



City of Colorado Springs

Investment Management Program Review

1. Market Environment and Strategies
2. Portfolio Activity and Performance Review
3. Quarterly Performance Review
4. Broker/Dealer Review
5. Bank Credit Analysis
6. Investment Policy Update

August 22, 2013

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TAB 1



ECONOMIC OVERVIEW

In our first quarter commentary we marveled at the risk-taking in financial markets and pondered whether the market's apparent indifference to risk was the result of central bank liquidity or if inflated prices were due to investor fatigue. Now we have our answer: central bank liquidity has been the primary influence behind financial asset returns.

This influence is so significant, in fact, that the mere suggestion that Federal Reserve asset purchases, known as quantitative easing, might slow has resulted in the worst total quarterly return for the Barclays Aggregate index in the past nine years. This widely followed benchmark index's negative 2.32 percent second quarter return followed a 0.12 percent loss in the first quarter. The Index closed the quarter yielding 2.35 percent with 5.49 years duration exposure, implying a high probability that 2013 will be the first calendar year of negative return since 1999 for this Index.

The downward trend in total return began on May 3 with the release of the April employment report. The report showed that new jobs created in April exceeded expectations and included a significant upward revision to previously weak March data. Ten-year Treasury yields promptly climbed over 10 basis points to 1.74 percent and then continued upwards, reaching 1.94 percent by May 21.

The significance of May 21 is that it was just one day prior to the Joint Economic Council testimony at which Fed Chairman Bernanke first hinted that the prospect of tapering bond purchases could begin as early as late 2013. Subsequent to Mr. Bernanke's remarks, Treasury yields spiked higher in a disorderly leap.

The prospect of the Fed slowing its bond purchases in response to a strengthening U.S. economy should come as no surprise to market participants, but the market response seems to have revealed an underlying and widespread perception that a June announcement of tapering is too early. The stage was set for a meaningful June 19 Federal Reserve meeting and press conference.



Given that the market reaction to Mr. Bernanke's prior testimony was so sudden and disorderly, we had expected that the June 19 Fed meeting would produce a soothing acknowledgement by the Fed that the pace of recent yield increases was unjustified. An equally effective alternative would have been a reiteration of the Fed's desire to guard against deflation, since price measures had recently softened. Such remarks would have given bond investors reason to hope that tapering would not begin as soon as many fear. We found neither of these two potentially ameliorative bits of messaging in the FOMC's official statement and, in our opinion, heard worse during the ensuing press conference.

Separately from the official statement, Chairman Bernanke introduced the possibility of slowing bond purchases as soon as late 2013 and potentially ceasing them entirely in 2014, given the current pace of economic growth and improvements in the labor market. When asked about stress recently observed in securitized mortgage prices, he expressed his view that markets are functioning normally. There was no acknowledgement of the sharp increase in Treasury yields. Chairman Bernanke believes slowing inflationary pressures to be "transitory" and expects inflation to return to a 2.0 percent to 2.5 percent target range once exogenous factors like sequestration subside.

It is noteworthy that St. Louis Fed President James Bullard publically opposed the Fed's statement and actually favored more quantitative easing, given his concerns on deflation. In sum, the official rhetoric was decidedly more hawkish than Cutwater or, apparently, the markets expected.

OUTLOOK

Cutwater's thesis has been and remains that the rise in Treasury yields will, over time, remain gradual and orderly. Our expectation is that Fed members will continue to use verbal risk management techniques in their attempt to engineer the desired soft landing.

Cutwater maintains its outlook for 2013 and 2014 which sees the U.S. economy poised for self-sustaining economic growth with opportunity to surprise to the upside. We expect that credit spreads and non-government financial assets should perform better than Treasury securities during this timeframe.



The ten-year Treasury yield averaged nearly 3.3 percent during the first two iterations of quantitative easing. At least part of the bond market's recent negative reaction to Fed messaging might be attributed to investors anticipating a return to that higher yield environment.

INTEREST RATES AND SPREAD RELATIONSHIPS

For the second quarter of 2013, the average yield on the two-year Treasury was 26 basis points. The high for the quarter of 41 basis points was reached on June 25 and the low of 20 basis points occurred on May 2. At the end of June, the two-year Treasury yielded 36 basis points.

Yields on agency discount notes are less than 15 basis points for maturities through June 2014. Short-term rates are anchored to the Fed, and the front-end of the curve remains low and flat.

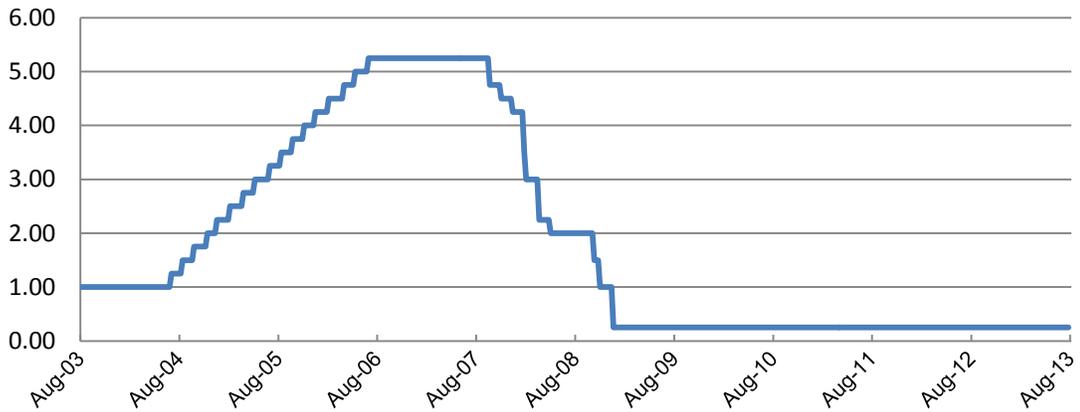
The yield curve steepened during the first quarter. The incremental yield gained by moving from a two-year Treasury note to a ten-year Treasury note reached a high for the second quarter of 220 basis points on June 25, compared to the low of the quarter of 143 basis points as of May 1. The average spread for the second quarter was 171 basis points, compared to the average for 2012 of 151 basis points.

Movement in this spread relationship was mostly driven by changes in the yield on the ten-year Treasury. The average yield on the ten-year Treasury for the second quarter was 1.97 percent, with a high for the quarter on June 25 at 2.61 percent and the low for the quarter of 1.63 percent on May 2.

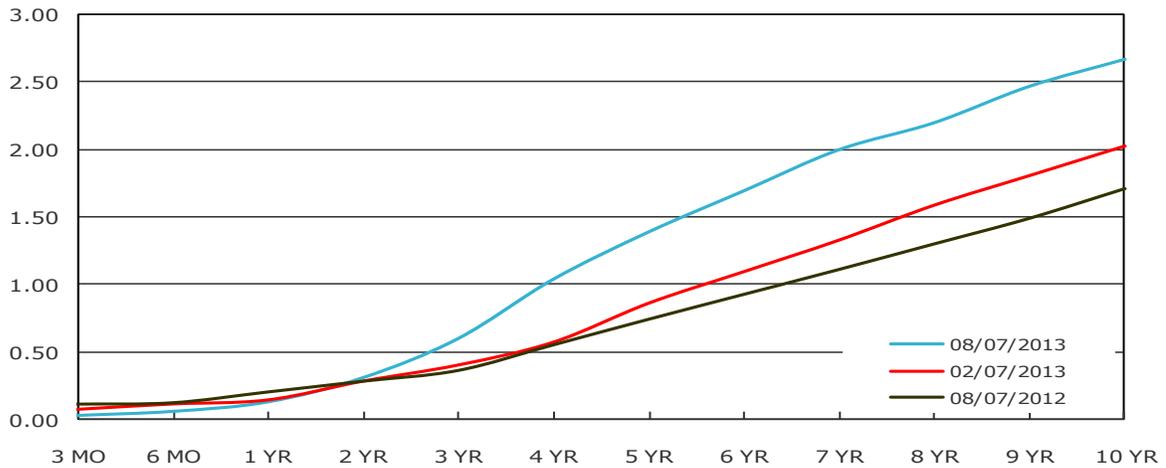
Source: Cutwater Asset Management; Bloomberg Finance LP

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice.

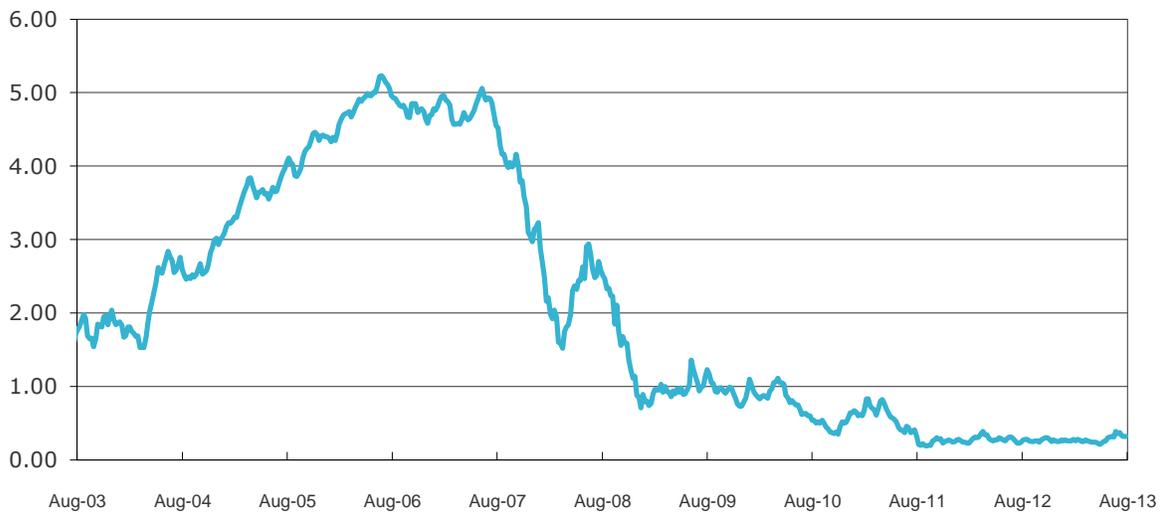
Fed Funds Target Rate



Comparative Historical Yield Curves



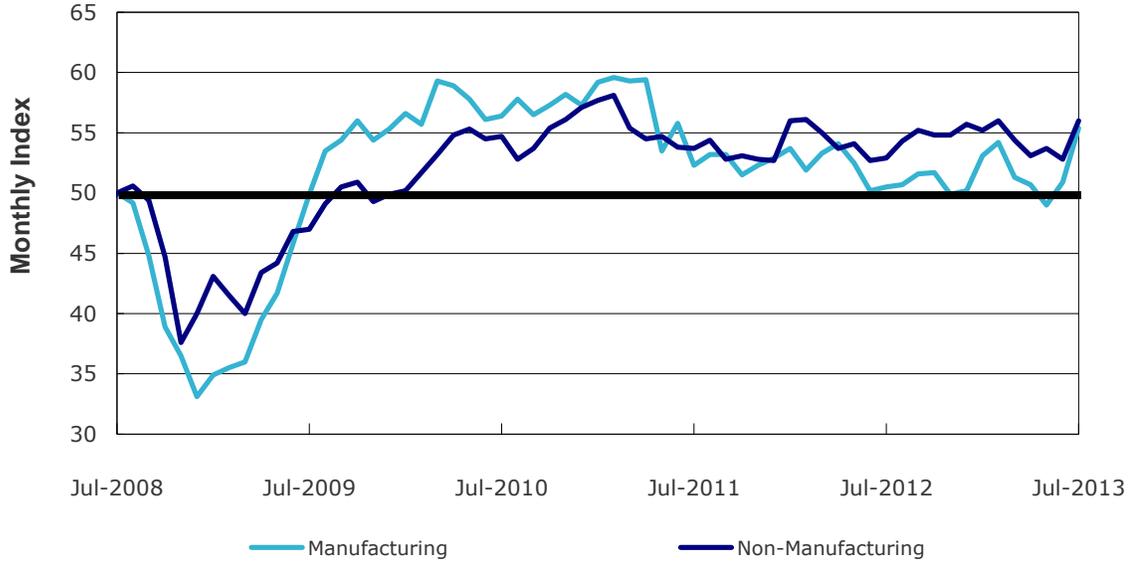
Weekly Yield Two-Year Treasury Note



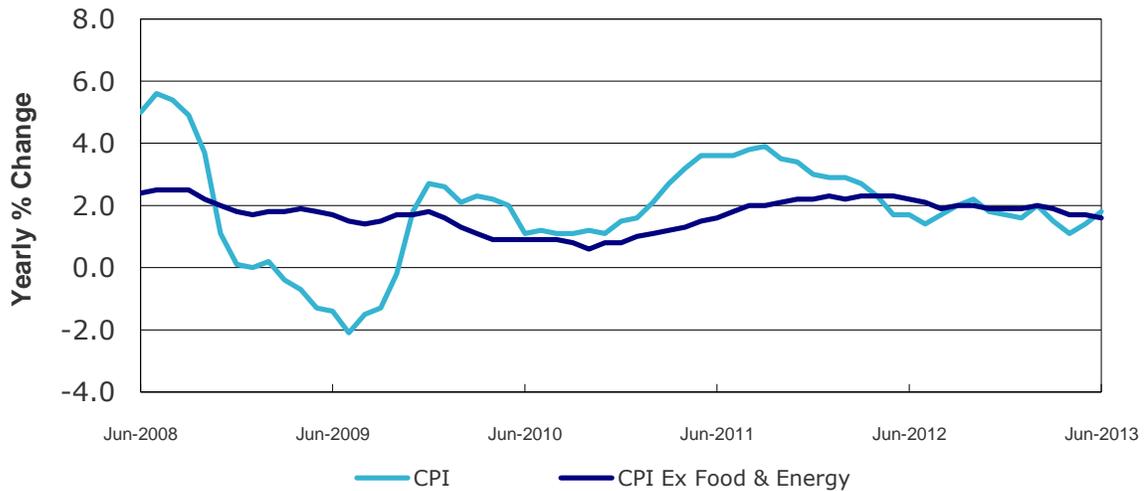
Gross Domestic Product



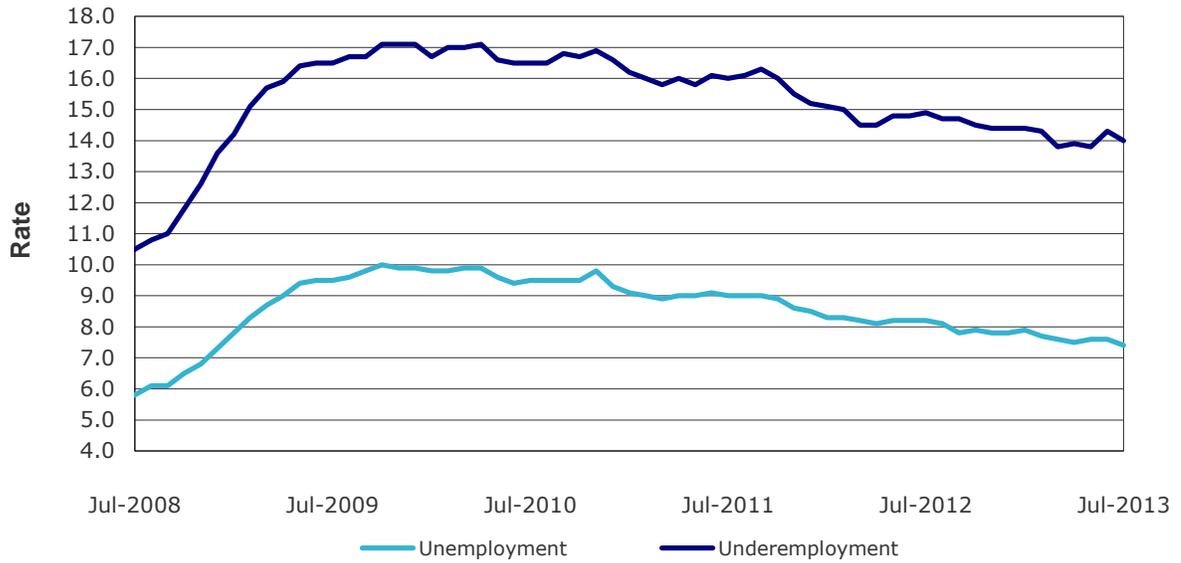
Institute for Supply Management Manufacturing and Non-Manufacturing Business Activity



