

CITY OF SANTA BARBARA
Activity and Interest Report
September 30, 2011

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

9/1 LAIF Deposit - City	\$ 2,000,000
9/7 LAIF Deposit - City	1,000,000
9/20 Proctor & Gamble (PGAMBL)	2,000,000
9/26 Toyota Motor Credit (TOYOTA)	2,000,000
9/26 Federal Home Loan Bank (FHLB)	1,500,000
9/26 Federal Home Loan Bank (FHLB)	1,000,000
9/27 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
9/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
9/28 Federal National Mortgage Association (FNMA)	2,000,000
9/28 Federal National Mortgage Association (FNMA)	1,000,000

Total \$ 16,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

9/9 Federal National Mortgage Association (FNMA) - Call	\$ (2,000,000)
9/21 LAIF Withdrawal - City	(2,000,000)
9/23 LAIF Withdrawal - City	(4,500,000)
9/26 LAIF Withdrawal - City	(2,000,000)
9/27 LAIF Withdrawal - City	(4,500,000)
9/29 LAIF Withdrawal - City	(500,000)
9/30 Federal Home Loan Bank (FHLB) - Call	(2,000,000)
9/30 Federal Home Loan Bank (FHLB) - Call	(2,000,000)

Total \$ (19,500,000)

ACTIVITY TOTAL

\$ (3,000,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 248,205
Amortization	(16,664)
Interest on SBB&T Accounts	210
Total	<u><u>\$ 231,751</u></u>

TOTAL INTEREST EARNED

\$ 231,751

CITY OF SANTA BARBARA
Summary of Cash and Investments
September 30, 2011

ENDING BALANCE AS OF AUGUST 31, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 47,000,000	0.408%	28.55%	1
Certificates of Deposit	2,000,000	1.750%	1.21%	78
Federal Agency Issues - Coupon	101,467,556	2.001%	61.64%	1,107
Corporate/Medium Term Notes	<u>8,180,520</u>	<u>1.947%</u>	<u>4.97%</u>	<u>1,197</u>
	158,648,075	1.523%	96.37%	771
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.62%</u>	<u>6,512</u>
Totals and Averages	<u>\$ 164,610,579</u>	<u>1.722%</u>	<u>100.00%</u>	<u>979</u>
SBB&T Money Market Account	<u>4,103,972</u>			
Total Cash and Investments	<u>\$ 168,714,551</u>			

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2011 **\$ (1,235,682)**

ENDING BALANCE AS OF SEPTEMBER 30, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 36,500,000	0.384%	22.57%	1 (1)
Certificates of Deposit	2,000,000	1.750%	1.24%	48
Federal Agency Issues - Coupon	105,019,173	1.923%	64.93%	1,086
Corporate/Medium Term Notes	<u>12,250,419</u>	<u>1.779%</u>	<u>7.57%</u>	<u>1,331</u>
	155,769,591	1.549%	96.31%	838
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.69%</u>	<u>6,482</u>
Totals and Averages	<u>\$ 161,732,095</u>	<u>1.750%</u>	<u>100.00%</u>	<u>1,046</u>
SBB&T Money Market Account	<u>5,746,774</u>			
Total Cash and Investments	<u>\$ 167,478,869</u>			

Note:

(1) The average life of the LAIF portfolio as of September 30, 2011 is 236 days.

