

City of Santa Fe, New Mexico

memo

TO: Finance Committee

FROM: Helene R. Hausman, Cash Management & Investment Officer *HH*

VIA: Marcos A. Tapia, Finance Director

DATE: February 17, 2014

RE: Quarterly Cash & Investment Report

ITEM AND ISSUE:

Status of the City's cash and investment portfolio as of December 31, 2013.

BACKGROUND AND SUMMARY:

A. Portfolio Comments

In December the cash and investment portfolio consisted of:

CDs	11.23%
Cash Accounts	45.50%
Securities	36.84%
Restricted Accounts	<u>6.43%</u>
	100.00%

December's average interest yield of 0.49% was down slightly from November's because \$13.8 million in securities were called or matured and \$11 million of this was pulled into the Savings account for June debt service. No additional securities were purchased.

<u>TYPE</u>	<u>FUND</u>		<u>AMOUNT OF</u>	<u>AS % OF</u>	<u>INT</u>
			<u>INVESTMENT</u>	<u>TOTAL</u>	<u>RATE/</u>
					<u>WAY</u>
Certificates of Deposit	7000	100650	\$ 25,500,000.00	11.23%	0.92%
WFB Adv Govt MnMkt-Custodial	7000	101730	3,102,048.41	1.37%	0.01%
WFB Business Savings	7000	101740	89,792,592.46	39.54%	0.23%
FNB Savings	7000	101127	9,758,881.46	4.30%	0.25%
NM LGIP	7000	101750	682,557.29	0.30%	0.09%
U.S. Agency Securities	7000	101725	79,025,000.00	34.80%	0.72%
GNMA Pass-Through Securities	7000	101725	89,987.28	0.04%	5.05%
New Mexico Municipal Bonds	7000	101725	4,550,000.00	2.00%	0.35%
Subtotal 7000 Fund			\$ 212,501,066.90	93.57%	0.46%

<u>Restricted Investment Accounts</u>						
Library Endowment Fund - CD	2716	101500	\$	281,865.66	0.12%	0.65%
NM LGIP - Reserve Cont. Fund	7000	101751		20,301.10	0.01%	0.00%
2009AB Reserve - Securities	5391	101725		5,275,000.00	2.32%	1.00%
2009AB Reserve - Cash	5391	101500		16,370.81	0.01%	0.01%
NMFA Loan #20 Reserve	5912	101500		1,071,711.34	0.47%	0.23%
Restricted Cash				7,945,391.96	3.50%	0.23%
Subtotal Other Funds			\$	14,610,640.87	6.43%	0.03%
GRAND TOTAL			\$	227,111,707.77	100.00%	0.490%
December 2012 Comparison			\$	232,815,931.79		0.59%
December 2011 Comparison			\$	204,912,076.29		0.86%
December 2010 Comparison			\$	204,221,691.34		1.03%
December 2009 Comparison			\$	236,132,688.51		1.28%

Dedicated accounts (non-investment accounts) held \$13,231,548.45 of which 91% was in the Common account and 7.6% was in the Payroll account.

DEDICATED ACCOUNT SUMMARY

Dedicated Operating Accounts	AMOUNT OF INVESTMENT	INT RATE
Common Account - WFB	\$ 11,995,675.40	*
Workers Compensation - WFB	57,289.23	*
General Liability - WFB	45,977.83	*
Payroll Account - WFB	1,006,662.01	*
Redflex Systems Inc. - Huntington	31,147.46	0.00%
<i>* WFB Interest is netted against bank fees.</i>	\$ 13,136,751.93	
Cash in Trust - NMFA Loan Accounts		
NMFA #8 Railyard Cash in Trust	\$ 0.01	0.02%
NMFA #8 Railyard Cash in Trust Reserve	52,816.50	0.49%
NMFA #15B Railyard Cash in Trust	0.07	0.02%
NMFA #14 Convention Center Cash in Trust	0.00	0.02%
NMFA #18 Land Acquisition Cash in Trust	0.21	0.02%
NMFA #16 Buckman Cash in Trust	0.00	0.02%
NMFA #19 Buckman Cash in Trust	0.00	0.02%
NMFA #DW2 Water Cash in Trust	7.02	0.02%
NMFA #22 Water Cash in Trust	0.06	0.02%
NMFA #WPF3 Water Cash in Trust	0.00	0.02%
NMFA #WPF4 Water Cash in Trust	0.00	0.02%
NMFA #WPF5 Water Cash in Trust	0.00	0.02%
NMFA #WPF6 Water Cash in Trust	0.00	0.02%
NMFA #WPF7 Water Cash in Trust	0.00	0.02%
NMFA #DW3 Water Cash in Trust	0.17	0.02%
NMFA #20 College of Santa Fe - Cash in Trust	2.52	0.02%
	\$ 52,826.56	
Cash in Trust - Other Loans		
HUD Section 108	\$ 41,969.96	0.01%
	\$ 41,969.96	
TOTAL DEDICATED ACCOUNTS	\$13,231,548.45	

The Portfolio by Maturity table below shows the weighted average maturity (WAM) at 380 days, down from 431 the prior month due to the transfer to Savings of cash from calls and maturities. The WAM looks at securities as if they were all held to their stated maturity. The WAM is a maximum term included for reporting purposes as a traditional evaluation tool, but it considerably overstates our portfolio since almost all of the bonds we hold at this time are callable – i.e. they can be redeemed by the respective agency on certain dates prior to the stated maturity. On the basis of maturity dates, the portfolio is 57% cash or maturities of less than six months, insuring sufficient liquidity for the City’s needs for several months.

PORTFOLIO BY MATURITY

<u>Short-Term</u>	<u>Oct</u>	<u>%/Total</u>	<u>Nov</u>	<u>%/Total</u>	<u>Dec</u>	<u>%/Total</u>
Immediately - 24 Hrs. Notice	\$ 93,931,572	40.11%	\$ 98,786,666	43.50%	\$ 111,686,996	49.18%
NM Local Gov't Invest. Pool	682,557	0.29%	682,557	0.30%	682,557	0.30%
Less than Six Months	5,781,560	2.47%	5,781,715	2.55%	16,281,866	7.17%
Subtotal Short Term	\$ 100,395,689	42.87%	\$ 105,250,938	46.34%	\$ 128,651,419	56.65%
<u>Long Term</u>						
One Year	\$ 26,070,301	11.13%	\$ 26,070,301	11.48%	\$ 13,570,301	5.98%
Two Years	27,178,262	11.61%	26,677,906	11.75%	21,977,498	9.68%
Three Years	45,641,229	19.49%	43,639,567	19.22%	36,537,864	16.09%
Three to Five Years	34,877,366	14.89%	26,376,033	11.61%	26,374,625	11.61%
Subtotal Long Term	\$ 133,767,158	57.13%	\$ 122,763,807	54.05%	\$ 98,460,288	43.35%
TOTAL	\$ 234,162,847	100.00%	\$ 228,014,745	100.40%	\$ 227,111,707	100.00%
Weighted Average Maturity - Days		497		431		380

The Portfolio by Maturity and Average Yield table below shows the changes in the weighted average yield within each maturity term compared to the prior two months. Our own yield curve for the portfolio can be seen in the attached chart Yield Curve – 3 Months.

PORTFOLIO BY MATURITY AND AVERAGE YIELD

<u>Short-Term</u>	<u>Oct</u>	<u>Ave. Yield</u>	<u>Nov</u>	<u>Ave. Yield</u>	<u>Dec</u>	<u>Ave. Yield</u>
Immediately - 24 Hrs. Notice	\$ 93,931,572	0.23%	\$ 98,786,666	0.23%	\$ 111,686,996	0.23%
NM LGIP	682,557	0.11%	682,557	0.12%	682,557	0.12%
Less than Six Months	5,781,560	0.46%	5,781,715	0.46%	16,281,866	1.11%
Subtotal Short Term	\$ 100,395,689	0.24%	\$ 105,250,938	0.24%	\$ 128,651,419	0.34%
<u>Long Term</u>						
One Year	\$ 26,070,301	0.86%	\$ 26,070,301	0.86%	\$ 13,570,301	0.46%
Two Years	27,178,262	0.48%	26,677,906	0.49%	21,977,498	0.49%
Three Years	45,641,229	0.60%	43,639,567	0.62%	36,537,864	0.62%
Five Years	34,877,366	0.97%	26,376,033	1.05%	26,374,625	1.05%
Subtotal Long Term	\$ 133,767,158	0.72%	\$ 122,763,807	0.74%	\$ 98,460,288	0.69%
TOTAL	\$ 234,162,847	0.52%	\$ 228,014,745	0.51%	\$ 227,111,707	0.49%

The Portfolio by First Call and Average Yield table looks at the portfolio as if all callable bonds were liquidated on the first call date after 12/31/13, along with those that will be held to maturity. This shifts the term structure significantly from \$128 million (57%) of the portfolio liquidating in 6 months or less to \$201 million (88%). The total average yield is comparable to the full maturity table since we hold mostly fixed coupon bonds. This table shows the average portfolio term at 108 days - much closer to reality than the WAM of 380 days. The difference is readily visible when the table below is compared with the table above.

PORTFOLIO BY FIRST CALL AND AVERAGE YIELD

<u>Short-Term</u>	<u>Oct</u>	<u>WAY</u>	<u>Nov</u>	<u>WAY</u>	<u>Dec</u>	<u>WAY</u>
Immediately - 24 Hrs. Notice	\$ 93,931,572	0.23%	\$ 98,786,666	0.23%	\$ 111,686,996	0.23%
NM LGIP	682,557	0.11%	682,557	0.12%	682,557	0.12%
Less than Six Months	91,006,560	0.65%	80,006,715	0.67%	88,706,866	0.77%
Subtotal Short Term	\$ 185,620,689	0.44%	\$ 179,475,938	0.43%	\$ 201,076,419	0.46%
<u>Long Term</u>						
One Year	\$ 36,445,301	0.82%	\$ 36,445,301	0.82%	\$ 20,945,301	0.56%
Two Years	11,753,262	0.70%	11,752,906	0.69%	4,752,498	0.88%
Three Years	41,229	5.10%	39,567	5.10%	37,864	5.10%
Five Years	302,366	2.06%	301,033	2.04%	299,625	2.04%
Subtotal Long Term	\$ 48,542,158	0.80%	\$ 48,538,807	0.80%	\$ 26,035,288	0.64%
TOTAL	\$ 234,162,847	0.52%	\$ 228,014,745	0.51%	\$ 227,111,707	0.48%

WAC - Days 133 120 108

Ave. Portfolio Yield by Fiscal Year chart (attached) shows the drop in portfolio yield over time. Fluctuations in the financial markets continue to affect security yields, but yields on cash accounts and certificates of deposit through the banks have held constant for a number of months, slowing the overall rate of decline.