Consumer Price Index



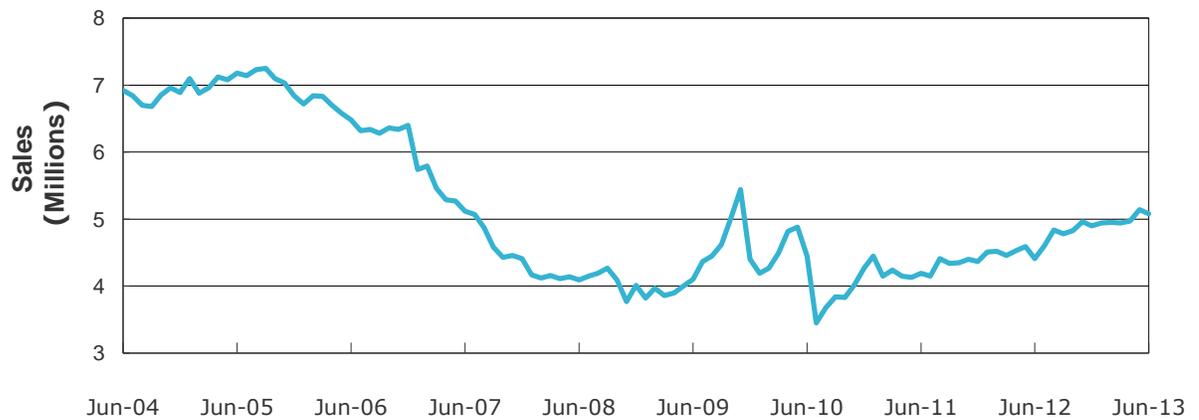
Unemployment and Underemployment



Retail Sales



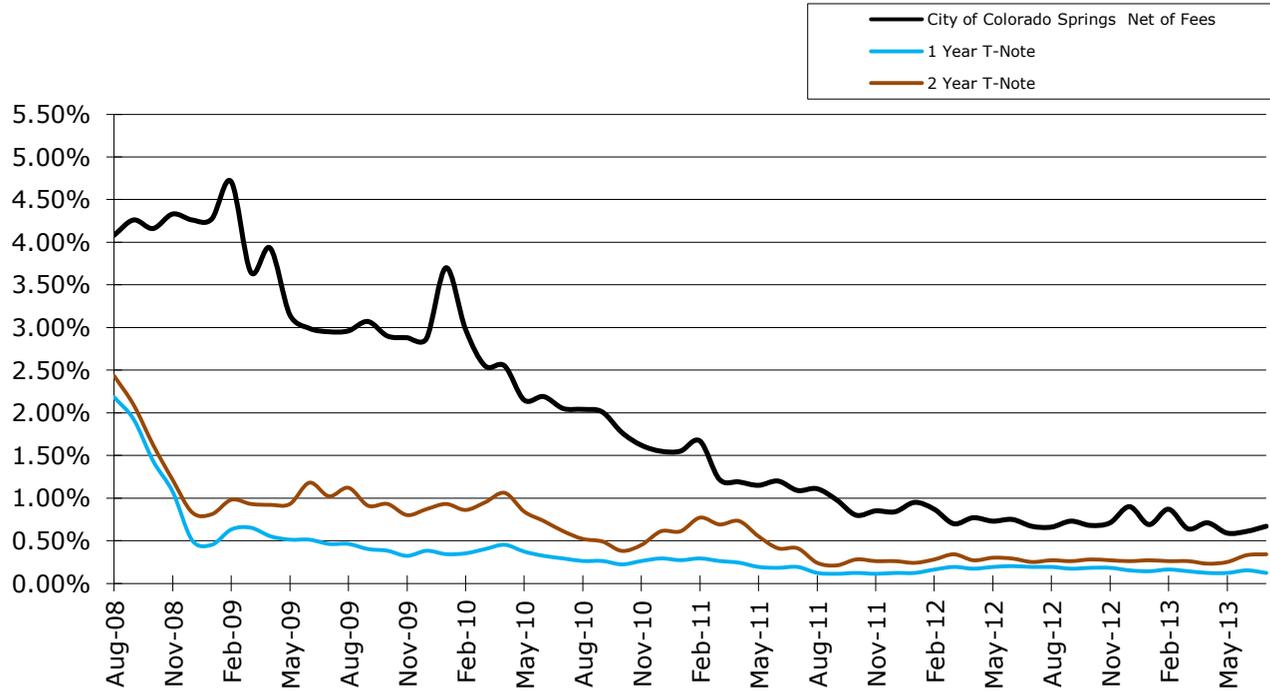
Existing Home Sales



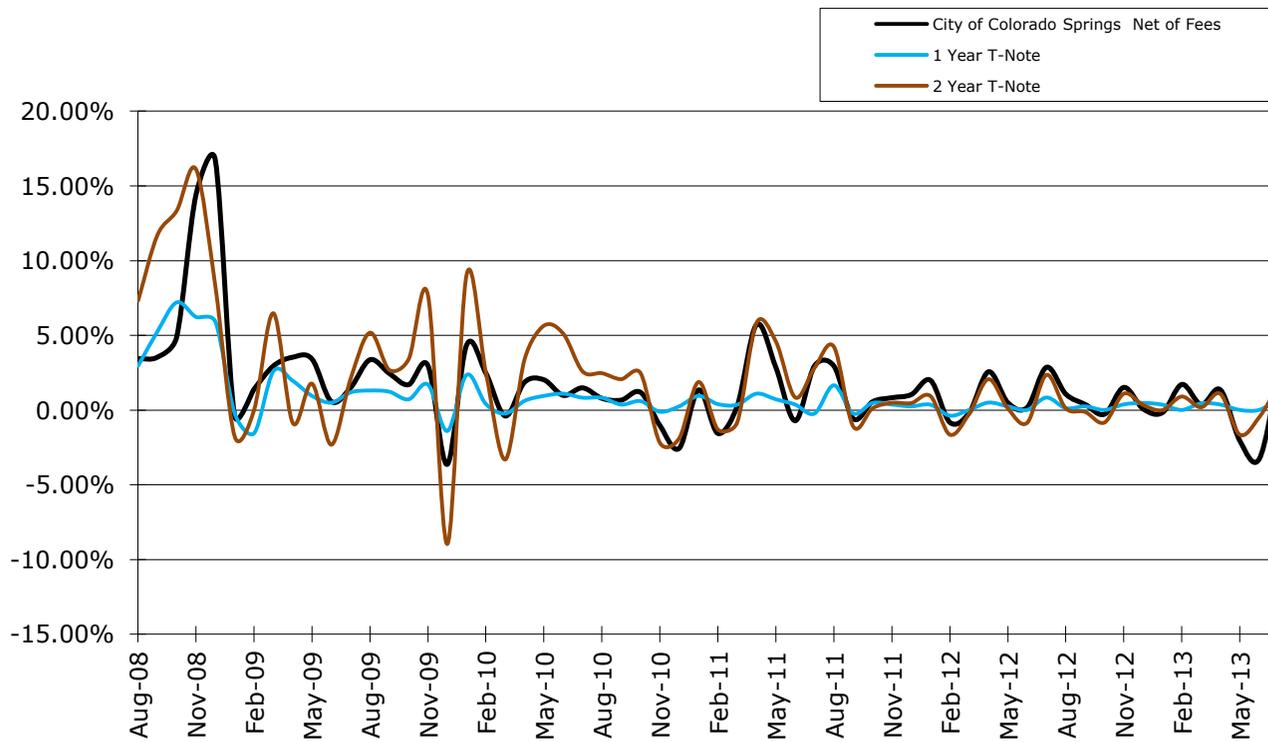
TAB 2

City of Colorado Springs Comparison Yields August 2008 through July 2013

Amortized Cost Basis

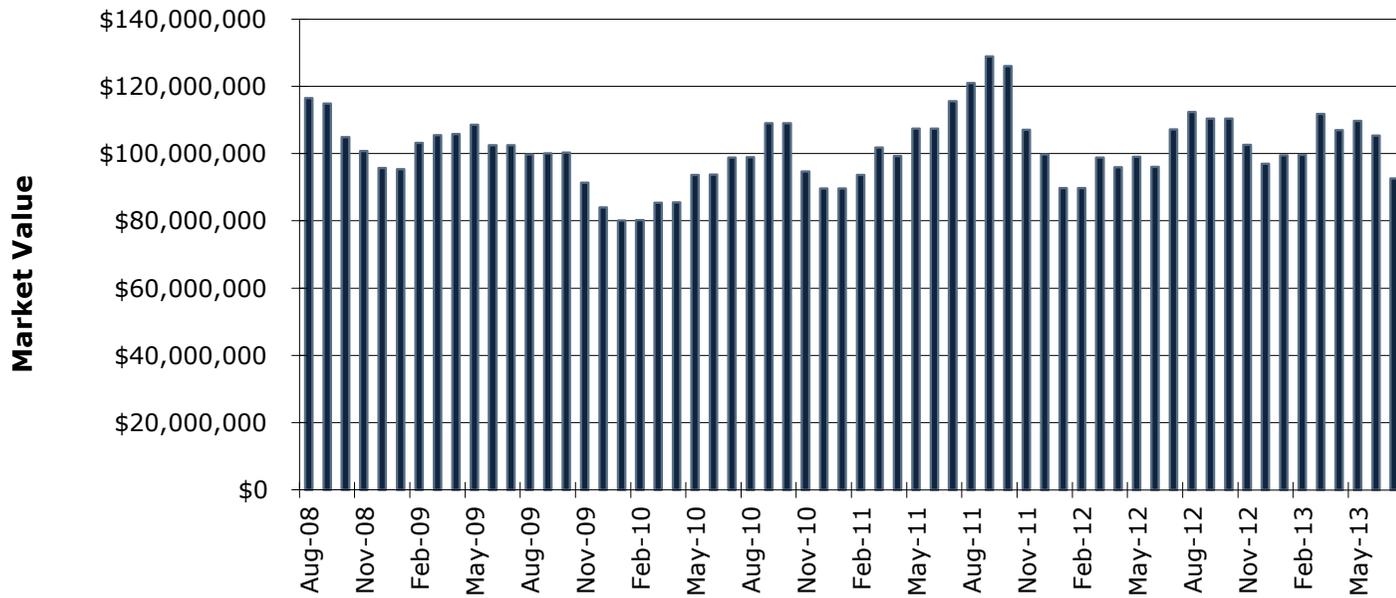


Fair Value Basis

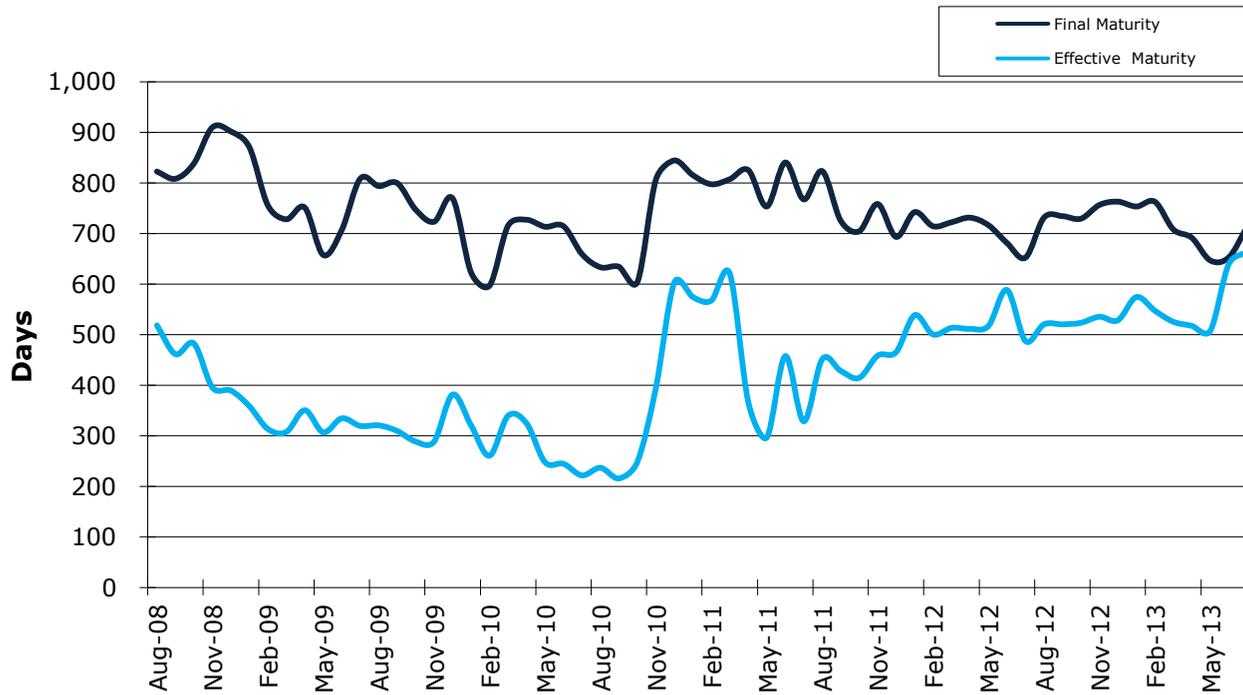


City of Colorado Springs Portfolio Size and Weighted Average Maturity August 2008 through July 2013

Portfolio Balance - Ending Market Value



Weighted Average Final Maturity and Weighted Average Effective Maturity





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CITY OF COLORADO SPRINGS

Report for the period July 1, 2013 - July 31, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on August 6, 2013)

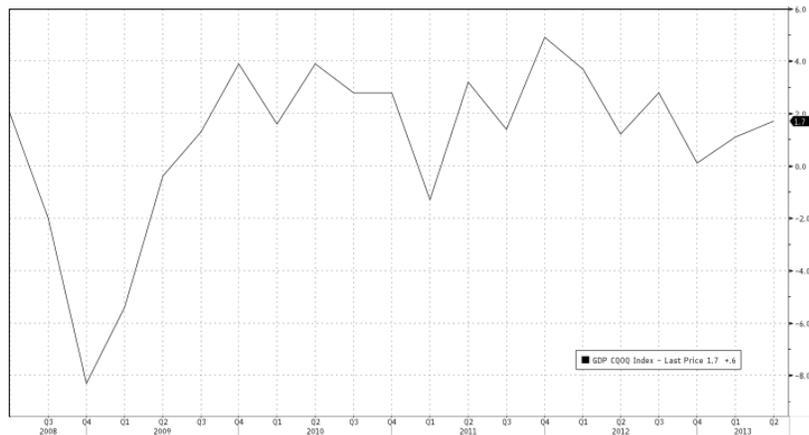
Fixed Income Market Review

July 31, 2013

U.S. Gross Domestic Product

06/30/08 - 06/30/13

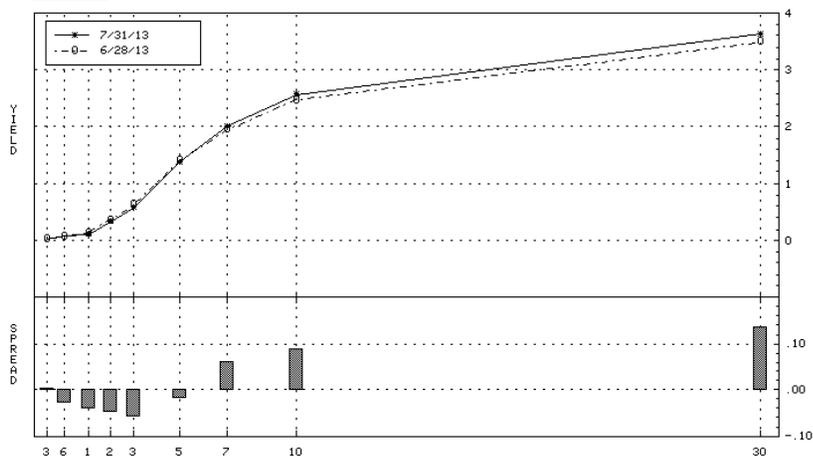
Chart 1



Treasury Yield Curves

06/28/13 - 07/31/13

Chart 2



Economic Indicators & Monetary Policy – The U.S. economy grew at a faster pace than expected during the second quarter of 2013 as Gross Domestic Product (GDP) increased at a 1.7 percent annualized rate (Chart 1) compared to a 1.1 percent estimate. Over the past year, GDP was up only 1.4 percent compared to 2.8 percent for all of 2012.

Consumer spending increased at a 1.8 percent rate last quarter compared to a 1.6 percent estimate. Purchases added 1.2 percentage points to growth after a revised 2.3 percent growth the prior quarter. Some of the slowdown from the first quarter may be due to the hangover effect of the payroll tax increase in January from 4.2 percent to 6.2 percent. Corporate spending on equipment jumped to a 4.1 percent annualized pace due in part to more orders placed for automobiles and machinery. Government spending decreased at a 0.4 percent annualized rate as a result of non-defense outlays.

Property values of existing homes in 20 U.S. cities posted a 12.2 percent year-over-year gain in May as historically low mortgage rates sparked demand and boosted prices to increase household wealth and help fuel economic growth. Unemployment is expected to fall to 7.5 percent in July from a 7.6 percent rate in June, which is still higher than the Federal Reserve's target.

At the July 30th/31st Federal Open Market Committee (FOMC) meeting, policy-makers kept the federal funds target rate at a range of zero to 0.25 percent to foster its dual mandate of maximum employment and price stability. It also decided to maintain \$85 billion in monthly bond purchases to help overall economic activity. The FOMC expects that with appropriate policy accommodation, economic growth will pick up and the unemployment rate will gradually decline toward levels consistent with the mandate.

Policy-makers will likely hold the benchmark rate near zero as long as unemployment is above 6.5 percent and the inflation outlook is below 2.5 percent. Bond purchases will likely continue to help maintain pressure on longer-term interest rates to support mortgage markets and make financial conditions more accommodative until the labor market or inflation changes.

Yield Curve & Spreads – Treasury yields generally decreased in July due to a perceived decrease in likelihood of an immediate paring back of quantitative easing.

At the end of July, the 3-month Treasury bill yielded 0.04 percent, 6-month Treasury bill yielded 0.07 percent, 2-year Treasury note yielded 0.31 percent, 5-year Treasury note yielded 1.38 percent, 10-year Treasury note yielded 2.58 percent, and the 30-year Treasury yielded 3.64 percent. (Chart 2)

Additional Information
July 31, 2013

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice. All statistics represent month-end figures unless otherwise noted.

