

TO: City Council
FROM: Mike Compton, City Treasurer
SUBJECT: Annual Review of Investment Policy
DATE: August 19, 2014

Needs: For the City Council to undertake its' annual review of the City's Investment Policy.

Facts:

1. The City Council has adopted an investment policy to guide the investment of idle City funds.
2. Many years ago, the Investment Policy was modified in accordance with Government Code Section 53646 that requires that the City Treasurer annually render to the legislative body of the local agency a statement of investment policy at a public meeting.
3. While this government code provision requiring the the annual review has been rescinded, the City's Investment Policy continues to require an annual review.
4. There are no changes being recommended for City Council consideration other than some "fine tuning" of Section III, Paragraph 9.

Analysis
and
Conclusion:

That the City Council undertake its' annual review of the Investment Policy. Also provided for City Council consideration is a copy of the most recent monthly Investment Report.

While Section III, Paragraph 9 of the Investment Policy did set forth the interest allocation methodology consistent with Government Code Section 53647, it was not entirely clear. The proposed change to Section III, Paragraph 9 of the Investment Policy is intended to clarify how earned interest is to be distributed.

Fiscal
Impact:

None.

Options:

- a. That the City Council undertake its' annual review of the City's Investment Policy and approve the recommended change; or
- b. Amend, modify, or reject the above option.

CITY OF EL PASO DE ROBLES INVESTMENT POLICY

I. PURPOSE

The City has a fiduciary responsibility to maximize the productive use of its assets entrusted to its care and to manage those public funds wisely and prudently.

The purpose of this policy is to provide broad guidelines and direction to the officer(s) of the City charged with the responsibility for the investment of the City's temporary idle funds under the prudent man rule (Civil Code Section 2261, et seq).

II. OBJECTIVE

The Objective of the City's investment program shall be to maintain a level of investment of all temporary idle funds as near as 100% as possible with due consideration given to safety, liquidity, cash flow requirements and yield.

III. INVESTMENT GUIDELINES

All City funds not required for immediate expenditure shall be fully invested or deposited to maximize investment returns. To maximize returns, the economy and market conditions should be monitored in order to assess the probable course of interest rates. The City shall utilize those eligible investments instruments as set forth in Government Code Sections 53601 and 53635 while following these guidelines:

1. All investments of the City shall have the City of Paso Robles as the registered owner or shall be kept in the custody of the City or the trust/custodial department of its designated third party, safekeeping institution. If securities are kept by a safekeeping institution, the City shall have access to buy and sell such securities independently of any broker.

While in safekeeping, the City shall have on file from its designated safekeeping institution, an executed contract for said safekeeping services which specifically requires the City's securities to be held separately from all other securities and funds on deposit with the trust/custodial department. The trust/custodial department shall be required to send the City a monthly statement of what is being kept including an estimate of the current market valuation.

2. Investments shall be diversified among institutions, types of instruments, and maturities in order to maximize safety and yield with market conditions; except that no investment shall be purchased with a final stated maturity of more than five (5) years from

the purchase date except as provided for in Section V-5. Long-term maturities shall not represent a significant percentage of the total portfolio and shall be specifically limited as per Section 3 under Allowable Investment Instruments. Security investments currently held by the City that met investment policy restrictions at the time of purchase shall be deemed in compliance.

3. Certificates of deposit in local financial institutions shall be encouraged; provided that the criteria for safety, and liquidity are equal to or greater than that of non-local financial institutions and the interest rate earned is within one quarter of one percent (0.25%) of the rate that may be earned from any other financial institution outside of Paso Robles.

4. Investments shall not knowingly be made in any financial institution that practices or supports directly or indirectly through its actions discrimination on the basis or race, religion, color, creed, natural or ethnic origin, age or sex or physical ability.

5. Investments shall be made only in securities for which market value information is generally available.

6. The City Treasurer shall report monthly to the City Manager and City Council the type of investment, financial institution, date of maturity, amount of investment, and rate of interest for all investments.

7. The City Treasurer shall report monthly, in addition to the information required in Section 6 above, whether or not any funds, investments or programs are managed under contract by outside parties. If such contracts exist, a description of the investments shall be included along with the market values of the funds, investments or programs under contract by said parties.

8. The City Treasurer shall also include in the monthly report a statement as to whether or not the City can meet its cash flow requirements during the next six (6) months.

9. Pursuant to Government Code, Section 53647, the Director of Administrative Services shall allocate all interest earned to all appropriate funds. ~~No fund with an ending monthly cash balance of less than \$10,000.00 will receive interest unless required otherwise by law. All interest not otherwise allocated shall remain in the General Fund~~ the General Fund unless otherwise required by Federal or State regulation or local ordinance.

10. Competitive bids/quotations are to be obtained and documented on all investments when practical.

11. A close working relationship should be maintained with well-established brokers/dealers and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions. The City Treasurer shall maintain an approved

list of brokers/dealers whose number shall not exceed five (5). List is attached herewith as Exhibit "A".

12. Selling securities prior to maturity is only acceptable when the sale clearly enhances the yield (value). If traded at a loss, the trade must enhance yield on a total return basis.

13. The current value of all investments shall be reported annually according to Governmental Accounting Standards Board, GASB No. 31.

14. Whenever practical, cash should be consolidated and invested on a pooled concept basis. Interest earnings shall be allocated monthly pursuant to paragraph 9 of this section.

