

## 2<sup>nd</sup> QUARTER 2015 INVESTMENT REPORT As of June 30, 2015

Presented by Karen Goschen, Deputy Executive Director/Finance Director

### **BACKGROUND:**

The Port revised its Investment Policy in December 2010 by approving Resolution No. 10-987. The revised policy included specific reporting requirements. On November 13, 2012 the Commissioners revised the policy guidance to allow the purchase of securities carrying one of the three highest credit ratings instead of only the two highest ratings.

### **MANAGEMENT SUMMARY**

The attached reports provide information to allow the Port Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy. The Port has continued to earn an investment return that is higher than the benchmark rates. However, as investments mature or are called, the proceeds are reinvested at market rates, which are lower. Therefore, the investment returns will trend lower.

#### **Comparison of Investment Yields to Benchmark Rates**

Average Weighted Maturity	Average Weighted Yield	Benchmark Securities	Benchmark Rates
3.23 to 3.35 years	2.134% to 1.824%	3 <sup>rd</sup> /4 <sup>th</sup> Quarter 2012	0.01% to 1.65%
3.82 to 3.69 years	1.885% to 1.843%	1 <sup>st</sup> /2 <sup>nd</sup> Quarter 2013	0.03% to 1.49%
3.51 to 3.38 years	1.833% to 1.663%	3 <sup>rd</sup> /4 <sup>th</sup> Quarter 2013	0.00% to 1.85%
4.32 years	1.649%	1 <sup>st</sup> /2 <sup>nd</sup> Quarter 2014	0.01% to 1.80%
3.88 to 3.75 years	1.550% to 1.550%	3 <sup>rd</sup> /4 <sup>th</sup> Quarter 2014	0.01% to 1.85%
3.69 years	1.568%	<u>1<sup>st</sup> Quarter 2015</u>	0.01% to 1.70%
3.27 years	1.454%	<u>2<sup>nd</sup> Quarter 2015</u>	0.01% to 1.80%
		90 Day T-Bill	0.01% to 0.03%
		1 Year T-Note	0.21% to 0.30%
		2 Year T-Note	0.49% to 0.75%
		3 Year T-Note	0.80% to 1.15%
		5 Year T-Note	1.26% to 1.80%

Benchmark rates slightly increased in the 2 thru 5 year Treasury notes. The Port's investment earnings were \$289,944 higher than if the Port invested only in LGIP.

### **Cash and Cash Equivalent Holdings**

Current investments (cash and LGIP) are in excess of 12 months operating expenses by \$2.75 million. Cash holdings are higher than normal because of significant capital projects (\$5.65 million T1 redevelopment, \$4.5 million K-Ply cleanup and \$4 million CRTC build-out) which require upfront cash before grant funding or potential insurance reimbursements.

## Investment Policy Limit Exception

The Investment Policy limits 25% of the investment portfolio to any single financial institution. Due to holding higher levels of cash for significant capital projects and a \$1.8 million insurance recovery, the amount held in Umpqua Bank at the end of June was slightly over the limit since it was at 26%. Umpqua recently increased in Public Funds earnings rate from .15% to .20% (the LGIP average rate was .147% in Qtr2). Umpqua targets its earnings rate to be higher than LGIP.

### ***Recommendation***

Staff requests the Commission acknowledge the exception of liquid investment holdings at Umpqua Bank at 26% as an acceptable overage to the 25% policy limit given the situation of higher cash holdings needed for capital projects and the recent \$1.8 million insurance recovery.

## 2015: Investment Approach

Based on an analysis of the current holdings, the Port has continued to increase the diversification of maturity dates by primarily purchasing bonds that mature within 1 to 3 years and purchasing securities that mature mid-year since the majority of our holdings mature in December. Although there is an opportunity to balance the portfolio by also purchasing bonds with maturities in later years, the preference is to maintain a portfolio weighted toward the near term because of the likelihood of the Fed to start raising interest rates in mid to late 2015. Rates have begun to move up slightly in the longer term maturities.

## 2<sup>nd</sup> Quarter Comments

Economic Data: The US economy is slowly improving, 2<sup>nd</sup> quarter 2015 increase in real gross domestic product (GDP) was 2.3% (1st quarter was .6% revised). 2<sup>nd</sup> quarter increase was mainly consumer spending. 1<sup>st</sup> quarter was unusually low due to severe weather and the labor dispute at West Coast ports. The 2014 annual average was 6.2%; 2013 annual average was 7.4%.

