



City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JULY 26, 2011
FROM: CITY MANAGER - FINANCE **ITEM NO:** 30
WARD: ALL
SUBJECT: INVESTMENT SUMMARY AND FINANCIAL REPORTS - JUNE 30, 2011

ISSUE:

The City Manager's Office prepares monthly financial reports and an investment summary for City Council review.

RECOMMENDATIONS:

That the City Council receive and file these reports.

BACKGROUND:

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

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

FISCAL IMPACT:

None.

Prepared by: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Certified as to availability of funds: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Approved by: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
for Bradley J. Hudson, City Manager
Approved as to form: Gregory P. Priamos, City Attorney

Attachments: Investment Report(s)



CITY OF RIVERSIDE
Schedule of Cash and Investments
June 30, 2011

FACE VALUE	DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	COST BASIS	YIELD TO MATURITY	ESTIMATED MKT VALUE
MONEY MARKET ACCOUNTS								
\$123,134,423	Local Agency Investment Fund	Varies	Varies	NR	Varies	\$ 123,134,423	0.48%	\$ 123,134,423
5,120,684	Bank of America	Varies	Varies	AAA	Varies	5,120,684	0.35%	5,120,684
10,511,110	CalTRUST Short Term Fund	Varies	Varies	AA	Varies	10,511,110	0.51%	10,511,110
10,456,004	Heritage Money Market Fund	Varies	Varies	AAA	Varies	10,456,004	0.11%	10,456,004
1,787,818	CNI Charter Gov't MMF	Varies	Varies	AAA	Varies	1,787,818	2.00%	1,787,818
CERTIFICATES OF DEPOSIT								
248,000	Medallion Bank	0.80%	04/15/13	AAA	10/15/10	247,556	0.90%	248,893
247,000	GE Money Bank	1.75%	07/23/13	AAA	08/06/10	246,346	1.88%	250,379
247,000	Ally Bank	1.80%	08/06/13	AAA	08/06/10	246,481	1.90%	250,085
162,000	Cache Valley Bank	1.30%	08/12/13	AAA	08/10/10	161,315	1.50%	164,061
249,000	Enterprise Bank & Trust	1.55%	08/12/13	AAA	08/12/10	248,297	1.69%	252,160
248,000	BMW Bank of North America	1.60%	08/13/13	AAA	08/13/10	247,474	1.70%	251,085
249,000	Farm Bureau Bank	0.90%	10/15/13	AAA	10/15/10	248,429	1.00%	250,477
248,000	Franklin Security Bank	0.95%	10/15/13	AAA	10/15/10	247,716	1.00%	249,862
248,000	Essa Bank & Trust	1.00%	10/21/13	AAA	10/20/10	248,000	1.00%	248,789
249,000	Headwaters State Bank	1.00%	10/25/13	AAA	10/25/10	249,000	1.00%	249,847
245,000	Wilmington Trust	1.35%	10/29/13	AAA	10/29/10	245,000	1.35%	245,855
249,000	Middleton Community Bank	1.00%	11/27/13	AAA	10/27/10	248,417	1.10%	250,026
246,000	CIT Bank	2.30%	05/12/14	AAA	09/30/10	250,968	1.57%	251,498
248,000	Aurora Bank, FSB	1.50%	05/23/14	AAA	05/23/11	248,000	1.50%	247,244
247,000	GE Capital Financial	1.45%	06/10/14	AAA	06/10/11	246,636	1.50%	245,743
247,000	Discover Bank	1.35%	06/16/14	AAA	06/15/11	246,635	1.40%	245,829
249,000	Flushing Savings Bank	1.60%	10/07/14	AAA	10/07/10	248,206	1.70%	251,273
200,000	Enerbank USA	2.45%	07/07/15	AAA	09/29/10	202,675	2.10%	203,802
247,000	Wells Fargo Bank, N.A.	1.75%	04/29/16	AAA	04/29/11	247,000	1.75%	240,208
MEDIUM TERM NOTES								
10,000,000	GE Capital Corp	3.00%	12/09/11	AAA	12/19/08	10,030,973	2.27%	10,122,400
10,000,000	GE Capital Corp	5.25%	10/19/12	AAA	07/25/08	9,995,008	5.29%	10,542,300
5,000,000	GE Capital Corp	2.80%	01/08/13	AAA	10/25/10	5,111,259	1.31%	5,126,950
5,000,000	GE Capital Corp	1.88%	09/16/13	AAA	10/25/10	5,038,653	1.52%	5,057,050
5,000,000	GE Capital Corp	1.88%	09/16/13	AAA	10/25/10	5,038,653	1.52%	5,057,050
5,000,000	Rabobank	4.20%	05/13/14	AAA	07/10/09	5,050,663	3.81%	5,352,350
10,000,000	Wells Fargo	4.75%	02/09/15	AAA	05/17/10	10,374,588	3.61%	10,695,800
U.S. GOV'T AGENCY								
3,880,000	Fed Home Loan Bank	4.88%	11/15/11	AAA	01/07/08	3,897,299	3.59%	3,948,792