15. The City Treasurer shall include notification of all trade transactions whether buy or sell, to the Director of Administrative Services or his/her designated staff person.

16. Investment purchase transactions, excluding State of California Local Agency Investment Fund transactions and the proceeds from bond sales, in any given month shall not exceed, in aggregate, twenty percent (20%) of the City's investment portfolio as reported for the prior month on a "book value" basis.

17. The City Treasurer shall annually submit the Investment Policy to the City Council for review and re-confirmation at a public meeting. Said review shall include the investment portfolio for the most recently completed monthly report.

18. Should an occasion arise that the elected City Treasurer is unable to perform the duties as prescribed by the municipal code relating to the investment of surplus City monies, a "Plan" shall be developed to address the ongoing investment needs of the City. The Plan is attached herewith as Exhibit "B".

IV. Investment Criteria

1. **Safety** - Investment Safety refers to attempts to reduce the potential for loss of principal and/or interest. The first level of loss control is found in state law that restricts the particular type of investment permissible for public agencies. The second level of loss control is reducing risk by investing in instruments that appear to be the most credit worthy. The third level of loss control is by investing in instruments that have maturities coinciding with cash needs thereby eliminating loss from forced sale. Safety is the primary duty and responsibility of the City Treasurer.

2. **Liquidity** - Liquidity refers to the ability to sell or otherwise make immediately accessible without risk of losing some portion of principal or interest on the investment. Most investment instruments available to public agencies are highly liquid with

the exception of Time Certificates issued by banks and savings and loan institutions that have fixed maturities.

3. **Yield** - Yield is the potential dollar earnings an investment can provide, sometimes described as the rate of return. Attempts should be made to obtain the highest yield possible by the City provided the criteria for safety and liquidity are met.

V. Allowable Investment Instruments

1. Time Certificates of Deposit - TCD's shall be made only with banks and savings and loan institutions that are insured by the FDIC. Waiver of collateralization is permissible only on the first \$250,000. For collateralized TCDs, banks shall be required to certify semi-annually that the TCDs are fully collateralized in accordance with State law. The bank or savings and loan institution must be located in California. Purchases of negotiable certificates of deposit shall not exceed 30% of the City's invested funds. The City Treasurer may require additional selection criteria as deemed appropriate.

2. Local Agency Investment Fund (LAIF) - Managed by the Treasure of the State of California Treasurer's Office, investments are permitted up to the regulatory maximum for each account establish by the City and its' relating entities. Transactions shall be in accordance with established criteria as set forth by the State Treasurer's Office.

3. Banker's Acceptances - Banker's Acceptance (BA's) are bills of exchange or time drafts which are drawn on and accepted by a commercial bank and are eligible for purchase by the Federal Reserve System. By its acceptance, the bank becomes primarily liable for the payment of the draft at its maturity. This bank liability makes the banker acceptance a readily marketable investment. The restrictions on use of banker's acceptances are as follows:

- (a) The City will only invest through the 15 largest banks in the United States;
- (b) Purchases of BA's may not exceed 180 days maturity;
- (c) Purchases of BA's may not exceed 40% of the City's surplus fund; and
- (d) Nor more than 30% of the City's surplus funds may be invested in BA's of any one commercial bank.

4. Treasury Bills and Notes - Those items having the full faith and credit of the federal government pledged for the payment of principal and interest and having maximum maturities of five years or less.

5. Federally Sponsored Credit Agency Securities - The City may invest in the debt securities of the following U.S. government sponsored corporate agencies without limit as to the amount invested except that only 15% may be invested in agencies with maturities between five and seven years. Otherwise maturities may not exceed five years.

- (a) Government National Mortgage Association
- (b) Federal National Mortgage Association
- (c) Federal Home Loan Mortgage Association

- (d) Federal Home Loan Bank

6. Repurchase Agreements - Repurchase agreements (Repos) represent agreements to sell idle funds for U.S. government securities that will be repurchased at a future date for a specific price. Investments in repos shall not exceed 90 days. Physical delivery of the securities backing the repos or a safe keeping documentation to a qualified safe keeping institution is required.

7. Commercial Paper - Commercial paper is essentially an unsecured promissory note of a corporation or financial institution with a fixed maturity date. Maturities vary from 1 to 270 days. The restrictions on use of commercial paper are as follows:

- (a) Maturity shall not exceed 180 days.
- (b) Amount invested at any given time shall not exceed 10% of the investment portfolio.
- (c) Only commercial paper from companies with a rating of A1/P1 shall be purchased.

8. Corporate Bonds - Unsecured promissory note of a corporation or financial institution with a fixed maturity date that is much longer than commercial paper (generally measured in years). Restrictions on use of corporate bonds are as follows:

- (a) Maturity shall not exceed 5 years.
- (b) Amount invested at any given time may not exceed 20% of the investment portfolio.
- (c) Only corporate bonds from companies with a minimum rating identified as follows shall be purchased:

Moody's	A1
S&P	A+
Fitch	A+
- (d) Not more than \$2 million may be purchased from any single corporate entity.

