

**CITY OF CULVER CITY
CITY TREASURER
SCHEDULE OF ASSIGNMENTS/DUTIES
INVESTMENT FUNCTIONS**

<u>FUNCTION</u>	<u>RESPONSIBILITY</u>
Annual investment policy prepared and submitted to City Council.	City Treasurer
Approval and execution of investment transactions.	City Treasurer, Deputy City Treasurer or Treasury Division Manager
Recording investment transactions in computerized ledger control system from written transaction documentation.	Accountant or Senior Account Clerk
Recording investment transactions in treasury workstation from written transaction documentation.	Accountant or Senior Account Clerk
Verification of confirmation slips to ledger control entries.	Accountant or Senior Account Clerk
Reconciliation of month end statements from dealers to ledger control.	Accountant or Senior Account Clerk
Entry of investment cash receipts to ledger control (cash receipts are from coupons or maturing investments).	Accountant or Senior Account Clerk
Reconciliation of City Accounting records to bank reconciliation.	Accountant or Senior Account Clerk
Preparation of monthly summary of investment activity/interest earnings.	Accountant or Senior Account Clerk
Preparation of quarterly summary of investment transactions/earnings for Investment Committee.	City Treasurer, Deputy City Treasurer or Treasury Division Manager
Review of financial strength of financial institutions.	City Treasurer, Deputy City Treasurer or Treasury Division Manager

AUTHORIZED BANKS/SAVINGS & LOAN INSTITUTIONS

Alliance Bank

Bank of America/Nations Bank

Bank of the West

California Bank and Trust

Fidelity Federal Bank

First Federal Bank of California

Imperial Bank

Union Bank of California

US Bank

Washington Mutual

Wells Fargo Bank

Westamerica Bank

AUTHORIZED INSTITUTIONS AND SECURITIES BROKERS/DEALERS

AIG*	Great Pacific Securities
AIM Fund	Higgins Capital Management, Inc.
American Express	Horizon Fund
Bank of America Securities	Lehman Brothers
Bank of New York	State Treasurer Local Investment Fund (LAIF)
Bear Stearns	Merrill Lynch
Fidelity Investments	Paine Webber
First American Funds, Inc.	Prudential Securities
First Union Securities	Salomon Smith Barney
Franklin Fund	Societe Generale*
Grant Bettinger	Trinity Plus*

* Institutions holding investment contracts for bond proceeds (construction funds and reserve funds).

Note: Prior to bond sales, a pre-approved institutional bidders list is prepared.

CREDIT RISK

CORPORATE MID-TERM NOTES AND BONDS

An issuer's ability to pay its debts --- that is, make all interest and principal payments in full and on schedule --- is a critical concern for investors. Most corporate mid-term notes and bonds are evaluated for credit quality by Standard & Poor's, Moody's Investors Services, Fitch IBCA and Duff & Phelps Credit Rating Co. (see their rating systems in the chart below).

Credit Ratings

Credit Risk	Moody's	Standard & Poor's	Fitch	Duff & Phelps
Investment Grade				
Highest Quality	Aaa	AAA	AAA	AAA
High Quality (very strong)	Aa	AA	AA	AA
Upper Medium Grade (strong)	A	A	A	A
Medium Grade	Baa	BBB	BBB	BBB
Not Investment Grade				
Lower Medium Grade (somewhat speculative)	Ba	BB	BB	BB
Low Grade (speculative)	B	B	B	B
Poor Quality (may default)	Caa	CCC	CCC	CCC
Most Speculative	Ca	CC	CC	CC
No interest being paid or bankruptcy petition filed	C	C	C	C
In default	C	D	D	D

Adjustments can be made within a rating category by adding a + or -. For example, AA+, AA, and AA- are all within the AA category. Moody's adds a 1, 2, or 3 to its corporate Aa, A, Baa, and Ba ratings to indicate a rating within a generic category; 1 indicates the high range, 2 the middle range, and 3 the lower range within the rating category.

Corporate mid-term notes and bonds rated BBB or higher by Standard & Poor's, Fitch, and Duff & Phelps, and Baa or higher by Moody's are widely considered "investment grade". This means the quality of the securities is high enough for a prudent investor to purchase them.

Source: www.investinginbonds.com