Monthly Investment Report

As of September 30, 2014

This report presents the City's investment portfolio as of September 30, 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 September 30, 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 91% of its investments longer term in federal agency securities this allocation. The total federal agency securities have an unrealized gain as of September 30, 2014 of $40,068. An unrealized gain 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, and a certificate of deposit with Umpqua Bank for a total of $361,709.

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

	August 31, 2014	September 30, 2014
Investments held by the City	$15,370,969	$13,719,421
Investment of Bond Reserve Funds	$361,709	$361,709

Summary of Activity for the Month and Future Liquidity In month of September, 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, staff will better manage cash flow needs of the City. In addition, we continue to believe the portfolio contains enough liquidity to meet the next six months of expected expenditures by the City.

Report Contents and Distribution. This report includes the following three schedules on the City's portfolio as of September 30, 2014: summary of investments held by the City; summary of investment portfolio liquidity; and detail of each investment. A listing of the individuals that routinely receive this report is provided at the end of the report.

If you have any questions concerning this report or require additional information, contact Cathy Huber Nickerson, Finance Director at 360-817-1537.

Distribution List

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Summary of Investments

As of September 30, 2014

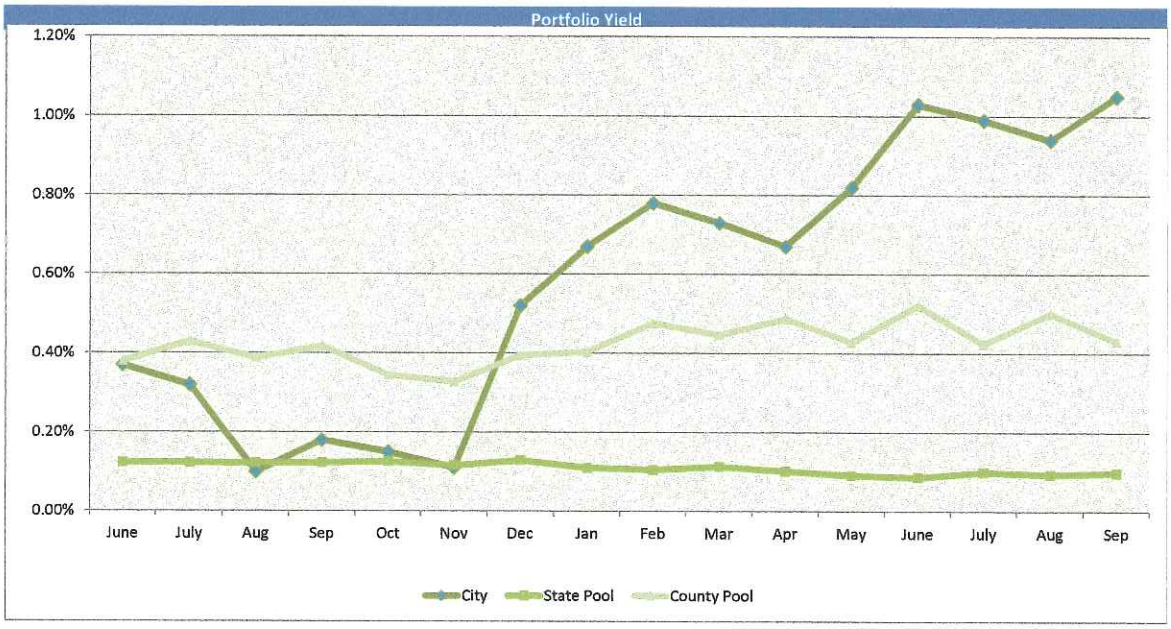
INVESTMENTS HELD BY CITY	Percent of Portfolio	Current Yield	Monthly Interest	Market Value	Recorded Value
Money Market Funds	9%	1.20%	$ 1,168	$ 1,167,039	$ 1,167,039
Certificates of Deposit	1%	0.30%	$ 27	$ 107,012	107,012
Municipal Bonds					
Federal Agency Issues	91%	1.05%	$ 10,864	$ 12,405,303	$ 12,445,370
Treasury Issues					
Total Investments Held by the City		1.05%	$ 12,059	$ 13,679,353	$ 13,719,421

