DATE: October 7, 2013

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: William Mushallo, Finance Director/City Treasurer

SUBJECT: Resolution to Receive and File the City Treasurer’s Report for the Period Ending June 30, 2013

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution to Receive and File the City Treasurer’s Report dated June 30, 2013.

BACKGROUND

Pursuant to the City’s Investment Policy and Government Code, the City Council annually delegates authority to the City Treasurer to invest or reinvest City funds. The City Council approved the City of Petaluma Investment Policy on June 18, 2012 which delegated investment authority to the City Treasurer for the Fiscal Year 2012-13. The City Treasurer is required to provide a quarterly investment report to the Council that includes the status of the investment portfolio. The attached report outlines the current investments; the weighted average and yields of pooled investments, investments managed by Public Financial Management (PFM), and earnings received by investments in the Local Agency Investment Fund (LAIF). The report also includes the Treasurer’s certification of adequate cash flow. This is the fourth quarterly report for the Fiscal Year 2012-2013.

DISCUSSION

It is the policy of the City of Petaluma to manage public funds in a manner consistent with the laws of the State of California pertaining to the investment of public funds. Three primary goals of the City are: to safeguard the principal of funds under its control; meet the City’s daily cash flow requirements; and achieve a reasonable rate of return with the maximum amount of security possible. The attached quarterly Treasurer’s Report contains information on the City’s cash activity and ending balances in all City accounts. The report:

- Summarizes total beginning balances of all cash and investments, and total quarterly activity and ending balances;
• Provides quarterly activity and ending balances in the City’s cash equivalent accounts and information about trustee account activities and ending balances;

• Provides information on investment portfolio activity, security type, maturity and value, and book and fair value; and,

• Compares the City’s quarterly investment earnings with the City’s benchmark.

The City’s benchmark is the Merrill Lynch 1-3 year US Treasury index as provided by Bloomberg Financial Markets. That rate was (.11%) for the past quarter. The City’s annualized return is slightly lower than the index, coming in at (.15%) during the quarter, but has exceeded the index for the past five years. The City’s rate of return over the past 5 years was 2.33% and the Merrill Lynch 1-3 year US Treasury index was 1.77%.

FINANCIAL IMPACTS

The balance of cash and investments as of June 30, 2013 was $121.2 million. This amount is down $3.3 million from the balance at the end of the prior quarter. The majority of the reduction in cash balance was due to the $8.75 million Department of Finance (DOF) demand repayment to the County and $4 million in debt service payments. These were partially offset by $10.5 million received in property-tax. The City received a total of $109,045.76 in interest earnings during the quarter ending June 30, 2013.

The required action is to receive and file the Treasurer’s Reports.

ATTACHMENTS

RESOLUTION TO RECEIVE AND FILE THE CITY TREASURER'S REPORT DATED
June 30, 2013

WHEREAS, the City Investment policy requires the City Treasurer to provide a quarterly investment report to the Council for compliance with the adopted City Investment Policy.

NOW, THEREFORE: BE IT RÉSOLVED that the City Council has received the report dated June 30, 2013 and directs the City Clerk to file it.
City of Petaluma
Quarterly Investment Report
April 1, 2013 to June 30, 2013

This report is presented in accordance with the City's investment policy and the California Government Code. The policy and Government Code requires the Treasurer to certify that sufficient cash flow is available for the next six months to meet the expected demand or provide an explanation as to why sufficient cash may not be available. The attached report outlines the current investments, weighted average and yields of pooled investments. The month end account statement of assets managed by Public Financial Management, LLC (PFM), the Local Agency Investment Funds (LAIF) quarterly statement, and the City's performance summary of portfolio investments as compared to applicable benchmarks are included. The report also includes the Treasurer's certification of adequate cash flow. We respectfully submit the quarterly investment report for the quarter ending June 30, 2013.
CITY OF PETALUMA, CALIFORNIA
CITY TREASURER’S QUARTERLY REPORT
For the quarter ending June 30, 2013

Cash activity for the fiscal year:

<table>
<thead>
<tr>
<th>Cash and Investments, Beginning of the quarter, 03/31/2013</th>
<th>$ 124,509,296</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Receipts</td>
<td>$ 99,102,218</td>
</tr>
<tr>
<td>Cash Disbursements</td>
<td>(102,446,917)</td>
</tr>
<tr>
<td>Cash and Investments, End of the Quarter, 06/30/2013</td>
<td>$ 121,164,597</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and Investment Portfolio at June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Market Value*</td>
</tr>
<tr>
<td>Investments Managed by City Treasurer:</td>
</tr>
<tr>
<td>Assessment Districts Bonds</td>
</tr>
<tr>
<td>Local Agency Investment Funds (LAIF)</td>
</tr>
<tr>
<td>CAMP Pool (CA Asset Management Prog)</td>
</tr>
<tr>
<td>PFM Investments Securities **</td>
</tr>
<tr>
<td>Certificate of Deposits</td>
</tr>
<tr>
<td>Checking Accounts</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
</tbody>
</table>

| Investments Managed by Fiscal Agents:                       |
| CAMP Debt Issue Accounts                                    | 11,572,185       | 11,572,185            | 9.55%               |
| Trustee Money Market Accounts                               | 13,418,269       | 13,418,269            | 11.07%              |
| Subtotal                                                   | 24,990,454       | 24,990,454            | 20.63%              |

<table>
<thead>
<tr>
<th>Total Cash and Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Market Value*</td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td>120,969,621</td>
</tr>
</tbody>
</table>

I certify that this report contains the total amounts of cash and investments at June 30, 2013
The investments are in conformity with the investment policy. A copy of the investment policy is
available for review in the Finance Department. The City Treasurer’s cash management program provides
sufficient liquidity to meet expenditure requirements for the next six months.