Ave. Portfolio Yield by Term chart (attached) compares this month over three years grouped by maturity and shows the related yield curve.

Securities by Type below shows securities by agency. The major shifts in type and total securities between October and December are due to the cash from calls/maturities being transferred out to Savings rather than being rolled back into security purchases.

SECURITIES BY TYPE

	<u>Oct</u>	<u>%</u>	<u>Nov</u>	<u>%</u>	<u>Dec</u>	<u>%</u>
FFCB	\$ 16,000,000	14.07%	\$ 14,000,000	13.63%	\$ 14,000,000	15.74%
FHLB	11,800,000	10.37%	8,800,000	8.57%	8,800,000	9.89%
FHLMC	38,625,000	33.96%	35,125,000	34.19%	26,825,000	30.16%
FNMA	42,675,000	37.52%	40,175,000	39.10%	34,675,000	38.99%
GNMA	96,857	0.09%	93,506	0.09%	89,987	0.10%
MUNI'S	4,550,000	4.00%	4,550,000	4.43%	4,550,000	5.12%
	\$ 113,746,857	100.00%	\$ 102,743,506	100.00%	\$ 88,939,987	100.00%

The Market Value of Securities is a standard reporting measure. The unrealized loss position as of December 31, 2013 was \$478,939. The City records securities in the general ledger at their face value (par value) and recognizes any potential gain or loss at June 30th each year only as an accounting adjustment to comply with standard accounting procedures. The City holds securities to maturity or call date (both of which pay out at 100% of face value of the bonds), though we may occasionally sell securities if the sale is at par or greater. The attached Portfolio History shows the trends and events affecting our portfolio since July 2007, including changes in unrealized gain/loss.

The following investment activity occurred for the month.

INVESTMENT ACTIVITY		<u>ACTIVITY</u>
Agency Purchases:	Purchase	\$ <u>0.00</u>
		<u>0.00</u>
Agency Maturities, Calls, Sales		
FHLMC 12/26/13	Call	(3,700,000.00)
FHLMC 12/23/13	Call	(3,000,000.00)
FHLMC 12/27/13	Call	(1,600,000.00)
FNMA 12/24/13	Call	(3,000,000.00)
FNMA 12/04/13	Call	(2,500,000.00)
GNMAs	Partial Call	(3,518.93)
		<u>(13,803,518.93)</u>
CD Maturities & Renewals		
		<u>0.00</u>
Transfers out of Trust		
Transfer to Savings for 06/01/2014 Debt Service		2,500,000.00
Transfer to Savings for 06/01/2014 Debt Service		3,000,000.00
Transfer to Savings for 06/01/2014 Debt Service		3,000,000.00
Transfer to Savings for 06/01/2014 Debt Service		3,000,000.00
		<u>11,500,000.00</u>
Other Activity		
Transfer from Savings back to Trust		500,000.00
		<u>500,000.00</u>
Interest Earned		
Net Interest posted to GL - Dec		136,766.29
Amort. of premium/discount		(13,150.28)
Net Interest Earned = Actual Yield	\$	<u>123,616.01</u>

B. Interest Activity

The Changes in Interest Rates table below compares interest rates by investment type.

CHANGES IN INTEREST RATES
Weighted Average Yield at End of Quarter

	FY 13-14 July	FY 13-14 August	FY 13-14 Sept.	FY 13-14 Oct.	FY 13-14 Nov.	FY 13-14 Dec.
<u>Cash Accounts</u>						
Certificates of Deposit	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%
Library Endowment Fund – CD	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%
WFB Adv Govt MnMkt	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
WFB Business Svgs	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
FNB Savings	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
NM State LGIP	0.10%	0.10%	0.11%	0.11%	0.11%	0.09%
<u>Securities</u>						
U.S. Agency Securities	0.65%	0.67%	0.68%	0.68%	0.68%	0.72%
GNMA Pass-Through Securities	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%
NM Bonds	0.32%	0.35%	0.35%	0.35%	0.35%	0.35%
2009A&B Reserve – Securities	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
TOTAL	0.54%	0.55%	0.52%	0.52%	0.51%	0.49%

The FY 13-14 Interest Earnings vs. Budget chart (attached) compares monthly interest collected to an average monthly budget. The FY 13-14 budget assumed a 0.36% yield on a portfolio balance of \$191,744,953, for an interest budget of \$734,288, of which \$34,288 is for the two securities held in the 2009 A&B Water Bond Reserve Account. The table below shows cash vs. budget on an adjusted cash basis (adjusted for premium/discount, not including accrued interest). Since interest earnings vary due to the manner in which bonds are called, the budget is shown as distributed evenly by month. Total interest is running higher than budget because the total portfolio balance and yields are higher than projected.

FY 13-14				
MONTHLY INTEREST EARNINGS/PROJECTIONS - Cash Basis				
	Ave. Budget	Net Revenue	Over(Under)	% Budget
July	61,191	50,394	(10,796)	82.36%
Aug	61,191	135,239	74,049	221.01%
Sep	61,191	134,431	73,240	219.69%
Oct	61,191	55,800	(5,391)	91.19%
Nov	61,191	88,600	27,409	144.79%
Dec	61,191	123,616	62,425	202.02%
Jan	61,191	56,478	(4,713)	92.30%
Feb *	61,191	152,452	91,262	249.14%
Mar *	61,191	100,994	39,804	165.05%
Apr *	61,191	39,146	(22,045)	63.97%
May *	61,191	46,482	(14,709)	75.96%
Jun *	61,191	72,890	11,700	119.12%
	734,288	1,056,523	322,234.54	143.88%

* Projections based on SYMPRO Investment Software Report

The attached chart Major Cash Accounts - Yields compares interest rates on the cash accounts. The WFB Savings account holds the majority of cash.

The attached Benchmark Comparison chart shows average interest yield for the portfolio relative to one and two-year Treasuries.

OBSERVATIONS AND COMMENTS:

A. NM Local Government Investment Pool

There has been no additional news pertaining to the liquidation of The Reserve Primary Fund. The City continues to have \$20,301.10 held in a contingency account at the NMLGIP, which at some point will probably be declared a loss and closed.

B. Treasury and Agency Yields

1. As of December 31st, sufficient securities were called and the proceeds transferred to Savings to cover the June 1, 2014 debt service payment of approximately \$25 million. No short term investments exist that pay more than the 0.23% interest rate on Savings. Wells Fargo has provided additional collateral for this cash.
2. On December 19th, Bernanke announced the Fed would begin dialing back on its \$85 billion-month purchase program by \$10 billion starting in January, but would continue to keep short term interest rates low. This time, contrary to May 22nd, the markets reacted positively. Market reaction in May generated the first unrealized loss to our portfolio in several years. In January, the Fed committed to reducing bond purchases by yet another \$10 billion, decreasing monthly purchases to \$65 billion. Market reaction to this second reduction was not significant.
3. Unemployment, housing and other national economic indicators are beginning to show small but measurable improvements. Yields on Treasuries below (bolds are minimums) show the continued market fluctuations which drive the yields on agencies.

US TREASURY YIELDS						
DATE	3 mo	6 mo	12 mo	2 yr	3 yr	5 yr
06/28/13	0.051	0.101	0.147	0.371	0.674	1.434
07/31/13	0.025	0.066	0.107	0.313	0.593	1.378
08/30/13	0.020	0.051	0.117	0.391	0.762	1.596
09/30/13	0.005	0.025	0.086	0.332	0.634	1.403
10/31/13	0.030	0.076	0.091	0.305	0.558	1.279
11/27/13	0.066	0.101	0.117	0.285	0.537	1.341
01/09/14	0.035	0.061	0.122	0.421	0.872	1.755
02/04/14	0.061	0.066	0.112	0.303	0.626	0.1489

We do not currently hold any Treasuries. The spread (the difference in yield) used to be as much as 20 basis points or more to agencies, but this spread has narrowed considerably in recent months so Treasuries are starting to look more interesting. On 1/13/14, a 2-yr Treasury yield was 0.366%, a 2-yr agency bullet was .38% (less than 2 basis points), and a 2.25-yr callable was 0.50%. Callables have been enticing as long as they were being called, but the market has changed and they are being called less frequently at present. Our purchase of callables has always been based on the

determining factor of whether we could live with it if they were not called. We ladder on the basis of holding to maturity and if cash comes back in sooner, we just have more options.

C. Investment Activities

1. Shifts in the financial markets since the May upheaval continue to affect the manner in which we invest in agency securities. Now that we have pulled sufficient cash out of the Trust account to cover the June debt service payment, we will be moving into more non-callable securities to be held to maturity (bullets). This will pull the average portfolio yield down but this was anticipated when the budget was prepared with the minimum yield goal dropping to .30%.
2. On 1/22/14 we settled on a callable 2.5 year FHLB with a coupon of .69% maturing 7/22/16. While this is callable anytime after 7/22/14 with 5 days notice, I expect to hold it for at least six to nine months.
3. On 2/5/14 we settled on a non-callable 1.75 year FFCB with a coupon of .30% maturing 10/05/15. This shorter-term bond yields more than the Savings account of .23% and fits into the shorter end of our term structure.

D. Other Federal, State and Local Issues

1. George Williford has provided notification that as part of the Bipartisan Budget Act of 2013 signed by the President on December 26th, cuts in the Federal subsidy for the 2009B BAB's bonds will be continuing at the 7.2% reduction rate. The City will have to continue to cover an additional \$32,599.10 for each semi-annual debt service interest payment on these bonds.
2. There has been no decision by the Federal government on divesting FNMA and FHLMC. Bond issuance by both agencies is declining due to increased mortgage loan restrictions and this is expected to continue. This is making maintaining diversity in the portfolio a more complex issue when purchasing securities.

E. Bank Information and Ratings

1. As of September 30, 2013, the bank rating increased for Guadalupe Credit Union back up to a ***. They had received a ** for the quarter ending June 30th – a very brief decline.
2. Los Alamos National Bank has dropped back to a ** rating on bankrate.com (below peer group) and a *** rating on bauerfinancial.com (adequate). LANB has had a ** rating since March 2012 with the exception of one quarter. Their inability to restore their rating to a satisfactory level opens the door to considering moving both the \$10 million and the \$250,000 CDs to other investments when they mature on 5/7/14 and 6/7/14.

F. Concerns Raised Following Bernalillo County Investment Problems

Attached is a press release from the Office of the State Auditor, regarding concerns identified with Bernalillo County's investment processes. The predicament Bernalillo County finds itself in is evidently based on an investment portfolio structure that does

not meet its short term or longer term cash flow requirements, and incoming revenues are insufficient to solve the liquidity problem. The resultant need to sell securities at a loss to cover cash flow will negatively impact its annual budget, longer term capital improvement projects and the County's bond rating.

