>64,276,098.87</b>	<b>66,365,623.58</b>	<b>21,654.28</b>
<b>Certificates of Deposit - Bank</b>							
03784JDM3	1483	Apple Bank for Savings	0.400	12/10/2014	248,000.00	0.00	
140420QG8	1479	Capital One Bank USA, NA	1.000	10/22/2014	248,000.00	0.00	
17284C5K6	1487	CIT Bank	2.200	12/10/2014	248,000.00	0.00	
254672CB2	1477	Discovery Bank	1.800	10/22/2014	248,000.00	0.00	
33767AGC9	1485	First Bank Puerto Rico	0.800	12/05/2014	248,000.00	0.00	
45083ADZ2	1482	Iberia Bank /LA	1.200	12/04/2014	248,000.00	0.00	
8562843F9	1484	State Bank of India	2.000	12/05/2014	248,000.00	0.00	
52168UCU4	1476	Leader Bank	1.050	10/23/2014	248,000.00	0.00	
71270QKU9	1486	Peoples United Bank	1.000	12/10/2014	248,000.00	0.00	
87164YEB6	1478	Synchrony Bank	2.000	10/17/2014	248,000.00	0.00	
		<b>Subtotal</b>			<b>2,480,000.00</b>	<b>0.00</b>	<b>5,456,000.00</b>
<b>U.S. Treasury Coupon Securities</b>							
912828LP3	1457	U.S. Treasury Notes	3.000	10/16/2014	0.00	3,139,427.65	
912828RM4	1458	U.S. Treasury Notes	1.000	10/16/2014	0.00	3,021,792.61	
912828RF9	1460	U.S. Treasury Notes	1.000	10/16/2014	0.00	2,015,913.00	
912828SJ0	1463	U.S. Treasury Notes	0.875	10/16/2014	0.00	2,000,653.97	
912828WA4	1481	U.S. Treasury Notes	0.625	11/04/2014	2,004,531.25	0.00	
912828F47	1488	U.S. Treasury Notes	0.500	12/11/2014	1,999,921.88	0.00	

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**City of Encinitas - YTD Report  
Portfolio Management  
Activity By Type  
July 1, 2014 through June 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>U.S. Treasury Coupon Securities</b>							
912828RF9	1489	U.S. Treasury Notes	1.000	12/11/2014	2,018,906.25	0.00	
912828UE8	1490	U.S. Treasury Notes	0.750	12/17/2014	1,983,750.00	0.00	
912828VK3	1491	U.S. Treasury Notes	1.375	02/20/2015	2,014,765.63	0.00	
<b>Subtotal</b>					<b>10,021,875.01</b>	<b>10,177,787.23</b>	<b>18,083,335.38</b>
<b>Federal Agency Coupon Securities</b>							
31331SPQ0	1430	Federal Farm Credit	4.375	02/17/2015	0.00	2,000,000.00	
3133EEM98	1496	Federal Farm Credit	1.000	05/27/2015	1,998,240.00	0.00	
3133EEX62	1502	Federal Farm Credit	0.800	06/24/2015	1,000,365.00	0.00	
3133EDSU7	1508	Federal Farm Credit	1.000	06/26/2015	1,003,589.00	0.00	
3133X9DC1	1423	Federal Home Loan Bank	4.500	11/14/2014	0.00	2,000,000.00	
3133XWX95	1427	Federal Home Loan Bank	2.750	03/13/2015	0.00	2,000,000.00	
3133XUPG2	1445	Federal Home Loan Bank	2.875	08/25/2014	0.00	2,000,000.00	
3130A53Z0	1493	Federal Home Loan Bank	1.050	04/24/2015	1,998,630.00	0.00	
3130A4TR3	1495	Federal Home Loan Bank	0.875	05/27/2015	2,002,590.00	0.00	
3130A5E54	1497	Federal Home Loan Bank	1.100	05/27/2015	2,000,000.00	0.00	
3133782M2	1498	Federal Home Loan Bank	1.500	05/27/2015	2,013,220.00	0.00	
313379EE5	1499	Federal Home Loan Bank	1.625	05/27/2015	2,017,640.00	0.00	
3137EADP1	1492	Federal Home Loan Mortgage	0.875	03/20/2015	1,991,540.00	0.00	
31398A3G5	1426	Federal Nat'l Mortgage Assoc.	1.500	09/08/2014	0.00	5,000,000.00	
3135G0DW0	1441	Federal Nat'l Mortgage Assoc.	0.625	10/30/2014	0.00	2,000,000.00	
3136G0ZH7	1480	Federal Nat'l Mortgage Assoc.	1.050	11/04/2014	2,000,800.00	0.00	
3136G0YE5	1494	Federal Nat'l Mortgage Assoc.	1.000	05/27/2015	1,004,900.00	0.00	
3135G0ZA4	1500	Federal Nat'l Mortgage Assoc.	1.875	06/24/2015	2,035,362.00	0.00	
3135G0E33	1501	Federal Nat'l Mortgage Assoc.	1.125	06/24/2015	1,997,896.00	0.00	
3135G0YM9	1503	Federal Nat'l Mortgage Assoc.	1.875	06/26/2015	2,040,682.00	0.00	
3135G0TG8	1504	Federal Nat'l Mortgage Assoc.	0.875	06/26/2015	1,994,068.00	0.00	
3135G0YT4	1505	Federal Nat'l Mortgage Assoc.	1.625	06/26/2015	2,023,678.00	0.00	
3135G0ZG1	1506	Federal Nat'l Mortgage Assoc.	1.750	06/26/2015	2,012,560.00	0.00	
3135G0ZY2	1507	Federal Nat'l Mortgage Assoc.	1.750	06/26/2015	2,008,900.00	0.00	
<b>Subtotal</b>					<b>33,144,660.00</b>	<b>15,000,000.00</b>	<b>56,308,687.74</b>
<b>Federal Agency Callable Securities</b>							
3130A1G69	1469	Federal Home Loan Bank	2.050	07/16/2014	0.00	5,000,000.00	
3134G4TL2	1465	Federal Home Loan Mortgage	1.000	10/30/2014	0.00	2,000,000.00	
3134G5GY5	1475	Federal Home Loan Mortgage	2.000	09/19/2014	5,000,000.00	0.00	

**City of Encinitas - YTD Report  
Portfolio Management  
Activity By Type  
July 1, 2014 through June 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Federal Agency Callable Securities</b>							
3134G5GY5	1475			06/19/2015	0.00	5,000,000.00	
3135G0RS4	1443	Federal Nat'l Mortgage Assoc.	0.500	11/06/2014	0.00	2,001,469.39	
		<b>Subtotal</b>			<b>5,000,000.00</b>	<b>14,001,469.39</b>	<b>3,900,000.00</b>
<b>Corporate Medium Term Notes</b>							
		<b>Subtotal</b>					<b>999,631.71</b>
		<b>Total</b>			<b>193,053,184.99</b>	<b>187,033,711.22</b>	<b>104,341,437.74</b>

**City of Encinitas - YTD Report  
Portfolio Management  
Interest Earnings Summary  
June 30, 2015**

	June 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	1,047,474.73	1,047,474.73
Plus Accrued Interest at End of Period	238,468.28	238,468.28
Less Accrued Interest at Beginning of Period	( 308,759.17)	( 308,759.17)
Less Accrued Interest at Purchase During Period	( 100,588.57)	( 100,588.57)
Interest Earned during Period	876,595.27	876,595.27
Adjusted by Premiums and Discounts	-401,447.20	-401,447.20
Adjusted by Capital Gains or Losses	49,063.70	49,063.70
Earnings during Periods	524,211.77	524,211.77
<b>Pass Through Securities:</b>		
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
<b>Cash/Checking Accounts:</b>		
Interest Collected	44,545.37	44,545.37
Plus Accrued Interest at End of Period	22,090.13	22,090.13
Less Accrued Interest at Beginning of Period	( 6,874.26)	( 6,874.26)
Interest Earned during Period	59,761.24	59,761.24
<b>Total Interest Earned during Period</b>	<b>936,356.51</b>	<b>936,356.51</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-401,447.20</b>	<b>-401,447.20</b>
<b>Total Capital Gains or Losses</b>	<b>49,063.70</b>	<b>49,063.70</b>
<b>Total Earnings during Period</b>	<b>583,973.01</b>	<b>583,973.01</b>



**City of Encinitas - YTD Report**  
**Investments by Issuer**  
**Active Investments**  
**Sorted by Maturity Date**  
**June 30, 2015**

CITY OF ENCINITAS  
 505 S. VULCAN  
 ENCINITAS, ENCINITAS, CA 9  
 (760)633-2641

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Days To Maturity	Call Date	Collateral
<b>Ally Bank</b>												
02005QV34	1449	Certificates of Deposit - Bank	Amort	248,000.00	0.650	248,525.76	06/30/2015	0.650	04/11/2016	285		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,525.76</b>		<b>0.650</b>		<b>285</b>		
<b>American Express Centurion</b>												
02587DLV8	1438	Certificates of Deposit - Bank	Fair	248,000.00	1.500	250,856.96	06/30/2015	1.500	10/25/2017	847		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>250,856.96</b>		<b>1.500</b>		<b>847</b>		
<b>Apple Bank for Savings</b>												
03784JDM3	1483	Certificates of Deposit - Bank	Amort	248,000.00	0.400	248,059.52	06/30/2015	0.400	12/31/2015	183		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,059.52</b>		<b>0.400</b>		<b>183</b>		
<b>Bank of Baroda</b>												
0606247A5	1454	Certificates of Deposit - Bank	Amort	248,000.00	2.050	250,418.00	06/30/2015	2.050	11/13/2018	1,231		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>250,418.00</b>		<b>2.050</b>		<b>1,231</b>		
<b>BMW Bank North America</b>												
05568P3A3	1450	Certificates of Deposit - Bank	Amort	248,000.00	0.650	248,362.08	06/30/2015	0.650	10/13/2015	104		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,362.08</b>		<b>0.650</b>		<b>104</b>		
<b>CA Asset Management Program</b>												
SYS1003	1003	Managed Pool Accounts	Amort	1,000,769.07	0.090	1,000,769.07	06/30/2015	0.090		1		
<b>Subtotal and Average</b>				<b>1,000,769.07</b>		<b>1,000,769.07</b>		<b>0.090</b>		<b>1</b>		
<b>Capital One Bank USA, NA</b>												
140420QG8	1479	Certificates of Deposit - Bank	Amort	248,000.00	1.000	248,744.00	06/30/2015	1.000	10/24/2016	481		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,744.00</b>		<b>1.000</b>		<b>481</b>		
<b>CIT Bank</b>												
17284C5K6	1487	Certificates of Deposit - Bank	Amort	248,000.00	2.200	248,453.84	06/30/2015	2.200	12/10/2019	1,623		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,453.84</b>		<b>2.200</b>		<b>1,623</b>		

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No fiscal year history available

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City of Encinitas - YTD Report  
Investments by Issuer  
Sorted by Maturity Date

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Days To Maturity	Call Date	Collateral
<b>Comenity Capital Bank</b>												
20033ADJ2	1455	Certificates of Deposit - Bank	Amort	248,000.00	1.000	249,671.52	06/30/2015	1.000	11/14/2016	502		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>249,671.52</b>		<b>1.000</b>		<b>502</b>		
<b>Compass Bank</b>												
20451PKJ4	1470	Certificates of Deposit - Bank	Amort	248,000.00	1.050	248,533.20	06/30/2015	1.050	05/11/2017	680		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,533.20</b>		<b>1.050</b>		<b>680</b>		
<b>Customers Bank</b>												
23204HBH0	1474	Certificates of Deposit - Bank	Amort	248,000.00	0.950	248,404.24	06/30/2015	0.950	06/19/2017	719		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,404.24</b>		<b>0.950</b>		<b>719</b>		
<b>Discovery Bank</b>												
254672CB2	1477	Certificates of Deposit - Bank	Amort	248,000.00	1.800	248,114.08	06/30/2015	1.800	10/22/2018	1,209		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,114.08</b>		<b>1.800</b>		<b>1,209</b>		
<b>First Bank Puerto Rico</b>												
33767AGC9	1485	Certificates of Deposit - Bank	Amort	248,000.00	0.800	248,620.00	06/30/2015	0.800	06/06/2016	341		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,620.00</b>		<b>0.800</b>		<b>341</b>		
<b>Federal Farm Credit</b>												
3133ECGT5	1447	Federal Agency Coupon Securities	Fair	1,999,917.95	0.410	2,003,300.00	06/30/2015	0.416	03/01/2016	244		
3133EEX62	1502	Federal Agency Coupon Securities	Fair	1,000,539.19	0.800	999,887.78	06/30/2015	0.781	06/16/2017	716		
3133EDSU7	1508	Federal Agency Coupon Securities	Fair	1,007,204.55	1.000	1,007,458.89	06/30/2015	0.830	08/15/2017	776		
3133EEM98	1496	Federal Agency Coupon Securities	Fair	1,998,629.05	1.000	1,995,553.33	06/30/2015	1.030	05/21/2018	1,055		
<b>Subtotal and Average</b>				<b>6,006,290.74</b>		<b>6,006,200.00</b>		<b>0.751</b>		<b>681</b>		
<b>Federal Home Loan Bank</b>												
313370JB5	1442	Federal Agency Coupon Securities	Fair	2,005,155.85	1.750	2,006,320.00	06/30/2015	0.415	09/11/2015	72		
313371NW2	1429	Federal Agency Coupon Securities	Fair	2,006,806.43	1.375	2,010,340.00	06/30/2015	0.600	12/11/2015	163		
313383FB2	1451	Federal Agency Callable Securities	Fair	2,900,000.00	0.580	2,903,132.00	06/30/2015	0.580	12/19/2016	537		
3130A4TR3	1495	Federal Agency Coupon Securities	Fair	2,004,480.55	0.875	2,004,073.06	06/30/2015	0.820	10/16/2017	838		
3130A5E54	1497	Federal Agency Coupon Securities	Fair	2,000,855.56	1.100	1,994,395.56	06/30/2015	1.100	08/13/2018	1,139		
3130A53Z0	1493	Federal Agency Coupon Securities	Fair	1,998,761.24	1.050	1,992,818.33	06/30/2015	1.070	10/23/2018	1,210		
3133782M2	1498	Federal Agency Coupon Securities	Fair	2,019,473.07	1.500	2,017,463.33	06/30/2015	1.320	03/08/2019	1,346		
313379EE5	1499	Federal Agency Coupon Securities	Fair	2,017,228.36	1.625	2,009,960.00	06/30/2015	1.400	06/14/2019	1,444		