In June, the Federal Open Market Committee (FOMC) left the Fed Funds target rate at 0.00% to 0.25%. Short-term rates have been near zero since December 2008. The Fed's guidance has been to maintain low rates based on a nebulous "data dependent" terminology and that it would "remain accommodative" once it lifts its interest rates. This provides the Fed flexibility instead of its previous goal posts of less than 6% unemployment and more than 2% inflation. Chairman Yellen stated the Fed will tighten policy when it sees more improvement in the labor market and is "reasonably confident" the inflation will head back toward 2 percent in the medium term. Yellen acknowledged concerns over the situation in Greece and added China to her list of overseas risks.

In June 2015 the unemployment rate fell to 5.3%, its lowest in more than seven years (Fed target 5.2% to 5.6%). May 2015 overall inflation was .22% (Fed target 2%). The Fed uses PCE inflation (Personal Consumption Expenditures) since it is a broader base of goods than the CPI (Consumer Price Index). The ten year average for PCE inflation is 1.96%. Since the economic data is improving the Fed may start increasing rates in September 2015. The Bloomberg survey of economists in July shows 76% expect a September rate hike. At the June meeting, the Fed maintained its estimate for a .625% Fed Funds rate at the end of 2015. Market expectations estimate a Fed Funds rate of only .31% at year-end.

Investment Activity

<b>Security</b>	<b>Activity</b>	<b>Amount Paid</b>	<b>Comments</b>
Richland Public Facilities District (RICFAC 2% due 04/01/16)	Bought \$215,000 par	\$ 217,304.80	Yield to maturity .601% (purchased at premium)
Douglas County Utility (DOUUTL 3% due 09/01/16)	Bought \$250,000 par	\$ 256,762.50	Yield to maturity .700% (purchased at premium)
Snohomish School District (SNOSCD 1.21% due 12/01/17)	Bought \$365,000 par	\$ 365,565.75	Yield to maturity 1.150% (purchased at premium)
Fannie Mae (FNMA 1.1% due 05/25/18)	Bought at par	\$ 1,000,000.00	Yield to call 1.1%
Fed Home Loan Bank (FHLB .81% due 04/27/17)	Called 04/27/15	\$ (1,000,000.00)	Yield to call .81%
Fed Home Loan Mortgage Corp (FHLMC 1.0% due 03/27/17)	Called 06/29/15	\$ (1,000,000.00)	Yield to call 1.0%
<b>Net Investment</b>		<b>\$ (160,366.95)</b>	

There is \$6.5 million in callable bonds. \$1 million may be called in the next 6 to 12 months as the securities move closer to maturity and ride down the yield curve to compete with new issues of similar maturities.

**BACKGROUND & INVESTMENT REQUIREMENTS**

Resolution No. 10-987 Investment Policy was approved in December 2010 and authorizes the investment of Port District funds which are not required for immediate expenditures and specifies the permitted types of investments, subject to statutory constraints (RCW 39.59 Public Funds – Authorized Investments).

The investment policy sets forth the following reporting requirements:

<b>Requirement</b>	<b>Comments</b>
Quarterly investment reports, including a management summary that provides an analysis of the status of the current investment portfolio.	See Management Summary above and reports.
Listing of individual securities held at the end of the reporting period.	See List of Securities by Maturity Date.
Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).	Not applicable. Current investments are intended to be held until maturity.
Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.	See last page of List of Securities by Maturity Date. Benchmark rates are Treasury securities from the 90-day T-bill to the 5 year note.
Listing of investment by maturity date.	See List of Securities by Maturity Date.
Percentage of the total portfolio, which each type of investment represents.	See Diversification by Issuer and Diversification by Type of Investment.

In addition to the reporting requirements there are other key requirements provided in the investment policy such as maintaining one year operating reserves, defining investment grade securities as one of the two highest ratings (the commissioners provided guidance on November 13, 2012 to follow RCW 39.59 which allows investments in one of the three highest credit ratings), and limiting the concentration of investments in specific securities and issuers.

