

# Town of Prescott Valley Arizona

## Investment Report



### To the Town Council

Presented on November 17, 2016

Covering the highlights of the investment activities of the Town Government  
during

### **The Month of October 2016**

Additional detailed information will be furnished upon request to the Town  
Manager's Office

Prepared by the Town of Prescott Valley Management Services Department



**Town of Prescott Valley**  
**Investment Report**  
**For the Month Ended October 31, 2016**

| DESCRIPTION  | RATING | PURCHASE DATE | PAR VALUE | MATURITY DATE | CALL DATE | COUPON | YIELD TO MATURITY | BOOK VALUE      | ACCRUED INTEREST | % OF TOTAL | INTEREST EARNED |
|--|--------|---------------|-----------|---------------|-----------|--------|-------------------|-----------------|------------------|------------|-----------------|
| <b><u>Local Government Investment Pool (LGIP)</u></b>          |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Arizona State Treasurer's Office                               | n/a    | n/a           | n/a       | n/a           | n/a       | n/a    | 0.38%             | \$ 3,356,113.72 | \$ -             | 10.29%     | \$ 1,053.23     |
| <b><u>Certificates of Deposit (CD)</u></b>                     |        |               |           |               |           |        |                   |                 |                  |            |                 |
| State Bank of India  | n/a    | 04/30/12      | 250,000   | 04/27/17      | n/a       | 0.00%  | 2.00%             | 250,000.00      | -                | 0.77%      | 22,861.11       |
| Goldman Sachs Bank USA   | n/a    | 05/02/12      | 250,000   | 05/02/17      | n/a       | 0.00%  | 1.85%             | 250,000.00      | -                | 0.77%      | 21,120.83       |
| Merrick Bank   | n/a    | 09/11/14      | 250,000   | 09/11/17      | n/a       | 0.00%  | 0.90%             | 243,421.63      | -                | 0.75%      | 4,887.50        |
| Bank of New Jersey   | n/a    | 09/26/14      | 250,000   | 09/26/17      | n/a       | 0.00%  | 1.25%             | 240,955.90      | -                | 0.74%      | 6,657.99        |
| Onewest Bank, FSB  | n/a    | 04/22/13      | 250,000   | 04/12/18      | n/a       | 0.00%  | 0.80%             | 240,430.23      | -                | 0.74%      | 7,161.11        |
| Luana Savings Bank   | n/a    | 09/11/14      | 250,000   | 03/12/18      | n/a       | 0.00%  | 1.00%             | 241,542.70      | -                | 0.74%      | 5,430.56        |
| Enerbank USA   | n/a    | 09/11/14      | 250,000   | 09/10/18      | n/a       | 0.00%  | 1.40%             | 236,742.43      | -                | 0.73%      | 7,602.78        |
| Sallie Mae Bank  | n/a    | 10/30/13      | 245,000   | 10/30/18      | n/a       | 0.00%  | 2.15%             | 245,000.00      | -                | 0.75%      | 16,065.88       |
| Allegiance Bank  | n/a    | 06/29/16      | 250,000   | 12/28/18      | n/a       | 0.00%  | 1.10%             | 243,312.58      | -                | 0.75%      | 954.86          |
| Park National Bank   | n/a    | 09/26/14      | 250,000   | 03/26/19      | n/a       | 0.00%  | 2.10%             | 250,000.00      | -                | 0.77%      | 11,185.42       |
| Bank of New England  | n/a    | 10/07/16      | 250,000   | 10/07/19      | n/a       | 0.00%  | 1.20%             | 241,312.75      | -                | 0.74%      | 208.33          |
| Mercantil Commerce Bank  | n/a    | 04/30/15      | 250,000   | 10/30/19      | n/a       | 0.00%  | 1.35%             | 250,000.00      | -                | 0.77%      | 5,165.63        |
| Clayton Bank and Trust   | n/a    | 11/02/15      | 250,000   | 11/04/19      | n/a       | 0.00%  | 1.40%             | 236,716.65      | -                | 0.73%      | 3,548.61        |
| Discover Bank  | n/a    | 04/29/15      | 250,000   | 04/29/20      | n/a       | 0.00%  | 1.85%             | 250,000.00      | -                | 0.77%      | 7,091.67        |
