



**CITY OF COSTA MESA
FINANCE & I.T. DEPARTMENT
INTEROFFICE MEMORANDUM**

TO: HONORABLE CITY COUNCIL

FROM: COLLEEN O'DONOGHUE, ASSISTANT FINANCE DIRECTOR

DATE: AUGUST 22, 2013

SUBJECT: *TREASURER'S REPORT FOR THE MONTH OF JULY, 2013*

Attached is the Treasurer's Report for the month of July 2013. This performance report lists the various types of securities, institutions the securities were purchased from, maturity dates and interest rates for all securities held in the City's investment portfolio as of the end of the reporting period. All of the City's investments as of July 31, 2013, are in compliance with the Investment Policy and the California Government Code except as otherwise noted or disclosed herein. All market values provided in this report were obtained from The Bank of New York Mellon, except for the Local Agency Investment Fund (LAIF). Market values for LAIF were provided by the State Treasurer's Office. The market value shown for the City's LAIF investment represents the City's contractual rights to its LAIF account and does not represent the value of the underlying portfolio securities. As of July 31, 2013, the City has adequate cash reserves necessary to meet its obligations for the next six months.

The weighted average stated rate of return (current yield) for the City's investment portfolio as of July 31, 2013, was .607%. The yield to maturity of the portfolio was .594%. The current yield of the City's portfolio was 34 basis points (.340%) above the current yield of the State of California's Local Agency Investment Fund (LAIF) of .267% for the month ended July 31, 2013. The weighted average number of days to maturity for the total portfolio was 759 days (2.079 years). The weighted average number of days to maturity for the total portfolio less pools was 1,337 days (3.663 years). The average duration for the underlying securities within LAIF as of July 31, 2013 was 265 days (0.726 years).

The following securities were purchased during the month of July, 2013:

<u>Type of Investment</u>	<u>Purchase Date</u>	<u>Cost</u>	<u>Coupon Interest Rate</u>	<u>Yield to Maturity</u>	<u>Yield to Call</u>	<u>Maturity Date</u>
FNMA	07/10/2013	2,000,000.00	1.700%	1.700%	1.700%	07/10/2018

There were no securities called during the month of July, 2013.

There were no securities sold during the month of July, 2013.

There were no securities matured during the month of July, 2013.

COMPLIANCE REPORTING

The City held two Lehman Brothers Medium-Term Corporate Notes in its investment portfolio. The total amount invested in these two securities stated at cost was \$5,049,700. Lehman Brothers filed for bankruptcy protection status on September 15, 2008 and the debt rating fell to B3- on that date. These securities had been rated A2 up until the bankruptcy filing. The market value loss of \$4,107,075 for the securities was recorded on the City's general ledger in September 2008, and is updated annually. The current estimates for recoveries through the bankruptcy proceedings are unknown.

In April 2011, the City joined the Ad Hoc Group of Lehman Brothers Creditors to help maximize the recovery through bankruptcy proceedings, and to protect the City's interest in the Lehman Brother's bankruptcy. The Ad Hoc Group filed a "Creditor's Plan" with the U.S. Bankruptcy Court in Manhattan which would provide a better recovery to creditors of the original Lehman parent company while offering a smaller payout to some creditors of Lehman subsidiaries. On December 6, 2011, the Bankruptcy Court entered an order confirming the Debtors' Chapter 11 Plan. The initial distribution date was April 17, 2012, and the City received \$301,889.87. After the initial plan distribution, the Debtors will make distributions of cash available in accordance with the plan semi-annually on March 30 and September 30 of each year. The City received \$250,360.80 on April 4, 2013.

As of July 31, 2013, the City has received \$744,275.07 from all Plan Distributions. The amount of Lehman Brothers investment claim held in escrow with Lehman Brothers Holdings, Inc. is currently estimated to be \$571,349.93.

The investment portfolio is in compliance with the City's adopted investment policy and applicable state laws in all other respects during, and as of, the end of the reporting period.

If you have any questions or need additional information, feel free to contact me directly.



COLLEEN O'DONOGHUE, CPA
Assistant Finance Director

Attachment: Treasurer's Report for the month of July, 2013

CITY OF COSTA MESA
TREASURER'S REPORT OF POOLED CASH AND INVESTMENTS
AS OF JULY 31, 2013

<u>ACTIVE ACCOUNTS</u>	<u>BANK BALANCE</u>	<u>DEPOSITS IN TRANSIT</u>	<u>OUTSTANDING CHECKS</u>	<u>BOOK BALANCE</u>
Bank of America - General/Payroll	\$1,084,846.15	186,491.66	113,813.54	1,157,524.27
Reconciling Items		30,388.46	55,137.63	(24,749.17)
Vendor Payment Account		6,687.61	18,376.95	(11,689.34)
Bank of America - Flex Benefit Plan, C.A.I.		-	1,683.29	(1,683.29)
Total Active Accounts	<u>1,084,846.15</u>	<u>223,567.73</u>	<u>189,011.41</u>	<u>1,119,402.47</u>

<u>INVESTMENTS</u>	<u>COST</u>			
Bank of New York-Trust Sweep Account	44,700.00			44,700.00
Local Agency Investment Fund	36,617,949.22			36,617,949.22
Commercial Paper	4,998,625.00			4,998,625.00
Federal Home Loan Mortgage Corporation	4,998,500.00			4,998,500.00
Federal Home Loan Bank	11,000,000.00			11,000,000.00
Federal Farm Credit Bank	8,993,310.00			8,993,310.00
Federal National Mortgage Association	18,103,160.00			18,103,160.00
	<u>84,756,244.22</u>			<u>84,756,244.22</u>
Market Value Adjustment at 06-30-2013				(738,758.00)
				<u>84,017,486.22</u>

<u>BANKRUPTCY CLAIM</u>				
Lehman Bros. Holdings Inc.				1,315,625.00
Bankruptcy Distribution on 04-18-12				(301,889.87)
Bankruptcy Distribution on 10-01-12				(192,024.40)
Bankruptcy Distribution on 04-04-13				(250,360.80)
	<u>571,349.93</u>			<u>571,349.93</u>
Total Investments	<u>85,327,594.15</u>	-	-	<u>84,588,836.15</u>

<u>IMPREST ACCOUNTS</u>				
Bank of America - Bail	10.00	-	-	10.00
Long Term Disability	20,000.00			20,000.00
Total Imprest Accounts	<u>20,010.00</u>	-	-	<u>20,010.00</u>
	<u>86,432,450.30</u>	<u>223,567.73</u>	<u>189,011.41</u>	<u>85,728,248.62</u>

City of Costa Mesa Change Funds 12,075.00

TOTAL POOLED CASH AND INVESTMENTS \$ 85,740,323.62



COLLEEN O'DONOGHUE, C.P.A.
Assistant Finance Director

8/23/13

DATE

POOLED CASH AND INVESTMENTS BY FUND
FOR THE MONTH ENDING JULY 31, 2013

FUND NO	FUND NAME	AMOUNT
101	General Fund	\$ 35,046,901.93 *
201	Special Gas Tax Fund	11,168,047.77
202	Prop. 172 - Public Safety Fund	514,036.70
203	Air Quality Improvement Fund (AB 2766)	721,257.67
205	HUD -HOME Program-HOME Investment Partnership Act	134,393.36
207	HUD -Community Development Block Grant Program Fund	(168,845.24)
208	Park Development Fees Fund	1,394,526.70
209	Drainage Fees Fund	1,667,311.36
213	Supplemental Law Enforcement Services Fund (SLESF)	(6,657.41)
214	Traffic Impact Fees Fund	3,729,452.33
217	Narcotics Forfeiture Fund	17,000.00
218	Fire System Development Fees Fund	3,773,660.16
219	Local Law Enforcement Block	741,966.80
220	Office of Traffic Safety	31,086.11
221	Homelessness Prevention	(54,600.97)
222	Costa Mesa Housing Authority	266,113.41
401	Capital Outlay Fund	2,451,969.60
403	Measure "M" Construction Fund	4,041,387.60
409	Vehicle Parking District #1 Fund	9,963.14
410	Vehicle Parking District #2 Fund	18,632.02
413	Golf Course Improvement Fund	599,415.96
414	Measure "M" Turnback Fund	1,367,700.14
415	Measure "M" 2 Fund	(1,449,925.26)
416	Measure "M" 2 Fairshare Fund	4,019,600.64
601	Equipment Maintenance and Replacement Fund	7,415,874.57
602	Self-Insurance Fund - Liab/W.C./Unemployment	5,840,776.99
701	Deposits	1,415,698.16
705	Costa Mesa Community Foundation	23,538.54
755	Police Retirement - 1% Supplemental	1,010,040.84
	Total Pooled Cash & Investments	<u>\$ 85,740,323.62</u>

*Council has designated \$14.125 million in general fund balance for emergency reserves.
These totals reflect month end cash balances only.