We respectfully submit the quarterly investment report for the quarter ending June 30, 2013

William Mushallo, Finance Director

*Fair market values are furnished by the State of California, Local Agency Investment Fund and California Asset Management Program.
** See detail attached
### Investments Managed by City Treasurer:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Amount</th>
<th>Citi 151.31</th>
<th>Citi 202.31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Total Assessment District Bond (AD) Accounts</td>
<td>602,262.31</td>
<td>602,262.31</td>
<td></td>
</tr>
<tr>
<td>LAIF</td>
<td>48,808,429.79</td>
<td>63,718.29</td>
<td></td>
</tr>
<tr>
<td>LAIF Accrued Interest</td>
<td>48,808,429.79</td>
<td>63,718.29</td>
<td></td>
</tr>
<tr>
<td>Sub-Total LAIF</td>
<td>48,808,429.79</td>
<td>63,718.29</td>
<td></td>
</tr>
<tr>
<td>CAMP Pool-Treasurer's Investment Money Market</td>
<td>21,487,934.12</td>
<td>4,843,358.23</td>
<td>(10,505,295.11)</td>
</tr>
<tr>
<td>Sub-Total CAMP Pool Managed Account</td>
<td>21,487,934.12</td>
<td>4,843,358.23</td>
<td>(10,505,295.11)</td>
</tr>
<tr>
<td>Federal Agency Bonds/Discount Notes</td>
<td>9,912,185.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fed Agency Accrued Interest</td>
<td>29,887.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury Bonds/Notes</td>
<td>12,918,049.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury, Accrued Interest</td>
<td>26,137.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Notes</td>
<td>1,672,789.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Notes Accrued Interest</td>
<td>3,901.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>500,269.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate of Deposit Accrued Interest</td>
<td>193.00</td>
<td>1,875.36</td>
<td>(704.17)</td>
</tr>
<tr>
<td>Sub-Total PEM Securities Managed Account **</td>
<td>24,283,134.15</td>
<td>4,808,144.64</td>
<td>(4,858,844.59)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95,191,760.37</td>
<td>9,715,191.16</td>
<td>(15,422,170.87)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>350,000.00</td>
<td>220.59</td>
<td>(220.59)</td>
</tr>
<tr>
<td><strong>Subtotal Certificate of Deposits</strong></td>
<td>250,000.00</td>
<td>220.59</td>
<td>(220.59)</td>
</tr>
<tr>
<td>Checking Accounts</td>
<td>3,996,364.73</td>
<td>84,752,379.26</td>
<td>(82,337,134.23)</td>
</tr>
<tr>
<td>Exchange-General Operating</td>
<td>8,148.57</td>
<td>715,217.00</td>
<td>(715,333.49)</td>
</tr>
<tr>
<td>Exchange-Payroll</td>
<td>2,067.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Trust</td>
<td>374,289.72</td>
<td>58.90</td>
<td>(23,694.89)</td>
</tr>
<tr>
<td>Sub-Total Checking Accounts</td>
<td>4,076,879.49</td>
<td>85,467,654.96</td>
<td>(83,106,162.61)</td>
</tr>
<tr>
<td><strong>Total Cash and Investments Managed by the City Treasurer</strong></td>
<td>95,521,630.75</td>
<td>95,183,066.71</td>
<td>(98,530,554.07)</td>
</tr>
</tbody>
</table>

### Investments Managed by Trustees Fiscal Agents:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Amount</th>
<th>Citi 151.31</th>
<th>Citi 202.31</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAMP-AD 23, 24, 25 Accounts Money Market</td>
<td>427,757.31</td>
<td>417.25</td>
<td></td>
</tr>
<tr>
<td>Sub-Total CAMP-Debt Issuance Accounts **</td>
<td>11,569,288.98</td>
<td>3,475.59</td>
<td></td>
</tr>
<tr>
<td>Bank of New York</td>
<td>2,246,500.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank First American/Treasury</td>
<td>11,172,156.38</td>
<td>2,911,075.78</td>
<td>(3,916,363.20)</td>
</tr>
<tr>
<td>Wells Fargo, Government Money Market</td>
<td>13,418,656.38</td>
<td>3,916,075.78</td>
<td>(3,916,363.20)</td>
</tr>
<tr>
<td>Sub-Total Trustees Money Market Account</td>
<td>24,987,665.56</td>
<td>3,919,115.37</td>
<td>(3,916,363.20)</td>
</tr>
<tr>
<td><strong>Total Cash and Investments Managed by Fiscal Agents</strong></td>
<td>124,505,296.13</td>
<td>99,102,218.08</td>
<td>(102,446,517.27)</td>
</tr>
</tbody>
</table>

**See detail studied**

**Accrued interest**

**General Ledger**
City of Petaluma, California
Cash/Investment by Type-June, 2013
Total Cash/Investments $121,164,597

- Other 602,262 1%
- Cash 6,441,363 5%
- CA Pool Asset Mgmt Prog 15,825,997 13%
- LAIF 48,928,121 40%
- Fiscal Agents 24,990,454 21%
- CAMP Investments 24,126,400 20%
CITY OF PETALUMA, CALIFORNIA  
CITY TREASURER'S QUARTERLY REPORT  
For the quarter ending June 30, 2013  
Cost vs. Fair Market Value