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2011

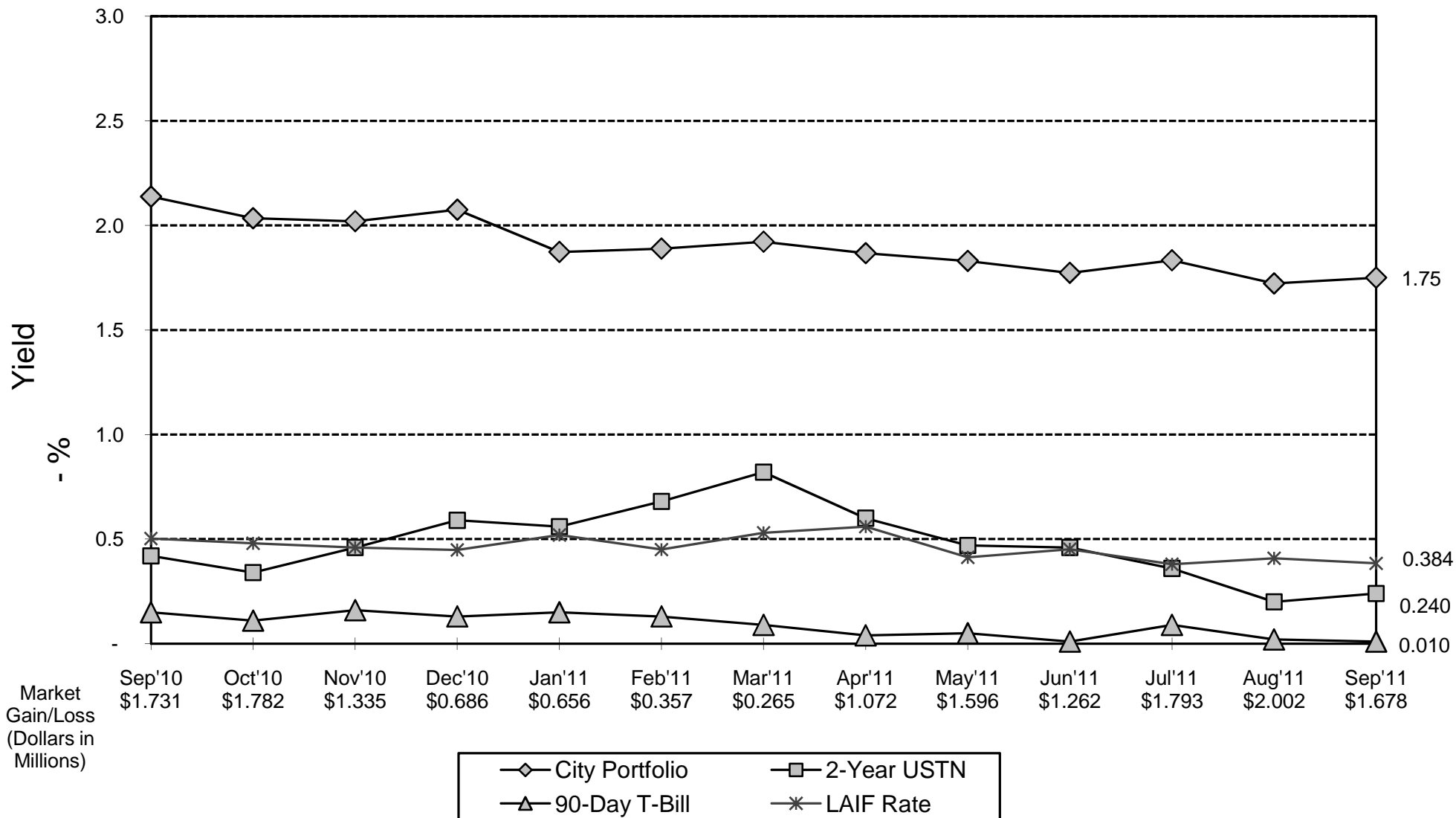
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.384	0.384	36,500,000.00	36,500,000.00	36,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.408	0.408	0.00	0.00	0.00	0.00	
Subtotal, LAIF							36,500,000.00	36,500,000.00	36,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AA+	2.250	2.120	2,000,000.00	2,001,414.52	2,022,240.00	20,825.48	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AA+	1.540	1.540	2,000,000.00	2,000,000.00	2,002,120.00	2,120.00	Callable 10/28/11, then cont.
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AA+	1.500	1.662	2,000,000.00	1,997,660.61	2,003,220.00	5,559.39	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,506,450.00	6,450.00	Callable 02/02/12, then cont.
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,040,760.00	40,760.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,122.22	2,020,580.00	21,457.78	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AA+	2.480	2.480	2,000,000.00	2,000,000.00	2,008,440.00	8,440.00	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AA+	2.000	2.002	2,000,000.00	2,000,000.00	2,011,060.00	11,060.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,063,160.00	63,160.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,054,700.00	54,700.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,026,300.00	26,300.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,591.19	2,019,700.00	20,108.81	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,019,640.00	19,640.00	Callable 05/23/12, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,122,560.00	122,560.00	
FEDERAL HOME LOAN BANK	06/30/11	06/30/16	Aaa	AA+	1.300	2.297	2,000,000.00	2,000,000.00	2,003,860.00	3,860.00	SU 3% Callable 12/30/11, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,725,390.72	1,747,719.00	22,328.28	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,064,080.00	64,080.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,043,100.00	43,100.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,028,444.66	2,116,340.00	87,895.34	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,030,540.00	30,540.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,066,520.00	66,520.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,018,160.00	18,160.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,037,200.00	37,200.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AA+	1.125	2.277	2,000,000.00	2,000,000.00	2,001,880.00	1,880.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,011,764.38	1,011,470.00	(294.38)	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,077,982.62	2,153,880.00	75,897.38	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,041,812.52	2,116,340.00	74,527.48	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,673.64	2,015,360.00	14,686.36	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,065,420.00	65,420.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,082,140.00	82,140.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,549,678.37	1,548,705.00	(973.37)	