I have been asked if we could develop the same problems regarding our investments. The following describes our processes and why similar problems here are currently unlikely. Admittedly someone else in this Investment Officer position might handle things differently.

1. All hard-copy documentation for every security purchase, certificate of deposit, and bank account is maintained in my office. Investments are included in our investment software and the securities are held in custody by Wells Fargo Bank. Wells provides a monthly custodial account statement that is reconciled to our investment software and our accounting system. The Accounting Office reconciles all bank statements, and all original CD information is in a binder in the Cashier's Vault. All security transactions and all certificates of deposit are signed by the Investment Officer and the Finance Director. All bank accounts have three signatories: the Investment Officer, the Finance Director and the Assistant Finance Director. All CDs are at banks that maintain a physical presence within the corporate limits of the City of Santa Fe.
2. Our external Investment Advisor, First Southwest Asset Management (FSAM), provides security suggestions for consideration and three quotes from their brokers for every purchase. The goal is always to purchase what is in the City's best interest given the status of the portfolio at the time and the City's cash needs.
3. Use of FSAM and removal of the City from direct interaction with brokers has benefited the City in several important ways:
 - a. It removed direct pressure by the brokers and their desire to send gifts.
 - b. It removed any possibility of favoritism or conflict of interest.
 - c. It provided a method for evaluating fees charged by the City's brokers, which turned out to be non-competitive when compared to the FSAM brokers.
 - d. It has saved the City a significant amount of money since we changed to a fixed price annual contract with FSAM rather than a fee per purchase by broker.
4. The investment advisor agreement is bid via our purchasing procedures every four years and this last spring we received nine very diverse proposals. We did renew with FSAM after an extensive committee review effort.
5. All Investment Officer monthly cash and investment reports are reviewed by FSAM. All changes in strategy for managing risk, liquidity and yield are discussed with them, as are cash flow and laddering needs, investment options under State statute and the City investment policy, pricing, financial market changes, and our annual interest budget. The Investment Policy is reviewed with

FSAM regularly and they have recommended changes as needed to recognize changes in the financial markets. The Investment Policy is brought to Council annually at a minimum, and more often as changes are needed. Conversations occur with FSAM weekly or more often as needed.

6. Interest earnings are not the driving force for our purchases. Our average yield at this December 31st was 0.49% on \$227 million, which is excellent for a well-structured portfolio under the terms of our Investment Policy and current market conditions. One news article indicated the Bernalillo County portfolio was about \$300 million and that they earned \$4 million in interest last year. If correct, that is an astounding average yield of 1.3%. The only way to get that is to go farther out the yield curve than 5 years with a large portion of the portfolio – which evidently is what happened.
7. All City bank accounts are reviewed every morning for money coming in and going out. Interest is posted, cash needs are evaluated, and transfers are made to cover accounts payable, payroll, worker's compensation, general liability, debt service bond and loan payments, taxes, and other needs as they arise. This requires a firm grasp of the City's short and long term cash flow requirements vis-a-vis the structure of our investment portfolio.

For perspective, the following are the predictable estimated annual demands on our cash:

- a. AP - \$7-10 million per month times 12
- b. Payroll – \$2.9-3.2 million per pay period times 26
- c. Worker's Comp. – \$100,000/month times 12
- d. General Liability – \$100,000/month times 12
- e. Debt Service – \$36 million/year
- f. Taxes - \$600,000/month times 12

The single largest cash drain occurs between the last week of May and the end of June every year when we pay out over \$40 million in cash: debt service of \$25 million, AP of \$10 million and Payroll of \$6.2 million (or more depending on pay periods – sometimes there are 3). Last fiscal year we paid out over \$227 million in total expenses. The portfolio has to be structured in such a way to allow this level of cash outflow every month of every fiscal year. Cash to carry us through this coming May-June has already been accumulated.

8. Our external auditors review the investment files, Wells Fargo Bank custodial statements, investment software reports, and the related information we put in our CAFR. They always ask for a copy of the most recent Council Approved Investment Policy, note any changes, and schedule time to discuss the contents of all of these items. This review has usually been one of the first tasks they perform.
9. These cash and investment reports, and all attachments, are provided monthly to the Finance Director and the Audit Committee, and quarterly to the Finance Committee. All information provided is easily verified.

10. FSAM is readily available to attend a Finance Committee meeting and answer any questions or concerns. It is part of their responsibility under our investment advisor agreement.
11. Attached is an EXCEL market value report extracted from our investment software as of 1/31/14. It shows cash, CDs, securities that would have shown a gain of sold on 1/31/14, and securities that would have shown a loss on that date, all sorted by maturity date to clearly illustrate the laddering of our portfolio. (Given that most of our securities are callable, cash frequently comes in sooner than the stated maturity giving us added flexibility with our cash flow.) This laddering provides security and predictable cash flow based on maturity, and puts decisions regarding interest earnings third when making investments. No investment has a term of greater than 5 years. It is readily apparent from this worksheet that in the current financial market potential losses are greater at longer terms.

Possible gains and losses on securities are purely market driven and change every day – we as a City have no impact on this. The recent 326 point drop in the Dow on Monday, February 3rd, was abruptly felt in the bond market on both prices and yields. This risk has to be balanced against by maintaining sufficient investment options such as cash and CDs, in addition to predictable cash flow from maturing laddered investments.

In summary, the City of Santa Fe is currently well-positioned so that sufficient cash, short-term investments and laddered securities are available to address the City's needs.

Attachments:

Bank vs. GL Reconciliation
SYMPRO Portfolio Management Report
Chart: Yield Curve – 3 Month
Chart: Ave. Portfolio Yield by Term
Chart: Ave. Portfolio Yield by Fiscal Year
Chart: Distribution by Investment Type
Chart: Investments Within the Aging Period
Chart: Major Cash Accounts
Chart: Benchmark Comparison
Chart: FY 13-14 Interest Earnings vs. Budget
Table: Bank Ratings
Portfolio History
Press Release from the Office of the State Auditor
Portfolio Structure @ 1/31/14

City of Santa Fe
Investment Portfolio Summary
December 31, 2013

		<u>Balance per Bank</u>	<u>Balance per GL</u>	<u>Difference</u>	
MARKETABLE SECURITIES (Face Value)					
	Line #				
#7000 Securities - WFB Custodial Account	101725	\$ 83,664,987.28	\$ 83,664,987.28	\$ 0.00	
#5391 Securities - 2009AB Reserve	101725	5,275,000.00	5,275,000.00	0.00	
Subtotal Securities		\$ 88,939,987.28	\$ 88,939,987.28	\$ 0.00	
CASH, EQUIVALENTS & MONEY MARKETS					
#7000 Pooled - FNB Savings	101127	9,758,881.46	9,758,881.46	0.00	
#7000 Pooled - WFB Adv Govt Mny Mkt	101730	3,102,048.41	3,102,048.41	0.00	
#7000 Pooled - WFB Business Svgs	101740	89,792,592.46	89,792,592.46	0.00	
#7000 Pooled - NM State LGIP	101750	682,557.29	682,557.29	0.00	
#7000 Pooled - NM State LGIP Reserve	101751	20,301.10	20,301.10	0.00	
#7000 Pooled - Certificates of Deposit	101650	25,500,000.00	25,500,000.00	0.00	
#5391 2009AB Reserve Cash (Water)	101500	16,370.81	16,370.81	0.00	
#2716 Library Endowment Cert. of Deposit	101500	281,865.66	281,865.66	0.00	
#5912 College of Santa Fe DS Reserve - WFB	101500	1,071,711.34	1,071,711.34	0.00	
#Various - Restricted Cash - WFB	100750	7,945,391.96	7,945,391.96	0.00	
Subtotal Cash, Equivalents & Mny Mkt		\$ 138,171,720.49	\$ 138,171,720.49	\$ 0.00	
SUBTOTAL SECURITIES & CASH		\$ 227,111,707.77	\$ 227,111,707.77	\$ 0.00	
DEDICATED OPERATING ACCOUNTS					
#7000 Pooled - Common Account	100900	\$ 12,338,686.69	\$ 11,995,675.40	\$ 343,011.29	Recon not done
#6109 Worker's Compensation - WFB	101125	57,289.23	57,289.23	0.00	
#6104 General Liability - WFB	101200	45,977.83	45,977.83	0.00	
#4203 HUD Section 108 - WFB	100961/962	41,969.96	41,969.96	0.00	
#7104 Payroll Account - WFB	101050	1,006,662.01	1,006,662.01	0.00	
#2724 Redflex Traffic - Huntington Nat'l Bank	101501	44,452.90	31,147.46	13,305.44	Recon not done
Subtotal Dedicated Op. Accounts		\$ 13,535,038.62	\$ 13,178,721.89	\$ 0.00	
CASH IN TRUST - NMFA LOAN ACCOUNTS					
			Loan #		
#5850 Railyard #8-capitalized int taxable	101500	\$ 0.01	8	\$ 0.01	\$ 0.00
#5850 Railyard NMFA #8 -reserve tax'bl	101501	52,816.50	8	52,816.50	0.00
#5850 Railyard #15B-capitalized int tax ex.	101503	0.07	15-B	0.07	0.00
#5100 #14 Convention Center Loan	101503	0.00	14	0.00	0.00
#4209 #18 Land Acquisition Loan	101500	0.21	18	0.21	0.00
#5300 #DW-2 Drinking Water Loan	101500	7.02	DW-2	7.02	0.00
#5300 #DW-3 Drinking Water Loan	101500	0.17	DW-3	0.17	0.00
#5300 #DW-4 Drinking Water Loan	101500	0.00	DW-4	0.00	0.00
#5300 #16 Buckman Grant/Loan	101500	0.00	16	0.00	0.00
#5300 #19 Buckman Grant/Loan	101500	0.00	19	0.00	0.00
#5300 #22 Upgrade Water Utility System	101500	0.06	22	0.06	0.00
#5300-#WPF3 Canyon Road Treatment Imp.	101500	0.00	WPF3	0.00	0.00
#5300-#WPF4 Buckman	101500	0.00	WPF4	0.00	0.00
#5300-#WPF5 Watershed Management	101500	0.00	WPF5	0.00	0.00
#5358-#WPF6 Watershed Management	101500	0.00	WPF6	0.00	0.00
#5300-#WPF7 Buckman	101500	0.00	WPF7	0.00	0.00
#5912 #20 College of Santa Fe	101503	2.52	20	2.52	0.00
Subtotal - Trust Cash - Loan Accounts		\$ 52,826.56		\$ 52,826.56	\$ 0.00
SUBTOTAL DEDICATED ACCOUNTS/CASH IN TRUST		\$ 13,587,865.18	\$ 13,231,548.45	\$ 0.00	
TOTAL INVESTMENT PORTFOLIO		\$ 240,699,572.95	\$ 240,343,256.22	\$ 0.00	