CITY OF COSTA MESA
OUTSTANDING INVESTMENTS BY INSTRUMENT TYPE
AS OF JULY 31, 2013

<u>INSTITUTION</u>	<u>TYPE OF INVESTMENT</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>COST</u>	<u>MARKET VALUE AS OF 07/31/13</u>	<u>% of PORTFOLIO</u>	<u>SPECIAL CHARACTERISTICS OF INVESTMENTS</u>
Local Agency Investment Fund	POOL	N/A	CONTINUOUS	0.267 % (1)	\$ 36,617,949.22	36,617,949.22	43.21%	Local Agency Investment Fund - State Treasurer's Pool
Wells Fargo Treas Plus Money Mkt Fd	Money Market Fund	N/A	CONTINUOUS	- % (2)	44,700.00	44,700.00	0.05%	Stagecoach Funds Inc. Treasury Money Market Mutual Fund
Commercial Paper								
General Electric Capital Corp.	Commercial Paper	05/08/2013	08/16/2013	0.100 % (3)	4,998,625.00	4,999,655.50		Commercial Paper rated A1+/P1
					4,998,625.00	4,999,655.50	5.90%	Dollar Weighted Average Maturity is 16 Days
Federal Home Loan Bank:								
E J De La Rosa	FHLB	08/16/2012	08/16/2017	1.000 % (4)	2,000,000.00	1,974,720.00		Fixed rate, callable with 5 days on or after 11/16/12
Wells Fargo Institutional Securities, LLC	FHLB	01/30/2013	01/30/2018	1.050 % (4)	2,000,000.00	1,966,875.00		Fixed rate, callable with 5 days on or after 07/30/13
E J De La Rosa	FHLB	01/30/2013	01/30/2018	1.000 % (4)	2,000,000.00	1,963,100.00		Fixed rate, callable with 5 days on or after 07/30/13
Wells Fargo Institutional Securities, LLC	FHLB	06/26/2013	06/26/2018	0.750 % (4)	2,000,000.00	1,974,860.00		Callable with 5 days on 06/26/15. Steps to 1.75% if not called.
E J De La Rosa	FHLB	06/27/2013	06/27/2018	1.200 % (4)	3,000,000.00	2,967,330.00		Fixed rate, callable with 5 days only on 06/27/14
	Total Federal Home Loan Bank				11,000,000.00	10,846,885.00	12.80%	
Federal Farm Credit Bank:								
Wells Fargo Institutional Securities, LLC	FFCB	04/30/2013	07/15/2015	0.290 % (4)	1,998,500.00	1,996,840.00		Fixed rate, callable with 5 days notice on or after 07/15/13
Wells Fargo Institutional Securities, LLC	FFCB	04/30/2013	10/15/2015	0.320 % (4)	2,000,000.00	1,994,420.00		Fixed rate, callable with 5 days notice on or after 07/15/13
Wells Fargo Institutional Securities, LLC	FFCB	06/06/2013	06/06/2016	0.540 % (4)	1,997,500.00	1,993,380.00		Fixed rate, callable with 5 days notice only on 06/06/14
Wells Fargo Institutional Securities, LLC	FFCB	04/30/2013	07/12/2016	0.450 % (4)	1,999,500.00	1,986,300.00		Fixed rate, callable with 5 days notice on or after 07/12/13
Wells Fargo Institutional Securities, LLC	FFCB	05/21/2013	05/14/2018	0.875 % (4)	997,810.00	969,390.00		Bullet
	Total Federal Farm Credit Bank				8,993,310.00	8,940,330.00	10.55%	
Federal Home Loan Mortgage Corporation:								
Wells Fargo Institutional Securities, LLC	FHLMC	02/14/2013	02/14/2018	1.000 % (4)	2,998,500.00	2,942,310.00		Fixed rate, callable with 5 days notice on or after 05/14/13
E J De La Rosa	FHLMC	06/27/2013	06/27/2018	1.250 % (4)	2,000,000.00	1,965,540.00		Fixed rate, callable with 5 days notice only on 06/27/14
	Total Federal Home Loan Mortgage Corporation				4,998,500.00	4,907,850.00	5.79%	
Federal National Mortgage Association:								
Wells Fargo Institutional Securities, LLC	FNMA	05/20/2013	09/28/2016	1.250 % (4)	2,050,520.00	2,030,860.00		Bullet
Wells Fargo Institutional Securities, LLC	FNMA	05/20/2013	11/15/2016	1.375 % (4)	2,058,980.00	2,031,680.00		Bullet
Citigroup Global Markets Inc.	FNMA	08/28/2012	08/28/2017	1.100 % (4)	2,000,000.00	1,977,780.00		Fixed rate, callable with 10 days on or after 08/28/13
Citigroup Global Markets Inc.	FNMA	01/30/2013	01/30/2018	1.000 % (4)	2,000,000.00	1,962,860.00		Fixed rate, callable quarterly w/10 days notice on or after 1/30/2014
Citigroup Global Markets Inc.	FNMA	01/30/2013	01/30/2018	1.050 % (4)	2,000,000.00	1,964,300.00		Fixed rate, callable quarterly w/10 days notice on or after 7/30/2013
Citigroup Global Markets Inc.	FNMA	02/14/2013	02/14/2018	1.010 % (4)	2,000,000.00	1,943,540.00		Fixed rate, callable quarterly w/10 days notice on or after 2/14/2014
Wells Fargo Institutional Securities, LLC	FNMA	02/21/2013	02/21/2018	0.750 % (4)	2,000,000.00	1,962,280.00		Step-up bond, callable with 10 days notice on or after 02/21/14
Wells Fargo Institutional Securities, LLC	FNMA	05/21/2013	05/21/2018	0.875 % (4)	1,993,660.00	1,940,820.00		Bullet
E J De La Rosa	FNMA	07/10/2013	07/10/2018	1.700 % (4)	2,000,000.00	1,994,440.00		Fixed rate, callable quarterly w/10 days notice on or after 7/10/2014
	Total Federal National Mortgage Association				18,103,160.00	17,808,560.00	21.02%	
					\$ 84,756,244.22	84,165,929.72		
BANKRUPTCY CLAIM								
	Lehman Bros. Holdings Inc.				\$ 571,349.93	571,349.93		
	Total Bankruptcy Claim				571,349.93	571,349.93	0.67%	
	Total Outstanding Investments				\$ 85,327,594.15	\$ 84,737,279.65	100.00%	% Rounded 5/4

INTEREST RATE LEGEND

- (1) LAIF rate quoted as of the last day of the month
(2) Yield quoted by the Fund as of the last day of the month

- (3) Money Market Equivalent Yield at time of purchase
(4) Coupon rate of instrument

CITY OF COSTA MESA
INVESTMENT ACTIVITY SUMMARY
FOR THE MONTH OF JULY 3013

Total outstanding investments as of June 30, 2013 \$ 89,455,845.77

	PURCHASE DATE	MATURITY DATE	COUPON <u>RATE</u>	YIELD TO <u>MATURITY</u>	<u>COST</u>
Investment Purchases:					
Federal National Mortgage Association	07/10/2013	07/10/2018	1.700%	1.700%	2,000,000.00
Total Purchases:					2,000,000.00

Investment Maturities:		-
Total Maturities: None		-

Investment Calls:		-
Total Calls: None		-

Investments Sold:		-
Total Sales: None		-

Bankruptcy Claim:		
Held with Lehman Bros. Holdings Inc.		1,013,735.13
Bankruptcy Distribution on 10-01-12		(192,024.40)
Bankruptcy Distribution on 04-04-13		(250,360.80)
		571,349.93

Net increase (decrease) in LAIF		(6,172,951.62)
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Net increase (decrease) in Sweep Account		44,700.00
		44,700.00

Total outstanding investments as of July 31, 2013		\$ 85,327,594.15
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CITY OF COSTA MESA
SUMMARY OF POLICY LIMITATIONS
AS OF JULY 31, 2013

