



**CITY OF COSTA MESA
FINANCE DEPARTMENT
INTEROFFICE MEMORANDUM**

**TO: HONORABLE CITY COUNCIL
TOM HATCH, CHIEF EXECUTIVE OFFICER**

FROM: STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

DATE: AUGUST 30, 2016

SUBJECT: TREASURER'S REPORT FOR THE MONTH OF JULY, 2016

Attached is the Treasurer's Report for the month of July 2016. This performance report lists the various types of securities, institutions from which the securities were purchased, 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, 2016 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.

SUMMARY

| | |
|--------------------------|------------------------|
| Beginning Book Value | \$106,215,473.59 |
| Deposits/Acquisitions | 2,330,290.19 |
| Withdrawals/Dispositions | <u>(12,126,014.39)</u> |
| Ending Book Value | \$ 96,419,749.39 |

As of July 31, 2016, the City has adequate cash reserves necessary to meet its obligations for the next six months.

The following security was purchased during the month of July 2016:

| <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> |
|---------------------------|----------------------|-----------------|-----------------------------|--------------------------|----------------------|----------------------|
| FHLB | 07/19/2016 | \$ 1,006,019.90 | 1.75% | 0.85% | N/A | 12/14/2018 |

The following security matured during the month of July 2016:

| <u>Type of Investment</u> | <u>Maturity Date</u> | <u>Cost</u> | <u>Interest Rate</u> |
|---------------------------|----------------------|-------------|----------------------|
| FHLB | 07/18/2016 | \$999,492 | 0.3% |

There were no securities called or sold during the month of July 2016.

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 from A2 to B3- on that date. 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 following table summarizes the distributions received:

| | |
|-----------------|-----------------------|
| Distributions: | |
| April 14, 2012 | \$ 301,889.87 |
| October 1, 2012 | 192,024.40 |
| April 4, 2013 | 250,360.80 |
| August 30, 2013 | 59,207.00 |
| October 3, 2013 | 289,015.00 |
| April 4, 2014 | 320,756.26 |
| October 2, 2014 | 232,982.52 |
| April 2, 2015 | 160,218.22 |
| October 1, 2015 | 119,813.94 |
| March 31, 2016 | 34,220.07 |
| June 16, 2016 | 50,164.61 |
| Total | <u>\$2,010,652.69</u> |

The City semi-annually estimates the value of Lehman Brothers investment claim held in escrow with Lehman Brothers Holdings, Inc. This evaluation is primarily based on the cash distributions that have been received to date as well as distributions anticipated in the future. With the most recent distributions on June 16, 2016, the City has received 40 cents of every dollar invested originally in the Lehman Brothers investments. As of July 31, 2016, staff estimated the value of the Lehman Brothers investment claim at \$387,500.

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.



STEPHEN DUNIVENT
Interim Finance Director

- Attachments: 1 – Pooled Cash and Investments by Fund as of July 31, 2016
2 – General Fund Cash Position over the past five calendar years
3 – Investment Report for the month of July, 2016

ATTACHMENT 1

**POOLED CASH AND INVESTMENTS BY FUND
AS OF JULY 31, 2016**

| FUND NO | FUND NAME | AMOUNT |
|---------|---|-----------------------------------|
| 101 | General Fund | \$ 41,539,055.64 * |
| 201 | Special Gas Tax Fund | 8,993,472.15 |
| 202 | Prop. 172 - Public Safety Fund | (216,375.43) |
| 203 | Air Quality Improvement Fund (AB 2766) | 125,811.28 |
| 205 | HUD -HOME Program-HOME Investment Partnership Act | 52,638.34 |
| 207 | HUD -Community Development Block Grant Program Fund | (160,171.22) |
| 208 | Park Development Fees Fund | 3,782,838.56 |
| 209 | Drainage Fees Fund | 1,581,716.85 |
| 213 | Supplemental Law Enforcement Services Fund (SLESF) | (6,016.50) |
| 214 | Traffic Impact Fees Fund | 3,346,364.87 |
| 216 | Rental Rehabilitation Program Fund | 57,651.74 |
| 217 | Narcotics Forfeiture Fund | 1,092,207.86 |
| 218 | Fire System Development Fees Fund | 353,693.28 |
| 219 | Local Law Enforcement Block | 31,644.04 |
| 220 | Office of Traffic Safety | (39,572.20) |
| 222 | Costa Mesa Housing Authority | 1,101,934.11 |
| 223 | Costa Mesa Housing Authority Civic Center Barrio | 47,986.03 |
| 401 | Capital Improvements Fund | 18,238,301.96 |
| 403 | Measure "M" Construction Fund | 610,713.49 |
| 409 | Vehicle Parking District #1 Fund | 18,022.92 |
| 410 | Vehicle Parking District #2 Fund | 33,870.96 |
| 413 | Golf Course Improvement Fund | 325,403.91 |
| 414 | Measure "M" Turnback Fund | 211,752.31 |
| 415 | Measure "M" 2 Construction Fund | (3,776,959.42) |
| 416 | Measure "M" 2 Fairshare Fund | 4,208,568.92 |
| 601 | Equipment Maintenance and Replacement Fund | 2,735,914.03 |
| 602 | Self-Insurance Fund - Liab/W.C./Unemployment | 3,419,801.36 |
| 603 | IT Replacement Fund | 252,131.76 |
| 701 | Deposits | 2,288,376.29 |
| 705 | Costa Mesa Community Foundation | 133,504.34 |
| 755 | Police Retirement - 1% Supplemental | 389,041.00 |
| | Total Pooled Cash & Investments | <u>\$ 90,773,323.23 **</u> |

* Council has designated the following items in General Fund balance:

- \$14.125 million for emergency reserve
- \$2 million for self-insurance reserve

** Reconciliation of Total Pooled Cash & Investments to Portfolio Total End Cost Value:

| | |
|--|--------------------------------|
| Total Pooled Cash & Investments | \$ 90,773,323.23 |
| Market Value Adjustment | (521,799.55) |
| Cash Held in Trust | 6,168,225.71 |
| Portfolio Total End Cost Value (Attachment 3) | <u>\$ 96,419,749.39</u> |

GENERAL FUND CASH POSITION

The City’s General Fund receives its most significant revenues, such as sales tax and property tax, several times during the year. However it pays for majority of the City’s operational expenditures throughout the year. The in-flows and out-flows of the General Fund cash are closely monitored by Finance staff. The following is a summary of the General Fund historical ending cash balances over the past five calendar years:

| HISTORICAL TREASURER'S REPORT GENERAL FUND CASH BALANCE (IN MILLIONS) | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | CY 2012 | CY 2013 | CY 2014 | CY 2015 | CY 2016 |
| January | \$ 26.0 | \$ 35.6 | \$ 33.8 | \$ 34.1 | \$ 29.8 |
| February | 24.4 | 33.7 | 31.7 | 32.8 | 29.8 |
| March | 19.6 | 27.0 | 28.6 | 31.9 | 31.7 |
| April | 24.8 | 33.0 | 35.6 | 34.9 | 40.1 |
| May | 32.8 | 39.6 | 44.4 | 44.3 | 47.8 |
| June | 28.7 | 38.3 | 41.8 | 41.7 | 45.7 |
| July | 27.3 | 35.0 | 34.5 | 31.4 | 41.5 |
| August | 23.1 | 31.9 | 31.8 | 31.9 | |
| September | 17.9 | 27.8 | 27.3 | 28.7 | |
| October | 16.3 | 20.3 | 24.2 | 25.1 | |
| November | 17.5 | 20.1 | 19.1 | 26.1 | |
| December | 24.0 | 26.6 | 26.6 | 25.2 | |



As indicated in the above graph, the General Fund’s cash balance typically peaks at May of each year and dips to the lowest point around October and November.

In the month of July 2016, City made the following prepayments toward 2016-17 required employer pension contributions: approximately \$6.5 million for the Miscellaneous Plan and \$3.6 million for the Fire Safety Plan. Overall, the General Fund’s cash balance has been steadily increased comparing to the same time period in prior years. All other activities appears reasonable and consistent with staff’s expectations.



Monthly Account Statement

City of Costa Mesa Consolidated

July 1, 2016 through July 31, 2016

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904)645-1918

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

| | |
|--------------------------|----------|
| Average Duration | 1.38 |
| Average Coupon | 0.95 % |
| Average Purchase YTM | 0.94 % |
| Average Market YTM | 0.73 % |
| Average S&P/Moody Rating | AA/Aa1 |
| Average Final Maturity | 1.47 yrs |
| Average Life | 1.41 yrs |

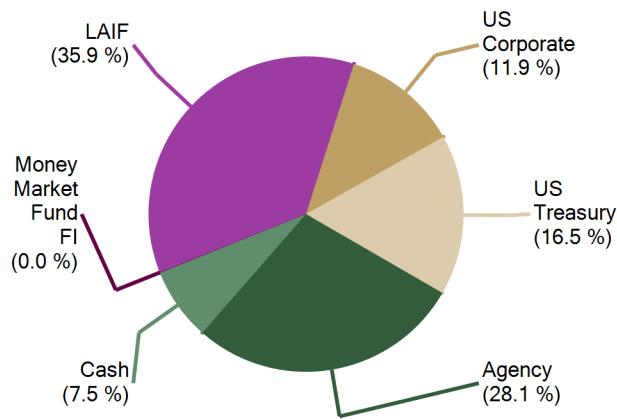
ACCOUNT SUMMARY

| | Beg. Values as of 6/30/16 | End Values as of 7/31/16 |
|---------------------------|------------------------------|-----------------------------|
| Market Value | 106,863,347 | 96,915,239 |
| Accrued Interest | 219,087 | 189,984 |
| Total Market Value | 107,082,434 | 97,105,222 |
| Income Earned | 81,951 | 72,357 |
| Cont/WD | | |
| Par | 110,806,490 | 100,863,164 |
| Book Value | 106,215,474 | 96,419,749 |
| Cost Value | 106,215,474 | 96,419,749 |

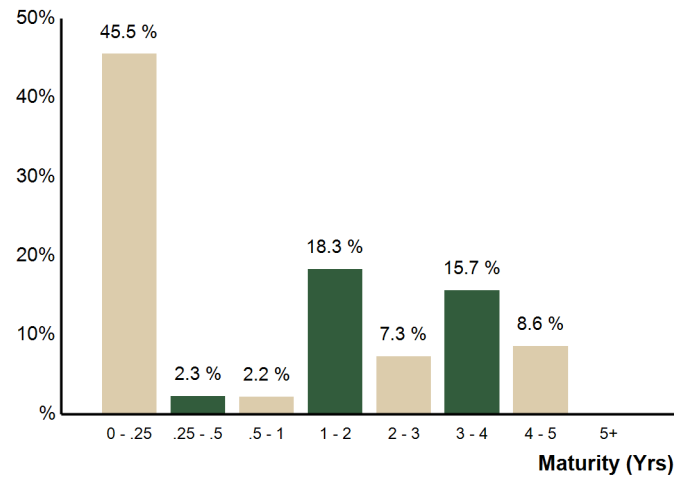
TOP ISSUERS

| Issuer | % Portfolio |
|---------------------------------|---------------|
| Local Agency Investment Fund | 35.9 % |
| Government of United States | 16.5 % |
| Federal National Mortgage Assoc | 12.7 % |
| Federal Home Loan Bank | 9.7 % |
| Bank Cash Account | 6.4 % |
| Federal Home Loan Mortgage Corp | 4.7 % |
| JP Morgan Chase & Co | 1.6 % |
| Honda Motor Corporation | 1.1 % |
| | 88.5 % |