<table>
<thead>
<tr>
<th>Security</th>
<th>Cost</th>
<th>FV</th>
<th>Unrealized Gain/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Bond/Note</td>
<td>12,930,249.04</td>
<td>12,876,002.74</td>
<td>(54,246.30)</td>
</tr>
<tr>
<td>Federal Agency Bond/Discount Note</td>
<td>7,391,921.66</td>
<td>7,335,633.05</td>
<td>(56,288.61)</td>
</tr>
<tr>
<td>Corporate Note</td>
<td>2,152,277.50</td>
<td>2,138,283.55</td>
<td>(13,993.95)</td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>1,599,923.86</td>
<td>1,597,836.90</td>
<td>(2,086.96)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sub-Total PFM Treasurer's Invest. Securities</th>
<th>24,074,372.06</th>
<th>23,947,756.24</th>
<th>(126,615.82)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAMP Pool Money Market Fund</td>
<td>15,825,997.24</td>
<td>15,825,997.24</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Total CAMP Treasurer's Investments</td>
<td>39,900,369.30</td>
<td>39,773,753.48</td>
<td>(126,615.82)</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td></td>
<td>52,028.23</td>
<td></td>
</tr>
<tr>
<td>CAMP Total Investment Managed/Securities Held</td>
<td></td>
<td>39,825,781.71</td>
<td></td>
</tr>
<tr>
<td>CAMP Debt Issue Managed Accounts</td>
<td>11,572,184.57</td>
<td>11,572,184.57</td>
<td>-</td>
</tr>
<tr>
<td>PFM/CAMP Total Treasurer's Investments **</td>
<td>51,472,553.87</td>
<td>51,345,938.05</td>
<td>(126,615.82)</td>
</tr>
</tbody>
</table>

LAIF                                          | 48,898,429.79 | 48,911,789.18 | 13,359.39    |
LAIF amortized cost rate                       | 1.00027320700 |              |              |

** See detail attached
## Account Statement - Transaction Summary

**For the Month Ending June 30, 2013**

### Asset Summary

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2013</th>
<th>May 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAMP Pool</td>
<td>15,825,997.24</td>
<td>11,806,714.58</td>
</tr>
<tr>
<td>CAMP Managed Account</td>
<td>23,947,756.24</td>
<td>23,996,801.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$39,773,753.48</strong></td>
<td><strong>$35,803,515.88</strong></td>
</tr>
</tbody>
</table>

### Asset Allocation

- **CAMP Pool**: 39.79%
- **CAMP Managed Account**: 60.21%

### CAMP Pool

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Market Value</td>
<td>11,806,714.58</td>
</tr>
<tr>
<td>Purchases</td>
<td>4,022,455.91</td>
</tr>
<tr>
<td>Redemptions</td>
<td>(3,173.25)</td>
</tr>
<tr>
<td>Unsettled Trades</td>
<td>0.00</td>
</tr>
<tr>
<td>Change in Value</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Closing Market Value</strong></td>
<td><strong>$15,825,997.24</strong></td>
</tr>
</tbody>
</table>

### CAMP Managed Account

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Market Value</td>
<td>23,996,801.30</td>
</tr>
<tr>
<td>Purchases</td>
<td>0.00</td>
</tr>
<tr>
<td>Redemptions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unsettled Trades</td>
<td>0.00</td>
</tr>
<tr>
<td>Change in Value</td>
<td>(49,045.06)</td>
</tr>
<tr>
<td><strong>Closing Market Value</strong></td>
<td><strong>$23,947,756.24</strong></td>
</tr>
</tbody>
</table>

**Cash Dividends and Income**
- 1,220.49

---

**PFM Asset Management LLC**
## Managed Account Summary Statement

**For the Month Ending June 30, 201**

<table>
<thead>
<tr>
<th>Account Total</th>
</tr>
</thead>
</table>
| Opening Market Value | $35,803,515.88  
| Closing Market Value  | $39,773,753.48  

### Transaction Summary - Money Market

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
</table>
| Opening Market Value | $11,806,714.58  
| Purchases       | 4,022,455.91  
| Redemptions     | (3,173.25)  

Closing Market Value: $15,825,997.24

Dividend: 1,220.49

### Earnings Reconciliation (Cash Basis) - Managed Account

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
</table>
| Interest/Dividends/Coupons Received     | 67,954.17    
| Less Purchased Interest Related to Interest/Coupons | 0.00  
| Plus Net Realized Gains/Losses          | 0.00  

**Total Cash Basis Earnings**  

$67,954.17

### Earnings Reconciliation (Accrual Basis)

<table>
<thead>
<tr>
<th>Description</th>
<th>Managed Account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Amortized Value of Securities</td>
<td>23,959,407.51</td>
<td>39,785,404.75</td>
</tr>
<tr>
<td>Ending Accrued Interest</td>
<td>52,028.23</td>
<td>52,028.23</td>
</tr>
<tr>
<td>Plus Proceeds from Sales</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Plus Proceeds of Maturities/Calls/Principal Payments</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Plus Coupons/Dividends Received</td>
<td>67,954.17</td>
<td>67,954.17</td>
</tr>
<tr>
<td>Less Cost of New Purchases</td>
<td>0.00</td>
<td>(4,022,455.91)</td>
</tr>
<tr>
<td>Less Beginning Amortized Value of Securities</td>
<td>(23,973,719.94)</td>
<td>(35,780,434.52)</td>
</tr>
<tr>
<td>Less Beginning Accrued Interest</td>
<td>(95,622.05)</td>
<td>(95,622.05)</td>
</tr>
<tr>
<td>Dividends</td>
<td>0.00</td>
<td>1,220.49</td>
</tr>
</tbody>
</table>

**Total Accrual Basis Earnings**  

$10,047.92  

$11,268.41

### Cash Transactions Summary - Managed Account

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturities/Calls</td>
<td>0.00</td>
</tr>
<tr>
<td>Sale Proceeds</td>
<td>0.00</td>
</tr>
<tr>
<td>Coupon/Interest/Dividend Income</td>
<td>67,954.17</td>
</tr>
<tr>
<td>Principal Payments</td>
<td>0.00</td>
</tr>
<tr>
<td>Security Purchases</td>
<td>0.00</td>
</tr>
<tr>
<td>Net Cash Contribution</td>
<td>(67,954.17)</td>
</tr>
<tr>
<td>Reconciling Transactions</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Cash Balance**  