**City of Santa Fe
Portfolio Management
Portfolio Summary
December 31, 2013**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C
Certificates of Deposit - Bank	25,500,000.00	25,500,000.00	25,500,000.00	11.22	794	224	0.917
Money Market Accounts	3,118,419.22	3,118,419.22	3,118,419.22	1.37	1	1	0.010
Local Government Investment Pool	702,858.39	702,858.39	702,858.39	0.31	1	1	0.091
Federal Agency Coupon Securities	84,300,000.00	83,864,553.00	84,347,774.33	37.11	1,338	203	0.715
Pass Through Securities	89,987.28	93,798.68	94,319.17	0.04	5,160	1,231	5.046
Municipal Bonds	4,550,000.00	4,674,463.50	4,669,660.88	2.05	609	313	0.348
Savings Account	108,568,577.22	108,568,577.22	108,568,577.22	47.77	1	1	0.232
Compounding CDs	281,865.66	281,865.66	281,865.66	0.12	730	92	0.650
Investments	227,111,707.77	226,804,535.67	227,283,474.87	100.00%	602	108	0.490

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	98,830.57	609,980.28
Average Daily Balance 226,476,631.43		224,924,529.31
Effective Rate of Return	0.51%	0.54%

Helene Hausman 2/7/14
 Helene Hausman, Cash & Investment Officer

**City of Santa Fe
Portfolio Management
Portfolio Details - Investments
December 31, 2013**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Certificates of Deposit - Bank												
SYS10721	10721	Century Bank		07/28/2013	250,000.00	250,000.00	250,000.00	0.400	365	208	0.400	07/28/2014
SYS10703	10703	Community Bank		03/26/2013	500,000.00	500,000.00	500,000.00	0.500	548	267	0.500	09/25/2014
SYS10728	10728	Community Bank		09/15/2013	2,500,000.00	2,500,000.00	2,500,000.00	0.450	211	103	0.450	04/14/2014
SYS10679	10679	First National Bank of Santa F		10/09/2012	3,000,000.00	3,000,000.00	3,000,000.00	0.500	729	280	0.500	10/08/2014
SYS10680	10680	First National Bank of Santa F		10/12/2012	3,500,000.00	3,500,000.00	3,500,000.00	0.550	729	283	0.550	10/11/2014
SYS10697	10697	First National Bank of Santa F		12/04/2012	1,000,000.00	1,000,000.00	1,000,000.00	0.600	729	336	0.600	12/03/2014
SYS10712	10712	First National Bank of Santa F		06/04/2013	2,000,000.00	2,000,000.00	2,000,000.00	0.450	729	518	0.450	06/03/2015
SYS10720	10720	First National Bank of Santa F		07/17/2013	2,000,000.00	2,000,000.00	2,000,000.00	0.500	364	196	0.500	07/16/2014
SYS10715	10715	Guadalupe CU		06/19/2013	250,000.00	250,000.00	250,000.00	1.000	365	169	1.000	06/19/2014
SYS10525	10525	Los Alamos Nat.		05/07/2011	10,000,000.00	10,000,000.00	10,000,000.00	1.500	1,096	126	1.500	05/07/2014
SYS10545	10545	Los Alamos Nat.		06/07/2011	250,000.00	250,000.00	250,000.00	1.500	1,096	157	1.500	06/07/2014
SYS10718	10718	State Employee CU		07/08/2013	250,000.00	250,000.00	250,000.00	1.460	1,461	1,284	1.460	07/08/2017
Subtotal and Average			25,500,000.00		25,500,000.00	25,500,000.00	25,500,000.00		794	224	0.917	
Money Market Accounts												
SYS10210	10210	Wells Fargo Bank MM		07/01/2007	3,102,048.41	3,102,048.41	3,102,048.41	0.010	1	1	0.010	
SYS10237	10237	Wells Fargo Bank MM		06/01/2007	0.00	0.00	0.00	0.030	1	1	0.030	
SYS10416	10416	Wells Fargo Bank MM		12/15/2009	16,370.81	16,370.81	16,370.81	0.010	1	1	0.010	
SYS10461	10461	Wells Fargo Bank MM		03/31/2010	0.00	0.00	0.00	0.010	1	1	0.010	
Subtotal and Average			314,251.99		3,118,419.22	3,118,419.22	3,118,419.22		1	1	0.010	
Local Government Investment Pool												
SYS10213	10213	NM Local Gvt Inv. Pool		07/01/2007	682,557.29	682,557.29	682,557.29	0.094	1	1	0.094	
SYS10381	10381	NM Local Gvt Inv. Pool		03/06/2009	20,301.10	20,301.10	20,301.10		1	1	0.000	
Subtotal and Average			702,858.39		702,858.39	702,858.39	702,858.39		1	1	0.091	
Federal Agency Coupon Securities												
3133EAX29	10672	Federal Farm Credit Bank		09/21/2012	2,500,000.00	2,467,300.00	2,498,139.96	0.980	1,823	1,356	1.001	09/18/2017
3133EA6P8	10682	Federal Farm Credit Bank		11/07/2012	2,500,000.00	2,500,075.00	2,500,000.00	0.500	1,093	673	0.500	11/05/2015
3133EA3E6	10684	Federal Farm Credit Bank		11/14/2012	3,000,000.00	3,000,090.00	2,998,560.40	0.480	1,146	733	0.504	01/04/2016
3133ECHB3	10700	Federal Farm Credit Bank		03/15/2013	3,000,000.00	2,996,700.00	2,996,040.67	0.450	1,088	65	0.511	03/07/2016
3133ECJX3	10705	Federal Farm Credit Bank		03/28/2013	3,000,000.00	2,924,850.00	2,996,183.26	1.040	1,824	84	1.071	03/26/2018
3133XWE70	10645	Federal Home Loan Bank		07/02/2012	3,000,000.00	3,031,680.00	3,028,078.46	2.500	711	163	0.410	06/13/2014
313381MH5	10693	Federal Home Loan Bank		01/07/2013	3,000,000.00	2,998,320.00	2,999,899.17	0.500	1,095	6	0.502	01/07/2016
3133813R4	10695	Federal Home Loan Bank		01/17/2013	2,800,000.00	2,744,476.00	2,800,000.00	1.000	1,757	8	1.000	11/09/2017
3134G3NH9	10613	Federal Home Loan Mtg Corp		02/10/2012	1,500,000.00	1,501,140.00	1,504,743.75	1.000	1,461	40	0.847	02/10/2016

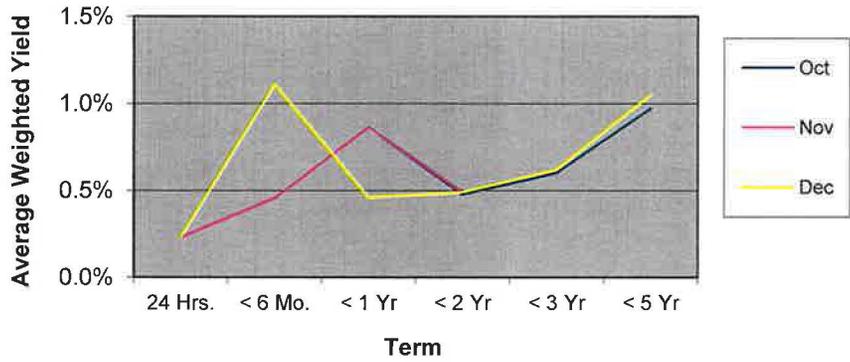
**City of Santa Fe
Portfolio Management
Portfolio Details - Investments
December 31, 2013**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Federal Agency Coupon Securities												
3134G3MR8	10617	Federal Home Loan Mtg Corp		02/13/2012	1,725,000.00	1,725,914.25	1,725,000.00	0.550	1,096	51	0.550	02/13/2015
3134G3PD6	10618	Federal Home Loan Mtg Corp		02/27/2012	3,500,000.00	3,500,735.00	3,498,651.85	0.550	1,096	57	0.584	02/27/2015
3134G3RP7	10620	Federal Home Loan Mtg Corp		03/12/2012	2,500,000.00	2,502,350.00	2,500,000.00	0.650	1,095	70	0.650	03/12/2015
3134G3ND8	10644	Federal Home Loan Mtg Corp		06/29/2012	2,500,000.00	2,503,100.00	2,503,290.22	1.000	1,609	54	0.954	11/24/2016
3134G3VV8	10655	Federal Home Loan Mtg Corp		07/20/2012	2,500,000.00	2,500,100.00	2,515,701.24	1.200	1,782	156	1.012	06/06/2017
3134G3LJ7	10666	Federal Home Loan Mtg Corp		08/28/2012	2,500,000.00	2,502,100.00	2,511,015.28	0.950	1,261	40	0.738	02/10/2016
3134G3K33	10675	Federal Home Loan Mtg Corp		09/27/2012	3,500,000.00	3,488,415.00	3,498,801.74	0.700	1,461	85	0.734	09/27/2016
3134G3L40	10677	Federal Home Loan Mtg Corp		10/04/2012	2,500,000.00	2,499,450.00	2,500,000.00	0.600	1,278	3	0.600	04/04/2016
3134G36F2	10701	Federal Home Loan Mtg Corp		03/18/2013	2,500,000.00	2,501,225.00	2,500,000.00	0.420	914	625	0.420	09/18/2015
3134G4EJ3	10722	Federal Home Loan Mtg Corp		08/01/2013	1,600,000.00	1,601,792.00	1,600,000.00	0.850	1,093	209	0.850	07/29/2016
3136G0RP8	10658	Federal National Mtg Assn		07/27/2012	2,775,000.00	2,761,041.75	2,776,238.84	0.875	1,825	206	0.843	07/26/2017
3135G0PH0	10676	Federal National Mtg Assn		09/27/2012	2,500,000.00	2,468,950.00	2,498,410.97	1.000	1,826	85	1.057	09/27/2017
3135G0QN6	10681	Federal National Mtg Assn		10/29/2012	2,000,000.00	1,997,360.00	1,998,337.30	0.550	1,278	28	0.634	04/29/2016
3135G0QW6	10683	Federal National Mtg Assn		11/08/2012	2,000,000.00	1,964,660.00	1,999,614.72	1.000	1,826	38	1.017	11/08/2017
3135G0LN1	10688	Federal National Mtg Assn		12/19/2012	3,000,000.00	3,007,170.00	3,004,924.11	0.500	925	547	0.390	07/02/2015
3136G1DY2	10699	Federal National Mtg Assn		03/04/2013	3,000,000.00	3,000,750.00	3,000,600.67	0.450	906	57	0.438	08/27/2015
3135G0TS2	10702	Federal National Mtg Assn		03/20/2013	2,500,000.00	2,497,425.00	2,499,728.82	0.500	1,031	14	0.518	01/15/2016
3135G0VQ3	10704	Federal National Mtg Assn		03/26/2013	2,000,000.00	1,980,000.00	1,999,687.30	0.650	1,280	84	0.670	09/26/2016
3135G0WA7	10706	Federal National Mtg Assn		03/28/2013	2,500,000.00	2,438,625.00	2,500,000.00	1.125	1,826	86	1.125	03/28/2018
3135G0WM1	10707	Federal National Mtg Assn		05/14/2013	3,500,000.00	3,406,935.00	3,500,000.00	1.000	1,812	484	1.000	04/30/2018
3135G0WY5	10710	Federal National Mtg Assn		05/24/2013	3,500,000.00	3,476,900.00	3,497,830.70	0.550	1,270	133	0.572	11/14/2016
3135G0XB4	10711	Federal National Mtg Assn		05/24/2013	3,400,000.00	3,388,304.00	3,399,594.90	0.500	1,071	28	0.516	04/29/2016
3136G1NU9	10713	Federal National Mtg Assn		06/19/2013	2,000,000.00	1,986,620.00	1,998,700.00	1.000	1,461	77	1.076	06/19/2017
Subtotal and Average			93,149,417.64		84,300,000.00	83,864,553.00	84,347,774.33		1,338	203	0.715	
Pass Through Securities												
36225BTS7	10006	GNMA		04/30/2003	2,498.23	2,522.84	2,668.42	6.500	4,309	410	4.982	02/15/2015
36225BN61	10007	GNMA		04/30/2003	8,912.06	9,273.09	9,430.07	6.000	4,825	926	4.773	07/15/2016
36213ULS7	10008	GNMA		04/30/2002	13,033.92	13,488.80	13,217.22	6.000	5,221	957	5.717	08/15/2016
36202DPY1	10009	GNMA		06/30/2003	15,918.38	16,507.20	16,704.37	6.000	4,831	993	4.951	09/20/2016
36225BRY6	10010	GNMA		08/31/2003	7,741.31	8,112.97	8,007.42	6.000	4,917	1,141	5.113	02/15/2017
36202SGG7	10011	GNMA		04/30/2003	41,883.38	43,893.78	44,291.67	6.000	5,433	1,534	4.932	03/15/2018
Subtotal and Average			96,082.27		89,987.28	93,798.68	94,319.17		5,160	1,231	5.046	