**Port of Port Angeles Investment Report**  
**List of Securities by Maturity Date**

Qtr	Invest ID	Invest No	Security	Type	Cost Basis	Face Value (Par Value)	Premium (Discount)	Market Value	Unrealized Gain (Loss)	Coupon int%	Annual Interest	Est Yield Int/Cost	Weighted Est Yield	Maturity	Years to Maturity	Weighted Maturity	% of Portfolio Cost Basis	Callable	Rating	Acquisition Date
			Umpqua	Bank	\$ 5,687,923	\$ 5,687,923		\$ 5,687,923				0.150%	0.038%	Current	0.08	0.02	26%	No	Not Rated	
			LGIP	LGIP	2,738,257	2,738,257		2,738,257				0.147%	0.018%	Current	0.08	0.01	12%	No	Not Rated	
	000006	PTP .87% 08/01/15	PTP	MUNI	100,000	100,000	-	100,042	42	0.870%	870	0.870%	0.004%	8/1/2015	0.09	0.00	0%	CALL-NO	A	11/7/2012
	000032	FHLMC .50% 09/25/15	FHLMC	USAGENCY	999,500	1,000,000	(500)	1,000,820	873	0.500%	5,000	0.520%	0.023%	9/25/2015	0.24	0.01	4%	CALL-ONE	AAA	6/28/2013
	000007	PTB 4.0% 12/01/15	PTB	MUNI	50,000	50,000	-	50,463	463	4.000%	2,000	4.000%	0.009%	12/1/2015	0.42	0.00	0%	CALL-NO	A1	5/18/2011
	000008	PML 2.0% 12/01/15	PML	MUNI	56,125	55,000	1,125	55,222	(101)	2.000%	1,100	1.400%	0.004%	12/1/2015	0.42	0.00	0%	CALL-NO	A1	5/29/2012
	000009	PTV .728% 12/01/15	PTV	MUNI	365,000	365,000	-	365,475	475	0.728%	2,657	0.728%	0.012%	12/1/2015	0.42	0.01	2%	CALL-NO	AA3	12/3/2012
	000010	WHAUTL 1.3% 12/01/15	WHAUTL	MUNI	100,000	100,000	-	100,335	335	1.300%	1,300	1.300%	0.006%	12/1/2015	0.42	0.00	0%	CALL-NO	A1	6/5/2012
	000041	PTP 2% 12/01/15	PTP	MUNI	122,146	120,000	2,146	120,772	98	2.000%	2,400	0.651%	0.004%	12/1/2015	0.42	0.00	1%	CALL-NO	A-	7/31/2014
2	000049	RICFAC 2% 4/1/16	RICFAC	MUNI	217,305	215,000	2,305	217,223	(32)	2.000%	4,300	0.601%	0.006%	4/1/2016	0.76	0.01	1%	CALL-NO	AA	6/24/2015
2	000050	DOUUTL 3% 9/1/16	DOUUTL	MUNI	256,763	250,000	6,763	256,380	(282)	3.000%	7,500	0.700%	0.008%	9/1/2016	1.18	0.01	1%	CALL-NO	AA	6/25/2015
	000036	PACUTL 1% 09/01/16	PACUTL	MUNI	301,395	300,000	1,395	300,729	34	1.000%	3,000	0.800%	0.011%	9/1/2016	1.18	0.02	1%	CALL-NO	AA	4/23/2014
1	000045	PTAPWR 2% 9/1/16	PTAPWR	MUNI	194,155	190,000	4,155	193,116	25	2.000%	3,800	0.600%	0.005%	9/1/2016	1.18	0.01	1%	CALL-NO	A1	2/5/2015
	000040	PTP 3% 12/01/2016	PTP	MUNI	141,051	135,000	6,051	138,649	(27)	3.000%	4,050	1.050%	0.007%	12/1/2016	1.42	0.01	1%	CALL-NO	A-	7/31/2014
	000011	PTB 4.35% 12/01/16	PTB	MUNI	70,000	70,000	-	71,833	1,833	4.350%	3,045	4.350%	0.014%	12/1/2016	1.42	0.00	0%	CALL-NO	A1	5/18/2011
	000012	PML 2.0% 12/01/16	PML	MUNI	111,953	110,000	1,953	110,877	8	2.000%	2,200	1.590%	0.008%	12/1/2016	1.42	0.01	1%	CALL-NO	A1	5/29/2012
	000013	WHAUTL 1.5% 12/01/16	WHAUTL	MUNI	300,000	300,000	-	302,688	2,688	1.500%	4,500	1.500%	0.020%	12/1/2016	1.42	0.02	1%	CALL-NO	A1	6/5/2012
	000029	FFCB .780% 02/06/17	FFCB	USAGENCY	500,000	500,000	-	500,095	95	0.780%	3,900	0.780%	0.018%	2/6/2017	1.61	0.04	2%	CALL-ANY	AAA	2/6/2013