Closing Cash Balance: $0.00

**Account 531-00 Page 2**
Portfolio Summary and Statistics
For the Month Ending June 30, 2013

**CITY OF PETALUMA, TREASURER'S INVESTMENTS - 531-00 - (12511505)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Bond / Note</td>
<td>12,525,000.00</td>
<td>12,876,002.74</td>
<td>32.37</td>
</tr>
<tr>
<td>Federal Agency Bond / Note</td>
<td>7,285,000.00</td>
<td>7,335,633.05</td>
<td>18.44</td>
</tr>
<tr>
<td>Corporate Note</td>
<td>2,145,000.00</td>
<td>2,138,283.55</td>
<td>5.38</td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>1,600,000.00</td>
<td>1,597,836.90</td>
<td>4.02</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>23,555,000.00</strong></td>
<td><strong>23,947,756.24</strong></td>
<td><strong>60.21%</strong></td>
</tr>
</tbody>
</table>

Accrued Interest: 52,028.23

**Total Portfolio**

23,555,000.00 23,999,784.47

**Total Investments**

39,380,997.24 39,825,781.71 100.00%

Unsettled Trades

0.00 0.00

**Maturity Distribution**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 6 Months</td>
<td>1.85%</td>
</tr>
<tr>
<td>6 - 12 Months</td>
<td>39.78%</td>
</tr>
<tr>
<td>1 - 2 Years</td>
<td>29.47%</td>
</tr>
<tr>
<td>2 - 3 Years</td>
<td>22.12%</td>
</tr>
<tr>
<td>3 - 4 Years</td>
<td>7.78%</td>
</tr>
<tr>
<td>4 - 5 Years</td>
<td>0.00%</td>
</tr>
<tr>
<td>Over 5 Years</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Sector Allocation**

- US TSY Bond / Note: 32.37%
- Corporate Note: 5.38%
- Fed Agy Bond / Note: 18.44%
- Mny Mkt Fund: 39.79%

**Characteristics**

- Yield to Maturity at Cost: 0.50%
- Yield to Maturity at Market: 0.46%
- Duration to Worst: 1.89
- Weighted Average Days to Maturity: 704
# Managed Account Issuer Summary

For the Month Ending June 30, 2013

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Market Value of Holdings</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLE INC</td>
<td>222,583.73</td>
<td>0.56</td>
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<tr>
<td>BANK OF NEW YORK</td>
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<td>BANK OF NOVA SCOTIA</td>
<td>500,296.50</td>
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<td>COLGATE-PALMOLIVE COMPANY</td>
<td>456,663.60</td>
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<td>DEERE &amp; COMPANY</td>
<td>273,379.43</td>
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<td>FANNIE MAE</td>
<td>3,491,413.84</td>
<td>8.78</td>
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<td>FEDERAL HOME LOAN BANKS</td>
<td>734,116.60</td>
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<td>FREDDIE MAC</td>
<td>3,110,102.61</td>
<td>7.82</td>
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<td>GENERAL ELECTRIC CO</td>
<td>248,616.00</td>
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<td>PEPSICO, INC</td>
<td>188,542.32</td>
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<td>RABOBANK NEDERLAND</td>
<td>597,101.40</td>
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<td>SVENSKA HANDELSBANKEN</td>
<td>500,439.00</td>
<td>1.26</td>
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<td>TOYOTA MOTOR CORP</td>
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<td>UNITED STATES TREASURY</td>
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Total: $39,773,753.48 | 100.00%

# Credit Quality (S&P Ratings)

- AAA: 39.79%
- AA+: 52.00%
- AA: 1.26%
- A+: 1.26%
- A: 0.69%
- A-: 0.47%
- A1: 1.26%
- A1+: 1.26%
- A2: 0.69%
- A3: 3.29%
## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2013**

<table>
<thead>
<tr>
<th>Security Type/Description</th>
<th>Dated Date/Coupon/Maturity</th>
<th>CUSIP</th>
<th>S&amp;P Rating</th>
<th>Moody's Rating</th>
<th>Trade Date</th>
<th>Settle Date</th>
<th>Original Cost</th>
<th>YTM at Cost</th>
<th>Accrued Interest</th>
<th>Amortized Cost</th>
<th>Market Value</th>
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<tbody>
<tr>
<td><strong>U.S. Treasury Bond / Note</strong></td>
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<td>US TREASURY NOTES</td>
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<td>10/27/11</td>
<td>10/31/11</td>
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<td>01/06/12</td>
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<td>Aaa</td>
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<td>AA+</td>
<td>Aaa</td>
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<td>09/10/12</td>
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<td>Aaa</td>
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<td>Aaa</td>
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<td>Aaa</td>
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<td>12/05/12</td>
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<td>Aaa</td>
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<td>AA+</td>
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<td>Aaa</td>
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<td>05/24/13</td>
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# Managed Account Detail of Securities Held

For the Month Ending **June 30, 2013**

<table>
<thead>
<tr>
<th>Security Type/Description</th>
<th>Dated Date/Coupon/Maturity</th>
<th>CUSIP</th>
<th>S&amp;P Rating</th>
<th>Moody's Rating</th>
<th>Trade Date</th>
<th>Settle Date</th>
<th>Original Cost</th>
<th>YTM at Cost</th>
<th>Accrued Interest</th>
<th>Amortized Cost</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Treasury Bond / Note</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>US TREASURY NOTES</td>
<td>DTD 06/30/2009 3.250% 06/30/2016</td>
<td>912828KZ2</td>
<td>1.250000.00</td>
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<td>Aaa</td>
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<td>110.39</td>
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**Set** Type Sub-Total: -12,525,000.00