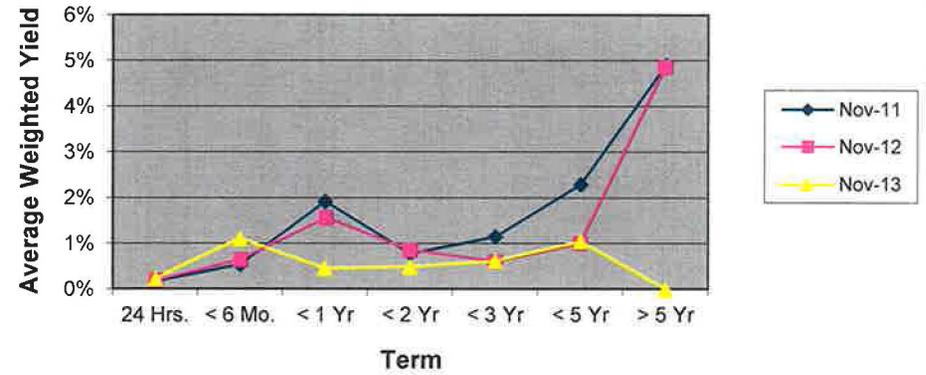
**City of Santa Fe
Portfolio Management
Portfolio Details - Investments
December 31, 2013**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM/C	Maturity Date
Municipal Bonds												
801901JJ9	10708	Santa Fe Community College		05/16/2013	3,300,000.00	3,373,326.00	3,371,625.93	4.000	442	212	0.271	08/01/2014
798359JR7	10671	San Juan Cnty NM School Dist		09/21/2012	1,250,000.00	1,301,137.50	1,298,034.95	3.000	1,044	577	0.550	08/01/2015
Subtotal and Average			4,675,629.47		4,550,000.00	4,674,463.50	4,669,660.88		609	313	0.348	
Savings Account												
SYS10403	10403	First National Bank of Santa F		10/09/2009	0.00	0.00	0.00	0.210	1	1	0.210	
SYS10474	10474	First National Bank of Santa F		07/23/2010	0.00	0.00	0.00	0.250	1	1	0.250	
SYS10729	10729	First National Bank of Santa F		12/23/2013	9,758,881.46	9,758,881.46	9,758,881.46	0.250	1	1	0.250	
SYS10408	10408	Los Alamos Nat.		10/19/2009	0.00	0.00	0.00	0.300	1	1	0.300	
SYS10235	10235	Wells Fargo Bank Savings		07/01/2007	89,792,592.46	89,792,592.46	89,792,592.46	0.230	1	1	0.230	
SYS10724	10724	Wells Fargo Bank Savings		07/01/2013	1,071,711.34	1,071,711.34	1,071,711.34	0.230	1	1	0.230	
SYS10727	10727	Wells Fargo Bank Savings		07/01/2013	7,945,391.96	7,945,391.96	7,945,391.96	0.230	1	1	0.230	
Subtotal and Average			101,756,535.72		108,568,577.22	108,568,577.22	108,568,577.22		1	1	0.232	
Forward Purchase Agreement												
SYS10218	10218	JPMorgan Chase		07/01/2007	0.00	0.00	0.00	0.470	1	1	0.470	
Subtotal and Average			0.00		0.00	0.00	0.00		0	0	0.000	
Compounding CDs												
SYS10678	10678	First National Bank of Santa F		04/03/2012	281,865.66	281,865.66	281,865.66	0.650	730	92	0.650	04/03/2014
Subtotal and Average			281,855.95		281,865.66	281,865.66	281,865.66		730	92	0.650	
Total and Average			226,476,631.43		227,111,707.77	226,804,535.67	227,283,474.87		602	108	0.490	