**City of Encinitas - YTD Report  
Investments by Issuer  
Sorted by Maturity Date**

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Days To Maturity	Call Date	Collateral
<b>Subtotal and Average</b>				<b>16,952,761.06</b>		<b>16,938,502.28</b>		<b>0.896</b>		<b>828</b>		
<b>Federal Home Loan Mortgage</b>												
3134G3ZA1	1448	Federal Agency Coupon Securities	Fair	2,000,469.10	0.500	2,000,900.00	06/30/2015	0.351	08/28/2015	58		
3134A4ZT4	1440	Federal Agency Coupon Securities	Fair	2,047,274.57	4.750	2,049,820.00	06/30/2015	0.420	01/19/2016	202		
3137EADQ9	1446	Federal Agency Coupon Securities	Fair	2,001,358.93	0.500	2,002,720.00	06/30/2015	0.421	05/13/2016	317		
3134G56W0	1472	Federal Agency Callable Securities	Fair	1,000,000.00	0.650	999,780.00	06/30/2015	0.650	12/23/2016	541	09/23/2015	
3137EADT3	1467	Federal Agency Coupon Securities	Fair	2,003,461.41	0.875	2,009,100.00	06/30/2015	0.768	02/22/2017	602		
3137EADC0	1466	Federal Agency Coupon Securities	Fair	2,007,049.76	1.000	2,012,600.00	06/30/2015	0.788	03/08/2017	616		
3137EADF3	1468	Federal Agency Coupon Securities	Fair	2,014,395.36	1.250	2,022,360.00	06/30/2015	0.858	05/12/2017	681		
3137EADP1	1492	Federal Agency Coupon Securities	Fair	1,992,972.75	0.875	1,993,671.94	06/30/2015	1.020	03/07/2018	980		
<b>Subtotal and Average</b>				<b>15,066,981.88</b>		<b>15,090,951.94</b>		<b>0.659</b>		<b>495</b>		
<b>Federal Nat'l Mortgage Assoc.</b>												
3135G0LN1	1444	Federal Agency Coupon Securities	Fair	2,000,007.18	0.500	2,000,020.00	06/30/2015	0.370	07/02/2015	1		
3135G0ES8	1453	Federal Agency Coupon Securities	Fair	2,010,050.21	1.375	2,023,520.00	06/30/2015	1.002	11/15/2016	503		
3135G0JA2	1473	Federal Agency Coupon Securities	Fair	1,005,570.31	1.125	1,007,590.00	06/30/2015	0.815	04/27/2017	666		
3136G0YE5	1494	Federal Agency Coupon Securities	Fair	1,007,166.79	1.000	1,007,302.22	06/30/2015	0.780	08/28/2017	789		
3136G0ZH7	1480	Federal Agency Coupon Securities	Fair	2,000,614.30	1.050	2,003,820.00	06/30/2015	1.036	09/05/2017	797		
3135G0TG8	1504	Federal Agency Coupon Securities	Fair	2,000,807.82	0.875	2,001,788.33	06/30/2015	0.990	02/08/2018	953		
3135G0E33	1501	Federal Agency Coupon Securities	Fair	1,998,909.32	1.125	1,999,480.00	06/30/2015	1.160	07/20/2018	1,115		
3135G0YM9	1503	Federal Agency Coupon Securities	Fair	2,050,715.28	1.875	2,053,388.33	06/30/2015	1.230	09/18/2018	1,175		
3135G0YT4	1505	Federal Agency Coupon Securities	Fair	2,026,199.89	1.625	2,026,818.06	06/30/2015	1.270	11/27/2018	1,245		
3135G0ZA4	1500	Federal Agency Coupon Securities	Fair	2,048,194.59	1.875	2,050,720.83	06/30/2015	1.377	02/19/2019	1,329		
3135G0ZG1	1506	Federal Agency Coupon Securities	Fair	2,022,629.69	1.750	2,026,131.11	06/30/2015	1.595	09/12/2019	1,534		
3135G0ZY2	1507	Federal Agency Coupon Securities	Fair	2,011,788.68	1.750	2,013,416.67	06/30/2015	1.645	11/26/2019	1,609		
<b>Subtotal and Average</b>				<b>22,182,654.06</b>		<b>22,213,995.55</b>		<b>1.135</b>		<b>1,000</b>		
<b>GE Capital Bank</b>												
36160XY43	1439	Certificates of Deposit - Bank	Fair	248,000.00	1.350	250,157.60	06/30/2015	1.350	10/26/2016	483		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>250,157.60</b>		<b>1.350</b>		<b>483</b>		
<b>General Electric Capital Corp</b>												
36962G4N1	1421	Corporate Medium Term Notes	Fair	999,631.71	1.000	999,950.00	06/30/2015	1.396	08/11/2015	41		
<b>Subtotal and Average</b>				<b>999,631.71</b>		<b>999,950.00</b>		<b>1.396</b>		<b>41</b>		
<b>Goldman Sachs Bank, USA</b>												

City of Encinitas - YTD Report  
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Sorted by Maturity Date

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Days To Maturity	Call Date	Collateral
38143AP25	1435	Certificates of Deposit - Bank	Fair	248,000.00	1.050	248,575.36	06/30/2015	1.050	10/26/2015	117		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,575.36</b>		<b>1.050</b>		<b>117</b>		
<b>Iberia Bank /LA</b>												
45083ADZ2	1482	Certificates of Deposit - Bank	Amort	248,000.00	1.200	247,712.32	06/30/2015	1.200	12/04/2017	887		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>247,712.32</b>		<b>1.200</b>		<b>887</b>		
<b>State Bank of India</b>												
8562843F9	1484	Certificates of Deposit - Bank	Amort	248,000.00	2.000	249,855.04	06/30/2015	2.000	12/05/2018	1,253		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>249,855.04</b>		<b>2.000</b>		<b>1,253</b>		
<b>CA Local Agency Invstment Fund</b>												
SYS1012	1012	Local Agency Investment Funds	Amort	18,571,359.56	0.310	18,571,359.56	06/30/2015	0.310		1		
<b>Subtotal and Average</b>				<b>18,571,359.56</b>		<b>18,571,359.56</b>		<b>0.310</b>		<b>1</b>		
<b>Leader Bank</b>												
52168UCU4	1476	Certificates of Deposit - Bank	Amort	248,000.00	1.050	248,329.84	06/30/2015	1.050	04/21/2017	660		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,329.84</b>		<b>1.050</b>		<b>660</b>		
<b>NBT Bank</b>												
628779FH8	1471	Certificates of Deposit - Bank	Amort	248,000.00	0.950	248,669.60	06/30/2015	0.950	06/06/2017	706		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,669.60</b>		<b>0.950</b>		<b>706</b>		
<b>Peoples United Bank</b>												
71270QKU9	1486	Certificates of Deposit - Bank	Amort	248,000.00	1.000	248,629.92	06/30/2015	1.000	12/12/2016	530		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,629.92</b>		<b>1.000</b>		<b>530</b>		
<b>Sallie Mae Bank/Murray</b>												
795450PZ2	1437	Certificates of Deposit - Bank	Fair	248,000.00	1.350	250,348.56	06/30/2015	1.350	10/24/2016	481		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>250,348.56</b>		<b>1.350</b>		<b>481</b>		
<b>Synchrony Bank</b>												
87164YEB6	1478	Certificates of Deposit - Bank	Amort	248,000.00	2.000	248,865.52	06/30/2015	2.000	10/17/2019	1,569		
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,865.52</b>		<b>2.000</b>		<b>1,569</b>		
<b>Union Bank Checking Acct.</b>												

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CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Call Date	Collateral
SYS1010	1010	Passbook/Checking Accounts	Amort	1,762,883.61		1,762,883.61	06/30/2015				1
<b>Subtotal and Average</b>				<b>1,762,883.61</b>		<b>1,762,883.61</b>					<b>1</b>
<b>Union Bank Custody Acct.</b>											
SYS1004	1004	Money Market Funds	Amort	21,654.28	0.010	21,654.28	06/30/2015	0.010			1
<b>Subtotal and Average</b>				<b>21,654.28</b>		<b>21,654.28</b>		<b>0.010</b>			<b>1</b>
<b>U.S. Treasury Notes</b>											
912828QJ2	1462	U.S. Treasury Coupon Securities	Fair	2,022,570.04	2.125	2,025,460.00	06/30/2015	0.419	02/29/2016		243
912828QF0	1461	U.S. Treasury Coupon Securities	Fair	2,025,031.48	2.000	2,028,120.00	06/30/2015	0.487	04/30/2016		304
912828VG2	1464	U.S. Treasury Coupon Securities	Fair	1,999,285.34	0.500	2,003,760.00	06/30/2015	0.538	06/15/2016		350
912828QX1	1459	U.S. Treasury Coupon Securities	Fair	2,020,852.72	1.500	2,024,380.00	06/30/2015	0.531	07/31/2016		396
912828RF9	1489	U.S. Treasury Coupon Securities	Fair	2,012,834.61	1.000	2,014,380.00	06/30/2015	0.447	08/31/2016		427
912828F47	1488	U.S. Treasury Coupon Securities	Fair	1,999,945.83	0.500	2,002,660.00	06/30/2015	0.502	09/30/2016		457
912828WAA4	1481	U.S. Treasury Coupon Securities	Fair	2,003,008.09	0.625	2,005,320.00	06/30/2015	0.508	10/15/2016		472
912828UE8	1490	U.S. Treasury Coupon Securities	Fair	1,986,619.37	0.750	1,995,780.00	06/30/2015	1.022	12/31/2017		914
912828VK3	1491	U.S. Treasury Coupon Securities	Fair	2,013,187.90	1.375	2,021,720.00	06/30/2015	1.150	06/30/2018		1,095
<b>Subtotal and Average</b>				<b>18,083,335.38</b>		<b>18,121,580.00</b>		<b>0.622</b>			<b>516</b>
<b>Wex Bank</b>											
92937CBM9	1456	Certificates of Deposit - Bank	Amort	248,000.00	0.650	248,436.48	06/30/2015	0.650	11/16/2015		138
<b>Subtotal and Average</b>				<b>248,000.00</b>		<b>248,436.48</b>		<b>0.650</b>			<b>138</b>
<b>Total and Average</b>				<b>106,104,321.35</b>		<b>106,204,189.73</b>		<b>0.753</b>			<b>574</b>



**City of Encinitas - YTD Report  
Activity Report  
Sorted By Issuer  
July 1, 2014 - June 30, 2015**

CITY OF ENCINITAS  
505 S. VULCAN  
ENCINITAS, ENCINITAS, CA 9  
(760)633-2641

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Ally Bank</b>									
Certificates of Deposit - Bank									
				248,000.00					248,000.00
				248,000.00			0.00	0.00	248,000.00
<b>Issuer: American Express Centurion</b>									
Certificates of Deposit - Bank									
				248,000.00					248,000.00
				248,000.00			0.00	0.00	248,000.00
<b>Issuer: Apple Bank for Savings</b>									
Certificates of Deposit - Bank									
03784JDM3	1483	Apple Bank for Savings			0.400	12/10/2014	248,000.00	0.00	
				0.00			248,000.00	0.00	248,000.00
				0.00			248,000.00	0.00	248,000.00
<b>Issuer: Bank of Baroda</b>									
Certificates of Deposit - Bank									
				248,000.00					248,000.00
				248,000.00			0.00	0.00	248,000.00
<b>Issuer: BMW Bank North America</b>									
Certificates of Deposit - Bank									
				248,000.00					248,000.00
				248,000.00			0.00	0.00	248,000.00

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City of Encinitas - YTD Report  
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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: CA Asset Management Program</b>									
<b>Managed Pool Accounts</b>									
SYS1003	1003	CA Asset Management Program			0.090		769.07	0.00	
<b>Subtotal and Balance</b>				<b>1,000,000.00</b>			<b>769.07</b>	<b>0.00</b>	<b>1,000,769.07</b>
<b>Issuer Subtotal</b>			<b>0.947%</b>	<b>1,000,000.00</b>			<b>769.07</b>	<b>0.00</b>	<b>1,000,769.07</b>
<b>Issuer: Capital One Bank USA, NA</b>									
<b>Certificates of Deposit - Bank</b>									
140420QG8	1479	Capital One Bank USA, NA			1.000	10/22/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer Subtotal</b>			<b>0.235%</b>	<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: CIT Bank</b>									
<b>Certificates of Deposit - Bank</b>									
17284C5K6	1487	CIT Bank			2.200	12/10/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer Subtotal</b>			<b>0.235%</b>	<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: Comenity Capital Bank</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>248,000.00</b>					<b>248,000.00</b>
<b>Issuer Subtotal</b>			<b>0.235%</b>	<b>248,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: Compass Bank</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>248,000.00</b>					<b>248,000.00</b>
<b>Issuer Subtotal</b>			<b>0.235%</b>	<b>248,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: Customers Bank</b>									

City of Encinitas - YTD Report  
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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Customers Bank</b>									
<b>Certificates of Deposit - Bank</b>									
			Subtotal and Balance	248,000.00					248,000.00
			Issuer Subtotal	0.235%	248,000.00		0.00	0.00	248,000.00
<b>Issuer: Discovery Bank</b>									
<b>Certificates of Deposit - Bank</b>									
254672CB2	1477	Discovery Bank			1.800	10/22/2014	248,000.00	0.00	
			Subtotal and Balance				0.00		248,000.00
			Issuer Subtotal	0.235%	0.00		248,000.00	0.00	248,000.00
<b>Issuer: First Bank Puerto Rico</b>									
<b>Certificates of Deposit - Bank</b>									
33767AGC9	1485	First Bank Puerto Rico			0.800	12/05/2014	248,000.00	0.00	
			Subtotal and Balance				0.00		248,000.00
			Issuer Subtotal	0.235%	0.00		248,000.00	0.00	248,000.00
<b>Issuer: Federal Farm Credit</b>									
<b>Federal Agency Coupon Securities</b>									
31331SPQ0	1430	Federal Farm Credit			4.375	02/17/2015	0.00	2,000,000.00	
3133EEM98	1496	Federal Farm Credit			1.000	05/27/2015	2,000,000.00	0.00	
3133EEX62	1502	Federal Farm Credit			0.800	06/24/2015	1,000,000.00	0.00	
3133EDSU7	1508	Federal Farm Credit			1.000	06/26/2015	1,000,000.00	0.00	
			Subtotal and Balance				4,000,000.00	2,000,000.00	6,000,000.00
			Issuer Subtotal	5.676%	4,000,000.00		4,000,000.00	2,000,000.00	6,000,000.00
<b>Issuer: Federal Home Loan Bank</b>									
<b>Federal Agency Coupon Securities</b>									
3133X9DC1	1423	Federal Home Loan Bank			4.500	11/14/2014	0.00	2,000,000.00	
3133XWX95	1427	Federal Home Loan Bank			2.750	03/13/2015	0.00	2,000,000.00	
3133XUPG2	1445	Federal Home Loan Bank			2.875	08/25/2014	0.00	2,000,000.00	

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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Federal Home Loan Bank</b>									
<b>Federal Agency Coupon Securities</b>									
3130A53Z0	1493	Federal Home Loan Bank			1.050	04/24/2015	2,000,000.00	0.00	
3130A4TR3	1495	Federal Home Loan Bank			0.875	05/27/2015	2,000,000.00	0.00	
3130A5E54	1497	Federal Home Loan Bank			1.100	05/27/2015	2,000,000.00	0.00	
3133782M2	1498	Federal Home Loan Bank			1.500	05/27/2015	2,000,000.00	0.00	
313379EE5	1499	Federal Home Loan Bank			1.625	05/27/2015	2,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>10,000,000.00</b>			<b>10,000,000.00</b>	<b>6,000,000.00</b>	<b>14,000,000.00</b>
<b>Federal Agency Callable Securities</b>									
3130A1G69	1469	Federal Home Loan Bank			2.050	07/16/2014	0.00	5,000,000.00	
<b>Subtotal and Balance</b>				<b>7,900,000.00</b>			<b>0.00</b>	<b>5,000,000.00</b>	<b>2,900,000.00</b>
<b>Issuer Subtotal</b>				<b>17,900,000.00</b>			<b>10,000,000.00</b>	<b>11,000,000.00</b>	<b>16,900,000.00</b>
			<b>15.987%</b>						
<b>Issuer: Federal Home Loan Mortgage</b>									
<b>Federal Agency Coupon Securities</b>									
3137EADP1	1492	Federal Home Loan Mortgage			0.875	03/20/2015	2,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>12,000,000.00</b>			<b>2,000,000.00</b>	<b>0.00</b>	<b>14,000,000.00</b>
<b>Federal Agency Callable Securities</b>									
3134G4TL2	1465	Federal Home Loan Mortgage			1.000	10/30/2014	0.00	2,000,000.00	
3134G5GY5	1475	Federal Home Loan Mortgage			2.000	09/19/2014	5,000,000.00	0.00	
3134G5GY5	1475	Federal Home Loan Mortgage				06/19/2015	0.00	5,000,000.00	
<b>Subtotal and Balance</b>				<b>3,000,000.00</b>			<b>5,000,000.00</b>	<b>7,000,000.00</b>	<b>1,000,000.00</b>
<b>Issuer Subtotal</b>				<b>15,000,000.00</b>			<b>7,000,000.00</b>	<b>7,000,000.00</b>	<b>15,000,000.00</b>
			<b>14.189%</b>						
<b>Issuer: Federal Nat'l Mortgage Assoc.</b>									
<b>Federal Agency Coupon Securities</b>									
31398A3G5	1426	Federal Nat'l Mortgage Assoc.			1.500	09/08/2014	0.00	5,000,000.00	
3135G0DW0	1441	Federal Nat'l Mortgage Assoc.			0.625	10/30/2014	0.00	2,000,000.00	
3136G0ZH7	1480	Federal Nat'l Mortgage Assoc.			1.050	11/04/2014	2,000,000.00	0.00	
3136G0YE5	1494	Federal Nat'l Mortgage Assoc.			1.000	05/27/2015	1,000,000.00	0.00	
3135G0ZA4	1500	Federal Nat'l Mortgage Assoc.			1.875	06/24/2015	2,000,000.00	0.00	
3135G0E33	1501	Federal Nat'l Mortgage Assoc.			1.125	06/24/2015	2,000,000.00	0.00	