A current version of the investment adviser brochure for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A, is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
Attention: Client Services
113 King Street
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

**City of Colorado Springs
Activity and Performance Summary
for the period July 1, 2013 - July 31, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	105,422,562.58
Additions	
Contributions	0.00
Interest Received	69,785.52
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	69,785.52
Deductions	
Withdrawals	12,993,814.04
Fees Paid	6,185.96
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(13,000,000.00)
Accretion (Amortization) for the Period	(38,735.73)
Ending Amortized Cost Value	92,453,612.37
Ending Fair Value	92,559,813.84
Unrealized Gain (Loss)	106,201.47

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	435.52	0.00	0.00	435.52
Commercial Paper	0.00	2,742.64	0.00	2,742.64
U.S. Treasury	18,394.48	(9,658.34)	0.00	8,736.14
U.S. Instrumentality	51,318.74	(15,731.30)	0.00	35,587.44
Corporate	28,508.34	(16,088.73)	0.00	12,419.61
Sales and Maturities				
Total	98,657.08	(38,735.73)	0.00	59,921.35

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.13 %	0.12 %	0.09 %
Overnight Repo	0.14 %	0.09 %	0.04 %
3 Month T-Bill	0.07 %	0.05 %	0.02 %
6 Month T-Bill	0.10 %	0.08 %	0.06 %
1 Year T-Note	0.15 %	0.13 %	0.12 %
2 Year T-Note	0.27 %	0.28 %	0.34 %
5 Year T-Note	0.84 %	0.97 %	1.40 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	98,657.08	98,221.56
Accretion (Amortization)	(38,735.73)	(38,735.73)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	59,921.35	59,485.83
Average Daily Historical Cost	94,258,657.18	90,097,178.50
Annualized Return	0.75%	0.78%
Annualized Return Net of Fees	0.67%	0.70%
Annualized Return Year to Date Net of Fees	0.68%	0.75%
Weighted Average Effective Maturity in Days	663	686

**City of Colorado Springs
Activity and Performance Summary
for the period July 1, 2013 - July 31, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value	105,390,796.58
Additions	
Contributions	0.00
Interest Received	69,785.52
Accrued Interest Sold	0.00
Total Additions	69,785.52
Deductions	
Withdrawals	12,993,814.04
Fees Paid	6,185.96
Accrued Interest Purchased	0.00
Total Deductions	(13,000,000.00)
Change in Fair Value for the Period	99,231.74
Ending Fair Value	92,559,813.84

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	435.52	0.00	435.52
Commercial Paper	0.00	2,733.50	2,733.50
U.S. Treasury	18,394.48	21,154.50	39,548.98
U.S. Instrumentality	51,318.74	67,029.60	118,348.34
Corporate	28,508.34	8,314.14	36,822.48
Total	98,657.08	99,231.74	197,888.82

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.13 %	0.12 %	0.09 %
Overnight Repo	0.14 %	0.09 %	0.04 %
3 Month T-Bill	0.11 %	0.09 %	0.12 %
6 Month T-Bill	0.20 %	0.16 %	0.24 %
1 Year T-Note	0.26 %	0.26 %	0.71 %
2 Year T-Note	0.19 %	0.28 %	1.65 %
5 Year T-Note	-1.95 %	-2.81 %	2.59 %

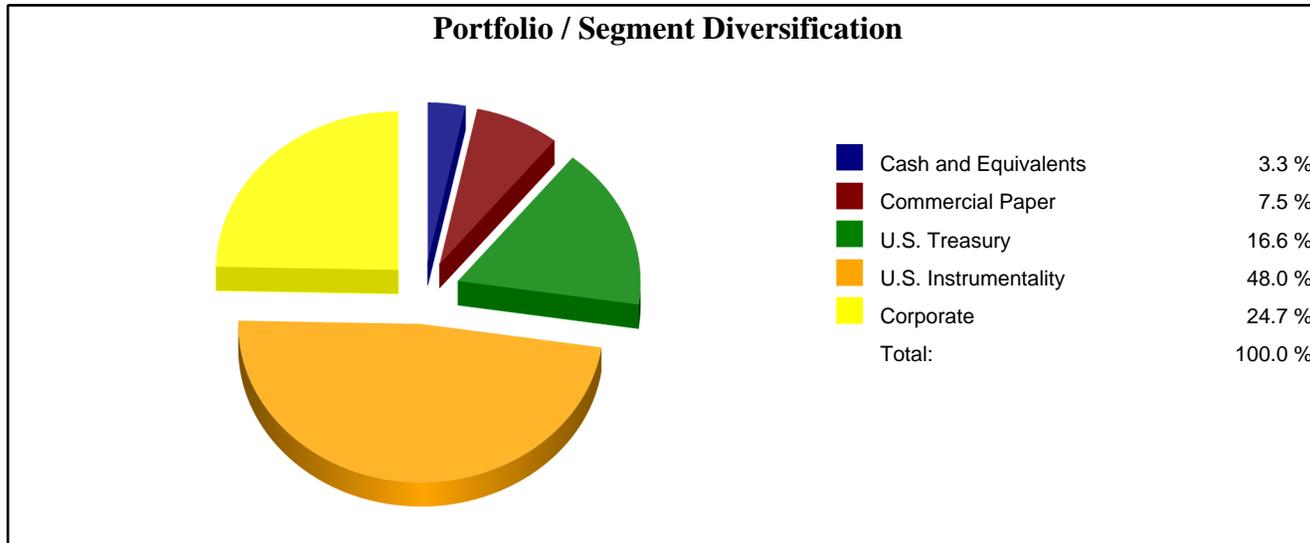
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	98,657.08	98,221.56
Change in Fair Value	<u>99,231.74</u>	<u>99,231.74</u>
Total Income on Portfolio	197,888.82	197,453.30
Average Daily Historical Cost	94,258,657.18	90,097,178.50
Annualized Return	2.47%	2.58%
Annualized Return Net of Fees	2.39%	2.50%
Annualized Return Year to Date Net of Fees	(0.05%)	(0.08%)
Weighted Average Effective Maturity in Days	663	686

**City of Colorado Springs
Recap of Securities Held
July 31, 2013**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	3,080,061.45	3,080,061.45	3,080,061.45	0.00	1	1	3.31	0.12	0.00
Commercial Paper	6,979,364.59	6,992,090.01	6,995,758.00	3,667.99	89	89	7.49	0.46	0.00
U.S. Treasury	15,444,023.45	15,235,359.52	15,296,623.50	61,263.98	905	905	16.58	0.67	2.43
U.S. Instrumentality	44,682,490.00	44,343,206.17	44,375,742.50	32,536.33	901	796	47.96	0.97	2.12
Corporate	22,988,624.60	22,802,895.22	22,811,628.39	8,733.17	504	504	24.67	0.67	1.36
Total	93,174,564.09	92,453,612.37	92,559,813.84	106,201.47	713	663	100.00	0.78	1.76

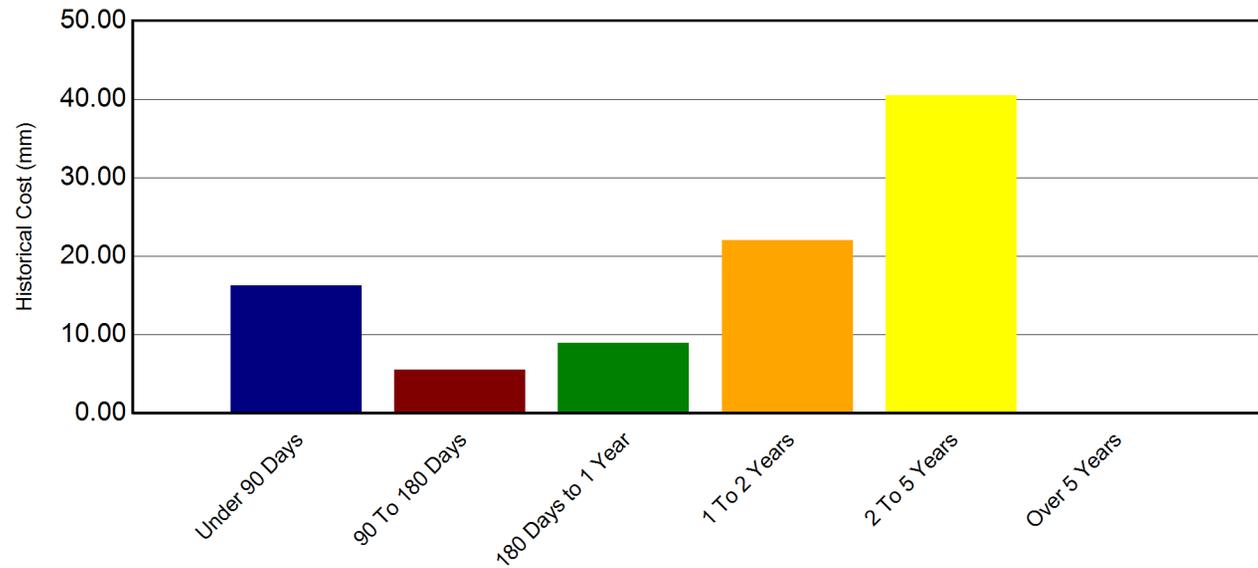
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Colorado Springs
Maturity Distribution of Securities Held
July 31, 2013**

Maturity	Historical Cost	Percent
Under 90 Days	16,232,658.12	17.42 %
90 To 180 Days	5,528,627.92	5.93 %
180 Days to 1 Year	8,919,215.00	9.57 %
1 To 2 Years	22,045,386.79	23.66 %
2 To 5 Years	40,448,676.26	43.41 %
Over 5 Years	0.00	0.00 %
	93,174,564.09	100.00 %

Maturity Distribution



**City of Colorado Springs
Securities Held
July 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
CSIP	07/31/13	0.120V		3,080,061.45	3,080,061.45	3,080,061.45	3,080,061.45	0.00	435.52	435.52	0.00	3.31	0.12
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				3,080,061.45	3,080,061.45	3,080,061.45	3,080,061.45	0.00	435.52	435.52	0.00	3.31	
					0.00	0.00	0.00						
Commercial Paper													
4497W0X11	03/05/13	0.000	10/01/13	3,500,000.00	3,491,016.67	3,497,390.56	3,498,782.00	1,391.44	0.00	0.00	0.00	3.75	0.45
ING Funding					0.00	1,326.11	1,092.00						
06737HYR4	03/15/13	0.000	11/25/13	3,500,000.00	3,488,347.92	3,494,699.45	3,496,976.00	2,276.55	0.00	0.00	0.00	3.74	0.48
BARCLAYS US FUNDI					0.00	1,416.53	1,641.50						
TOTAL (Commercial Paper)				7,000,000.00	6,979,364.59	6,992,090.01	6,995,758.00	3,667.99	0.00	0.00	0.00	7.49	
					0.00	2,742.64	2,733.50						
U.S. Treasury													
912828LZ1	08/31/11	2.125	11/30/14	2,500,000.00	2,638,867.19	2,556,857.16	2,564,160.00	7,302.84	0.00	4,499.66	8,999.32	2.83	0.40
T-Note					0.00	(3,626.70)	(2,245.00)						
912828PE4	08/23/11	1.250	10/31/15	3,000,000.00	3,067,968.75	3,036,472.12	3,058,359.00	21,886.88	0.00	3,176.23	9,528.69	3.29	0.70
T-Note					0.00	(1,377.14)	3,750.00						
912828PJ3	09/16/11	1.375	11/30/15	2,500,000.00	2,568,359.38	2,537,873.59	2,556,055.00	18,181.41	0.00	2,911.55	5,823.09	2.76	0.71
T-Note					0.00	(1,379.65)	3,320.00						
912828PS3	08/31/11	2.000	01/31/16	2,500,000.00	2,636,523.44	2,577,227.94	2,596,290.00	19,062.06	25,000.00	4,279.52	135.87	2.83	0.74
T-Note					0.00	(2,622.20)	2,540.00						
912828RF9	08/31/11	1.000	08/31/16	2,000,000.00	2,005,937.50	2,003,659.35	2,020,782.00	17,122.65	0.00	1,684.79	8,369.57	2.15	0.94
T-Note					0.00	(100.74)	5,782.00						
912828SJ0	02/08/13	0.875	02/28/17	2,500,000.00	2,526,367.19	2,523,269.36	2,500,977.50	(22,291.86)	0.00	1,842.73	9,154.21	2.71	0.61
T-Note					0.00	(551.91)	8,007.50						
TOTAL (U.S. Treasury)				15,000,000.00	15,444,023.45	15,235,359.52	15,296,623.50	61,263.98	25,000.00	18,394.48	42,010.75	16.58	
					0.00	(9,658.34)	21,154.50						
U.S. Instrumentality													
31331GCS6	05/31/11	3.875	10/07/13	2,000,000.00	2,146,760.00	2,011,433.63	2,013,872.00	2,438.37	0.00	6,458.34	24,541.67	2.30	0.72
FFCB					0.00	(5,290.18)	(6,034.00)						
31398A4N9	10/15/10	1.000	10/15/13	3,000,000.00	3,003,510.00	3,000,000.00	3,004,371.00	4,371.00	0.00	2,500.00	8,833.33	3.22	1.00
FNMA					0.00	0.00	(1,338.00)						
3133XWKV0	03/25/11	2.375	03/14/14	3,000,000.00	3,093,630.00	3,019,416.36	3,041,607.00	22,190.64	0.00	5,937.50	27,114.58	3.32	1.30
FHLB					0.00	(2,675.14)	(3,975.00)						

**City of Colorado Springs
Securities Held
July 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
3133XWE70 FHLB	02/24/11	2.500	06/13/14	2,200,000.00	2,265,648.00	2,217,215.58	2,244,484.00	27,268.42	0.00	4,583.33	7,333.33	2.43	1.57
					0.00	(1,688.86)	(2,985.40)						
313370JS8 FHLB	07/28/11	1.375	09/12/14	3,000,000.00	3,034,680.00	3,012,359.68	3,039,006.00	26,646.32	0.00	3,437.50	15,927.08	3.26	1.00
					0.00	(941.41)	(834.00)						
31398A6C1 FNMA	06/24/11	1.150	11/18/14	2,500,000.00	2,507,250.00	2,502,764.68	2,529,770.00	27,005.32	0.00	2,395.83	5,829.86	2.69	1.06
					0.00	(180.81)	1,072.50						
3136FPNV5 FNMA	Call 06/30/11	2.125V	10/21/15	3,000,000.00	3,064,080.00	3,033,017.08	3,104,187.00	71,169.92	0.00	5,312.50	17,708.33	3.29	1.61
			10/21/15		0.00	(1,262.06)	501.00						
313380L96 FHLB	08/23/12	0.500	11/20/15	3,000,000.00	2,999,040.00	2,999,318.11	2,999,739.00	420.89	0.00	1,250.00	2,958.33	3.22	0.51
					0.00	25.14	4,437.00						
3134G3SE1 FHLMC	Call 03/21/12	1.000	03/21/16	2,000,000.00	2,000,132.00	2,000,041.95	2,007,312.00	7,270.05	0.00	1,666.66	7,222.22	2.15	1.00
			03/21/14		0.00	(5.61)	416.00						
3133EAWZ7 FFCB	Call 07/31/12	0.790	07/11/16	3,000,000.00	3,001,680.00	3,000,000.00	3,000,198.00	198.00	11,850.00	1,975.00	1,316.67	3.22	0.79
			08/11/13		0.00	(48.70)	8,517.00						
3134G3S50 FHLMC	10/22/12	0.625	11/01/16	2,500,000.00	2,495,500.00	2,496,365.74	2,484,207.50	(12,158.24)	0.00	1,302.08	3,906.25	2.68	0.67
					0.00	94.84	8,345.00						
313378WF4 FHLB	05/10/12	1.125	03/10/17	2,000,000.00	2,012,140.00	2,009,058.57	2,007,824.00	(1,234.57)	0.00	1,875.00	8,812.50	2.16	1.00
					0.00	(213.23)	9,010.00						
313379FW4 FHLB	06/14/13	1.000	06/09/17	3,000,000.00	2,997,420.00	2,997,505.05	2,984,325.00	(13,180.05)	0.00	2,500.00	4,333.33	3.22	1.02
					416.67	54.93	16,596.00						
3136G0YF2 FNMA	Call 08/30/12	1.050	08/28/17	3,000,000.00	3,000,000.00	3,000,000.00	2,965,908.00	(34,092.00)	0.00	2,625.00	13,387.50	3.22	1.05
			08/28/14		0.00	0.00	9,381.00						
313380EC7 FHLB	09/28/12	0.750	09/08/17	1,500,000.00	1,493,415.00	1,494,534.38	1,470,186.00	(24,348.38)	0.00	937.50	4,468.75	1.60	0.84
					0.00	113.03	7,731.00						
3134G35F3 FHLMC	Call 02/21/13	1.350	02/07/18	2,500,000.00	2,517,925.00	2,509,702.99	2,490,290.00	(19,412.99)	0.00	2,812.50	16,312.50	2.70	0.60
			02/07/14		1,312.50	(1,583.12)	9,112.50						
3135G0VG5 FNMA	Call 03/20/13	1.500	03/13/18	3,000,000.00	3,049,680.00	3,040,472.37	2,988,456.00	(52,016.37)	0.00	3,750.00	17,250.00	3.27	0.66
			03/13/15		875.00	(2,130.12)	7,077.00						
TOTAL (U.S. Instrumentality)				44,200,000.00	44,682,490.00	44,343,206.17	44,375,742.50	32,536.33	11,850.00	51,318.74	187,256.23	47.96	
					2,604.17	(15,731.30)	67,029.60						