VI. Investment Restrictions

Idle funds of the City may not be invested in the following instruments:

1. Reverse repurchase agreements
2. Financial futures and options
3. Zero coupon bonds
4. Small Business Administration notes
5. Or any other investment instrument specifically restricted by State Code and/or regulation

Exhibit "A"

List of Approved Broker/Dealers

Gilford Securities – Jaime Hopkins
Mutual Securities – Renee Molina
Cantor Fitzgerald – Ben Finkelstein
Piper Jaffray & Co. – Victor Ume-Ukeje
Higgins Capital Mgt. – Ray Higgins
Wells Fargo Capital – John Williams

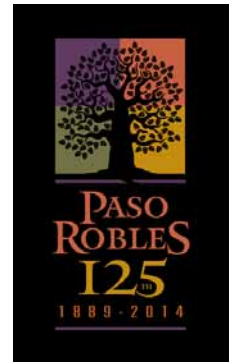
Exhibit “B”

Incapacity Plan

1. All investment documentation shall be kept at the City Treasurer’s Office at City Hall Annex.
2. All investment documentation shall be organized by type and then by investment date.
3. Maturing investments shall be deposited into the City’s account with the Local Agency Investment Fund until the City Treasurer is capable of functioning efficiently (assumes that the City Treasurer’s inability to perform to temporary).
4. Should the City Treasurer’s inability to perform be long-term, the City should consider contracting management of its investment portfolio with a municipal investment management company.
5. A list of potential investment managers is provided as follows:

MBIA Asset Management – Gail Eichhoff
Chandler Asset Management – Kay Chandler
Wedbush Morgan Securities – Don Collins

Memorandum



To: City Council
 Cc: Jim App, City Manager
 Executive Managers
 From: Mike Compton, City Treasurer
 Subject: Monthly Treasurer’s Report – June 2014
 Date: July 14, 2014

This report presents the City’s investment portfolio as of June 30, 2014. It includes all investments managed by the City except funds held by City’s trustee. Funds held by trustee include bond reserve funds, deferred compensation plans and other post retirement benefit funds. The investment portfolio is in compliance with all State laws.

Summary data is provided as follows:

For Period Ending June 2014				Monthly	Monthly	Monthly	% of
Issuer	Portfolio Par Value	Portfolio Market Value	Portfolio Book Value	Weighted Ave. Coupon	Weighted Ave. Yield	Weighted Ave. Maturity (Yrs)	Portfolio (Par Value)
Certificates of Deposit	\$ 1,595,000	\$ 1,595,000	\$ 1,595,000	0.819	0.812	1.02	0.021
Local Agency Investment Fund	14,500,000	14,500,000	14,500,000	0.225	0.225	0.00	0.194
Corporate Notes	6,000,000	6,111,360	6,098,395	5.590	1.058	2.30	0.080
Federal Agency Coupon Securities	52,475,000	52,278,664	52,446,267	0.940	1.076	3.50	0.704
Federal Agency Pass Through Securities	<u>17,944</u>	<u>19,037</u>	<u>18,656</u>	<u>4.000</u>	<u>1.864</u>	<u>0.74</u>	<u>0.000</u>
	<u>\$ 74,587,944</u>	<u>\$ 74,504,061</u>	<u>\$ 74,658,318</u>	0.723	0.904	2.67	1.000

I hereby certify that the City’s investment portfolio provides sufficient liquidity to meet the City’s cash flow requirements for the next six months.

Michael J. Compton, City Treasurer



**PasoCopy2013
Portfolio Management
Portfolio Summary
June 30, 2014**

City of Paso Robles
821 Pine Street, Suite A
Paso Robles, CA Paso Robles,
(805)237-3999

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	1,746,000.00	1,746,000.00	1,746,000.00	2.33	679	391	0.895	0.907
Local Agency Investment Funds	14,500,000.00	14,500,000.00	14,500,000.00	19.38	1	1	0.225	0.228
Passbook/Checking Accounts	25,000.00	25,000.00	25,000.00	0.03	1	1	0.000	0.000
Medium Term Notes	6,000,000.00	6,111,360.00	6,098,394.92	8.15	1,467	843	1.058	1.073
Federal Agency Coupon Securities	52,475,000.00	52,278,664.25	52,446,267.48	70.08	1,711	1,273	1.076	1.091
Pass Through Securities (GNMA/CMO)	17,943.89	19,036.85	18,656.04	0.02	1,560	274	1.864	1.890
Investments	74,763,943.89	74,680,061.10	74,834,318.44	100.00%	1,335	970	0.905	0.918
Cash								
Passbook/Checking (not included in yield calculations)	243,330.00	243,330.00	243,330.00		1	1	0.000	0.000
Total Cash and Investments	75,007,273.89	74,923,391.10	75,077,648.44		1,335	970	0.905	0.918

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	51,265.25	521,773.45	521,773.45
Average Daily Balance	72,383,377.05	65,877,507.14	
Effective Rate of Return	0.86%	0.79%	

Mike Compton, Treasurer

Reporting period 06/01/2014-06/30/2014

Run Date: 07/14/2014 - 15:22

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Portfolio Management
Portfolio Details - Investments
June 30, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
SYS10832	10832	Asian Pacific National Bank		07/26/2013	249,000.00	249,000.00	249,000.00	0.600	0.600	0.608	24	07/25/2014
SYS10837	10837	Broadway Federal Bank		01/13/2014	250,000.00	250,000.00	250,000.00	1.060	1.045	1.060	566	01/18/2016
SYS10840	10840	First Choice Bank		02/08/2014	249,000.00	249,000.00	249,000.00	0.800	0.789	0.800	587	02/08/2016
SYS10846	10846	Hanmi Bank		03/24/2014	250,000.00	250,000.00	250,000.00	0.950	0.937	0.950	632	03/24/2016
SYS10824	10824	Metropolitan Bank		03/01/2013	249,000.00	249,000.00	249,000.00	1.000	1.000	1.014	243	03/01/2015
SYS10817	10817	Mission National Bank		01/15/2013	249,000.00	249,000.00	249,000.00	0.650	0.641	0.650	198	01/15/2015
SYS10835	10835	Pacific Alliance Bank		11/01/2013	250,000.00	250,000.00	250,000.00	1.250	1.250	1.267	488	11/01/2015
Subtotal and Average			1,835,100.00		1,746,000.00	1,746,000.00	1,746,000.00		0.895	0.907	391	
Managed Pool Accounts												
SYS10738	10738	Cal Trust Money Market			0.00	0.00	0.00	0.340	0.335	0.340	1	
Subtotal and Average			0.00		0.00	0.00	0.00		0.000	0.000	0	
Local Agency Investment Funds												
9840271	10278	Local Agency Investment Fund			14,500,000.00	14,500,000.00	14,500,000.00	0.228	0.225	0.228	1	
Subtotal and Average			14,596,900.01		14,500,000.00	14,500,000.00	14,500,000.00		0.225	0.228	1	
Passbook/Checking Accounts												
SYS10728	10728	Heritage Oaks Bank			25,000.00	25,000.00	25,000.00		0.000	0.000	1	
Subtotal and Average			-2,614,387.79		25,000.00	25,000.00	25,000.00		0.000	0.000	1	
Medium Term Notes												
36962G5T7	10768	General Electric Capital Corp		02/08/2012	2,000,000.00	2,015,700.00	2,000,000.00	1.039	1.186	1.202	587	02/08/2016
594918AP9	10823	MICROSOFT		02/14/2013	2,000,000.00	1,985,060.00	1,996,484.77	0.875	0.987	1.000	1,233	11/15/2017
949746QU8	10822	Wells Fargo & Company		02/13/2013	2,000,000.00	2,110,600.00	2,101,910.15	3.676	1.005	1.019	715	06/15/2016
Subtotal and Average			6,100,395.62		6,000,000.00	6,111,360.00	6,098,394.92		1.058	1.073	843	
Federal Agency Coupon Securities												
313381LC7	10803	Federal Home Loan Bank		12/28/2012	2,000,000.00	1,978,360.00	2,000,000.00	0.950	0.937	0.950	1,276	12/28/2017
313381RE7	10810	Federal Home Loan Bank		01/30/2013	2,000,000.00	1,980,340.00	2,000,000.00	1.000	0.986	1.000	1,309	01/30/2018
313381XU4	10818	Federal Home Loan Bank		02/13/2013	2,000,000.00	2,000,560.00	2,000,000.00	0.500	0.493	0.500	1,323	02/13/2018
3133836N6	10829	Federal Home Loan Bank		06/12/2013	2,000,000.00	1,985,520.00	2,000,000.00	0.800	1.103	1.119	1,442	06/12/2018
3130A1A40	10843	Federal Home Loan Bank		03/27/2014	2,000,000.00	2,001,940.00	2,000,000.00	0.800	0.789	0.800	1,000	03/27/2017
3130A16K9	10844	Federal Home Loan Bank		03/27/2014	1,000,000.00	999,390.00	1,000,000.00	1.250	1.233	1.250	1,275	12/27/2017
3130A1AG3	10845	Federal Home Loan Bank		03/27/2014	1,000,000.00	998,370.00	1,000,000.00	1.400	1.381	1.400	1,365	03/27/2018
3134G3Y38	10800	Federal Home Loan Mtg Corp		11/27/2012	2,000,000.00	1,976,920.00	2,000,000.00	0.900	0.888	0.900	1,245	11/27/2017