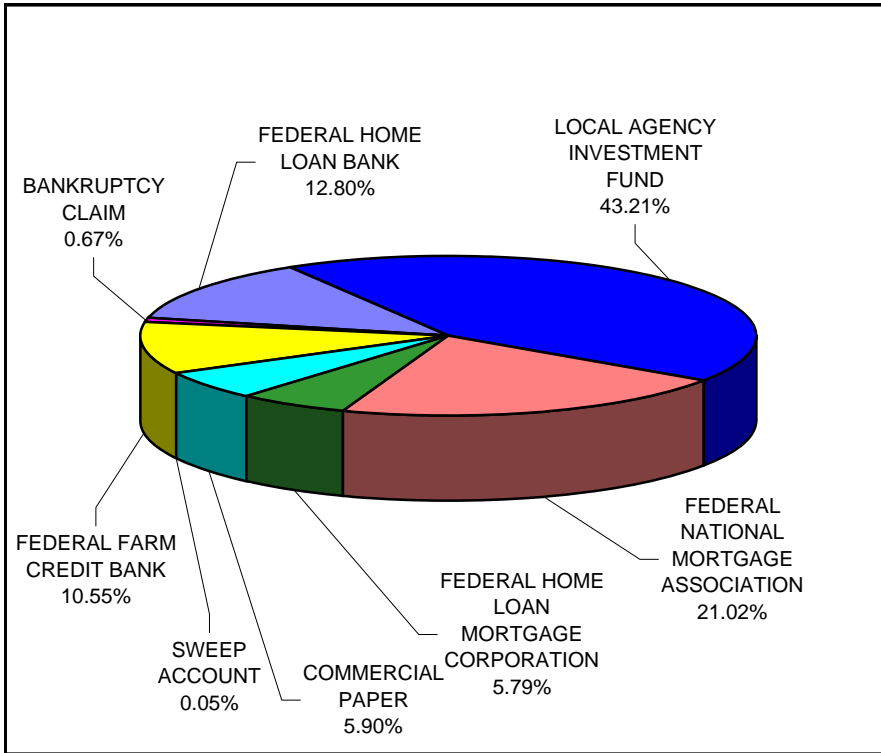
DESCRIPTION	CURRENT PERCENTAGE BASED ON MARKET VALUE AS OF 07/31/13	MAXIMUM PERCENTAGE
U.S. Treasury Bills	0.00%	UNLIMITED
U.S. Treasury Notes	0.00%	UNLIMITED
Federal Agency Issues:		
FICB	0.00%	60.00%
FFCB	10.55%	60.00%
FLB	0.00%	60.00%
FHLB	12.80%	60.00%
FNMA	21.02%	60.00%
FHLMC	5.79%	60.00%
Other *	0.00%	60.00%
Banker's Acceptances	0.00%	40.00%
Certificates of Deposit	0.00%	UNLIMITED
Negotiable Certificates of Deposits	0.00%	30.00%
Commercial Paper	5.90%	10% or 25% (1)
Medium Term Corporate Notes	0.00%	30.00%
Lehman Bros Holdings Inc	0.67%	
Repurchase Agreements	0.00%	UNLIMITED
LAIF (Local Agency Investment Fund)	43.21%	\$ 50,000,000.00
Current Balance		\$ 36,617,949.22
Orange County Treasurer's Pool	0.00%	35.00%
Money Market Mutual Funds (Sweep Account)	0.05%	10% per fund (2)
Asset-Backed and Mortgage-Backed Securities	0.00%	20.00%
TOTAL	100.00%	(3)
% of Portfolio Maturing within one year	49.50%	(3) no less than 20%
% of Portfolio Maturing or Callable within one year	89.37%	(3)









(1) Current dollar weighted average maturity as of 07/31/13 is 16 days.

(2) Also limited to 20% in total.

*These securities are not considered for purchases: SBA, GNMA, TVA and SALLIEMAE

CITY OF COSTA MESA - ASSET ALLOCATION AS OF JULY 31, 2013



	In Thousands
 Local Agency Investment Fund	\$ 36,618
 Sweep Account	45
 Commercial Paper	4,999
 Federal Home Loan Mortgage Corporation	4,999
 Federal Home Loan Bank	11,000
 Federal Farm Credit Bank	8,993
 Bankruptcy Claim	571
 Federal National Mortgage Association	18,103
Total	<u>\$ 85,328</u>

% Rounded 5/4

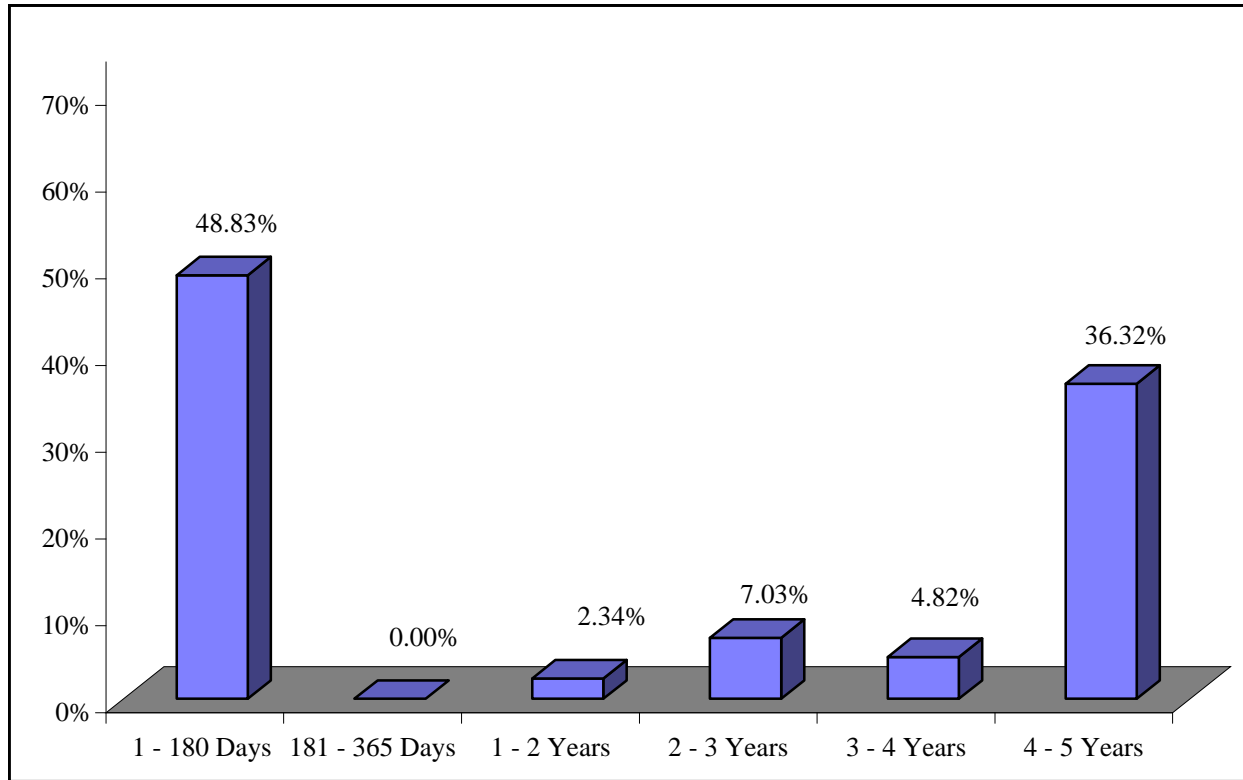
**CITY OF COSTA MESA
OUTSTANDING INVESTMENTS BY YEAR OF MATURITY
AS OF JULY 31, 2013**