	000030	FNMA .850% 08/07/17	FNMA	USAGENCY	999,063	1,000,000	(938)	998,780	(782)	0.850%	8,500	0.870%	0.039%	8/7/2017	2.11	0.09	4%	CALL-QTR	AAA	2/7/2013
	000044	PTAPWR 3% 9/01/17	PTAPWR	MUNI	105,327	100,000	5,327	104,250	(243)	3.000%	3,000	0.900%	0.004%	9/1/2017	2.18	0.01	0%	CALL-NO	A1	2/5/2015
1	000043	FHLMC 1.0% 11/27/17	FHLMC	USAGENCY	1,000,000	1,000,000	-	1,000,870	870	1.000%	10,000	1.000%	0.045%	11/27/2017	2.41	0.11	4%	CALL-ONE	AAA	2/27/2015
	000014	PTB 4.75% 12/01/17	PTB	MUNI	80,000	80,000	-	83,248	3,248	4.750%	3,800	4.750%	0.017%	12/1/2017	2.42	0.01	0%	CALL-NO	A1	5/18/2011
	000015	PML 2.0% 12/01/17	PML	MUNI	136,408	135,000	1,408	135,586	(183)	2.000%	2,700	1.800%	0.011%	12/1/2017	2.42	0.01	1%	CALL-NO	A1	5/29/2012
	000016	PML 3.0% 12/01/17	PML	MUNI	215,246	200,000	15,246	206,728	(1,595)	3.000%	6,000	1.550%	0.015%	12/1/2017	2.42	0.02	1%	CALL-NO	A1	5/29/2012
	000017	WHAUTL 1.75% 12/01/17	WHAUTL	MUNI	405,000	405,000	-	408,451	3,451	1.750%	7,088	1.750%	0.032%	12/1/2017	2.42	0.04	2%	CALL-NO	A1	6/5/2012
2	000047	SNOSCD 1.21% 12/1/17	SNOSCD	MUNI	365,566	365,000	566	365,865	348	1.210%	4,417	1.150%	0.019%	12/1/2017	2.42	0.04	2%	CALL-NO	AA+	4/8/2015
2	000048	FNMA 1.1% 05/25/18	FNMA	USAGENCY	1,000,000	1,000,000	-	999,560	(440)	1.100%	11,000	1.100%	0.049%	5/25/2018	2.90	0.13	4%	CALL-ONE	AAA	5/28/2015
	000035	PACUTL 2% 09/01/18	PACUTL	MUNI	400,000	400,000	-	401,624	1,624	2.000%	8,000	2.000%	0.036%	9/1/2018	3.18	0.06	2%	CALL-NO	AA	4/23/2014
1	000046	PTAPWR 3% 9/1/18	PTAPWR	MUNI	164,838	155,000	9,838	162,739	(990)	3.000%	4,650	1.180%	0.009%	9/1/2018	3.18	0.02	1%	CALL-NO	A1	2/5/2015
	000018	PTB 5.0% 12/01/18	PTB	MUNI	75,000	75,000	-	79,193	4,193	5.000%	3,750	5.000%	0.017%	12/1/2018	3.42	0.01	0%	CALL-NO	A1	5/18/2011
	000019	PML 3.0% 12/01/18	PML	MUNI	370,527	345,000	25,527	357,734	(2,983)	3.000%	10,350	1.790%	0.030%	12/1/2018	3.42	0.06	2%	CALL-NO	A1	5/29/2012
	000020	PTB 5.25% 12/01/19	PTB	MUNI	70,000	70,000	-	74,198	4,198	5.250%	3,675	5.250%	0.017%	12/1/2019	4.42	0.01	0%	CALL-NO	A1	5/18/2011
	000021	PML 3.0% 12/01/19	PML	MUNI	379,626	355,000	24,626	368,337	(3,086)	3.000%	10,650	2.000%	0.034%	12/1/2019	4.42	0.08	2%	CALL-NO	A1	5/29/2012
	000022	PTB 5.75% 12/01/20	PTB	MUNI	115,000	115,000	-	125,240	10,240	5.750%	6,613	5.750%	0.030%	12/1/2020	5.43	0.03	1%	CALL-NO	A1	5/18/2011
	000023	PML 3.0% 12/01/20	PML	MUNI	63,370	60,000	3,370	62,117	(262)	3.000%	1,800	2.270%	0.006%	12/1/2020	5.43	0.02	0%	CALL-NO	A1	5/29/2012
	000026	FHLB 3.0% 12/26/25	FHLB	USAGENCY	2,003,000	2,000,000	3,000	1,975,020	(27,424)	3.000%	60,000	2.986%	0.269%	12/26/2025	10.50	0.94	9%	CALL-QTR	AAA	6/28/2012
	000024	DOUSCD 6.257% 12/01/20	DOUSCD	MUNI	2,000,000	2,000,000	-	2,235,460	235,460	6.257%	125,140	6.257%	0.562%	12/1/2030	15.43	1.39	9%	CALL-NO	AA1	12/23/2010