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%		$ 149	$ 204,549	$ 205,974
Federal Agency Issues	0%				
Treasury Issues					
Total Investments Held by the City		0.87%	$ 149	$ 204,549	$ 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 September 30, 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	0.43%
2 Year Treasury	0.54%
5 Year Treasury	1.71%



Summary of Investment Portfolio Liquidity

As of September 30, 2014

INVESTMENTS HELD BY CITY						
	Percent of Portfolio		Callable Liquidity	Percent of Portfolio		Recorded Value
On Demand	9%	$	1,167,039	9%	$	1,167,039
Within One Month	36%	$	4,976,826	0%		
One Month to One Year	55%	$	7,575,556	1%	$	107,012
Within One to Five Years	0%			91%	$	12,445,370
Over Five Years	0%			0%	$	-
TOTAL	**100%**	**$**	**13,719,421**	**100%**	**$**	**13,719,421**

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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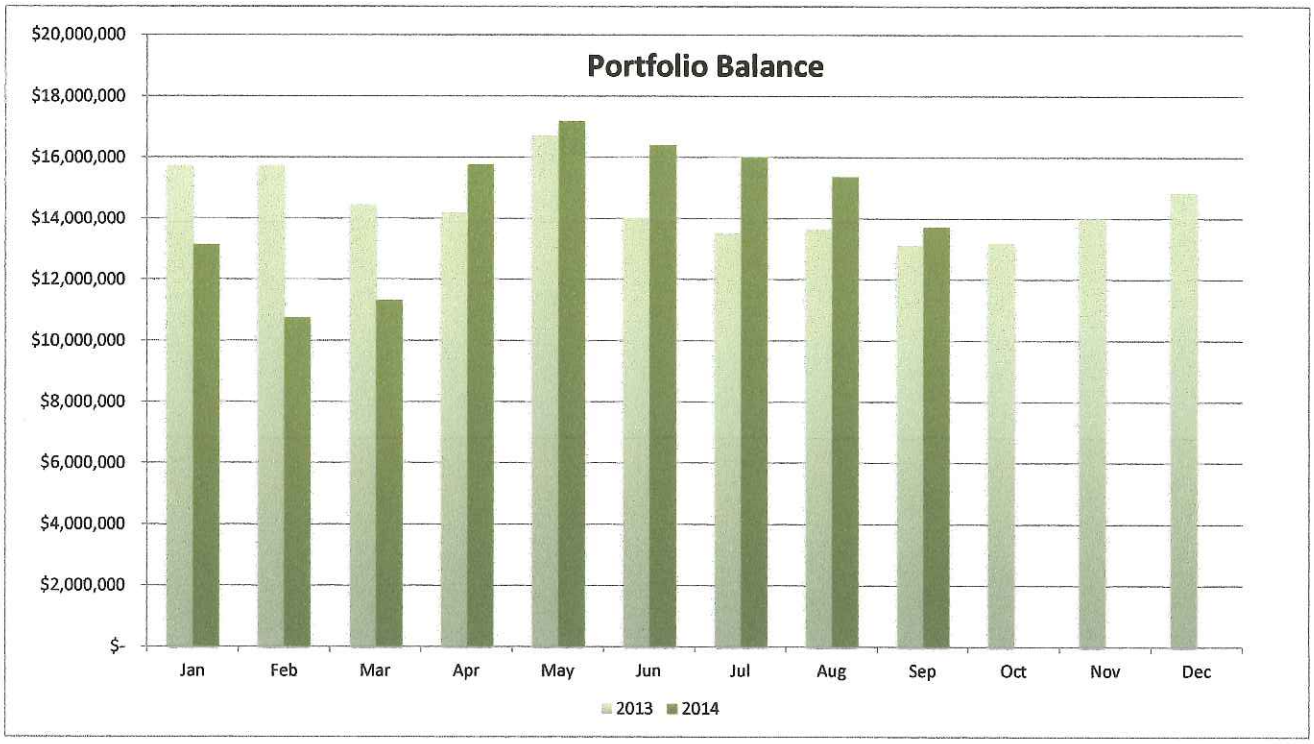
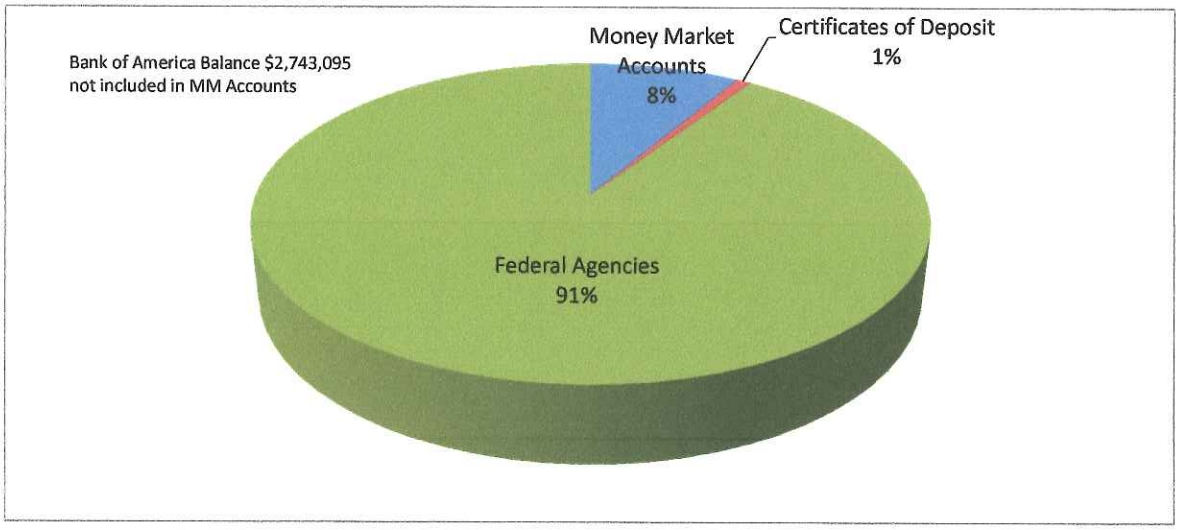