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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Federal Nat'l Mortgage Assoc.</b>									
<b>Federal Agency Coupon Securities</b>									
3135G0YM9	1503	Federal Nat'l Mortgage Assoc.			1.875	06/26/2015	2,000,000.00	0.00	
3135G0TG8	1504	Federal Nat'l Mortgage Assoc.			0.875	06/26/2015	2,000,000.00	0.00	
3135G0YT4	1505	Federal Nat'l Mortgage Assoc.			1.625	06/26/2015	2,000,000.00	0.00	
3135G0ZG1	1506	Federal Nat'l Mortgage Assoc.			1.750	06/26/2015	2,000,000.00	0.00	
3135G0ZY2	1507	Federal Nat'l Mortgage Assoc.			1.750	06/26/2015	2,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>12,000,000.00</b>			<b>17,000,000.00</b>	<b>7,000,000.00</b>	<b>22,000,000.00</b>
<b>Federal Agency Callable Securities</b>									
3135G0RS4	1443	Federal Nat'l Mortgage Assoc.			0.500	11/06/2014	0.00	2,000,000.00	
<b>Subtotal and Balance</b>				<b>2,000,000.00</b>			<b>0.00</b>	<b>2,000,000.00</b>	<b>0.00</b>
<b>Issuer Subtotal</b>				<b>20.811%</b>	<b>14,000,000.00</b>		<b>17,000,000.00</b>	<b>9,000,000.00</b>	<b>22,000,000.00</b>
<b>Issuer: GE Capital Bank</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>248,000.00</b>					<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>248,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: General Electric Capital Corp</b>									
<b>Corporate Medium Term Notes</b>									
<b>Subtotal and Balance</b>				<b>1,000,000.00</b>					<b>1,000,000.00</b>
<b>Issuer Subtotal</b>				<b>0.946%</b>	<b>1,000,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>1,000,000.00</b>
<b>Issuer: Goldman Sachs Bank, USA</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>248,000.00</b>					<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>248,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: Iberia Bank /LA</b>									

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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Iberia Bank /LA</b>									
<b>Certificates of Deposit - Bank</b>									
45083ADZ2	1482	Iberia Bank /LA			1.200	12/04/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>0.00</b>		<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: State Bank of India</b>									
<b>Certificates of Deposit - Bank</b>									
8562843F9	1484	State Bank of India			2.000	12/05/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>0.00</b>		<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: CA Local Agency Invstment Fund</b>									
<b>Local Agency Investment Funds</b>									
SYS1012	1012	CA Local Agency Invstment Fund			0.310		29,043,472.48	25,500,000.00	
<b>Subtotal and Balance</b>				<b>15,027,887.08</b>			<b>29,043,472.48</b>	<b>25,500,000.00</b>	<b>18,571,359.56</b>
<b>Issuer Subtotal</b>				<b>17.568%</b>	<b>15,027,887.08</b>		<b>29,043,472.48</b>	<b>25,500,000.00</b>	<b>18,571,359.56</b>
<b>Issuer: Leader Bank</b>									
<b>Certificates of Deposit - Bank</b>									
52168UCU4	1476	Leader Bank			1.050	10/23/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>0.00</b>		<b>248,000.00</b>	<b>0.00</b>	<b>248,000.00</b>
<b>Issuer: NBT Bank</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>248,000.00</b>					<b>248,000.00</b>
<b>Issuer Subtotal</b>				<b>0.235%</b>	<b>248,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>

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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Peoples United Bank</b>									
<b>Certificates of Deposit - Bank</b>									
71270QKU9	1486	Peoples United Bank			1.000	12/10/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<u>0.00</u>			<u>248,000.00</u>	<u>0.00</u>	<u>248,000.00</u>
<b>Issuer Subtotal</b>				0.235%	0.00		248,000.00	0.00	248,000.00
<b>Issuer: Sallie Mae Bank/Murray</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<u>248,000.00</u>					<u>248,000.00</u>
<b>Issuer Subtotal</b>				0.235%	248,000.00		0.00	0.00	248,000.00
<b>Issuer: Synchrony Bank</b>									
<b>Certificates of Deposit - Bank</b>									
87164YEB6	1478	Synchrony Bank			2.000	10/17/2014	248,000.00	0.00	
<b>Subtotal and Balance</b>				<u>0.00</u>			<u>248,000.00</u>	<u>0.00</u>	<u>248,000.00</u>
<b>Issuer Subtotal</b>				0.235%	0.00		248,000.00	0.00	248,000.00
<b>Issuer: Union Bank Checking Acct.</b>									
<b>Passbook/Checking Accounts</b>									
SYS1010	1010	Union Bank Checking Acct.					49,086,309.56	55,988,831.02	
<b>Subtotal and Balance</b>				<u>8,665,405.07</u>			<u>49,086,309.56</u>	<u>55,988,831.02</u>	<u>1,762,883.61</u>
<b>Issuer Subtotal</b>				1.668%	8,665,405.07		49,086,309.56	55,988,831.02	1,762,883.61
<b>Issuer: Union Bank Custody Acct.</b>									
<b>Money Market Funds</b>									
SYS1004	1004	Union Bank Custody Acct.			0.010		64,276,098.87	66,365,623.58	
<b>Subtotal and Balance</b>				<u>2,111,178.99</u>			<u>64,276,098.87</u>	<u>66,365,623.58</u>	<u>21,654.28</u>
<b>Issuer Subtotal</b>				0.020%	2,111,178.99		64,276,098.87	66,365,623.58	21,654.28

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CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: U.S. Treasury Notes</b>									
<b>U.S. Treasury Coupon Securities</b>									
912828LP3	1457	U.S. Treasury Notes		3,000		10/16/2014	0.00	3,000,000.00	
912828RM4	1458	U.S. Treasury Notes		1,000		10/16/2014	0.00	3,000,000.00	
912828RF9	1460	U.S. Treasury Notes		1,000		10/16/2014	0.00	2,000,000.00	
912828SJ0	1463	U.S. Treasury Notes		0.875		10/16/2014	0.00	2,000,000.00	
912828WA4	1481	U.S. Treasury Notes		0.625		11/04/2014	2,000,000.00	0.00	
912828F47	1488	U.S. Treasury Notes		0.500		12/11/2014	2,000,000.00	0.00	
912828RF9	1489	U.S. Treasury Notes		1,000		12/11/2014	2,000,000.00	0.00	
912828UE8	1490	U.S. Treasury Notes		0.750		12/17/2014	2,000,000.00	0.00	
912828VK3	1491	U.S. Treasury Notes		1.375		02/20/2015	2,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>18,000,000.00</b>			<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>18,000,000.00</b>
		<b>Issuer Subtotal</b>	<b>17.027%</b>	<b>18,000,000.00</b>			<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>18,000,000.00</b>
<b>Issuer: Wex Bank</b>									
<b>Certificates of Deposit - Bank</b>									
		<b>Subtotal and Balance</b>		<b>248,000.00</b>					<b>248,000.00</b>
		<b>Issuer Subtotal</b>	<b>0.235%</b>	<b>248,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>248,000.00</b>
		<b>Total</b>	<b>100.000%</b>	<b>99,680,471.14</b>			<b>192,886,649.98</b>	<b>186,854,454.60</b>	<b>105,712,666.52</b>



**City of Encinitas - YTD Report  
Interest Earnings  
Sorted by Security Type - Maturity Date  
July 1, 2014 - June 30, 2015  
Yield on Beginning Book Value**

CITY OF ENCINITAS  
505 S. VULCAN  
ENCINITAS, ENCINITAS, CA 9  
(760)633-2641

CUSIP	Investment #	Fund	Issuer	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Security Type: Local Agency Investment Funds</b>												
SYS1012	1012	001	LAIF	18,571,359.56	15,027,887.08	18,571,359.56		0.310	0.391	58,823.38	0.00	58,823.38
			<b>Subtotal</b>	<b>18,571,359.56</b>	<b>15,027,887.08</b>	<b>18,571,359.56</b>			<b>0.391</b>	<b>58,823.38</b>	<b>0.00</b>	<b>58,823.38</b>
<b>Security Type: Managed Pool Accounts</b>												
SYS1003	1003	001	CAMP	1,000,769.07	1,000,000.00	1,000,769.07		0.090	0.064	636.62	0.00	636.62
			<b>Subtotal</b>	<b>1,000,769.07</b>	<b>1,000,000.00</b>	<b>1,000,769.07</b>			<b>0.064</b>	<b>636.62</b>	<b>0.00</b>	<b>636.62</b>
<b>Security Type: Money Market Funds</b>												
SYS1004	1004	001	UBCUST	21,654.28	2,111,178.99	21,654.28		0.010	0.014	301.24	0.00	301.24
			<b>Subtotal</b>	<b>21,654.28</b>	<b>2,111,178.99</b>	<b>21,654.28</b>			<b>0.014</b>	<b>301.24</b>	<b>0.00</b>	<b>301.24</b>
<b>Security Type: Certificates of Deposit - Bank</b>												
05568P3A3	1450	001	BMWBNK	248,000.00	248,000.00	248,000.00	10/13/2015	0.650	0.650	1,612.00	0.00	1,612.00
38143AP25	1435	001	GLDSCH	248,000.00	248,000.00	248,000.00	10/26/2015	1.050	1.050	2,604.00	0.00	2,604.00
92937CBM9	1456	001	WEXBNK	248,000.00	248,000.00	248,000.00	11/16/2015	0.650	0.650	1,612.00	0.00	1,612.00
03784JDM3	1483	001	APPLE	248,000.00	0.00	248,000.00	12/31/2015	0.400	0.400	551.72	0.00	551.72
02005QV34	1449	001	ALLYBK	248,000.00	248,000.00	248,000.00	04/11/2016	0.650	0.650	1,612.00	0.00	1,612.00
33767AGC9	1485	001	FBPR	248,000.00	0.00	248,000.00	06/06/2016	0.800	0.800	1,130.61	0.00	1,130.61
795450PZ2	1437	001	SMAEBN	248,000.00	248,000.00	248,000.00	10/24/2016	1.350	1.350	3,348.00	0.00	3,348.00
140420QG8	1479	001	CAPONE	248,000.00	0.00	248,000.00	10/24/2016	1.000	1.000	1,712.22	0.00	1,712.22
36160XY43	1439	001	GECBNK	248,000.00	248,000.00	248,000.00	10/26/2016	1.350	1.350	3,348.00	0.00	3,348.00
20033ADJ2	1455	001	COMNTY	248,000.00	248,000.00	248,000.00	11/14/2016	1.000	1.000	2,480.00	0.00	2,480.00
71270QKU9	1486	001	PEOPLE	248,000.00	0.00	248,000.00	12/12/2016	1.000	1.000	1,379.29	0.00	1,379.29
52168UCU4	1476	001	LEADER	248,000.00	0.00	248,000.00	04/21/2017	1.050	1.050	1,790.70	0.00	1,790.70
20451PKJ4	1470	001	COMPSS	248,000.00	248,000.00	248,000.00	05/11/2017	1.050	1.050	2,604.00	0.00	2,604.00
628779FH8	1471	001	NBTBNK	248,000.00	248,000.00	248,000.00	06/06/2017	0.950	0.950	2,356.00	0.00	2,356.00
23204HBH0	1474	001	CUSTBN	248,000.00	248,000.00	248,000.00	06/19/2017	0.950	0.950	2,356.00	0.00	2,356.00
02587DLV8	1438	001	AMEXCN	248,000.00	248,000.00	248,000.00	10/25/2017	1.500	1.500	3,720.00	0.00	3,720.00
45083ADZ2	1482	001	IBERIA	248,000.00	0.00	248,000.00	12/04/2017	1.200	1.200	1,704.07	0.00	1,704.07

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City of Encinitas - YTD Report  
Interest Earnings  
July 1, 2014 - June 30, 2015

CUSIP	Investment #	Fund	Issuer	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Security Type: Certificates of Deposit - Bank</b>												
254672CB2	1477	001	DISCOV	248,000.00	0.00	248,000.00	10/22/2018	1.800	1.800	3,081.99	0.00	3,081.99
0606247A5	1454	001	BARODA	248,000.00	248,000.00	248,000.00	11/13/2018	2.050	2.050	5,084.00	0.00	5,084.00
8562843F9	1484	001	INDIA	248,000.00	0.00	248,000.00	12/05/2018	2.000	2.000	2,826.52	0.00	2,826.52
87164YEB6	1478	001	SYNCHR	248,000.00	0.00	248,000.00	10/17/2019	2.000	2.000	3,492.38	0.00	3,492.38
17284C5K6	1487	001	CITBNK	248,000.00	0.00	248,000.00	12/10/2019	2.200	2.200	3,034.43	0.00	3,034.43
			<b>Subtotal</b>	<b>5,456,000.00</b>	<b>2,976,000.00</b>	<b>5,456,000.00</b>			<b>1.187</b>	<b>53,439.93</b>	<b>0.00</b>	<b>53,439.93</b>
<b>Security Type: U.S. Treasury Coupon Securities</b>												
912828QJ2	1462	001	UST	2,000,000.00	2,056,471.54	2,022,570.04	02/29/2016	2.125	0.418	42,500.00	-33,901.50	8,598.50
912828QF0	1461	001	UST	2,000,000.00	2,055,085.72	2,025,031.48	04/30/2016	2.000	0.484	40,000.00	-30,054.24	9,945.76
912828VG2	1464	001	UST	2,000,000.00	1,998,540.04	1,999,285.34	06/15/2016	0.500	0.538	10,000.00	745.30	10,745.30
912828QX1	1459	001	UST	2,000,000.00	2,040,073.04	2,020,852.72	07/31/2016	1.500	0.528	30,000.00	-19,220.32	10,779.68
912828RF9	1489	001	UST	2,000,000.00	0.00	2,012,834.61	08/31/2016	1.000	0.446	11,049.42	-6,071.64	4,977.78
912828RF9	1460	001	UST	0.00	2,018,398.68	0.00	08/31/2016	1.000	0.570	5,856.66	-2,485.68	3,370.98
912828F47	1488	001	UST	2,000,000.00	0.00	1,999,945.83	09/30/2016	0.500	0.502	5,535.64	23.95	5,559.59
912828LP3	1457	001	UST	0.00	3,160,293.05	0.00	09/30/2016	3.000	0.590	26,333.09	-20,865.40	5,467.69
912828WA4	1481	001	UST	2,000,000.00	0.00	2,003,008.09	10/15/2016	0.625	0.508	8,192.97	-1,523.16	6,669.81
912828RM4	1458	001	UST	0.00	3,024,918.35	0.00	10/31/2016	1.000	0.631	8,722.82	-3,125.74	5,597.08
912828SJ0	1463	001	UST	0.00	2,000,734.78	0.00	02/28/2017	0.875	0.860	5,124.58	-80.81	5,043.77
912828UE8	1490	001	UST	2,000,000.00	0.00	1,986,619.37	12/31/2017	0.750	1.031	8,111.41	2,869.37	10,980.78
912828VK3	1491	001	UST	2,000,000.00	0.00	2,013,187.90	06/30/2018	1.375	1.158	9,950.42	-1,577.73	8,372.69
			<b>Subtotal</b>	<b>18,000,000.00</b>	<b>18,354,515.20</b>	<b>18,083,335.38</b>			<b>0.584</b>	<b>211,377.01</b>	<b>-115,267.60</b>	<b>96,109.41</b>
<b>Security Type: Federal Agency Coupon Securities</b>												
3133XUPG2	1445	001	FHLB	0.00	2,007,838.13	0.00	08/25/2014	2.875	0.260	8,625.00	-7,838.13	786.87
31398A3G5	1426	001	FNMA	0.00	5,009,424.26	0.00	09/08/2014	1.500	0.479	13,958.33	-9,424.26	4,534.07
3135G0DW0	1441	001	FNMA	0.00	2,002,336.92	0.00	10/30/2014	0.625	0.270	4,131.94	-2,336.92	1,795.02
3133X9DC1	1423	001	FHLB	0.00	2,028,935.39	0.00	11/14/2014	4.500	0.571	33,250.00	-28,935.39	4,314.61
31331SPQ0	1430	001	FFCRED	0.00	2,048,930.19	0.00	02/17/2015	4.375	0.463	54,930.56	-48,930.19	6,000.37
3133XWX95	1427	001	FHLB	0.00	2,031,530.98	0.00	03/13/2015	2.750	0.491	38,500.00	-31,530.98	6,969.02
3135G0LN1	1444	001	FNMA	2,000,000.00	2,002,592.82	2,000,007.18	07/02/2015	0.500	0.370	10,000.00	-2,585.64	7,414.36
3134G3ZA1	1448	001	FHLMC	2,000,000.00	2,003,431.86	2,000,469.10	08/28/2015	0.500	0.351	10,000.00	-2,962.76	7,037.24
313370JB5	1442	001	FHLB	2,000,000.00	2,031,671.66	2,005,155.85	09/11/2015	1.750	0.418	35,000.00	-26,515.81	8,484.19
313371NW2	1429	001	FHLB	2,000,000.00	2,022,120.90	2,006,806.43	12/11/2015	1.375	0.603	27,500.00	-15,314.47	12,185.53
3134A4ZT4	1440	001	FHLMC	2,000,000.00	2,133,228.32	2,047,274.57	01/19/2016	4.750	0.424	95,000.00	-85,953.75	9,046.25
3133ECGT5	1447	001	FFCRED	2,000,000.00	1,999,794.87	1,999,917.95	03/01/2016	0.410	0.416	8,200.00	123.08	8,323.08
3137EADQ9	1446	001	FHLMC	2,000,000.00	2,002,926.93	2,001,358.93	05/13/2016	0.500	0.421	10,000.00	-1,568.00	8,432.00

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City of Encinitas - YTD Report  
Interest Earnings  
July 1, 2014 - June 30, 2015