<b>Total</b>	<b>22,259,542</b>	<b>22,146,181</b>	<b>113,361</b>	<b>22,455,897</b>	<b>232,168</b>	<b>Average Weighted Yield</b>	<b>1.454%</b>	
<b>Above Values as of</b>				<b>6/30/2015</b>	<b>Annual Interest</b>	<b>342,754</b>	<b>Average Weighted Maturity</b>	<b>3.27 years</b>

Benchmark Rates	12/28/2012	12/31/2013	12/31/2014	Jan - Mar 2015		April - June 2015		July - Sept 2015		Oct - Dec 2015	
				Min Rate	Max Rate	Min Rate	Max Rate	Min Rate	Max Rate	Min Rate	Max Rate
Bank Rate	0.200%	0.200%	0.200%	0.150%	0.150%	0.150%	0.150%				
LGIP (Local Govt Investment Pool)	0.235%	0.128%	0.104%	0.135%	0.158%	0.143%	0.169%				
90 Day T-Bill	0.010%	0.070%	0.040%	0.010%	0.050%	0.010%	0.030%				
1 Year T-Note	0.150%	0.130%	0.205%	0.160%	0.280%	0.210%	0.300%				
2 Year T-Note	0.270%	0.380%	0.670%	0.440%	0.730%	0.490%	0.750%				
3 Year T-Note	0.360%	0.780%	1.100%	0.750%	1.160%	0.800%	1.150%				
5 Year T-Note	0.720%	1.750%	1.650%	1.180%	1.700%	1.260%	1.800%				

	Cost Basis	Face Value
CALL-ONE	2,999,500	3,000,000
CALL-ANY	500,000	500,000
CALL-QTR	3,002,063	3,000,000
<b>Total Callable</b>	<b>6,501,563</b>	<b>6,500,000</b>

	2,012	2,013	2,014	1st Qtr 2015	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015
<b>Earnings Above LGIP</b>	<b>2,012</b>	<b>2,013</b>	<b>2,014</b>	<b>1st Qtr 2015</b>	<b>2nd Qtr 2015</b>	<b>3rd Qtr 2015</b>	<b>4th Qtr 2015</b>
Fund Balance (Cost Basis)	\$ 16,792,320	\$ 16,898,421	\$ 20,015,120	\$ 20,426,039	\$ 22,259,542		
Avg LGIP Rate	0	0	0	0	0.1515%		
Earnings if 100% in LGIP	\$ 39,462	\$ 23,658	\$ 19,975	\$ 29,107	\$ 33,723	\$ -	\$ -
Avg Weighted Yield	0	0	0	0	1.4541%		
Earnings from Investments	\$ 306,291	\$ 305,185	\$ 310,234	\$ 320,280	\$ 323,667	\$ -	\$ -
Annual Invest Earnings > LGIP	\$ 266,829	\$ 281,528	\$ 290,259	\$ 291,173	\$ 289,944	\$ -	\$ -

**Port of Port Angeles Investment Report  
List of Securities by Maturity Date**

<b>Longer-Term Investments (maturity &gt; 5 yrs, which is January 1, 2021...)</b>				
	<u>Cost Basis</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Maturity</u>
FHLB 3.0% 12/26/25	\$ 2,003,000	\$ 1,975,020	\$ (27,424)	12/26/2025
DOUSCD 6.257% 12/01/	\$ 2,000,000	\$ 2,235,460	\$ 235,460	12/1/2030
	<b>\$ 4,003,000</b>	<b>\$ 4,210,480</b>	<b>\$ 208,036</b>	
<b>Percent of Portfolio</b>	<b>18.0%</b>	<b>18.7%</b>	<b>89.6%</b>	

**Weighted Value**

The weighted value is based on % of Portfolio at Cost Basis because the Port's policy is to hold the security until maturity.