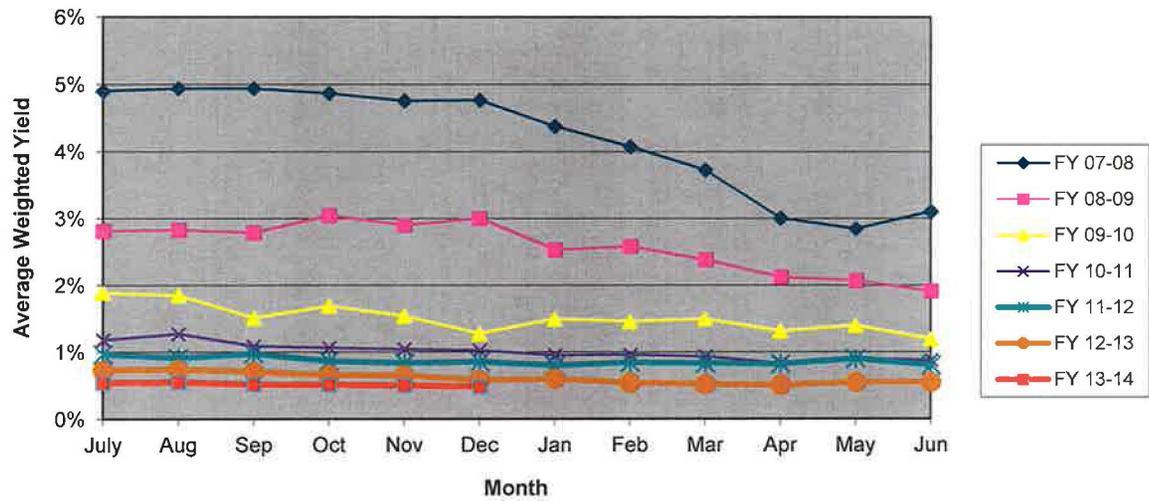
Yield Curve - 3 Month



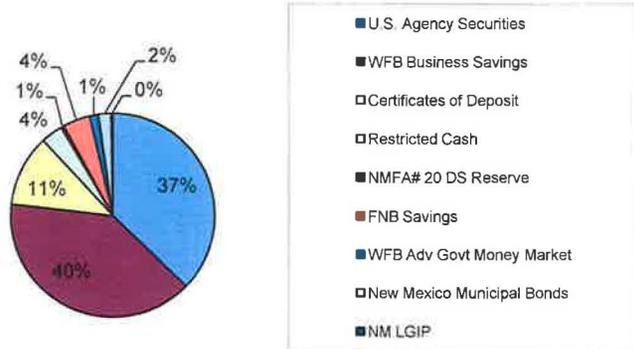
Ave. Portfolio Yield By Term



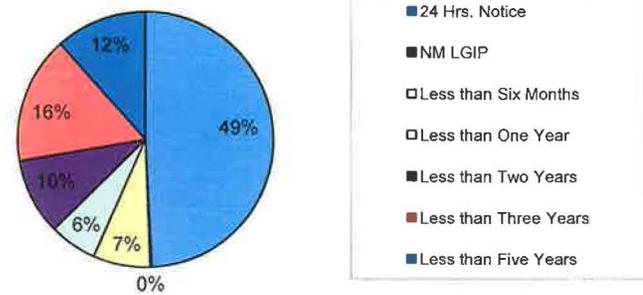
Ave. Portfolio Yield by Fiscal Year



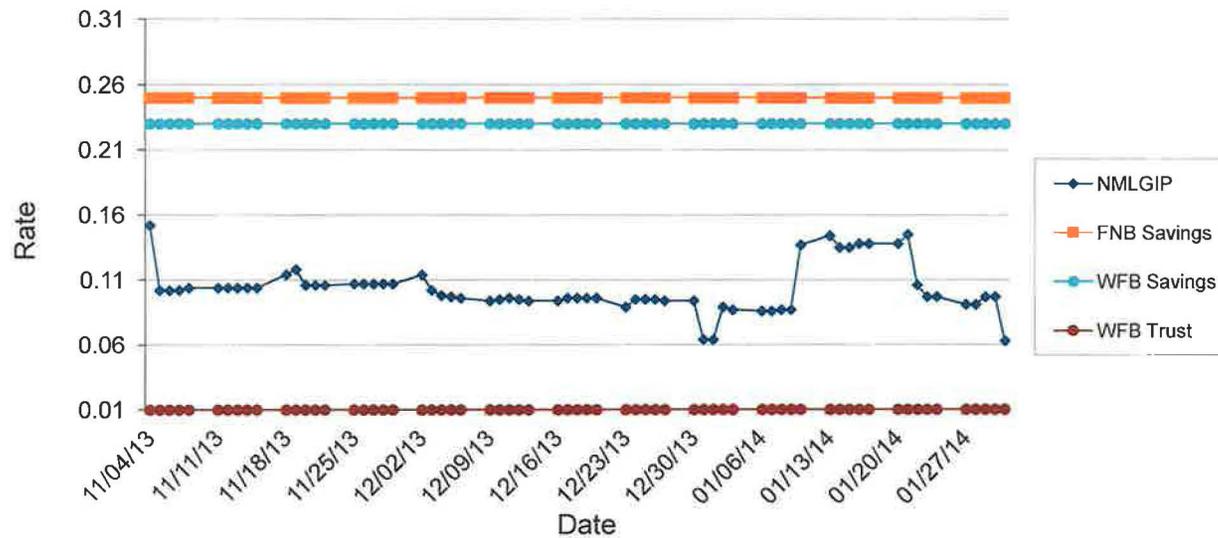
**Investment Type
December 31, 2013**



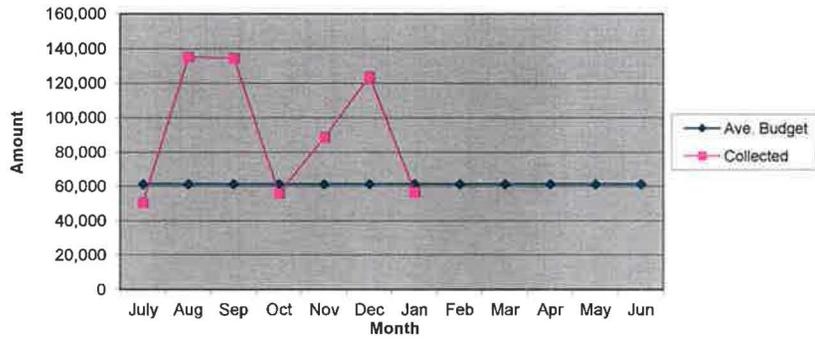
**Investments Within the Aging Period
December 31, 2013**



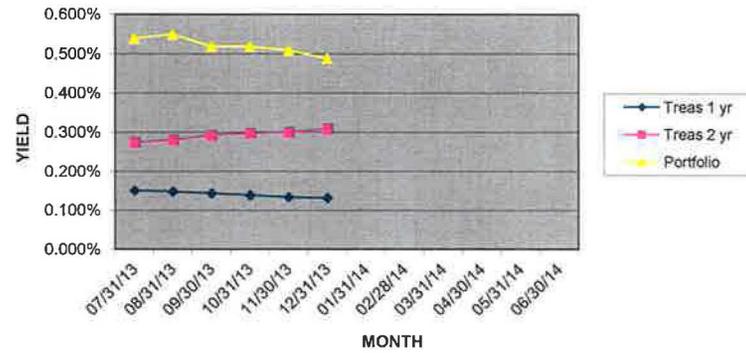
Major Cash Accounts - Yields



FY 13-14 Interest Earnings vs Budget



Benchmark Comparison



BANK RATINGS AS OF SEPTEMBER 30, 2013 bankrate.com - Updated 2/6/14

	Rating	Rating	Rating	Balances	Collateral Type		
	06/30/12	06/30/13	09/30/13		12/31/13	FDIC/NCUA	Agencies
BANKS WITH CD'S							
First National Bank of Santa Fe	****	****	****	11,500,000	X	X	
Los Alamos National Bank *	**	***	**	10,250,000	X		X
Community Bank	***	***	***	3,000,000	X	X	
Century Bank	***	***	***	250,000	X		
State Employees Credit Union	****	****	****	250,000	X		
Guadalupe Credit Union	***	**	***	250,000	X		
TOTAL CD'S				25,500,000			
OTHER MAJOR BANK ACCOUNTS							
FNB Money Market - Savings	****	****	****	9,758,881.46	X	X	
FNB Library Endowment CD	****	****	****	281,865.66	X	X	
Wells Fargo Bank Savings	***	****	****	98,809,695.76	X	X	
TOTAL OTHER				108,850,442.88			

* LANB had a *** rating at March31, 2012 and then slipped to a ** rating. They received a *** rating at the June 30,2013 review and have again slipped back to a **.

SYMPRO PORTFOLIO HISTORY *

Month/FY	PAR (1)	Market Value (2)	Book Value (3)	Unrealized Gain (Loss) (4)	SYMPRO Yield	Notes City Activity (5)	Notes External Impacts (6)
31-Jul-07	250,334,088.53	249,500,427.75	249,869,193.97	(368,766.22)	4.985%		Housing prices increased from July 1995 to May 2006, masking foreclosures. Owners pulled extra cash out of their houses and spent it - eliminating any cushion. Housing market turned 2007 - beginning mortgage crisis. June 2007 - collapse of 2 Bear Sterns hedge funds.
31-Aug-07	246,087,500.91	245,571,130.95	245,633,778.85	(62,647.90)	4.917%		
30-Sep-07	250,858,920.97	250,731,360.21	250,446,249.45	285,110.76	4.913%		
31-Oct-07	233,053,946.83	233,054,185.45	232,700,447.87	353,737.58	4.839%		235,849,935.01
30-Nov-07	231,105,094.72	232,232,173.31	231,317,382.92	914,790.39	4.562%	Paid DS	
31-Dec-07	229,121,678.68	230,405,169.83	229,485,267.67	919,902.16	4.448%		
31-Jan-08	223,197,140.52	224,790,057.39	223,556,112.70	1,233,944.69	4.191%		
29-Feb-08	220,758,250.52	223,390,265.62	221,175,285.47	2,214,980.15	3.889%		
31-Mar-08	221,265,484.71	223,869,188.78	221,718,418.84	2,150,769.94	3.568%		
30-Apr-08	255,360,328.64	257,565,202.08	256,071,725.56	1,493,476.52	3.140%	2008 CIP/CCtr - \$28.7 mill	
31-May-08	232,403,220.66	234,194,821.36	233,101,631.19	1,093,190.17	3.068%	Paid DS	
30-Jun-08	236,653,564.47	238,534,347.89	237,601,047.90	933,299.99	3.029%	2008GO \$20 mill	
31-Jul-08	236,401,084.27	238,180,729.39	237,285,870.15	894,859.24	3.013%		
31-Aug-08	236,748,262.40	238,665,280.88	237,655,861.38	1,009,419.50	3.019%		
30-Sep-08	248,243,974.69	249,541,042.38	248,999,976.97	541,065.41	2.935%		FNMA & FHLMC went into Federal conservatorship. Lehman Bros. filed for bankruptcy. The Reserve Fund failed due to Lehman Bros. Feds seized control of AIG. Major mortgage lenders were out of business (Countrywide, WAMU).
31-Oct-08	241,795,771.52	243,268,491.63	242,546,946.70	721,544.93	3.094%		230,313,367.61
30-Nov-08	238,920,089.05	241,634,146.04	239,774,296.30	1,859,849.74	2.927%	Paid DS	
31-Dec-08	233,039,874.66	236,519,977.19	233,800,523.67	2,719,453.52	3.050%		
31-Jan-09	220,812,527.03	224,616,909.57	222,424,858.89	2,192,050.68	2.616%		Began slide in unrealized gain and yield.
28-Feb-09	222,832,060.41	226,425,566.43	224,486,306.68	1,939,259.75	2.632%		
31-Mar-09	237,465,143.41	240,892,675.41	238,961,299.55	1,931,375.86	2.299%		
30-Apr-09	233,131,759.62	236,367,637.91	234,460,328.09	1,907,309.82	2.176%		
31-May-09	212,213,539.83	215,272,769.14	213,407,708.48	1,865,060.66	2.132%	Paid DS	
30-Jun-09	202,156,324.45	204,978,766.65	203,242,507.10	1,736,259.55	1.974%		
31-Jul-09	187,414,508.19	189,975,819.96	188,403,310.72	1,572,509.24	1.944%		
31-Aug-09	166,799,596.52	169,282,166.91	167,700,116.54	1,582,050.37	1.956%		
30-Sep-09	181,992,783.64	184,433,574.15	182,938,901.58	1,494,672.57	1.581%		200,304,692.95
31-Oct-09	170,012,153.00	172,267,343.75	170,847,364.21	1,419,979.54	1.799%		
30-Nov-09	174,704,212.20	176,833,639.44	175,443,535.12	1,390,104.32	1.647%	Paid DS	
31-Dec-09	231,380,249.78	233,155,522.46	232,081,161.30	1,074,361.16	1.335%	2009AB Bonds - \$59.9 mill	