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Portfolio Management
Portfolio Details - Investments
June 30, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon Securities												
3134G32Y5	10805	Federal Home Loan Mtg Corp		12/28/2012	2,000,000.00	1,979,340.00	2,000,000.00	0.900	0.888	0.900	1,276	12/28/2017
3134G33B4	10808	Federal Home Loan Mtg Corp		01/11/2013	2,000,000.00	1,982,860.00	2,000,000.00	1.000	0.986	1.000	1,290	01/11/2018
3134G45D6	10828	Federal Home Loan Mtg Corp		05/30/2013	2,000,000.00	1,976,820.00	2,000,000.00	1.125	1.110	1.125	1,424	05/25/2018
3134G4AB4	10831	Federal Home Loan Mtg Corp		06/27/2013	2,000,000.00	1,999,040.00	2,000,000.00	0.850	0.838	0.850	910	12/27/2016
3134G33B4	10833	Federal Home Loan Mtg Corp		01/11/2013	1,000,000.00	991,430.00	1,000,000.00	1.000	0.986	1.000	1,290	01/11/2018
3134G4NZ7	10836	Federal Home Loan Mtg Corp		12/27/2013	1,475,000.00	1,474,454.25	1,475,000.00	1.500	1.861	1.887	1,640	12/27/2018
3134G4VV7	10839	Federal Home Loan Mtg Corp		02/28/2014	2,000,000.00	2,005,520.00	2,000,000.00	1.900	1.874	1.900	1,703	02/28/2019
3134G4WL8	10841	Federal Home Loan Mtg Corp		03/19/2014	2,000,000.00	2,011,620.00	2,000,000.00	1.750	1.726	1.750	1,722	03/19/2019
3136G0RX1	10786	Federal National Mtg Assn		07/26/2012	2,000,000.00	1,998,220.00	1,996,316.67	1.000	1.047	1.062	1,121	07/26/2017
3136G0RT0	10787	Federal National Mtg Assn		07/26/2012	2,000,000.00	1,999,280.00	2,000,000.00	1.150	1.134	1.150	1,121	07/26/2017
3136G0R52	10796	Federal National Mtg Assn		10/24/2012	2,000,000.00	2,001,960.00	2,000,000.00	0.750	1.053	1.067	1,211	10/24/2017
3136G0R78	10797	Federal National Mtg Assn		10/25/2012	2,000,000.00	1,994,700.00	2,000,000.00	0.625	0.616	0.625	847	10/25/2016
3136G0R52	10798	Federal National Mtg Assn		10/24/2012	2,000,000.00	2,001,960.00	2,000,000.00	0.750	1.053	1.067	1,211	10/24/2017
3136G16W4	10801	Federal National Mtg Assn		12/27/2012	1,000,000.00	995,080.00	1,000,000.00	0.650	1.023	1.037	1,275	12/27/2017
3136G16W4	10802	Federal National Mtg Assn		12/27/2012	2,000,000.00	1,990,160.00	2,000,000.00	0.650	1.023	1.037	1,275	12/27/2017
3136G16Z7	10804	Federal National Mtg Assn		12/27/2012	1,000,000.00	998,560.00	1,000,000.00	0.600	1.008	1.022	1,275	12/27/2017
3136G12F5	10806	Federal National Mtg Assn		12/18/2012	2,000,000.00	1,999,140.00	2,000,000.00	0.750	1.097	1.112	1,266	12/18/2017
3136G1AJ8	10811	Federal National Mtg Assn		01/30/2013	2,000,000.00	1,987,920.00	2,000,000.00	0.700	1.024	1.038	1,309	01/30/2018
3136G1HB8	10825	Federal National Mtg Assn		03/28/2013	2,000,000.00	1,990,000.00	2,000,000.00	0.800	1.100	1.115	1,366	03/28/2018
3135G0XJ7	10834	Federal National Mtg Assn		10/11/2013	2,000,000.00	2,001,940.00	1,983,250.04	0.750	1.397	1.416	1,240	11/22/2017
3135G0XE8	10838	Federal National Mtg Assn		02/14/2014	2,000,000.00	1,977,260.00	1,991,700.77	0.700	0.890	0.902	1,056	05/22/2017
Subtotal and Average			52,445,814.36		52,475,000.00	52,278,664.25	52,446,267.48		1.076	1.091	1,273	
Pass Through Securities (GNMA/CMO)												
312971FE9	10696	Federal Home Loan Mtg Corp		12/23/2010	17,943.89	19,036.85	18,656.04	4.000	1.864	1.890	274	04/01/2015
Subtotal and Average			19,554.86		17,943.89	19,036.85	18,656.04		1.864	1.890	274	
Total and Average			72,383,377.05		74,763,943.89	74,680,061.10	74,834,318.44		0.905	0.918	970	

**PasoCopy2013
Portfolio Management
Portfolio Details - Cash
June 30, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Passbook/Checking Accounts											
999	10281	City of Paso Robles			4,100.00	4,100.00	4,100.00		0.000	0.000	1
001023004	10280	Heritage Oaks Bank		07/01/2013	239,230.00	239,230.00	239,230.00		0.000	0.000	1
		Average Balance	0.00								1
Total Cash and Investments			72,383,377.05		75,007,273.89	74,923,391.10	75,077,648.44		0.905	0.918	970



**PasoCopy2013
Aging Report
By Maturity Date
Sorted by Fund
As of June 30, 2014**

City of Paso Robles
821 Pine Street, Suite A
Paso Robles, CA Paso Robles,
(805)237-3999

CUSIP	Investment #	Fund	Security Type	Issuer	Maturity Date	Description	Asset Class	Investment Class	*Pass Through	Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 0 days (06/30/2014 - 06/30/2014)													
SYS10738	10738	100	LA1	CALT	06/30/2014	Cash	Cash	Amort		0.00	0.00%	0.00	0.00
9840271	10278	100	LA5	LAIF	06/30/2014	Cash	Cash	Amort		16,600,000.00	22.39%	16,600,000.00	16,600,000.00
999	10281	100	PA1	COP	06/30/2014	Cash	Cash	N/A		4,100.00	0.01%	4,100.00	4,100.00
001023004	10280	100	PA1	HOB	06/30/2014	Cash	Cash	N/A		-2,742,891.85	-3.70%	-2,742,891.85	-2,742,891.85
SYS10728	10728	100	PA1	HOB	06/30/2014	Cash	Cash	Amort		25,000.00	0.03%	25,000.00	25,000.00
					Subtotal for	5 Maturities	0 Payments			13,886,208.15	18.73%	13,886,208.15	13,886,208.15
Aging Interval: 1 - 1 days (07/01/2014 - 07/01/2014)													
					Subtotal for	0 Maturities	0 Payments			0.00	0.00%	0.00	0.00
Aging Interval: 2 - 7 days (07/02/2014 - 07/07/2014)													
					Subtotal for	0 Maturities	0 Payments			0.00	0.00%	0.00	0.00
Aging Interval: 8 - 14 days (07/08/2014 - 07/14/2014)													
					Subtotal for	0 Maturities	0 Payments			0.00	0.00%	0.00	0.00
Aging Interval: 15 - 21 days (07/15/2014 - 07/21/2014)													
312971FE9	10696	100	GN1	FHLMC	07/15/2014	Paydown				1,850.83	0.00%	0.00	0.00
					Subtotal for	0 Maturities	1 Payments			1,850.83	0.00%	0.00	0.00
Aging Interval: 22 - 28 days (07/22/2014 - 07/28/2014)													
SYS10832	10832	100	BCD	ASIAN	07/25/2014	Mat/Sale	Long	Amort		249,000.00	0.34%	249,000.00	249,000.00
					Subtotal for	1 Maturities	0 Payments			249,000.00	0.34%	249,000.00	249,000.00
Aging Interval: 29 - 30 days (07/29/2014 - 07/30/2014)													
					Subtotal for	0 Maturities	0 Payments			0.00	0.00%	0.00	0.00
Aging Interval: 31 - 60 days (07/31/2014 - 08/29/2014)													
312971FE9	10696	100	GN1	FHLMC	08/15/2014	Paydown				1,838.10	0.00%	0.00	0.00
					Subtotal for	0 Maturities	1 Payments			1,838.10	0.00%	0.00	0.00