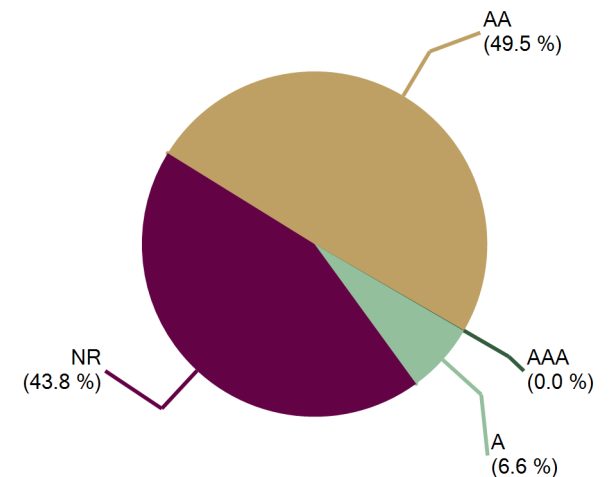
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





City of Costa Mesa Consolidated

July 31, 2016

COMPLIANCE WITH INVESTMENT POLICY

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

| Category | Standard | Comment |
|---|--|-------------------------------|
| Treasury Issues | No limitations | Complies |
| Federal Agencies | No maximum limitations; 35% per issuer | Complies |
| Municipal Securities | "A" or higher by at least one NRSRO; 5% max issuer; 5 years max maturity | Complies |
| Banker's Acceptances | "A-1" or higher short term rating by at least one NRSRO; "A" or higher by at least one NRSRO if long term debt issued; 40% maximum; 5% max per issuer; 180 days max maturity | Complies |
| Certificates of Deposit/Bank and Time Deposits | "A" or higher by at least one NRSRO; "A-1" or higher short term rating by at least one NRSRO; 20% maximum; 5 years max maturity; FDIC Insurance and/or Collateralization | Complies |
| Negotiable Certificates of Deposit and CD Placement Service | "A" or higher by at least one NRSRO if long term debt; "A-1" or higher short term rating by at least one NRSRO; 30% maximum; 5% max issuer; 5 years max maturity | Complies |
| Repurchase Agreements | >102% collateralization; 30% maximum; 1 year max maturity | Complies |
| Commercial Paper | "A-1" rated or equivalent by at least one NRSRO; "A" or higher by at least one NRSRO if long term debt issued; 25% maximum; 5% max per issuer; 270 days maximum maturity; US issuer; > \$500 million in assets | Complies |
| Medium Term Notes | "A" or better by at least one NRSRO; 30% maximum; 5% max per issuer; 5 years max maturity; US issuer | Complied at time of purchase* |
| Asset-Backed, Mortgage-Backed Securities, CMOs | "AA" or better by one NRSRO; "A" or higher rating for the issuer's debt by one NRSRO; 20% maximum; 5 years max maturity | Complies |
| Money Market Mutual Funds | "AAA" rating by not less than two NRSROs or SEC registered; 20% maximum; Min \$500 million under management | Complies |
| LAIF | \$50 million limit currently permitted by LAIF | Complies |
| County Pool | Not used by investment adviser | Complies |
| Maximum Maturity | 5 years (Any investment extending 5 years requires prior City Council approval); 20% of the portfolio must mature within one year | Complies |

*Lehman Brothers (LEH) filed for bankruptcy on September 15, 2008. The city owns \$5M par of LEH.



Holdings Report

As of 7/31/16

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---------------------|---|----------------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| AGENCY | | | | | | | | | |
| 3135G0CM3 | FNMA Note 1.25% Due 9/28/2016 | 2,000,000.00 | 05/17/2013 0.49 % | 2,050,520.00 2,050,520.00 | 100.13 0.42 % | 2,002,614.00 8,541.67 | 2.07 % (47,906.00) | Aaa / AA+ AAA | 0.16 0.16 |
| 3135G0ES8 | FNMA Note 1.375% Due 11/15/2016 | 2,000,000.00 | 05/17/2013 0.52 % | 2,058,980.00 2,058,980.00 | 100.27 0.43 % | 2,005,434.00 5,805.56 | 2.07 % (53,546.00) | Aaa / AA+ AAA | 0.29 0.29 |
| 3137EADV8 | FHLMC Note 0.75% Due 7/14/2017 | 1,000,000.00 | 07/08/2015 0.69 % | 1,001,230.00 1,001,230.00 | 100.11 0.63 % | 1,001,124.00 354.17 | 1.03 % (106.00) | Aaa / AA+ AAA | 0.95 0.95 |
| 3136G1AZ2 | FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018 | 2,000,000.00 | 01/04/2013 1.00 % | 2,000,000.00 2,000,000.00 | 100.04 0.85 % | 2,000,780.00 55.56 | 2.06 % 780.00 | Aaa / AA+ AAA | 1.50 0.66 |
| 3135G0UD3 | FNMA Callable Note Qtrly 2/14/14 1.01% Due 2/14/2018 | 2,000,000.00 | 01/24/2013 1.01 % | 2,000,000.00 2,000,000.00 | 100.01 0.66 % | 2,000,252.00 9,370.56 | 2.07 % 252.00 | Aaa / AA+ AAA | 1.54 0.53 |
| 3133ECPB4 | FFCB Note 0.875% Due 5/14/2018 | 1,000,000.00 | 05/17/2013 0.92 % | 997,810.00 997,810.00 | 100.23 0.74 % | 1,002,321.00 1,871.53 | 1.03 % 4,511.00 | Aaa / AA+ AAA | 1.79 1.77 |
| 3135G0WJ8 | FNMA Note 0.875% Due 5/21/2018 | 2,000,000.00 | 05/17/2013 0.94 % | 1,993,660.00 1,993,660.00 | 100.21 0.76 % | 2,004,176.00 3,402.78 | 2.07 % 10,516.00 | Aaa / AA+ AAA | 1.81 1.79 |
| 313383HQ7 | FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018 | 3,000,000.00 | 05/30/2013 1.20 % | 3,000,000.00 3,000,000.00 | 100.76 0.80 % | 3,022,773.00 3,400.00 | 3.12 % 22,773.00 | Aaa / AA+ AAA | 1.91 1.88 |
| 3134G4A57 | FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018 | 2,000,000.00 | 05/31/2013 1.25 % | 2,000,000.00 2,000,000.00 | 100.68 0.89 % | 2,013,586.00 2,361.11 | 2.08 % 13,586.00 | Aaa / AA+ AAA | 1.91 1.88 |
| 313376BR5 | FHLB Note 1.75% Due 12/14/2018 | 985,000.00 | 07/18/2016 0.85 % | 1,006,019.90 1,006,019.90 | 102.08 0.86 % | 1,005,485.05 2,250.45 | 1.04 % (534.85) | Aaa / AA+ AAA | 2.37 2.32 |
| 313378QK0 | FHLB Note 1.875% Due 3/8/2019 | 1,250,000.00 | 01/22/2016 1.23 % | 1,274,437.50 1,274,437.50 | 102.59 0.87 % | 1,282,357.50 9,309.90 | 1.33 % 7,920.00 | Aaa / AA+ AAA | 2.60 2.52 |
| 3137EADM8 | FHLMC Note 1.25% Due 10/2/2019 | 1,500,000.00 | 11/03/2015 1.48 % | 1,486,860.00 1,486,860.00 | 101.07 0.91 % | 1,516,053.00 6,197.92 | 1.57 % 29,193.00 | Aaa / AA+ AAA | 3.17 3.09 |
| 313383HU8 | FHLB Note 1.75% Due 6/12/2020 | 2,000,000.00 | Various 1.50 % | 2,021,970.00 2,021,970.00 | 102.65 1.05 % | 2,052,944.00 4,763.88 | 2.12 % 30,974.00 | Aaa / AA+ NR | 3.87 3.73 |
| 3135G0D75 | FNMA Note 1.5% Due 6/22/2020 | 1,000,000.00 | 10/14/2015 1.39 % | 1,004,930.00 1,004,930.00 | 101.78 1.03 % | 1,017,797.00 1,625.00 | 1.05 % 12,867.00 | Aaa / AA+ AAA | 3.90 3.77 |
| 3135G0F73 | FNMA Note 1.5% Due 11/30/2020 | 1,250,000.00 | 01/22/2016 1.58 % | 1,245,325.00 1,245,325.00 | 101.76 1.08 % | 1,272,045.00 3,177.08 | 1.31 % 26,720.00 | Aaa / AA+ AAA | 4.34 4.18 |
| 3130A7CV5 | FHLB Note 1.375% Due 2/18/2021 | 2,000,000.00 | 04/25/2016 1.46 % | 1,991,960.00 1,991,960.00 | 101.05 1.14 % | 2,021,094.00 12,451.39 | 2.09 % 29,134.00 | Aaa / AA+ AAA | 4.56 4.37 |
| Total Agency | | 26,985,000.00 | 1.09 % | 27,133,702.40 | 0.81 % | 27,220,835.55 | 28.11 % | Aaa / AA+ | 2.21 |
| | | | | 27,133,702.40 | | 74,938.56 | 87,133.15 | Aaa | 2.02 |
| CASH | | | | | | | | | |
| 90JPMC\$02 | JP Morgan Chase Checking Account | 1,055,454.08 | Various 0.00 % | 1,055,454.08 1,055,454.08 | 1.00 0.00 % | 1,055,454.08 0.00 | 1.09 % 0.00 | NR / NR NR | 0.00 0.00 |
| 90BASIS\$01 | Bank of America Checking Account | 52,374.42 | Various 0.00 % | 52,374.42 52,374.42 | 1.00 0.00 % | 52,374.42 0.00 | 0.05 % 0.00 | NR / NR NR | 0.00 0.00 |