Month/FY	PAR (1)	Market Value (2)	Book Value (3)	Unrealized Gain (Loss) (4)	SYMPRO Yield	Notes City Activity (5)	Notes External Impacts (6)
31-Jan-10	226,530,383.23	228,353,625.58	227,243,161.90	1,110,463.68	1.508%		
28-Feb-10	227,109,436.97	228,941,610.61	227,888,692.47	1,052,918.14	1.462%		
31-Mar-10	224,538,153.21	226,099,323.46	225,299,637.54	799,685.92	1.512%		Major concerns over Greece, European debt crisis
30-Apr-10	217,674,242.48	219,743,494.14	218,997,336.79	746,157.35	1.377%		
31-May-10	201,085,784.16	203,020,170.84	202,290,847.90	729,322.94	1.393%	Paid DS	Flash crash 05/06/10 - 600 pt swing in DJI
30-Jun-10	194,414,812.06	196,216,122.13	195,474,482.29	741,639.84	1.313%		
31-Jul-10	193,241,973.82	194,839,515.65	194,162,819.74	676,695.91	1.250%		
31-Aug-10	189,375,871.93	190,896,898.28	190,289,559.37	607,338.91	1.368%		
30-Sep-10	191,018,683.33	192,358,597.52	191,820,219.62	538,377.90	1.183%		
31-Oct-10	199,150,871.23	200,393,125.49	199,873,713.31	519,412.18	1.111%		
30-Nov-10	202,533,549.46	203,629,447.00	203,229,580.67	399,866.33	1.099%	Paid DS; 2010 GO \$10.3 mill	199,377,206.79
31-Dec-10	198,364,378.70	199,283,262.58	198,999,039.49	284,223.09	1.084%		
31-Jan-11	208,686,750.28	209,534,036.07	209,244,752.98	289,283.09	1.014%		
28-Feb-11	212,294,788.15	212,931,862.60	212,753,715.35	178,147.25	1.029%		
31-Mar-11	208,914,668.79	209,463,165.64	209,293,492.69	169,672.95	1.013%		
30-Apr-11	204,104,410.44	204,622,996.39	204,308,702.78	314,293.61	0.936%		
31-May-11	195,543,866.80	196,069,414.72	195,737,057.31	332,357.41	0.950%	Paid DS	
30-Jun-11	189,296,668.52	189,747,220.06	189,462,594.94	284,625.12	0.945%		
31-Jul-11	194,520,182.43	194,945,154.74	194,661,835.84	283,318.90	1.017%		
31-Aug-11	197,207,397.42	197,638,513.84	197,333,253.26	305,260.58	0.958%		
30-Sep-11	196,981,993.35	197,301,459.38	197,093,245.54	208,213.84	1.037%		
31-Oct-11	205,157,573.14	205,455,114.58	205,244,181.80	210,932.78	0.914%		204,970,943.42
30-Nov-11	199,857,819.05	200,126,387.96	199,934,654.43	191,733.53	0.888%	Paid DS	
31-Dec-11	196,576,108.56	196,807,397.14	196,619,923.80	187,473.34	0.935%		
31-Jan-12	201,235,543.72	201,485,361.68	201,273,593.52	211,768.16	0.869%		
29-Feb-12	203,389,058.95	203,593,753.53	203,427,145.77	166,607.76	0.903%		
31-Mar-12	230,554,121.35	230,732,854.70	230,576,412.17	156,442.53	0.875%	2012A Ref/CIP \$32.7 mill	
30-Apr-12	229,644,285.21	229,973,726.60	229,665,970.87	307,755.73	0.896%		
31-May-12	203,564,258.38	203,845,234.65	203,577,751.34	267,483.31	0.972%	Paid DS	
30-Jun-12	200,962,979.53	201,218,061.31	200,980,027.36	238,033.95	0.863%		
31-Jul-12	207,503,049.81	207,977,843.16	207,667,788.14	310,055.02	0.758%		
31-Aug-12	215,788,823.19	216,298,956.44	215,972,851.16	326,105.28	0.774%		
30-Sep-12	216,820,201.63	217,354,396.71	217,071,989.63	282,407.08	0.738%		220,126,824.00
31-Oct-12	225,085,033.83	225,542,486.30	225,325,059.58	217,426.72	0.683%		
30-Nov-12	214,882,969.58	215,387,108.19	215,110,290.39	276,817.80	0.687%	Paid DS	
31-Dec-12	227,322,505.14	227,765,689.98	227,543,639.86	222,050.12	0.603%	2012C \$4.7 mill	
31-Jan-13	228,481,542.26	228,799,777.80	228,692,315.29	107,462.51	6.230%		
28-Feb-13	233,336,062.17	233,663,246.88	233,536,079.44	127,167.44	0.590%		
31-Mar-13	233,566,942.45	233,889,981.84	233,746,960.53	143,021.31	0.541%		
30-Apr-13	230,670,190.64	231,047,824.14	230,840,491.07	207,333.07	0.546%		
31-May-13	210,158,959.72	210,311,215.72	210,471,326.96	(160,111.24)	0.572%	Paid DS	5/22/13 Fed "may" start QE rollback "sometime"

Month/FY	PAR (1)	Market Value (2)	Book Value (3)	Unrealized Gain (Loss) (4)	SYMPRO Yield	Notes City Activity (5)	Notes External Impacts (6)
30-Jun-13	197,905,607.57	197,405,221.58	198,191,581.39	(786,359.81)	0.602%		
31-Jul-13	210,411,079.12	210,046,825.81	210,667,813.77	(620,987.96)	0.540%	2013GO \$12 mill	
31-Aug-13	227,026,301.65	226,417,751.99	227,264,405.54	(846,653.55)	0.550%		NASDAQ glitch 8/22/13; Goldman glitch 8/21/13
30-Sep-13	232,185,034.92	231,892,394.66	232,409,121.86	(516,727.20)	0.520%		225,678,662.40
31-Oct-13	234,162,853.62	234,123,936.31	234,367,755.76	(243,819.45)	0.520%		Federal Gov't shutdown 16 days: 10/1 - 10/16
30-Nov-13	223,175,206.67	223,168,934.48	223,360,534.39	(191,599.91)	0.510%	Paid DS	
31-Dec-13	227,111,498.44	226,804,326.34	227,283,265.54	(478,939.20)	0.490%		
31-Jan-14	233,574,510.78	233,506,702.95	233,727,128.94	(220,425.99)	0.491%		

* BASED ON SYMPRO - DOES NOT INCLUDE COMMON, GENERAL LIABILITY, WORKER'S COMPENSATION, PAYROLL, HUD, REDFLEX, RESTRICTED CASH, OR NMFA#20 DEBT SERVICE ACCOUNTS

FOOTNOTES:

- (1) PAR Face value of securities and cash value of bank accounts and CDs. We record this in the GL and use it to plan.
- (2) Market Value Value of securities if sold at the price available on the last day of the month. This is an accounting requirement, not a criteria we use.
- (3) Book Value Cost of securities at purchase - may be bought at a discount, a premium, or at PAR.
- (4) Unrealized Gain (Loss) Difference between market value and book value. Accounted for at end of each fiscal year. Not a cash item to the City.
- (5) City Activity Debt service payments and bonds issued - affect cash available but do not affect market value.
- (6) External Impacts Activities that have affected market value and so our potential unrealized gain or loss.



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas, State Auditor

For Immediate Release
November 26, 2013

Contact: Evan Blackstone
(505) 670-0171

State Auditor Balderas Releases Financial Audit that Finds the Bernalillo County Treasurer's Office Violated State Law, County Investment Policy and Ethics Code

County Treasurer Not Involved in Obtaining and Evaluating Investment Bids for Over \$127 Million in Securities Purchases; Treasurer's Office Failed to Retain Original Documents for Approximately \$56 Million in Securities Purchases; Receipt of \$2,500 Campaign Contribution Violated County Ethics Code; Audit Also Reveals Open Meetings Act Violations, Improper Approvals of Pay Raises

(Santa Fe, NM)—Today, State Auditor Hector Balderas announced the results of Bernalillo County's fiscal year 2013 financial audit which found the Bernalillo County Treasurer's Office broke state law, County investment policy and County ethics requirements related to the management of County investments. The audit findings reveal significant violations and deficiencies in the County Treasurer's handling of millions of dollars in securities purchases and management of investment liquidity. Additionally, auditors found the County Treasurer failed to comply with state law and County investment policy when holding and documenting meetings of the County Investment Committee. The audit also highlights other violations of County policies, including a former Investment Officer's improper receipt of a \$2,500 campaign contribution.

"These audit findings show that public officials who are entrusted with taxpayer funds violated their fiduciary duties imposed by state law and County policies," Balderas said. "The County and appropriate oversight agencies must review the auditors' recommendations and take immediate corrective action to restore public confidence in the Treasurer's Office."

The County's fiscal year 2013 financial audit was performed by the Office of the State Auditor in a joint venture with the County's independent auditor, Moss Adams LLP. Highlights of the audit include:

- The County Treasurer's Office failed to retain original documents for approximately \$56 million in securities purchases;

- For all the security purchases tested by auditors in an amount over \$127 million, there was no documentation that the Treasurer was involved in obtaining and evaluating the minimum number of investment bids as required by County investment policy;
- In violation of state law, the County Treasurer deposited over \$2.4 million in certificates of deposits in banks with branch offices outside of New Mexico;
- The County Treasurer's Office violated County investment policy related to a nearly \$13 million decrease in the fair value of County investments. Auditors found the County Treasurer's Office lacked internal controls over cash flow projections and in managing investment liquidity, which places the County at-risk for meeting its day-to-day operation requirements;
- A candidate for County Treasurer, who at the time was also the Investment Officer of the County Treasurer's Office who had authority over the investment of public money, accepted a \$2,500 campaign contribution from a "prohibited source" in violation of the County's Code of Ethics;
- The County Treasurer's Office failed to maintain proper documentation of minutes of the Investment Committee. In certain cases, the Treasurer's Office could not locate original versions of Investment Committee meeting minutes or provided auditors differing sets of written minutes for the same Investment Committee meeting. In addition to the lack of evidence that the Investment Committee meetings complied with public notice requirements, auditors found these deficiencies violated the Open Meetings Act; and
- A high-level County Treasurer's Office employee improperly approved their own pay raise, which was an increase from \$27.3832 per hour to \$31.4909 per hour (total increase of \$4.1077 per hour). The same employee approved the same pay increase for another high-level Treasurer's Office employee, and auditors found both pay increases were processed without proper documentation or support for the increases.

As a result of these troubling findings, Balderas has already designated the Bernalillo County Treasurer's Office for a special audit. The special audit will take into account significant risks to County funds and require auditors to look more extensively at the Treasurer's Office's investment transactions over a number of fiscal years. An independent audit firm to be selected by the County and approved by the State Auditor will perform the special audit, which will make further recommendations to improve the County Treasurer's internal controls and management related to investment transactions.

Balderas said he will update the County in the coming days regarding the required scope of the special audit now that the financial audit findings have been publicly released. He also stated that he will refer the financial audit findings to government

oversight agencies, including the Securities Division of the Regulation and Licensing Department and the Attorney General's Office.

The entire fiscal year 2013 Bernalillo County financial audit can be accessed on the Office of the State Auditor's website, at http://osanm.org/audit_reports/detail/8286.

