

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
December 31, 2011

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

12/8 LAIF Deposit - City	\$ 2,000,000
12/13 LAIF Deposit - City	2,000,000
12/28 Federal National Mortgage Association (FNMA)	2,000,000
12/28 Federal National Mortgage Association (FNMA)	2,000,000
12/30 LAIF Deposit - City	14,000,000
<b>Total</b>	<b>\$ 22,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

12/2 LAIF Withdrawal - City	\$ (1,000,000)
12/5 LAIF Withdrawal - City	(3,000,000)
12/8 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
12/15 LAIF Withdrawal - City	(6,000,000)
12/15 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
12/27 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
12/28 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
12/30 Federal Home Loan Bank (FHLB) - Call	(2,000,000)
12/30 Federal Home Loan Bank (FHLB) - Call	(2,000,000)
12/31 Santa Barbara Airport Promissory Note - Principal Paydown	(85,169)
<b>Total</b>	<b>\$ (22,085,169)</b>

**ACTIVITY TOTAL**

**\$ (85,169)**

**INTEREST REVENUE**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 248,982
Amortization	(21,194)
Interest on SBB&T Accounts	853
<b>Total</b>	<b>\$ 228,641</b>

**TOTAL INTEREST EARNED**

**\$ 228,641**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**December 31, 2011**

**ENDING BALANCE AS OF NOVEMBER 30, 2011**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,000,000	0.385%	20.83%	1
Certificates of Deposit	2,000,000	0.800%	1.23%	718
Federal Agency Issues - Coupon	108,992,923	1.921%	66.79%	1,101
Corporate/Medium Term Notes	<u>12,234,575</u>	<u>1.780%</u>	<u>7.50%</u>	<u>1,270</u>
	157,227,499	1.564%	96.35%	871
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.65%</u>	<u>6,421</u>
Totals and Averages	<u>\$ 163,190,003</u>	<u>1.762%</u>	<u>100.00%</u>	<u>1,074</u>
SBB&T Money Market Account	<u>7,562,726</u>			
<b>Total Cash and Investments</b>	<b><u>\$ 170,752,729</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR DECEMBER 2011**      **\$ 289,822**

**ENDING BALANCE AS OF DECEMBER 31, 2011**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 42,000,000	0.385%	25.75%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.23%	687
Federal Agency Issues - Coupon	100,979,651	1.894%	61.92%	1,063
Corporate/Medium Term Notes	<u>12,226,654</u>	<u>1.780%</u>	<u>7.50%</u>	<u>1,239</u>
	157,206,305	1.468%	96.40%	788
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.60%</u>	<u>6,390</u>
Totals and Averages	<u>\$ 163,083,639</u>	<u>1.668%</u>	<u>100.00%</u>	<u>990</u>
SBB&T Money Market Account	<u>7,958,912</u>			
<b>Total Cash and Investments</b>	<b><u>\$ 171,042,551</u></b>			

Note:

(1) The average life of the LAIF portfolio as of December 31, 2011 is 256 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**December 31, 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							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.385	0.385	42,000,000.00	42,000,000.00	42,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.385	0.385	0.00	0.00	0.00	0.00	
<b>Subtotal, LAIF</b>							42,000,000.00	42,000,000.00	42,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
<b>Subtotal, Certificates of deposit</b>							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AA+	2.250	2.120	2,000,000.00	2,000,787.39	2,013,100.00	12,312.61	
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,501,470.00	1,470.00	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	2,039,100.00	39,100.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,622.22	2,009,100.00	9,477.78	Callable 03/09/12, 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	2,001,480.00	1,480.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,054,300.00	54,300.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,048,180.00	48,180.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,018,080.00	18,080.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,786.90	2,009,700.00	9,913.10	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	2,012,880.00	12,880.00	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	2,132,100.00	132,100.00	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,716,139.04	1,731,178.00	15,038.96	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,057,240.00	57,240.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,042,560.00	42,560.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,025,212.31	2,096,800.00	71,587.69	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,024,300.00	24,300.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,060,300.00	60,300.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,014,780.00	14,780.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,027,400.00	27,400.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,010,223.19	1,010,420.00	196.81	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,067,984.85	2,135,100.00	67,115.15	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,037,061.09	2,096,800.00	59,738.91	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,428.18	2,010,860.00	10,431.82	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,066,920.00	66,920.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,084,540.00	84,540.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,543,709.01	1,543,740.00	30.99	
FEDERAL HOME LOAN MTG CORP	10/19/11	10/19/16	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,007,960.00	7,960.00	Callable 07/19/12, then qtrly
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,005,967.21	2,027,820.00	21,852.79	
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	2,032,340.00	32,340.00	
FEDERAL HOME LOAN MTG CORP	11/09/11	11/09/16	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,007,720.00	7,720.00	Callable 05/09/12, then qtrly