TYPE OF INVESTMENT	PURCHASE DATE	MATURITY DATE	PAR VALUE	COST	MARKET VALUE AS OF MONTH END	ACCRUED INTEREST	GAIN/(LOSS) IF SOLD (1)	
<u>2013:</u>								
Local Agency Investment Fund	N/A	CONTINUOUS	\$ 36,617,949.22	36,617,949.22	36,617,949.22	-	-	
Stagecoach Treasury Money Market Fund	N/A	CONTINUOUS	44,700.00	44,700.00	44,700.00	-	-	
General Electric Commercial Paper	05/09/2013	08/16/2013	5,000,000.00	4,998,625.00	4,999,655.50	1,166.67	1,030.50	
Percent maturing in 2013			48.83%	41,662,649.22	41,661,274.22	1,166.67	1,030.50	
<u>2015:</u>								
* Federal Farm Credit Bank	04/30/2013	07/15/2015	2,000,000.00	1,998,500.00	1,996,840.00	257.76	(1,660.00)	
* Federal Farm Credit Bank	04/30/2013	10/15/2015	2,000,000.00	2,000,000.00	1,994,420.00	1,884.44	(5,580.00)	
Percent maturing in 2015			4.69%	4,000,000.00	3,991,260.00	2,142.20	(7,240.00)	
<u>2016:</u>								
* Federal Farm Credit Bank	06/06/2013	06/06/2016	2,000,000.00	1,997,500.00	1,993,380.00	1,650.00	(4,120.00)	
* Federal Farm Credit Bank	04/30/2013	07/12/2016	2,000,000.00	1,999,500.00	1,986,300.00	475.00	(13,200.00)	
Federal National Mortgage Association	05/20/2013	09/28/2016	2,000,000.00	2,050,520.00	2,030,860.00	8,541.66	(19,660.00)	
Federal National Mortgage Association	05/20/2013	11/15/2016	2,000,000.00	2,058,980.00	2,031,680.00	5,805.54	(27,300.00)	
Percent maturing in 2016			9.50%	8,000,000.00	8,042,220.00	16,472.20	(64,280.00)	
<u>2017:</u>								
* Federal Home Loan Bank	08/16/2012	08/16/2017	2,000,000.00	2,000,000.00	1,974,720.00	9,166.66	(25,280.00)	
* Federal National Mortgage Association	08/28/2012	08/28/2017	2,000,000.00	2,000,000.00	1,977,780.00	9,350.00	(22,220.00)	
Percent maturing in 2017			4.69%	4,000,000.00	3,952,500.00	18,516.66	(47,500.00)	
<u>2018:</u>								
* Federal Home Loan Bank	01/30/2013	01/30/2018	2,000,000.00	2,000,000.00	1,963,100.00	55.54	(36,900.00)	
* Federal Home Loan Bank	01/30/2013	01/30/2018	2,000,000.00	2,000,000.00	1,966,875.00	58.32	(33,125.00)	
* Federal National Mortgage Association	01/30/2013	01/30/2018	2,000,000.00	2,000,000.00	1,964,300.00	58.32	(35,700.00)	
* Federal National Mortgage Association	01/30/2013	01/30/2018	2,000,000.00	2,000,000.00	1,962,860.00	55.54	(37,140.00)	
* Federal Home Loan Mortgage Corporation	02/14/2013	02/14/2018	3,000,000.00	2,998,500.00	2,942,310.00	13,916.64	(56,190.00)	
* Federal National Mortgage Association	02/14/2013	02/14/2018	2,000,000.00	2,000,000.00	1,943,540.00	9,370.54	(56,460.00)	
* Federal National Mortgage Association	02/21/2013	02/21/2018	2,000,000.00	2,000,000.00	1,962,280.00	6,666.67	(37,720.00)	
Federal Farm Credit Bank	05/21/2013	05/14/2018	1,000,000.00	997,810.00	969,390.00	1,871.52	(28,420.00)	
Federal National Mortgage Association	05/21/2013	05/21/2018	2,000,000.00	1,993,660.00	1,940,820.00	3,402.76	(52,840.00)	
* Federal Home Loan Bank	06/26/2013	06/26/2018	2,000,000.00	2,000,000.00	1,974,860.00	1,500.00	(25,140.00)	
* Federal Home Loan Bank	06/27/2013	06/27/2018	3,000,000.00	3,000,000.00	2,967,330.00	3,399.99	(32,670.00)	
* Federal Home Loan Mortgage Corporation	06/27/2013	06/27/2018	2,000,000.00	2,000,000.00	1,965,540.00	2,361.10	(34,460.00)	
* Federal National Mortgage Association	07/10/2013	07/10/2018	2,000,000.00	2,000,000.00	1,994,440.00	1,983.32	(5,560.00)	
Percent maturing in 2018			31.63%	27,000,000.00	26,989,970.00	44,700.26	(472,325.00)	
Sub-total			84,662,649.22	84,756,244.22	84,165,929.72	82,997.99	(590,314.50)	
<u>BANKRUPTCY CLAIM</u>								
Lehman Bros. Holdings Inc.			571,349.93	571,349.93	571,349.93	-	-	
			0.67%	571,349.93	571,349.93	-	-	
Total outstanding investments			100.00%	\$ 85,233,999.15	85,327,594.15	84,737,279.65	82,997.99	(590,314.50)

* Callable

(1) Gain/Loss equals the fair market value as of the month end less the cost.

CITY OF COSTA MESA - MATURITIES DISTRIBUTION AS OF JULY 31, 2013



	In Thousands
1 - 180 Days	\$ 41,661
181 - 365 Days	-
1 - 2 Years	1,999
2 - 3 Years	5,997
3 - 4 Years	4,109
4 - 5 Years	<u>30,990</u>
* TOTAL	<u><u>\$ 84,756</u></u>

% Rounded 5/4

*Total does not include Lehman Bros. Holdings Inc. as the recovery of principal is undetermined at this time.

CITY OF COSTA MESA
INVESTMENTS AND INVESTMENT EARNINGS
AS OF JULY 31, 2013

INVESTMENT	CUSIP NUMBER	INTEREST RATE	YIELD TO MATURITY	COST	INTEREST EARNED AT 07/31/2013	PURCHASE DATE	CALL DATE	MATURITY DATE
Local Agency Investment Fund	S99998260	0.267%		\$ 36,617,949.22		07/31/2013		07/31/2013
Wells Fargo Treas Plus Money Mkt Fd	N/A	0.000%		44,700.00		07/31/2013		07/31/2013
GECC Commercial Paper	36959HVG9	0.100%	0.100%	4,998,625.00	1,166.67	05/09/2013		08/16/2013
Federal Farm Credit Bank	3133ECL85	0.290%	0.324%	1,998,500.00	257.76	04/30/2013	07/15/2013	07/15/2015
Federal Farm Credit Bank	3133ECL93	0.320%	0.320%	2,000,000.00	1,884.44	04/30/2013	07/15/2013	10/15/2015
Federal Farm Credit Bank	3133ECR55	0.540%	0.582%	1,997,500.00	1,650.00	06/06/2013	06/06/2014	06/06/2016
Federal Farm Credit Bank	3133ECLB8	0.450%	0.458%	1,999,500.00	475.00	04/30/2013	07/12/2013	07/12/2016
Federal National Mortgage Association	3135G0CM3	1.250%	0.490%	2,050,520.00	8,541.66	05/20/2013		09/28/2016
Federal National Mortgage Association	3135G0ES8	1.375%	0.520%	2,058,980.00	5,805.54	05/20/2013		11/15/2016
Federal Home Loan Bank	313380A80	1.000%	1.000%	2,000,000.00	9,166.66	08/16/2012	11/16/2012	08/16/2017
Federal National Mortgage Association	3135G0NR0	1.100%	1.100%	2,000,000.00	9,350.00	08/28/2012	08/28/2013	08/28/2017
Federal Home Loan Bank	313381RE7	1.000%	1.000%	2,000,000.00	55.54	01/30/2013	07/30/2013	01/30/2018
Federal Home Loan Bank	313381SP1	1.050%	1.050%	2,000,000.00	58.32	01/30/2013	07/30/2013	01/30/2018
Federal National Mortgage Association	3135G0TK9	1.050%	1.050%	2,000,000.00	58.32	01/30/2013	07/30/2013	01/30/2018
Federal National Mortgage Association	3136G1AZ2	1.000%	1.000%	2,000,000.00	55.54	01/30/2013	01/30/2014	01/30/2018
Federal Home Loan Mortgage Corporation	3134G34Y3	1.000%	1.010%	2,998,500.00	13,916.64	02/14/2013	05/14/2013	02/14/2018
Federal National Mortgage Association	3135G0UD3	1.010%	1.010%	2,000,000.00	9,370.54	02/14/2013	02/14/2014	02/14/2018
Federal National Mortgage Association	3136G1CJ6	0.750%	1.094%	2,000,000.00	6,666.67	02/21/2013	02/21/2014	02/21/2018
Federal Farm Credit Bank	3133ECPB4	0.875%	0.920%	997,810.00	1,871.52	05/21/2013		05/14/2018
Federal National Mortgage Association	3135G0WJ8	0.875%	0.940%	1,993,660.00	3,402.76	05/21/2013		05/21/2018
Federal Home Loan Bank	313383J44	0.750%	1.342%	2,000,000.00	1,500.00	06/26/2013	06/26/2015	06/26/2018
Federal Home Loan Bank	313383HQ7	1.200%	1.200%	3,000,000.00	3,399.99	06/27/2013	06/27/2014	06/27/2018
Federal Home Loan Mortgage Corporation	3134G4A57	1.250%	1.250%	2,000,000.00	2,361.10	06/27/2013	06/27/2014	06/27/2018
Federal National Mortgage Association	3136G1PD5	1.700%	1.700%	2,000,000.00	1,983.32	07/10/2013	07/10/2014	07/10/2018
				84,756,244.22	82,997.99			
<u>BANKRUPTCY CLAIM</u>								
Lehman Bros. Holdings Inc.				571,349.93	-			
				\$ 571,349.93	-			
TOTAL				\$ 85,327,594.15	82,997.99			

KEY: BA - Banker's Acceptance
CD - Certificate of Deposit
CP - Commercial Paper

FNMA - Federal National Mortgage Corporation
FHLMC - Federal Home Loan Mortgage Corporation
MTCN - Medium Term Corporate Note

FFCB - Federal Farm Credit Bank
FHLB - Federal Home Loan Bank
STP - State Treasurers Pool