CUSIP	Investment #	Fund	Issuer	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Security Type: Federal Agency Coupon Securities</b>												
3135G0ES8	1453	001	FNMA	2,000,000.00	2,017,374.24	2,010,050.21	11/15/2016	1.375	1.000	27,500.00	-7,324.03	20,175.97
3137EADT3	1467	001	FHLMC	2,000,000.00	2,007,951.83	2,003,461.41	02/22/2017	0.875	0.767	17,500.00	-2,108.48	15,391.52
3137EADC0	1466	001	FHLMC	2,000,000.00	2,011,341.94	2,007,049.76	03/08/2017	1.000	0.786	20,000.00	-4,181.07	15,818.93
3135G0JA2	1473	001	FNMA	1,000,000.00	1,009,939.69	1,005,570.31	04/27/2017	1.125	0.811	11,250.00	-3,056.88	8,193.12
3137EADF3	1468	001	FHLMC	2,000,000.00	2,022,118.65	2,014,395.36	05/12/2017	1.250	0.854	25,000.00	-7,723.29	17,276.71
3133EEX62	1502	001	FFCRED	1,000,000.00	0.00	1,000,539.19	06/16/2017	0.800	0.792	155.55	-3.59	151.96
3133EDSU7	1508	001	FFCRED	1,000,000.00	0.00	1,007,204.55	08/15/2017	1.000	0.840	138.89	-23.34	115.55
3136G0YE5	1494	001	FNMA	1,000,000.00	0.00	1,007,166.79	08/28/2017	1.000	0.767	944.45	-205.43	739.02
3136G0ZH7	1480	001	FNMA	2,000,000.00	0.00	2,000,614.30	09/05/2017	1.050	1.041	13,825.00	-185.70	13,639.30
3130A4TR3	1495	001	FHLB	2,000,000.00	0.00	2,004,480.55	10/16/2017	0.875	0.807	1,652.77	-102.51	1,550.26
3135G0TG8	1504	001	FNMA	2,000,000.00	0.00	2,000,807.82	02/08/2018	0.875	1.005	243.06	31.49	274.55
3137EADP1	1492	001	FHLMC	2,000,000.00	0.00	1,992,972.75	03/07/2018	0.875	1.016	4,909.73	800.81	5,710.54
3133EEM98	1496	001	FFCRED	2,000,000.00	0.00	1,998,629.05	05/21/2018	1.000	1.015	1,888.89	55.72	1,944.61
3135G0E33	1501	001	FNMA	2,000,000.00	0.00	1,998,909.32	07/20/2018	1.125	1.177	437.50	13.32	450.82
3130A5E54	1497	001	FHLB	2,000,000.00	0.00	2,000,855.56	08/13/2018	1.100	1.083	2,077.77	0.00	2,077.77
3135G0YM9	1503	001	FNMA	2,000,000.00	0.00	2,050,715.28	09/18/2018	1.875	1.237	520.84	-175.05	345.79
3130A53Z0	1493	001	FHLB	2,000,000.00	0.00	1,998,761.24	10/23/2018	1.050	1.069	3,908.34	72.91	3,981.25
3135G0YT4	1505	001	FNMA	2,000,000.00	0.00	2,026,199.89	11/27/2018	1.625	1.281	451.38	-96.17	355.21
3135G0ZA4	1500	001	FNMA	2,000,000.00	0.00	2,048,194.59	02/19/2019	1.875	1.386	729.17	-188.24	540.93
3133782M2	1498	001	FHLB	2,000,000.00	0.00	2,019,473.07	03/08/2019	1.500	1.297	2,833.34	-330.26	2,503.08
313379EE5	1499	001	FHLB	2,000,000.00	0.00	2,017,228.36	06/14/2019	1.625	1.374	3,069.44	-411.64	2,657.80
3135G0ZG1	1506	001	FNMA	2,000,000.00	0.00	2,022,629.69	09/12/2019	1.750	1.613	486.11	-41.42	444.69
3135G0ZY2	1507	001	FNMA	2,000,000.00	0.00	2,011,788.68	11/26/2019	1.750	1.665	486.11	-27.99	458.12
			<b>Subtotal</b>	<b>56,000,000.00</b>	<b>38,393,489.58</b>	<b>56,308,687.74</b>			<b>0.621</b>	<b>489,104.17</b>	<b>-288,984.06</b>	<b>200,120.11</b>
<b>Security Type: Federal Agency Callable Securities</b>												
3135G0RS4	1443	001	FNMA	0.00	2,001,979.59	0.00	11/06/2015	0.500	0.422	3,472.22	-510.20	2,962.02
313383FB2	1451	001	FHLB	2,900,000.00	2,900,000.00	2,900,000.00	12/19/2016	0.580	0.580	16,820.00	0.00	16,820.00
3134G56W0	1472	001	FHLMC	1,000,000.00	1,000,000.00	1,000,000.00	12/23/2016	0.650	0.650	6,500.00	0.00	6,500.00
3134G4TL2	1465	001	FHLMC	0.00	2,000,000.00	0.00	01/30/2017	1.000	0.997	6,611.11	0.00	6,611.11
3130A1G69	1469	001	FHLB	0.00	5,000,000.00	0.00	04/16/2019	2.050	2.078	4,270.83	0.00	4,270.83
3134G5GY5	1475	001	FHLMC	0.00	0.00	0.00	09/19/2019	2.000	2.005	75,000.00	0.00	75,000.00
			<b>Subtotal</b>	<b>3,900,000.00</b>	<b>12,901,979.59</b>	<b>3,900,000.00</b>			<b>1.218</b>	<b>112,674.16</b>	<b>-510.20</b>	<b>112,163.96</b>
<b>Security Type: Corporate Medium Term Notes</b>												
36962G4N1	1421	001	GECC	1,000,000.00	996,317.05	999,631.71	08/11/2015	1.000	1.336	10,000.00	3,314.66	13,314.66

City of Encinitas - YTD Report  
 Interest Earnings  
 July 1, 2014 - June 30, 2015

CUSIP	Investment #	Fund	Issuer	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
			Subtotal	1,000,000.00	996,317.05	999,631.71			1.336	10,000.00	3,314.66	13,314.66
			Total	103,949,782.91	91,761,367.49	104,341,437.74			0.656	936,356.51	-401,447.20	534,909.31

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CITY OF ENCINITAS  
 505 S. VULCAN  
 ENCINITAS, ENCINITAS, CA 9  
 (760)633-2641

**City of Encinitas - YTD Report**  
**Realized Gains and Losses**  
 Sorted By Investment Type  
 Sales/Calls/Maturities: July 1, 2014 - June 30, 2015

Investment #	Inv. Type	Purchase Date	Par Value	Sale Date	Days Held							
Issuer			Current Rate	Maturity Date	Term	Book Value	Maturity/Sale Proceeds	Realized Gain/Loss	Total Earnings	Total Net Earnings	Total Yield 365	
<b>U.S. Treasury Coupon Securities</b>												
1457	TRC	12/23/2013	3,000,000.00	10/16/2014	297	3,139,427.65	3,155,507.81	16,080.16	15,270.71	31,350.87	1.227	
U.S. Treasury Notes			3.000	09/30/2016	1,012							
1458	TRC	12/23/2013	3,000,000.00	10/16/2014	297	3,021,792.61	3,033,515.63	11,723.02	15,708.76	27,431.78	1.116	
U.S. Treasury Notes			1.000	10/31/2016	1,043							
1460	TRC	12/23/2013	2,000,000.00	10/16/2014	297	2,015,913.00	2,025,781.25	9,868.25	9,343.60	19,211.85	1.171	
U.S. Treasury Notes			1.000	08/31/2016	982							
1463	TRC	01/17/2014	2,000,000.00	10/16/2014	272	2,000,653.97	2,013,515.63	12,861.66	12,798.74	25,660.40	1.721	
U.S. Treasury Notes			0.875	02/28/2017	1,138							
U.S. Treasury Coupon Securities Subtotals						<b>10,177,787.23</b>	<b>10,228,320.32</b>	<b>50,533.09</b>	<b>53,121.81</b>	<b>103,654.90</b>	<b>1.280</b>	
<b>Federal Agency Coupon Securities</b>												
1445	FAC	12/27/2012	2,000,000.00	08/25/2014	606	2,000,000.00	2,000,000.00	0.00	8,713.89	8,713.89	0.262	
Federal Home Loan Bank			2.875	08/25/2014	606							
1426	FAC	03/30/2012	5,000,000.00	09/08/2014	892	5,000,000.00	5,000,000.00	0.00	59,416.67	59,416.67	0.486	
Federal Nat'l Mortgage Assoc.			1.500	09/08/2014	892							
1441	FAC	12/27/2012	2,000,000.00	10/30/2014	672	2,000,000.00	2,000,000.00	0.00	10,000.83	10,000.83	0.272	
Federal Nat'l Mortgage Assoc.			0.625	10/30/2014	672							
1423	FAC	03/30/2012	2,000,000.00	11/14/2014	959	2,000,000.00	2,000,000.00	0.00	30,624.00	30,624.00	0.583	
Federal Home Loan Bank			4.500	11/14/2014	959							
1430	FAC	06/27/2012	2,000,000.00	02/17/2015	965	2,000,000.00	2,000,000.00	0.00	25,222.78	25,222.78	0.477	
Federal Farm Credit			4.375	02/17/2015	965							
1427	FAC	06/27/2012	2,000,000.00	03/13/2015	989	2,000,000.00	2,000,000.00	0.00	26,991.11	26,991.11	0.498	
Federal Home Loan Bank			2.750	03/13/2015	989							
Federal Agency Coupon Securities Subtotals						<b>15,000,000.00</b>	<b>15,000,000.00</b>	<b>0.00</b>	<b>160,969.28</b>	<b>160,969.28</b>	<b>0.441</b>	
<b>Federal Agency Callable Securities</b>												
1469	MC2	04/16/2014	5,000,000.00	07/16/2014	91	5,000,000.00	5,000,000.00	0.00	25,625.00	25,625.00	2.056	
Federal Home Loan Bank			2.050	04/16/2019	1,826							
1465	MC2	01/30/2014	2,000,000.00	10/30/2014	273	2,000,000.00	2,000,000.00	0.00	15,000.00	15,000.00	1.003	
Federal Home Loan Mortgage			1.000	01/30/2017	1,096							
1443	MC2	12/27/2012	2,000,000.00	11/06/2014	679	2,001,469.39	2,000,000.00	-1,469.39	15,852.72	14,383.33	0.386	
Federal Nat'l Mortgage Assoc.			0.500	11/06/2015	1,044							
1475	MC2	09/19/2014	5,000,000.00	06/19/2015	273	5,000,000.00	5,000,000.00	0.00	75,000.00	75,000.00	2.005	
Federal Home Loan Mortgage			2.000	09/19/2019	1,826							
Federal Agency Callable Securities Subtotals						<b>14,001,469.39</b>	<b>14,000,000.00</b>	<b>-1,469.39</b>	<b>131,477.72</b>	<b>130,008.33</b>	<b>1.649</b>	

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City of Encinitas - YTD Report  
 Realized Gains and Losses  
 Sales/Calls/Maturities: July 1, 2014 - June 30, 2015

Investment # Issuer	Inv. Type	Purchase Date	Par Value Current Rate	Sale Date Maturity Date	Days Held Term	Book Value	Maturity/Sale Proceeds	Realized Gain/Loss	Total Earnings	Total Net Earnings	Total Yield 365
Total Realized Gains/Losses						39,179,256.62	39,228,320.32	49,063.70	345,568.81	394,632.51	1.091

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**Unrealized Gains and Losses**  
**Open Positions through June 30, 2015**

Investment #	Inv. Type	Purchase Date	Par Value	Maturity Date	Term	Market Value	Unrealized Gain/Loss	To Date Earnings	To Date Net Earnings	Actual Yield 365	
Issuer			Current Rate		Days Held	Book Value	Market Date				
<b>Certificates of Deposit - Bank</b>											
1450	BCD	04/12/2013	248,000.00	10/13/2015	914	248,000.00	248,362.08	362.08	3,577.32	3,939.40	0.716
BMW Bank North America			0.650		810		06/30/2015				
1435	BCD	10/24/2012	248,000.00	10/26/2015	1,097	248,000.00	248,575.36	575.36	6,991.56	7,566.92	1.136
Goldman Sachs Bank, USA			1.050		980		06/30/2015				
1456	BCD	11/15/2013	248,000.00	11/16/2015	731	248,000.00	248,436.48	436.48	2,618.95	3,055.43	0.758
Wex Bank			0.650		593		06/30/2015				
1483	BCD	12/10/2014	248,000.00	12/31/2015	386	248,000.00	248,059.52	59.52	551.72	611.24	0.443
Apple Bank for Savings			0.400		203		06/30/2015				
1449	BCD	04/10/2013	248,000.00	04/11/2016	1,097	248,000.00	248,525.76	525.76	3,586.15	4,111.91	0.745
Ally Bank			0.650		812		06/30/2015				
1485	BCD	12/05/2014	248,000.00	06/06/2016	549	248,000.00	248,620.00	620.00	1,130.61	1,750.61	1.239
First Bank Puerto Rico			0.800		208		06/30/2015				
1479	BCD	10/22/2014	248,000.00	10/24/2016	733	248,000.00	248,744.00	744.00	1,712.22	2,456.22	1.435
Capital One Bank USA, NA			1.000		252		06/30/2015				
1437	BCD	10/24/2012	248,000.00	10/24/2016	1,461	248,000.00	250,348.56	2,348.56	8,989.15	11,337.71	1.703
Sallie Mae Bank/Murray			1.350		980		06/30/2015				
1439	BCD	10/26/2012	248,000.00	10/26/2016	1,461	248,000.00	250,157.60	2,157.60	8,970.81	11,128.41	1.675
GE Capital Bank			1.350		978		06/30/2015				
1455	BCD	11/12/2013	248,000.00	11/14/2016	1,098	248,000.00	249,671.52	1,671.52	4,049.53	5,721.05	1.413
Comenity Capital Bank			1.000		596		06/30/2015				
1486	BCD	12/10/2014	248,000.00	12/12/2016	733	248,000.00	248,629.92	629.92	1,379.29	2,009.21	1.457
Peoples United Bank			1.000		203		06/30/2015				
1476	BCD	10/23/2014	248,000.00	04/21/2017	911	248,000.00	248,329.84	329.84	1,790.70	2,120.54	1.243
Leader Bank			1.050		251		06/30/2015				
1470	BCD	06/11/2014	248,000.00	05/11/2017	1,065	248,000.00	248,533.20	533.20	2,746.68	3,279.88	1.254
Compass Bank			1.050		385		06/30/2015				
1471	BCD	06/06/2014	248,000.00	06/06/2017	1,096	248,000.00	248,669.60	669.60	2,517.37	3,186.97	1.203
NBT Bank			0.950		390		06/30/2015				
1474	BCD	06/18/2014	248,000.00	06/19/2017	1,097	248,000.00	248,404.24	404.24	2,439.91	2,844.15	1.107
Customers Bank			0.950		378		06/30/2015				
1438	BCD	10/25/2012	248,000.00	10/25/2017	1,826	248,000.00	250,856.96	2,856.96	9,977.75	12,834.71	1.929
American Express Centurion			1.500		979		06/30/2015				
1482	BCD	12/04/2014	248,000.00	12/04/2017	1,096	248,000.00	247,712.32	-287.68	1,704.07	1,416.39	0.997
Iberia Bank /LA			1.200		209		06/30/2015				

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**Unrealized Gains and Losses**  
**Open Positions through June 30, 2015**