Broker		<u>Cost Basis</u>	<u>Market Value</u>	<u>% of Portfolio Cost</u>	<u>% of Portfolio Market</u>	<u>Policy Limits</u>	<u>Max at Purchase</u>	<u>Per Investment Policy Resolution 10-987</u>
LGIP		2,738,257	2,738,257	12%	12%	ok	50.000%	Local Government Investment Pool (WA State Treasury Management Services)
Umpqua		5,687,923	5,687,923	26%	25%	over	25.000%	in a single financial institution
<b>Overage is related to \$1.8 mil insurance recovery held until legal negotiation were resolved.</b>								
- Roth	USAgency	6,501,563	6,475,145	29%	29%	ok	60.000%	in any one US Government Agency
- Piper	Muni	7,331,799	7,554,572	33%	34%	ok	60.000%	no limit for state & local municipal bonds; assume US Government Agency limit
		<b>22,259,542</b>	<b>22,455,897</b>	<b>100%</b>	<b>100%</b>	<b>ok</b>	<b>80.000%</b>	<b>US Treasury</b>

Qtr	<u>Purchases</u>	<u>Cost Basis</u>	<u>Face Value</u>	<u>Prem (Disc)</u>	<u>Market Value</u>	<u>Comments</u>
1	1st Qtr Purchases	1,358,993	1,345,000	13,993	1,356,725	Funds to Invest: \$1.1 million December redemptions; 2014 Net Surplus (approx \$3 million)
2	2nd Qtr Purchases	1,839,633	1,830,000	9,633	1,839,028	Reinvested called securities
3	3rd Qtr Purchases	-	-	-	-	
4	No purchases	-	-	-	-	
	<b>Total Purchases</b>	<b>3,198,626</b>	<b>3,175,000</b>	<b>23,626</b>	<b>3,195,753</b>	

Qtr	<u>Redemptions &amp; Transfers</u>	<u>Cost Basis</u>	<u>Trans Amt</u>	<u>Realized Gain (Loss)</u>
1	1st Qtr redemptions	1,000,000	1,000,000	-
2	2nd Qtr redemptions	2,000,000	2,000,000	-
3	3rd Qtr redemptions	-	-	-
4	4th Qtr redemptions	-	-	-
	<b>Total Redemptions</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>-</b>

**Investment Policy Exception Tracking**

Meeting 11-13-12: As of 9-30-12 Investments greater than 5 years; Douglass County Schools greater than 10 years; all "A" rated investments

Meeting 11-13-12: Port of Pasco "A" rated bonds. Also revised investment policy to allow purchase of securities carrying one of the three highest credit ratings

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Diversification By Maturity Date

6/30/2015

Policy: 12/31/2020 ≤ 5 years at time of purchase  
 up to 10 years when matched to expected use of reserve funds  
 longer maturities shall be disclosed in writing to the Commissioners

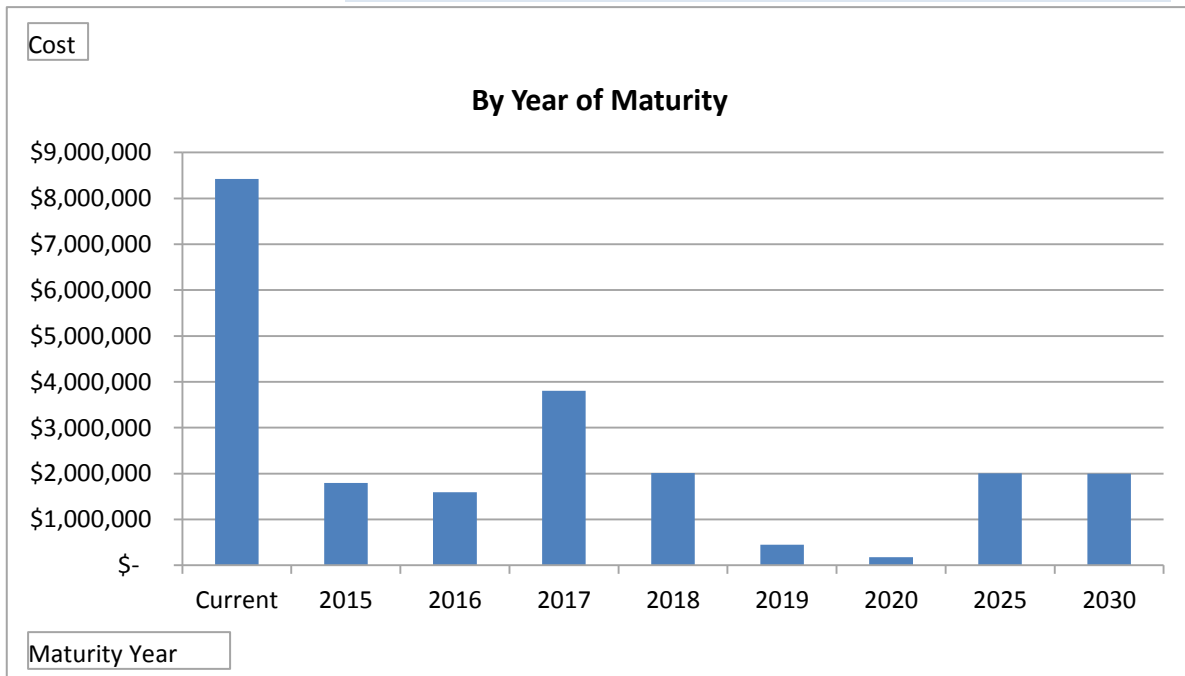
2015 Budget
\$ 7,505,685
1,829,587
8,426,181