| **Federal Agency Bond / Note** |                           |       |            |                |            |             |               |              |                |               |             |
| FHLB GLOBAL BONDS           | DTD 05/27/2004 5.250% 06/18/2014 | 3133X7FK5 | 700,000.00 | AA+           | Aaa         | 08/30/11    | 08/31/11     | 792,648.00  | 0.47           | 1,327.08      | 732,132.36   | 734,116.60   |
| FNMA NOTES                  | DTD 07/18/2013 0.875% 08/28/2014 | 313SG0BY8 | 1,200,000.00 | AA+           | Aaa         | 09/23/11    | 09/26/11     | 1,208,964.00 | 0.62           | 3,529.17      | 1,205,437.81 | 1,208,437.20 |
| FHLMC NOTES                | DTD 08/12/2011 0.500% 09/19/2014 | 3134G2Y35 | 1,200,000.00 | AA+           | Aaa         | 09/20/11    | 09/21/11     | 1,198,397.76 | 0.55           | 1,700.00      | 1,199,345.35 | 1,203,338.40 |
| FREDDIE MAC GLOBAL NOTES    | DTD 08/05/2011 0.750% 09/22/2014 | 3134G2WG3 | 850,000.00  | AA+           | Aaa         | 09/28/11    | 09/30/11     | 851,700.00  | 0.68           | 1,753.13      | 850,703.49   | 854,962.30   |
| FREDDIE MAC GLOBAL NOTES    | DTD 10/06/2011 0.750% 11/25/2014 | 3137EACY3 | 1,045,000.00 | AA+           | Aaa         | 05/30/12    | 05/31/12     | 1,051,479.00 | 0.50           | 783.75        | 1,048,662.27 | 1,051,801.91 |
| FNMA NOTES (CALLABLE)       | DTD 09/07/2012 0.500% 08/07/2015 | 3135G0NG4 | 1,500,000.00 | AA+           | Aaa         | 08/02/12    | 08/07/12     | 1,499,850.00 | 0.50           | 3,000.00      | 1,499,894.78 | 1,497,397.50 |
| FANNIE MAE GLOBAL NOTES      | DTD 11/16/2012 0.375% 12/21/2015 | 3135G0SB0 | 350,000.00  | AA+           | Aaa         | 11/14/12    | 11/16/12     | 349,846.50  | 0.45           | 36.46         | 349,348.36   | 348,044.20   |
| FANNIE MAE GLOBAL NOTES      | DTD 02/15/2013 0.500% 03/30/2016 | 3135G0VA8 | 440,000.00  | AA+           | Aaa         | 02/14/13    | 02/15/13     | 439,498.40  | 0.54           | 556.11        | 439,554.38   | 437,534.24   |

**Security Type Sub-Total**: 7,285,000.00

| **Corporate Note** |                           |       |            |                |            |             |               |              |                |               |             |
| COLGATE-PALMOLIVE Co       | DTD 11/03/2010 3.125% 11/01/2015 | 194160DOO | 450,000.00  | AA-           | Aa3         | 12/19/12    | 12/24/12     | 459,244.80  | 0.65           | 1,031.25      | 457,213.55   | 456,663.60   |
| GENERAL ELECTRIC CAP CORP.  | DTD 01/08/2013 1.000% 01/08/2016 | 369626G6R | 250,000.00  | AA+           | A1           | 01/03/13    | 01/08/13     | 249,927.50  | 1.11           | 1,201.39      | 248,726.11   | 248,616.00   |
Managed Account Detail of Securities Held

For the Month Ending June 30, 2013

<table>
<thead>
<tr>
<th>Security Type/Description</th>
<th>Dated Date/Coupon/Maturity</th>
<th>CUSIP</th>
<th>S&amp;P Rating</th>
<th>Moody's Rating</th>
<th>Trade Date</th>
<th>Settle Date</th>
<th>Original Cost</th>
<th>YTM at Cost</th>
<th>Accrued Interest</th>
<th>Amortized Cost</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Note</strong></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>JOHN DEERE CAPITAL CORP GLOBAL NOTES</td>
<td>DTD 01/23/2013 0.750% 01/22/2016</td>
<td>24422ERZ4</td>
<td>275,000.00</td>
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<td>01/17/13</td>
<td>01/23/13</td>
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<tr>
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<td>06406HCG2</td>
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<td>Aa3</td>
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<td>03/06/13</td>
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<td>BANK OF NEW YORK MELLON (CALLABLE)</td>
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<td>06406HCG2</td>
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<td>A+</td>
<td>Aa3</td>
<td>03/04/13</td>
<td>03/06/13</td>
<td>274,837.75</td>
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<tr>
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| Security Type Sub-Total  | 2,145,000.00 | 2,152,277.50 | 0.75 | 5,115.40 | 2,150,840.66 | 2,138,283.55 |

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</tr>
</thead>
<tbody>
<tr>
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| Security Type Sub-Total  | 1,600,000.00 | 1,599,923.86 | 0.56 | 1,366.19 | 1,599,941.14 | 1,597,836.90 |

| Managed Account Sub-Total | 23,555,000.00 | 24,074,372.06 | 0.50 | 52,020.23 | 23,950,407.51 | 23,947,756.24 |

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<th></th>
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</tr>
</thead>
</table>

Account 531-00 Page 7

PFM Asset Management LLC
## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2013**

<table>
<thead>
<tr>
<th>Security Type/Description</th>
<th>CUSIP</th>
<th>S&amp;P Rating</th>
<th>Moody's Rating</th>
<th>Trade Date</th>
<th>Settle Date</th>
<th>Original Cost</th>
<th>YTM at Cost</th>
<th>Accrued Interest</th>
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<td>$39,825,781.71</td>
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# Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2013**