Corporate

459200GT2 IBM Corp	09/04/12	1.000	08/05/13	1,500,000.00	1,509,630.00	1,500,114.99	1,500,000.00	(114.99)	0.00	1,250.00	7,333.33	1.62	0.30
					0.00	(891.13)	(733.50)						
64952WAX1 New York Life Global	03/19/12	1.850	12/13/13	2,000,000.00	2,040,280.00	2,008,513.44	2,010,588.00	2,074.56	0.00	3,083.33	4,933.33	2.19	0.68
					0.00	(1,969.53)	(1,764.00)						
57629WBK5 MassMutual Global Fu	03/26/12	2.875	04/21/14	1,500,000.00	1,559,805.00	1,520,805.18	1,526,341.50	5,536.32	0.00	3,593.75	11,979.17	1.67	0.93
					0.00	(2,452.32)	(2,947.50)						

**City of Colorado Springs
Securities Held
July 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
459200GZ8 IBM Corp	06/12/12	0.875	10/31/14	3,000,000.00	3,016,230.00	3,008,496.99	3,020,415.00	11,918.01	0.00	2,187.50	6,635.42	3.24	0.65
89233P5N2 Toyota Motor Credit	08/30/12	1.250	11/17/14	2,578,000.00	2,618,474.60	2,601,664.38	2,601,941.89	277.51	0.00	2,685.42	6,624.03	2.81	0.54
59217GAM1 Met Life Glob	01/11/13	2.000	01/09/15	2,500,000.00	2,564,000.00	2,546,241.76	2,545,625.00	(616.76)	25,000.00	4,166.67	3,055.56	2.75	0.71
084670AV0 Berkshire Hathaway	06/12/12	3.200	02/11/15	2,000,000.00	2,125,860.00	2,072,233.82	2,080,470.00	8,236.18	0.00	5,333.33	30,222.22	2.28	0.81
59217GAV1 Met Life Glob	03/28/13	1.700	06/29/15	1,500,000.00	1,531,905.00	1,527,020.39	1,523,325.00	(3,695.39)	0.00	2,125.00	2,266.67	1.64	0.75
64952WBH5 New York Life Global	09/26/12	0.750	07/24/15	2,000,000.00	2,008,120.00	2,005,686.36	2,001,450.00	(4,236.36)	7,500.00	1,250.00	291.67	2.16	0.60
369604BE2 GENERAL ELECTRIC	01/31/13	0.850	10/09/15	2,000,000.00	2,005,100.00	2,004,153.82	2,000,736.00	(3,417.82)	0.00	1,416.67	5,288.89	2.15	0.75
369604BE2 GENERAL ELECTRIC	03/28/13	0.850	10/09/15	2,000,000.00	2,009,220.00	2,007,964.09	2,000,736.00	(7,228.09)	0.00	1,416.67	5,288.89	2.16	0.67
TOTAL (Corporate)				22,578,000.00	22,988,624.60	22,802,895.22	22,811,628.39	8,733.17	32,500.00	28,508.34	83,919.18	24.67	
					0.00	(16,088.73)	8,314.14						

GRAND TOTAL **91,858,061.45** **93,174,564.09** **92,453,612.37** **92,559,813.84** **106,201.47** **69,785.52** **98,657.08** **313,186.16** **100.00**
2,604.17 **(38,735.73)** **99,231.74**

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>FHLB</u>												
3133XWKV0	U.S. Instrumentality	2.375	03/14/2014		AA+	Aaa	3,000,000.00	3,093,630.00	3.32	3,041,607.00	3.29	0.61
3133XWE70	U.S. Instrumentality	2.500	06/13/2014		AA+	Aaa	2,200,000.00	2,265,648.00	2.43	2,244,484.00	2.42	0.86
313370JS8	U.S. Instrumentality	1.375	09/12/2014		AA+	Aaa	3,000,000.00	3,034,680.00	3.26	3,039,006.00	3.28	1.10
313380L96	U.S. Instrumentality	0.500	11/20/2015		AA+	Aaa	3,000,000.00	2,999,040.00	3.22	2,999,739.00	3.24	2.28
313378WF4	U.S. Instrumentality	1.125	03/10/2017		AA+	Aaa	2,000,000.00	2,012,140.00	2.16	2,007,824.00	2.17	3.51
313379FW4	U.S. Instrumentality	1.000	06/09/2017		AA+	Aaa	3,000,000.00	2,997,420.00	3.22	2,984,325.00	3.22	3.76
313380EC7	U.S. Instrumentality	0.750	09/08/2017		AA+	Aaa	1,500,000.00	1,493,415.00	1.60	1,470,186.00	1.59	4.01
ISSUER TOTAL							17,700,000.00	17,895,973.00	19.21	17,787,171.00	19.22	2.15
<u>T-Note</u>												
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	2,500,000.00	2,638,867.19	2.83	2,564,160.00	2.77	1.32
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	3,000,000.00	3,067,968.75	3.29	3,058,359.00	3.30	2.22
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	2,500,000.00	2,568,359.38	2.76	2,556,055.00	2.76	2.30
912828PS3	U.S. Treasury	2.000	01/31/2016		AA+	Aaa	2,500,000.00	2,636,523.44	2.83	2,596,290.00	2.80	2.45
912828RF9	U.S. Treasury	1.000	08/31/2016		AA+	Aaa	2,000,000.00	2,005,937.50	2.15	2,020,782.00	2.18	3.02
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	2,500,000.00	2,526,367.19	2.71	2,500,977.50	2.70	3.51
ISSUER TOTAL							15,000,000.00	15,444,023.45	16.58	15,296,623.50	16.53	2.44
<u>FNMA</u>												
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	3,000,000.00	3,003,510.00	3.22	3,004,371.00	3.25	0.21
31398A6C1	U.S. Instrumentality	1.150	11/18/2014		AA+	Aaa	2,500,000.00	2,507,250.00	2.69	2,529,770.00	2.73	1.29
3136FPNV5	U.S. Instrumentality	2.125	10/21/2015	10/21/2015	AA+	Aaa	3,000,000.00	3,064,080.00	3.29	3,104,187.00	3.35	2.17
3136G0YF2	U.S. Instrumentality	1.050	08/28/2017	08/28/2014	AA+	Aaa	3,000,000.00	3,000,000.00	3.22	2,965,908.00	3.20	3.96
3135G0VG5	U.S. Instrumentality	1.500	03/13/2018	03/13/2015	AA+	Aaa	3,000,000.00	3,049,680.00	3.27	2,988,456.00	3.23	4.42
ISSUER TOTAL							14,500,000.00	14,624,520.00	15.70	14,592,692.00	15.77	2.44
<u>FHLMC</u>												
3134G3SE1	U.S. Instrumentality	1.000	03/21/2016	03/21/2014	AA+	Aaa	2,000,000.00	2,000,132.00	2.15	2,007,312.00	2.17	0.64
3134G3S50	U.S. Instrumentality	0.625	11/01/2016		AA+	Aaa	2,500,000.00	2,495,500.00	2.68	2,484,207.50	2.68	3.20
3134G35F3	U.S. Instrumentality	1.350	02/07/2018	02/07/2014	AA+	Aaa	2,500,000.00	2,517,925.00	2.70	2,490,290.00	2.69	4.34
ISSUER TOTAL							7,000,000.00	7,013,557.00	7.53	6,981,809.50	7.54	2.87

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>FFCB</u>												
3133EAWZ7	U.S. Instrumentality	0.790	07/11/2016	08/11/2013	AA+	Aaa	3,000,000.00	3,001,680.00	3.22	3,000,198.00	3.24	0.03
31331GCS6	U.S. Instrumentality	3.875	10/07/2013		AA+	Aaa	2,000,000.00	2,146,760.00	2.30	2,013,872.00	2.18	0.18
ISSUER TOTAL							5,000,000.00	5,148,440.00	5.53	5,014,070.00	5.42	0.09
<u>IBM Corp</u>												
459200GT2	Corporate	1.000	08/05/2013		AA-	Aa3	1,500,000.00	1,509,630.00	1.62	1,500,000.00	1.62	0.01
459200GZ8	Corporate	0.875	10/31/2014		AA-	Aa3	3,000,000.00	3,016,230.00	3.24	3,020,415.00	3.26	1.24
ISSUER TOTAL							4,500,000.00	4,525,860.00	4.86	4,520,415.00	4.88	0.83
<u>Met Life Glob</u>												
59217GAM1	Corporate	2.000	01/09/2015		AA-	Aa3	2,500,000.00	2,564,000.00	2.75	2,545,625.00	2.75	1.42
59217GAV1	Corporate	1.700	06/29/2015		AA-	Aa3	1,500,000.00	1,531,905.00	1.64	1,523,325.00	1.65	1.88
ISSUER TOTAL							4,000,000.00	4,095,905.00	4.40	4,068,950.00	4.40	1.59
<u>New York Life Global Funding</u>												
64952WAX1	Corporate	1.850	12/13/2013		AA+	Aaa	2,000,000.00	2,040,280.00	2.19	2,010,588.00	2.17	0.37
64952WBH5	Corporate	0.750	07/24/2015		AA+	Aaa	2,000,000.00	2,008,120.00	2.16	2,001,450.00	2.16	1.96
ISSUER TOTAL							4,000,000.00	4,048,400.00	4.34	4,012,038.00	4.33	1.16
<u>GENERAL ELECTRIC CO</u>												
369604BE2	Corporate	0.850	10/09/2015		AA+	Aa3	4,000,000.00	4,014,320.00	4.31	4,001,472.00	4.32	2.16
ISSUER TOTAL							4,000,000.00	4,014,320.00	4.31	4,001,472.00	4.32	2.16
<u>ING Funding</u>												
4497W0X11	Commercial Paper	0.000	10/01/2013		A-1	P-1	3,500,000.00	3,491,016.67	3.75	3,498,782.00	3.78	0.00
ISSUER TOTAL							3,500,000.00	3,491,016.67	3.75	3,498,782.00	3.78	0.00
<u>BARCLAYS US FUNDING LLC</u>												
06737HYR4	Commercial Paper	0.000	11/25/2013		A-1	P-1	3,500,000.00	3,488,347.92	3.74	3,496,976.00	3.78	0.00
ISSUER TOTAL							3,500,000.00	3,488,347.92	3.74	3,496,976.00	3.78	0.00
<u>CSIP</u>												
	Cash and Equivalents	0.120			AAA	Aaa	3,080,061.45	3,080,061.45	3.31	3,080,061.45	3.33	0.00
ISSUER TOTAL							3,080,061.45	3,080,061.45	3.31	3,080,061.45	3.33	0.00

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>Toyota Motor Credit</u>												
89233P5N2	Corporate	1.250	11/17/2014		AA-	Aa3	2,578,000.00	2,618,474.60	2.81	2,601,941.89	2.81	1.28
ISSUER TOTAL							2,578,000.00	2,618,474.60	2.81	2,601,941.89	2.81	1.28
<u>Berkshire Hathaway</u>												
084670AV0	Corporate	3.200	02/11/2015		AA	Aa2	2,000,000.00	2,125,860.00	2.28	2,080,470.00	2.25	1.48
ISSUER TOTAL							2,000,000.00	2,125,860.00	2.28	2,080,470.00	2.25	1.48
<u>MassMutual Global Funding</u>												
57629WBK5	Corporate	2.875	04/21/2014		AA+	Aa2	1,500,000.00	1,559,805.00	1.67	1,526,341.50	1.65	0.71
ISSUER TOTAL							1,500,000.00	1,559,805.00	1.67	1,526,341.50	1.65	0.71

GRAND TOTAL

91,858,061.45 93,174,564.09 100.00 92,559,813.84 100.00 1.76

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Colorado Springs
Securities Purchased
July 1, 2013 - July 31, 2013**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
CSIP	07/31/2013	0.120V		82,100.00	100.000	82,100.00	0.00	0.12
CSIP	07/31/2013	0.120V		435.52	100.000	435.52	0.00	0.12
TOTAL (Cash and Equivalents)				82,535.52		82,535.52	0.00	
GRAND TOTAL				82,535.52		82,535.52	0.00	

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Colorado Springs
Securities Sold and Matured
July 1, 2013 - July 31, 2013**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<u>Cash and Equivalents</u>													
CSIP	07/03/2013	0.120V		8,000,000.00	8,000,000.00	8,000,000.00	100.00	8,000,000.00	0.00	0.00	0.00	0.00	0.12
						0.00		0.00					
CSIP	07/05/2013	0.120V		5,000,000.00	5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	0.00	0.00	0.00	0.12
						0.00		0.00					
TOTAL (Cash and Equivalents)				13,000,000.00	13,000,000.00	13,000,000.00		13,000,000.00	0.00	0.00	0.00	0.00	
						0.00		0.00					
GRAND TOTAL				13,000,000.00	13,000,000.00	13,000,000.00		13,000,000.00	0.00	0.00	0.00	0.00	
						0.00		0.00					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Colorado Springs
Transaction Report
for the period July 1, 2013 - July 31, 2013**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
07/01/2013		Maturity	CE	Int Receivable	07/01/2013	12,750.00	12,750.00	0.00	12,750.00	12,750.00
07/03/2013		Sold	CE	CSIP		8,000,000.00	8,000,000.00	0.00	8,000,000.00	8,012,750.00
07/05/2013		Sold	CE	CSIP		5,000,000.00	5,000,000.00	0.00	5,000,000.00	13,012,750.00
07/09/2013	59217GAM1	Interest	COR	Met Life Glob	01/09/2015	2,500,000.00	0.00	25,000.00	25,000.00	13,037,750.00
07/11/2013	3133EAWZ7	Interest	INS	FFCB	07/11/2016	3,000,000.00	0.00	11,850.00	11,850.00	13,049,600.00
07/24/2013	64952WBH5	Interest	COR	New York Life Global	07/24/2015	2,000,000.00	0.00	7,500.00	7,500.00	13,057,100.00
07/31/2013		Interest	CE	CSIP		3,080,061.45	0.00	435.52	435.52	13,057,535.52
07/31/2013		Bought	CE	CSIP		82,535.52	82,535.52	0.00	(82,535.52)	12,975,000.00
07/31/2013	912828PS3	Interest	TSY	T-Note	01/31/2016	2,500,000.00	0.00	25,000.00	25,000.00	13,000,000.00
Portfolio Activity Total									13,000,000.00	

Net Contributions:	0.00
Net Withdrawals:	12,993,814.04

Fees Charged:	6,185.96
Fees Paid:	6,185.96

**City of Colorado Springs
Securities Bid and Offer
for the period 7/1/2013 - 7/31/2013**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
No Activity this period									

**City of Colorado Springs
Upcoming Cash Activity
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
08/05/2013	Maturity	459200GT2	IBM Corp	1.000	08/05/2013		1,500,000.00	1,500,000.00	7,500.00	1,507,500.00
08/07/2013	Interest	3134G35F3	FHLMC	1.350	02/07/2018	02/07/2014	2,500,000.00	0.00	16,875.00	16,875.00
08/11/2013	Interest	084670AV0	Berkshire Hathaway	3.200	02/11/2015		2,000,000.00	0.00	32,000.00	32,000.00
08/28/2013	Interest	3136G0YF2	FNMA	1.050	08/28/2017	08/28/2014	3,000,000.00	0.00	15,750.00	15,750.00
08/31/2013	Interest	912828RF9	T-Note	1.000	08/31/2016		2,000,000.00	0.00	10,000.00	10,000.00
08/31/2013	Interest	912828SJ0	T-Note	0.875	02/28/2017		2,500,000.00	0.00	10,937.50	10,937.50
09/08/2013	Interest	313380EC7	FHLB	0.750	09/08/2017		1,500,000.00	0.00	5,625.00	5,625.00
09/10/2013	Interest	313378WF4	FHLB	1.125	03/10/2017		2,000,000.00	0.00	11,250.00	11,250.00
09/12/2013	Interest	313370JS8	FHLB	1.375	09/12/2014		3,000,000.00	0.00	20,625.00	20,625.00
09/13/2013	Interest	3135G0VG5	FNMA	1.500	03/13/2018	03/13/2015	3,000,000.00	0.00	22,500.00	22,500.00
09/14/2013	Interest	3133XWKV0	FHLB	2.375	03/14/2014		3,000,000.00	0.00	35,625.00	35,625.00