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2011

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,008,032.79	2,035,960.00	27,927.21	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AA+	1.750	1.845	2,000,000.00	1,998,700.00	2,003,960.00	5,260.00	Callable 11/23/11, once
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,041,720.00	41,720.00	
FEDERAL HOME LOAN MTG CORP	09/27/11	09/27/16	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,991,860.00	(8,140.00)	Callable 12/27/11, then qtrly
FEDERAL HOME LOAN MTG CORP	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,990,580.00	(9,420.00)	Callable 09/28/12, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,976,140.35	2,010,620.00	34,479.65	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,596.90	1,004,890.00	5,293.10	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,140,208.66	2,191,420.00	51,211.34	
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,504.17	991,460.00	(8,044.17)	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/17/11	02/17/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,017,900.00	17,900.00	Callable 02/17/12, once
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,020,640.00	20,640.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	07/05/11	07/05/16	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,008,300.00	8,300.00	Callable 01/05/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/19/11	07/19/16	Aaa	AA+	1.900	2.106	1,000,000.00	1,000,000.00	1,004,540.00	4,540.00	SU 2%-3.5%, Call 01/19/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	1,998,680.00	(1,320.00)	SU 1.3%-2.25%, Call 03/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,997,768.33	2,029,040.00	31,271.67	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,037,040.00	37,040.00	
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AA+	2.000	2.011	2,000,000.00	1,999,758.33	2,007,040.00	7,281.67	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,022,060.00	22,060.00	Callable 04/11/12, once
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,027,960.00	27,960.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,069,820.00	69,820.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,965,927.90	2,053,000.00	87,072.10	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,057,080.00	57,080.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/29/11	12/29/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,008,440.00	8,440.00	Callable 03/29/12, once
Subtotal, Federal Agencies							104,700,000.00	105,019,172.88	106,667,654.00	1,648,481.12	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,993,691.67	2,049,160.00	55,468.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,976,940.00	(23,060.00)	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,011,940.00	11,940.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,180,385.74	2,198,760.00	18,374.26	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,057,473.98	2,052,200.00	(5,273.98)	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,018,867.12	1,990,840.00	(28,027.12)	
Subtotal, Corporate Securities							12,000,000.00	12,250,418.51	12,279,840.00	29,421.49	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,962,504.03	5,962,504.03	5,962,504.03	0.00	
Subtotal, SBA Note							5,962,504.03	5,962,504.03	5,962,504.03	0.00	
TOTALS							161,162,504.03	161,732,095.42	163,409,998.03	1,677,902.61	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2011**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	-	-	-	-	-	-	-	-	-	-
2002 Municipal Improvement - Refunding COPs	6,709.27	547,530.00	-	-	-	-	-	-	554,239.27	554,239.27
2002 Water - Refunding COPs	8,833.82	1,088,268.76	-	-	-	-	-	-	1,097,102.58	1,097,102.58
1994 Water - Revenue Bonds	19,914.61	757,680.00	-	-	-	-	-	-	777,594.61	777,594.61
2002 Waterfront - Reference COPs	928,723.43	1,393,262.50	-	-	-	-	-	-	2,321,985.93	2,321,985.93
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	1,051,646.32	3,786,741.26	-	-	-	-	-	-	4,838,387.58	4,838,387.58
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,365,740.93	-	-	-	-	-	-	-	2,365,740.93	2,365,740.93
2003 RDA Bonds	10,686,412.10	-	-	-	-	-	-	-	10,686,412.10	10,686,412.10
2004 Sewer Revenue Bonds	2,175,435.89	1,357,140.00	-	-	-	-	-	-	3,532,575.89	3,532,575.89
2009 Airport Bonds	4,046,797.25	-	-	-	-	-	3,100,000.00	3,161,101.00	7,146,797.25	7,207,898.25
Subtotal, Project Funds	19,274,386.17	1,357,140.00	-	-	-	-	3,100,000.00	3,161,101.00	23,731,526.17	23,792,627.17
Subtotal Bond Funds	20,326,032.49	5,143,881.26	-	-	-	-	3,100,000.00	3,161,101.00	28,569,913.75	28,631,014.75
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	66,047.38	-	234,708.75	253,440.96	309,937.05	308,410.95	-	-	610,693.18	627,899.29
	66,047.38	-	234,708.75	253,440.96	309,937.05	308,410.95	-	-	610,693.18	627,899.29
TOTAL FISCAL AGENT INVESTMENTS	<u>20,392,079.87</u>	<u>5,143,881.26</u>	<u>234,708.75</u>	<u>253,440.96</u>	<u>309,937.05</u>	<u>308,410.95</u>	<u>3,100,000.00</u>	<u>3,161,101.00</u>	<u>29,180,606.93</u>	<u>29,258,914.04</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust