# CITY OF CORVALLIS, OREGON

**July 2016**

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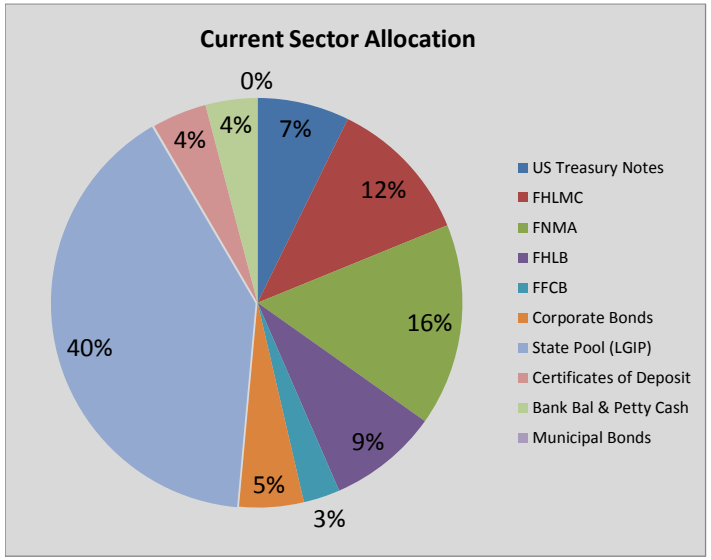
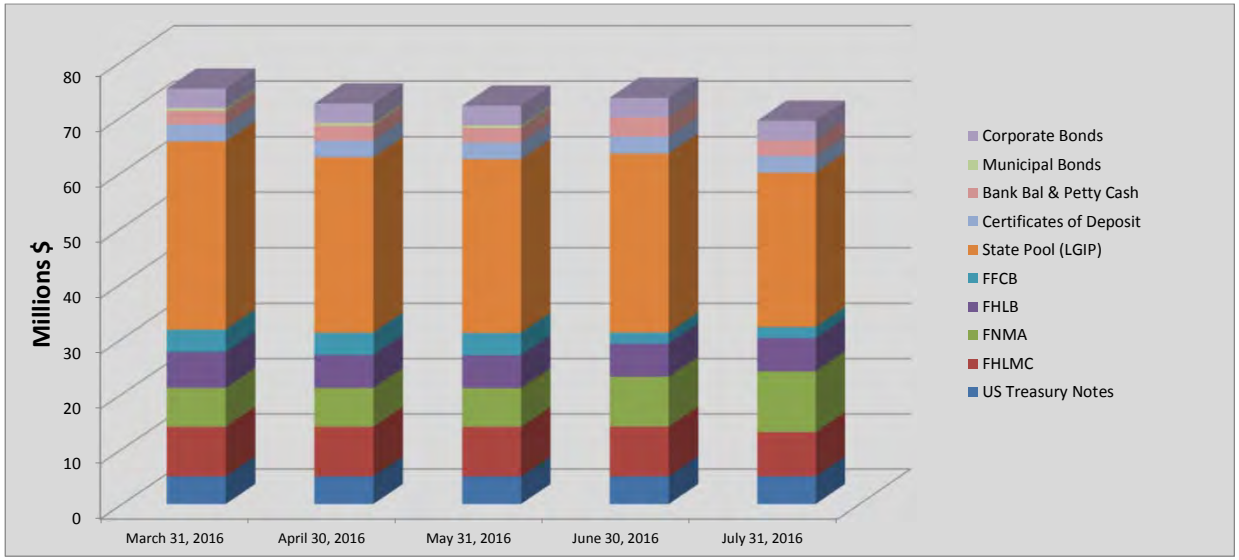
# Total Asset Allocation Strategy
(Market Values)

The Brexit initial woes have subsided and yields slightly increased during the month of July. However, the approximate 8 basis points (b.p.) the 2-year treasury gained, in comparison to the approximate 30 b.p. that was lost in June, is still a sign that the US and global economies have not fully recovered. Italian growth forecasts have lowered causing an increased risk in higher loan losses. With an Italian referendum on constitutional reform looming, there is a significant event risk in the coming months that could be similar to Greece. As is typical at this time of year, the City's portfolio experienced a decrease in liquid holdings, based on anticipated expenditures and diminishing receipt of property taxes. A $2 million FFCB agency and a $1 million FHLMC agency were called in July. Based on current significant cash holdings, a $2 million, 3-year (continuously callable) FFCB agency was purchased at a 1.14% yield, and a $2 million, 3-year (Callable quarterly) FNMA agency was purchased at a 1.25% yield -- the best return available based on comparable maturities and credit risk. The annual compliance memo due by policy prior to August 31st of each year is also appended at the end of this report.

Treasury Report Glossary of Terms

| Sector | YTM @ Settlement | March 31, 2016 | April 30, 2016 | May 31, 2016 | June 30, 2016 | July 31, 2016 | Change From Last Month* |
|---|---|---|---|---|---|---|---|
| US Treasury Notes | 0.80% | 5,018,610 | 5,015,750 | 5,008,040 | 5,029,010 | 5,024,080 | **(4,930)** |
| FHLMC | 1.15% | 9,011,330 | 9,008,010 | 8,994,280 | 9,018,560 | 8,014,780 | **(1,003,780)** |
| FNMA | 1.11% | 7,048,140 | 7,044,090 | 7,033,440 | 9,063,210 | 11,052,200 | **1,988,990** |
| FHLB | 0.91% | 6,549,141 | 6,002,540 | 5,996,320 | 6,009,910 | 6,006,890 | **(3,020)** |
| FFCB | 1.14% | 4,001,840 | 3,997,800 | 3,998,940 | 2,000,020 | 2,000,020 | **0** |
| Corporate Bonds | 1.26% | 3,521,895 | 3,521,765 | 3,517,400 | 3,530,005 | 3,528,095 | **(1,910)** |
| State Pool (LGIP) | 0.88% | 33,880,753 | 31,587,030 | 31,263,795 | 32,225,113 | 27,769,594 | **(4,455,520)** |
| Certificates of Deposit | 0.95% | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | **0** |
| Bank Bal & Petty Cash | 0.25% | 2,490,665 | 2,659,889 | 2,617,540 | 3,493,140 | 2,842,673 | **(650,466)** |
| Municipal Bonds | 0.00% | 500,505 | 500,310 | 500,095 | 0 | 0 | **0** |
| Total | 0.95% | **$75,022,879** | **$72,337,183** | **$71,929,850** | **$73,368,968** | **$69,238,332** | **($4,130,636)** |