SW - Sweep

**CITY OF COSTA MESA
OUTSTANDING INVESTMENTS
AS OF JULY 31, 2013**

<u>TYPE OF INVESTMENT</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>CALL DATE</u>	<u>DAYS TO MATURITY</u>	<u>INTEREST RATE</u>	<u>YIELD TO MATURITY</u>	<u>COST</u>
LOCAL AGENCY INVESTMENT FUND				1	0.267 %	0.267 %	\$ 36,617,949.22
WELLS FARGO TREASURY PLUS INST'L MONEY MARKET FUND				1	- %	- %	44,700.00
GECC COMMERCIAL PAPER	05/09/2013	08/16/2013		16	0.100 %	0.100 %	4,998,625.00
FFCB	04/30/2013	07/15/2015	07/15/2013	714	0.290 %	0.324 %	1,998,500.00
FFCB	04/30/2013	10/15/2015	07/15/2013	806	0.320 %	0.320 %	2,000,000.00
FFCB	06/06/2013	06/06/2016	06/06/2014	1,041	0.540 %	0.582 %	1,997,500.00
FFCB	04/30/2013	07/12/2016	07/12/2013	1,077	0.450 %	0.458 %	1,999,500.00
FNMA	05/20/2013	09/28/2016		1,155	1.250 %	0.490 %	2,050,520.00
FNMA	05/20/2013	11/15/2016		1,203	1.375 %	0.520 %	2,058,980.00
FHLB	08/16/2012	08/16/2017	11/16/2012	1,477	1.000 %	1.000 %	2,000,000.00
FNMA	08/28/2012	08/28/2017	08/28/2013	1,489	1.100 %	1.100 %	2,000,000.00
FHLB	01/30/2013	01/30/2018	07/30/2013	1,644	1.050 %	1.050 %	2,000,000.00
FNMA	01/30/2013	01/30/2018	01/30/2014	1,644	1.000 %	1.000 %	2,000,000.00
FNMA	01/30/2013	01/30/2018	07/30/2013	1,644	1.050 %	1.050 %	2,000,000.00
FHLB	01/30/2013	01/30/2018	07/30/2013	1,644	1.000 %	1.000 %	2,000,000.00
FHLMC	02/14/2013	02/14/2018	05/14/2013	1,659	1.000 %	1.010 %	2,998,500.00
FNMA	02/14/2013	02/14/2018	02/14/2014	1,659	1.010 %	1.010 %	2,000,000.00
FNMA	02/21/2013	02/21/2018	02/21/2014	1,666	0.750 %	1.094 %	2,000,000.00
FFCB	05/21/2013	05/14/2018		1,748	0.875 %	0.920 %	997,810.00
FNMA	05/21/2013	05/21/2018		1,755	0.875 %	0.940 %	1,993,660.00
FHLB	06/26/2013	06/26/2018	06/26/2015	1,791	0.750 %	1.342 %	2,000,000.00
FHLB	06/27/2013	06/27/2018	06/27/2014	1,792	1.200 %	1.200 %	3,000,000.00
FHLMC	06/27/2013	06/27/2018	06/27/2014	1,792	1.250 %	1.250 %	2,000,000.00
FNMA	07/10/2013	07/10/2018	07/10/2014	1,805	1.700 %	1.700 %	2,000,000.00
Total outstanding investments							\$ 84,756,244.22

WEIGHTED AVERAGE:

INTEREST RATE OF PORTFOLIO	0.607%
YIELD TO MATURITY OF PORTFOLIO	0.594%
MATURITY OF PORTFOLIO	759 DAYS
MATURITY OF PORTFOLIO LESS POOLS	1,337 DAYS

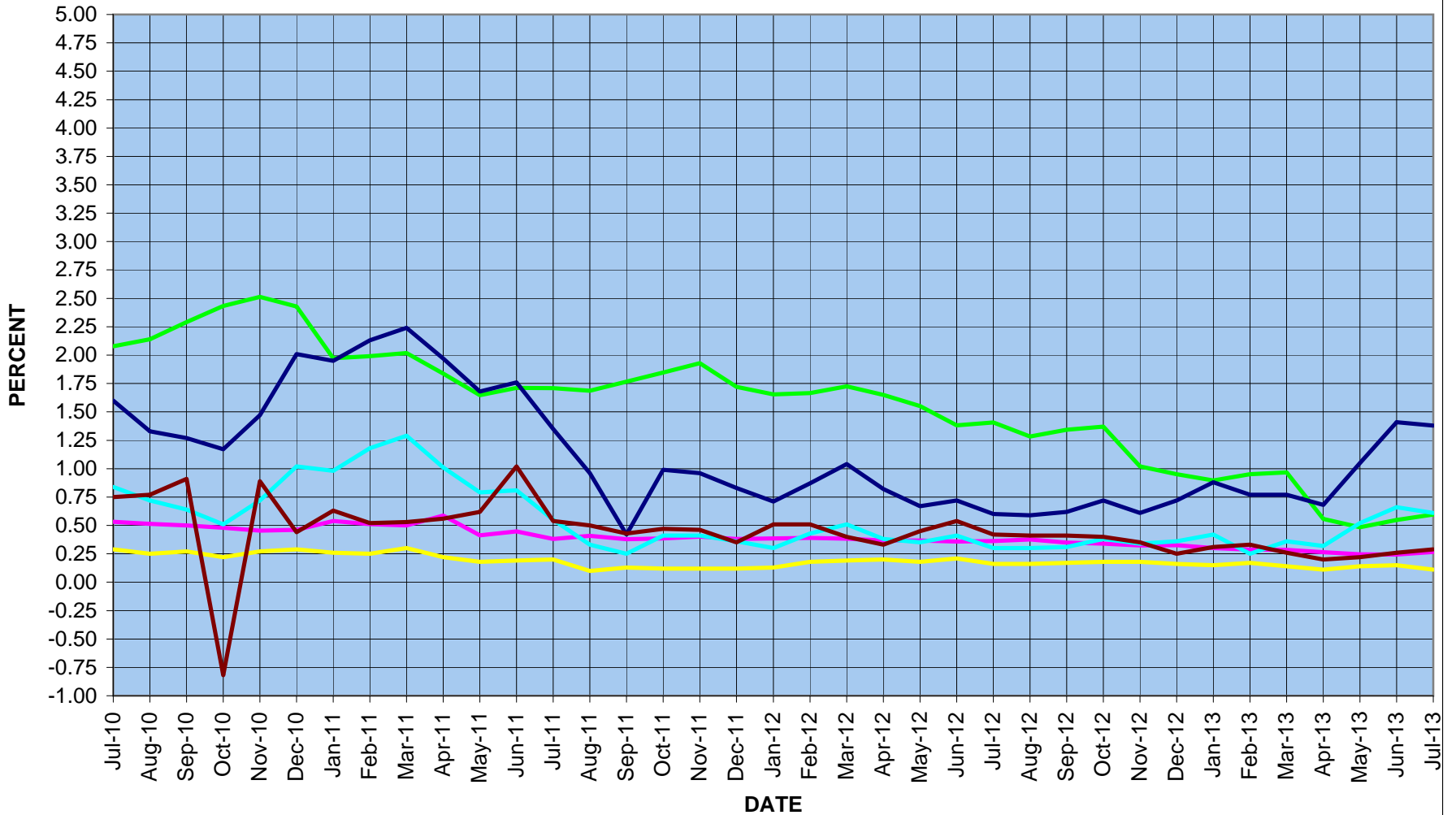
BANKRUPTCY CLAIM

Lehman Bros. Holdings Inc.