Investment Detail

As of September 30, 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	0.980%	Varies	On Demand	570,777	570,777
Clark County Investment Pool	Money Market Fund Acct#	NA	0.431%	Varies	On Demand	596,262	596,262
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	996,406	995,717
Federal Farm Credit	Agency - Callable continuous	0.79%	1.000%	7/19/2013	2/13/2017	998,002	992,653
Federal Natl Mortgage Assn.	Agency Callable - 9/19/2014 Qtr.	1.20%	1.000%	8/16/2013	6/19/2017	997,679	992,451
Federal Natl Mortgage Assn.	Agency Callable - 11/23/2014 Qtr.	1.05%	0.915%	11/20/2013	8/23/2017	1,483,409	1,492,575
Federal Natl Mortgage Assn.	Agency Callable - 10/11/2014 Qtr.	1.07%	1.000%	12/17/2013	10/11/2017	986,907	997,384
Federal Home Loan Corp	Agency Callable - 9/26/2014 Qtr.	1.30%	1.330%	1/16/2014	12/26/2017	998,582	998,750
Federal Home Loan Corp	Agency Callable - Continuous	1.43%	1.002%	5/14/2014	1/29/2018	998,905	1,000,000
Federal Natl Mortgage Assn.	Agency Callable - 10/30/2014 Qtr.	1.02%	1.218%	4/29/2014	1/30/2018	985,048	992,750
Federal Home Loan Corp	Agency Callable 2/6/2015 1X	1.05%	1.193%	5/14/2014	2/6/2018	990,849	994,800
Federal Home Loan Corp	Agency Callable 9/26/2014 Qtr.	1.25%	1.280%	6/14/2014	3/26/2018	989,665	998,900
Federal Natl Mortgage Assn.	Agency Callable 4/3/15 Cont.	1.13%	1.290%	7/18/2014	4/3/2018	989,579	994,039
Federal Home Loan Corp	Agency Callable 9/12/2014 Qtr.	1.20%	1.320%	6/14/2014	6/12/2018	990,272	995,351
						13,679,353	13,719,421
HELD BY CITY'S BOND Reserve							
Auburn Public Utility	Revenue Bonds	0.87%	0.740%	3/14/2013	12/1/2016	204,549	205,974
						$ 204,549	$ 205,974
Total						$ 13,883,902	$ 13,925,394

Market and Recorded Value

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