

Cash & Investments

Finance Committee
October 22, 2013

Overview of discussion

- Authorization to invest idle cash
- Investment strategy
- FY 2013 investment results
- Questions or comments?

Authorization

§ NCGS 159-30

A local government may deposit at interest or invest all or part of the cash balance of any fund.

The investment program shall be so managed that investments and deposits can be converted into cash when needed.

Investment Strategy

Priority

Safety

- preservation of capital

Liquidity

- available when needed

Yield

- maximize return subject to other priorities

Local

- invest with local banks, when appropriate

Diversification

- balanced portfolio

Safety

Priority

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Diversification

- balanced portfolio

High risk

investments are not allowed

Liquidity

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Diversification

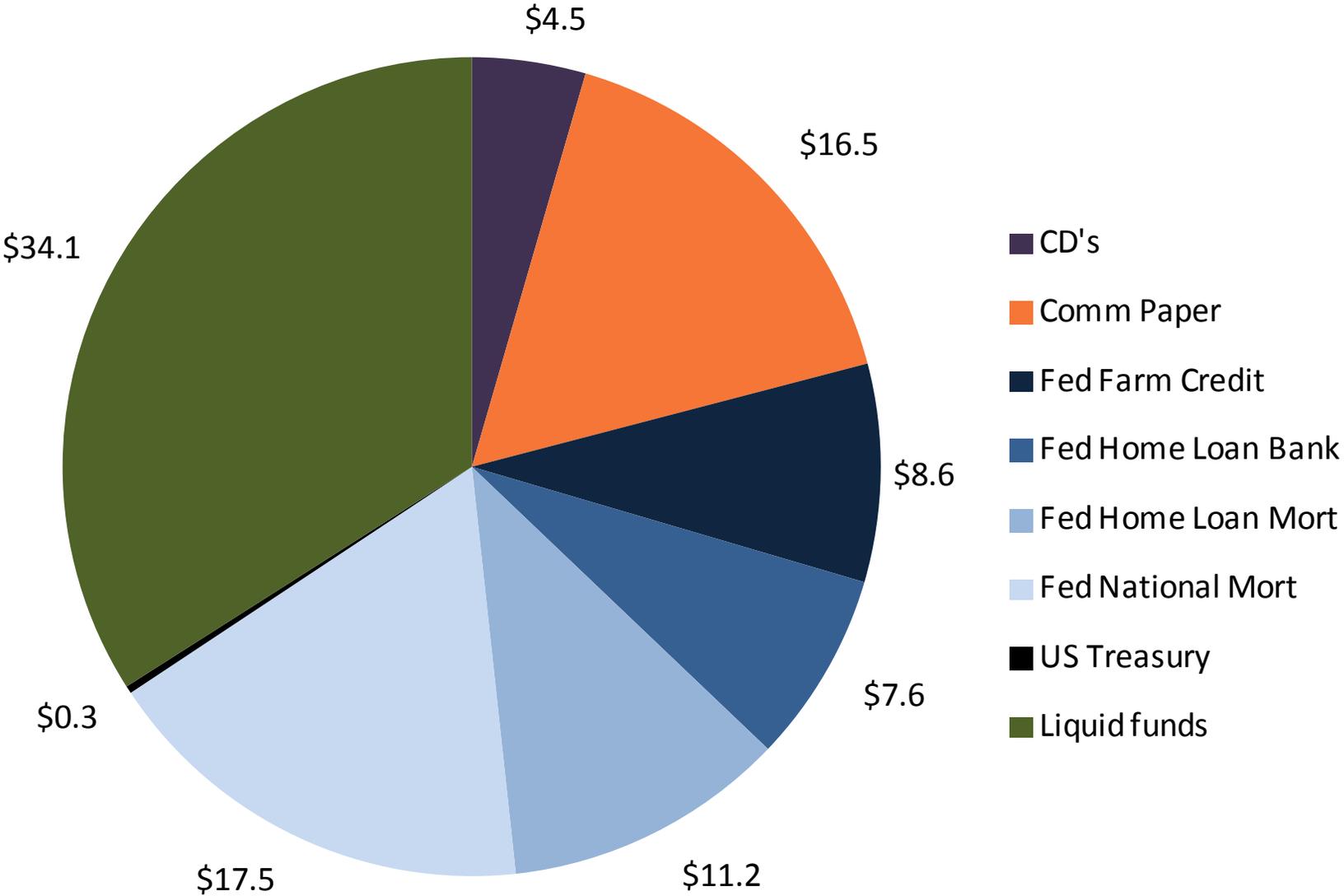
- balanced portfolio



\$15 million of
approximately
\$100 million
available to pay
recurring bills

Diversification and Local Investment

(\$ millions)