## Security Type/Description

<table>
<thead>
<tr>
<th>Dated Date/Coupon/Maturity</th>
<th>U.S. Treasury Bond / Note</th>
<th>CUSIP</th>
<th>Par</th>
<th>Broker</th>
<th>Next Call Date</th>
<th>Market Price</th>
<th>Market Value</th>
<th>Unreal G/L On Cost</th>
<th>Unreal G/L Amort Cost</th>
<th>Effective Duration</th>
<th>Duration to Worst at Mkt</th>
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</thead>
<tbody>
<tr>
<td>US TREASURY NOTES</td>
<td>91282BOU7 1.250,000.00 MORGANST</td>
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<td>(5,197.95)</td>
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<td>(5,147.68)</td>
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<td>(7,062.06)</td>
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## Federal Agency Bond / Note

| DTD 06/30/2009 3.250% 06/30/2016 | 12,525,000.00 | 12,876,002.74 | (54,246.30) | (9,399.27) | 2.02 | 2.02 | 0.41 |

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**PFM Asset Management LLC**
# Managed Account Fair Market Value & Analytics

## For the Month Ending June 30, 2013

### Security Type/Description

<table>
<thead>
<tr>
<th>Security Type/Description</th>
<th>Dated Date/Coupon/Maturity</th>
<th>CUSIP</th>
<th>Par</th>
<th>Broker</th>
<th>Next Call Date</th>
<th>Market Price</th>
<th>Market Value</th>
<th>Unreal G/L On Cost</th>
<th>Unreal G/L Amort Cost</th>
<th>Effective Duration</th>
<th>Duration to Worst at Mkt</th>
<th>YTM</th>
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<td>DTD 08/12/2011 0.500% 09/19/2014</td>
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<td>3134G2Y75</td>
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<tr>
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<tr>
<td>FANNIE MAE GLOBAL NOTES</td>
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### Security Type Sub:Total

- **Security Type Sub:Total**: 7,285,000.00
  - Market Price: 7,335,633.05
  - Market Value: 12,409.35
  - Unreal G/L On Cost: (56,288.61)
  - Unreal G/L Amort Cost: 1.45
  - Duration to Worst at Mkt: 1.53
  - YTM: 0.37

---

**Corporate Note**: 19616OD00
- **Description**: 450,000.00 JPMCHASE
- **Par**: 101.48
- **Market Price**: 456,663.60
- **Market Value**: (2,581.20)
- **Unreal G/L On Cost**: (910.60)
- **Duration to Worst at Mkt**: 2.29
- **YTM**: 0.73

**Corporate Note**: 36652G6R0
- **Description**: 250,000.00 MERRILL
- **Par**: 99.45
- **Market Price**: 248,616.00
- **Market Value**: (581.50)
- **Unreal G/L On Cost**: (708.28)
- **Duration to Worst at Mkt**: 2.47
- **YTM**: 1.22

**Corporate Note**: 24422ER24
- **Description**: 275,000.00 JPMCHASE
- **Par**: 99.41
- **Market Price**: 273,379.43
- **Market Value**: (1,329.07)
- **Unreal G/L On Cost**: (1,371.33)
- **Duration to Worst at Mkt**: 2.52
- **YTM**: 0.98

**Corporate Note**: 71348CE6
- **Description**: 190,000.00 JPMCHASE
- **Par**: 99.23
- **Market Price**: 186,542.32
- **Market Value**: (1,391.18)
- **Unreal G/L On Cost**: (1,398.58)
- **Duration to Worst at Mkt**: 2.62
- **YTM**: 0.99

**Corporate Note**: 06406HCG2
- **Description**: 225,000.00 GOLDMAN
- **Par**: 98.97
- **Market Price**: 222,671.93
- **Market Value**: (2,195.32)
- **Unreal G/L On Cost**: (2,209.35)
- **Duration to Worst at Mkt**: 2.93
- **YTM**: 2.64

**Corporate Note**: 06406HCG2
- **Description**: 275,000.00 GOLDMAN
- **Par**: 98.97
- **Market Price**: 272,134.58
- **Market Value**: (2,683.17)
- **Unreal G/L On Cost**: (2,700.31)
- **Duration to Worst at Mkt**: 2.93
- **YTM**: 2.64

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**PFM Asset Management LLC**
## Managed Account Fair Market Value & Analytics

### For the Month Ending June 30, 2013

### Security Type/Description

<table>
<thead>
<tr>
<th>Dated Date/Coupon/Maturity</th>
<th>CUSIP</th>
<th>Par</th>
<th>Broker</th>
<th>Next Call Date</th>
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<th>Market Value</th>
<th>Unreal G/L on Cost</th>
<th>Unreal G/L Amort Cost</th>
<th>Effective Duration</th>
<th>Duration to Worst at Mkt</th>
<th>YTM</th>
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### Money Market Fund

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<th>Par</th>
<th>Broker</th>
<th>Next Call Date</th>
<th>Market Price</th>
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<th>Duration to Worst at Mkt</th>
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</table>

| Securities Sub-Total | $39,380,997.24 | $39,773,753.48 | ($126,615.82) | ($11,651.27) | 1.82 | 1.89 | 0.46% |