| <b><u>Money Market (MM)</u></b>                                |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Business Market Rate Public Funds                              | n/a    | n/a           | n/a       | n/a           | n/a       | n/a    | 0.15%             | 2,007,720.58    | -                | 6.16%      | 247.53          |
| <b><u>Federal Home Loan Mortgage Corporation (FHLMC)</u></b>   |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Freddie Mac  | AAA    | 10/19/12      | 1,000,000 | 11/01/16      | 11/01/16  | 0.63%  | 0.63%             | 1,000,000.00    | -                | 3.07%      | 25,795.00       |
| Freddie Mac  | AAA    | 03/01/13      | 1,000,000 | 07/25/17      | 10/25/16  | 1.00%  | 0.89%             | 1,004,900.00    | -                | 3.08%      | 33,152.50       |
| Freddie Mac  | AAA    | 06/29/16      | 1,800,000 | 03/29/19      | 12/29/16  | 1.00%  | 1.00%             | 1,800,000.00    | -                | 5.52%      | 6,250.00        |
| Freddie Mac  | AAA    | 10/28/16      | 1,000,000 | 10/28/21      | 04/28/17  | 1.00%  | 1.69%             | 1,000,000.00    | -                | 3.07%      | 187.89          |
| <b><u>Federal National Mortgage Association (FNMA)</u></b>     |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Fannie Mae   | AAA    | 03/04/14      | 1,000,000 | 04/30/18      | 10/30/16  | 1.00%  | 1.27%             | 988,930.00      | -                | 3.03%      | 34,325.28       |
| Fannie Mae   | AAA    | 05/16/13      | 1,000,000 | 05/21/18      | 11/21/16  | 0.88%  | 0.94%             | 996,820.00      | -                | 3.06%      | 33,030.56       |
| Fannie Mae   | AAA    | 08/11/16      | 2,000,000 | 10/28/19      | 10/28/16  | 0.63%  | 0.63%             | 2,000,000.00    | 451.39           | 6.13%      | 2,847.22        |
| Fannie Mae   | AAA    | 04/23/15      | 1,000,000 | 03/06/20      | 03/06/20  | 1.75%  | 1.48%             | 1,012,490.00    | -                | 3.10%      | 22,940.00       |
| Fannie Mae   | AAA    | 09/29/16      | 1,000,000 | 09/29/20      | 09/29/17  | 1.35%  | 1.35%             | 1,000,000.00    | -                | 3.07%      | 1,237.50        |
| Fannie Mae   | AAA    | 02/16/16      | 1,000,000 | 11/27/20      | 11/27/16  | 1.50%  | 1.20%             | 1,013,890.00    | -                | 3.11%      | 8,633.33        |
| Fannie Mae   | AAA    | 09/30/16      | 1,000,000 | 09/30/21      | 03/30/17  | 1.50%  | 1.50%             | 1,000,000.00    | -                | 3.07%      | 1,333.33        |
| <b><u>Federal Farm Credit Banks (FFCB)</u></b>                 |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Federal Farm Credit Banks                                      | AAA    | 06/29/16      | 2,000,000 | 06/03/19      | 12/03/16  | 1.06%  | 0.77%             | 2,016,580.00    | 1,531.11         | 6.18%      | 5,347.22        |
| Federal Farm Credit Banks                                      | AAA    | 05/20/16      | 2,000,000 | 02/18/20      | 11/18/16  | 1.36%  | 1.40%             | 1,996,880.00    | -                | 6.12%      | 12,833.33       |
| Federal Farm Credit Banks                                      | AAA    | 07/14/16      | 1,000,000 | 07/14/21      | 10/14/16  | 1.48%  | 1.48%             | 1,000,000.00    | -                | 3.07%      | 4,522.22        |
| <b><u>Federal Agriculture Mortgage Corporation (FAMCA)</u></b> |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Farmer Mac   | AAA    | 07/19/16      | 2,000,000 | 07/19/21      | 10/19/21  | 1.48%  | 1.48%             | 2,000,000.00    | -                | 6.13%      | 8,633.33        |
| <b><u>Federal Home Loan Bank (FHLB)</u></b>                    |        |               |           |               |           |        |                   |                 |                  |            |                 |
| Federal Home Loan Bank   | AAA    | 07/28/16      | 1,000,000 | 08/02/21      | 02/02/17  | 1.25%  | 1.72%             | 1,000,000.00    | -                | 3.07%      | 4,592.00        |
| Federal Home Loan Bank   | AAA    | 04/25/16      | 2,000,000 | 10/25/21      | 10/25/16  | 1.80%  | 1.80%             | 2,000,000.00    | -                | 6.13%      | 19,000.00       |