571,349.93
\$ 571,349.93

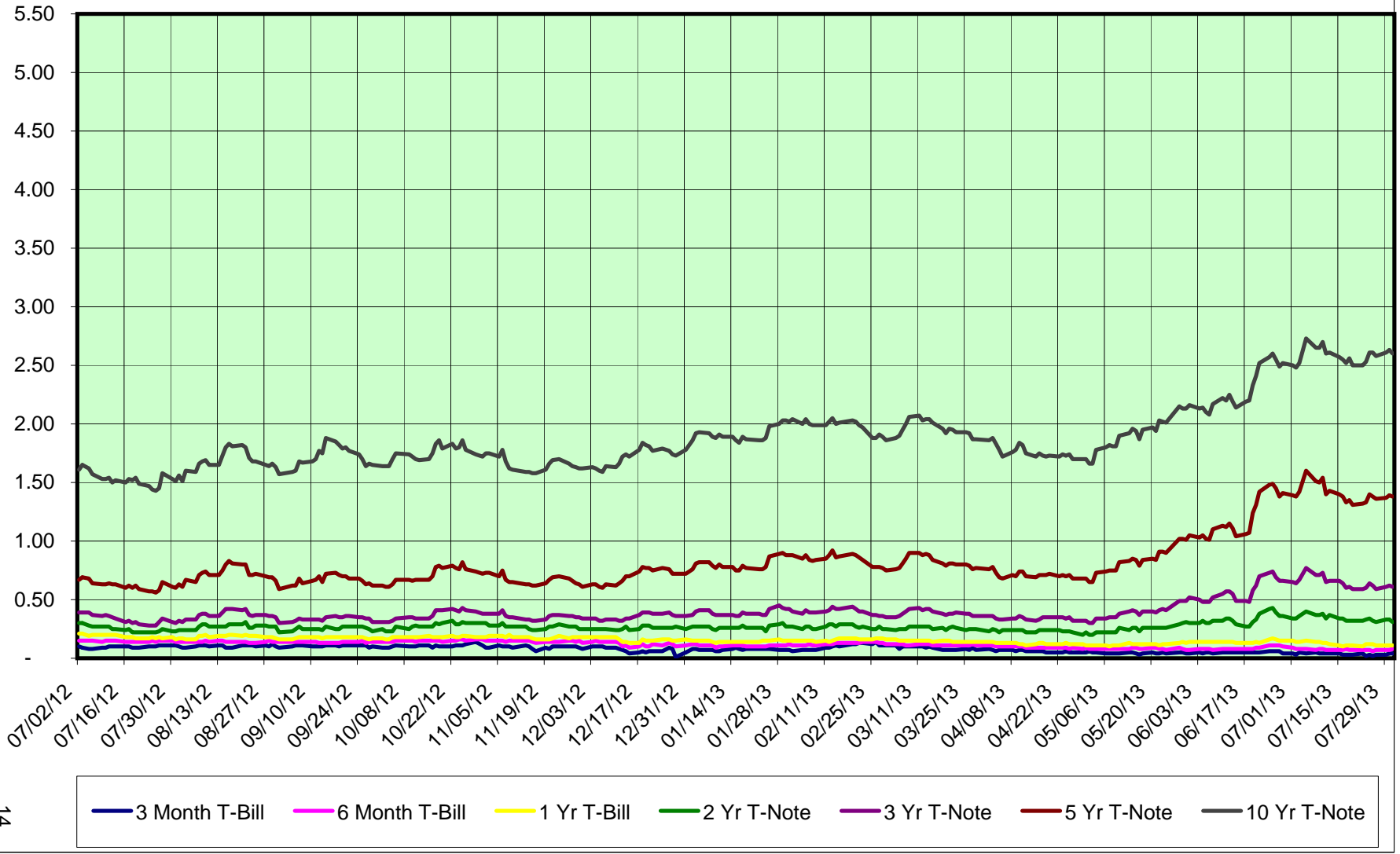
\$ 85,327,594.15

CITY OF COSTA MESA - PORTFOLIO INTEREST RATE INFORMATION AS OF JULY 31, 2013



— CITY AVERAGE
 — LAIF
 — 1 YEAR T-BILL
 — 3 YEAR T-NOTE
 — 5 YEAR T-NOTE
 — OCIP

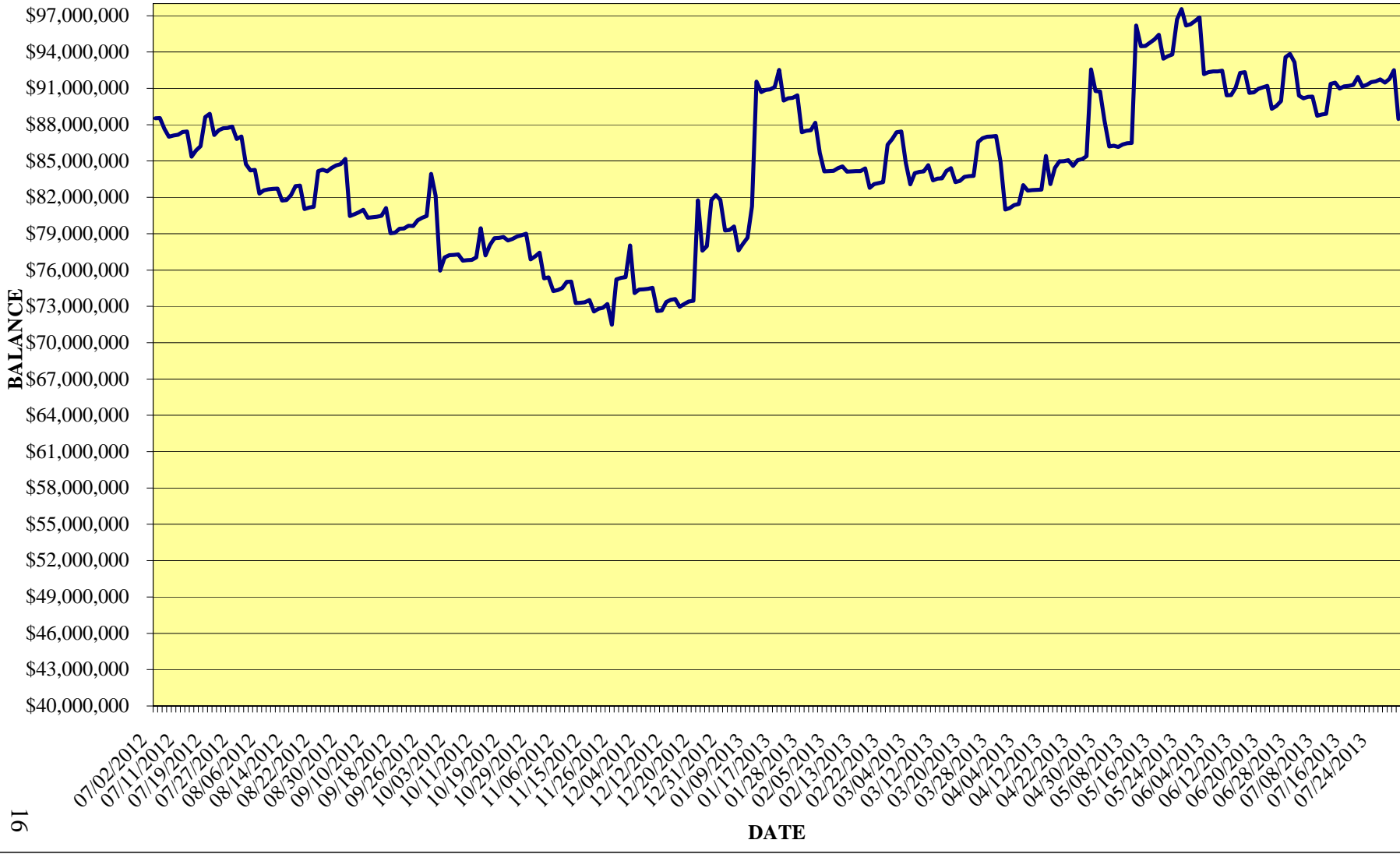
2012/2013 Market Rates as of July 31, 2013