Investment # Issuer	Inv. Type	Purchase Date	Par Value Current Rate	Maturity Date	Term Days Held	Market Value Book Value	Market Date	Unrealized Gain/Loss	To Date Earnings	To Date Net Earnings	Actual Yield 365		
<b>Certificates of Deposit - Bank</b>													
1477 Discovery Bank	BCD	10/22/2014	248,000.00 1.800	10/22/2018	1,461 252	248,000.00	248,114.08 06/30/2015	114.08	3,081.99	3,196.07	1.867		
1454 Bank of Baroda	BCD	11/12/2013	248,000.00 2.050	11/13/2018	1,827 596	248,000.00	250,418.00 06/30/2015	2,418.00	8,301.55	10,719.55	2.647		
1484 State Bank of India	BCD	12/05/2014	248,000.00 2.000	12/05/2018	1,461 208	248,000.00	249,855.04 06/30/2015	1,855.04	2,826.52	4,681.56	3.313		
1478 Synchrony Bank	BCD	10/17/2014	248,000.00 2.000	10/17/2019	1,826 257	248,000.00	248,865.52 06/30/2015	865.52	3,492.38	4,357.90	2.496		
1487 CIT Bank	BCD	12/10/2014	248,000.00 2.200	12/10/2019	1,826 203	248,000.00	248,453.84 06/30/2015	453.84	3,034.43	3,488.27	2.529		
Certificates of Deposit - Bank						Subtotals		<b>5,456,000.00</b>	<b>5,476,343.44</b>	<b>20,343.44</b>	<b>85,470.66</b>	<b>105,814.10</b>	<b>1.514</b>
<b>U.S. Treasury Coupon Securities</b>													
1462 U.S. Treasury Notes	TRC	01/17/2014	2,000,000.00 2.125	02/29/2016	773 530	2,022,570.04	2,025,460.00 06/30/2015	2,889.96	12,409.26	15,299.22	0.521		
1461 U.S. Treasury Notes	TRC	01/17/2014	2,000,000.00 2.000	04/30/2016	834 530	2,025,031.48	2,028,120.00 06/30/2015	3,088.52	14,479.95	17,568.47	0.597		
1464 U.S. Treasury Notes	TRC	01/17/2014	2,000,000.00 0.500	06/15/2016	880 530	1,999,285.34	2,003,760.00 06/30/2015	4,474.66	15,612.78	20,087.44	0.692		
1459 U.S. Treasury Notes	TRC	12/23/2013	2,000,000.00 1.500	07/31/2016	951 555	2,020,852.72	2,024,380.00 06/30/2015	3,527.28	16,467.75	19,995.03	0.651		
1489 U.S. Treasury Notes	TRC	12/11/2014	2,000,000.00 1.000	08/31/2016	629 202	2,012,834.61	2,014,380.00 06/30/2015	1,545.39	4,977.78	6,523.17	0.586		
1488 U.S. Treasury Notes	TRC	12/11/2014	2,000,000.00 0.500	09/30/2016	659 202	1,999,945.83	2,002,660.00 06/30/2015	2,714.17	5,559.59	8,273.76	0.748		
1481 U.S. Treasury Notes	TRC	11/04/2014	2,000,000.00 0.625	10/15/2016	711 239	2,003,008.09	2,005,320.00 06/30/2015	2,311.91	6,669.81	8,981.72	0.685		
1490 U.S. Treasury Notes	TRC	12/17/2014	2,000,000.00 0.750	12/31/2017	1,110 196	1,986,619.37	1,995,780.00 06/30/2015	9,160.63	10,980.78	20,141.41	1.888		
1491 U.S. Treasury Notes	TRC	02/20/2015	2,000,000.00 1.375	06/30/2018	1,226 131	2,013,187.90	2,021,720.00 06/30/2015	8,532.10	8,372.69	16,904.79	2.340		
U.S. Treasury Coupon Securities						Subtotals		<b>18,083,335.38</b>	<b>18,121,580.00</b>	<b>38,244.62</b>	<b>95,530.39</b>	<b>133,775.01</b>	<b>0.966</b>
<b>Federal Agency Coupon Securities</b>													
1444 Federal Nat'l Mortgage Assoc.	FAC	12/27/2012	2,000,000.00 0.500	07/02/2015	917 916	2,000,007.18	2,000,020.00 06/30/2015	12.82	18,618.29	18,631.11	0.371		
1448 Federal Home Loan Mortgage	FAC	03/28/2013	2,000,000.00 0.500	08/28/2015	883 825	2,000,469.10	2,000,900.00 06/30/2015	430.90	15,892.44	16,323.34	0.361		

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**Unrealized Gains and Losses**  
**Open Positions through June 30, 2015**

Investment #	Inv. Type	Purchase Date	Par Value	Maturity Date	Term	Market Value	Unrealized Gain/Loss	To Date Earnings	To Date Net Earnings	Actual Yield	
Issuer			Current Rate		Days Held	Book Value	Market Date				
<b>Federal Agency Coupon Securities</b>											
1442	FAC	12/27/2012	2,000,000.00	09/11/2015	988	2,005,155.85	2,006,320.00	1,164.15	21,304.73	22,468.88	0.447
Federal Home Loan Bank			1.750		916		06/30/2015				
1429	FAC	06/27/2012	2,000,000.00	12/11/2015	1,262	2,006,806.43	2,010,340.00	3,533.57	36,691.99	40,225.56	0.666
Federal Home Loan Bank			1.375		1,099		06/30/2015				
1440	FAC	12/27/2012	2,000,000.00	01/19/2016	1,118	2,047,274.57	2,049,820.00	2,545.43	22,716.13	25,261.56	0.492
Federal Home Loan Mortgage			4.750		916		06/30/2015				
1447	FAC	03/28/2013	2,000,000.00	03/01/2016	1,069	1,999,917.95	2,003,300.00	3,382.05	18,796.28	22,178.33	0.491
Federal Farm Credit			0.410		825		06/30/2015				
1446	FAC	03/28/2013	2,000,000.00	05/13/2016	1,142	2,001,358.93	2,002,720.00	1,361.07	19,042.27	20,403.34	0.451
Federal Home Loan Mortgage			0.500		825		06/30/2015				
1453	FAC	06/26/2013	2,000,000.00	11/15/2016	1,238	2,010,050.21	2,023,520.00	13,469.79	40,632.16	54,101.95	1.337
Federal Nat'l Mortgage Assoc.			1.375		735		06/30/2015				
1467	FAC	03/10/2014	2,000,000.00	02/22/2017	1,080	2,003,461.41	2,009,100.00	5,638.59	20,137.25	25,775.84	0.982
Federal Home Loan Mortgage			0.875		478		06/30/2015				
1466	FAC	03/10/2014	2,000,000.00	03/08/2017	1,094	2,007,049.76	2,012,600.00	5,550.24	20,696.43	26,246.67	0.999
Federal Home Loan Mortgage			1.000		478		06/30/2015				
1473	FAC	06/09/2014	1,000,000.00	04/27/2017	1,053	1,005,570.31	1,007,590.00	2,019.69	8,693.81	10,713.50	1.005
Federal Nat'l Mortgage Assoc.			1.125		387		06/30/2015				
1468	FAC	03/10/2014	2,000,000.00	05/12/2017	1,159	2,014,395.36	2,022,360.00	7,964.64	22,603.70	30,568.34	1.159
Federal Home Loan Mortgage			1.250		478		06/30/2015				
1502	FAC	06/24/2015	1,000,000.00	06/16/2017	723	1,000,539.19	999,887.78	-651.41	151.96	-499.45	-2.603
Federal Farm Credit			0.800		7		06/30/2015				
1508	FAC	06/26/2015	1,000,000.00	08/15/2017	781	1,007,204.55	1,007,458.89	254.34	115.55	369.89	2.681
Federal Farm Credit			1.000		5		06/30/2015				
1494	FAC	05/27/2015	1,000,000.00	08/28/2017	824	1,007,166.79	1,007,302.22	135.43	739.02	874.45	0.905
Federal Nat'l Mortgage Assoc.			1.000		35		06/30/2015				
1480	FAC	11/04/2014	2,000,000.00	09/05/2017	1,036	2,000,614.30	2,003,820.00	3,205.70	13,639.30	16,845.00	1.286
Federal Nat'l Mortgage Assoc.			1.050		239		06/30/2015				
1495	FAC	05/27/2015	2,000,000.00	10/16/2017	873	2,004,480.55	2,004,073.06	-407.49	1,550.26	1,142.77	0.595
Federal Home Loan Bank			0.875		35		06/30/2015				
1504	FAC	06/26/2015	2,000,000.00	02/08/2018	958	2,000,807.82	2,001,788.33	980.51	274.55	1,255.06	4.579
Federal Nat'l Mortgage Assoc.			0.875		5		06/30/2015				
1492	FAC	03/20/2015	2,000,000.00	03/07/2018	1,083	1,992,972.75	1,993,671.94	699.19	5,710.54	6,409.73	1.140
Federal Home Loan Mortgage			0.875		103		06/30/2015				
1496	FAC	05/27/2015	2,000,000.00	05/21/2018	1,090	1,998,629.05	1,995,553.33	-3,075.72	1,944.61	-1,131.11	-0.590
Federal Farm Credit			1.000		35		06/30/2015				
1501	FAC	06/24/2015	2,000,000.00	07/20/2018	1,122	1,998,909.32	1,999,480.00	570.68	450.82	1,021.50	2.665
Federal Nat'l Mortgage Assoc.			1.125		7		06/30/2015				

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 Report Ver. 7.3.3b

**Unrealized Gains and Losses**  
**Open Positions through June 30, 2015**

Investment #	Inv. Type	Purchase Date	Par Value	Maturity Date	Term	Market Value	Unrealized	To Date	To Date	Actual	
Issuer			Current Rate		Days Held	Book Value	Gain/Loss	Earnings	Net Earnings	Yield 365	
<b>Federal Agency Coupon Securities</b>											
1497	FAC	05/27/2015	2,000,000.00	08/13/2018	1,174	2,000,855.56	1,994,395.56	-6,460.00	2,077.77	-4,382.23	-2.284
Federal Home Loan Bank			1.100		35		06/30/2015				
1503	FAC	06/26/2015	2,000,000.00	09/18/2018	1,180	2,050,715.28	2,053,388.33	2,673.05	345.79	3,018.84	10.746
Federal Nat'l Mortgage Assoc.			1.875		5		06/30/2015				
1493	FAC	04/24/2015	2,000,000.00	10/23/2018	1,278	1,998,761.24	1,992,818.33	-5,942.91	3,981.25	-1,961.66	-0.527
Federal Home Loan Bank			1.050		68		06/30/2015				
1505	FAC	06/26/2015	2,000,000.00	11/27/2018	1,250	2,026,199.89	2,026,818.06	618.17	355.21	973.38	3.507
Federal Nat'l Mortgage Assoc.			1.625		5		06/30/2015				
1500	FAC	06/24/2015	2,000,000.00	02/19/2019	1,336	2,048,194.59	2,050,720.83	2,526.24	540.93	3,067.17	7.808
Federal Nat'l Mortgage Assoc.			1.875		7		06/30/2015				
1498	FAC	05/27/2015	2,000,000.00	03/08/2019	1,381	2,019,473.07	2,017,463.33	-2,009.74	2,503.08	493.34	0.255
Federal Home Loan Bank			1.500		35		06/30/2015				
1499	FAC	05/27/2015	2,000,000.00	06/14/2019	1,479	2,017,228.36	2,009,960.00	-7,268.36	2,657.80	-4,610.56	-2.384
Federal Home Loan Bank			1.625		35		06/30/2015				
1506	FAC	06/26/2015	2,000,000.00	09/12/2019	1,539	2,022,629.69	2,026,131.11	3,501.42	444.69	3,946.11	14.242
Federal Nat'l Mortgage Assoc.			1.750		5		06/30/2015				
1507	FAC	06/26/2015	2,000,000.00	11/26/2019	1,614	2,011,788.68	2,013,416.67	1,627.99	458.12	2,086.11	7.570
Federal Nat'l Mortgage Assoc.			1.750		5		06/30/2015				
Federal Agency Coupon Securities Subtotals						<b>56,308,687.74</b>	<b>56,346,737.77</b>	<b>38,050.03</b>	<b>303,766.73</b>	<b>341,816.76</b>	<b>2.064</b>
<b>Federal Agency Callable Securities</b>											
1451	MC2	06/19/2013	2,900,000.00	12/19/2016	1,279	2,900,000.00	2,903,132.00	3,132.00	34,200.67	37,332.67	0.633
Federal Home Loan Bank			0.580		742		06/30/2015				
1472	MC2	06/23/2014	1,000,000.00	12/23/2016	914	1,000,000.00	999,780.00	-220.00	6,644.44	6,424.44	0.629
Federal Home Loan Mortgage			0.650		373		06/30/2015				
Federal Agency Callable Securities Subtotals						<b>3,900,000.00</b>	<b>3,902,912.00</b>	<b>2,912.00</b>	<b>40,845.11</b>	<b>43,757.11</b>	<b>0.632</b>
<b>Corporate Medium Term Notes</b>											
1421	MTN	02/22/2012	1,000,000.00	08/11/2015	1,266	999,631.71	999,950.00	318.29	46,650.97	46,969.26	1.400
General Electric Capital Corp			1.000		1,225		06/30/2015				
Corporate Medium Term Notes Subtotals						<b>999,631.71</b>	<b>999,950.00</b>	<b>318.29</b>	<b>46,650.97</b>	<b>46,969.26</b>	<b>1.400</b>
<b>Total Current Bond Positions</b>						<b>84,747,654.83</b>	<b>84,847,523.21</b>	<b>99,868.38</b>	<b>572,263.86</b>	<b>672,132.24</b>	<b>1.720</b>
<b>Total Realized and Unrealized Gains/Losses</b>								<b>148,932.08</b>	<b>917,832.67</b>	<b>1,066,764.75</b>	<b>1.521</b>

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No fiscal year history available

Portfolio ENCI  
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**Unrealized Gains and Losses**  
**Passbook/Checking Accounts through June 30, 2015**

Investment # Issuer	Inv. Type	Purchase Date	Current Rate	Book Value	Market Value Market Date
<b>Passbook/Checking Accounts</b>					
1010 Union Bank Checking Acct.	PA1	07/01/2014		1,762,883.61	1,762,883.61 06/30/2015
			Passbook/Checking Accounts	Subtotals	
				<b>1,762,883.61</b>	<b>1,762,883.61</b>
<b>Local Agency Investment Funds</b>					
1012 CA Local Agency Investment Fund	LA5	07/01/2014	0.310	18,571,359.56	18,571,359.56 06/30/2015
			Local Agency Investment Funds	Subtotals	
				<b>18,571,359.56</b>	<b>18,571,359.56</b>
<b>Managed Pool Accounts</b>					
1003 CA Asset Management Program	LA1	07/01/2014	0.090	1,000,769.07	1,000,769.07 06/30/2015
			Managed Pool Accounts	Subtotals	
				<b>1,000,769.07</b>	<b>1,000,769.07</b>
<b>Money Market Funds</b>					
1004 Union Bank Custody Acct.	LA3	07/01/2014	0.010	21,654.28	21,654.28 06/30/2015
			Money Market Funds	Subtotals	
				<b>21,654.28</b>	<b>21,654.28</b>
			<b>Total Portfolio</b>	<b>106,104,321.35</b>	<b>106,204,189.73</b>

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No fiscal year history available

Portfolio ENCI  
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 Report Ver. 7.3.3b



**City of Encinitas - YTD Report  
Accrued Interest  
Sorted by Security Type - Maturity Date  
July 1, 2014 - June 30, 2015**

CITY OF ENCINITAS  
505 S. VULCAN  
ENCINITAS, ENCINITAS, CA 9  
(760)633-2641

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Local Agency Investment Funds</b>										
SYS1012	1012	LA5	18,571,359.56		0.310	6,652.09	0.00	58,823.38	43,472.48	22,002.99
		<b>Subtotal</b>	<b>18,571,359.56</b>			<b>6,652.09</b>	<b>0.00</b>	<b>58,823.38</b>	<b>43,472.48</b>	<b>22,002.99</b>
<b>Managed Pool Accounts</b>										
SYS1003	1003	LA1	1,000,769.07		0.090	204.55	0.00	636.62	769.07	72.10
		<b>Subtotal</b>	<b>1,000,769.07</b>			<b>204.55</b>	<b>0.00</b>	<b>636.62</b>	<b>769.07</b>	<b>72.10</b>
<b>Money Market Funds</b>										
SYS1004	1004	LA3	21,654.28		0.010	17.62	0.00	301.24	303.82	15.04
		<b>Subtotal</b>	<b>21,654.28</b>			<b>17.62</b>	<b>0.00</b>	<b>301.24</b>	<b>303.82</b>	<b>15.04</b>
<b>Certificates of Deposit - Bank</b>										
05568P3A3	1450	BCD	248,000.00	10/13/2015	0.650	353.32	0.00	1,612.00	1,612.00	353.32
38143AP25	1435	BCD	248,000.00	10/26/2015	1.050	485.13	0.00	2,604.00	2,604.00	485.13
92937CBM9	1456	BCD	248,000.00	11/16/2015	0.650	207.57	0.00	1,612.00	1,612.00	207.57
03784JDM3	1483	BCD	248,000.00	12/31/2015	0.400	0.00	0.00	551.72	494.64	57.08
02005QV34	1449	BCD	248,000.00	04/11/2016	0.650	362.15	0.00	1,612.00	1,612.00	362.15
33767AGC9	1485	BCD	248,000.00	06/06/2016	0.800	0.00	0.00	1,130.61	989.27	141.34
140420QG8	1479	BCD	248,000.00	10/24/2016	1.000	0.00	0.00	1,712.22	1,236.60	475.62
795450PZ2	1437	BCD	248,000.00	10/24/2016	1.350	623.74	0.00	3,348.00	3,348.00	623.74
36160XY43	1439	BCD	248,000.00	10/26/2016	1.350	605.40	0.00	3,348.00	3,348.00	605.40
20033ADJ2	1455	BCD	248,000.00	11/14/2016	1.000	129.08	0.00	2,480.00	2,480.02	129.06
71270QKU9	1486	BCD	248,000.00	12/12/2016	1.000	0.00	0.00	1,379.29	1,236.60	142.69
52168UCU4	1476	BCD	248,000.00	04/21/2017	1.050	0.00	0.00	1,790.70	1,733.62	57.08
20451PKJ4	1470	BCD	248,000.00	05/11/2017	1.050	142.68	0.00	2,604.00	2,604.00	142.68
628779FH8	1471	BCD	248,000.00	06/06/2017	0.950	161.37	0.00	2,356.00	2,356.00	161.37
23204HBH0	1474	BCD	248,000.00	06/19/2017	0.950	83.91	0.00	2,356.00	2,356.00	83.91
02587DLV8	1438	BCD	248,000.00	10/25/2017	1.500	682.85	0.00	3,720.00	3,720.00	682.85
45083ADZ2	1482	BCD	248,000.00	12/04/2017	1.200	0.00	0.00	1,704.07	1,483.92	220.15
254672CB2	1477	BCD	248,000.00	10/22/2018	1.800	0.00	0.00	3,081.99	2,225.88	856.11
0606247A5	1454	BCD	248,000.00	11/13/2018	2.050	696.44	0.00	5,084.00	5,084.00	696.44
8562843F9	1484	BCD	248,000.00	12/05/2018	2.000	0.00	0.00	2,826.52	2,473.21	353.31
87164YEB6	1478	BCD	248,000.00	10/17/2019	2.000	0.00	0.00	3,492.38	2,473.21	1,019.17
17284C5K6	1487	BCD	248,000.00	12/10/2019	2.200	0.00	0.00	3,034.43	2,720.53	313.90