END OF REPORTS



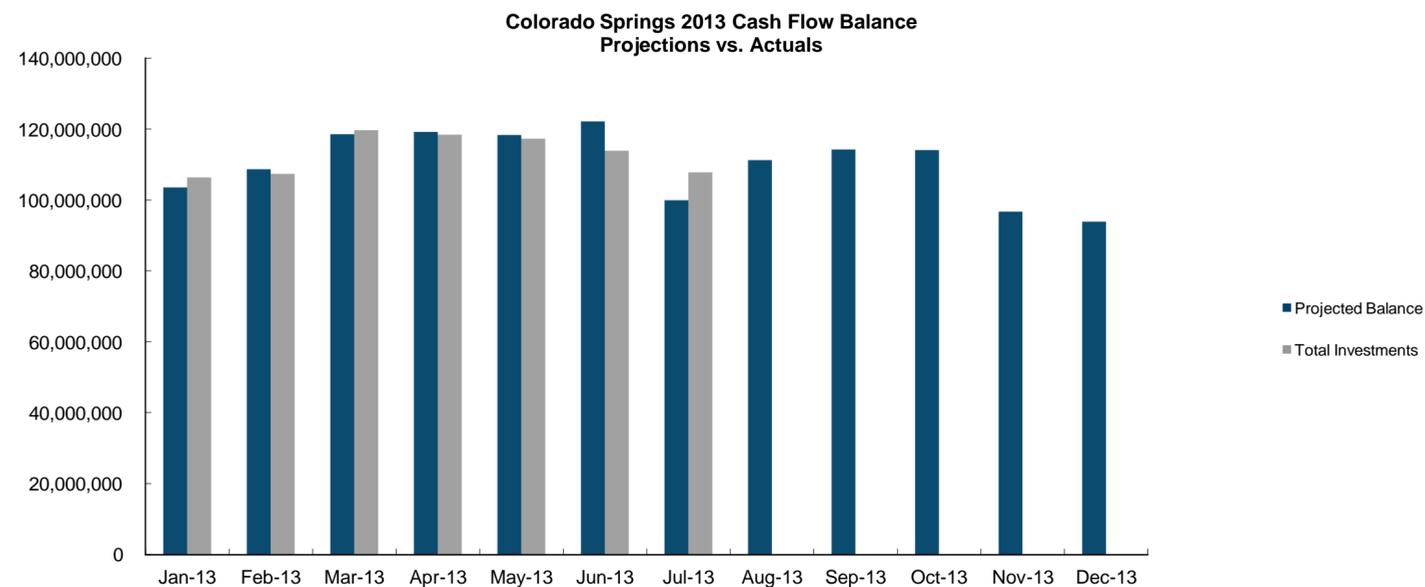
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For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

City of Colorado Springs Cash Flow Projections - All Funds

	Beg. Balance	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
Fund Balances	105,021,315													
Cash Receipts														
Sales Tax		17,183,150	12,329,972	12,422,935	15,291,922	12,979,384	14,150,508	15,940,609	14,208,214	14,748,227	15,446,167	13,623,171	13,283,414	171,607,672
County Receipts		321,198	1,433,905	7,877,833	1,273,824	5,416,626	2,882,498	5,014,533	697,874	462,313	355,096	587,621	289,211	26,612,532
Grants		2,540,982	1,888,556	709,730	946,029	1,049,834	3,150,704	876,338	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	31,578,840
Airport (Operating and Grants)		2,383,181	1,687,175	3,449,824	1,968,352	1,805,756	2,624,815	1,753,674	3,690,634	2,419,919	1,638,644	2,691,904	4,761,802	30,875,679
Airport PFCs and CFCs		376,447	10,071	159,475	353,925	92,337	121,515	211,717	216,667	216,667	216,667	216,667	216,667	2,408,820
Utilities Surplus Revenue		3,272,944	3,307,661	2,908,140	2,846,228	2,647,630	2,273,415	2,242,113	2,514,161	2,417,601	2,098,563	2,478,847	2,562,030	31,569,333
State Shared Revenue		1,533,926	1,441,279	1,499,157	1,482,271	1,603,894	1,458,442	1,738,434	1,713,831	1,812,742	1,670,399	1,606,735	1,629,873	19,190,984
Other Revenues		7,239,967	6,103,947	8,336,573	5,664,315	7,147,977	6,563,212	8,046,341	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	78,727,332
Total Receipts		34,851,795	28,202,566	37,363,667	29,826,866	32,743,438	33,225,109	35,823,759	33,049,713	32,085,802	31,433,869	31,213,278	32,751,329	392,571,191
Cash Disbursements														
Payroll & Benefits		13,484,793	14,621,253	14,828,387	15,101,503	21,788,727	16,662,915	15,829,805	15,692,308	15,692,308	15,692,308	23,538,462	15,692,308	198,625,075
Accounts Payable		13,861,285	9,652,224	10,506,551	11,970,299	7,477,674	7,740,487	22,463,215	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	141,338,402
Pension Additional		3,000,000	0	0	780,256	1,069,390	1,251,319	96,304	0	0	1,522,028	10,989,391	4,601,319	3,096,304
Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	20,213,703
CIP & SPECIAL FUNDS														
TOPS		182,353	(7,522)	61,977	116,595	449,702	164,990	119,330	203,841	106,406	538,165	897,056	173,657	3,006,551
LART		223,128	179,000	0	450,000	320,013	300,000	775,000	452,060	375,609	408,915	553,995	276,998	3,912,590
Cable Franchise		136,468	55,435	91,508	112,401	35,751	113,494	148,135	99,757	49,801	128,516	28,905	86,451	1,086,623
Public Safety		173,676	486,470	219,481	341,741	473,418	323,794	37,339	86,045	100,067	95,042	71,291	23,646	2,432,011
CITY funded CIP		3,197,683	50,367	141,514	987,439	850,187	124,919	281,979	791,667	791,667	791,667	791,667	791,667	9,592,422
Airport		2,121,743	861,744	336,494	435,223	341,896	1,684,022	2,278,813	795,295	424,398	895,691	171,424	2,387,189	12,733,932
Total Disbursements		36,381,129	25,898,971	26,185,912	30,295,457	32,806,758	28,365,942	42,029,920	29,654,306	29,073,590	31,605,666	48,575,523	35,566,567	396,037,613
Projected Net Change		(1,529,334)	2,303,595	11,177,755	(468,591)	(63,320)	4,859,167	(6,206,161)	3,395,407	3,012,212	(171,796)	(17,362,245)	(2,815,238)	(3,466,422)
Maturing Principal Dollars									7,580,061		8,500,000	3,500,000	2,000,000	21,580,061
Net Surplus/Shortage									10,975,468	3,012,212	8,328,204	(13,862,245)	(815,238)	
Projected Balance	105,021,315	103,491,981	108,622,413	118,489,129	119,173,577	118,294,560	122,110,220	99,898,618	111,177,893	114,190,105	114,018,309	96,656,064	93,840,825	
Actual Balance (Cost)		99,779,222	99,679,052	111,801,074	106,944,362	110,036,840	106,104,779	93,174,564						
US Bank Operating Account		6,539,596	7,632,322	7,841,094	114,135,18	7,214,213	7,740,487	14,607,922						
Portfolio Reallocation														
Total Investments		106,318,818	107,311,374	119,642,168	118,357,880	117,251,053	113,845,266	107,782,486						
Actual Net Change		1,297,503	992,556	12,330,794	(1,284,288)	(1,106,827)	(3,405,787)	(6,062,780)						



City of Colorado Springs
Cash Flow Projections - All Funds

	Beg.Balance	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
Fund Balances	93,840,825													
Cash Receipts														
Sales Tax		15,666,377	10,273,040	10,406,710	13,322,579	12,183,699	12,305,604	14,473,087	14,534,608	13,085,489	13,958,019	12,242,655	11,848,133	154,300,000
County Receipts		255,511	1,077,454	7,418,489	1,306,455	4,434,213	2,514,079	5,630,466	604,822	426,858	352,251	542,564	236,839	24,800,000
Grants		0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Airport (Operating and Grants)		0	591,380	983,127	420,950	457,413	3,498,028	3,572,526	3,923,142	5,009,946	4,776,851	6,368,803	1,290,614	30,892,780
Airport PFCs and CFCs		208,387	165,230	281,447	229,477	322,145	248,448	275,138	172,572	294,435	317,752	287,348	434,599	3,236,978
Surplus CSU(formerly PILT)		3,146,183	3,318,429	2,993,085	2,745,367	2,359,642	2,327,259	2,212,956	2,459,612	2,458,863	2,060,457	2,427,323	3,090,823	31,600,000
State Shared Revenue		1,296,415	1,500,047	1,477,544	1,548,216	1,662,128	1,536,503	1,722,824	1,699,532	1,928,724	1,863,953	1,573,755	1,790,358	19,600,000
Other Revenues		0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts		20,572,873	16,925,579	38,440,402	34,453,045	36,299,240	37,309,921	42,766,997	38,274,289	38,084,315	38,209,282	38,322,448	33,571,366	413,229,758
Cash Disbursements														
Payroll & Benefits		16,186,622	14,652,444	14,634,726	14,792,764	15,012,910	14,990,684	22,876,964	15,483,421	14,920,939	14,802,499	14,860,567	23,785,459	197,000,000
Accounts Payable		0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Pension Additional		0	0	0	0	990,031	1,521,219	916,735	-	-	1,442,610	1,744,194	12,196,219	18,811,000
Debt Service		1,900,000												1,900,000
CIP & SPECIAL FUNDS														
TOPS		1,595,711	76,953	160,562	122,681	161,438	103,225	99,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery		143,896	195,029	229,779	228,266	256,535	282,357	410,942	265,078	238,482	220,062	488,799	140,774	3,100,000
LART		31,837	0	255,832	483,238	44,344	625,367	397,961	397,961	682,218	327,666	454,812	114,764	3,816,000
Cable Franchise		23,697	111,834	49,121	74,497	113,075	85,364	150,745	116,681	68,847	138,917	56,318	129,904	1,119,000
Public Safety		0	5,567	8,604	49,438	82,638	108,252	28,930	25,416	59,186	85,418	46,552	0	500,000
CITY funded CIP		925,617	106,709	86,649	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures														-
Total Disbursements		20,807,379	15,148,536	29,483,072	29,960,920	30,996,463	31,887,582	38,906,889	30,562,953	30,352,611	32,205,472	35,132,258	50,566,872	376,011,008
Projected Net Change		(234,506)	1,777,043	8,957,330	4,492,125	5,302,776	5,422,339	3,860,108	7,711,336	7,731,704	6,003,811	3,190,189	(16,995,506)	
Maturing Principal Dollars		0		5,000,000	1,500,000	0	2,200,000	0		3,000,000	3,000,000	7,578,000	0	37,218,750
Net Surplus/Shortage		(234,506)	1,777,043	13,957,330	5,992,125	5,302,776	7,622,339	3,860,108	7,711,336	10,731,704	9,003,811	10,768,189	(16,995,506)	22,278,000
Projected Balance	93,840,825	93,606,319	95,383,362	104,340,692	108,832,817	114,135,593	119,557,932	123,418,040	131,129,376	138,861,081	144,864,892	148,055,081	131,059,575	
Actual Balance (Cost)														
US Bank Operating Account														
Portfolio Reallocation														
Actual Net Change														

City of Colorado Springs
Cash Flow Projections - All Funds

	Beg.Balance	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Fund Balances	131,059,575													
Cash Receipts														
Sales Tax		15,666,377	10,273,040	10,406,710	13,322,579	12,183,699	12,305,604	14,473,087	14,534,608	13,085,489	13,958,019	12,242,655	11,848,133	154,300,000
County Receipts		255,511	1,077,454	7,418,489	1,306,455	4,434,213	2,514,079	5,630,466	604,822	426,858	352,251	542,564	236,839	24,800,000
Grants		0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Airport (Operating and Grants)		0	591,380	983,127	420,950	457,413	3,498,028	3,572,526	3,923,142	5,009,946	4,776,851	6,368,803	1,290,614	30,892,780
Airport PFCs and CFCs		208,387	165,230	281,447	229,477	322,145	248,448	275,138	172,572	294,435	317,752	287,348	434,599	3,236,978
Utilities Surplus Revenue		3,146,183	3,318,429	2,993,085	2,745,367	2,359,642	2,327,259	2,212,956	2,459,612	2,458,863	2,060,457	2,427,323	3,090,823	31,600,000
State Shared Revenue		1,296,415	1,500,047	1,477,544	1,548,216	1,662,128	1,536,503	1,722,824	1,699,532	1,928,724	1,863,953	1,573,755	1,790,358	19,600,000
Other Revenues		0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts		20,572,873	16,925,579	38,440,402	34,453,045	36,299,240	37,309,921	42,766,997	38,274,289	38,084,315	38,209,282	38,322,448	33,571,366	413,229,758
Cash Disbursements														
Payroll & Benefits		16,186,622	14,652,444	14,634,726	14,792,764	15,012,910	14,990,684	22,876,964	15,483,421	14,920,939	14,802,499	14,860,567	23,785,459	197,000,000
Accounts Payable		0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Pension Additional		0	0	0	0	990,031	1,521,219	916,735	0	0	1,442,610	1,744,194	12,196,219	18,811,008
Debt Service		1,900,000												1,900,000
CIP & SPECIAL FUNDS														
TOPS		1,595,711	76,953	160,562	122,681	161,438	103,225	99,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery		143,896	195,029	229,779	228,266	256,535	282,357	410,942	265,078	238,482	220,062	488,799	140,774	3,100,000
LART		31,837	0	255,832	483,238	44,344	625,367	397,961	682,218	327,666	454,812	114,764	114,764	3,816,000
Cable Franchise		23,697	111,834	49,121	74,497	113,075	85,364	150,745	116,681	68,847	138,917	56,318	129,904	1,119,000
Public Safety		0	5,567	8,604	49,438	82,638	108,252	28,930	25,416	59,186	85,418	46,552		500,000
CITY funded CIP		925,617	106,709	86,649	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures														
Total Disbursements		20,807,379	15,148,536	29,483,072	29,960,920	30,996,463	31,887,582	38,906,889	30,562,953	30,352,611	32,205,472	35,132,258	50,566,872	376,011,008
Projected Net Change		(234,506)	1,777,043	8,957,330	4,492,125	5,302,776	5,422,339	3,860,108	7,711,336	7,731,704	6,003,811	3,190,189	(16,995,506)	37,218,750
Maturing Principal Dollars		2,500,000	2,000,000				1,500,000	2,000,000			10,000,000	5,500,000		23,500,000
Net Surplus/Shortage		2,265,494	3,777,043	8,957,330	4,492,125	5,302,776	6,922,339	5,860,108	7,711,336	7,731,704	16,003,811	8,690,189	(16,995,506)	
Projected Balance	131,059,575	130,825,069	132,602,112	141,559,442	146,051,566	151,354,343	156,776,682	160,636,790	168,348,126	176,079,831	182,083,641	185,273,831	168,278,325	
Actual Balance (Cost)														
US Bank Operating Account														
Portfolio Reallocation														
Actual Net Change														

City of Colorado Springs
Cash Flow Projections - All Funds

	Beg.Balance	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Fund Balances	168,278,325													
Cash Receipts														
Sales Tax		15,666,377	10,273,040	10,406,710	13,322,579	12,183,699	12,305,604	14,473,087	14,534,608	13,085,489	13,958,019	12,242,655	11,848,133	154,300,000
County Receipts		255,511	1,077,454	7,418,489	1,306,455	4,434,213	2,514,079	5,630,466	604,822	426,858	352,251	542,564	236,839	24,800,000
Grants		0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Airport (Operating and Grants)		0	591,380	983,127	420,950	457,413	3,498,028	3,572,526	3,923,142	5,009,946	4,776,851	6,368,803	1,290,614	30,892,780
Airport PFCs and CFCs		208,387	165,230	281,447	229,477	322,145	248,448	275,138	172,572	294,435	317,752	287,348	434,599	3,236,978
Utilities Surplus Revenue		3,146,183	3,318,429	2,993,085	2,745,367	2,359,642	2,327,259	2,212,956	2,459,612	2,458,863	2,060,457	2,427,323	3,090,823	31,600,000
State Shared Revenue		1,296,415	1,500,047	1,477,544	1,548,216	1,662,128	1,536,503	1,722,824	1,699,532	1,928,724	1,863,953	1,573,755	1,790,358	19,600,000
Other Revenues		0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts		20,572,873	16,925,579	38,440,402	34,453,045	36,299,240	37,309,921	42,766,997	38,274,289	38,084,315	38,209,282	38,322,448	33,571,366	413,229,758
Cash Disbursements														
Payroll & Benefits		16,186,622	14,652,444	14,634,726	14,792,764	15,012,910	14,990,684	22,876,964	15,483,421	14,920,939	14,802,499	14,860,567	23,785,459	197,000,000
Accounts Payable		0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Pension Additional		0	0	0	0	990,031	1,521,219	916,735	0	0	1,442,610	1,744,194	12,196,219	18,811,008
Debt Service		1,900,000												1,900,000
CIP & SPECIAL FUNDS														
TOPS		1,595,711	76,953	160,562	122,681	161,438	103,225	99,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery		143,896	195,029	229,779	228,266	256,535	282,357	410,942	265,078	238,482	220,062	488,799	140,774	3,100,000
LART		31,837	0	255,832	483,238	44,344	625,367	397,961	682,218	327,666	454,812	114,764	114,764	3,816,000
Cable Franchise		23,697	111,834	49,121	74,497	113,075	85,364	150,745	116,681	68,847	138,917	56,318	129,904	1,119,000
Public Safety		0	5,567	8,604	49,438	82,638	108,252	28,930	25,416	59,186	85,418	46,552		500,000
CITY funded CIP		925,617	106,709	86,649	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures														
Total Disbursements		20,807,379	15,148,536	29,483,072	29,960,920	30,996,463	31,887,582	38,906,889	30,562,953	30,352,611	32,205,472	35,132,258	50,566,872	376,011,008
Projected Net Change		(234,506)	1,777,043	8,957,330	4,492,125	5,302,776	5,422,339	3,860,108	7,711,336	7,731,704	6,003,811	3,190,189	(16,995,506)	37,218,750
Maturing Principal Dollars		2,500,000							2,000,000			2,500,000		7,000,000
Net Surplus/Shortage		2,265,494	1,777,043	8,957,330	4,492,125	5,302,776	5,422,339	3,860,108	9,711,336	7,731,704	6,003,811	5,690,189	(16,995,506)	
Projected Balance	168,278,325	168,043,819	169,820,862	178,778,192	183,270,316	188,573,093	193,995,432	197,855,540	205,566,876	213,298,580	219,302,391	222,492,581	205,497,075	
Actual Balance (Cost)														
US Bank Operating Account														
Portfolio Reallocation														
Actual Net Change														
Additional Maturities 02/17-03/18: \$17.5 million														