Holdings Report

As of 7/31/16

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|-----------------------------------|--|----------------------|-----------------------------|--------------------------------|----------------------|--|-------------------------------|--------------------------------|----------------------------|
| CASH | | | | | | | | | |
| 90COCM\$00 | Summary of Cash Held in Trust *See Details (Attached) | 6,168,225.71 | Various 0.00 % | 6,168,225.71 6,168,225.71 | 1.00 0.00 % | 6,168,225.71 0.00 | 6.35 % 0.00 | NR / NR NR | 0.00 0.00 |
| Total Cash | | 7,276,054.21 | N/A | 7,276,054.21 | 0.00 % | 7,276,054.21 0.00 | 7.49 % 0.00 | NR / NR NR | 0.00 0.00 |
| LAIF | | | | | | | | | |
| 90LAIF\$00 | Local Agency Investment Fund State Pool | 34,873,224.72 | Various 0.60 % | 34,873,224.72 34,873,224.72 | 1.00 0.60 % | 34,873,224.72 20,259.95 | 35.93 % 0.00 | NR / NR NR | 0.00 0.00 |
| Total LAIF | | 34,873,224.72 | 0.60 % | 34,873,224.72 | 0.60 % | 34,873,224.72 20,259.95 | 35.93 % 0.00 | NR / NR NR | 0.00 0.00 |
| MONEY MARKET FUND FI | | | | | | | | | |
| 94975H312 | Wells Fargo Advantage Treasury Plus MMF | 43,885.48 | Various 0.01 % | 43,885.48 43,885.48 | 1.00 0.01 % | 43,885.48 0.00 | 0.05 % 0.00 | Aaa / AAA AAA | 0.00 0.00 |
| Total Money Market Fund FI | | 43,885.48 | 0.01 % | 43,885.48 | 0.01 % | 43,885.48 0.00 | 0.05 % 0.00 | Aaa / AAA Aaa | 0.00 0.00 |
| US CORPORATE | | | | | | | | | |
| 525ESCIB7 | Lehman Brothers Note-Defaulted Due 1/24/2017 | 2,500,000.00 | 04/17/2012 0.00 % | 200,000.00 200,000.00 | 8.00 0.00 % | 200,000.00 0.00 | 0.21 % 0.00 | NR / NR NR | 0.48 0.00 |
| 525ESC2W8 | Lehman Brothers ESCROW CUSIP - Defaulted Due 2/6/2017 | 2,500,000.00 | 04/17/2012 0.00 % | 187,500.00 187,500.00 | 7.63 0.00 % | 190,625.00 0.00 | 0.20 % 3,125.00 | NR / NR NR | 0.52 0.00 |
| 68389XAN5 | Oracle Corp Note 1.2% Due 10/15/2017 | 1,000,000.00 | 10/30/2013 1.40 % | 992,140.00 992,140.00 | 100.42 0.85 % | 1,004,222.00 3,533.33 | 1.04 % 12,082.00 | A1 / AA- A+ | 1.21 1.19 |
| 36962G6K5 | General Electric Capital Corp Note 1.6% Due 11/20/2017 | 1,000,000.00 | 11/13/2014 1.38 % | 1,006,420.00 1,006,420.00 | 100.51 1.21 % | 1,005,081.00 3,155.56 | 1.04 % (1,339.00) | A1 / AA+ NR | 1.31 1.28 |
| 40428HPH9 | HSBC USA Inc Note 1.625% Due 1/16/2018 | 650,000.00 | 05/12/2015 1.44 % | 653,100.50 653,100.50 | 99.98 1.64 % | 649,861.55 440.10 | 0.67 % (3,238.95) | A2 / A AA- | 1.46 1.43 |
| 166764AE0 | Chevron Corp Callable Note Cont 5/24/2018 1.718% Due 6/24/2018 | 650,000.00 | 05/12/2015 1.36 % | 657,104.50 657,104.50 | 101.33 0.97 % | 658,649.55 1,147.72 | 0.68 % 1,545.05 | Aa2 / AA- NR | 1.90 1.78 |
| 532457BF4 | Eli Lilly & Co Note 1.95% Due 3/15/2019 | 650,000.00 | 07/08/2015 1.78 % | 653,952.00 653,952.00 | 102.34 1.04 % | 665,180.75 4,788.33 | 0.69 % 11,228.75 | A2 / AA- A | 2.62 2.54 |
| 30231GAD4 | Exxon Mobil Corp Callable Note Cont 2/15/2019 1.819% Due 3/15/2019 | 700,000.00 | 01/25/2016 1.70 % | 702,604.00 702,604.00 | 101.69 1.14 % | 711,828.60 4,810.24 | 0.74 % 9,224.60 | Aaa / AA+ NR | 2.62 2.47 |



Holdings Report

As of 7/31/16

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---------------------------|---|----------------------|-----------------------------|--|----------------------|--|-------------------------------------|-----------------------------|----------------------------|
| US CORPORATE | | | | | | | | | |
| 91159HHH6 | US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019 | 650,000.00 | 05/15/2015 1.73 % | 661,583.00 661,583.00 | 102.57 1.21 % | 666,723.20 3,813.33 | 0.69 % 5,140.20 | A1 / A+ AA | 2.73 2.56 |
| 89236TBP9 | Toyota Motor Credit Corp Note 2.125% Due 7/18/2019 | 700,000.00 | 02/04/2016 1.74 % | 709,030.00 709,030.00 | 102.59 1.23 % | 718,099.90 537.15 | 0.74 % 9,069.90 | Aa3 / AA- A | 2.96 2.87 |
| 02665WAH4 | American Honda Finance Note 2.25% Due 8/15/2019 | 1,000,000.00 | 02/24/2015 1.92 % | 1,013,930.00 1,013,930.00 | 103.08 1.22 % | 1,030,753.00 10,375.00 | 1.07 % 16,823.00 | A1 / A+ NR | 3.04 2.91 |
| 06406HCW7 | Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019 | 1,000,000.00 | 02/20/2015 1.99 % | 1,013,390.00 1,013,390.00 | 102.87 1.33 % | 1,028,662.00 8,944.44 | 1.07 % 15,272.00 | A1 / A AA- | 3.12 2.90 |
| 46625HKA7 | JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020 | 500,000.00 | 04/29/2015 2.32 % | 498,480.00 498,480.00 | 101.98 1.65 % | 509,884.50 250.00 | 0.53 % 11,404.50 | A3 / A- A+ | 3.48 3.26 |
| 94974BGF1 | Wells Fargo Corp Note 2.15% Due 1/30/2020 | 650,000.00 | 07/08/2015 2.22 % | 647,900.50 647,900.50 | 102.03 1.55 % | 663,177.45 38.82 | 0.68 % 15,276.95 | A2 / A AA- | 3.50 3.37 |
| 24422ESW0 | John Deere Capital Corp Note 2.05% Due 3/10/2020 | 500,000.00 | 04/29/2015 1.93 % | 502,735.00 502,735.00 | 102.19 1.43 % | 510,938.00 4,014.58 | 0.53 % 8,203.00 | A2 / A NR | 3.61 3.45 |
| 713448CS5 | PepsiCo Inc Callable Note Cont 3/30/2020 1.85% Due 4/30/2020 | 650,000.00 | 05/12/2015 2.04 % | 644,052.50 644,052.50 | 102.06 1.27 % | 663,372.45 3,039.65 | 0.69 % 19,319.95 | A1 / A A | 3.75 3.53 |
| 747525AD5 | Qualcomm Inc Note 2.25% Due 5/20/2020 | 650,000.00 | 06/03/2015 2.37 % | 646,314.50 646,314.50 | 103.11 1.41 % | 670,222.15 2,884.38 | 0.69 % 23,907.65 | A1 / A+ NR | 3.81 3.63 |
| Total US Corporate | | 15,950,000.00 | 1.73 % | 11,390,236.50 11,390,236.50 | 1.21 % | 11,547,281.10 51,772.63 | 11.94 % 157,044.60 | A1 / A+ A+ | 2.58 2.44 |
| US TREASURY | | | | | | | | | |
| 912828SY7 | US Treasury Note 0.625% Due 5/31/2017 | 985,000.00 | 11/13/2014 0.81 % | 980,540.02 980,540.02 | 100.04 0.58 % | 985,385.14 1,042.86 | 1.02 % 4,845.12 | Aaa / AA+ AAA | 0.83 0.83 |
| 912828M72 | US Treasury Note 0.875% Due 11/30/2017 | 1,200,000.00 | 01/22/2016 0.87 % | 1,200,191.52 1,200,191.52 | 100.32 0.64 % | 1,203,796.80 1,778.69 | 1.24 % 3,605.28 | Aaa / AA+ AAA | 1.33 1.32 |
| 912828K25 | US Treasury Note 0.75% Due 4/15/2018 | 1,200,000.00 | 05/15/2015 0.88 % | 1,195,410.27 1,195,410.27 | 100.13 0.67 % | 1,201,593.60 2,655.74 | 1.24 % 6,183.33 | Aaa / AA+ AAA | 1.71 1.69 |
| 912828SD3 | US Treasury Note 1.25% Due 1/31/2019 | 1,000,000.00 | 02/20/2015 1.35 % | 996,058.04 996,058.04 | 101.33 0.71 % | 1,013,281.00 33.97 | 1.04 % 17,222.96 | Aaa / AA+ AAA | 2.50 2.46 |
| 912828WL0 | US Treasury Note 1.5% Due 5/31/2019 | 1,000,000.00 | 05/17/2016 0.95 % | 1,016,448.66 1,016,448.66 | 102.10 0.75 % | 1,021,016.00 2,540.98 | 1.05 % 4,567.34 | Aaa / AA+ AAA | 2.83 2.77 |
| 912828H52 | US Treasury Note 1.25% Due 1/31/2020 | 1,000,000.00 | 02/20/2015 1.53 % | 986,683.04 986,683.04 | 101.34 0.86 % | 1,013,359.00 33.97 | 1.04 % 26,675.96 | Aaa / AA+ AAA | 3.50 3.42 |
| 912828J84 | US Treasury Note 1.375% Due 3/31/2020 | 1,000,000.00 | 04/29/2015 1.46 % | 996,136.16 996,136.16 | 101.76 0.89 % | 1,017,617.00 4,620.90 | 1.05 % 21,480.84 | Aaa / AA+ AAA | 3.67 3.56 |
| 912828K58 | US Treasury Note 1.375% Due 4/30/2020 | 1,200,000.00 | 05/15/2015 1.46 % | 1,195,269.65 1,195,269.65 | 101.76 0.90 % | 1,221,140.40 4,169.84 | 1.26 % 25,870.75 | Aaa / AA+ AAA | 3.75 3.64 |