Yield

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Diversification

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Challenging in
current rate
environment

Holdings at June 30, 2013

Description	# of Individual Pieces in Portfolio	With Maturities From	With Maturities To	Range of Ending YTM @ Cost	Ending MV @ 6/30/13	Share of portfolio
CERTIFICATES OF DEPOSIT:						
Forest Commercial Bank	1	9/26/13	9/26/13	0.6%	\$ 3,000,000	
Mountain First Bank	1	2/3/14	2/3/14	0.3%	1,500,000	
Total Certificate Of Deposit					\$ 4,500,000	4.5%
COMMERCIAL PAPER:						
Abbey National Bank	1	3/17/14	3/17/14	0.989%	\$ 1,992,650	
Barclay's Bank	1	3/7/14	3/7/14	0.665%	1,995,233	
Ford Motor Car	3	8/1/13	8/15/13	0.405% - 0.602%	1,499,650	
General Electric	1	9/12/13	9/12/13	0.443%	3,998,650	
JP Morgan Chase Bank	1	8/21/13	8/21/13	0.443%	2,999,300	
Total Commercial Paper					\$ 16,484,550	16.4%
US AGENCIES:						
Federal Farm Credit Bank	6	10/3/14	1/15/16	0.4% - 1.374%	\$ 8,620,723	8.6%
Federal Home Loan Bank	4	1/29/14	10/23/15	0.125% - 0.815%	\$ 7,582,843	7.6%
Federal Home Loan Mortgage Corporation	7	7/30/14	6/27/16	0.348% - 0.864%	\$ 11,192,543	11.2%
Federal National Mortgage Association	16	10/22/13	4/18/16	0.376% - 1.09%	\$ 17,452,430	17.4%
US Treasury Note (held for Cemetery Trust)	14	2/15/14	11/15/22	0.259% - 4.738%	\$ 289,243	0.3%
Total Agencies and Treasuries					\$ 45,137,782	
CENTRAL DEPOSITORY/OTHER LIQUID FUNDS:						
Wells Fargo	n/a	n/a	n/a	0.4%	\$ 12,699,595	
NC Capital Management Trust	n/a	n/a	n/a	0.7% - 0.15%	\$ 10,187,372	
Other Bank Accounts	n/a	n/a	n/a	0.7% - 0.15%	\$ 25,174	
Excrowed Debt Service Payments	n/a	n/a	n/a	0.7% - 0.10%	\$ 3,698,129	
Unspent Bond Proceeds	n/a	n/a	n/a	0.7% - 0.10%	\$ 7,484,001	
Total Liquid Funds					\$ 34,094,271	34.0%

TOTAL INVESTMENT PORTFOLIO AT 6/30/2013

\$ 100,216,603

FY 2013 Q4 Results

TOTAL MARKET VALUE

04/01/13 - 6/30/13

BEGINNING MARKET VALUE	\$ 109,135,147
Additions	136,363,961
Maturities	(145,014,218)
Change in market value	<u>(268,287)</u>
ENDING MARKET VALUE	<u><u>\$ 100,216,603</u></u>
Investment revenue:	<u><u>\$ 93,603</u></u>

CASH EQUIVALENTS AND BOND MATURITY SCHEDULE

Cash	\$ 34,094,273	34%
Cash equivalents <91 days	15,496,667	15%
91 days to less than 1 year	13,131,051	13%
1 to 5 years	37,373,046	37%
5 to 10 years	121,566	0%
TOTAL	<u><u>\$ 100,216,603</u></u>	<u>100%</u>

INVESTMENT SUMMARY

ASSET CLASS		
Fixed income	\$ 50,625,663	51%
Cash & equivalents	<u>49,590,940</u>	<u>49%</u>
Total asset value	<u><u>\$ 100,216,603</u></u>	<u>100%</u>

MONTH END PORTFOLIO INFORMATION

Weighted average yield 0.560%
Weighted average maturity 523 days

Benchmark indicators:

6 month T-Bill Secondary Market	0.0100%
1 year T-Bill secondary market	0.1400%
2 year T-Bill secondary market	0.3300%
NCCMT Cash Portfolio	0.0100%

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Questions?