# Policy Compliance Report
(Market Values)

## Overall Portfolio Structure

| | Investment Strategy Range Low | Investment Strategy Range High | Market Value | Neutral Allocation | Actual Allocation | Position |
|---|---|---|---|---|---|---|
| Liquid Component | $20,000,000 | $50,000,000 | $30,612,267 | 60.00% | **44.21%** | -15.79% |
| Investment Component (Core) | $20,000,000 | $40,000,000 | $38,626,065 | 40.00% | **55.79%** | 15.79% |
| Total | | | $69,238,332 | | | |

| | Policy Requirement | Actual Portfolio | Within Limits |
|---|---|---|---|
| Under 30 Days | > 10% | 44% | Yes |
| Under 1 Year | > 25% | 56% | Yes |
| Under 5 Years | 100% | 100% | Yes |
| WAM | < 1.5 Years | 0.97 | Yes |

## Asset Allocation Compliance

| | Policy Maximum Allocation | Per Issuer Restriction | Current Portfolio Allocation | Market Value | Policy Maximum Maturity | Amount Available to Invest | Within Limits |
|---|---|---|---|---|---|---|---|
| US Treasury Notes | 100% | | 7.26% | $5,024,080 | 5 Years | $64,214,252 | Yes |
| Federal Agency and Agency Sponsored | 100% | 40% | 39.10% | $27,073,890 | 5 Years | $42,164,442 | Yes |
| CDs/ Bank Deposits/ Savings (OST Qualified Institutions) | 25% | 15% | 8.44% | $5,842,673 | | $11,466,910 | Yes |
| Bankers Acceptances | 10% | | 0.00% | $0 | | $6,923,833 | Yes |
| Commercial Paper (A-1/P-1) | 10% | 5% | 0.00% | $0 | 120 Days | $6,923,833 | Yes |
| Corporate Bonds (Aa3/AA-) | 10% | 5% | 5.10% | $3,528,095 | 5 Years | $3,395,738 | Yes |
| Municipal Obligations (OR,WA, AA or better) | 10% | 5% | 0.00% | $0 | 5 Years | $6,923,833 | Yes |
| State Pool (LGIP) | ORS Maximum or 100% | | 40.11% | $27,769,594 | N/A | $19,243,264 | Yes |
| Total | | | 100.00% | $69,238,332 | | | |

ORS Maximum as of 9/21/2015 $47,012,858

***Investment Policy Note:** (see pg.4 of City Admin Procedure 5.03) "Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to re-align the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained."

Policy : December 2015

# City of Corvallis
## Portfolio Holdings by Security Type
### All Portfolios

Date: 7/31/2016

| Description<br>CUSIP | Face Amount / Shares | Settlement Date<br>YTM @ Cost | Cost Value<br>Book Value | Market Price<br>YTM @ Market | Market Value<br>Accrued Interest | % Portfolio<br>Unre. Gain/Loss | Credit Rating<br>Credit Rating | Days To Call/Maturity<br>Duration To Maturity |
|---|---|---|---|---|---|---|---|---|
| **Cash** | | | | | | | | |
| Petty Cash Cash | | 3/31/2014 | 10,390.00 | 100.00 | 10,390.00 | 0.02% | NR | 1 |
| CASH | 10,390.00 | 0.00 | 10,390.00 | 0.00 | | 0.00 | NR | 0 |
| | | | **10,390.00** | | **10,390.00** | **0.02%** | | **1** |
| **Sub Total Cash** | **10,390.00** | **0.00** | **10,390.00** | **0.00** | | **0.00** | | **0** |
| **Certificate Of Deposit** | | | | | | | | |
| Oregon State Credit Union 0.75 12/16/2016 | | 12/16/2015 | 2,000,000.00 | 100.00 | 2,000,000.00 | 2.89% | None | 138 |
| CDOSCU12MO/31 | 2,000,000.00 | 0.75 | 2,000,000.00 | 0.75 | 0.00 | 0.00 | None | 0.38 |
| Oregon State Credit Union 1.35 4/19/2019 | | 4/19/2016 | 1,000,000.00 | 100.00 | 1,000,000.00 | 1.45% | None | 992 |
| CDOSCU36MO/30 | 1,000,000.00 | 1.35 | 1,000,000.00 | 1.35 | 0.00 | 0.00 | None | 2.67 |
| | | | **3,000,000.00** | | **3,000,000.00** | **4.34%** | | **423** |
| **Sub Total Certificate Of Deposit** | **3,000,000.00** | **0.95** | **3,000,000.00** | **0.95** | **0.00** | **0.00** | | **1.14** |
| **Corporate Bond** | | | | | | | | |
| APPLE INC 0.9 5/12/2017 | | 6/9/2015 | 1,501,710.00 | 100.04 | 1,500,540.00 | 2.17% | Moodys-Aa1 | 285 |
| 037833BB5 | 1,500,000.00 | 0.84 | 1,500,693.24 | 0.85 | 2,925.00 | -153.24 | S&P-AA+ | 0.78 |
| APPLE INC 0.9 5/12/2017 | | 8/28/2015 | 500,420.00 | 100.04 | 500,180.00 | 0.72% | Moodys-Aa1 | 285 |
| 037833BB5 | 500,000.00 | 0.85 | 500,192.13 | 0.85 | 975.00 | -12.13 | S&P-AA+ | 0.78 |
| IBM CORP 1.8 5/17/2019 | | 2/22/2016 | 1,499,385.00 | 101.83 | 1,527,375.00 | 2.17% | Moodys-Aa3 | 1020 |
| 459200JE2 | 1,500,000.00 | 1.81 | 1,499,468.39 | 1.13 | 11,925.00 | 27,906.61 | NR | 2.72 |
| | | | **3,501,515.00** | | **3,528,095.00** | **5.06%** | | **600** |
| **Sub Total Corporate Bond** | **3,500,000.00** | **1.26** | **3,500,353.76** | **0.97** | **15,825.00** | **27,741.24** | | **1.61** |
| **FFCB Bond** | | | | | | | | |
| FFCB 1.14 10/7/2019-16 | | 7/7/2016 | 2,000,000.00 | 100.00 | 2,000,020.00 | 2.89% | Moodys-Aaa | 68 |
| 3133EGJY2 | 2,000,000.00 | 1.14 | 2,000,000.00 | 1.14 | 1,520.00 | 20.00 | S&P-AA+ | 3.13 |
| | | | **2,000,000.00** | | **2,000,020.00** | **2.89%** | | **68** |
| **Sub Total FFCB Bond** | **2,000,000.00** | **1.14** | **2,000,000.00** | **1.14** | **1,520.00** | **20.00** | | **3.13** |
| **FHLB Bond** | | | | | | | | |