Holdings Report

As of 7/31/16

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|--|---|-----------------------|-----------------------------|------------------------------|----------------------|---|--------------------------------------|--------------------------------|----------------------------|
| US TREASURY | | | | | | | | | |
| 912828XE5 | US Treasury Note 1.5% Due 5/31/2020 | 2,200,000.00 | Various 1.57 % | 2,192,817.92 2,192,817.92 | 102.22 0.91 % | 2,248,813.60 5,590.17 | 2.32 % 55,995.68 | Aaa / AA+ AAA | 3.84 3.72 |
| 912828L32 | US Treasury Note 1.375% Due 8/31/2020 | 1,000,000.00 | 05/17/2016 1.19 % | 1,007,698.66 1,007,698.66 | 101.71 0.95 % | 1,017,070.00 5,754.08 | 1.05 % 9,371.34 | Aaa / AA+ AAA | 4.09 3.95 |
| 912828L99 | US Treasury Note 1.375% Due 10/31/2020 | 1,500,000.00 | 11/03/2015 1.60 % | 1,484,126.12 1,484,126.12 | 101.68 0.97 % | 1,525,137.00 5,212.30 | 1.58 % 41,010.88 | Aaa / AA+ AAA | 4.25 4.11 |
| 912828M98 | US Treasury Note 1.625% Due 11/30/2020 | 1,000,000.00 | 01/22/2016 1.47 % | 1,007,151.79 1,007,151.79 | 102.74 0.98 % | 1,027,422.00 2,752.73 | 1.06 % 20,270.21 | Aaa / AA+ AAA | 4.34 4.17 |
| 912828P87 | US Treasury Note 1.125% Due 2/28/2021 | 1,450,000.00 | 04/04/2016 1.21 % | 1,444,114.23 1,444,114.23 | 100.57 1.00 % | 1,458,325.90 6,826.43 | 1.51 % 14,211.67 | Aaa / AA+ AAA | 4.58 4.44 |
| Total US Treasury | | 15,735,000.00 | 1.28 % | 15,702,646.08 | 0.84 % | 15,953,957.44 43,012.66 | 16.47 % 251,311.36 | Aaa / AA+ Aaa | 3.27 3.18 |
| TOTAL PORTFOLIO | | 100,863,164.41 | 0.94 % | 96,419,749.39 | 0.73 % | 96,915,238.50 189,983.80 | 100.00 % 495,489.11 | Aa1 / AA Aaa | 1.47 1.38 |
| TOTAL MARKET VALUE PLUS ACCRUED | | | | | | 97,105,222.30 | | | |



Transaction Ledger

6/30/16 Thru 7/31/16

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-------------|---------------------|---|---------|----------------|---------------------|-------------------|---------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 07/05/2016 | 94975H312 | 1.29 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 1.29 | 0.00 | 1.29 | 0.00 |
| Purchase | 07/14/2016 | 94975H312 | 3,750.00 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 3,750.00 | 0.00 | 3,750.00 | 0.00 |
| Purchase | 07/15/2016 | 90LAIF\$00 | 50,987.12 | Local Agency Investment Fund State Pool | 1.000 | 0.58 % | 50,987.12 | 0.00 | 50,987.12 | 0.00 |
| Purchase | 07/16/2016 | 94975H312 | 5,281.25 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 5,281.25 | 0.00 | 5,281.25 | 0.00 |
| Purchase | 07/18/2016 | 94975H312 | 7,437.50 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 7,437.50 | 0.00 | 7,437.50 | 0.00 |
| Purchase | 07/18/2016 | 94975H312 | 1,000,000.00 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 1,000,000.00 | 0.00 | 1,000,000.00 | 0.00 |
| Purchase | 07/19/2016 | 313376BR5 | 985,000.00 | FHLB Note 1.75% Due 12/14/2018 | 102.134 | 0.85 % | 1,006,019.90 | 1,675.87 | 1,007,695.77 | 0.00 |
| Purchase | 07/23/2016 | 94975H312 | 5,625.00 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 5,625.00 | 0.00 | 5,625.00 | 0.00 |
| Purchase | 07/30/2016 | 94975H312 | 16,987.50 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 16,987.50 | 0.00 | 16,987.50 | 0.00 |
| Purchase | 07/31/2016 | 90BASIS\$01 | 57.46 | Bank of America Checking Account | 1.000 | | 57.46 | 0.00 | 57.46 | 0.00 |
| Purchase | 07/31/2016 | 94975H312 | 12,500.00 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 12,500.00 | 0.00 | 12,500.00 | 0.00 |
| | Subtotal | | 2,087,627.12 | | | | 2,108,647.02 | 1,675.87 | 2,110,322.89 | 0.00 |
| Security Contribution | 07/31/2016 | 90COCM\$00 | 95,569.55 | Summary of Cash Held in Trust *See Details (Attached) | 1.000 | | 95,569.55 | 0.00 | 95,569.55 | 0.00 |
| | Subtotal | | 95,569.55 | | | | 95,569.55 | 0.00 | 95,569.55 | 0.00 |
| TOTAL ACQUISITIONS | | | 2,183,196.67 | | | | 2,204,216.57 | 1,675.87 | 2,205,892.44 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Sale | 07/19/2016 | 94975H312 | 1,007,695.77 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | 0.01 % | 1,007,695.77 | 0.00 | 1,007,695.77 | 0.00 |
| | Subtotal | | 1,007,695.77 | | | | 1,007,695.77 | 0.00 | 1,007,695.77 | 0.00 |
| Maturity | 07/18/2016 | 313384ZN2 | 1,000,000.00 | FHLB Discount Note 0.3% Due 7/18/2016 | 100.000 | | 999,491.67 | 508.33 | 1,000,000.00 | 0.00 |
| | Subtotal | | 1,000,000.00 | | | | 999,491.67 | 508.33 | 1,000,000.00 | 0.00 |
| Security Withdrawal | 07/06/2016 | 94975H312 | 224,733.31 | Wells Fargo Advantage Treasury Plus MMF | 1.000 | | 224,733.31 | 0.00 | 224,733.31 | 0.00 |
| Security Withdrawal | 07/31/2016 | 90JPMC\$02 | 3,894,093.64 | JP Morgan Chase Checking Account | 1.000 | | 3,894,093.64 | 0.00 | 3,894,093.64 | 0.00 |



Transaction Ledger

6/30/16 Thru 7/31/16

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|------------|----------------------|---|-------|----------------|----------------------|-------------------|----------------------|-------------|
| DISPOSITIONS | | | | | | | | | | |
| Security Withdrawal | 07/31/2016 | 90LAIF\$00 | 6,000,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 6,000,000.00 | 0.00 | 6,000,000.00 | 0.00 |
| | | | Subtotal | | | | 10,118,826.95 | 0.00 | 10,118,826.95 | 0.00 |
| TOTAL DISPOSITIONS | | | 12,126,522.72 | | | | 12,126,014.39 | 508.33 | 12,126,522.72 | 0.00 |

| | | | | | | | | | | |
|---------------------------|------------|-------------|------------------|---|-------|--|------------------|-------------|------------------|-------------|
| OTHER TRANSACTIONS | | | | | | | | | | |
| Interest | 07/14/2016 | 3137EADV8 | 1,000,000.00 | FHLMC Note 0.75% Due 7/14/2017 | 0.000 | | 3,750.00 | 0.00 | 3,750.00 | 0.00 |
| Interest | 07/16/2016 | 40428HPH9 | 650,000.00 | HSBC USA Inc Note 1.625% Due 1/16/2018 | 0.000 | | 5,281.25 | 0.00 | 5,281.25 | 0.00 |
| Interest | 07/18/2016 | 89236TBP9 | 700,000.00 | Toyota Motor Credit Corp Note 2.125% Due 7/18/2019 | 0.000 | | 7,437.50 | 0.00 | 7,437.50 | 0.00 |
| Interest | 07/23/2016 | 46625HKA7 | 500,000.00 | JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020 | 0.000 | | 5,625.00 | 0.00 | 5,625.00 | 0.00 |
| Interest | 07/30/2016 | 3136G1AZ2 | 2,000,000.00 | FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018 | 0.000 | | 10,000.00 | 0.00 | 10,000.00 | 0.00 |
| Interest | 07/30/2016 | 94974BGF1 | 650,000.00 | Wells Fargo Corp Note 2.15% Due 1/30/2020 | 0.000 | | 6,987.50 | 0.00 | 6,987.50 | 0.00 |
| Interest | 07/31/2016 | 912828H52 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2020 | 0.000 | | 6,250.00 | 0.00 | 6,250.00 | 0.00 |
| Interest | 07/31/2016 | 912828SD3 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2019 | 0.000 | | 6,250.00 | 0.00 | 6,250.00 | 0.00 |
| | | | Subtotal | | | | 51,581.25 | 0.00 | 51,581.25 | 0.00 |
| Dividend | 07/05/2016 | 94975H312 | 224,732.02 | Wells Fargo Advantage Treasury Plus MMF | 0.000 | | 1.29 | 0.00 | 1.29 | 0.00 |
| Dividend | 07/15/2016 | 90LAIF\$00 | 3,179,954,771.32 | Local Agency Investment Fund State Pool | 0.000 | | 50,987.12 | 0.00 | 50,987.12 | 0.00 |
| Dividend | 07/31/2016 | 90BASIS\$01 | 52,316.96 | Bank of America Checking Account | 0.000 | | 57.46 | 0.00 | 57.46 | 0.00 |
| | | | Subtotal | | | | 51,045.87 | 0.00 | 51,045.87 | 0.00 |



Transaction Ledger

6/30/16 Thru 7/31/16

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------------|-----------------|-----------|-------------------------|--|--------|----------------|--------------------|-------------------|--------------------|-------------|
| OTHER TRANSACTIONS | | | | | | | | | | |
| Writedown or Basis Adjustment | 07/31/2016 | 525ESC2W8 | 2,500,000.00 | Lehman Brothers ESCROW CUSIP - DefaultedDue 2/6/2017 | -2.329 | | -58,233.64 | 0.00 | -58,233.64 | 0.00 |
| Writedown or Basis Adjustment | 07/31/2016 | 525ESCIB7 | 2,500,000.00 | Lehman Brothers Note-DefaultedDue 1/24/2017 | -2.714 | | -67,839.98 | 0.00 | -67,839.98 | 0.00 |
| | Subtotal | | 5,000,000.00 | | | | -126,073.62 | 0.00 | -126,073.62 | 0.00 |
| TOTAL OTHER TRANSACTIONS | | | 3,192,731,820.30 | | | | -23,446.50 | 0.00 | -23,446.50 | 0.00 |



| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|---------------------|---|------------------------------------|---|--|---|----------------------------------|
| Fixed Income | | | | | | |
| 02665WAH4 | American Honda Finance Note 2.25% Due 08/15/2019 | 02/24/2015 02/27/2015 | 1,013,930.00 0.00 0.00 1,013,930.00 | 8,500.00 0.00 10,375.00 1,875.00 | 0.00 0.00 0.00 1,875.00 | 0.00 0.00 0.00 1,875.00 |
| 06406HCW7 | Bank of New York Callable Note Cont 8/11/2019 2.3% Due 09/11/2019 | 02/20/2015 02/25/2015 | 1,013,390.00 0.00 0.00 1,013,390.00 | 7,027.78 0.00 8,944.44 1,916.66 | 0.00 0.00 0.00 1,916.66 | 0.00 0.00 0.00 1,916.66 |
| 166764AE0 | Chevron Corp Callable Note Cont 5/24/2018 1.718% Due 06/24/2018 | 05/12/2015 05/15/2015 | 657,104.50 0.00 0.00 657,104.50 | 217.14 0.00 1,147.72 930.58 | 0.00 0.00 0.00 930.58 | 0.00 0.00 0.00 930.58 |
| 24422ESW0 | John Deere Capital Corp Note 2.05% Due 03/10/2020 | 04/29/2015 05/04/2015 | 502,735.00 0.00 0.00 502,735.00 | 3,160.42 0.00 4,014.58 854.16 | 0.00 0.00 0.00 854.16 | 0.00 0.00 0.00 854.16 |
| 30231GAD4 | Exxon Mobil Corp Callable Note Cont 2/15/2019 1.819% Due 03/15/2019 | 01/25/2016 01/28/2016 | 702,604.00 0.00 0.00 702,604.00 | 3,749.16 0.00 4,810.24 1,061.08 | 0.00 0.00 0.00 1,061.08 | 0.00 0.00 0.00 1,061.08 |
| 3130A7CV5 | FHLB Note 1.375% Due 02/18/2021 | 04/25/2016 04/26/2016 | 1,991,960.00 0.00 0.00 1,991,960.00 | 10,159.72 0.00 12,451.39 2,291.67 | 0.00 0.00 0.00 2,291.67 | 0.00 0.00 0.00 2,291.67 |
| 313376BR5 | FHLB Note 1.75% Due 12/14/2018 | 07/18/2016 07/19/2016 | 0.00 1,006,019.90 0.00 1,006,019.90 | 0.00 (1,675.87) 2,250.45 574.58 | 0.00 0.00 0.00 574.58 | 0.00 0.00 0.00 574.58 |
| 313378QK0 | FHLB Note 1.875% Due 03/08/2019 | 01/22/2016 01/25/2016 | 1,274,437.50 0.00 0.00 1,274,437.50 | 7,356.77 0.00 9,309.90 1,953.13 | 0.00 0.00 0.00 1,953.13 | 0.00 0.00 0.00 1,953.13 |
| 313383HQ7 | FHLB Callable Note 1X 6/24/14 1.2% Due 06/27/2018 | 05/30/2013 06/27/2013 | 3,000,000.00 0.00 0.00 3,000,000.00 | 400.00 0.00 3,400.00 3,000.00 | 0.00 0.00 0.00 3,000.00 | 0.00 0.00 0.00 3,000.00 |
| 313383HU8 | FHLB Note 1.75% Due 06/12/2020 | Various Various | 2,021,970.00 0.00 0.00 2,021,970.00 | 1,847.22 0.00 4,763.88 2,916.66 | 0.00 0.00 0.00 2,916.66 | 0.00 0.00 0.00 2,916.66 |



| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|-----------|---|--|---|--|---|----------------------------------|
| 3133ECPB4 | FFCB Note 0.875% Due 05/14/2018 | 05/17/2013 05/21/2013 1,000,000.00 | 997,810.00 0.00 0.00 997,810.00 | 1,142.36 0.00 1,871.53 729.17 | 0.00 0.00 0.00 729.17 | 0.00 0.00 0.00 729.17 |
| 3134G4A57 | FHLMC Callable Note 1X 6/24/14 1.25% Due 06/27/2018 | 05/31/2013 06/27/2013 2,000,000.00 | 2,000,000.00 0.00 0.00 2,000,000.00 | 277.78 0.00 2,361.11 2,083.33 | 0.00 0.00 0.00 2,083.33 | 0.00 0.00 0.00 2,083.33 |
| 3135G0CM3 | FNMA Note 1.25% Due 09/28/2016 | 05/17/2013 05/20/2013 2,000,000.00 | 2,050,520.00 0.00 0.00 2,050,520.00 | 6,458.33 0.00 8,541.67 2,083.34 | 0.00 0.00 0.00 2,083.34 | 0.00 0.00 0.00 2,083.34 |
| 3135G0D75 | FNMA Note 1.5% Due 06/22/2020 | 10/14/2015 10/15/2015 1,000,000.00 | 1,004,930.00 0.00 0.00 1,004,930.00 | 375.00 0.00 1,625.00 1,250.00 | 0.00 0.00 0.00 1,250.00 | 0.00 0.00 0.00 1,250.00 |
| 3135G0ES8 | FNMA Note 1.375% Due 11/15/2016 | 05/17/2013 05/20/2013 2,000,000.00 | 2,058,980.00 0.00 0.00 2,058,980.00 | 3,513.89 0.00 5,805.56 2,291.67 | 0.00 0.00 0.00 2,291.67 | 0.00 0.00 0.00 2,291.67 |
| 3135G0F73 | FNMA Note 1.5% Due 11/30/2020 | 01/22/2016 01/25/2016 1,250,000.00 | 1,245,325.00 0.00 0.00 1,245,325.00 | 1,614.58 0.00 3,177.08 1,562.50 | 0.00 0.00 0.00 1,562.50 | 0.00 0.00 0.00 1,562.50 |
| 3135G0UD3 | FNMA Callable Note Qtrly 2/14/14 1.01% Due 02/14/2018 | 01/24/2013 02/14/2013 2,000,000.00 | 2,000,000.00 0.00 0.00 2,000,000.00 | 7,687.22 0.00 9,370.56 1,683.34 | 0.00 0.00 0.00 1,683.34 | 0.00 0.00 0.00 1,683.34 |
| 3135G0WJ8 | FNMA Note 0.875% Due 05/21/2018 | 05/17/2013 05/21/2013 2,000,000.00 | 1,993,660.00 0.00 0.00 1,993,660.00 | 1,944.44 0.00 3,402.78 1,458.34 | 0.00 0.00 0.00 1,458.34 | 0.00 0.00 0.00 1,458.34 |
| 3136G1AZ2 | FNMA Callable Note Qtrly 1/30/14 1% Due 01/30/2018 | 01/04/2013 01/30/2013 2,000,000.00 | 2,000,000.00 0.00 0.00 2,000,000.00 | 8,388.89 10,000.00 55.56 1,666.67 | 0.00 0.00 0.00 1,666.67 | 0.00 0.00 0.00 1,666.67 |
| 3137EADM8 | FHLMC Note 1.25% Due 10/02/2019 | 11/03/2015 11/04/2015 1,500,000.00 | 1,486,860.00 0.00 0.00 1,486,860.00 | 4,635.42 0.00 6,197.92 1,562.50 | 0.00 0.00 0.00 1,562.50 | 0.00 0.00 0.00 1,562.50 |
| 3137EADV8 | FHLMC Note 0.75% Due 07/14/2017 | 07/08/2015 07/09/2015 1,000,000.00 | 1,001,230.00 0.00 0.00 1,001,230.00 | 3,479.17 3,750.00 354.17 625.00 | 0.00 0.00 0.00 625.00 | 0.00 0.00 0.00 625.00 |



| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|-----------|--|--|---|--|---|----------------------------------|
| 36962G6K5 | General Electric Capital Corp Note 1.6% Due 11/20/2017 | 11/13/2014 11/18/2014 1,000,000.00 | 1,006,420.00 0.00 0.00 1,006,420.00 | 1,822.22 0.00 3,155.56 1,333.34 | 0.00 0.00 0.00 1,333.34 | 0.00 0.00 0.00 1,333.34 |
| 40428HPH9 | HSBC USA Inc Note 1.625% Due 01/16/2018 | 05/12/2015 05/15/2015 650,000.00 | 653,100.50 0.00 0.00 653,100.50 | 4,841.15 5,281.25 440.10 880.20 | 0.00 0.00 0.00 880.20 | 0.00 0.00 0.00 880.20 |
| 46625HKA7 | JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 01/23/2020 | 04/29/2015 05/04/2015 500,000.00 | 498,480.00 0.00 0.00 498,480.00 | 4,937.50 5,625.00 250.00 937.50 | 0.00 0.00 0.00 937.50 | 0.00 0.00 0.00 937.50 |
| 525ESC2W8 | Lehman Brothers ESCROW CUSIP - Defaulted Due 02/06/2017 | 04/17/2012 04/18/2012 2,500,000.00 | 129,266.36 0.00 (58,233.64) 187,500.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 |
| 525ESCIB7 | Lehman Brothers Note-Defaulted Due 01/24/2017 | 04/17/2012 04/18/2012 2,500,000.00 | 132,160.02 0.00 (67,839.98) 200,000.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 |
| 532457BF4 | Eli Lilly & Co Note 1.95% Due 03/15/2019 | 07/08/2015 07/13/2015 650,000.00 | 653,952.00 0.00 0.00 653,952.00 | 3,732.08 0.00 4,788.33 1,056.25 | 0.00 0.00 0.00 1,056.25 | 0.00 0.00 0.00 1,056.25 |
| 68389XAN5 | Oracle Corp Note 1.2% Due 10/15/2017 | 10/30/2013 10/31/2013 1,000,000.00 | 992,140.00 0.00 0.00 992,140.00 | 2,533.33 0.00 3,533.33 1,000.00 | 0.00 0.00 0.00 1,000.00 | 0.00 0.00 0.00 1,000.00 |
| 713448CS5 | PepsiCo Inc Callable Note Cont 3/30/2020 1.85% Due 04/30/2020 | 05/12/2015 05/15/2015 650,000.00 | 644,052.50 0.00 0.00 644,052.50 | 2,037.57 0.00 3,039.65 1,002.08 | 0.00 0.00 0.00 1,002.08 | 0.00 0.00 0.00 1,002.08 |
| 747525AD5 | Qualcomm Inc Note 2.25% Due 05/20/2020 | 06/03/2015 06/08/2015 650,000.00 | 646,314.50 0.00 0.00 646,314.50 | 1,665.63 0.00 2,884.38 1,218.75 | 0.00 0.00 0.00 1,218.75 | 0.00 0.00 0.00 1,218.75 |
| 89236TBP9 | Toyota Motor Credit Corp Note 2.125% Due 07/18/2019 | 02/04/2016 02/09/2016 700,000.00 | 709,030.00 0.00 0.00 709,030.00 | 6,735.07 7,437.50 537.15 1,239.58 | 0.00 0.00 0.00 1,239.58 | 0.00 0.00 0.00 1,239.58 |
| 91159HHH6 | US Bancorp Callable Note Cont 3/25/2019 2.2% Due 04/25/2019 | 05/15/2015 05/20/2015 650,000.00 | 661,583.00 0.00 0.00 661,583.00 | 2,621.67 0.00 3,813.33 1,191.66 | 0.00 0.00 0.00 1,191.66 | 0.00 0.00 0.00 1,191.66 |



| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|-----------|--|--|---|--|---|----------------------------------|
| 912828H52 | US Treasury Note 1.25% Due 01/31/2020 | 02/20/2015 02/23/2015 1,000,000.00 | 986,683.04 0.00 0.00 986,683.04 | 5,219.78 6,250.00 33.97 1,064.19 | 0.00 0.00 0.00 1,064.19 | 0.00 0.00 0.00 1,064.19 |
| 912828J84 | US Treasury Note 1.375% Due 03/31/2020 | 04/29/2015 04/30/2015 1,000,000.00 | 996,136.16 0.00 0.00 996,136.16 | 3,456.28 0.00 4,620.90 1,164.62 | 0.00 0.00 0.00 1,164.62 | 0.00 0.00 0.00 1,164.62 |
| 912828K25 | US Treasury Note 0.75% Due 04/15/2018 | 05/15/2015 05/18/2015 1,200,000.00 | 1,195,410.27 0.00 0.00 1,195,410.27 | 1,893.44 0.00 2,655.74 762.30 | 0.00 0.00 0.00 762.30 | 0.00 0.00 0.00 762.30 |
| 912828K58 | US Treasury Note 1.375% Due 04/30/2020 | 05/15/2015 05/18/2015 1,200,000.00 | 1,195,269.65 0.00 0.00 1,195,269.65 | 2,779.89 0.00 4,169.84 1,389.95 | 0.00 0.00 0.00 1,389.95 | 0.00 0.00 0.00 1,389.95 |
| 912828L32 | US Treasury Note 1.375% Due 08/31/2020 | 05/17/2016 05/18/2016 1,000,000.00 | 1,007,698.66 0.00 0.00 1,007,698.66 | 4,595.79 0.00 5,754.08 1,158.29 | 0.00 0.00 0.00 1,158.29 | 0.00 0.00 0.00 1,158.29 |
| 912828L99 | US Treasury Note 1.375% Due 10/31/2020 | 11/03/2015 11/04/2015 1,500,000.00 | 1,484,126.12 0.00 0.00 1,484,126.12 | 3,474.86 0.00 5,212.30 1,737.44 | 0.00 0.00 0.00 1,737.44 | 0.00 0.00 0.00 1,737.44 |
| 912828M72 | US Treasury Note 0.875% Due 11/30/2017 | 01/22/2016 01/25/2016 1,200,000.00 | 1,200,191.52 0.00 0.00 1,200,191.52 | 889.34 0.00 1,778.69 889.35 | 0.00 0.00 0.00 889.35 | 0.00 0.00 0.00 889.35 |
| 912828M98 | US Treasury Note 1.625% Due 11/30/2020 | 01/22/2016 01/25/2016 1,000,000.00 | 1,007,151.79 0.00 0.00 1,007,151.79 | 1,376.37 0.00 2,752.73 1,376.36 | 0.00 0.00 0.00 1,376.36 | 0.00 0.00 0.00 1,376.36 |
| 912828P87 | US Treasury Note 1.125% Due 02/28/2021 | 04/04/2016 04/05/2016 1,450,000.00 | 1,444,114.23 0.00 0.00 1,444,114.23 | 5,452.28 0.00 6,826.43 1,374.15 | 0.00 0.00 0.00 1,374.15 | 0.00 0.00 0.00 1,374.15 |
| 912828SD3 | US Treasury Note 1.25% Due 01/31/2019 | 02/20/2015 02/23/2015 1,000,000.00 | 996,058.04 0.00 0.00 996,058.04 | 5,219.78 6,250.00 33.97 1,064.19 | 0.00 0.00 0.00 1,064.19 | 0.00 0.00 0.00 1,064.19 |
| 912828SY7 | US Treasury Note 0.625% Due 05/31/2017 | 11/13/2014 11/14/2014 985,000.00 | 980,540.02 0.00 0.00 980,540.02 | 521.43 0.00 1,042.86 521.43 | 0.00 0.00 0.00 521.43 | 0.00 0.00 0.00 521.43 |



| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|---------------------------|--|--|---|--|---|----------------------------------|
| 912828WLO | US Treasury Note 1.5% Due 05/31/2019 | 05/17/2016 05/18/2016 1,000,000.00 | 1,016,448.66 0.00 0.00 1,016,448.66 | 1,270.49 0.00 2,540.98 1,270.49 | 0.00 0.00 0.00 1,270.49 | 0.00 0.00 0.00 1,270.49 |
| 912828XE5 | US Treasury Note 1.5% Due 05/31/2020 | Various Various 2,200,000.00 | 2,192,817.92 0.00 0.00 2,192,817.92 | 2,795.08 0.00 5,590.17 2,795.09 | 0.00 0.00 0.00 2,795.09 | 0.00 0.00 0.00 2,795.09 |
| 94974BGF1 | Wells Fargo Corp Note 2.15% Due 01/30/2020 | 07/08/2015 07/13/2015 650,000.00 | 647,900.50 0.00 0.00 647,900.50 | 5,861.74 6,987.50 38.82 1,164.58 | 0.00 0.00 0.00 1,164.58 | 0.00 0.00 0.00 1,164.58 |
| | | | 53,094,491.46 | 157,668.06 | 0.00 | |
| | | | 1,006,019.90 | 49,905.38 | 0.00 | |
| | | | (126,073.62) | 169,723.85 | 0.00 | 0.00 |
| TOTAL Fixed Income | | | 58,670,000.00 | 61,961.17 | 61,961.17 | 61,961.17 |

Cash & Equivalent

| | | | | | | |
|------------------------------------|--|------------------------------------|---|------------------------------------|--------------------------------|--------------------------------|
| 313384ZN2 | FHLB Discount Note Due 07/18/2016 | 05/17/2016 05/18/2016 0.00 | 999,491.67 0.00 999,491.67 0.00 | 366.66 508.33 0.00 141.67 | 0.00 0.00 0.00 141.67 | 0.00 0.00 0.00 141.67 |
| 90BASI\$01 | Bank of America Checking Account | Various Various 52,374.42 | 52,316.96 57.46 0.00 52,374.42 | 0.00 57.46 0.00 57.46 | 0.00 0.00 0.00 57.46 | 0.00 0.00 0.00 57.46 |
| 90COCM\$00 | Summary of Cash Held in Trust *See Details (Attached) | Various Various 6,168,225.71 | 6,072,656.16 95,569.55 0.00 6,168,225.71 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 |
| 90JPMC\$02 | JP Morgan Chase Checking Account | Various Various 1,055,454.08 | 4,949,547.72 0.00 3,894,093.64 1,055,454.08 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 | 0.00 0.00 0.00 0.00 |
| 94975H312 | Wells Fargo Advantage Treasury Plus MMF | Various Various 43,885.48 | 224,732.02 1,051,582.54 1,232,429.08 43,885.48 | 0.00 1.29 0.00 1.29 | 0.00 0.00 0.00 1.29 | 0.00 0.00 0.00 1.29 |
| | | | 12,298,744.53 | 366.66 | 0.00 | |
| | | | 1,147,209.55 | 567.08 | 0.00 | |
| | | | 6,126,014.39 | 0.00 | 0.00 | 0.00 |
| TOTAL Cash & Equivalent | | | 7,319,939.69 | 200.42 | 200.42 | 200.42 |



Income Earned

6/30/16 Thru 7/31/16

| CUSIP | Security Description | Trade Date Settle Date Units | Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End | Prior Accrued Inc. Received Ending Accrued Total Interest | Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned | Unreal G/L Total Income |
|---|--|------------------------------------|---|--|---|----------------------------|
| Local Agency Investment Fund | | | | | | |
| 90LAIF\$00 | Local Agency Investment Fund State Pool | | 40,822,237.60 | 61,052.15 | 0.00 | |
| | | Various | 50,987.12 | 50,987.12 | 0.00 | |
| | | Various | 6,000,000.00 | 20,259.95 | 0.00 | 0.00 |
| | | 34,873,224.72 | 34,873,224.72 | 10,194.92 | 10,194.92 | 10,194.92 |
| | | | 40,822,237.60 | 61,052.15 | 0.00 | |
| | | | 50,987.12 | 50,987.12 | 0.00 | |
| | | | 6,000,000.00 | 20,259.95 | 0.00 | 0.00 |
| TOTAL Local Agency Investment Fund | | 34,873,224.72 | 34,873,224.72 | 10,194.92 | 10,194.92 | 10,194.92 |
| | | | 106,215,473.59 | 219,086.87 | 0.00 | |
| | | | 2,204,216.57 | 101,459.58 | 0.00 | |
| | | | 11,999,940.77 | 189,983.80 | 0.00 | 0.00 |
| TOTAL PORTFOLIO | | 100,863,164.41 | 96,419,749.39 | 72,356.51 | 72,356.51 | 72,356.51 |



Cash Flow Report

From 07/31/2016

| Payment Date | Transaction Type | CUSIP | Quantity | Security Description | Principal Amount | Income | Total Amount |
|-----------------|------------------|------------|---------------|---|---------------------|------------------|---------------------|
| 08/14/2016 | Interest | 3135G0UD3 | 2,000,000.00 | FNMA Callable Note Qtrly 2/14/14 | 0.00 | 10,100.00 | 10,100.00 |
| 08/15/2016 | Interest | 02665WAH4 | 1,000,000.00 | American Honda Finance Note 2.25% Due 8/15/2019 | 0.00 | 11,250.00 | 11,250.00 |
| 08/18/2016 | Interest | 3130A7CV5 | 2,000,000.00 | FHLB Note 1.375% Due 2/18/2021 | 0.00 | 13,750.00 | 13,750.00 |
| 08/31/2016 | Interest | 912828L32 | 1,000,000.00 | US Treasury Note 1.375% Due 8/31/2020 | 0.00 | 6,875.00 | 6,875.00 |
| 08/31/2016 | Interest | 912828P87 | 1,450,000.00 | US Treasury Note 1.125% Due 2/28/2021 | 0.00 | 8,156.25 | 8,156.25 |
| Aug 2016 | | | | | 0.00 | 50,131.25 | 50,131.25 |
| 09/08/2016 | Interest | 313378QK0 | 1,250,000.00 | FHLB Note 1.875% Due 3/8/2019 | 0.00 | 11,718.75 | 11,718.75 |
| 09/10/2016 | Interest | 24422ESW0 | 500,000.00 | John Deere Capital Corp Note 2.05% Due 3/10/2020 | 0.00 | 5,125.00 | 5,125.00 |
| 09/11/2016 | Interest | 06406HCW7 | 1,000,000.00 | Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019 | 0.00 | 11,500.00 | 11,500.00 |
| 09/15/2016 | Interest | 532457BF4 | 650,000.00 | Eli Lilly & Co Note 1.95% Due 3/15/2019 | 0.00 | 6,337.50 | 6,337.50 |
| 09/15/2016 | Interest | 30231GAD4 | 700,000.00 | Exxon Mobil Corp Callable Note Cont 2/15/2019 1.819% Due 3/15/2019 | 0.00 | 6,366.50 | 6,366.50 |
| 09/28/2016 | Maturity | 3135G0CM3 | 2,000,000.00 | FNMA Note 1.25% Due 9/28/2016 | 2,000,000.00 | 12,500.00 | 2,012,500.00 |
| 09/30/2016 | Interest | 912828J84 | 1,000,000.00 | US Treasury Note 1.375% Due 3/31/2020 | 0.00 | 6,875.00 | 6,875.00 |
| Sep 2016 | | | | | 2,000,000.00 | 60,422.75 | 2,060,422.75 |
| 10/02/2016 | Interest | 3137EADM8 | 1,500,000.00 | FHLMC Note 1.25% Due 10/2/2019 | 0.00 | 9,375.00 | 9,375.00 |
| 10/15/2016 | Dividend | 90LAIF\$00 | 34,873,224.72 | Local Agency Investment Fund State Pool | 0.00 | 17,369.79 | 17,369.79 |
| 10/15/2016 | Interest | 68389XAN5 | 1,000,000.00 | Oracle Corp Note 1.2% Due 10/15/2017 | 0.00 | 6,000.00 | 6,000.00 |
| 10/15/2016 | Interest | 912828K25 | 1,200,000.00 | US Treasury Note 0.75% Due 4/15/2018 | 0.00 | 4,500.00 | 4,500.00 |
| 10/25/2016 | Interest | 91159HHH6 | 650,000.00 | US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019 | 0.00 | 7,150.00 | 7,150.00 |
| 10/30/2016 | Interest | 713448CS5 | 650,000.00 | PepsiCo Inc Callable Note Cont 3/30/2020 1.85% Due 4/30/2020 | 0.00 | 6,012.50 | 6,012.50 |
| 10/31/2016 | Interest | 912828L99 | 1,500,000.00 | US Treasury Note 1.375% Due 10/31/2020 | 0.00 | 10,312.50 | 10,312.50 |