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

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City of Encinitas - YTD Report  
Accrued Interest  
Sorted by Security Type - Maturity Date

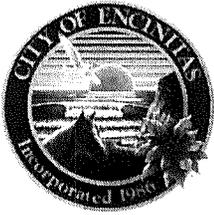
CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Subtotal</b>			<b>5,456,000.00</b>			<b>4,533.64</b>	<b>0.00</b>	<b>53,439.93</b>	<b>49,803.50</b>	<b>8,170.07</b>
<b>U.S. Treasury Coupon Securities</b>										
912828QJ2	1462	TRC	2,000,000.00	02/29/2016	2.125	14,205.16	0.00	42,500.00	42,500.00	14,205.16
912828QF0	1461	TRC	2,000,000.00	04/30/2016	2.000	6,739.13	0.00	40,000.00	40,000.00	6,739.13
912828VG2	1464	TRC	2,000,000.00	06/15/2016	0.500	437.16	0.00	10,000.00	10,000.00	437.16
912828QX1	1459	TRC	2,000,000.00	07/31/2016	1.500	12,513.81	0.00	30,000.00	30,000.00	12,513.81
912828RF9	1460	TRC	0.00	08/31/2016	1.000	6,684.78	0.00	5,856.66	12,541.44	0.00
912828RF9	1489	TRC	2,000,000.00	08/31/2016	1.000	0.00	0.00	11,049.42	4,364.64	6,684.78
912828LP3	1457	TRC	0.00	09/30/2016	3.000	22,622.95	0.00	26,333.09	48,956.04	0.00
912828F47	1488	TRC	2,000,000.00	09/30/2016	0.500	0.00	0.00	5,535.64	3,021.98	2,513.66
912828VWA4	1481	TRC	2,000,000.00	10/15/2016	0.625	0.00	0.00	8,192.97	5,563.19	2,629.78
912828RM4	1458	TRC	0.00	10/31/2016	1.000	5,054.35	0.00	8,722.82	13,777.17	0.00
912828SJ0	1463	TRC	0.00	02/28/2017	0.875	5,849.18	0.00	5,124.58	10,973.76	0.00
912828UE8	1490	TRC	2,000,000.00	12/31/2017	0.750	0.00	0.00	8,111.41	8,070.65	40.76
912828VK3	1491	TRC	2,000,000.00	06/30/2018	1.375	0.00	0.00	9,950.42	9,875.69	74.73
<b>Subtotal</b>			<b>18,000,000.00</b>			<b>74,106.52</b>	<b>0.00</b>	<b>211,377.01</b>	<b>239,644.56</b>	<b>45,838.97</b>
<b>Federal Agency Coupon Securities</b>										
3133XUPG2	1445	FAC	0.00	08/25/2014	2.875	20,125.00	0.00	8,625.00	28,750.00	0.00
31398A3G5	1426	FAC	0.00	09/08/2014	1.500	23,541.67	0.00	13,958.33	37,500.00	0.00
3135G0DW0	1441	FAC	0.00	10/30/2014	0.625	2,118.06	0.00	4,131.94	6,250.00	0.00
3133X9DC1	1423	FAC	0.00	11/14/2014	4.500	11,500.00	0.00	33,250.00	44,750.00	0.00
31331SPQ0	1430	FAC	0.00	02/17/2015	4.375	32,569.44	0.00	54,930.56	87,500.00	0.00
3133XWX95	1427	FAC	0.00	03/13/2015	2.750	16,500.00	0.00	38,500.00	55,000.00	0.00
3135G0LN1	1444	FAC	2,000,000.00	07/02/2015	0.500	4,972.22	0.00	10,000.00	10,000.00	4,972.22
3134G3ZA1	1448	FAC	2,000,000.00	08/28/2015	0.500	3,416.67	0.00	10,000.00	10,000.00	3,416.67
313370JB5	1442	FAC	2,000,000.00	09/11/2015	1.750	10,694.44	0.00	35,000.00	35,000.00	10,694.44
313371NW2	1429	FAC	2,000,000.00	12/11/2015	1.375	1,527.78	0.00	27,500.00	27,500.00	1,527.78
3134A4ZT4	1440	FAC	2,000,000.00	01/19/2016	4.750	42,750.00	0.00	95,000.00	95,000.00	42,750.00
3133ECGT5	1447	FAC	2,000,000.00	03/01/2016	0.410	2,733.33	0.00	8,200.00	8,200.00	2,733.33
3137EADQ9	1446	FAC	2,000,000.00	05/13/2016	0.500	1,333.34	0.00	10,000.00	10,000.00	1,333.34
3135G0ES8	1453	FAC	2,000,000.00	11/15/2016	1.375	3,513.89	0.00	27,500.00	27,500.00	3,513.89
3137EADT3	1467	FAC	2,000,000.00	02/22/2017	0.875	5,395.84	0.00	17,500.00	16,625.00	6,270.84
3137EADC0	1466	FAC	2,000,000.00	03/08/2017	1.000	6,166.67	0.00	20,000.00	19,888.89	6,277.78
3135G0JA2	1473	FAC	1,000,000.00	04/27/2017	1.125	687.50	0.00	11,250.00	9,937.50	2,000.00
3137EADF3	1468	FAC	2,000,000.00	05/12/2017	1.250	3,402.78	0.00	25,000.00	25,000.00	3,402.78
3133EEX62	1502	FAC	1,000,000.00	06/16/2017	0.800	0.00	0.00	155.55	0.00	155.55
3133EDSU7	1508	FAC	1,000,000.00	08/15/2017	1.000	0.00	0.00	138.89	0.00	138.89
3136G0YE5	1494	FAC	1,000,000.00	08/28/2017	1.000	0.00	0.00	944.45	0.00	944.45
3136G0ZH7	1480	FAC	2,000,000.00	09/05/2017	1.050	0.00	0.00	13,825.00	7,058.33	6,766.67

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

City of Encinitas - YTD Report  
Accrued Interest  
Sorted by Security Type - Maturity Date

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Federal Agency Coupon Securities</b>										
3130A4TR3	1495	FAC	2,000,000.00	10/16/2017	0.875	0.00	0.00	1,652.77	0.00	1,652.77
3135G0TG8	1504	FAC	2,000,000.00	02/08/2018	0.875	0.00	0.00	243.06	0.00	243.06
3137EADP1	1492	FAC	2,000,000.00	03/07/2018	0.875	0.00	0.00	4,909.73	0.00	4,909.73
3133EEM98	1496	FAC	2,000,000.00	05/21/2018	1.000	0.00	0.00	1,888.89	0.00	1,888.89
3135G0E33	1501	FAC	2,000,000.00	07/20/2018	1.125	0.00	0.00	437.50	0.00	437.50
3130A5E54	1497	FAC	2,000,000.00	08/13/2018	1.100	0.00	0.00	2,077.77	0.00	2,077.77
3135G0YM9	1503	FAC	2,000,000.00	09/18/2018	1.875	0.00	0.00	520.84	0.00	520.84
3130A53Z0	1493	FAC	2,000,000.00	10/23/2018	1.050	0.00	0.00	3,908.34	0.00	3,908.34
3135G0YT4	1505	FAC	2,000,000.00	11/27/2018	1.625	0.00	0.00	451.38	0.00	451.38
3135G0ZA4	1500	FAC	2,000,000.00	02/19/2019	1.875	0.00	0.00	729.17	0.00	729.17
3133782M2	1498	FAC	2,000,000.00	03/08/2019	1.500	0.00	0.00	2,833.34	0.00	2,833.34
313379EE5	1499	FAC	2,000,000.00	06/14/2019	1.625	0.00	0.00	3,069.44	1,534.72	1,534.72
3135G0ZG1	1506	FAC	2,000,000.00	09/12/2019	1.750	0.00	0.00	486.11	0.00	486.11
3135G0ZY2	1507	FAC	2,000,000.00	11/26/2019	1.750	0.00	0.00	486.11	0.00	486.11
		<b>Subtotal</b>	<b>56,000,000.00</b>			<b>192,948.63</b>	<b>0.00</b>	<b>489,104.17</b>	<b>562,994.44</b>	<b>119,058.36</b>
<b>Federal Agency Callable Securities</b>										
3135G0RS4	1443	MC2	0.00	11/06/2015	0.500	1,527.78	0.00	3,472.22	5,000.00	0.00
313383FB2	1451	MC2	2,900,000.00	12/19/2016	0.580	560.67	0.00	16,820.00	16,820.00	560.67
3134G56V0	1472	MC2	1,000,000.00	12/23/2016	0.650	144.44	0.00	6,500.00	6,500.00	144.44
3134G4TL2	1465	MC2	0.00	01/30/2017	1.000	8,388.89	0.00	6,611.11	15,000.00	0.00
3130A1G69	1469	MC2	0.00	04/16/2019	2.050	21,354.17	0.00	4,270.83	25,625.00	0.00
3134G5GY5	1475	MC2	0.00	09/19/2019	2.000	0.00	0.00	75,000.00	75,000.00	0.00
		<b>Subtotal</b>	<b>3,900,000.00</b>			<b>31,975.95</b>	<b>0.00</b>	<b>112,674.16</b>	<b>143,945.00</b>	<b>705.11</b>
<b>Corporate Medium Term Notes</b>										
36962G4N1	1421	MTN	1,000,000.00	08/11/2015	1.000	1,388.88	0.00	10,000.00	10,020.88	1,368.00
		<b>Subtotal</b>	<b>1,000,000.00</b>			<b>1,388.88</b>	<b>0.00</b>	<b>10,000.00</b>	<b>10,020.88</b>	<b>1,368.00</b>
		<b>Total</b>	<b>103,949,782.91</b>			<b>311,827.88</b>	<b>0.00</b>	<b>936,356.51</b>	<b>1,050,953.75</b>	<b>197,230.64</b>

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.



**City of Encinitas - YTD Report  
Purchases Report  
Sorted by Security Type - Purchase Date  
July 1, 2014 - June 30, 2015**

CITY OF ENCINITAS  
505 S. VULCAN  
ENCINITAS, ENCINITAS, CA 9  
(760)633-2641

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
<b>Certificates of Deposit - Bank</b>												
87164YEB6	1478	001	BCD SYNCHR	248,000.00	10/17/2014	04/17 - 10/17	248,000.00		2.000	10/17/2019	2.000	248,000.00
140420QG8	1479	001	BCD CAPONE	248,000.00	10/22/2014	04/22 - 10/22	248,000.00		1.000	10/24/2016	1.000	248,000.00
254672CB2	1477	001	BCD DISCOV	248,000.00	10/22/2014	04/22 - 10/22	248,000.00		1.800	10/22/2018	1.800	248,000.00
52168UCU4	1476	001	BCD LEADER	248,000.00	10/23/2014	11/23 - Monthly	248,000.00		1.050	04/21/2017	1.050	248,000.00
45083ADZ2	1482	001	BCD IBERIA	248,000.00	12/04/2014	06/04 - 12/04	248,000.00		1.200	12/04/2017	1.200	248,000.00
33767AGC9	1485	001	BCD FBPR	248,000.00	12/05/2014	01/04 - Monthly	248,000.00		0.800	06/06/2016	0.800	248,000.00
8562843F9	1484	001	BCD INDIA	248,000.00	12/05/2014	06/05 - 12/05	248,000.00		2.000	12/05/2018	2.000	248,000.00
03784JDM3	1483	001	BCD APPLE	248,000.00	12/10/2014	06/10 - 12/10	248,000.00		0.400	12/31/2015	0.400	248,000.00
17284C5K6	1487	001	BCD CITBNK	248,000.00	12/10/2014	06/10 - 12/10	248,000.00		2.200	12/10/2019	2.200	248,000.00
71270QKU9	1486	001	BCD PEOPLE	248,000.00	12/10/2014	06/10 - 12/10	248,000.00		1.000	12/12/2016	1.000	248,000.00
<b>Subtotal</b>				<b>2,480,000.00</b>			<b>2,480,000.00</b>	<b>0.00</b>				<b>2,480,000.00</b>
<b>U.S. Treasury Coupon Securities</b>												
912828VWA4	1481	001	TRC UST	2,000,000.00	11/04/2014	04/15 - 10/15	2,004,531.25	Received	0.625	10/15/2016	0.508	2,003,008.09
912828F47	1488	001	TRC UST	2,000,000.00	12/11/2014	03/31 - 09/30	1,999,921.88	Received	0.500	09/30/2016	0.502	1,999,945.83
912828RF9	1489	001	TRC UST	2,000,000.00	12/11/2014	02/28 - 08/31	2,018,906.25	Received	1.000	08/31/2016	0.447	2,012,834.61
912828UE8	1490	001	TRC UST	2,000,000.00	12/17/2014	12/31 - 06/30	1,983,750.00	Received	0.750	12/31/2017	1.022	1,986,619.37
912828VK3	1491	001	TRC UST	2,000,000.00	02/20/2015	06/30 - 12/31	2,014,765.63	Received	1.375	06/30/2018	1.150	2,013,187.90
<b>Subtotal</b>				<b>10,000,000.00</b>			<b>10,021,875.01</b>	<b>0.00</b>				<b>10,015,595.80</b>
<b>Federal Agency Coupon Securities</b>												
3136G0ZH7	1480	001	FAC FNMA	2,000,000.00	11/04/2014	03/05 - 09/05	2,000,800.00	Received	1.050	09/05/2017	1.036	2,000,614.30
3137EADP1	1492	001	FAC FHLMC	2,000,000.00	03/20/2015	09/07 - 03/07	1,991,540.00	631.94	0.875	03/07/2018	1.020	1,992,972.75
3130A53Z0	1493	001	FAC FHLB	2,000,000.00	04/24/2015	10/23 - 04/23	1,998,630.00	58.33	1.050	10/23/2018	1.070	1,998,761.24
3133EEM98	1496	001	FAC FFCRED	2,000,000.00	05/27/2015	11/21 - 05/21	1,998,240.00	333.33	1.000	05/21/2018	1.030	1,998,629.05
3130A4TR3	1495	001	FAC FHLB	2,000,000.00	05/27/2015	10/16 - 04/16	2,002,590.00	1,993.06	0.875	10/16/2017	0.820	2,004,480.55
3130A5E54	1497	001	FAC FHLB	2,000,000.00	05/27/2015	08/13 - 02/13	2,000,000.00	855.56	1.100	08/13/2018	1.100	2,000,855.56
3133782M2	1498	001	FAC FHLB	2,000,000.00	05/27/2015	09/08 - 03/08	2,013,220.00	6,583.33	1.500	03/08/2019	1.320	2,019,473.07
313379EE5	1499	001	FAC FHLB	2,000,000.00	05/27/2015	06/14 - 12/14	2,017,640.00	Received	1.625	06/14/2019	1.400	2,017,228.36
3136G0YE5	1494	001	FAC FNMA	1,000,000.00	05/27/2015	08/28 - 02/28	1,004,900.00	2,472.22	1.000	08/28/2017	0.780	1,007,166.79
3133EEX62	1502	001	FAC FFCRED	1,000,000.00	06/24/2015	12/16 - 06/16	1,000,365.00	177.78	0.800	06/16/2017	0.781	1,000,539.19
3135G0ZA4	1500	001	FAC FNMA	2,000,000.00	06/24/2015	08/19 - 02/19	2,035,362.00	13,020.83	1.875	02/19/2019	1.377	2,048,194.59

Received = Accrued Interest at Purchase was received by report ending date.