| Accrued Interest | $52,028.23 |

| Total Investments | $39,825,781.71 |

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**Account 531-00 Page 11**

**PFM Asset Management LLC**
## Managed Account Security Transactions & Interest

For the Month Ending June 30, 2020

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Trade Date</th>
<th>Settle Date</th>
<th>Security Description</th>
<th>CUSIP</th>
<th>Par</th>
<th>Principal Proceeds</th>
<th>Accrued Interest</th>
<th>Total</th>
<th>Realized G/L Cost</th>
<th>Realized G/L Amort Cost</th>
<th>Sale Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEREST</td>
<td>06/06/13</td>
<td>06/06/13</td>
<td>BANK OF NOVA SCOTIA HOUS. CERT DEPOS (FLT DTD 03/06/2013 0.510% 03/06/2015)</td>
<td>06417FPL8</td>
<td>500,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>704.17</td>
<td>704.17</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>06/15/13</td>
<td></td>
<td>US TREASURY NOTES DTD 12/15/2011 0.250% 12/15/2014</td>
<td>912828RV4</td>
<td>1,200,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>06/18/13</td>
<td>06/18/13</td>
<td>FHLB GLOBAL BONDS DTD 05/27/2004 5.250% 06/18/2014</td>
<td>3133X7FPKS</td>
<td>700,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>18,375.00</td>
<td>18,375.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>06/21/13</td>
<td>06/21/13</td>
<td>FANNIE MAE GLOBAL NOTES DTD 11/16/2012 0.375% 12/21/2015</td>
<td>3135G0SB0</td>
<td>350,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>656.25</td>
<td>656.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>06/30/13</td>
<td>06/30/13</td>
<td>US TREASURY NOTES DTD 06/30/2009 3.250% 06/30/2016</td>
<td>912828K22</td>
<td>1,250,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>20,312.50</td>
<td>20,312.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>06/30/13</td>
<td>06/30/13</td>
<td>US TREASURY NOTES DTD 06/30/2009 3.250% 06/30/2016</td>
<td>912828K22</td>
<td>1,000,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>16,250.00</td>
<td>16,250.00</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>06/30/13</td>
<td>06/30/13</td>
<td>US TREASURY NOTES DTD 06/30/2009 3.250% 06/30/2016</td>
<td>912828K22</td>
<td>625,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10,156.25</td>
<td>10,156.25</td>
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</tr>
<tr>
<td><strong>Transaction Type Sub-Total</strong></td>
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<td></td>
<td></td>
<td><strong>5,625,000.00</strong></td>
<td><strong>0.00</strong></td>
<td><strong>67,954.17</strong></td>
<td><strong>67,954.17</strong></td>
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</tr>
<tr>
<td><strong>Managed Account Sub-Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0.00</strong></td>
<td><strong>67,954.17</strong></td>
<td><strong>67,954.17</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Security Transactions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$0.00</strong></td>
<td><strong>$67,954.17</strong></td>
<td><strong>$67,954.17</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Account Statement

For the Month Ending **June 30, 2013**

### CAMP Pool

<table>
<thead>
<tr>
<th>Trade Date</th>
<th>Settlement Date</th>
<th>Transaction Description</th>
<th>Share or Unit Price</th>
<th>Dollar Amount of Transaction</th>
<th>Total Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/06/13</td>
<td>06/06/13</td>
<td>Purchase - Incoming Wires</td>
<td>1.00</td>
<td>4,000,000.00</td>
<td>15,806,714.58</td>
</tr>
<tr>
<td>06/06/13</td>
<td>06/06/13</td>
<td>Purchase - Individual Portfolio Interest</td>
<td>1.00</td>
<td>704.17</td>
<td>15,807,418.75</td>
</tr>
<tr>
<td>06/17/13</td>
<td>06/17/13</td>
<td>Purchase - Individual Portfolio Interest</td>
<td>1.00</td>
<td>1,500.00</td>
<td>15,808,918.75</td>
</tr>
<tr>
<td>06/18/13</td>
<td>06/18/13</td>
<td>Purchase - Individual Portfolio Interest</td>
<td>1.00</td>
<td>18,375.00</td>
<td>15,827,293.75</td>
</tr>
<tr>
<td>06/18/13</td>
<td>06/18/13</td>
<td>BONY IP Fees February 2013</td>
<td>1.00</td>
<td>(996.61)</td>
<td>15,826,297.14</td>
</tr>
<tr>
<td>06/21/13</td>
<td>06/21/13</td>
<td>Purchase - Individual Portfolio Interest</td>
<td>1.00</td>
<td>656.25</td>
<td>15,826,953.39</td>
</tr>
<tr>
<td>06/25/13</td>
<td>06/25/13</td>
<td>IP Fees MAY 2013</td>
<td>1.00</td>
<td>(2,043.16)</td>
<td>15,824,910.23</td>
</tr>
<tr>
<td>06/25/13</td>
<td>06/25/13</td>
<td>US Bank Fees APRIL 2013</td>
<td>1.00</td>
<td>(133.48)</td>
<td>15,824,776.75</td>
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<tr>
<td>06/28/13</td>
<td>07/01/13</td>
<td>Accrual Income Div Reinvestment - Distributions</td>
<td>1.00</td>
<td>1,220.49</td>
<td>15,825,997.24</td>
</tr>
</tbody>
</table>

### Closing Balance

<table>
<thead>
<tr>
<th>Month of June</th>
<th>Fiscal YTD January-June</th>
<th>Opening Balance</th>
<th>Purchases</th>
<th>Total Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,806,714.58</td>
<td>23,309,110.28</td>
<td>4,022,455.91</td>
<td>23,287,705.00</td>
<td>15,825,997.24</td>
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<tr>
<td><strong>15,825,997.24</strong></td>
<td></td>
<td>15,825,997.24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Closing Balance

<table>
<thead>
<tr>
<th>Description</th>
<th>Share or Unit Price</th>
<th>Dollar Amount of Transaction</th>
<th>Total Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>1.00</td>
<td>15,806,714.58</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>1.00</td>
<td>15,807,418.75</td>
<td></td>
</tr>
<tr>
<td>Redemptions (Excl. Checks)</td>
<td>1.00</td>
<td>15,808,918.75</td>
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<tr>
<td>Check Disbursements</td>
<td>1.00</td>
<td>15,827,293.75</td>
<td></td>
</tr>
<tr>
<td>Closing Balance</td>
<td>1.00</td>
<td>15,826,297.14</td>
<td></td>
</tr>
<tr>
<td>Cash Dividends and Income</td>
<td>1.00</td>
<td>15,826,953.39</td>
<td></td>
</tr>
<tr>
<td><strong>15,825,997.24</strong></td>
<td></td>
<td>15,824,910.23</td>
<td></td>
</tr>
</tbody>
</table>