**CITY OF SANTA BARBARA**

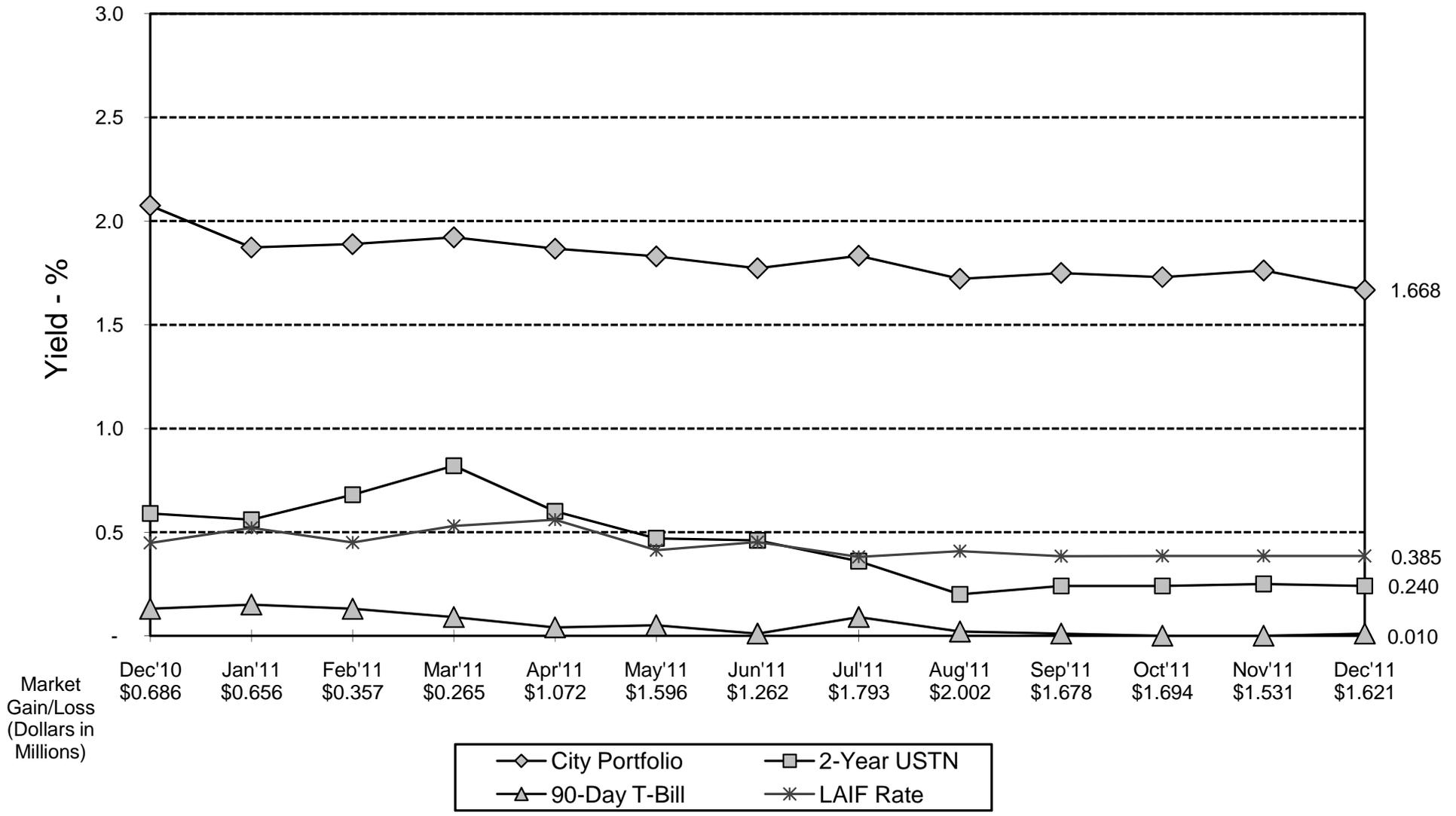
**Investment Portfolio**

**December 31, 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	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,006,960.00	6,960.00	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	1,982,935.82	2,008,620.00	25,684.18	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,774.74	1,003,220.00	3,445.26	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,126,203.36	2,173,060.00	46,856.64	
FEDERAL HOME LOAN MTG CORP	10/03/11	10/03/16	Aaa	AA+	1.000	1.612	2,000,000.00	2,000,000.00	2,001,520.00	1,520.00	SU 2.25% Callable 04/03/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,629.17	1,004,400.00	4,770.83	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/09/11	11/09/16	Aaa	AA+	1.500	1.807	2,000,000.00	1,999,572.22	2,012,400.00	12,827.78	SU 1.5%-3.5%, Call 11/09/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.125	1.641	2,000,000.00	2,000,000.00	2,000,140.00	140.00	SU 2% Callable 12/28/12, 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	2,005,900.00	5,900.00	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	2,014,960.00	14,960.00	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	2,000,220.00	220.00	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	1,000,760.00	760.00	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	2,003,640.00	3,640.00	SU 1.3%-2.25%, Call 03/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,175.00	2,002,900.00	4,725.00	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,998,418.33	2,019,420.00	21,001.67	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	2,039,580.00	39,580.00	
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,011,900.00	11,900.00	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	2,029,620.00	29,620.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.625	1.625	2,000,000.00	2,000,000.00	2,006,800.00	6,800.00	Callable 12/28/12, 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	2,080,620.00	80,620.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,968,021.07	2,051,520.00	83,498.93	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,052,060.00	52,060.00	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	2,004,240.00	4,240.00	Callable 03/29/12, once