# City of Corvallis
## Portfolio Holdings by Security Type
### All Portfolios

Date: 7/31/2016

| Description<br>CUSIP | Face Amount / Shares | Settlement Date<br>YTM @ Cost | Cost Value<br>Book Value | Market Price<br>YTM @ Market | Market Value<br>Accrued Interest | % Portfolio<br>Unre. Gain/Loss | Credit Rating<br>Credit Rating | Days To Call/Maturity<br>Duration To Maturity |
|---|---|---|---|---|---|---|---|---|
| FHLB 0.75 8/28/2017 | | 11/10/2015 | 2,994,210.00 | 100.10 | 3,003,060.00 | 4.34% | Moodys-Aaa | 393 |
| 3130A62S5 | 3,000,000.00 | 0.86 | 2,996,536.58 | 0.66 | 9,562.50 | 6,523.42 | S&P-AA+ | 1.07 |
| FHLB 0.75 9/8/2017 | | 8/28/2015 | 999,500.00 | 100.09 | 1,000,930.00 | 1.45% | Moodys-Aaa | 404 |
| 313380EC7 | 1,000,000.00 | 0.78 | 999,727.76 | 0.67 | 2,979.17 | 1,202.24 | S&P-AA+ | 1.1 |
| FHLB 1 3/21/2018-17 | | 3/21/2016 | 1,998,200.00 | 100.15 | 2,002,900.00 | 2.89% | Moodys-Aaa | 233 |
| 3130A7HB4 | 2,000,000.00 | 1.05 | 1,998,525.48 | 0.91 | 7,222.22 | 4,374.52 | S&P-AA+ | 1.62 |
| | | | **5,991,910.00** | | **6,006,890.00** | **8.68%** | | **341** |
| **Sub Total FHLB Bond** | **6,000,000.00** | **0.91** | **5,994,789.82** | **0.74** | **19,763.89** | **12,100.18** | | **1.26** |
| **FHLMC Bond** | | | | | | | | |
| FHLMC 0.875 3/7/2018 | | 11/7/2014 | 1,976,820.00 | 100.17 | 2,003,460.00 | 2.88% | Moodys-Aaa | 584 |
| 3137EADP1 | 2,000,000.00 | 1.23 | 1,988,867.50 | 0.77 | 7,000.00 | 14,592.50 | S&P-AA+ | 1.59 |
| FHLMC 1 5/25/2018-17 | | 5/25/2016 | 1,999,000.00 | 100.20 | 2,003,920.00 | 2.89% | Moodys-Aaa | 298 |
| 3134G9HC4 | 2,000,000.00 | 1.03 | 1,999,091.78 | 0.89 | 3,666.67 | 4,828.22 | S&P-AA+ | 1.8 |
| FHLMC 1 7/28/2017 | | 12/12/2013 | 1,997,494.00 | 100.36 | 2,007,200.00 | 2.89% | Moodys-Aaa | 362 |
| 3137EADJ5 | 2,000,000.00 | 1.04 | 1,999,314.82 | 0.64 | 166.67 | 7,885.18 | S&P-AA+ | 0.99 |
| FHLMC 1.3 2/26/2019-16 | | 2/26/2016 | 2,000,000.00 | 100.01 | 2,000,200.00 | 2.89% | S&P-AA+ | 26 |
| 3134G8M55 | 2,000,000.00 | 1.30 | 2,000,000.00 | 1.30 | 11,194.44 | 200.00 | Fitch-AAA | 2.52 |
| | | | **7,973,314.00** | | **8,014,780.00** | **11.55%** | | **317** |
| **Sub Total FHLMC Bond** | **8,000,000.00** | **1.15** | **7,987,274.10** | **0.90** | **22,027.78** | **27,505.90** | | **1.73** |
| **FNMA Bond** | | | | | | | | |
| FNMA 0.875 10/26/2017 | | 12/16/2014 | 1,991,540.00 | 100.22 | 2,004,340.00 | 2.89% | S&P-AA+ | 452 |
| 3135G0PQ0 | 2,000,000.00 | 1.03 | 1,996,340.75 | 0.70 | 4,618.06 | 7,999.25 | Moodys-Aaa | 1.23 |
| FNMA 1.05 9/5/2017 | | 10/22/2015 | 2,014,680.00 | 100.40 | 2,008,040.00 | 2.91% | Moodys-Aaa | 401 |
| 3136G0ZH7 | 2,000,000.00 | 0.65 | 2,008,606.26 | 0.68 | 8,516.67 | -566.26 | S&P-AA+ | 1.09 |
| FNMA 1.125 7/20/2018 | | 7/21/2015 | 1,999,402.00 | 100.70 | 2,013,920.00 | 2.89% | Moodys-Aaa | 719 |
| 3135G0E33 | 2,000,000.00 | 1.14 | 1,999,607.34 | 0.77 | 687.50 | 14,312.66 | S&P-AA+ | 1.95 |