Minimum cash is 12 months operating expenses based on budget.

Operating Cash accounts

Investments with "Current" maturity (LGIP and Umpqua)

Available Cash Equivalents	Excess	Maturity	Average Est Yield	Cost	% of Portfolio Cost Basis	Cost by Year of Maturity
10,255,768	2,750,083	Current	0.149%	\$ 8,426,181	38%	\$ 8,426,181
		2015 Q3	0.695%	\$ 1,099,500	5%	Year 2015
		2015 Q4	1.616%	\$ 693,270	3%	\$ 1,792,770
		2016 Q2	0.601%	\$ 217,305	1%	Year 2016
		2016 Q3	0.788%	\$ 893,364	4%	\$ 1,592,621
		2016 Q4	2.480%	\$ 481,953	2%	
		2017 Q1	0.780%	\$ 500,000	2%	Year 2017
		2017 Q3	0.885%	\$ 1,104,390	5%	\$ 3,806,609
		2017 Q4	2.000%	\$ 2,202,220	10%	
		2018 Q2	1.100%	\$ 1,000,000	4%	Year 2018
		2018 Q3	1.590%	\$ 564,838	3%	\$ 2,010,364
		2018 Q4	3.395%	\$ 445,527	2%	
		2019 Q4	3.625%	\$ 449,626	2%	\$ 449,626
		2020 Q4	4.010%	\$ 178,370	1%	\$ 178,370
		2025 Q4	2.986%	\$ 2,003,000	9%	\$ 2,003,000
		2030 Q4	6.257%	\$ 2,000,000	9%	\$ 2,000,000
		<b>Grand Total</b>	<b>1.921%</b>	<b>\$ 22,259,542</b>	<b>100%</b>	<b>\$ 22,259,542</b>

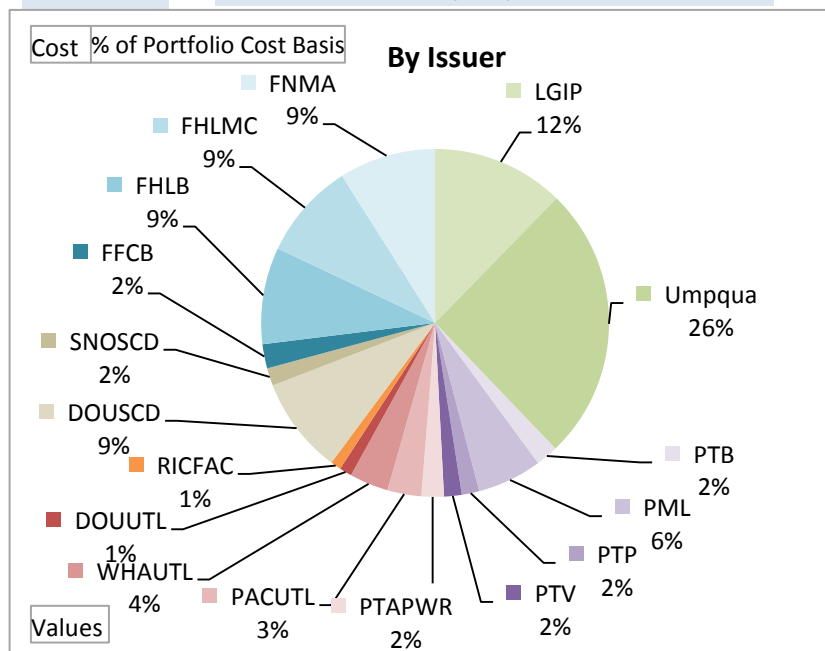


Diversification By Issuer

6/30/2015

Policy: no more than 25% in single financial institution  
 LGIP limited to 50% or less  
 US Treasury may compose 80%  
 US Govt Agency no more than 60% in one agency