<b>Subtotal, Federal Agencies</b>							<u>100,700,000.00</u>	<u>100,979,651.10</u>	<u>102,452,728.00</u>	<u>1,473,076.90</u>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,994,066.67	2,073,500.00	79,433.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,008,940.00	8,940.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,029,940.00	29,940.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,160,683.41	2,177,340.00	16,656.59	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,053,988.36	2,065,260.00	11,271.64	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,017,915.30	2,019,900.00	1,984.70	
<b>Subtotal, Corporate Securities</b>							<u>12,000,000.00</u>	<u>12,226,653.74</u>	<u>12,374,880.00</u>	<u>148,226.26</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,877,334.65	5,877,334.65	5,877,334.65	0.00	
<b>Subtotal, SBA Note</b>							<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>162,577,334.65</u>	<u>163,083,639.49</u>	<u>164,704,942.65</u>	<u>1,621,303.16</u>	

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  
December 31, 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
<b>BOND FUNDS</b>										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	67,707.50	-	-	-	-	-	-	-	67,707.50	67,707.50
2002 Municipal Improvement - Refunding COPs	13,954.67	547,530.00	-	-	-	-	-	-	561,484.67	561,484.67
2002 Water - Refunding COPs	24,359.39	1,088,268.76	-	-	-	-	-	-	1,112,628.15	1,112,628.15
1994 Water - Revenue Bonds	19,914.61	757,680.00	-	-	-	-	-	-	777,594.61	777,594.61
2002 Waterfront - Reference COPs	873.43	1,393,262.50	-	-	-	-	-	-	1,394,135.93	1,394,135.93
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	214,274.79	3,786,741.26	-	-	-	-	-	-	4,001,016.05	4,001,016.05
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,365,799.91	-	-	-	-	-	-	-	2,365,799.91	2,365,799.91
2003 RDA Bonds	9,335,409.35	-	-	-	-	-	-	-	9,335,409.35	9,335,409.35
2004 Sewer Revenue Bonds	2,108,495.13	1,357,140.00	-	-	-	-	-	-	3,465,635.13	3,465,635.13
2009 Airport Bonds	3,598,070.57	-	-	-	-	-	3,100,000.00	3,139,234.38	6,698,070.57	6,737,304.95
Subtotal, Project Funds	17,407,774.96	1,357,140.00	-	-	-	-	3,100,000.00	3,139,234.38	21,864,914.96	21,904,149.34
Subtotal Bond Funds	17,622,049.75	5,143,881.26	-	-	-	-	3,100,000.00	3,139,234.38	25,865,931.01	25,905,165.39
<b>POLICE/FIRE - SVC RETIREMENT FUND</b>										
Police/Fire Funds	44,031.86	-	234,708.75	279,909.33	309,393.55	305,805.15	-	-	588,134.16	629,746.34
	44,031.86	-	234,708.75	279,909.33	309,393.55	305,805.15	-	-	588,134.16	629,746.34
<b>TOTAL FISCAL AGENT INVESTMENTS</b>	<u>17,666,081.61</u>	<u>5,143,881.26</u>	<u>234,708.75</u>	<u>279,909.33</u>	<u>309,393.55</u>	<u>305,805.15</u>	<u>3,100,000.00</u>	<u>3,139,234.38</u>	<u>26,454,065.17</u>	<u>26,534,911.73</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