* Note: Passthru security principal paydowns are included in the par value total, but not in the investment count.

PasoCopy2013
Aging Report
Sorted by Fund
As of June 30, 2014

CUSIP	Investment #	Fund	Security Type	Issuer	Maturity Date	Description	Asset Class	Investment Class	*Pass Through	Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 61 - 90 days (08/30/2014 - 09/28/2014)													
312971FE9	10696	100	GN1	FHLMC	09/15/2014	Paydown				1,825.44	0.00%	0.00	0.00
					Subtotal for	0 Maturities	1 Payments			1,825.44	0.00%	0.00	0.00
Aging Interval: 91 - 180 days (09/29/2014 - 12/27/2014)													
312971FE9	10696	100	GN1	FHLMC	10/15/2014	Paydown				1,812.85	0.00%	0.00	0.00
312971FE9	10696	100	GN1	FHLMC	11/15/2014	Paydown				1,800.33	0.00%	0.00	0.00
312971FE9	10696	100	GN1	FHLMC	12/15/2014	Paydown				1,787.88	0.00%	0.00	0.00
					Subtotal for	0 Maturities	3 Payments			5,401.06	0.01%	0.00	0.00
Aging Interval: 181 - 365 days (12/28/2014 - 06/30/2015)													
SYS10824	10824	100	BCD	METRO	03/01/2015	Mat/Sale	Long	Amort		249,000.00	0.34%	249,000.00	249,000.00
SYS10817	10817	100	BCD	MISSI	01/15/2015	Mat/Sale	Long	Amort		249,000.00	0.34%	249,000.00	249,000.00
312971FE9	10696	100	GN1	FHLMC	04/01/2015	Mat/Sale	Long	Fair		0.00	0.00%	18,656.04	18,275.85
312971FE9	10696	100	GN1	FHLMC	01/15/2015	Paydown				1,775.51	0.00%	0.00	0.00
312971FE9	10696	100	GN1	FHLMC	02/15/2015	Paydown				1,763.20	0.00%	0.00	0.00
312971FE9	10696	100	GN1	FHLMC	03/15/2015	Paydown				1,750.96	0.00%	0.00	0.00
312971FE9	10696	100	GN1	FHLMC	04/15/2015	Paydown				1,738.79	0.00%	0.00	0.00
					Subtotal for	3 Maturities	4 Payments			505,028.46	0.68%	516,656.04	516,275.85
Aging Interval: 366 - 730 days (07/01/2015 - 06/29/2016)													
SYS10837	10837	100	BCD	BROAD	01/18/2016	Mat/Sale	Long	Amort		250,000.00	0.34%	250,000.00	250,000.00
SYS10840	10840	100	BCD	FIRCHO	02/08/2016	Mat/Sale	Long	Amort		249,000.00	0.34%	249,000.00	249,000.00
SYS10846	10846	100	BCD	HANMI	03/24/2016	Mat/Sale	Long	Amort		250,000.00	0.34%	250,000.00	250,000.00
SYS10835	10835	100	BCD	PACALL	11/01/2015	Mat/Sale	Long	Amort		250,000.00	0.34%	250,000.00	250,000.00
36962G5T7	10768	100	MTN	GECC	02/08/2016	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	2,015,400.00
949746QU8	10822	100	MTN	WF	06/15/2016	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,102,054.91	2,136,800.00
					Subtotal for	6 Maturities	0 Payments			4,999,000.00	6.74%	5,101,054.91	5,151,200.00
Aging Interval: 731 days and after (06/30/2016 -)													
594918AP9	10823	100	MTN	MICRO	11/15/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	1,996,477.99	1,942,200.00
313381LC7	10803	100	FAC	FHLB	12/28/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,951,600.00
313381RE7	10810	100	FAC	FHLB	01/30/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,955,400.00
313381XU4	10818	100	FAC	FHLB	02/13/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	186,000.00
3133836N6	10829	100	FAC	FHLB	06/12/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,948,200.00
3130A1A40	10843	100	FAC	FHLB	03/27/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	2,000,000.00
3130A16K9	10844	100	FAC	FHLB	12/27/2017	Mat/Sale	Long	Fair		1,000,000.00	1.35%	1,000,000.00	1,000,000.00
3130A1AG3	10845	100	FAC	FHLB	03/27/2018	Mat/Sale	Long	Fair		1,000,000.00	1.35%	1,000,000.00	1,000,000.00

* Note: Passthru security principal paydowns are included in the par value total, but not in the investment count.

