



Monthly Investment Report

As of October 31, 2014

This report presents the City's investment portfolio as of October 31, 2014. It includes all investments managed by the City on its own behalf. The report provides information on the institution, investment type, purchase and maturity date, value, yield for each security. As of October 31, 2014, the investment portfolio was in compliance with all State laws.

Current Portfolio Summary. Short-term excess cash is currently invested primarily in the Washington State LGIP and in the Clark County Investment Pool. Both investment pools are very high quality investments in terms of safety and liquidity. The Clark County Investment Pool is longer in average duration than the Washington State Local Government Investment Pool and therefore the current yield is slightly higher on the Clark County Investment Pool than the LGIP. The City has moved the cash required for immediate liquidity over to the Clark County Investment Pool.

The City also has 89% of its investments longer term in federal agency securities this allocation. The total federal agency securities have an unrealized loss as of October 31, 2014 of \$2,332. An unrealized loss is the amount of funds the City would receive if the City sold the securities on the reporting date. In other words, the market price on the report date was higher than the price the City purchased the securities at. The City's portfolio has a number of callable securities. The City's strategy will continue to be laddering maturities with callable securities.

The City also has 1% in Certificates of Deposit with local regional banks including Riverview Bank. As these Certificates of Deposit mature the goal would be to move the funds into federal agencies for higher interest earnings and liquidity.

The City also has a second investment portfolio for the bond reserve funds for Wastewater Treatment Plant Construction Project. These proceeds were invested an Auburn, WA Revenue Bond of \$204,274.

The following is a summary of the City's investments based on recorded value as of October 31, 2014 compared with the prior month:

	September 30, 2014	October 31, 2014
Investments held by the City	\$13,719,421	\$16,572,393
Investment of Bond Reserve Funds	\$361,709	\$204,974

Summary of Activity for the Month and Future Liquidity In month of October, expenditures exceeded revenues, with capital project bills due. The City established a Line of Credit with Bank of America. The Line of Credit will assist the City in enhancing its liquidity during very large capital project seasons. With the Line of Credit,



Summary of Investments

As of October 31, 2014

INVESTMENTS HELD BY CITY						
	Percent of Portfolio	Current Yield	Monthly Interest	Market Value	Recorded Value	
Money Market Funds	11%	0.45%	\$ 652	\$ 1,750,265	\$ 1,750,265	
Certificates of Deposit	1%	1.81%	\$ 161	\$ 107,012	107,012	
Municipal Bonds						
Federal Agency Issues	89%	0.97%	\$ 11,897	\$ 14,712,784	\$ 14,715,116	
Treasury Issues						
Total Investments Held by the City		0.92%	\$ 12,710	\$ 16,570,061	\$ 16,572,393	

HELD BY CITY'S BOND Reserve						
	Percent of Portfolio	Current Yield	Monthly Interest	Market Value	Recorded Value	
Money Market Funds					\$ -	
Certificates of Deposit	0%					
Municipal Bonds	100%		\$ 148	\$ 204,274	\$ 205,974	
Federal Agency Issues	0%					
Treasury Issues						
Total Investments Held by the City		0.86%	\$ 148	\$ 204,274	\$ 205,974	

Market and Recorded Value

It is the City's policy to report purchase price as the market value for all investments with an original maturity of less than one year. For investments with an original maturity of more than one year, the City records any changes in market value annually at the end of the fiscal year. Accordingly, the "recorded value" in this report for an investment with an original maturity of more than one year is its market value as of December 31, 2013.

Benchmarks as of October 31, 2014	
Description	Current Yield
1 Month Certificate of Deposit Rate	0.11%
Washington State LGIP	0.10%
6 Month Certificate of Deposit Rate	0.17%
Clark County Investment Pool	0.70%
2 Year Treasury	0.52%
5 Year Treasury	1.66%





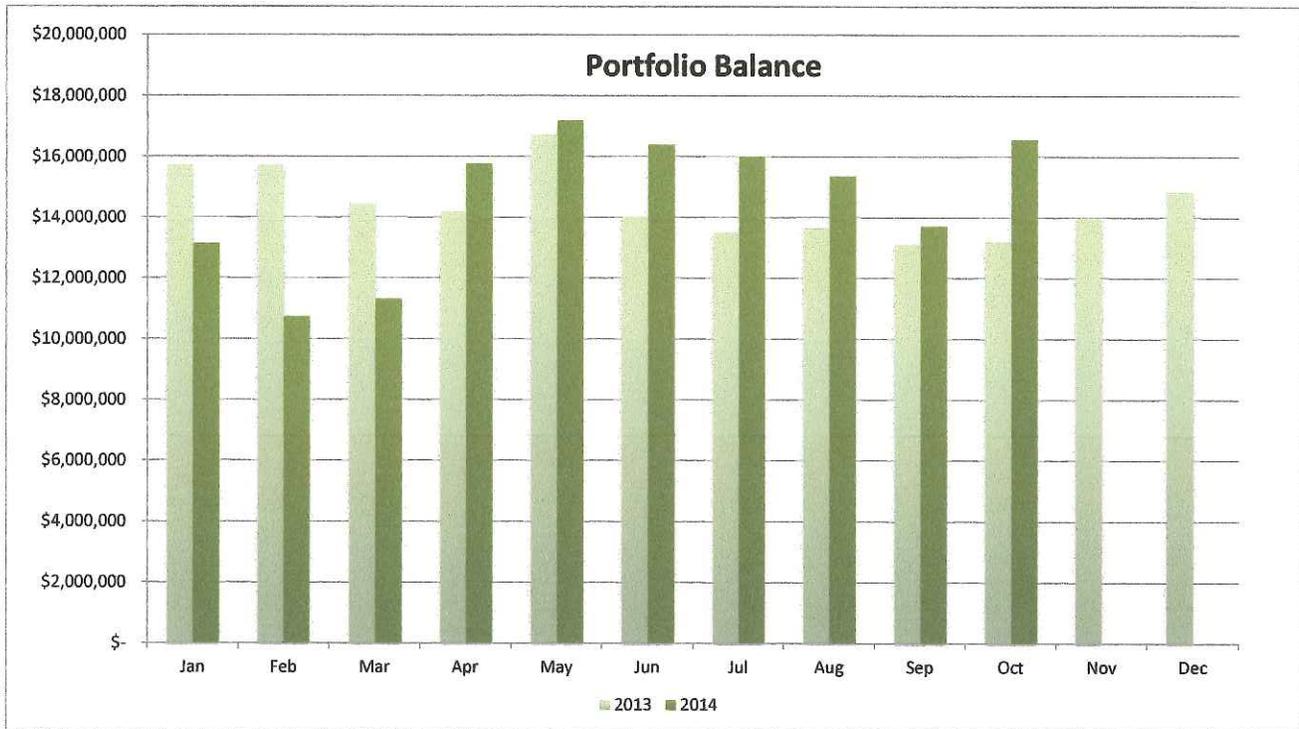
Summary of Investment Portfolio Liquidity