### Account Summary

- **Total Shares Owned**: 15,825,997.24

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**PFM Asset Management LLC**

Account 531-00 Page 13
LOCAL AGENCY INVESTMENT FUND REMITTANCE ADVICE

Agency Name: PETALUMA
Account Number: 98-49-650

As of 07/15/2013, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2013.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Ratio</td>
<td>.00000667321954799</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>0.24%</td>
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<tr>
<td>Dollar Day Total</td>
<td>$4,449,280,729.25</td>
</tr>
<tr>
<td>Quarter End Principal Balance</td>
<td>$48,898,429.79</td>
</tr>
<tr>
<td>Quarterly Interest Earned</td>
<td>$29,691.03</td>
</tr>
</tbody>
</table>
# State of California
## Pooled Money Investment Account
### Market Valuation
#### 6/30/2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Carrying/Cost Plus Accrued Interest Purch.</th>
<th>Amortized Cost</th>
<th>Fair Value</th>
<th>Accrued Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States Treasury:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills</td>
<td>$ 18,019,741,458.84</td>
<td>$ 18,031,788,345.99</td>
<td>$ 18,035,146,300.00</td>
<td>NA</td>
</tr>
<tr>
<td>Notes</td>
<td>$ 17,866,551,757.98</td>
<td>$ 17,864,039,275.14</td>
<td>$ 17,866,601,500.00</td>
<td>$ 14,141,398.00</td>
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<tr>
<td><strong>Federal Agency:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA'</td>
<td>$ 510,792,442.52</td>
<td>$ 510,792,442.52</td>
<td>$ 510,253,668.70</td>
<td>$ 517,667.05</td>
</tr>
<tr>
<td>MBS-REMICs</td>
<td>$ 192,640,776.24</td>
<td>$ 192,640,776.24</td>
<td>$ 208,753,614.81</td>
<td>$ 921,014.69</td>
</tr>
<tr>
<td>Debentures</td>
<td>$ 1,228,614,505.38</td>
<td>$ 1,227,601,588.70</td>
<td>$ 1,226,482,000.00</td>
<td>$ 4,859,568.00</td>
</tr>
<tr>
<td>Debentures FR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Discount Notes</td>
<td>$ 2,248,663,445.13</td>
<td>$ 2,248,964,695.02</td>
<td>$ 2,249,288,500.00</td>
<td>NA</td>
</tr>
<tr>
<td>GNMA</td>
<td>$ 451.55</td>
<td>$ 451.55</td>
<td>$ 454.80</td>
<td>$ 4.70</td>
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<tr>
<td><strong>IBRD Debenture</strong></td>
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<td></td>
</tr>
<tr>
<td>IBD Deb FR</td>
<td>$ 450,053,540.85</td>
<td>$ 450,053,540.85</td>
<td>$ 450,282,500.00</td>
<td>$ 107,637.50</td>
</tr>
<tr>
<td>CDs and YCDs FR</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bank Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDs and YCDs</td>
<td>$ 400,000,000.00</td>
<td>$ 400,000,000.00</td>
<td>$ 400,000,000.00</td>
<td>$ 252,251.67</td>
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<tr>
<td>Commercial Paper</td>
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<tr>
<td><strong>Corporate:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Bonds FR</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Reverse Repurchase</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Time Deposits</td>
<td>$ 4,474,640,000.00</td>
<td>$ 4,474,640,000.00</td>
<td>$ 4,474,640,000.00</td>
<td>NA</td>
</tr>
<tr>
<td>AB 55 &amp; GF Loans</td>
<td>$ 287,302,443.82</td>
<td>$ 287,302,443.82</td>
<td>$ 287,302,443.82</td>
<td>NA</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 58,852,394,221.33</td>
<td>$ 58,852,394,221.33</td>
<td>$ 58,828,474,533.05</td>
<td>$ 23,618,888.29</td>
</tr>
</tbody>
</table>

Fair Value Including Accrued Interest $ 58,852,094,221.33

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and
Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost ($1,000/273207).
As an example, if an agency has an account balance of $20,000,000.00, then the agency would report its participation in the LAIF valued at $20,000,000.00 x $1,000/273207.
City of Petaluma Performance Summaries

<table>
<thead>
<tr>
<th>Annualized Returns as of June 30, 2013</th>
<th>City of Petaluma</th>
<th>ML Treasury Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Quarter</td>
<td>-0.15%</td>
<td>-0.11%</td>
</tr>
<tr>
<td>Past 6 Months</td>
<td>-0.04%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Past Year</td>
<td>0.34%</td>
<td>0.33%</td>
</tr>
<tr>
<td>Past 3 Years</td>
<td>0.89%</td>
<td>0.60%</td>
</tr>
<tr>
<td>Past 5 Years</td>
<td>2.33%</td>
<td>1.77%</td>
</tr>
<tr>
<td><strong>Effective Duration</strong></td>
<td><strong>1.82 years</strong></td>
<td><strong>1.81 years</strong></td>
</tr>
<tr>
<td><strong>Yield on Cost</strong></td>
<td><strong>0.50%</strong></td>
<td><strong>0.35%</strong></td>
</tr>
</tbody>
</table>

Notes:
1. Merrill Lynch Indices provided by Bloomberg Financial Markets.
2. CAMP Cash Reserve Pool holdings excluded from performance, yield and duration calculations.
3. Performance numbers are presented on an annualized basis.
4. The City's Treasury benchmark was the Merrill Lynch 1-3 Year Index from inception to 6/30/12. Then the benchmark switched to the Merrill Lynch 1 Year Treasury Index. On 6/30/11 the benchmark returned to the Merrill Lynch 1-3 Year Treasury Index.
5. Inception date is 12/31/01.