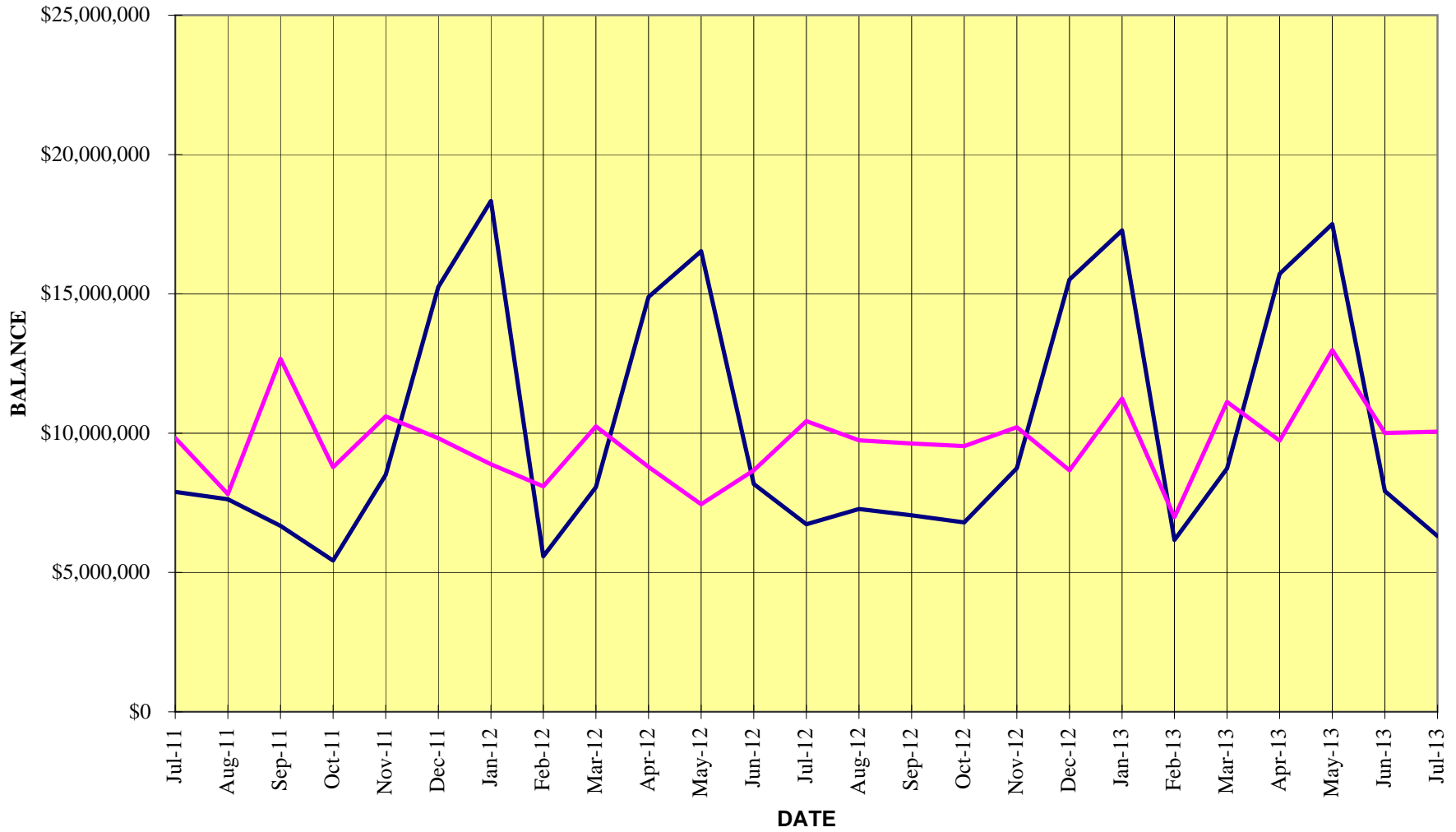
**CITY OF COSTA MESA
CALL SCHEDULE
AS OF JULY 31, 2013**

<u>INSTITUTION</u>	<u>TYPE OF INVESTMENT</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>COUPON</u>	<u>YIELD TO MATURITY</u>	<u>YIELD TO CALL</u>	<u>CALL DATE</u>	<u>COST</u>
MORGAN STANLEY DEAN WITTER	FHLB	08/16/2012	08/16/2017	1.000%	1.000%	1.000%	11/16/2012	\$ 2,000,000.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FHLMC	02/14/2013	02/14/2018	1.000%	1.010%	1.201%	05/14/2013	2,998,500.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FFCB	04/30/2013	07/12/2016	0.450%	0.458%	0.575%	07/12/2013	1,999,500.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FFCB	04/30/2013	07/15/2015	0.290%	0.324%	0.650%	07/15/2013	1,998,500.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FFCB	04/30/2013	10/15/2015	0.320%	0.320%	0.320%	07/15/2013	2,000,000.00
E J DE LA ROSA	FHLB	01/30/2013	01/30/2018	1.000%	1.000%	1.000%	07/30/2013	2,000,000.00
E J DE LA ROSA	FNMA	01/30/2013	01/30/2018	1.050%	1.050%	1.050%	07/30/2013	2,000,000.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FHLB	01/30/2013	01/30/2018	1.050%	1.050%	1.050%	07/30/2013	2,000,000.00
MORGAN STANLEY DEAN WITTER	FNMA	08/28/2012	08/28/2017	1.100%	1.100%	1.100%	08/28/2013	2,000,000.00
CITIGROUP GLOBAL MARKETS, INC	FNMA	01/30/2013	01/30/2018	1.000%	1.000%	1.000%	01/30/2014	2,000,000.00
CITIGROUP GLOBAL MARKETS, INC	FNMA	02/14/2013	02/14/2018	1.010%	1.010%	1.010%	02/14/2014	2,000,000.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FNMA	02/21/2013	02/21/2018	0.750%	1.094%	0.750%	02/21/2014	2,000,000.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FFCB	06/06/2013	06/06/2016	0.540%	0.582%	0.666%	06/06/2014	1,997,500.00
E J DE LA ROSA	FHLMC	06/27/2013	06/27/2018	1.250%	1.250%	1.250%	06/27/2014	2,000,000.00
E J DE LA ROSA	FHLB	06/27/2013	06/27/2018	1.200%	1.200%	1.200%	06/27/2014	3,000,000.00
WELLS FARGO INSTITUTIONAL SECURITIES, LLC	FHLB	06/26/2013	06/26/2018	0.750%	1.342%	0.750%	06/26/2015	2,000,000.00
E J DE LA ROSA	FNMA	07/10/2013	07/10/2018	1.700%	1.700%	1.700%	07/10/2014	2,000,000.00
							TOTAL	<u>\$ 35,994,000.00</u>

**CITY OF COSTA MESA DAILY CASH BALANCES
AS OF JULY 31, 2013**



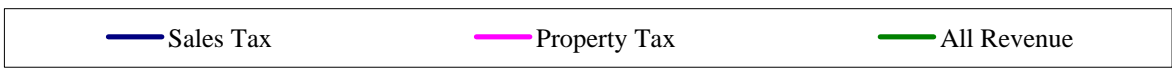
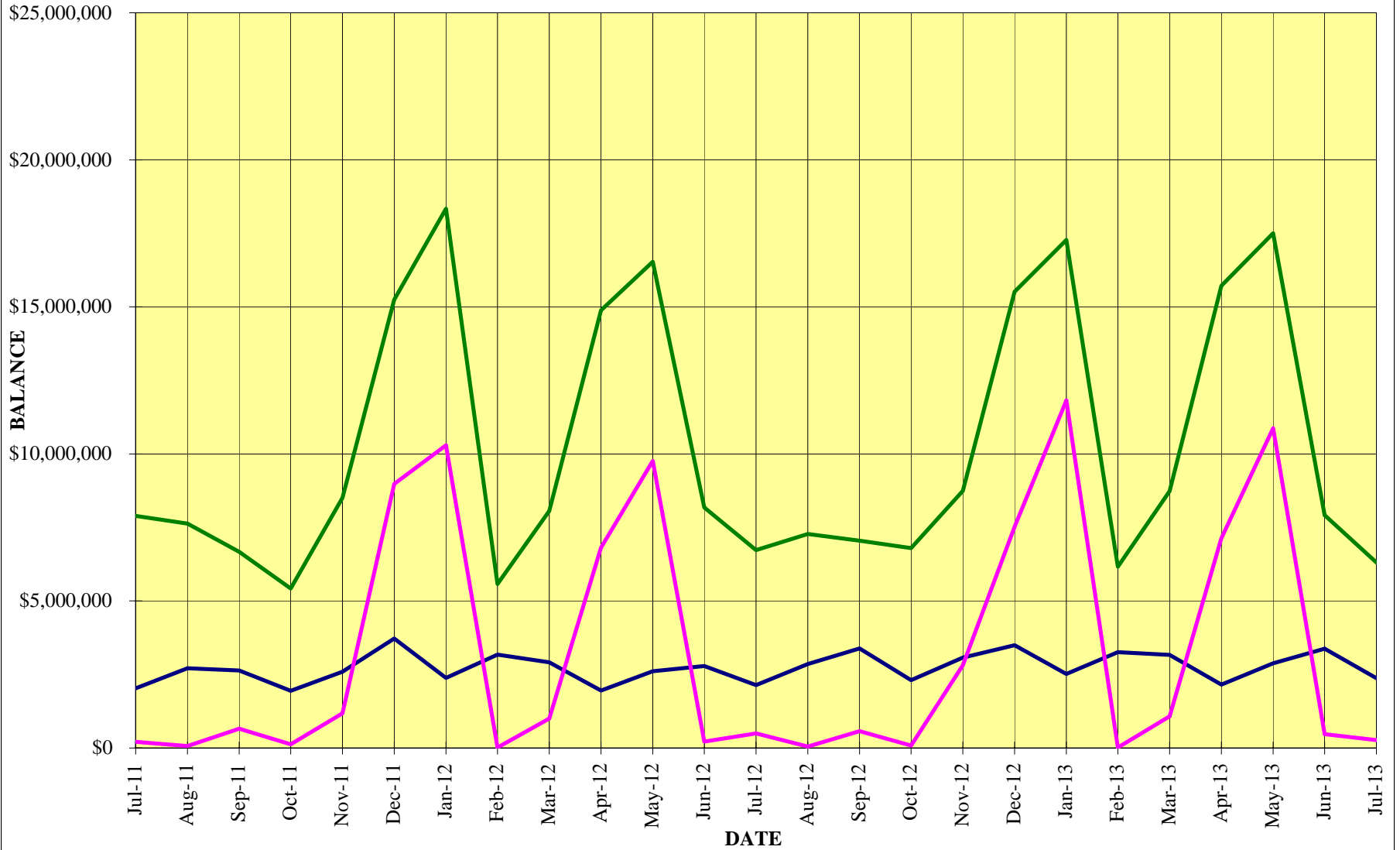
**CITY OF COSTA MESA CASH FLOWS BY MONTH
AS OF JULY 31, 2013**