As of October 31, 2014

INVESTMENTS HELD BY CITY				
	Percent of Portfolio	Callable Liquidity	Percent of Portfolio	Recorded Value
On Demand	11%	\$ 1,750,265	11%	\$ 1,750,265
Within One Month	33%	\$ 5,474,984	0%	
One Month to One Year	56%	\$ 9,347,144	1%	\$ 107,012
Within One to Five Years	0%		89%	\$ 14,715,116
Over Five Years	0%		0%	\$ -
TOTAL	100%	\$ 16,572,393	100%	\$ 16,572,393
HELD BY CITY'S BOND Reserve				
	Percent of Portfolio	Callable Liquidity	Percent of Portfolio	Recorded Value
On Demand			0%	
Within One Month			0%	
One Month to One Year			0%	
Within One to Five Years			100%	\$ 205,974
Over Five Years			0%	
TOTAL			100%	\$ 205,974

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Investment Detail

As of October 31, 2014

HELD BY CITY							
Agency	Investment Description	Coupon Rate	Current Yield	Purchase Date	Maturity Date	Market Value	Recorded Value
Washington State LGIP	Money Market Fund Acct#	NA	0.987%	Varies	On Demand	570,824	570,824
Clark County Investment Pool	Money Market Fund Acct#	NA	0.696%	Varies	On Demand	1,179,441	1,179,441
Riverview Bank	Certificate of Deposit		0.300%	12/12/2011	12/12/2014	107,012	107,012
Federal Natl Mortgage Assn.	Agency - Callable 11/22/2014 Qtr.	0.50%	0.640%	7/19/2013	8/22/2016	997,020	995,717
Federal Farm Credit	Agency - Callable continuous	0.79%	1.000%	7/19/2013	2/13/2017	996,178	992,653
Federal Natl Mortgage Assn.	Agency Callable - 12/19/2014 Qtr.	1.20%	1.000%	8/16/2013	6/19/2017	1,001,126	992,451
Federal Natl Mortgage Assn.	Agency Callable - 11/23/2014 Qtr.	1.05%	0.915%	11/20/2013	8/23/2017	1,484,871	1,492,575
Federal Natl Mortgage Assn.	Agency Callable - 1/11/2015 Qtr.	1.07%	1.000%	12/17/2013	10/11/2017	992,081	997,384
Federal Home Loan Corp	Agency Callable - 12/26/2014 Qtr.	1.30%	1.330%	1/16/2014	12/26/2017	1,001,723	998,750
Federal Home Loan Corp	Agency Callable - Continuous	1.43%	1.002%	5/14/2014	1/29/2018	1,002,531	1,000,000
Federal Natl Mortgage Assn.	Agency Callable - 1/30/2015 Qtr.	1.02%	1.218%	4/29/2014	1/30/2018	989,056	992,750
Federal Home Loan Corp	Agency Callable 2/6/2015 1X	1.05%	1.193%	5/14/2014	2/6/2018	996,741	994,800
Federal Home Loan Corp	Agency Callable 12/26/2014 Qtr.	1.25%	1.280%	6/14/2014	3/26/2018	994,627	998,900
Federal Natl Mortgage Assn.	Agency Callable 4/3/15 Cont.	1.13%	1.290%	7/18/2014	4/3/2018	995,985	994,039
Federal Home Loan Corp	Agency Callable 12/12/2014 Qtr.	1.20%	1.320%	6/14/2014	6/12/2018	996,900	995,351
Federal Home Loan Corp	Agency Callable 1/30/15 Qtr.	1.27%	1.609%	10/9/2014	1/30/2019	1,279,526	1,281,696
Federal Natl Mortgage Assn.	Agency Callable 12/13/14 Qtr.	1.53%	1.787%	10/29/2014	9/13/2019	984,419	988,050
						16,570,062	16,572,393
HELD BY CITY'S BOND Reserve							
Auburn Public Utility	Revenue Bonds	0.87%	0.740%	3/14/2013	12/1/2016	204,274	205,974
						\$ 204,274	\$ 205,974
Total						\$ 16,774,336	\$ 16,778,367

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