# City of Corvallis
## Portfolio Holdings by Security Type
### All Portfolios

Date: 7/31/2016

| Description<br>CUSIP | Face Amount / Shares | Settlement Date<br>YTM @ Cost | Cost Value<br>Book Value | Market Price<br>YTM @ Market | Market Value<br>Accrued Interest | % Portfolio<br>Unre. Gain/Loss | Credit Rating<br>Credit Rating | Days To Call/Maturity<br>Duration To Maturity |
|---|---|---|---|---|---|---|---|---|
| FNMA 1.25 6/13/2019-16 | | 6/14/2016 | 2,000,000.00 | 100.03 | 2,000,600.00 | 2.89% | Moodys-Aaa | 135 |
| 3135G0K77 | 2,000,000.00 | 1.25 | 2,000,000.00 | 1.24 | 3,263.89 | 600.00 | S&P-AA+ | 2.82 |
| FNMA 1.25 7/26/2019-17 | | 7/27/2016 | 2,000,000.00 | 99.94 | 1,998,800.00 | 2.89% | None | 179 |
| 3135G0N25 | 2,000,000.00 | 1.25 | 2,000,000.00 | 1.27 | 277.78 | -1,200.00 | None | 2.94 |
| FNMA 1.875 2/19/2019 | | 11/7/2014 | 1,011,460.00 | 102.65 | 1,026,500.00 | 1.46% | Moodys-Aaa | 933 |
| 3135G0ZA4 | 1,000,000.00 | 1.60 | 1,006,832.06 | 0.82 | 8,437.50 | 19,667.94 | S&P-AA+ | 2.48 |
| | | | **11,017,082.00** | | **11,052,200.00** | **15.93%** | | **428** |
| **Sub Total FNMA Bond** | **11,000,000.00** | **1.11** | **11,011,386.41** | **0.92** | **25,801.40** | **40,813.59** | | **2.05** |
| **Local Government Investment Pool** | | | | | | | | |
| State of Oregon LGIP | | 3/31/2014 | 27,769,593.58 | 100.00 | 27,769,593.58 | 40.18% | NR | 1 |
| LGIP4031 | 27,769,593.58 | 0.88 | 27,769,593.58 | 0.88 | | 0.00 | NR | 0 |
| | | | **27,769,593.58** | | **27,769,593.58** | **40.18%** | | **1** |
| **Sub Total Local Government Investment Pool** | **27,769,593.58** | **0.88** | **27,769,593.58** | **0.88** | | **0.00** | | **0** |
| **Money Market** | | | | | | | | |
| Oregon State Credit Union MM | | 3/31/2014 | 18,383.81 | 100.00 | 18,383.81 | 0.03% | NR | 1 |
| MM2461 | 18,383.81 | 0.03 | 18,383.81 | 0.03 | | 0.00 | NR | 0 |
| Wells Fargo Bank MM | | 3/31/2014 | 2,813,899.53 | 100.00 | 2,813,899.53 | 4.07% | NR | 1 |
| MM5892 | 2,813,899.53 | 0.25 | 2,813,899.53 | 0.25 | | 0.00 | NR | 0 |
| | | | **2,832,283.34** | | **2,832,283.34** | **4.1%** | | **1** |
| **Sub Total Money Market** | **2,832,283.34** | **0.25** | **2,832,283.34** | **0.25** | | **0.00** | | **0** |
| **Treasury Note** | | | | | | | | |
| T-Note 0.875 12/31/2016 | | 12/12/2013 | 2,012,265.62 | 100.21 | 2,004,160.00 | 2.9% | Moodys-Aaa | 153 |
| 912828RX0 | 2,000,000.00 | 0.67 | 2,001,683.08 | 0.37 | 1,474.18 | 2,476.92 | S&P-AA+ | 0.42 |
| T-Note 1 9/15/2018 | | 10/22/2015 | 3,009,492.19 | 100.66 | 3,019,920.00 | 4.35% | Moodys-Aaa | 776 |
| 912828L40 | 3,000,000.00 | 0.89 | 3,006,955.56 | 0.69 | 11,250.00 | 12,964.44 | S&P-AA+ | 2.1 |
| | | | **5,021,757.81** | | **5,024,080.00** | **7.25%** | | **527** |
| **Sub Total Treasury Note** | **5,000,000.00** | **0.80** | **5,008,638.64** | **0.56** | **12,724.18** | **15,441.36** | | **1.43** |