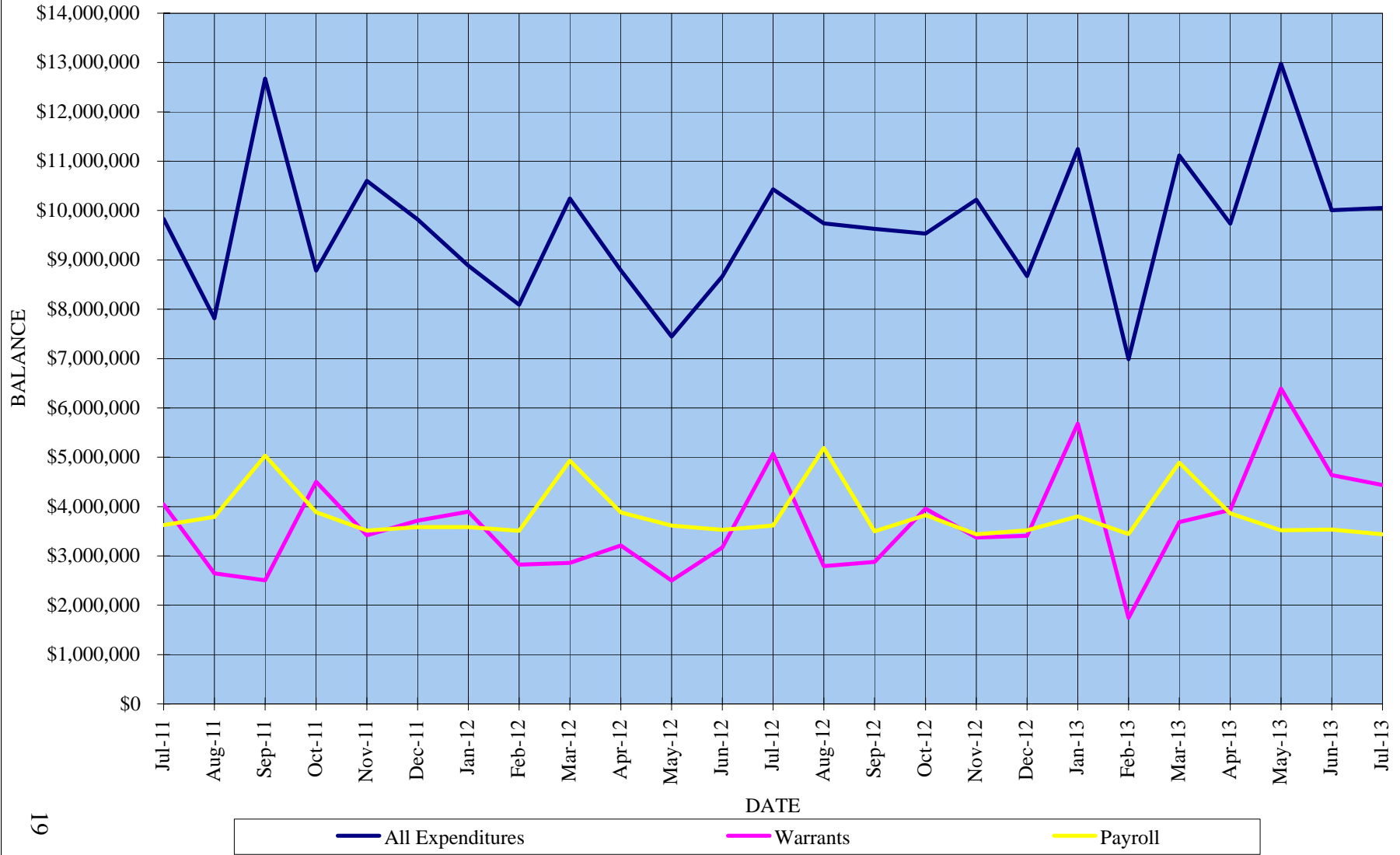
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**CITY OF COSTA MESA REVENUE CHART
AS OF JULY 31, 2013**



CITY OF COSTA MESA EXPENDITURE CHART AS OF JULY 31, 2013



CITY OF COSTA MESA
SUMMARY OF CASH HELD IN TRUST
AS OF JULY 31, 2013

Costa Mesa PFA Refunding Certificates of Participation, 2003 (Public Facilities Project)

Trustee: The Bank of New York Trust Company, N.A.

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Lease Payment Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	\$ -	-	-	-
Reserve Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	1,273,250.35	1,273,250.35	1,273,250.35	0.010
Ending Balances				<u>\$ 1,273,250.35</u>	<u>1,273,250.35</u>	<u>1,273,250.35</u>	

Costa Mesa PFA Revenue Refunding Bonds Series 2006A

Trustee: U. S. Bank Corporate Trust Services

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Acct/Capital Improvement	Treasury Obligations Fund	First American Funds	Open	\$ -	-	-	-
Capital Improvement Fund	Treasury Obligations Fund	First American Funds	Open	159,857.29	159,857.29	159,857.29	-
Local Obligation	Note Secured by Real Estate	City of Costa Mesa	08/01/2021	1,505,000.00	1,505,000.00	1,505,000.00	8.30
Revenue Fund	Treasury Obligations Fund	First American Funds	Open	225,868.11	225,868.11	225,868.11	-
Reserve Fund	Treasury Obligations Fund	First American Funds	Open	224,755.00	224,755.00	224,755.00	-
Expense Fund	Treasury Obligations Fund	First American Funds	Open	4,987.34	4,987.34	4,987.34	-
Surplus Fund	Treasury Obligations Fund	First American Funds	Open	96,179.33	96,179.33	96,179.33	-
Ending Balances				<u>\$ 2,216,647.07</u>	<u>2,216,647.07</u>	<u>2,216,647.07</u>	

Costa Mesa PFA Certificates of Participation, 2007 (Police Facility Expansion & Renovation Project)

Trustee: The Bank of New York Mellon Trust Company, N.A.

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Lease Payment Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	\$ -	-	-	-
Reserve Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	2,297,204.39	2,297,204.39	2,297,204.39	-
Project Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	-	-	-	-
Ending Balances				<u>\$ 2,297,204.39</u>	<u>2,297,204.39</u>	<u>2,297,204.39</u>	

City of Costa Mesa Workers Compensation Account

Trustee: Admisure

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Workers Compensation	Checking Account	Bank of America	Open	\$ 150,000.00	150,000.00	150,000.00	-
Ending Balances				<u>\$ 150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	

800 MHz Quarterly Reserve Fund

Trustee: Orange County Investment Pool

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Reserve Fund	Money Market Fund	Orange County Investment Pool	Open	\$ 8,040.88	8,040.88	8,040.88	(1)
Cost Sharing							
Infrastructure/Sustainability	Money Market Fund	Orange County Investment Pool	Open	171,374.01	171,374.01	171,374.01	
Ending Balances				<u>\$ 179,414.89</u>	<u>179,414.89</u>	<u>179,414.89</u>	

Harbor Mesa LLC/City of Costa Mesa Cash Bond Account #10030-0001COL

Trustee: Community Bank

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Comerica Bank	Open	198,200.00	198,200.00	198,200.00	(1)
Ending Balances				<u>\$ 198,200.00</u>	<u>198,200.00</u>	<u>198,200.00</u>	

R J Noble/Harbor Blvd Rehab Project (Baker St to South Coast Dr)

Trustee: Bank of Sacramento

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Bank of Sacramento	Open	41,852.23	41,852.23	41,852.23	(1)
Ending Balances				<u>\$ 41,852.23</u>	<u>41,852.23</u>	<u>41,852.23</u>	

All American Asphalt

Trustee: Community Bank

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Community Bank	Open	102,265.87	102,265.87	102,265.87	(1)
Ending Balances				<u>\$ 102,265.87</u>	<u>102,265.87</u>	<u>102,265.87</u>	

GRAND TOTALS

\$ 6,458,834.80 6,458,834.80 6,458,834.80

Market Values provided by U.S. Bank Corporate Trust Services, The Bank of New York Mellon Trust Company, N.A., Premier Commercial Bank, Community Bank, Bank of Sacramento, Orange County Investment Pool

(1) Monthly rates/balances are not available. Balances are as of June 30, 2013.