Cash Flow Report

From 07/31/2016

| Payment Date | Transaction Type | CUSIP | Quantity | Security Description | Principal Amount | Income | Total Amount |
|-----------------|------------------|-----------|--------------|---|---------------------|------------------|---------------------|
| 10/31/2016 | Interest | 912828K58 | 1,200,000.00 | US Treasury Note 1.375% Due 4/30/2020 | 0.00 | 8,250.00 | 8,250.00 |
| Oct 2016 | | | | | 0.00 | 68,969.79 | 68,969.79 |
| 11/14/2016 | Interest | 3133ECPB4 | 1,000,000.00 | FFCB Note 0.875% Due 5/14/2018 | 0.00 | 4,375.00 | 4,375.00 |
| 11/15/2016 | Maturity | 3135G0ES8 | 2,000,000.00 | FNMA Note 1.375% Due 11/15/2016 | 2,000,000.00 | 13,750.00 | 2,013,750.00 |
| 11/20/2016 | Interest | 747525AD5 | 650,000.00 | Qualcomm Inc Note 2.25% Due 5/20/2020 | 0.00 | 7,312.50 | 7,312.50 |
| 11/20/2016 | Interest | 36962G6K5 | 1,000,000.00 | General Electric Capital Corp Note 1.6% Due 11/20/2017 | 0.00 | 8,000.00 | 8,000.00 |
| 11/21/2016 | Interest | 3135G0WJ8 | 2,000,000.00 | FNMA Note 0.875% Due 5/21/2018 | 0.00 | 8,750.00 | 8,750.00 |
| 11/30/2016 | Interest | 912828XE5 | 2,200,000.00 | US Treasury Note 1.5% Due 5/31/2020 | 0.00 | 16,500.00 | 16,500.00 |
| 11/30/2016 | Interest | 912828M72 | 1,200,000.00 | US Treasury Note 0.875% Due 11/30/2017 | 0.00 | 5,250.00 | 5,250.00 |
| 11/30/2016 | Interest | 3135G0F73 | 1,250,000.00 | FNMA Note 1.5% Due 11/30/2020 | 0.00 | 9,375.00 | 9,375.00 |
| 11/30/2016 | Interest | 912828WL0 | 1,000,000.00 | US Treasury Note 1.5% Due 5/31/2019 | 0.00 | 7,500.00 | 7,500.00 |
| 11/30/2016 | Interest | 912828SY7 | 985,000.00 | US Treasury Note 0.625% Due 5/31/2017 | 0.00 | 3,078.13 | 3,078.13 |
| 11/30/2016 | Interest | 912828M98 | 1,000,000.00 | US Treasury Note 1.625% Due 11/30/2020 | 0.00 | 8,125.00 | 8,125.00 |
| Nov 2016 | | | | | 2,000,000.00 | 92,015.63 | 2,092,015.63 |
| 12/12/2016 | Interest | 313383HU8 | 2,000,000.00 | FHLB Note 1.75% Due 6/12/2020 | 0.00 | 17,500.00 | 17,500.00 |
| 12/14/2016 | Interest | 313376BR5 | 985,000.00 | FHLB Note 1.75% Due 12/14/2018 | 0.00 | 8,618.75 | 8,618.75 |
| 12/22/2016 | Interest | 3135G0D75 | 1,000,000.00 | FNMA Note 1.5% Due 6/22/2020 | 0.00 | 7,500.00 | 7,500.00 |
| 12/24/2016 | Interest | 166764AE0 | 650,000.00 | Chevron Corp Callable Note Cont 5/24/2018 1.718% Due 6/24/2018 | 0.00 | 5,583.50 | 5,583.50 |
| 12/27/2016 | Interest | 3134G4A57 | 2,000,000.00 | FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018 | 0.00 | 12,500.00 | 12,500.00 |
| 12/27/2016 | Interest | 313383HQ7 | 3,000,000.00 | FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018 | 0.00 | 18,000.00 | 18,000.00 |
| Dec 2016 | | | | | 0.00 | 69,702.25 | 69,702.25 |



Cash Flow Report

From 07/31/2016

| Payment Date | Transaction Type | CUSIP | Quantity | Security Description | Principal Amount | Income | Total Amount |
|-----------------|------------------|-----------|--------------|---|------------------|------------------|------------------|
| 01/14/2017 | Interest | 3137EADV8 | 1,000,000.00 | FHLMC Note 0.75% Due 7/14/2017 | 0.00 | 3,750.00 | 3,750.00 |
| 01/16/2017 | Interest | 40428HPH9 | 650,000.00 | HSBC USA Inc Note 1.625% Due 1/16/2018 | 0.00 | 5,281.25 | 5,281.25 |
| 01/18/2017 | Interest | 89236TBP9 | 700,000.00 | Toyota Motor Credit Corp Note 2.125% Due 7/18/2019 | 0.00 | 7,437.50 | 7,437.50 |
| 01/23/2017 | Interest | 46625HKA7 | 500,000.00 | JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020 | 0.00 | 5,625.00 | 5,625.00 |
| 01/30/2017 | Interest | 3136G1AZ2 | 2,000,000.00 | FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018 | 0.00 | 10,000.00 | 10,000.00 |
| 01/30/2017 | Interest | 94974BGF1 | 650,000.00 | Wells Fargo Corp Note 2.15% Due 1/30/2020 | 0.00 | 6,987.50 | 6,987.50 |
| 01/31/2017 | Interest | 912828SD3 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2019 | 0.00 | 6,250.00 | 6,250.00 |
| 01/31/2017 | Interest | 912828H52 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2020 | 0.00 | 6,250.00 | 6,250.00 |
| Jan 2017 | | | | | 0.00 | 51,581.25 | 51,581.25 |
| 02/14/2017 | Interest | 3135G0UD3 | 2,000,000.00 | FNMA Callable Note Qtrly 2/14/14 | 0.00 | 10,100.00 | 10,100.00 |
| 02/15/2017 | Interest | 02665WAH4 | 1,000,000.00 | American Honda Finance Note 2.25% Due 8/15/2019 | 0.00 | 11,250.00 | 11,250.00 |
| 02/18/2017 | Interest | 3130A7CV5 | 2,000,000.00 | FHLB Note 1.375% Due 2/18/2021 | 0.00 | 13,750.00 | 13,750.00 |
| 02/28/2017 | Interest | 912828P87 | 1,450,000.00 | US Treasury Note 1.125% Due 2/28/2021 | 0.00 | 8,156.25 | 8,156.25 |
| 02/28/2017 | Interest | 912828L32 | 1,000,000.00 | US Treasury Note 1.375% Due 8/31/2020 | 0.00 | 6,875.00 | 6,875.00 |
| Feb 2017 | | | | | 0.00 | 50,131.25 | 50,131.25 |
| 03/08/2017 | Interest | 313378QK0 | 1,250,000.00 | FHLB Note 1.875% Due 3/8/2019 | 0.00 | 11,718.75 | 11,718.75 |
| 03/10/2017 | Interest | 24422ESW0 | 500,000.00 | John Deere Capital Corp Note 2.05% Due 3/10/2020 | 0.00 | 5,125.00 | 5,125.00 |
| 03/11/2017 | Interest | 06406HCW7 | 1,000,000.00 | Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019 | 0.00 | 11,500.00 | 11,500.00 |
| 03/15/2017 | Interest | 30231GAD4 | 700,000.00 | Exxon Mobil Corp Callable Note Cont 2/15/2019 1.819% Due 3/15/2019 | 0.00 | 6,366.50 | 6,366.50 |
| 03/15/2017 | Interest | 532457BF4 | 650,000.00 | Eli Lilly & Co Note 1.95% Due 3/15/2019 | 0.00 | 6,337.50 | 6,337.50 |



Cash Flow Report

From 07/31/2016

| Payment Date | Transaction Type | CUSIP | Quantity | Security Description | Principal Amount | Income | Total Amount |
|-----------------|------------------|-----------|--------------|---|-------------------|------------------|---------------------|
| 03/31/2017 | Interest | 912828J84 | 1,000,000.00 | US Treasury Note 1.375% Due 3/31/2020 | 0.00 | 6,875.00 | 6,875.00 |
| Mar 2017 | | | | | 0.00 | 47,922.75 | 47,922.75 |
| 04/02/2017 | Interest | 3137EADM8 | 1,500,000.00 | FHLMC Note 1.25% Due 10/2/2019 | 0.00 | 9,375.00 | 9,375.00 |
| 04/15/2017 | Interest | 912828K25 | 1,200,000.00 | US Treasury Note 0.75% Due 4/15/2018 | 0.00 | 4,500.00 | 4,500.00 |
| 04/15/2017 | Interest | 68389XAN5 | 1,000,000.00 | Oracle Corp Note 1.2% Due 10/15/2017 | 0.00 | 6,000.00 | 6,000.00 |
| 04/25/2017 | Interest | 91159HHH6 | 650,000.00 | US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019 | 0.00 | 7,150.00 | 7,150.00 |
| 04/30/2017 | Interest | 912828L99 | 1,500,000.00 | US Treasury Note 1.375% Due 10/31/2020 | 0.00 | 10,312.50 | 10,312.50 |
| 04/30/2017 | Interest | 912828K58 | 1,200,000.00 | US Treasury Note 1.375% Due 4/30/2020 | 0.00 | 8,250.00 | 8,250.00 |
| 04/30/2017 | Interest | 713448CS5 | 650,000.00 | PepsiCo Inc Callable Note Cont 3/30/2020 1.85% Due 4/30/2020 | 0.00 | 6,012.50 | 6,012.50 |
| Apr 2017 | | | | | 0.00 | 51,600.00 | 51,600.00 |
| 05/14/2017 | Interest | 3133ECPB4 | 1,000,000.00 | FFCB Note 0.875% Due 5/14/2018 | 0.00 | 4,375.00 | 4,375.00 |
| 05/20/2017 | Interest | 747525AD5 | 650,000.00 | Qualcomm Inc Note 2.25% Due 5/20/2020 | 0.00 | 7,312.50 | 7,312.50 |
| 05/20/2017 | Interest | 36962G6K5 | 1,000,000.00 | General Electric Capital Corp Note 1.6% Due 11/20/2017 | 0.00 | 8,000.00 | 8,000.00 |
| 05/21/2017 | Interest | 3135G0WJ8 | 2,000,000.00 | FNMA Note 0.875% Due 5/21/2018 | 0.00 | 8,750.00 | 8,750.00 |
| 05/30/2017 | Interest | 3135G0F73 | 1,250,000.00 | FNMA Note 1.5% Due 11/30/2020 | 0.00 | 9,375.00 | 9,375.00 |
| 05/31/2017 | Interest | 912828WL0 | 1,000,000.00 | US Treasury Note 1.5% Due 5/31/2019 | 0.00 | 7,500.00 | 7,500.00 |
| 05/31/2017 | Interest | 912828M98 | 1,000,000.00 | US Treasury Note 1.625% Due 11/30/2020 | 0.00 | 8,125.00 | 8,125.00 |
| 05/31/2017 | Interest | 912828XE5 | 2,200,000.00 | US Treasury Note 1.5% Due 5/31/2020 | 0.00 | 16,500.00 | 16,500.00 |
| 05/31/2017 | Interest | 912828M72 | 1,200,000.00 | US Treasury Note 0.875% Due 11/30/2017 | 0.00 | 5,250.00 | 5,250.00 |
| 05/31/2017 | Maturity | 912828SY7 | 985,000.00 | US Treasury Note 0.625% Due 5/31/2017 | 985,000.00 | 3,078.13 | 988,078.13 |
| May 2017 | | | | | 985,000.00 | 78,265.63 | 1,063,265.63 |