# City of Corvallis
## Portfolio Holdings by Security Type
### All Portfolios

Date: 7/31/2016

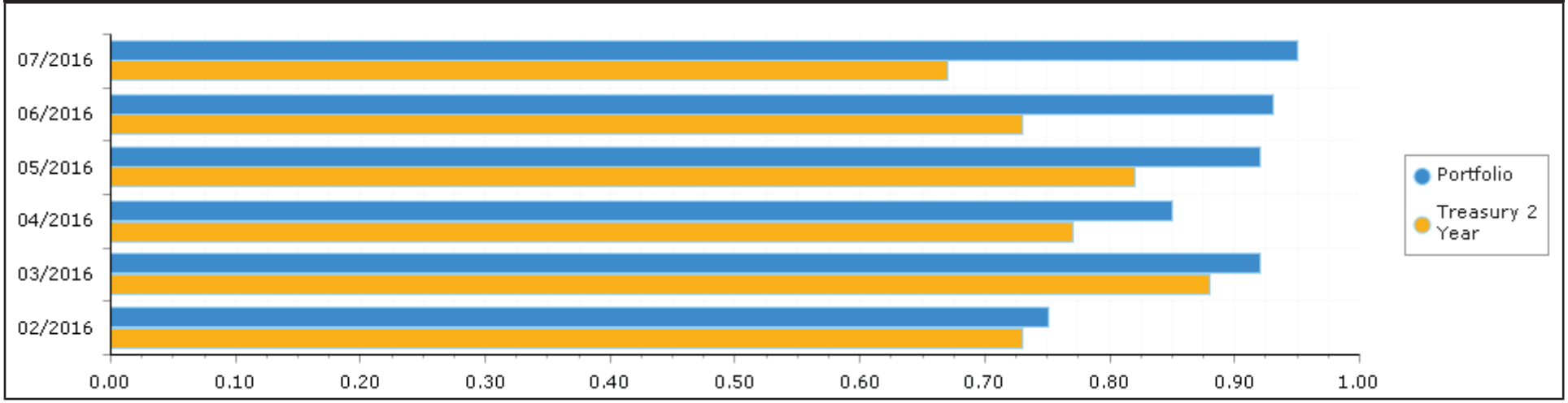
| Description<br>CUSIP | Face Amount / Shares | Settlement Date<br>YTM @ Cost | Cost Value<br>Book Value | Market Price<br>YTM @ Market | Market Value<br>Accrued Interest | % Portfolio<br>Unre. Gain/Loss | Credit Rating<br>Credit Rating | Days To Call/Maturity<br>Duration To Maturity |
|---|---|---|---|---|---|---|---|---|
| | | | 69,117,845.73 | | 69,238,331.92 | 100.00% | | 224 |
| **TOTAL PORTFOLIO** | **69,112,266.92** | **0.95** | **69,114,709.65** | **0.84** | **97,662.25** | **123,622.27** | | **0.96** |

# City of Corvallis
## Total Rate of Return - Book Value by Month
### All Portfolios

Begin Date: 2/29/2016, End Date: 7/31/2016

| Month | Beginning BV + Accrued Interest | Interest Earned During Period-BV | Realized Gain/Loss-BV | Investment Income-BV | Average Capital Base-BV | TRR-BV | Annualized TRR-BV * | Treasury 2 Year ** |
|---|---|---|---|---|---|---|---|---|
| 2/29/2016 | 76,336,243.43 | 47,863.99 | 0.00 | 47,863.99 | 76,703,617.00 | 0.06 | 0.75 | 0.73 |
| 3/31/2016 | 76,163,044.54 | 58,269.06 | 0.00 | 58,269.06 | 76,524,251.70 | 0.08 | 0.92 | 0.88 |
| 4/30/2016 | 74,992,755.33 | 52,830.81 | 0.00 | 52,830.81 | 74,577,646.34 | 0.07 | 0.85 | 0.77 |
| 5/31/2016 | 72,328,025.49 | 55,399.62 | 0.00 | 55,399.62 | 72,238,459.72 | 0.08 | 0.92 | 0.82 |
| 6/30/2016 | 71,971,758.96 | 55,179.49 | 0.00 | 55,179.49 | 71,694,723.97 | 0.08 | 0.93 | 0.73 |
| 7/31/2016 | 73,319,268.81 | 57,690.04 | 0.00 | 57,690.04 | 73,184,503.84 | 0.08 | 0.95 | 0.67 |

**Annualized TRR-BV**




* This measure uses the actual monthly earnings divided by the portfolio book value, so is not equivalent to the yield to maturity calculation found elsewhere in the report.
** This is a blended rate for the period reported.

# Current Month Investment Purchases

As of July 31, 2016

## Overall Portfolio Activity

| Settlement Date | CUSIP/Ticker | Description | Maturity Date | Asset Class | Total Purchase Price | Price | Broker/Dealer | Par Value | Yield to Call @ Cost | YTM @ Cost |
|---|---|---|---|---|---|---|---|---|---|---|
| Federal Farm Credit Bank Agency | | | | | | | | | | |
| 7/7/2016 | 3133EGJY2 | FFCB 1.14 10/7/2019-16 | 10/7/2019 | Agency - Callable | 2,000,000.00 | 100.00 | GPA - RW Baird | 2,000,000.00 | 1.14 | 1.14 |
| Federal National Mortgage Agency | | | | | | | | | | |
| 7/27/2016 | 3135G0N25 | FNMA 1.25 7/26/2019-17 | 7/26/2019 | Agency - Callable | 2,000,069.44 | 100.00 | GPA - CitiGroup Global Markets | 2,000,000.00 | 1.25 | 1.25 |
| Total | | | | | 4,000,069.44 | | | 4,000,000.00 | | |