**PasoCopy2013
Aging Report
Sorted by Fund
As of June 30, 2014**

CUSIP	Investment #	Fund	Security Type	Issuer	Maturity Date	Description	Asset Class	Investment Class	*Pass Through	Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 731 days and after (06/30/2016 -)													
3134G3Y38	10800	100	FAC	FHLMC	11/27/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,946,600.00
3134G32Y5	10805	100	FAC	FHLMC	12/28/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,954,000.00
3134G33B4	10808	100	FAC	FHLMC	01/11/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,952,000.00
3134G45D6	10828	100	FAC	FHLMC	05/25/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,948,000.00
3134G4AB4	10831	100	FAC	FHLMC	12/27/2016	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,982,200.00
3134G33B4	10833	100	FAC	FHLMC	01/11/2018	Mat/Sale	Long	Fair		1,000,000.00	1.35%	1,000,000.00	976,000.00
3134G4NZ7	10836	100	FAC	FHLMC	12/27/2018	Mat/Sale	Long	Fair		1,475,000.00	1.99%	1,475,000.00	1,475,000.00
3134G4VV7	10839	100	FAC	FHLMC	02/28/2019	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	2,000,000.00
3134G4WL8	10841	100	FAC	FHLMC	03/19/2019	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	2,000,000.00
3136G0RX1	10786	100	FAC	FNMA	07/26/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	1,996,313.33	1,939,600.00
3136G0RT0	10787	100	FAC	FNMA	07/26/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,974,000.00
3136G0R52	10796	100	FAC	FNMA	10/24/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,972,800.00
3136G0R78	10797	100	FAC	FNMA	10/25/2016	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,980,000.00
3136G0R52	10798	100	FAC	FNMA	10/24/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,972,800.00
3136G16W4	10801	100	FAC	FNMA	12/27/2017	Mat/Sale	Long	Fair		1,000,000.00	1.35%	1,000,000.00	980,500.00
3136G16W4	10802	100	FAC	FNMA	12/27/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,961,000.00
3136G16Z7	10804	100	FAC	FNMA	12/27/2017	Mat/Sale	Long	Fair		1,000,000.00	1.35%	1,000,000.00	981,700.00
3136G12F5	10806	100	FAC	FNMA	12/18/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,965,600.00
3136G1AJ8	10811	100	FAC	FNMA	01/30/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,959,400.00
3136G1HB8	10825	100	FAC	FNMA	03/28/2018	Mat/Sale	Long	Fair		2,000,000.00	2.70%	2,000,000.00	1,960,800.00
3135G0XJ7	10834	100	FAC	FNMA	11/22/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	1,983,233.16	1,983,233.16
3135G0XE8	10838	100	FAC	FNMA	05/22/2017	Mat/Sale	Long	Fair		2,000,000.00	2.70%	1,991,689.74	1,991,689.74
					Subtotal for	30 Maturities	0 Payments			54,475,000.00	73.49%	54,442,714.22	51,840,522.90
					Total for	45 Investments	10 Payments				100.00	74,195,633.32	71,643,206.90

* Note: Passthru security principal paydowns are included in the par value total, but not in the investment count.



**PasoCopy2013
 Maturing Investments
 Sorted by Fund
 June 30, 2014 - December 31, 9999**

City of Paso Robles
 821 Pine Street, Suite A
 Paso Robles, CA Paso Robles,
 (805)237-3999

Maturity Date	CUSIP	Investment #	Fund	Security Type	Issuer	Dealer	Dealer's Phone Number	Maturity Par Value	Stated Rate	Comments
07/25/2014	SYS10832	10832	100	BCD	Asian Pacific National Bank			249,000.00	0.600	
July 2014 Subtotal								249,000.00		
01/15/2015	SYS10817	10817	100	BCD	Mission National Bank			249,000.00	0.650	
January 2015 Subtotal								249,000.00		
03/01/2015	SYS10824	10824	100	BCD	Metropolitan Bank			249,000.00	1.000	
March 2015 Subtotal								249,000.00		
04/01/2015	312971FE9	10696	100	GN1	Federal Home Loan Mtg Corp	CS		17,943.89	4.000	
April 2015 Subtotal								17,943.89		
11/01/2015	SYS10835	10835	100	BCD	Pacific Alliance Bank			250,000.00	1.250	
November 2015 Subtotal								250,000.00		
01/18/2016	SYS10837	10837	100	BCD	Broadway Federal Bank			250,000.00	1.060	
January 2016 Subtotal								250,000.00		
02/08/2016	SYS10840	10840	100	BCD	First Choice Bank			249,000.00	0.800	
02/08/2016	36962G5T7	10768	100	MTN	General Electric Capital Corp	MS		2,000,000.00	1.039	
February 2016 Subtotal								2,249,000.00		
03/24/2016	SYS10846	10846	100	BCD	Hanmi Bank			250,000.00	0.950	
March 2016 Subtotal								250,000.00		
06/15/2016	949746QU8	10822	100	MTN	Wells Fargo & Company	MS		2,000,000.00	3.676	
June 2016 Subtotal								2,000,000.00		
10/25/2016	3136G0R78	10797	100	FAC	Federal National Mtg Assn	GS		2,000,000.00	0.625	
October 2016 Subtotal								2,000,000.00		
12/27/2016	3134G4AB4	10831	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	0.850	
December 2016 Subtotal								2,000,000.00		
03/27/2017	3130A1A40	10843	100	FAC	Federal Home Loan Bank	HCM		2,000,000.00	0.800	
March 2017 Subtotal								2,000,000.00		