TAB 3



Cutwater Asset Management
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Denver, CO 80202
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CITY OF COLORADO SPRINGS

Report for the period January 1, 2013 - March 31, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on April 12, 2013)

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2013 - March 31, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	96,394,180.46
Additions	
Contributions	14,597,275.93
Interest Received	379,778.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	14,977,053.93
Deductions	
Withdrawals	0.00
Fees Paid	12,426.97
Accrued Interest Purchased	31,767.84
Loss on Sales	0.00
Total Deductions	(44,194.81)
Accretion (Amortization) for the Period	(123,402.50)
Ending Amortized Cost Value	111,203,637.08
Ending Fair Value	111,713,686.60
Unrealized Gain (Loss)	510,049.52

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	4,548.83	0.00	0.00	4,548.83
Commercial Paper	0.00	1,989.59	0.00	1,989.59
U.S. Treasury	51,324.25	(27,363.82)	0.00	23,960.43
U.S. Instrumentality	151,581.25	(43,137.42)	0.00	108,443.83
Corporate	72,448.61	(41,483.00)	0.00	30,965.61
Sales and Maturities				
Commercial Paper	0.00	3,537.77	0.00	3,537.77
U.S. Instrumentality	32,487.77	(15,653.67)	0.00	16,834.10
Corporate	1,770.83	(1,291.95)	0.00	478.88
Total	314,161.54	(123,402.50)	0.00	190,759.04

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.18 %	0.17 %	0.14 %
3 Month T-Bill	0.08 %	0.08 %	0.07 %
6 Month T-Bill	0.12 %	0.11 %	0.09 %
1 Year T-Note	0.17 %	0.16 %	0.14 %
2 Year T-Note	0.27 %	0.27 %	0.26 %
5 Year T-Note	0.74 %	0.75 %	0.81 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	314,161.54	309,612.71
Accretion (Amortization)	(123,402.50)	(123,402.50)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	190,759.04	186,210.21
Average Daily Historical Cost	99,973,810.24	90,511,569.49
Annualized Return	0.77%	0.83%
Annualized Return Net of Fees	0.72%	0.78%
Annualized Return Year to Date Net of Fees	0.72%	0.78%
Weighted Average Effective Maturity in Days	525	600

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2013 - March 31, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value		96,935,064.71
Additions		
Contributions	14,597,275.93	
Interest Received	379,778.00	
Accrued Interest Sold	0.00	
Total Additions		14,977,053.93
Deductions		
Withdrawals	0.00	
Fees Paid	12,426.97	
Accrued Interest Purchased	31,767.84	
Total Deductions		(44,194.81)
Change in Fair Value for the Period		(154,237.23)
Ending Fair Value		111,713,686.60

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	4,548.83	0.00	4,548.83
Commercial Paper	0.00	3,370.34	3,370.34
U.S. Treasury	51,324.25	(19,084.69)	32,239.56
U.S. Instrumentality	151,581.25	(93,608.60)	57,972.65
Corporate	72,448.61	(17,118.03)	55,330.58
Sales and Maturities			
Commercial Paper	0.00	1,378.00	1,378.00
U.S. Instrumentality	32,487.77	(28,014.00)	4,473.77
Corporate	1,770.83	(1,160.25)	610.58
Total	314,161.54	(154,237.23)	159,924.31

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.18 %	0.17 %	0.14 %
3 Month T-Bill	0.14 %	0.13 %	0.19 %
6 Month T-Bill	0.21 %	0.21 %	0.28 %
1 Year T-Note	0.30 %	0.27 %	0.44 %
2 Year T-Note	0.45 %	0.27 %	0.19 %
5 Year T-Note	2.95 %	0.36 %	1.64 %

Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	314,161.54	309,612.71
Change in Fair Value	<u>(154,237.23)</u>	<u>(154,237.23)</u>
Total Income on Portfolio	159,924.31	155,375.48
Average Daily Historical Cost	99,973,810.24	90,511,569.49
Annualized Return	0.65%	0.70%
Annualized Return Net of Fees	0.60%	0.64%
Annualized Return Year to Date Net of Fees	0.60%	0.64%
Weighted Average Effective Maturity in Days	525	600

END OF REPORTS



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CITY OF COLORADO SPRINGS

Report for the period April 1, 2013 - June 30, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on July 18, 2013)

**City of Colorado Springs
Activity and Performance Summary
for the period April 1, 2013 - June 30, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	111,203,637.08
Additions	
Contributions	0.00
Interest Received	311,309.68
Accrued Interest Sold	16,447.92
Gain on Sales	6,417.95
Total Additions	334,175.55
Deductions	
Withdrawals	5,979,676.93
Fees Paid	20,323.07
Accrued Interest Purchased	416.67
Loss on Sales	0.00
Total Deductions	(6,000,416.67)
Accretion (Amortization) for the Period	(114,833.38)
Ending Amortized Cost Value	105,422,562.58
Ending Fair Value	105,390,796.58
Unrealized Gain (Loss)	(31,766.00)

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	6,382.94	0.00	0.00	6,382.94
Commercial Paper	0.00	8,050.97	0.00	8,050.97
U.S. Treasury	54,098.40	(28,351.90)	0.00	25,746.50
U.S. Instrumentality	147,872.92	(46,610.31)	0.00	101,262.61
Corporate	85,525.00	(47,228.21)	0.00	38,296.79
Sales and Maturities				
Commercial Paper	0.00	245.55	0.00	245.55
U.S. Instrumentality	8,385.42	(939.48)	6,417.95	13,863.89
Total	302,264.68	(114,833.38)	6,417.95	193,849.25

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.07 %	0.06 %	0.04 %
6 Month T-Bill	0.11 %	0.09 %	0.07 %
1 Year T-Note	0.16 %	0.14 %	0.15 %
2 Year T-Note	0.27 %	0.27 %	0.33 %
5 Year T-Note	0.77 %	0.87 %	1.20 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	302,264.68	295,881.74
Accretion (Amortization)	(114,833.38)	(114,833.38)
Realized Gain (Loss) on Sales	<u>6,417.95</u>	<u>6,417.95</u>
Total Income on Portfolio	193,849.25	187,466.31
Average Daily Historical Cost	109,375,154.60	91,533,224.86
Annualized Return	0.71%	0.82%
Annualized Return Net of Fees	0.64%	0.73%
Annualized Return Year to Date Net of Fees	0.68%	0.76%
Weighted Average Effective Maturity in Days	639	752

**City of Colorado Springs
Activity and Performance Summary
for the period April 1, 2013 - June 30, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value		111,713,686.60
Additions		
Contributions	0.00	
Interest Received	311,309.68	
Accrued Interest Sold	16,447.92	
Total Additions		327,757.60
Deductions		
Withdrawals	5,979,676.93	
Fees Paid	20,323.07	
Accrued Interest Purchased	416.67	
Total Deductions		(6,000,416.67)
Change in Fair Value for the Period		(650,230.95)
Ending Fair Value		105,390,796.58

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	6,382.94	0.00	6,382.94
Commercial Paper	0.00	10,335.50	10,335.50
U.S. Treasury	54,098.40	(130,855.50)	(76,757.10)
U.S. Instrumentality	147,872.92	(419,938.80)	(272,065.88)
Corporate	85,525.00	(104,156.55)	(18,631.55)
Sales and Maturities			
Commercial Paper	0.00	257.40	257.40
U.S. Instrumentality	8,385.42	(5,873.00)	2,512.42
Total	302,264.68	(650,230.95)	(347,966.27)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.11 %	0.09 %	0.00 %
6 Month T-Bill	0.20 %	0.16 %	0.00 %
1 Year T-Note	0.27 %	0.20 %	0.00 %
2 Year T-Note	0.25 %	-0.01 %	-0.49 %
5 Year T-Note	-1.43 %	-4.55 %	-17.40 %

Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	302,264.68	295,881.74
Change in Fair Value	<u>(650,230.95)</u>	<u>(650,230.95)</u>
Total Income on Portfolio	(347,966.27)	(354,349.21)
Average Daily Historical Cost	109,375,154.60	91,533,224.86
Annualized Return	(1.28%)	(1.55%)
Annualized Return Net of Fees	(1.35%)	(1.64%)
Annualized Return Year to Date Net of Fees	(0.43%)	(0.51%)
Weighted Average Effective Maturity in Days	639	752

END OF REPORTS



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For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

TAB 4



City of Colorado Springs

Approved Broker/Dealers

August 2013

Broker/Dealer	Contact	Title	State	Telephone
Barclays Capital	Peter Bjursten	Director	CA	(415) 263-3370
Citigroup Global Markets	Jonathan Olsen	Vice President	NY	(212) 723-6075
Goldman, Sachs & Co	Randall Rogers	Vice President	IL	(312) 655-4631
J.P. Morgan Securities	Richard Drozd	Executive Director	NY	(212) 834-3774
Jefferies LLC	Andrew Davidoff	Senior Vice President	CA	(310) 575-5162
Merrill Lynch, Pierce, Fenner & Smith	Steve Sperry	Director	IL	(312) 869-6714
Mizuho Securities USA	David Conley	Vice President	NY	(212) 205-7550
Morgan Stanley Smith Barney	Angela Leach Pizzichini	Senior Vice President	CO	(303) 316-5110
Raymond James Morgan Keegan	Michael Peyser	Senior Vice President	NY	(212) 508-5210
RBC Capital Markets	John Styrbicki	Managing Director	MN	(612) 371-7845
UBS Financial Services	Paul G. Arevian	First Vice President	CO	(303) 820-5015
Wunderlich Securities	Becky Walker	Senior Vice President	IL	(312) 368-0411

TAB 5

BANK CREDIT RATING REPORT

City of Colorado Springs

BANK NAME	LOCATION	TYPE	REG ID	PEER GROUP RATING				
				MAR13	DEC12	SEP12	JUN12	MAR12
Compass Bank	Birmingham, AL	BK	19048	49	56	52	49	45
JPMorgan Chase Bank NA	Columbus, OH	BK	628	48	46	43	42	41
US Bank NA	Cincinnati, OH	BK	6548	66	70	70	68	66
Wells Fargo Bank NA	Sioux Falls, SD	BK	3511	56	59	58	56	53

Notes: Minimum Highline 30 for depository, 20 for custodian, 30 for CDs

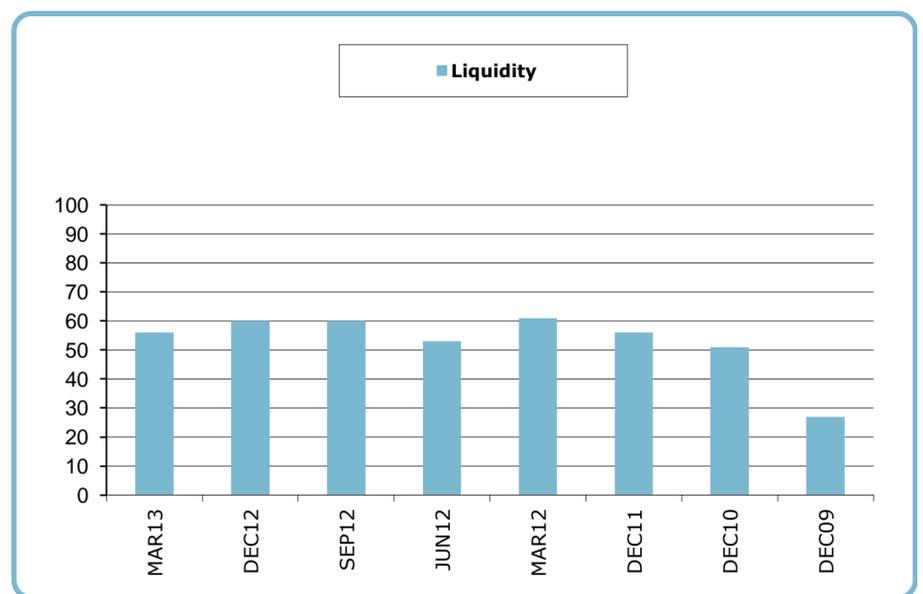
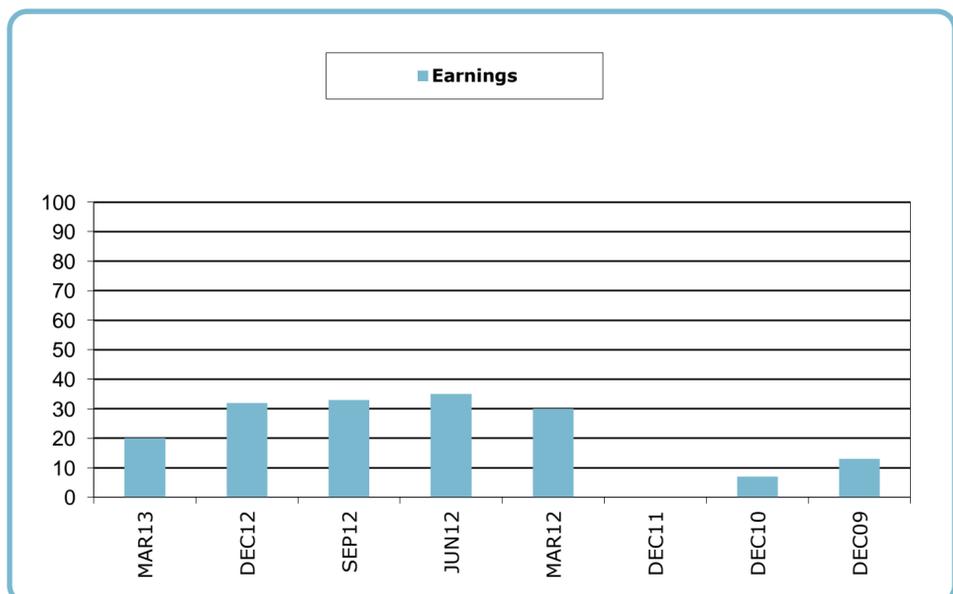
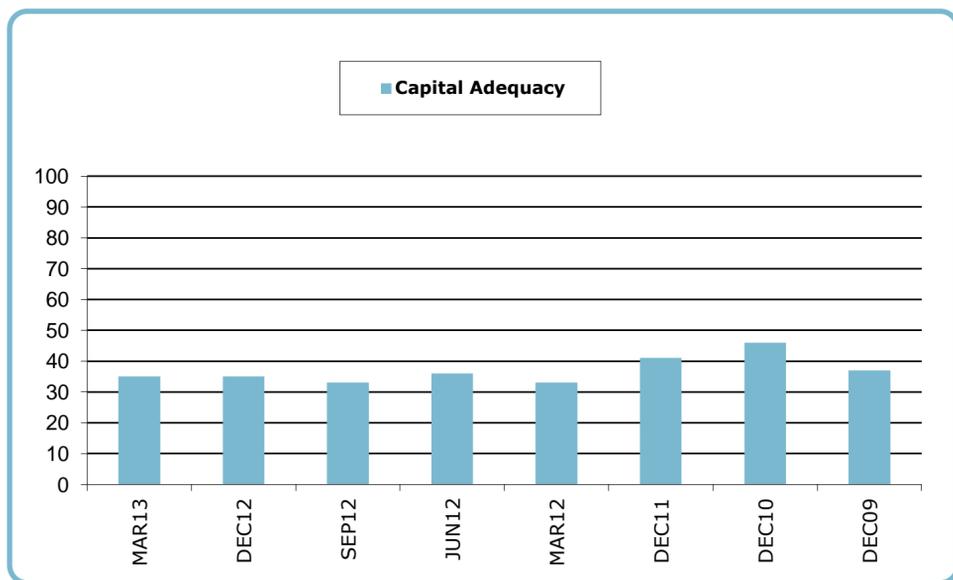
Compass Bank

Birmingham, AL
Regulatory ID #19048

BANK KEY FINANCIAL DATA

	MAR13	DEC12	SEP12	JUN12	MAR12	DEC11	DEC10	DEC09
Assets (Thousands)	69,606,508	69,076,722	67,930,005	65,982,103	65,360,552	63,106,987	63,293,260	64,608,091
BANKINSIGHT PEER GROUP RATING	49	56	52	49	45	10	18	1
RATING COMPONENTS								
Capital Adequacy								
Core Capital as % of Assets	8.55	8.77	8.77	8.58	8.35	8.83	8.62	7.76
Peer Group Ranking	35	35	33	36	33	41	46	37
Asset Quality								
Non-Performing as % of Loans	1.67	1.80	2.44	2.91	3.44	3.78	5.01	5.93
Peer Group Ranking	49	44	31	26	24	20	22	24
Earnings								
YTD Operating Profit as % of Assets	0.92	1.07	1.14	1.18	1.09	-2.61	-0.49	-3.46
Peer Group Ranking	20	32	33	35	30	0	7	13
Liquidity								
Liquid Assets as % of Liabilities	13.93	15.78	14.22	11.19	12.91	11.74	9.97	6.23
Peer Group Ranking	56	60	60	53	61	56	51	27

PEER GROUP RANKINGS



Bank Insight, a Thomson Reuters company, provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution's health using weighted criteria to evaluate the industry's condition as a whole (ratios and respective weights are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater disclaims any liability for any use of the content of this report.