# City of Corvallis
# Projected Cash Flow by Month
## All Portfolios

Begin Date: 07-2016, End Date: 12-2016

| Date | CUSIP | Face Amount/Shares | Description | Principal Amount | Interest/Dividends | Total |
|---|---|---|---|---|---|---|
| 7/20/2016 | 3135G0E33 | 0.00 | FNMA 1.125 7/20/2018 | 0.00 | 11,250.00 | 11,250.00 |
| 7/27/2016 | 3134G7LJ8 | 0.00 | FHLMC 1.25 7/27/2018-16 | 0.00 | 6,250.00 | 6,250.00 |
| 7/28/2016 | 3137EADJ5 | 0.00 | FHLMC 1 7/28/2017 | 0.00 | 10,000.00 | 10,000.00 |
| 7/31/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,146.58 | 1,146.58 |
| 7/31/2016 | CDOSCU12MO/31 | 0.00 | Oregon State Credit Union 0.75 12/16/2016 | 0.00 | 1,274.37 | 1,274.37 |
| **July, 2016** | | | | **0.00** | **29,920.95** | **29,920.95** |
| 8/19/2016 | 3135G0ZA4 | 0.00 | FNMA 1.875 2/19/2019 | 0.00 | 9,375.00 | 9,375.00 |
| 8/26/2016 | 3134G8M55 | 0.00 | FHLMC 1.3 2/26/2019-16 | 0.00 | 13,000.00 | 13,000.00 |
| 8/28/2016 | 3130A62S5 | 0.00 | FHLB 0.75 8/28/2017 | 0.00 | 11,250.00 | 11,250.00 |
| 8/31/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,146.58 | 1,146.58 |
| 8/31/2016 | CDOSCU12MO/31 | 0.00 | Oregon State Credit Union 0.75 12/16/2016 | 0.00 | 1,274.37 | 1,274.37 |
| **August, 2016** | | | | **0.00** | **36,045.95** | **36,045.95** |
| 9/5/2016 | 3136G0ZH7 | 0.00 | FNMA 1.05 9/5/2017 | 0.00 | 10,500.00 | 10,500.00 |
| 9/7/2016 | 3137EADP1 | 0.00 | FHLMC 0.875 3/7/2018 | 0.00 | 8,750.00 | 8,750.00 |
| 9/8/2016 | 313380EC7 | 0.00 | FHLB 0.75 9/8/2017 | 0.00 | 3,750.00 | 3,750.00 |
| 9/15/2016 | 912828L40 | 0.00 | T-Note 1 9/15/2018 | 0.00 | 15,000.00 | 15,000.00 |
| 9/21/2016 | 3130A7HB4 | 0.00 | FHLB 1 3/21/2018-17 | 0.00 | 10,000.00 | 10,000.00 |
| 9/30/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,109.59 | 1,109.59 |
| 9/30/2016 | CDOSCU12MO/31 | 0.00 | Oregon State Credit Union 0.75 12/16/2016 | 0.00 | 1,233.25 | 1,233.25 |
| **September, 2016** | | | | **0.00** | **50,342.84** | **50,342.84** |
| 10/7/2016 | 3133EGJY2 | 0.00 | FFCB 1.14 10/7/2019-16 | 0.00 | 5,700.00 | 5,700.00 |
| 10/26/2016 | 3135G0PQ0 | 0.00 | FNMA 0.875 10/26/2017 | 0.00 | 8,750.00 | 8,750.00 |
| 10/31/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,146.58 | 1,146.58 |
| 10/31/2016 | CDOSCU12MO/31 | 0.00 | Oregon State Credit Union 0.75 12/16/2016 | 0.00 | 1,274.37 | 1,274.37 |
| **October, 2016** | | | | **0.00** | **16,870.95** | **16,870.95** |

# City of Corvallis
# Projected Cash Flow by Month
## All Portfolios

Begin Date: 07-2016, End Date: 12-2016

| Date | CUSIP | Face Amount/Shares | Description | Principal Amount | Interest/Dividends | Total |
|---|---|---|---|---|---|---|
| 11/13/2016 | 037833BB5 | 0.00 | APPLE INC 0.9 5/12/2017 | 0.00 | 9,000.00 | 9,000.00 |
| 11/17/2016 | 459200JE2 | 0.00 | IBM CORP 1.8 5/17/2019 | 0.00 | 19,875.00 | 19,875.00 |
| 11/25/2016 | 3134G9HC4 | 0.00 | FHLMC 1 5/25/2018-17 | 0.00 | 10,000.00 | 10,000.00 |
| 11/30/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,109.59 | 1,109.59 |
| 11/30/2016 | CDOSCU12MO/31 | 0.00 | Oregon State Credit Union 0.75 12/16/2016 | 0.00 | 1,233.25 | 1,233.25 |
| **November, 2016** | | | | **0.00** | **41,217.84** | **41,217.84** |
| 12/13/2016 | 3135G0K77 | 0.00 | FNMA 1.25 6/13/2019-16 | 0.00 | 12,430.56 | 12,430.56 |
| 12/16/2016 | CDOSCU12MO/31 | 2,000,000.00 | Oregon State Credit Union 0.75 12/16/2016 | 2,000,000.00 | 616.53 | 2,000,616.53 |
| 12/31/2016 | CDOSCU36MO/30 | 0.00 | Oregon State Credit Union 1.35 4/19/2019 | 0.00 | 1,146.58 | 1,146.58 |
| 12/31/2016 | 912828RX0 | 2,000,000.00 | T-Note 0.875 12/31/2016 | 2,000,000.00 | 8,750.00 | 2,008,750.00 |
| **December, 2016** | | | | **4,000,000.00** | **22,943.67** | **4,022,943.67** |
| **TOTAL** | | | | **4,000,000.00** | **197,342.20** | **4,197,342.20** |