Data Updated: SET\_ANNU: 07/15/2015 11:24  
Run Date: 07/15/2015 - 11:25

No fiscal year history available

Portfolio ENCI  
AP  
PU (PRF\_PU) 7.1.1  
Report Ver. 7.3.3b

City of Encinitas - YTD Report  
Purchases Report  
July 1, 2014 - June 30, 2015

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
<b>Federal Agency Coupon Securities</b>												
3135G0E33	1501	001	FAC FNMA	2,000,000.00	06/24/2015	07/20 - 01/20	1,997,896.00	1,000.00	1.125	07/20/2018	1.160	1,998,909.32
3133EDSU7	1508	001	FAC FFCRED	1,000,000.00	06/26/2015	08/15 - 02/15	1,003,589.00	3,638.89	1.000	08/15/2017	0.830	1,007,204.55
3135G0YM9	1503	001	FAC FNMA	2,000,000.00	06/26/2015	09/18 - 03/18	2,040,682.00	10,208.33	1.875	09/18/2018	1.230	2,050,715.28
3135G0TG8	1504	001	FAC FNMA	2,000,000.00	06/26/2015	08/08 - 02/08	1,994,068.00	6,708.33	0.875	02/08/2018	0.990	2,000,807.82
3135G0YT4	1505	001	FAC FNMA	2,000,000.00	06/26/2015	11/27 - 05/27	2,023,678.00	2,618.06	1.625	11/27/2018	1.270	2,026,199.89
3135G0ZG1	1506	001	FAC FNMA	2,000,000.00	06/26/2015	09/12 - 03/12	2,012,560.00	10,111.11	1.750	09/12/2019	1.595	2,022,629.69
3135G0ZY2	1507	001	FAC FNMA	2,000,000.00	06/26/2015	11/26 - 05/26	2,008,900.00	2,916.67	1.750	11/26/2019	1.645	2,011,788.68
<b>Subtotal</b>				<b>33,000,000.00</b>			<b>33,144,660.00</b>	<b>63,327.77</b>				<b>33,207,170.68</b>
<b>Federal Agency Callable Securities</b>												
3134G5GY5	1475	001	MC2 FHLMC	5,000,000.00	09/19/2014	03/19 - 06/19	5,000,000.00		2.000	09/19/2019	2.000	0.00
<b>Subtotal</b>				<b>5,000,000.00</b>			<b>5,000,000.00</b>	<b>0.00</b>				<b>0.00</b>
<b>Total Purchases</b>				<b>50,480,000.00</b>			<b>50,646,535.01</b>	<b>63,327.77</b>				<b>45,702,766.48</b>

Data Updated: SET\_ANNU: 07/15/2015 11:24  
Run Date: 07/15/2015 - 11:25

No fiscal year history available

Portfolio ENCI  
AP  
PU (PRF\_PU) 7.1.1  
Report Ver. 7.3.3b

ATTACHMENT 2  
Annual Investment Report for the Investment of Bond Proceeds

**CITY OF ENCINITAS  
INVESTMENT OF BOND PROCEEDS  
For the Fiscal Year ended June 30, 2015**

GOVERNMENTAL FUNDS	TRUSTEE CASH & INVESTMENTS	Yield	Maturity Date	Market Value	FY 2014-15	
					Income	Budget
<b>ENCINITAS PUBLIC FINANCING AUTHORITY</b>						
1997 CERTIFICATES OF PARTICIPATION (CIVIC CENTER)						
Bond Fund	Blackrock Money Market Fund		1 day	\$ 1	6	
Reserve Fund	Guaranteed Investment Contract	5.97%	12/1/2016	619,503	\$ 36,881	40,000
				\$ 619,504	\$ 36,887	\$ 40,000
2006 LEASE REVENUE BONDS (PUBLIC LIBRARY)						
Bond Fund	Blackrock Money Market Fund	0.01%		\$ 126	60	
Interest Account	Federated Prime Cash Money Market Fund	0.01%		0	1	
Reserve Fund	Federated Prime Cash Money Market Fund	0.06%		568,937	212	-
				\$ 569,062	\$ 273	\$ 0
2010 LEASE REVENUE BONDS (COMM PARK ACQUISITION)						
Bond Fund	Blackrock Money Market Fund	0.01%		\$ 80	7	
Reserve Fund	Blackrock Money Market Fund	0.01%		1,412,024	229	-
				\$ 1,412,104	\$ 236	\$ 0
2013 LEASE REVENUE BONDS (COMM PARK DEVELOPMENT)						
Bond Fund	Blackrock Money Market Fund	0.00%		\$ 3	3	
Project Fund	Blackrock Money Market Fund	0.01%		-	-	-
				\$ 3	\$ 3	\$ 0
2014 ENCINITAS PUBLIC FINANCING AUTHORITY 2014 A & B LEASE REVENUE BONDS (PACIFIC VIEW PROPERTY & MOONLIGHT BEACH LIFEGUARD TOWER)						
Bond Fund	Blackrock Money Market Fund	0.01%		\$ 306	1	
Construction Series A	Blackrock Money Market Fund	0.01%		3,018,572	305	
Construction Series B	Blackrock Money Market Fund	0.01%		-	3	-
				\$ 3,018,878	\$ 309	\$ 0
<b>ENCINITAS PUBLIC FINANCING AUTHORITY (TOTALS) (A)</b>				<b>\$ 5,619,551</b>	<b>\$ 37,708</b>	<b>\$ 40,000</b>
<b>CITY OF ENCINITAS / ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG)</b>						
2002 LEASE REVENUE BONDS (ABAG FUNDING)						
Bond Fund	Wells Fargo Money Market Fund	0.01%		\$ 284,162	8	
Principal Fund	Wells Fargo Money Market Fund	0.01%		0		
Interest Fund	Wells Fargo Money Market Fund	0.01%		0		
Reserve Fund	Wells Fargo Money Market Fund	0.01%		215,996	176	-
				\$ 500,158	\$ 184	\$ 0
<b>OTHER CITY BOND ISSUES (B)</b>						
<b>TOTALS FOR GOVERNMENTAL FUNDS (A) + (B)</b>				<b>\$ 6,119,710</b>	<b>\$ 37,892</b>	<b>\$ 40,000</b>
<b>ENTERPRISE FUNDS</b>						
TRUSTEE CASH & INVESTMENTS						
SAN DIEGUITO WATER DISTRICT						
2004 WATER REVENUE BONDS						
Bond Fund	Blackrock Money Market Fund	0.01%		\$ 0	4	
Reserve Fund	Federated Prime Cash Money Market Fund	0.02%		0	82	-
<b>TOTAL</b>				<b>\$ 0</b>	<b>\$ 86</b>	<b>\$ 0</b>
2014 WATER REVENUE BONDS						
Bond Fund	Blackrock Money Market Fund	0.01%		\$ 1	4	
Reserve Fund	Blackrock Money Market Fund	0.01%		0	82	
Cost of Issuance	Blackrock Money Market Fund	0.01%		0	3	-
<b>TOTAL</b>				<b>\$ 1</b>	<b>\$ 89</b>	<b>\$ 0</b>
<b>TOTALS FOR ENTERPRISE FUNDS (C)</b>				<b>\$ 1</b>	<b>\$ 176</b>	<b>\$ 0</b>
<b>TOTAL TRUSTEE CASH &amp; INVESTMENTS (A) + (B) + (C)</b>				<b>\$ 6,119,710</b>	<b>\$ 38,067</b>	<b>\$ 40,000</b>

NOTE: the City's leases for capital equipment do not require any trustee deposits, and thus, are not listed on this summary

ATTACHMENT 3  
City of Encinitas Investment Policy

**CITY OF ENCINITAS  
ADMINISTRATIVE MANUAL**

**Policy Title:** Investment Policy **Section:** Finance  
**Responsible Department:** Finance **Number:** Admin Policy F019  
**Approved By:** City Council **Date Approved:** 1994  
**Last Amended:** October 24, 2012  
**Amendment Date:** October 23, 2013

**I. Philosophy**

*The Investment Policy of the Encinitas City Council for the City of Encinitas represents the financial guidelines for the City's Investment Program. It is the policy of the City of Encinitas to invest excess public funds in a prudent manner that safeguards the public trust, minimizes the risk of loss of capital, and provides assurance that all financial obligations will be met in the regular course of business. The City Council shall provide direction to the Investment Officer as to the goals and specific objectives of the Investment Program.*

**II. Scope**

*This Investment Policy applies to all financial assets under the oversight of the City of Encinitas, except bond proceeds held by outside trustees and funds held by other governmental agencies. The City of Encinitas includes the City and all component units: the Encinitas Housing Authority (EHA), the Encinitas Public Financing Authority (EPFA), and the San Dieguito Water District (SDWD). These funds are accounted for in the City of Encinitas' Comprehensive Annual Financial Report and include:*

*GENERAL FUND  
SPECIAL REVENUE FUNDS  
CAPITAL PROJECT FUNDS  
ENTERPRISE FUNDS  
INTERNAL SERVICE FUNDS*

*This policy also applies to funds that the City manages for other governmental agencies. Currently, the City manages funds for the Encinitas Ranch Golf Authority (ERGA), a legally separate joint powers authority which is not a component unit of the City.*

*The investment of Bond Proceeds held with trustees is directed by the City, but is governed by the restrictions on Permitted Investments in the applicable Bond Indenture agreements.*

*A portion of City funds is held by other governmental agencies. These funds are invested under the guidelines of the investment policies of those agencies.*

*The City retirement plan is with CALPERS, and the City has no authority or oversight over the investments in any of those plans. Further, the City administers several deferred compensation*

plans. Assets held in those plans are held in trust for the participants, and are not assets of the City. The City does not have any authority over the investments held in these trusts.

### III. Prudence

Investments shall be made with reasonable financial judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the “**prudent person**” and/or “**prudent investor**” standard. California Gov’t Code 53600.3 states that, “When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. The standard shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with established procedures and exercising due prudence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes.

### IV. Investment Objectives

A. **Safety of Principal** - the first objective of this policy is to ensure the safety of principal. The portfolio shall be planned and managed to minimize the risk of actual loss of principal. Principal is defined as the original purchase price of the security, excluding any purchase of accrued interest, up to the par (face) value of the security. Any purchase amount above par value (premium) is considered to be a purchase of accrued interest, and is excluded from the calculation of principal amount. The Investment Officer shall consider both credit risk and concentration risk (the concept of diversification) when assessing safety, and shall follow the guidelines outlined later in this policy to achieve that objective.

B. **Liquidity** - The second objective is the maintenance of sufficient liquidity to meet all operating and capital spending requirements that can be reasonably anticipated. Liquidity is further broken down between primary and secondary liquidity. **Primary liquidity** is defined as funds which are available to the City to pay demands within 48 hours without loss of interest. **Secondary liquidity** is defined as funds invested in authorized investments that mature within a one-year time period, minimizing market risk.

C. **Return on investments** - The third objective is yield, specifically, attaining a market rate of return over time, consistent with Council direction as to acceptable levels of risk. Refer to Section XV below for further discussion of performance measurement.

### V. Delegation of Authority

Authority and responsibility to manage the City of Encinitas’ Investment Program rests first with the City Council. Primary management responsibility rests with the **City Treasurer**. The City of Encinitas Municipal Code designates that the Finance Director shall serve as City Treasurer. The Finance Director/City Treasurer has the option to designate another individual within the organization to assume some, or all, of the duties described in this Policy. The Finance Director has assigned some of those duties to the City Finance Manager III. For purposes day-to-day management of the Investment Program, the Finance Manager III shall be designated as the **Investment Officer**, and the duties referred to herein will generally cite the Investment Officer as performing those tasks.

### Investment Procedures

The Investment Officer is responsible for establishing written investment procedures for the management and operation of the Investment Program, consistent with this Policy. Those procedures shall include reference to such items as: custody/safekeeping, repurchase agreements (if applicable), wire transfer agreements, banking service agreements, and explicit delegation of authority to personnel involved in the processing of banking or investment transactions. No person may engage in any investment transaction except as provided under the terms of this Policy and the established procedures.

### **VI. Ethics, & Conflict of Interest**

The investment responsibility carries with it the responsibility of ensuring that investments placed are done so without improper influence or the appearance of improper influence. All officers and employees (officials) involved in the investment function shall adhere to the State's Code of Economic Interest and to the following:

Officials shall refrain from personal business activity that could conflict with proper and impartial execution of the Investment Program, or that could impair their ability to make impartial investment decisions. Further, officials shall not personally or through a close relative maintain any accounts, interest, or private dealings with any firm with which the City places investments, with the exception of regular savings, checking and money market accounts, or other similar transactions that are offered on a non-negotiable basis to the general public. Any such relationships shall be disclosed annually to the City Clerk in conjunction with annual disclosure statements of economic interest.

### **VII. Authorized Financial Dealers and Institutions**

The Investment Officer shall maintain a list of **qualified financial institutions** authorized to provide financial or investment services to the City.

The City shall contract with one institution to provide **general banking services**, which shall be reviewed at least every five years. City Council shall approve the selected institution and the contract for banking services.

The City shall contract with one institution to provide **investment custody services**, which shall be reviewed at least every five (5) years. City Council shall approve the selected institution and the contract for custody services.

The Investment Officer shall maintain a list of **qualified security broker-dealers** authorized to provide financial or investment services to the City. To be eligible for consideration to become an authorized provider, each Broker/Firm shall meet the following **MINIMUM** requirements:

- (1) have a net capital position in excess of \$10 million,
- (2) have been in business for at least five years,
- (3) are currently licensed as a broker-dealer or investment adviser in California, and
- (4) Must carry adequate insurance coverage including liability, errors and omissions, and workers compensation (if applicable.)

Firms providing only representation of money market funds are exempt for requirement #1, but must still comply with all other requirements, including those listed below.

The City Council shall approve the initial authorization of any broker-dealer. Authorized firms shall be notified by the Investment Officer via an engagement letter, which outlines each parties' responsibilities (primarily the continuing compliance requirements discussed directly below). There is no contract for professional services or term to the engagement. The Investment Officer shall periodically evaluate the performance of all qualified broker-dealers, and determine if any changes need to be made.

All broker-dealers authorized to do business with the City of Encinitas must also comply with the following requirements:

- (1) Firms must submit audited financial statements annually, within six months of their fiscal year-end,
- (2) Firms must provide proof of their NASD certification, and must disclose to the City immediately any regulatory actions or complaints against the broker assigned to the City account,
- (3) Firms must provide proof of their registration/license to do business in the State of California, and shall immediately disclose to the City any change in that status.
- (4) Firms must certify in writing that they have received, read, and agree to comply with the City of Encinitas' most recently adopted Investment Policy.

### **VIII. Authorized & Suitable Investment Instruments**

As a unit of local government in the State of California, the City of Encinitas is restricting itself to the investments authorized by Government Cod, Sections 53600 through 53635 (the Gov't "Code") except as otherwise provided herein by specific additional Council actions.

**SPECIFIC INVESTMENT TYPES AND AMOUNTS** - The Investment Officer is authorized to invest in only the following types of investments listed below in **Section VIII.**, unless specifically authorized in advance by the Finance Director/City Treasurer.

**INVESTMENT ALLOCATIONS** - The **Maximum** allocations listed below refer to the percentage of the total portfolio that may be invested in each instrument under the provisions of the Gov't Code. The **Target** allocations refer to guidelines the Investment Officer generally follows, in order to effect proper diversification of the portfolio and limit concentration risk. The Investment Officer is permitted to exceed these target allocations for temporary periods. Any asset allocation that exceeds the **target** for a period of more than three months shall be reported to the Finance Director/City Treasurer.

For purposes of calculating the percentage allocations, the assumption will be applied that the size of the portfolio for any fiscal year shall be determined by the total par value of the portfolio at

the beginning of the first day of the fiscal year. Any investment types that exceed the maximum allowable under the Gov't Code shall be reported to the City Council in the quarterly investment report.