1,275,000	Fed Home Loan Mtg Corp	4.50%	11/15/11	AAA	01/07/08	1,279,025	3.59%	1,295,872
3,000,000	Fed Natl Mtg Assn	5.00%	02/16/12	AAA	01/07/08	3,024,364	3.60%	3,087,480
8,000,000	Fed Home Loan Bank	4.38%	06/08/12	AAA	01/07/08	8,049,127	3.66%	8,302,720
2,000,000	Fed Farm Credit Bank	5.25%	08/01/12	AAA	01/07/08	2,030,851	3.69%	2,106,000
5,000,000	Fed Home Loan Mtg Corp	5.00%	08/15/12	AAA	01/07/08	5,064,999	3.70%	5,253,900
10,000,000	Fed Home Loan Bank	1.63%	09/26/12	AAA	04/19/10	10,035,843	1.33%	10,154,800
5,000,000	Fed Home Loan Bank**	4.88%	12/14/12	AAA	01/07/08	5,072,382	3.78%	5,317,750
4,302,307	Fed Natl Mtg Assn 555162	5.02%	01/01/13	AAA	05/29/09	4,405,541	3.17%	4,474,184
12,000,000	Fed Home Loan Mtg Corp	1.20%	01/14/13	AAA	07/14/10	11,998,800	1.20%	12,004,080
10,000,000	Fed Natl Mtg Assn	4.38%	03/15/13	AAA	12/20/10	10,585,969	0.90%	10,665,000
4,852,661	Fed Natl Mtg Assn 386309	4.85%	06/01/13	AAA	06/26/09	5,000,786	3.14%	5,110,677
15,470,138	Fed Natl Mtg Assn 555648	4.54%	06/01/13	AAA	10/21/09	16,024,551	2.56%	16,152,062
2,700,620	Fed Home Loan Mtg E99428	4.00%	09/01/13	AAA	12/16/08	2,708,362	3.85%	2,757,684
8,122,883	Fed Natl Mtg Assn 555806	5.10%	10/01/13	AAA	07/15/09	8,625,882	2.92%	8,646,809
10,000,000	Fed Home Loan Bank**	3.63%	10/18/13	AAA	02/23/09	10,224,999	2.58%	10,673,100
10,000,000	Fed Natl Mtg Assn**	2.88%	12/11/13	AAA	03/12/09	10,045,873	2.67%	10,529,400
10,000,000	Fed Home Loan Mtg Corp	1.38%	02/25/14	AAA	02/17/11	9,952,250	1.56%	10,146,300
10,000,000	Fed Natl Mtg Assn	2.75%	03/13/14	AAA	02/17/11	10,306,909	1.58%	10,519,400
10,000,000	Fed Home Loan Bank	2.38%	03/14/14	AAA	03/04/11	10,232,474	1.49%	10,414,700
15,000,000	Fed Home Loan Mtg Corp	4.50%	04/02/14	AAA	08/24/09	15,590,473	2.96%	16,430,850
5,000,000	Fed Home Loan Bank	5.38%	06/13/14	AAA	08/24/09	5,327,046	2.98%	5,642,100
8,000,000	Fed Natl Mtg Assn	3.00%	09/16/14	AAA	02/17/11	8,277,598	1.88%	8,493,040
10,000,000	Fed Natl Mtg Assn	1.63%	10/26/15	AAA	04/11/11	9,733,624	2.28%	9,956,800
SUBTOTAL INVESTMENTS						393,719,018		
RDA TAX ALLOCATION BONDS								
17,300,000	Downtown/Airport/Hunter Park	5.00%	11/1/2041	NR	03/08/11	17,300,000	5.00%	\$ 17,300,000
0	Arlington	5.00%	11/1/2041	NR	03/08/11	0	5.00%	0
1,000,000	Magnolia Center	5.00%	11/1/2041	NR	03/08/11	1,000,000	5.00%	1,000,000
5,000,000	La Sierra/Arlanza	5.00%	11/1/2041	NR	03/08/11	5,000,000	5.00%	5,000,000
10,000,000	University Corridor/Sycamore	5.00%	11/1/2037	NR	03/08/11	10,000,000	5.00%	10,000,000
SUBTOTAL RDA BONDS						33,300,000		
TOTAL ALL INVESTMENTS						\$ 427,019,018	\$ 432,944,554	
MISCELLANEOUS CASH						55,000		
TOTAL CASH & INVESTMENTS						\$ 427,074,018		

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on March 01, 2011. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 1.27 years. Market prices of securities are obtained directly through Union Bank. Weighted average yield on cost is 1.982%.

Verified by: 
Brent A. Mason, Finance Director

Approved by: 
Paul C. Sundeen, Assistant City Manager/CFO/Treasurer

**CITY OF RIVERSIDE
POOLED CASH AND INVESTMENTS BY FUND
JUNE 30, 2011**

Electric Fund	182,925,235
Sewer Fund	13,924,499
Transportation Funds	1,394,021
General Fund*	89,829,176
Low/Mod Housing	6,507,127
RDA Bond Proceeds 2011	31,193,839
Trust Funds	25,214,401
Water Fund	58,455,893
Internal Service Liability and Workers' Compensation Funds	558,400
Other Miscellaneous Funds	17,071,427
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Total Cash and Investments	<u>427,074,018</u>

*Includes RDA Debt Service and RDA Capital Projects Funds.

INTERFUND LOANS – NEW LOANS DURING THE MONTH

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

INTERFUND LOANS – FISCAL YEAR END RECEIVABLE FUND CHANGES

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