Cash Flow Report

From 07/31/2016

| Payment Date | Transaction Type | CUSIP | Quantity | Security Description | Principal Amount | Income | Total Amount |
|-----------------|------------------|-----------|--------------|---|---------------------|-------------------|---------------------|
| 06/12/2017 | Interest | 313383HU8 | 2,000,000.00 | FHLB Note 1.75% Due 6/12/2020 | 0.00 | 17,500.00 | 17,500.00 |
| 06/14/2017 | Interest | 313376BR5 | 985,000.00 | FHLB Note 1.75% Due 12/14/2018 | 0.00 | 8,618.75 | 8,618.75 |
| 06/22/2017 | Interest | 3135G0D75 | 1,000,000.00 | FNMA Note 1.5% Due 6/22/2020 | 0.00 | 7,500.00 | 7,500.00 |
| 06/24/2017 | Interest | 166764AE0 | 650,000.00 | Chevron Corp Callable Note Cont 5/24/2018 1.718% Due 6/24/2018 | 0.00 | 5,583.50 | 5,583.50 |
| 06/27/2017 | Interest | 3134G4A57 | 2,000,000.00 | FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018 | 0.00 | 12,500.00 | 12,500.00 |
| 06/27/2017 | Interest | 313383HQ7 | 3,000,000.00 | FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018 | 0.00 | 18,000.00 | 18,000.00 |
| Jun 2017 | | | | | 0.00 | 69,702.25 | 69,702.25 |
| 07/14/2017 | Maturity | 3137EADV8 | 1,000,000.00 | FHLMC Note 0.75% Due 7/14/2017 | 1,000,000.00 | 3,750.00 | 1,003,750.00 |
| 07/16/2017 | Interest | 40428HPH9 | 650,000.00 | HSBC USA Inc Note 1.625% Due 1/16/2018 | 0.00 | 5,281.25 | 5,281.25 |
| 07/18/2017 | Interest | 89236TBP9 | 700,000.00 | Toyota Motor Credit Corp Note 2.125% Due 7/18/2019 | 0.00 | 7,437.50 | 7,437.50 |
| 07/23/2017 | Interest | 46625HKA7 | 500,000.00 | JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020 | 0.00 | 5,625.00 | 5,625.00 |
| 07/30/2017 | Interest | 3136G1AZ2 | 2,000,000.00 | FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018 | 0.00 | 10,000.00 | 10,000.00 |
| 07/30/2017 | Interest | 94974BGF1 | 650,000.00 | Wells Fargo Corp Note 2.15% Due 1/30/2020 | 0.00 | 6,987.50 | 6,987.50 |
| 07/31/2017 | Interest | 912828SD3 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2019 | 0.00 | 6,250.00 | 6,250.00 |
| 07/31/2017 | Interest | 912828H52 | 1,000,000.00 | US Treasury Note 1.25% Due 1/31/2020 | 0.00 | 6,250.00 | 6,250.00 |
| Jul 2017 | | | | | 1,000,000.00 | 51,581.25 | 1,051,581.25 |
| Total | | | | | 5,985,000.00 | 742,026.05 | 6,727,026.05 |

CITY OF COSTA MESA
SUMMARY OF CASH HELD IN TRUST
AS OF JULY 31, 2016

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 |
|--------------------|----------------------------|--|---------------|------------------------|---------------------|---------------------|-------|
| Reserve Fund | U.S. Govt. Obligation Fund | Wells Fargo Treasury Plus Money Market | Open | \$ 1,273,452.08 | 1,273,452.08 | 1,273,452.08 | 0.010 |
| Lease Payment Fund | U.S. Govt. Obligation Fund | Wells Fargo Treasury Plus Money Market | Open | 0.53 | 0.53 | 0.53 | - |
| | Ending Balances | | | <u>\$ 1,273,452.61</u> | <u>1,273,452.61</u> | <u>1,273,452.61</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 |
|--------------------------|-----------------------------|----------------------|---------------|------------------------|---------------------|---------------------|------|
| Capital Improvement Fund | Treasury Obligations Fund | First American Funds | Open | \$ 159,857.83 | \$ 159,857.83 | \$ 159,857.83 | - |
| Local Obligation | Note Secured by Real Estate | City of Costa Mesa | 08/01/2021 | 1,115,000.00 | 1,115,000.00 | 1,115,000.00 | 8.30 |
| Revenue Fund | Treasury Obligations Fund | First American Funds | Open | 214,314.37 | 214,314.37 | 214,314.37 | - |
| Reserve Fund | Treasury Obligations Fund | First American Funds | Open | 224,755.76 | 224,755.76 | 224,755.76 | - |
| Expense Fund | Treasury Obligations Fund | First American Funds | Open | 4,987.35 | 4,987.35 | 4,987.35 | - |
| Surplus Fund | Treasury Obligations Fund | First American Funds | Open | 181,904.91 | 181,904.91 | 181,904.91 | - |
| | Ending Balances | | | <u>\$ 1,900,820.22</u> | <u>1,900,820.22</u> | <u>1,900,820.22</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 |
|--------------------|----------------------------|--|---------------|------------------------|---------------------|---------------------|------|
| Reserve Fund | U.S. Govt. Obligation Fund | Wells Fargo Treasury Plus Money Market | Open | \$ 2,297,567.56 | 2,297,567.56 | 2,297,567.56 | - |
| Lease Payment Fund | U.S. Govt. Obligation Fund | Wells Fargo Treasury Plus Money Market | Open | 2.78 | 2.78 | 2.78 | - |
| | Ending Balances | | | <u>\$ 2,297,570.34</u> | <u>2,297,570.34</u> | <u>2,297,570.34</u> | |

City of Costa Mesa Workers Compensation Account

Trustee: Adminsure

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|----------------------|------------------|----------------------|---------------|--------------------|-----------------|-----------------|------|
| Workers Compensation | Checking Account | JP Morgan Chase Bank | Open | 3,716.93 | 3,716.93 | 3,716.93 | (1) |
| | Ending Balances | | | <u>\$ 3,716.93</u> | <u>3,716.93</u> | <u>3,716.93</u> | |

City of Costa Mesa Joint Powers Employee Benefit Authority

Trustee: City of Costa Mesa

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|---|-----------------|-----------------------------|---------------|----------------------|-------------------|-------------------|------|
| Medical Premium Retirement Benefit Plan | Saving Account | Mass Mutual Financial Group | Open | 122,463.36 | 122,463.36 | 122,463.36 | (1) |
| | Ending Balances | | | <u>\$ 122,463.36</u> | <u>122,463.36</u> | <u>122,463.36</u> | |

City of Costa Mesa Housing Authority Fund

Trustee: Farmers State Bank

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|-------------------------------|------------------|--------------------|---------------|------------------|---------------|---------------|------|
| First Time Home Buyer Program | Checking Account | Farmers State Bank | Open | 969.39 | 969.39 | 969.39 | (1) |
| | Ending Balances | | | <u>\$ 969.39</u> | <u>969.39</u> | <u>969.39</u> | |

City of Costa Mesa Housing Authority Fund

Trustee: City of Costa Mesa

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|-----------------|------------------|----------------------|---------------|---------------------|------------------|------------------|------|
| Tenant Deposits | Checking Account | JP Morgan Chase Bank | Open | 27,979.00 | 27,979.00 | 27,979.00 | (1) |
| | Ending Balances | | | <u>\$ 27,979.00</u> | <u>27,979.00</u> | <u>27,979.00</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 | \$ 8,134.50 | 8,134.50 | 8,134.50 | (1) |
| Cost Sharing | | | | | | | |
| Infrastructure/Sustainability | Money Market Fund | Orange County Investment Pool | Open | 287,152.02 | 287,152.02 | 287,152.02 | |
| | Ending Balances | | | <u>\$ 295,286.52</u> | <u>295,286.52</u> | <u>295,286.52</u> | |

CITY OF COSTA MESA
SUMMARY OF CASH HELD IN TRUST
AS OF JULY 31, 2016

RJ Noble Co

Trustee: Banner Bank

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|---------------------|-----------------|-------------|---------------|---------------------|------------------|------------------|------|
| Escrow Account #225 | Savings Account | Banner Bank | Open | 40,041.07 | 40,041.07 | 40,041.07 | (1) |
| | Ending Balances | | | <u>\$ 40,041.07</u> | <u>40,041.07</u> | <u>40,041.07</u> | |

All American Asphalt

Trustee: Community Bank

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|----------------------|-----------------|-------------|---------------|---------------------|------------------|------------------|------|
| Escrow Account #2242 | Savings Account | Banner Bank | Open | 52,059.94 | 52,059.94 | 52,059.94 | (1) |
| | Ending Balances | | | <u>\$ 52,059.94</u> | <u>52,059.94</u> | <u>52,059.94</u> | |

R J Noble Co/Rehabilitation of Arterial Streets

Trustee: Banner Bank

| Fund | Investment Type | Issuer | Maturity Date | Cost | Par | Market Value | Rate |
|---------------------|-----------------|-------------|---------------|----------------------|-------------------|-------------------|------|
| Escrow Account #200 | Savings Account | Banner Bank | Open | 153,866.33 | 153,866.33 | 153,866.33 | (1) |
| | Ending Balances | | | <u>\$ 153,866.33</u> | <u>153,866.33</u> | <u>153,866.33</u> | |

GRAND TOTALS

| | | | | | |
|-----------|---------------------|-----------|---------------------|-----------|---------------------|
| <u>\$</u> | <u>6,168,225.71</u> | <u>\$</u> | <u>6,168,225.71</u> | <u>\$</u> | <u>6,168,225.71</u> |
|-----------|---------------------|-----------|---------------------|-----------|---------------------|

Market Values provided by U.S. Bank Corporate Trust Services, The Bank of New York Mellon Trust Company, Community Bank, Banner Bank, Farmers State Bank, Mass Mutual Financial Group, Orange County Investment Pool and JP Morgan Chase Bank.

(1) Monthly rates/balances are not available. Balances are as of July 31, 2016