**INVESTMENT ALLOCATIONS**

	<b><u>MAXIMUM STATE LAW</u></b>	<b><u>TARGET INV POLICY</u></b>
(1) <b>Repurchase agreements</b>	<b>NO LIMIT</b>	<b>20%</b>

*This type of investment is only authorized in relation to the City's general banking arrangements, in which excess cash balances are "swept" into an interest earning account overnight. Maximum maturity is one day. All balances are required to be properly collateralized at 102% of par value in accordance with State requirements.*

(2) <b>CA Local Agency Inv Fund (LAIF)</b>	<b>\$80 million</b>	<b>30%</b>
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*The \$80 million listed under "MAXIMUM STATE LAW" refers to the LAIF limit on maximum deposits per local agency, not to the CA gov't code restrictions. The City of Encinitas maintains two accounts with the LAIF, one in the name of the City and the other in the name of the San Dieguito Water District. Each account has a deposit limit of \$40 million. Since San Dieguito Water District is a component unit of the City, the City may legally utilize the SDWD account in the operation of the City Pool. Thus, SDWD owns its ratable share of all City Pooled investments, but does not have a direct ownership interest in the LAIF account in its name.*

(3) <b>Other Gov't Managed Pools</b>	<b>NO LIMIT</b>	<b>NO LIMIT</b>
<i>Per Issuer</i>		<b>10% per Pool</b>

*Investments in individual pools shall be limited to 10% of the total portfolio. Currently approved pools are the San Diego County Investment Pool and the California Asset Management Program (CAMP). The City Council must approve the addition of any other governmental pools.*

(4) <b>Mutual Funds (Total)</b>	<b>20%</b>	<b>20%</b>
<i>Per Issuer</i>	<b>10%</b>	<b>10%</b>
(A) <b>Money Market Mutual Funds</b>	<b>N/A</b>	<b>20%</b>
<i>Per Issuer</i>	<b>N/A</b>	<b>10%</b>

*Money Market Mutual Funds have a stable NAV (net asset value) of \$1.00 as defined under United States Securities and Exchange Commission (SEC) rule 2a-7. Qualifying funds must meet one of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, OR (2) Retained an Investment Advisor registered or exempt from registration with the SEC with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.*

**INVESTMENT ALLOCATIONS (continued)**

	<b><u>MAXIMUM STATE LAW</u></b>	<b><u>TARGET INV POLICY</u></b>
<b>(B) Bond Mutual Funds</b>	N/A	10%
<i>Per Issuer</i>	N/A	<b>\$5 million</b>

*Bond Mutual Funds are similar to Money Market Mutual Funds, and are subject to the same limitations as Money Market Mutual Funds. In other words, the total allocation to Mutual Funds (investment types 4 & 5) is limited to 20% of the total portfolio. Bond Mutual Funds typically have a weighted average maturity of greater than 70 days, and are subject to more volatility and market risk. They have a net asset value (price) that can change based on market conditions. Because of the higher risk profile, the City is limiting investment in Bond Mutual Funds to no more than 10% of the total portfolio, and to \$5 million per issuer.*

*Currently, SEC regulations are being drafted that will likely change the accounting and measurement focus for certain money market funds. Specifically, certain funds will no longer be permitted to maintain a "stable NAV" of \$1.00. They will be required to "mark-to-market" all investments every working day. This could, and likely will periodically, change the overall value of the fund. This would create either a gain or loss on the fund, depending on the effect of interest rate and credit risk changes. For the next period, the City of Encinitas will not be investing in any money market funds which are required to, or actually adopt, what is referred to as a "floating NAV."*

<b>(5) Certificates of Deposit (CD's)</b>	<b>NO LIMIT</b>	<b>10%</b>
<i>Per Issuer</i>	<b>NO LIMIT</b>	<b>\$1 million</b>

*All CD's must be either insured by the FDIC or properly collateralized, pursuant to Section X below. Maturity shall not exceed one year. No more than \$1 million per issuer. To be eligible to receive deposits from the City of Encinitas, each qualified financial institution must have received an overall rating of not less than "satisfactory" in its most recent evaluation by regulators of its record of meeting the credit needs of its community.*

<b>(6) Negotiable Certificates of Deposit</b>	<b>30%</b>	<b>10%</b>
<i>Per Issuer</i>		<b>\$1 million</b>

*All Negotiable CD's must be issued by a provider rated either: (1) **Aaa** by Moody's, (2) **AAA** by Standard & Poors, or (3) **Aa1** by Moody's and **AA+** by Standard & Poors. Investments with institutions rated at least Aa3 and AA- will be allowed, but shall be properly collateralized pursuant to Section X below. Investments of \$250,000 or less that are fully insured by the FDIC are exempt from the above credit rating requirements. Maturity shall not exceed five years. No more than \$1 million per issuer.*

**INVESTMENT ALLOCATIONS (continued)**

		<b><u>MAXIMUM STATE LAW</u></b>	<b><u>TARGET INV POLICY</u></b>
(7)	<b>Bankers Acceptances</b>	<b>40%</b>	<b>10%</b>
	<i>Per Issuer</i>	<b>30%</b>	<b>\$1 million</b>

*Bankers Acceptances (BA's) represent a time draft drawn on and accepted by a Bank for payment of the shipment or storage of merchandise. They are generally considered a very safe investment since both the credit of the issuer and the Bank is pledged for repayment. They must not exceed 180 days maturity. BA's must have an underlying credit rating of A1/P1, and are limited to \$1 million per issuer.*

(8)	<b>U.S. Treasury Bills, Notes and Bonds</b>	<b>NO LIMIT</b>	<b>50%</b>
(9)	<b>U.S. Government-Sponsored Agencies</b>	<b>NO LIMIT</b>	<b>60%</b>
	<i>Per Issuer</i>		<b>15%</b>

*City shall invest primarily in securities issued by Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal Farm Credit Bureau (FFCB). City may invest in Student Loan Marketing Association (SLMA), Private Equity Funding Corporation (PEFCO) and Tennessee Valley Authority (TVA); however, the overall limit of 60% still applies. City may also invest in the Government National Mortgage Association, but only via authorized Mutual Funds cited in Category 5 above, and subject to those limitations.*

(10)	<b>Commercial Paper</b>	<b>25%</b>	<b>25%</b>
	<i>Per Issuer</i>	<b>(see below)</b>	<b>\$5 million</b>

*Commercial Paper (CP) is a short-term I.O.U. issued by large corporations of high credit standing which is unsecured. Investments are limited to only "prime quality" CP issued with the highest letter and number rating provided by one of the three nationally recognized rating agencies. City limits itself only to CP rated A-1 or better by Standard & Poors and P-1 by Moodys. Issuing corporations must be (1) organized and operating within the United States, (2) have total assets in excess of \$500 million, and (3) have a "A" or higher rating for the issuers other debt obligations. Organized and operating within the United States includes global companies that sponsor United States commercial paper programs. City may not purchase more than 10% of outstanding commercial paper of any single corporate issuer. The maximum allowable maturity is 270 days or less.*

(11)	<b>Commercial Medium-Term Notes</b>	<b>30%</b>	<b>15%</b>
	<i>Per Issuer</i>		<b>\$1 million</b>

*Medium-Term Notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating in the United States or by depository institutions licensed by the United States. State Code requires a credit rating of "A" or better by one nationally recognized rating agency. The City is further limiting itself to notes that are rated **Aa3 or better** (Moody's) and **AA- or better** (S & P).*



**SUMMARY TABLE of INVESTMENT ALLOCATIONS**

	<b><u>STATE LAW</u></b>	<b><u>INV POLICY</u></b>
(1) <b>REPURCHASE AGREEMENTS</b>	NO LIMIT	20%
(2) <b>CALIFORNIA LAIF</b>	NO LIMIT	30%
(3) <b>OTHER GOV'T POOLS</b> <i>Per Issuer</i>	NO LIMIT	30% 10%
(4) <b>MUTUAL FUNDS</b> <i>Per Issuer</i>	20% 10%	20% 10%
(5) <b>CD's</b> <i>Per Issuer</i>	NO LIMIT	10% \$1 Million
(6) <b>NEGOTIABLE CD's</b> <i>Per Issuer</i>	30%	10% \$1 Million
(7) <b>BANKERS ACCEPTANCES</b> <i>Per Issuer</i>	NO LIMIT 30%	10% \$1 Million
(8) <b>U.S. TREASURYS</b>	NO LIMIT	50%
(9) <b>U.S. FEDERAL AGENCIES</b> <i>Per Issuer</i>	NO LIMIT	60% 15%
(10) <b>COMMERCIAL PAPER</b> <i>Per Issuer</i>	25%	25% \$5 Million
(11) <b>COMMERCIAL MTN NOTES</b> <i>Per Issuer</i>	30%	15% \$1 Million
(12) <b>GIC's</b> <i>Per Issuer</i>	NO LIMIT	10% \$5 Million
(13) <b>Demand Deposits (non-interest bearing)</b> <i>Per Issuer</i>	NO LIMIT	0-2% 0-2%
(14) <b>Demand Deposits (interest bearing)</b> <i>Per Issuer</i>	NO LIMIT	20% \$20 Million

The State of California Government Code restricts local agencies from investing in securities with final maturity dates greater than five (5) years, except as specifically authorized by the City Council. This Policy authorizes two specific exceptions to the above restriction.

- (1) The City may invest in up to \$5 million (par value) of securities (at date of purchase) rated AAA or equivalent with maturities of greater than five (5) years, but not exceeding seven (7) years.
- (2) The City's General Contingency Reserve is not a part of normal operating reserves, and the related funds are not expected to be utilized in the foreseeable future, thus, the likelihood of liquidation is very small. The objective(s) of investment in this area are to maximize earnings with safety, while recognizing that liquidity is less of an issue than with operating or capital funds. Consistent with these objectives, the Investment Officer is authorized to invest contingency funds in securities rated AAA or equivalent with maturities greater than seven (7) years that have a ready market should the need arise to liquidate the investment.

The City Council has directed the Investment Officer not to invest in securities of companies involved in the production of tobacco or alcohol related products. The City recognizes that, due to the extreme complexity of today's corporate structures, it is possible that investments may be placed in good faith in corporations that have an interest in tobacco or alcohol related products that is not widely known or properly disclosed by those corporations. The Investment Officer shall make his/her best efforts, including notice to broker/dealers, to assure that any corporate investments are placed with companies who are not in the tobacco or alcohol business. This policy applies at the time of purchase only.

Certain investments are specifically prohibited by the State Code. Local Agencies may not invest in the following: Inverse floating-rate notes, range notes, or mortgage-derived interest-only strips. The Code also states that "A local Agency shall not invest in any security that could result in zero interest accrual if held to maturity." The City's interpretation of this Code section is that it does not prohibit investment in U.S. Treasury or Federal Agency securities which carry a variable rate of interest; because the chance that such notes could result in zero interest accrual to maturity is remote.

**IX. Due Diligence Requirements for Investment Pools, Mutual Funds, and CD's**

Investments of these types are authorized in **Section VIII.** above. Before investing any funds in pools or mutual funds, the Investment Officer shall perform a thorough investigation of the fund(s) to determine the suitability of the investment for the City of Encinitas Pooled Investment Fund. This investigation shall include, at a minimum: review of the Funds investment policy and/or prospectus, a review of the performance history of the Fund, review of ratings (where applicable), review of the latest published portfolio composition, review of fees and charges, and references from other agencies who invest in the Fund.

The Investment Officer shall monitor placement of Certificates of Deposit with financial institutions on a regular basis. Compliance with collateral requirements shall be monitored (if applicable).

**X. Collateralization of Public Deposits**

Collateralization will be required on two types of investments: certificates of deposit (which are not fully insured by FDIC) and repurchase agreements. The Finance Director/City Treasurer has agreed to waive collateral requirements on the first \$250,000 of CD's from each institution, which are insured by FDIC. In order to anticipate market changes and provide a level of security for all invested funds, the required collateralization levels will be:

- |     |                         |   |
|-----|-------------------------|---|
| (1) | Overnight repurchases   | 102% of market value                                |
| (2) | Certificates of Deposit | 100% of market value                                |
| (3) | Demand Deposits         | in accordance with CA law regarding Public Deposits |

Collateral must be held by an independent third party with whom the entity has a current custodial agreement. Collateral for overnight repurchases (sweep agreements) may be held by the Trust Department of the institution providing such sweep services. Sweep contracts shall provide for a perfected security interest for the City in collateralized securities.

Collateral shall be provided by the issuing institution in accordance and compliance with the California Gov't Code Sections 53630 et al. Issuing institution is responsible for compliance with all collateral requirements, and must provide the City periodic evidence of that compliance, in a form acceptable to the City.

## **XI. Safekeeping and Custody**

*All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by an independent third-party custodian approved by the City Council. All broker-dealers shall send a transaction confirmation to the Investment Officer, and all security transactions confirmations shall be treated as a "Vital Record" by City personnel and kept safe per the requirements of City policy on Vital Records. Broker-dealers shall also send a monthly activity statement to the City showing all transactions entered into in the period. No City securities or cash will be held by any broker-dealer. The custodian sends a monthly statement to the Investment Officer covering all investment activity handled by that institution.*

## **XII. Diversification**

*The City will diversify its investments by security type and institution, to avoid incurring unreasonable risks inherent in over-investing in specific instruments or individual financial institutions. This Policy sets limits on maximum allocations by investment type and by issuer. Refer to Section VIII. above for a listing of authorized investments and the maximum allocation by type of investment. Section VIII. also details specific limitations per issuer. For purposes of this Policy, those limits each apply to the overall portfolio.*

## **XIII. Maximum Maturities**

*To the extent possible, the City of Encinitas will attempt to match its investments with anticipated cash flow requirements, after taking into consideration interest rate (market) risk and the potential benefits of extending investment maturities. The City conforms to the California Gov't Code requirements limiting investments in notes to five (5) years, subject to the exceptions cited in Section VIII. This relates principally to funds classified as reserves, which may be invested in specified instruments with maturities greater than five (5) years. In addition, the City maintains primary and secondary liquidity pools, as described in Section IV. (2) above. Primary liquidity shall be maintained of \$10 million minimum, with secondary liquidity maintained at an additional \$10 million. Primary liquidity above the \$10 million minimum shall count towards the secondary liquidity requirement.*

## **XIV. Internal Control**

*The Investment Officer shall establish a system of internal controls over all cash management and investment transactions, designed to provide reasonable assurance that assets are safeguarded and that all transactions are properly and timely recorded.*

*The City's independent auditor shall annually review the system of internal controls and report any deficiencies and/or suggestions for improvements to the Investment Officer and Finance Director/City Treasurer. Any confirmed significant deficiencies shall be reported to the City Manager and City Council in writing, along with the City's response to the audit findings.*

## **XV. Performance Standards:**

*The City's investment strategy is active, and as such, the organization has determined that periodic quantitative measurement of investment portfolio performance is an important component of the overall monitoring of the investment program. As stated in Section IV(C) above, the performance objective of the Program is attaining a market rate of return over time consistent with the overall risk tolerance of the organization.*

The Investment Officer is charged with determining an appropriate **benchmark** by which to measure periodic performance. The chosen **benchmark** shall be designed to match as closely as practicable the City's tolerance for investment risk. Utilization of the benchmark and analysis of actual performance vs. the benchmark represent an important risk management tool, and analysis of significant variations shall be reported to the City Council in a timely manner. At the same time, it is recognized that the benchmark represents a guideline only, and that performance may vary, especially over relatively short time periods. A timeframe of 2-3 years is considered to be the minimum time period necessary for judging overall performance, due to changing market conditions, cash flow requirements and the fact that no chosen performance benchmark will exactly mirror the City's portfolio.

Attaining a market rate of return over time shall be measured and reported to the City Council, at least quarterly, via the utilization of the following benchmark to measure performance.

**The one (1) year constant maturity Treasury index**

Any change to the above performance benchmark shall be reported to the City Council during the Investment Officer's quarterly investment report.

The Investment Officer shall report performance on a quarterly basis based on the book yield (standard income) approach. Book yield calculates the earnings on an investment based on actual interest earned during any reporting period, including the accretion of purchase discounts and/or the amortization of purchase premiums. The Investment Officer shall also report the estimated market value of investments held (as provided by a third-party data provider) with each periodic report. The City no longer reports investment income on a total return basis each fiscal year (the alternative method presented in Gov't Actg. Standards Board (GASB) Statement No. 31) as the results over time are roughly comparable.

**XVI. Investment Accounting and Reporting**

The Investment Officer shall prepare (or have prepared) monthly investment reports sufficient to properly track and record all investment transactions and activity. The Investment Officer shall report investment positions and results of the Pooled Investment Fund to the City Council at least quarterly, in a form acceptable to the City Council (currently in a summary fashion.) These reports shall either be presented as an Agenda Report or as a memo report to the City Council members, at the discretion of the City Manager. The Investment Officer shall report positions and results of the Pooled Investment Fund and the Investment of Bond Proceeds annually to the City Council at a Public Meeting. Detailed annual reports of the Pooled Investment Fund shall be made available on the City's WebSite for Public Review.

**XVII. Investment Policy Adoption:**

The Investment Policy shall be reviewed and adopted by the City Council at a Public Meeting at least annually, regardless of whether there are any proposed changes to the Policy. The Policy shall be posted for public review on the City's WebSite ([www.encinitasCA.gov](http://www.encinitasCA.gov)) under City Departments/Finance.

Any typographical errors of other minor errors or inconsistencies shall be investigated and interpreted by the Investment Officer, who shall then seek the concurrence of the Finance Director before making any changes to policies or procedures. Any unresolved matters, which are judged to be insignificant in the overall context of the Policy, shall be presented to the City Manager for a final determination.