PasoCopy2013
Maturing Investments
Sorted by Fund

Maturity Date	CUSIP	Investment #	Fund	Security Type	Issuer	Dealer	Dealer's Phone Number	Maturity Par Value	Stated Rate	Comments
05/22/2017	3135G0XE8	10838	100	FAC	Federal National Mtg Assn	MS		2,000,000.00	0.700	
May 2017 Subtotal								2,000,000.00		
07/26/2017	3136G0RX1	10786	100	FAC	Federal National Mtg Assn	GS		2,000,000.00	1.000	
07/26/2017	3136G0RT0	10787	100	FAC	Federal National Mtg Assn	GS		2,000,000.00	1.150	
July 2017 Subtotal								4,000,000.00		
10/24/2017	3136G0R52	10796	100	FAC	Federal National Mtg Assn	GS		2,000,000.00	2.000	
10/24/2017	3136G0R52	10798	100	FAC	Federal National Mtg Assn	PJ		2,000,000.00	2.000	
October 2017 Subtotal								4,000,000.00		
11/15/2017	594918AP9	10823	100	MTN	MICROSOFT	GS		2,000,000.00	0.875	
11/22/2017	3135G0XJ7	10834	100	FAC	Federal National Mtg Assn	MS		2,000,000.00	1.500	
11/27/2017	3134G3Y38	10800	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	0.900	
November 2017 Subtotal								6,000,000.00		
12/18/2017	3136G12F5	10806	100	FAC	Federal National Mtg Assn	MS		2,000,000.00	3.000	
12/27/2017	3130A16K9	10844	100	FAC	Federal Home Loan Bank	HCM		1,000,000.00	1.250	
12/27/2017	3136G16W4	10801	100	FAC	Federal National Mtg Assn	PJ		1,000,000.00	3.000	
12/27/2017	3136G16W4	10802	100	FAC	Federal National Mtg Assn	PJ		2,000,000.00	3.000	
12/27/2017	3136G16Z7	10804	100	FAC	Federal National Mtg Assn	MS		1,000,000.00	3.000	
12/28/2017	313381LC7	10803	100	FAC	Federal Home Loan Bank	GS		2,000,000.00	0.950	
12/28/2017	3134G32Y5	10805	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	0.900	
December 2017 Subtotal								11,000,000.00		
01/11/2018	3134G33B4	10808	100	FAC	Federal Home Loan Mtg Corp	CANTOR		2,000,000.00	1.000	
01/11/2018	3134G33B4	10833	100	FAC	Federal Home Loan Mtg Corp	GS		1,000,000.00	1.000	
01/30/2018	313381RE7	10810	100	FAC	Federal Home Loan Bank	GS		2,000,000.00	1.000	
01/30/2018	3136G1AJ8	10811	100	FAC	Federal National Mtg Assn	PJ		2,000,000.00	3.000	
January 2018 Subtotal								7,000,000.00		
02/13/2018	313381XU4	10818	100	FAC	Federal Home Loan Bank	PJ		2,000,000.00	0.500	
February 2018 Subtotal								2,000,000.00		
03/27/2018	3130A1AG3	10845	100	FAC	Federal Home Loan Bank	GS		1,000,000.00	1.400	
03/28/2018	3136G1HB8	10825	100	FAC	Federal National Mtg Assn	MS		2,000,000.00	1.750	
March 2018 Subtotal								3,000,000.00		
05/25/2018	3134G45D6	10828	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	1.125	
May 2018 Subtotal								2,000,000.00		

**PasoCopy2013
 Maturing Investments
 Sorted by Fund**

Maturity Date	CUSIP	Investment #	Fund	Security Type	Issuer	Dealer	Dealer's Phone Number	Maturity Par Value	Stated Rate	Comments
06/12/2018	3133836N6	10829	100	FAC	Federal Home Loan Bank	PJ		2,000,000.00	2.500	
June 2018 Subtotal								2,000,000.00		
12/27/2018	3134G4NZ7	10836	100	FAC	Federal Home Loan Mtg Corp	MS		1,475,000.00	3.000	
December 2018 Subtotal								1,475,000.00		
02/28/2019	3134G4VV7	10839	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	1.900	
February 2019 Subtotal								2,000,000.00		
03/19/2019	3134G4WL8	10841	100	FAC	Federal Home Loan Mtg Corp	GS		2,000,000.00	1.750	
March 2019 Subtotal								2,000,000.00		
Total								60,238,943.89		

to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities, investments, or moneys held by the school district or county office of education in individual accounts that are less than twenty-five thousand dollars (\$25,000).

(g) In recognition of the state and local interests served by the actions made optional in subdivisions (a) and (b), the Legislature encourages the local agency officials to continue taking the actions formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

* 53647. (a) Interest on all money deposited belongs to, and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit, unless otherwise directed by law.

(b) Notwithstanding the provisions of subdivision (a), and except as otherwise directed by law, if the governing body of the local agency represented by the officer making the deposit so directs, such interest shall be paid to the fund which contains the principal on which the interest accrued.

53647.5. Notwithstanding any other provision of law, interest earned on any bail money deposited by a court in a bank account pursuant to Section 1463.1 of the Penal Code and Section 53679 of this code shall be allocated for the support of that court.