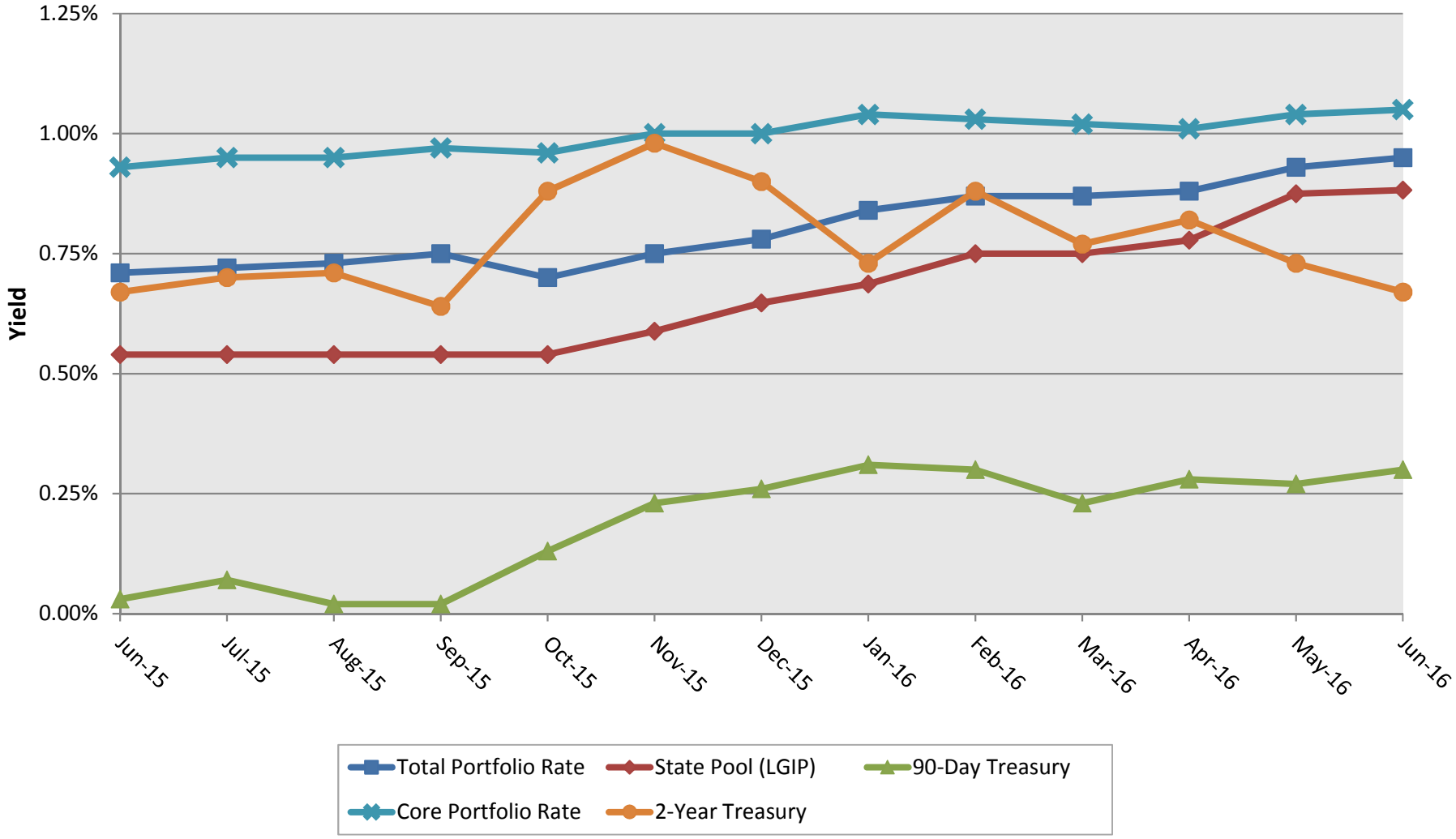
# City of Corvallis- Cash & Investment Portfolio Balances by Fund

| Fund Description | Balance at July 31, 2016 |
|---|---|
| **General** | $ 9,369,166 |
| **Street** | 2,458,077 |
| **Street SDC** | 4,216,257 |
| **Parks SDC** | 4,692,905 |
| **9-1-1** | 461,885 |
| **Development Services** | 2,936,321 |
| **Community Development Revolving** | (145,100) |
| **Parking** | 707,456 |
| **Transit** | 2,011,266 |
| **Capital Improvement** | 1,167,178 |
| **General Obligation Debt Service** | 40,178 |
| **Pension Obligation Debt Service** | 1,003 |
| **Davidson Library** | 5,619 |
| **Water** | 6,572,783 |
| **Water SDC** | 8,665,900 |
| **Wastewater** | 3,746,581 |
| **Wastewater SDC** | 14,555,017 |
| **Storm Water** | 1,415,766 |
| **Storm Water SDC** | 219,770 |
| **Airport** | 515,841 |
| **Fleet Maintenance** | 206,265 |
| **Facility Maintenance** | 115,357 |
| **Technology & Communication** | 746,267 |
| **Administrative Services** | 1,041,007 |
| **Risk Management** | 1,112,610 |
| **Cash Items In-Transit (Payroll & A/P checks, etc.)** | 2,276,892 |
| **Total Cash Balance** | **$ 69,112,267** |