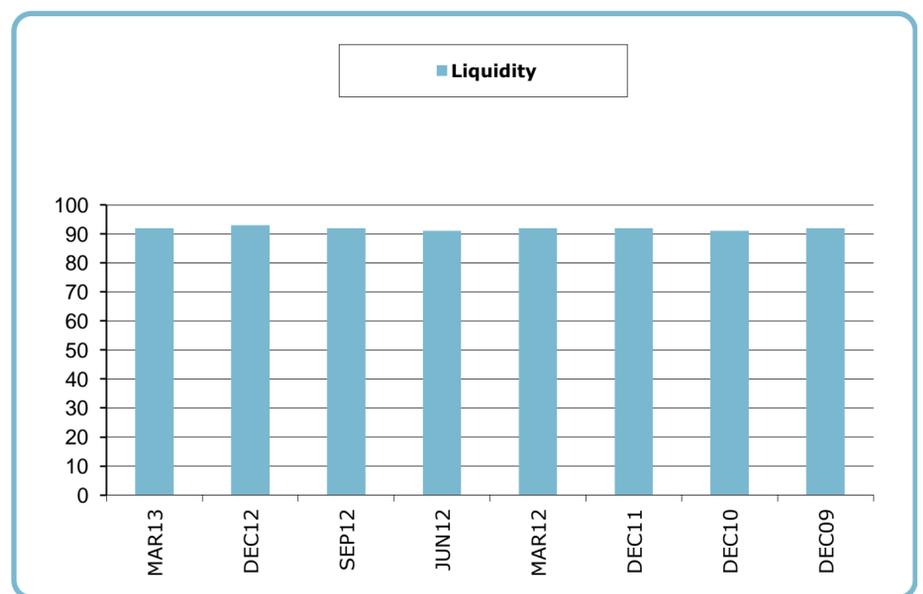
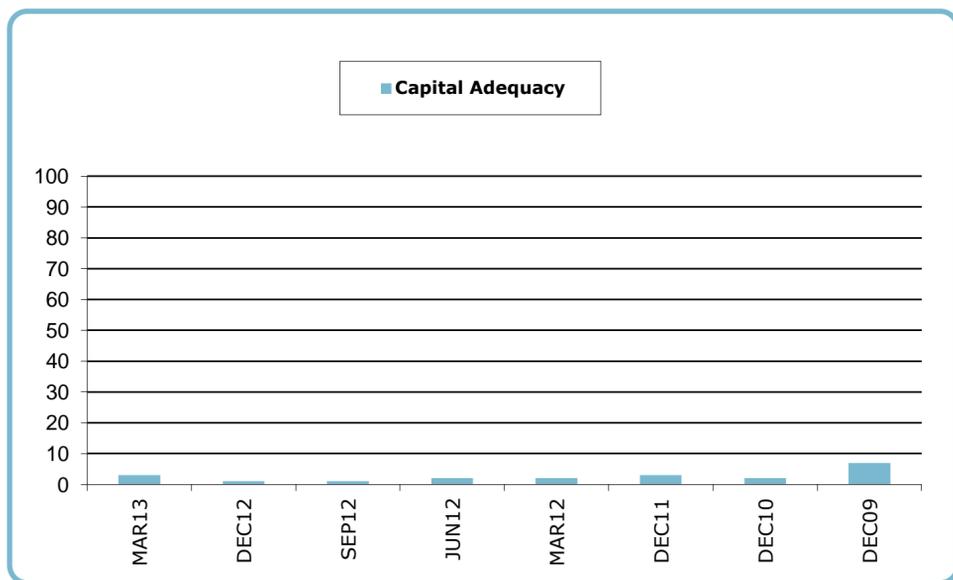
JPMorgan Chase Bank NA

Columbus, OH
Regulatory ID #628

BANK KEY FINANCIAL DATA

	MAR13	DEC12	SEP12	JUN12	MAR12	DEC11	DEC10	DEC09
Assets (Thousands)	1,948,150,000	1,896,773,000	1,850,218,000	1,812,837,000	1,842,569,000	1,811,678,000	1,631,621,000	1,627,684,000
BANKINSIGHT PEER GROUP RATING	48	46	43	42	41	41	26	17
RATING COMPONENTS								
Capital Adequacy								
Core Capital as % of Assets	6.24	6.18	6.18	5.71	5.56	5.50	5.69	5.99
Peer Group Ranking	3	1	1	2	2	3	2	7
Asset Quality								
Non-Performing as % of Loans	3.15	3.29	3.59	3.53	3.77	3.86	5.94	6.64
Peer Group Ranking	14	15	17	17	19	19	6	15
Earnings								
YTD Operating Profit as % of Assets	1.31	0.88	0.85	0.74	0.78	0.85	0.79	0.63
Peer Group Ranking	39	23	24	21	21	23	38	52
Liquidity								
Liquid Assets as % of Liabilities	50.45	49.14	46.64	45.55	46.42	46.85	45.39	42.15
Peer Group Ranking	92	93	92	91	92	92	91	92

PEER GROUP RANKINGS



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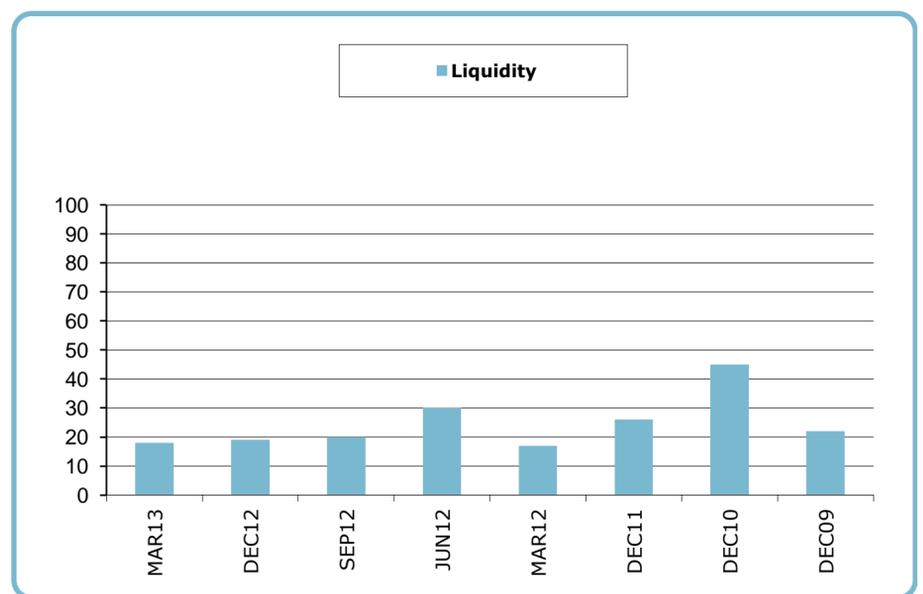
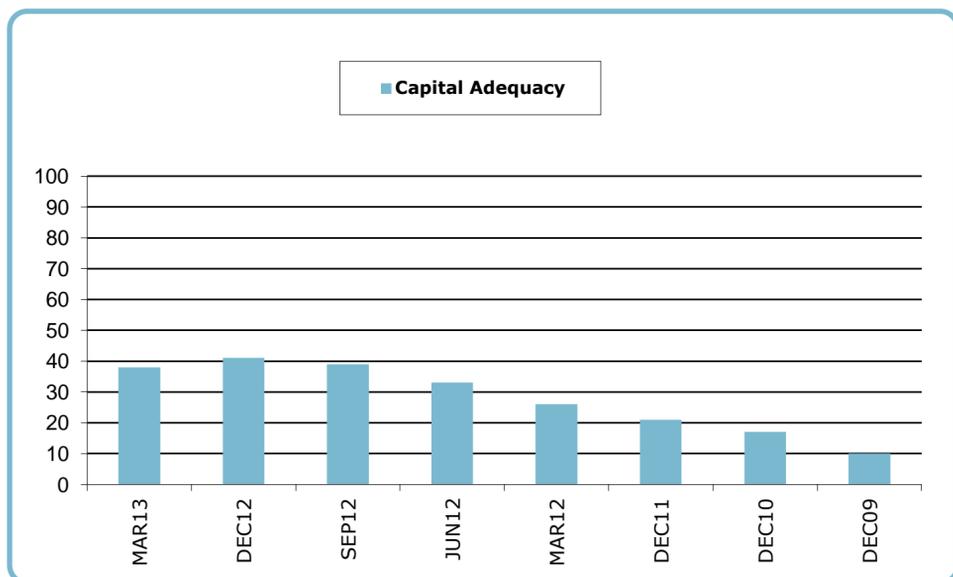
US Bank NA

Cincinnati, OH
Regulatory ID #6548

BANK KEY FINANCIAL DATA

	MAR13	DEC12	SEP12	JUN12	MAR12	DEC11	DEC10	DEC09
Assets (Thousands)	345,786,969	345,088,616	342,627,272	342,822,712	330,227,426	330,470,810	302,259,544	276,376,130
BANKINSIGHT PEER GROUP RATING	66	70	70	68	66	65	50	34
RATING COMPONENTS								
Capital Adequacy								
Core Capital as % of Assets	8.78	8.88	8.88	8.43	8.02	8.08	7.58	6.15
Peer Group Ranking	38	41	39	33	26	21	17	10
Asset Quality								
Non-Performing as % of Loans	1.27	1.34	1.41	1.49	1.70	1.85	2.57	3.25
Peer Group Ranking	61	59	66	63	61	60	59	60
Earnings								
YTD Operating Profit as % of Assets	2.19	2.24	2.26	2.22	2.17	2.09	1.47	1.18
Peer Group Ranking	82	83	84	83	77	78	67	64
Liquidity								
Liquid Assets as % of Liabilities	4.21	4.24	4.31	6.22	4.45	5.93	8.65	5.78
Peer Group Ranking	18	19	20	30	17	26	45	22

PEER GROUP RANKINGS



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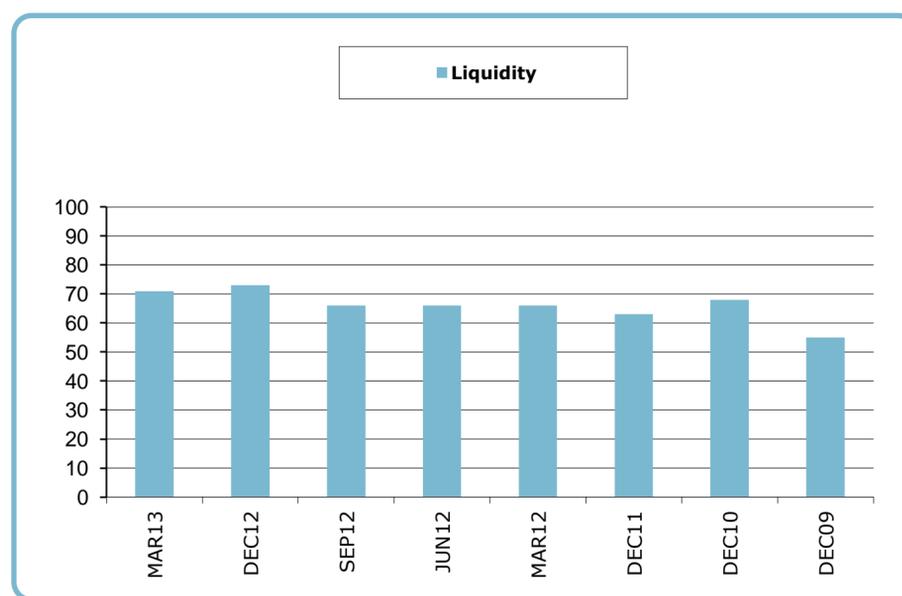
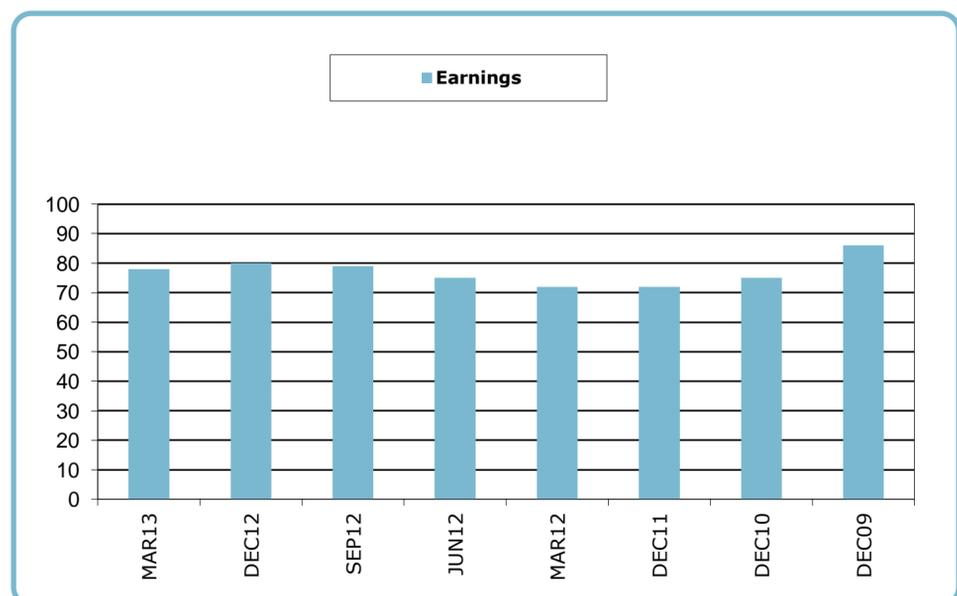
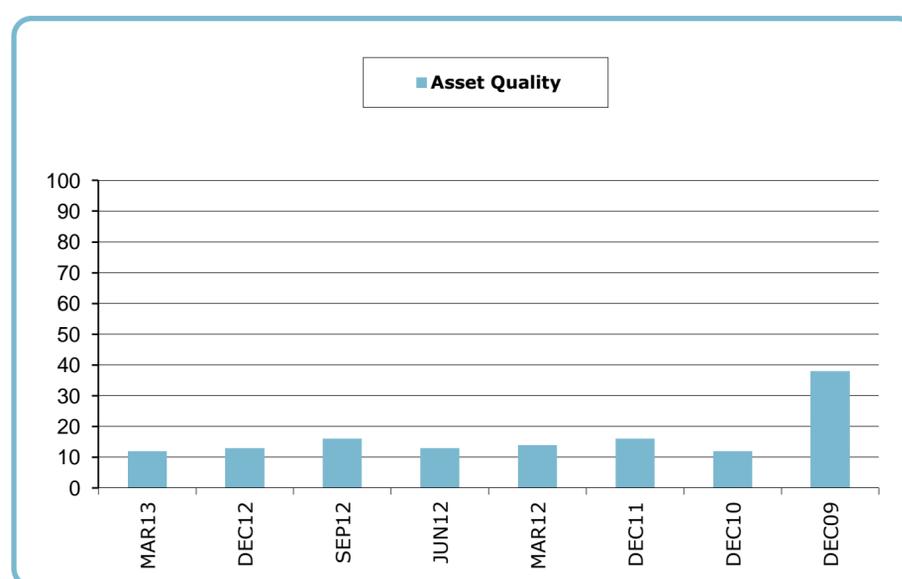
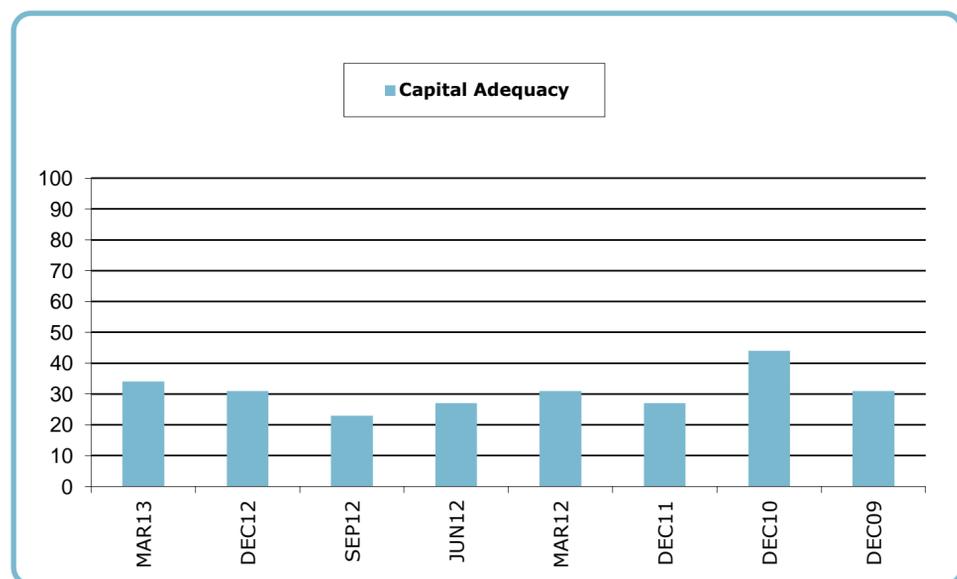
Wells Fargo Bank NA

Sioux Falls, SD
Regulatory ID #3511

BANK KEY FINANCIAL DATA

	MAR13	DEC12	SEP12	JUN12	MAR12	DEC11	DEC10	DEC09
Assets (Thousands)	1,271,620,000	1,266,125,000	1,218,796,000	1,180,190,000	1,181,817,000	1,161,490,000	1,102,278,000	608,778,000
BANKINSIGHT PEER GROUP RATING	56	59	58	56	53	50	39	42
RATING COMPONENTS								
Capital Adequacy								
Core Capital as % of Assets	8.54	8.60	8.60	8.15	8.17	8.31	8.53	7.48
Peer Group Ranking	34	31	23	27	31	27	44	31
Asset Quality								
Non-Performing as % of Loans	3.21	3.40	3.60	3.66	4.04	4.19	5.36	4.80
Peer Group Ranking	12	13	16	13	14	16	12	38
Earnings								
YTD Operating Profit as % of Assets	2.09	2.14	2.16	2.07	2.01	1.82	1.74	2.32
Peer Group Ranking	78	80	79	75	72	72	75	86
Liquidity								
Liquid Assets as % of Liabilities	19.73	20.17	17.34	15.24	16.40	14.99	14.44	11.78
Peer Group Ranking	71	73	66	66	66	63	68	55

PEER GROUP RANKINGS



Bank Insight, a Thomson Reuters company, provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution's health using weighted criteria to evaluate the industry's condition as a whole (ratios and respective weights are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater disclaims any liability for any use of the content of this report.