Town of Prescott Valley  
Investment Report  
For the Month Ended October 31, 2016

| DESCRIPTION              | RATING | PURCHASE DATE | PAR VALUE | MATURITY DATE | CALL DATE | COUPON | YIELD TO MATURITY | BOOK VALUE              | ACCRUED INTEREST   | % OF TOTAL     | INTEREST EARNED      |
|--------------------------|--------|---------------|-----------|---------------|-----------|--------|-------------------|-------------------------|--------------------|----------------|----------------------|
| <b>Corporate Bonds</b>   |        |               |           |               |           |        |                   |                         |                    |                |                      |
| Corporate Bonds          | AAA    | 05/14/14      | 1,000,000 | 12/05/17      | 11/05/17  | 1.10%  | 1.21%             | 996,490.00              | -                  | 3.06%          | 30,192.42            |
| <b>Total Investments</b> |        |               |           |               |           |        | <b>1.27%</b>      | <b>\$ 32,610,249.17</b> | <b>\$ 1,982.50</b> | <b>100.00%</b> | <b>\$ 376,096.17</b> |

Current Average United States 90 Day Treasury Bill Rate 0.34%

| Description*                             | Avg. Rate | Balance 10/31/16        | % of Total     | Balance 10/31/15        |
|--|-----------|-------------------------|----------------|-------------------------|
| Local Government Investment Pool         | 0.38%     | \$ 3,356,113.72         | 10.29%         | \$ 3,346,297.85         |
| Certificates of Deposit                  | 1.45%     | 3,419,434.87            | 10.49%         | 3,930,120.62            |
| Money Market                             | 0.15%     | 2,007,720.58            | 6.16%          | 2,004,703.02            |
| Federal Home Loan Mortgage Corp          | 1.05%     | 4,804,900.00            | 14.73%         | 5,421,666.93            |
| Federal National Mortgage Association    | 1.20%     | 8,012,130.00            | 24.57%         | 8,979,153.33            |
| Federal Farm Credit Banks                | 1.22%     | 5,013,460.00            | 15.37%         | 5,996,000.00            |
| Federal Agriculture Mortgage Corporation | 1.48%     | 2,000,000.00            | 6.13%          | -                       |
| Federal Home Loan Banks                  | 1.76%     | 3,000,000.00            | 9.20%          | 2,000,000.00            |
| Corporate Bonds                          | 1.21%     | 996,490.00              | 3.06%          | 996,490.00              |
| <b>Total Investments</b>                 |           | <b>\$ 32,610,249.17</b> | <b>100.00%</b> | <b>\$ 32,674,431.75</b> |

| Description                            | Date     | Book Value              | Activity        |
|--|----------|-------------------------|-----------------|
| <b>Beginning Balance</b>               |          |                         |                 |
|  |          | \$ 34,369,778.99        |                 |
| Certificates of Deposit                | 10/05/16 | 241,312.75              | Purchase        |
| Federal National Mortgage Association  | 10/05/16 | (1,002,143.33)          | Full Maturity   |
| Money Market                           | 10/11/16 | 247.53                  | Interest Earned |
| Local Government Investment Pool       | 10/18/16 | 1,053.23                | Interest Earned |
| Federal Home Loan Mortgage Corporation | 10/19/16 | 1,000,000.00            | Purchase        |
| Federal National Mortgage Association  | 11/02/16 | (2,000,000.00)          | Full Call       |
| <b>Ending Balance</b>                  |          | <b>\$ 32,610,249.17</b> |                 |

| Agency*                          | Total %        | Total \$                |
|----------------------------------|----------------|-------------------------|
| FTN Financial                    | 36.63%         | \$ 11,943,604.87        |
| Local Government Investment Pool | 10.29%         | 3,356,113.72            |
| Stifel                           | 36.77%         | 11,990,320.00           |
| Wells Fargo                      | 16.31%         | 5,320,210.58            |
|                                  | <b>100.00%</b> | <b>\$ 32,610,249.17</b> |

\*Not to exceed 40% of the total.

Note 1: Par value is also known as the redemption value.

Note 2: Debt securities which are not new issues on the purchase date require the accrued interest earned to date be purchased.

Note 3: The Town classifies its debt securities as held-to-maturity. A debt security should be classified as held-to maturity only if the reporting entity has both (1) the positive intent and (2) the ability to hold those securities to maturity. In accordance with the Town's Investment Policy, securities shall not be sold prior to maturity with the following exceptions; (1) a security with declining credit may be sold early to minimize loss of principal (2) liquidity needs of the portfolio require that the security be sold (3) market conditions present an opportunity for the Town to benefit from the sale.



Town of Prescott Valley  
Average Rates  
For the Month Ended October 31, 2016