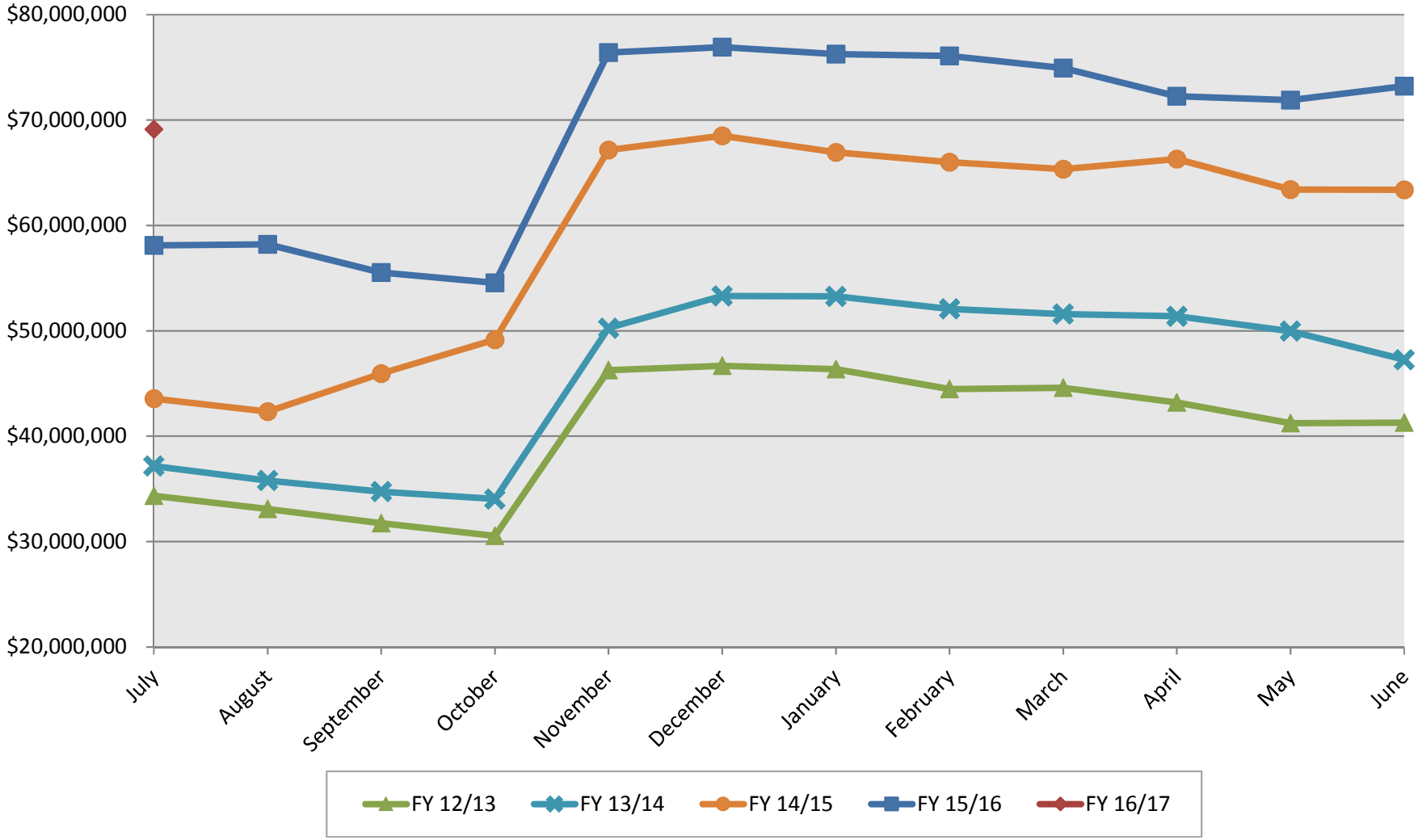
# City of Corvallis

## Total Portfolio vs. Benchmark

## July 2015 - July 2016



# City of Corvallis
## Cash & Investment Portfolio



TO: City Council for August 15, 2016 meeting

FROM: Nancy Brewer, Finance Director NB

DATE: August 8, 2016

THROUGH: Mark W. Shepard, P.E., City Manager MWS

SUBJECT: Acknowledgment of the Annual City Investment Portfolio Compliance Report

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

Action Requested:

For information only, no action required.

Discussion:

Investment Procedures requires the Finance Department to submit an Annual Statement indicating whether or not the City has been in compliance with Council approved investment policies during the previous fiscal year. The statement must be filed as soon as practical after each year end, but no later than August 31st per Council Policy 10.08 Investments.

This memo advises the City Council that the City complied with all provisions of the Investment Policies during fiscal year 2015-2016, with the following notable events:

- On October 7, 2015, Standard & Poor's announced that it had revised its credit outlook for General Electric Credit Corp (GECC) from stable to negative. Given that the City's GECC bond investment of $675,000 matured three months later, on December 11, 2015, staff concurred with Investment Advisor GPA's recommendation that the risk of holding this bond until maturity did not increase sufficiently to warrant selling. The bond matured and paid as expected.
- The purchased $1,500,000 in IBM bonds in February 2016, maturing May 17th, 2019, based on a single rating available at the time of the trade – the policy compliant Aa3 from Moody's. Several hours after the trade completion, a second rating agency (Fitch) issued an A+ rating for the bonds, which would have prohibited the purchase but for timing. GPA recommended that the City continue to hold what is still a very strong credit rather than trade it at a loss, until/unless there is further deterioration in the bonds' credit.
- On March 30, 2016, Moody's changed their outlook for IBM from stable to negative. City staff again concurred with GPA's recommendation to hold the investment, and GPA will continue to evaluate and monitor the investment.

Budget Impact:

There is no budget impact for the compliance review. Interest earnings in FY 16-17 totaled $550,000 in revenue to the City.