TAB 6

City of Colorado Springs

Investment Policy

August __, 2013

The City of Colorado Springs ("the City") is a Colorado home rule municipality operating under its City Charter. The City functions under the direction of an elected Mayor. Existing Colorado State Statutes provide home rule municipalities with legal authority to promulgate and implement local standards for cash and investment management operations. The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City of Colorado Springs.

This Investment Policy was adopted by the City Council of the City of Colorado Springs by resolution on September 28, 1993. It was revised on November 8, 1994, February 27, 1996; October 8, 1996; October 26, 1999; February 12, 2002; March 9, 2004; May 24, 2005; July 11, 2006; April 24, 2007; June 24, 2008; May 26, 2009; May 25, 2010; November 22, 2011 and August __, 2013. It replaces any previous investment guidelines formulated by members of City staff.

SCOPE

The provisions of this Investment Policy (the "Policy") shall apply to all investable funds of the City of Colorado Springs (the "Portfolio"). Operating accounts, Reserve accounts and Bond Ordinance accounts shall be subject to the standards of this Policy, but may be managed by persons not under this Policy, and each manager of these funds shall establish guidelines pertaining to the following areas: delegation of authority, authorized securities and transactions, portfolio maturities and liquidity requirements, reporting and the selection of broker/dealers and custodians. Utility funds, hospital funds, endowment funds, and moneys held in bank checking accounts for operating purposes shall be excluded from the provisions of this Policy. This Policy shall not restrict ability of the City to invest funds according to the limitations imposed by bond resolutions or indentures of trust adopted by the City for the funds held by a trustee under bond resolutions.

All excess cash, except for cash in certain restricted and special accounts, shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance. Interest earnings shall be distributed to the individual funds not less than annually.

OBJECTIVES

The Portfolio shall be invested in accordance with all applicable City policies, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and protection of investment principal.

- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Diversification to avoid incurring unreasonable market risks.
- Attainment of a market rate of return.

DELEGATION OF AUTHORITY

The City Council establishes investment policy (City Code 1.6.102). The Mayor is charged with direct control of the City revenues (Article VII, City Charter). The City's Chief Financial Officer is responsible for the investment and custody of the City's investable funds, as well as the City's internal procedures affecting those funds. The Chief Financial Officer and designees shall implement the policies promulgated by City Council (City Code 1.2.602).

The following cites from the Code of the City of Colorado Springs shall apply:

Chapter 1: Administration, Personnel and Finance

Article 2: Officers of the City

Part 6: Powers and Duties of the Chief Financial Officer

1-2-602: The Chief Financial Officer shall receive all monies belonging to the City, shall determine depositories and accounts and invest surplus cash in accord with approved policies.

Article 6: City Funds

Part 1: General Provisions

1-6-102 (A): Authorized by State Statutes: Any monies of the City which are not presently required in the conduct of its respective affairs may be invested in securities in a manner authorized by Colorado statutes and as directed by City Council.

The Chief Financial Officer shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The Chief Financial Officer may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to the Controller and other specifically authorized staff members. The Chief Financial Officer shall maintain a list of persons authorized to transact securities business for the City of Colorado Springs. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City Council has adopted Resolution 157-91, establishing the City Investment Advisory Committee. This committee, chaired by the City's Chief Financial Officer, meets semi-annually to make recommendations to City staff and the City Council regarding the investment policies and procedures of the City. Members of this committee are appointed by City Council and may include up to two City Council members. The Chief Financial Officer shall attend meetings of the Investment Advisory Committee.

The City may engage the support services of outside professionals in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's assets shall be CRS 15-1-304, Standard for Investments which in general states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of the property of another, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Chief Financial Officer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Mayor and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

In addition, all covered persons (defined as officials, appointees, administrative officers, employees, independent contractors and volunteers) shall annually complete the City's requirement for ethics training, per City Code § 1.3.107.

AUTHORIZED SECURITIES AND TRANSACTIONS

Subject to the limitations of this Policy, all investments and depositories authorized by the following state statutes shall be allowed by the City: Colorado Revised Statutes: C.R.S. 11-10.5-101 *et seq*, Public Deposit Protection Act; C.R.S. 11-47-101 *et seq*, Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 *et seq*, Funds Legal Investments; C.R.S. 24-75-601 *et. seq.*, Depositories; and C.R.S. 24-75-702, Local governments – authority to pool surplus funds. Any revisions or extensions of these sections of the C.R.S. will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these statutes conflict with

this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so and the existing Policy shall govern the City's investments. In such instances, after consultation with the City's investment adviser, the City Attorney, and the Investment Advisory Committee, a recommended course of action will be presented to City Council for approval.

Maturity restrictions shall be calculated from settlement date to maturity date. For investment securities that can be redeemed prior to maturity (i.e. bonds with a put option), the redemption date will be considered the effective maturity date for the bonds.

Portfolio percentage restrictions by security type and issuer are applicable only on the date of purchase of the investment and are applicable to the total Portfolio. While each individual portfolio shall be managed within these limits, the Chief Financial Officer may authorize an individual portfolio to exceed the limits subject to the overall limits within the Portfolio. The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Time Certificates of Deposit and Banker's Acceptances.

The City has further defined the eligible types of securities and transactions as follows:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips or those for which the full faith and credit of the United States are pledged for the payment of principal and interest with maturities not exceeding five years from the date of trade settlement. 100% of the Portfolio may be invested in U.S. Treasury Obligations.
2. Federal Instrumentality Securities: Federal agency or United States government sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, and with maturities not exceeding five years from the date of trade settlement. The total investment in any one issuer shall not exceed 35% of the City's portfolio and no more than 85% of the City's portfolio may be invested in Federal Instrumentality Securities. Subordinated debt may not be purchased.
3. Time Certificates of Deposit with maturities not exceeding one year, in FDIC insured state or nationally chartered banks or savings banks. Certificates of Deposit (CDs) exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act and may be purchased only from banks having a Thomson Reuters Bank Insight Highline Banking Data Services Rating of 30 or better at the time of purchase, or in the judgment of the Chief Financial Officer offering adequate safety to the City. No more than 5% of the Portfolio can be invested in time certificates of deposit (non-negotiable CDs). No more than 2% of the Portfolio may be invested in CDs of a single institution.
4. Negotiable Certificates of Deposit: Negotiable certificates of deposit denominated in U.S. dollars, issued by a bank that is organized and operating within the United States, that matures within three years from the date of trade settlement, and that at the time of purchase has either a) a long term rating in one of the two highest categories by a Nationally Recognized Statistical Ratings Organization (NRSRO), or b) short term ratings not less than "A1", "P1" or "F1" by any NRSRO. Investments in

Comment [f1]: PFM agrees with this name change.

Comment [f2]: PFM recommended this new asset class and agrees with the minor changes that Cutwater made to the language they wrote.

negotiable certificates of deposit may not exceed 30% of the Portfolio and no more than 5% may be invested with a single issuer.

5. Corporate Bonds of any United States dollar denominated corporation organized and operating within the United States with a net worth in excess of \$250 million. The debt must be rated at least AA- or the equivalent by at least two NRSROs. Maximum maturities of such securities shall not exceed three years from the date of trade settlement. No more than 35% of the Portfolio may be invested in corporate bonds and no more than 5% may be invested with a single corporation.
6. Municipal Bonds: General and Revenue obligations of any state in the United States or any political subdivision, institution, or authority of such a governmental entity. ~~General obligations shall be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs. Revenue obligations shall be rated at least AAA or the equivalent at the time of purchase by at least two NRSROs. Municipal bonds must be rated one of the two highest categories or the equivalent by two NRSROs with maturities not exceeding three years.~~

For short term or variable rate instruments ("Short Term Municipal Bonds"), the securities must be rated "A-1", "P1" or higher, or the equivalent, by a NRSRO.

On a combined basis, no more than 20% of the Portfolio may be invested in Municipal Bonds and Short Term Municipal Bonds and no more than 5% of the portfolio may be invested with a single issuer. The maximum maturity shall be limited to three years.

For Pre-Refunded Municipal Bonds ("Pre-Refunded Municipal Bonds") which are secured by an escrow of U.S. treasury securities or State and Local Government Series securities, no more than 40% of the Portfolio may be invested in Pre-Refunded Municipal Bonds and no more than 5% may be invested with a single issuer.

7. Commercial Paper with maturities not exceeding 270 days from the date of trade settlement that is rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer of at least A or the equivalent. Furthermore, the issuer's commercial paper program's size shall exceed \$200 million. Commercial paper may not exceed 30% of the Portfolio and no more than 5% may be invested with a single issuer.
8. Eligible Bankers Acceptances with maturities not exceeding 180 days from the date of trade settlement and issued by FDIC insured state or national banks with combined capital and surplus of at least \$250 million. Bankers Acceptances ("BA") shall be rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the issuing bank has senior long-term debt, it shall be rated at the time of purchase A or the equivalent. No more than 20% of the Portfolio may be invested in BAs and no more than 5% may be invested with a single institution.
9. Repurchase Agreements with maturities of 180 days or less collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities listed in Items 1 and 2 above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of

Comment [f3]: PFM believes this language should be left as is for four reasons: 1) as a Home Rule City, Colorado Springs does not need to directly follow CRS 24-75-601, 2) the City Council approved the analysis backing the AA or better language in 2011, 3) the City currently owns revenue bonds rated AA or better and 4) from a credit standpoint, PFMAM is comfortable purchasing revenue or G.O. bonds in the AA category.

Comment [f4]: While Cutwater recognizes that the City is a home rule municipality, state statute does differentiate between revenue and GO municipal bond credit rating requirements. Because the City's investment policy mirrors statutory guidelines with respect to credit ratings on other authorized securities, Cutwater thought it might be the City's preference to be consistent and do so with municipal debt as well.

the City approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. ~~Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long term credit rating of at least A or the equivalent.~~ The Chief Financial Officer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the City.

The City may utilize Tri-party Repurchase Agreements provided that the City is satisfied that it has a perfected interest in the securities used as collateral and that the City has a properly executed Tri-party Agreement with both the counterparty and custodian bank.

No more than 50% of the Portfolio may be invested in repurchase agreements and no more than 10% may be invested with a single counterparty.

10. Local Government Investment Pools ("LGIP") authorized under C.R.S. 24-75-702, that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAm or the equivalent.

A maximum of 100% of the Portfolio may be invested in LGIPs with a single LGIP constituting no more than 50% of the Portfolio.

11. Money Market Mutual Funds registered under the Investment Company Act of 1940 and are authorized under C.R.S. 24-75-601 that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 4) have a rating of AAAm or the equivalent.

A maximum of 100% of the Portfolio may be invested in money market funds with a single fund constituting no more than 50% of the Portfolio.

12. Obligations of the City of Colorado Springs: General obligation bonds, revenue bonds, certificate of participation or other debt securities issued by or guaranteed wholly, partially or morally by the City of Colorado Springs, Colorado, or its departments.

Securities that have been downgraded below minimum ratings described herein may be sold or held at the City's discretion. The Portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

Comment [f5]: The PFMAM credit team recommends retaining the credit qualification language for Repurchase Agreement counterparties. In fact, they would mandate a rating requirement to say "Repurchase Agreement counterparties shall have a short term credit rating of A1 or the equivalent or a long term rating of at least A or the equivalent."

Comment [f6]: State statute does not require minimum credit ratings for repurchase agreement counterparties. Downgrades over the years have reduced the pool of primary dealers that would meet the current rating guidelines. To increase the viability of repurchase agreements as a short-term investment alternative, Cutwater recommends that the credit rating requirements be removed. No changes have been recommended to other safeguards for repo transactions including third party safekeeping of collateral, 102 % margin requirements, and the use of primary dealers only as counterparties.

It is the intent of the City that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Chief Financial Officer in writing.

The City recognizes that bond proceeds may, from time to time, be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with written approval of the Chief Financial Officer.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City will not invest in securities maturing more than five years from the date of trade settlement. The City shall maintain at least 5% of its Operating Account portfolio in instruments maturing in 30 days or less. The duration of the Portfolio shall at no time exceed three years.

SELECTION OF BROKER/DEALERS

The Chief Financial Officer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure;
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Chief Financial Officer on the basis of their expertise in public cash management and their ability to provide services for the City's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the Colorado Revised Statutes, including but not limited to C.R.S. 24-75-601.

The City may engage the services of one or more professional investment advisory firms to assist in the management of the Portfolio. Such investment advisors may purchase and sell investment securities in accordance with this Policy and may utilize their own approved list of broker/dealers. Such approved broker/dealer list shall comply with the criteria listed above and shall be provided to the City on an annual basis.

In the event that the City does not utilize an external investment advisor, each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The City's Chief Financial Officer shall maintain each approved

firm's most recent Broker/Dealer Information Request form. Such broker/dealers must attest in writing that they have received a copy of this Policy.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 6 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be documented.

If the City is offered a security for which there is no other readily available competitive offering, then the City will document quotations for comparable or alternative securities.

SELECTION OF BANKS

The Chief Financial Officer shall maintain a list of banks approved to provide depository and other banking services for the City. To be eligible for authorization, a bank must be a member of the FDIC, shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq. as evidenced by a certificate issued by the State Banking Board and shall have a ~~Thomson Reuters Bank Insight Highline Banking Data Services~~ Peer Group Rating of 30 or better on a scale of zero to 99 with 99 being the highest quality for the most recent reporting quarter before the time of selection, or in the judgment of the Chief Financial Officer offer adequate safety to the City.

Comment [f7]: PFM agrees with this name change.

SAFEKEEPING AND CUSTODY

The Chief Financial Officer shall select one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation as the City's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq., be a Federal Reserve member financial institution and have a ~~Thomson Reuters Bank Insight Highline Banking Data Services~~ Peer Group Rating of 20 or better on a scale of zero to 99 with 99 being the highest quality for the most recent reporting quarter before the time of selection, or in the judgment of the Chief Financial Officer offer adequate safety to the City.

Comment [f8]: PFM agrees with this name change.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. It is the intent of the City that all securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by ~~either book entry or physical delivery~~ and will be held in third-party safekeeping by a City approved custodian

bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

Safekeeping receipts or customer confirmations shall be issued for each transaction and evidence that the securities are held for the City as “customer”. The custodian also shall be required to furnish the City a list of holdings on at least a monthly basis.

Comment [f9]: PFM agrees with deleting reference to the physical delivery of securities.

PORTFOLIO PERFORMANCE

The investment and cash management portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements.

REPORTING

The Chief Financial Officer shall prepare an annual report to the Mayor and the City Council on the investment earnings and performance results of the City's investment portfolio. The report shall include an overview of the investments held by the City and the current market value of the portfolio.

The Chief Financial Officer shall present to the Investment Advisory Committee, at least semi-annually, a review of the portfolio's adherence to appropriate risk levels and a comparison between the portfolio's total return and the established investment objectives and goals.

Monthly reports to the Chief Financial Officer will include the following information:

- monthly rate of return
- cumulative and annual performance compared to the performance benchmarks
- monthly allocation to the major asset classes
- a list of purchases and sales during the month
- a list of current issues held in the portfolio, along with the years to maturity for each.

Annual reports to the Chief Financial Officer will be in compliance with the Governmental Accounting Standards Board No. 40 and will include the following:

- weighted average maturity or duration in years
- credit ratings of the investments.

POLICY REVISIONS

This Investment Policy shall be reviewed annually by the Chief Financial Officer and the Investment Advisory Committee. This Policy may be amended by the City Council as conditions warrant.

AUTHORIZED INVESTMENT SUMMARY

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
U.S. Agencies	85%	35%	5 years	N/A
Municipal Bonds	20%	5%	3 years	AA-
Pre-Refunded Municipal Bonds	40%	5%	3 years	AA-
Corporate Bonds	35%	5%	3 years	AA-
Commercial Paper	30%	5%	270 days	A-1
Time Deposit/CD	5%	2%	1 year	30+
Negotiable CDs	30%	5%	3 Years	AA-/A-1/P1
Banker Acceptances	20%	5%	180 days	A-1
Repurchase Agreements	50%	10%	180 days	A-1
Local Government Investment Pool	100%	50%	N/A	AAAm
Money Market Funds	100%	50%	N/A	AAAm

Note: The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Time Certificates of Deposit, **Negotiable Certificates of Deposit** and Bankers Acceptances.