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PORTFOLIO STRUCTURE @ 1/31/14

Market Value Sort

SYMPRO	FUND	CUSIP	TYPE	ISSUER	DAYS	MATURITY	REM FACE	BOOK VALUE	MKT VALUE	Mkt - Book	% PORTFOLIO	mktprice
CASH BANK ACCOUNTS												
10210	7000	SYS10210	LA1	WFBMM	365	- -	140,336.10	140,336.10	140,336.10	0.00		100
10213	7000	SYS10213	LA5	NMLGIP	365	- -	682,557.29	682,557.29	682,557.29	0.00		100
10729	7000	SYS10729	RRP	FNB SAV	365	- -	9,760,953.55	9,760,953.55	9,760,953.55	0.00		100
10235	7000	SYS10235	RRP	WFB SAV	365	- -	96,204,496.05	96,204,496.05	96,204,496.05	0.00		100
							106,788,342.99	106,788,342.99	106,788,342.99	0.00	43.67%	
CERTIFICATES OF DEPOSIT												
10728	7000	SYS10728	BCD	CMBK	365	04/14/2014	2,500,000.00	2,500,000.00	2,500,000.00	0.00		100
10525	7000	SYS10525	BCD	LSBK	365	05/07/2014	10,000,000.00	10,000,000.00	10,000,000.00	0.00		100
10545	7000	SYS10545	BCD	LSBK	365	06/07/2014	250,000.00	250,000.00	250,000.00	0.00		100
10715	7000	SYS10715	BCD	GUAD	365	06/19/2014	250,000.00	250,000.00	250,000.00	0.00		100
10720	7000	SYS10720	BCD	FNBSF	365	07/16/2014	2,000,000.00	2,000,000.00	2,000,000.00	0.00		100
10721	7000	SYS10721	BCD	CENT	365	07/28/2014	250,000.00	250,000.00	250,000.00	0.00		100
10703	7000	SYS10703	BCD	CMBK	365	09/25/2014	500,000.00	500,000.00	500,000.00	0.00		100
10679	7000	SYS10679	BCD	FNBSF	365	10/08/2014	3,000,000.00	3,000,000.00	3,000,000.00	0.00		100
10680	7000	SYS10680	BCD	FNBSF	365	10/11/2014	3,500,000.00	3,500,000.00	3,500,000.00	0.00		100
10697	7000	SYS10697	BCD	FNBSF	365	12/03/2014	1,000,000.00	1,000,000.00	1,000,000.00	0.00		100
10712	7000	SYS10712	BCD	FNBSF	365	06/03/2015	2,000,000.00	2,000,000.00	2,000,000.00	0.00		100
10718	7000	SYS10718	BCD	STEC	365	07/08/2017	250,000.00	250,000.00	250,000.00	0.00		100
							25,500,000.00	25,500,000.00	25,500,000.00	0.00	10.43%	
MARKET VALUE GAIN @ 1/31/14												
10645	7000	3133XWE70	FAC	FHLB	360	06/13/2014	3,000,000.00	3,022,358.77	3,026,190.00	3,831.23		100.873
10708	7000	801901JJ9	MUN	SFCC	360	08/01/2014	3,300,000.00	3,360,370.43	3,363,360.00	2,989.57		101.92
10617	7000	3134G3MR8	FAC	FHLMC	360	02/13/2015	1,725,000.00	1,725,000.00	1,725,396.75	396.75		100.023
10618	7000	3134G3PD6	FAC	FHLMC	360	02/27/2015	3,500,000.00	3,498,758.80	3,500,455.00	1,696.20		100.013
10620	7000	3134G3RP7	FAC	FHLMC	360	03/12/2015	2,500,000.00	2,500,000.00	2,501,475.00	1,475.00		100.059
10688	7000	3135G0LN1	FAC	FNMA	360	07/02/2015	3,000,000.00	3,004,623.75	3,009,450.00	4,826.25		100.315
10671	7000	798359JR7	MUN	SNJSCD	360	08/01/2015	1,250,000.00	1,295,253.98	1,299,825.00	4,571.02		103.986
10699	7000	3136G1DY2	FAC	FNMA	360	08/27/2015	3,000,000.00	3,000,567.41	3,000,570.00	2.59		100.019
10701	7000	3134G36F2	FAC	FHLMC	360	09/18/2015	2,500,000.00	2,500,000.00	2,503,600.00	3,600.00		100.144
10682	7000	3133EA6P8	FAC	FFCB	360	11/05/2015	2,500,000.00	2,500,000.00	2,500,050.00	50.00		100.002
10684	7000	3133EA3E6	FAC	FFCB	360	01/04/2016	3,000,000.00	2,998,626.11	3,000,060.00	1,433.89		100.002
10693	7000	313381MH5	FAC	FHLB	360	01/07/2016	3,000,000.00	2,999,903.75	3,000,060.00	156.25		100.002
10702	7000	3135G0TS2	FAC	FNMA	360	01/15/2016	2,500,000.00	2,499,741.01	2,501,625.00	1,883.99		100.065
10700	7000	3133ECHB3	FAC	FFCB	360	03/07/2016	3,000,000.00	2,996,206.90	2,999,040.00	2,833.10		99.968
10677	7000	3134G3L40	FAC	FHLMC	360	04/04/2016	2,500,000.00	2,500,000.00	2,501,450.00	1,450.00		100.058
10681	7000	3135G0QN6	FAC	FNMA	360	04/29/2016	2,000,000.00	1,998,402.78	2,001,720.00	3,317.22		100.086
10730	7000	3130A0KX7	FAC	FHLB	360	07/22/2016	3,000,000.00	2,999,704.00	3,004,350.00	4,646.00		100.145
10722	7000	3134G4EJ3	FAC	FHLMC	360	07/29/2016	1,600,000.00	1,600,000.00	1,603,696.00	3,696.00		100.231
10008	7000	36213ULS7	GN1	GNMA	360	08/15/2016	12,451.67	12,626.78	12,891.21	264.43		103.53
10010	7000	36225BRY6	GN1	GNMA	360	02/15/2017	7,446.40	7,702.37	7,817.16	114.79		104.979
							46,894,898.07	47,019,846.84	47,063,081.12	43,234.28	19.25%	
										0.09%		

PORTFOLIO STRUCTURE @ 1/31/14

Market Value Sort

SYMPRO	FUND	CUSIP	TYPE	ISSUER	DAYS	MATURITY	REM FACE	BOOK VALUE	MKT VALUE	Mkt - Book	% PORTFOLIO	mktprice
MARKET VALUE LOSS @ 1/31/14												
10006	7000	36225BTS7	GN1	GNMA	360	02/15/2015	2,133.64	2,278.99	2,152.27	-126.72		100.873
10613	7000	3134G3NH9	FAC	FHLMC	360	02/10/2016	1,500,000.00	1,504,537.50	1,500,225.00	-4,312.50		100.015
10666	7000	3134G3LJ7	FAC	FHLMC	360	02/10/2016	2,500,000.00	2,510,536.35	2,500,400.00	-10,136.35		100.016
10711	7000	3135G0XB4	FAC	FNMA	360	04/29/2016	3,400,000.00	3,399,610.85	3,396,294.00	-3,316.85		99.891
10007	7000	36225BN61	GN1	GNMA	360	07/15/2016	8,419.51	8,908.89	8,723.62	-185.27		103.612
10009	7000	36202DPY1	GN1	GNMA	360	09/20/2016	15,326.81	16,083.59	15,883.63	-199.96		103.633
10704	7000	3135G0VQ3	FAC	FNMA	360	09/26/2016	2,000,000.00	1,999,697.78	1,998,720.00	-977.78		99.936
10675	7000	3134G3K33	FAC	FHLMC	360	09/27/2016	3,500,000.00	3,498,841.84	3,496,255.00	-2,586.84		99.893
10710	7000	3135G0WY5	FAC	FNMA	360	11/14/2016	3,500,000.00	3,497,900.00	3,485,020.00	-12,880.00		99.572
10644	7000	3134G3ND8	FAC	FHLMC	360	11/24/2016	2,500,000.00	2,503,186.12	2,501,325.00	-1,861.12		100.053
10713	7000	3136G1NU9	FAC	FNMA	360	06/19/2017	2,000,000.00	1,998,734.38	1,995,660.00	-3,074.38		99.783
10672	7000	3133EAX29	FAC	FFCB	360	09/18/2017	2,500,000.00	2,498,185.87	2,484,000.00	-14,185.87		99.36
10676	7000	3135G0PH0	FAC	FNMA	360	09/27/2017	2,500,000.00	2,498,449.93	2,485,075.00	-13,374.93		99.403
10683	7000	3135G0QW6	FAC	FNMA	360	11/08/2017	2,000,000.00	1,999,623.89	1,979,600.00	-20,023.89		98.98
10695	7000	3133813R4	FAC	FHLB	360	11/09/2017	2,800,000.00	2,800,000.00	2,766,932.00	-33,068.00		98.819
10011	7000	36202SGG7	GN1	GNMA	360	03/15/2018	40,878.44	43,228.95	42,828.75	-400.20		104.771
10705	7000	3133ECJX3	FAC	FFCB	360	03/26/2018	3,000,000.00	2,996,265.85	2,963,130.00	-33,135.85		98.771
10706	7000	3135G0WA7	FAC	FNMA	360	03/28/2018	2,500,000.00	2,500,000.00	2,460,750.00	-39,250.00		98.43
10707	7000	3135G0WM1	FAC	FNMA	360	04/30/2018	3,500,000.00	3,500,000.00	3,440,325.00	-59,675.00		98.295
							39,766,758.40	39,776,070.78	39,523,299.27	-252,771.51	16.16%	
										-0.64%		
										Net: -0.55%		

TOTAL INVESTMENT ACCOUNTS	218,949,999.46	219,084,260.61	218,874,723.38	-209,537.23
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DEDICATED/RESTRICTED BANK ACCOUNTS/SECURITIES:

10381	7000	SYS10381	LA5	NMLA	365	-	20,301.10	20,301.10	20,301.10	0.00		100
10724	5912	SYS10724	RRP	WELLS	365	-	1,071,920.71	1,071,920.71	1,071,920.71	0.00		100
10727	POOLED	SYS10727	RRP	WELLS	365	-	7,946,944.18	7,946,944.18	7,946,944.18	0.00		100
10416	5391	SYS10416	LA1	WFBMM	365	-	28,324.06	28,324.06	28,324.06	0.00		100
10655	5391	3134G3WV8	FAC	FHLMC	360	06/06/2017	2,500,000.00	2,515,281.69	2,506,275.00	-9,006.69		100.251
10658	5391	3136G0RP8	FAC	FNMA	360	07/26/2017	2,775,000.00	2,776,207.03	2,776,193.25	-13.78		100.043
10678	2716	SYS10678	RR4	FNBSF	365	04/03/2014	282,176.96	282,176.96	282,176.96	0.00		100

NOT IN SYMPRO - BANK ACCOUNTS BUT NOT INVESTMENT ACCOUNTS

---	Checking		HUD LOAN		365	-	41,970.26	41,970.26	41,970.26	0.00		
---	Checking		COMMON		365	-	10,531,170.54	10,531,170.54	10,531,170.54	0.00		
---	Checking		PAYROLL		365	-	333,446.26	333,446.26	333,446.26	0.00		
---	Checking		GEN LIAB		365	-	56,440.93	56,440.93	56,440.93	0.00		
---	Checking		WORK COMP		365	-	64,006.23	64,006.23	64,006.23	0.00		
							25,651,701.23	25,668,189.95	25,659,169.48	-9,020.47	10.49%	

TOTAL ALL ACCOUNTS	244,601,700.69	244,752,450.56	244,533,892.86	-218,557.70	100.00%
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-0.09%