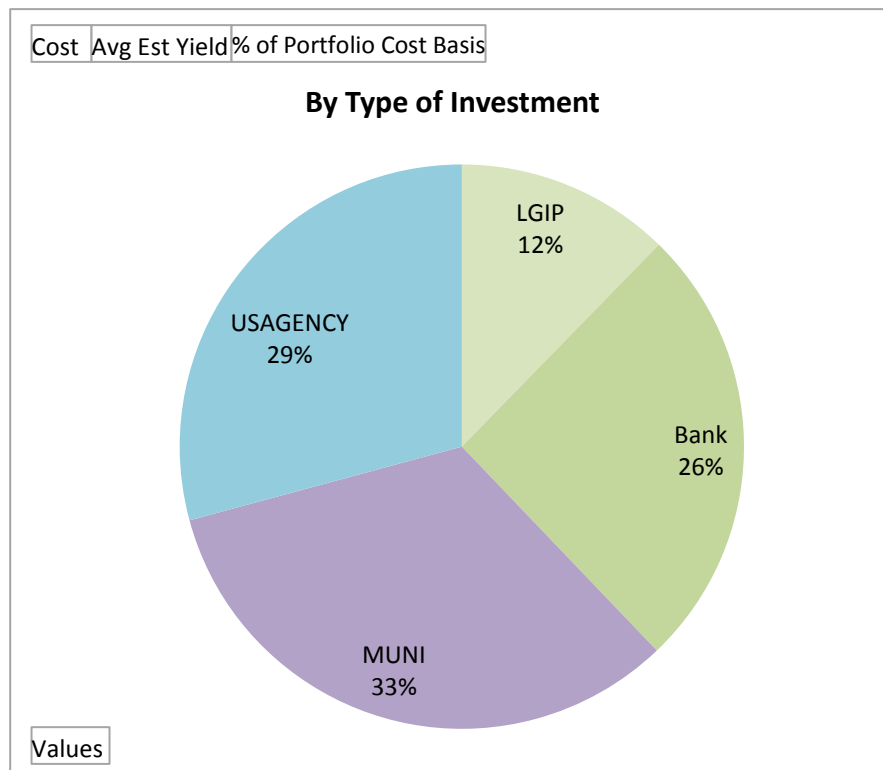
Rating	Issuer	Cost	% of Portfolio Cost Basis
NR	LGIP	\$ 2,738,257	12%
NR	Umpqua	\$ 5,687,923	26%
A	PTB	\$ 460,000	2%
A	PML	\$ 1,333,254	6%
A	PTP	\$ 363,196	2%
A	PTV	\$ 365,000	2%
A	PTAPWR	\$ 464,320	2%
A	PACUTL	\$ 701,395	3%
A	WHAUTL	\$ 805,000	4%
AA	DOUUTL	\$ 256,763	1%
AA	RICFAC	\$ 217,305	1%
AA	DOUSCD	\$ 2,000,000	9%
AA	SNOSCD	\$ 365,566	2%
AAA	FFCB	\$ 500,000	2%
AAA	FHLB	\$ 2,003,000	9%
AAA	FHLMC	\$ 1,999,500	9%
AAA	FNMA	\$ 1,999,063	9%
Entered	<b>Grand Total</b>	<b>\$ 22,259,542</b>	<b>100%</b>





Diversification by Type of Investment  
6/30/2015

Type	Cost	Avg Est Yield	% of Portfolio
			Cost Basis
LGIP	\$ 2,738,257	0.147%	12%
Bank	\$ 5,687,923	0.150%	26%
MUNI	\$ 7,331,799	2.191%	33%
USAGENCY	\$ 6,501,563	1.209%	29%
<b>Grand Total</b>	<b>\$ 22,259,542</b>	<b>1.921%</b>	<b>100%</b>



Diversification by Rating of Investment

6/30/2015

NR = NonRated, which is a qualified public depository by PDPC  
(Public Deposit Protection Commission)

Rating	Cost	Avg Est Yield	% of Portfolio Cost Basis
NR	\$ 8,426,181	0.149%	38%
A	\$ 3,425,771	2.332%	15%
AA	\$ 3,906,028	1.748%	18%
AAA	\$ 6,501,563	1.209%	29%
<b>Grand Total</b>	<b>\$ 22,259,542</b>	<b>1.921%</b>	<b>100%</b>

