

CITY OF SANTA BARBARA
Activity and Interest Report
March 31, 2012

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

3/1 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
3/9 LAIF Deposit - City	9,000,000
3/15 LAIF Deposit - City	1,000,000
3/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
3/28 Federal National Mortgage Association (FNMA)	2,000,000
3/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
3/29 LAIF Deposit - City	2,000,000
Total	\$ 20,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

3/7 LAIF Withdrawal - City	\$ (1,000,000)
3/9 LAIF Withdrawal - RDAS	(9,000,000)
3/9 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
3/12 Pres & Fellows of Harvard College (HARVRD) - Call	(2,000,000)
3/22 LAIF Withdrawal - City	(2,000,000)
3/27 LAIF Withdrawal - City	(4,000,000)
3/29 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
Total	\$ (22,000,000)

ACTIVITY TOTAL

\$ (2,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

INTEREST INCOME

Interest Earned on Investments	\$ 230,181
Amortization	(17,393)
Interest on SBB&T Accounts	178
Total	\$ 212,966

GAIN/LOSS ON INVESTMENTS

Gain on Redemption of Corporate Bond	\$ 8,143
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REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 3,683
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INVESTMENT INCOME TOTAL

\$ 224,792

CITY OF SANTA BARBARA
Summary of Cash and Investments
March 31, 2012

ENDING BALANCE AS OF FEBRUARY 29, 2012

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 41,000,000	0.389%	24.92%	1
Certificates of Deposit	2,000,000	0.800%	1.22%	627
Federal Agency Issues - Coupon	103,451,568	1.805%	62.87%	1,083
Corporate/Medium Term Notes	<u>12,210,811</u>	<u>1.781%</u>	<u>7.42%</u>	<u>1,180</u>
	158,662,378	1.425%	96.43%	805
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.57%</u>	<u>6,330</u>
Totals and Averages	<u>\$ 164,539,713</u>	<u>1.624%</u>	<u>100.00%</u>	<u>1,002</u>
SBB&T Money Market Account	3,613,645			
Total Cash and Investments	<u>\$ 168,153,358</u>			

NET CASH AND INVESTMENT ACTIVITY FOR MARCH 2012 **\$ (1,532,643)**

ENDING BALANCE AS OF MARCH 31, 2012

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 37,000,000	0.383%	22.79%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.23%	596
Federal Agency Issues - Coupon	107,437,937	1.761%	66.17%	1,102
Corporate/Medium Term Notes	<u>10,061,908</u>	<u>1.948%</u>	<u>6.20%</u>	<u>1,254</u>
	156,499,845	1.435%	96.39%	845
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.62%</u>	<u>6,299</u>
Totals and Averages	<u>\$ 162,377,180</u>	<u>1.636%</u>	<u>100.00%</u>	<u>1,043</u>
SBB&T Money Market Account	4,243,536			
Total Cash and Investments	<u>\$ 166,620,715</u>			

Note:

(1) The average life of the LAIF portfolio as of March 31, 2012 is 243 days.

CITY OF SANTA BARBARA

Investment Portfolio

March 31, 2012

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.383	0.383	28,000,000.00	28,000,000.00	28,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.383	0.383	9,000,000.00	9,000,000.00	9,000,000.00	0.00	
Subtotal, LAIF							37,000,000.00	37,000,000.00	37,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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	
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	2,000,160.27	2,002,560.00	2,399.73	
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,031,380.00	31,380.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	1,992,980.00	(7,020.00)	Callable 03/01/13, then cont.
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,044,100.00	44,100.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,040,140.00	40,140.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,008,360.00	8,360.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,982.60	2,000,720.00	737.40	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	2,004,660.00	4,660.00	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	2,124,580.00	124,580.00	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,706,887.36	1,713,243.00	6,355.64	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,051,400.00	51,400.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,041,000.00	41,000.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,021,979.96	2,094,060.00	72,080.04	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,017,720.00	17,720.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,054,920.00	54,920.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,011,040.00	11,040.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,020,400.00	20,400.00	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	1,008,682.01	1,009,810.00	1,127.99	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,057,987.08	2,117,420.00	59,432.92	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,032,309.67	2,094,060.00	61,750.33	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,182.73	2,004,580.00	4,397.27	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,064,040.00	64,040.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,081,480.00	81,480.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,537,739.64	1,539,465.00	1,725.36	
FEDERAL HOME LOAN BANK	02/28/12	02/28/17	Aaa	AA+	1.250	1.250	5,000,000.00	5,000,000.00	4,982,650.00	(17,350.00)	Callable 04/28/12, then monthly
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	2,005,980.00	5,980.00	Callable 07/19/12, then qtrly
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.210	1.210	2,000,000.00	2,000,000.00	2,010,020.00	10,020.00	Callable 03/28/13, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,003,901.64	2,018,700.00	14,798.36	
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	2,042,280.00	42,280.00	
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	2,003,120.00	3,120.00	Callable 05/09/12, then qtrly
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.350	1.350	2,000,000.00	2,000,000.00	2,012,540.00	12,540.00	Callable 03/28/14, once

CITY OF SANTA BARBARA

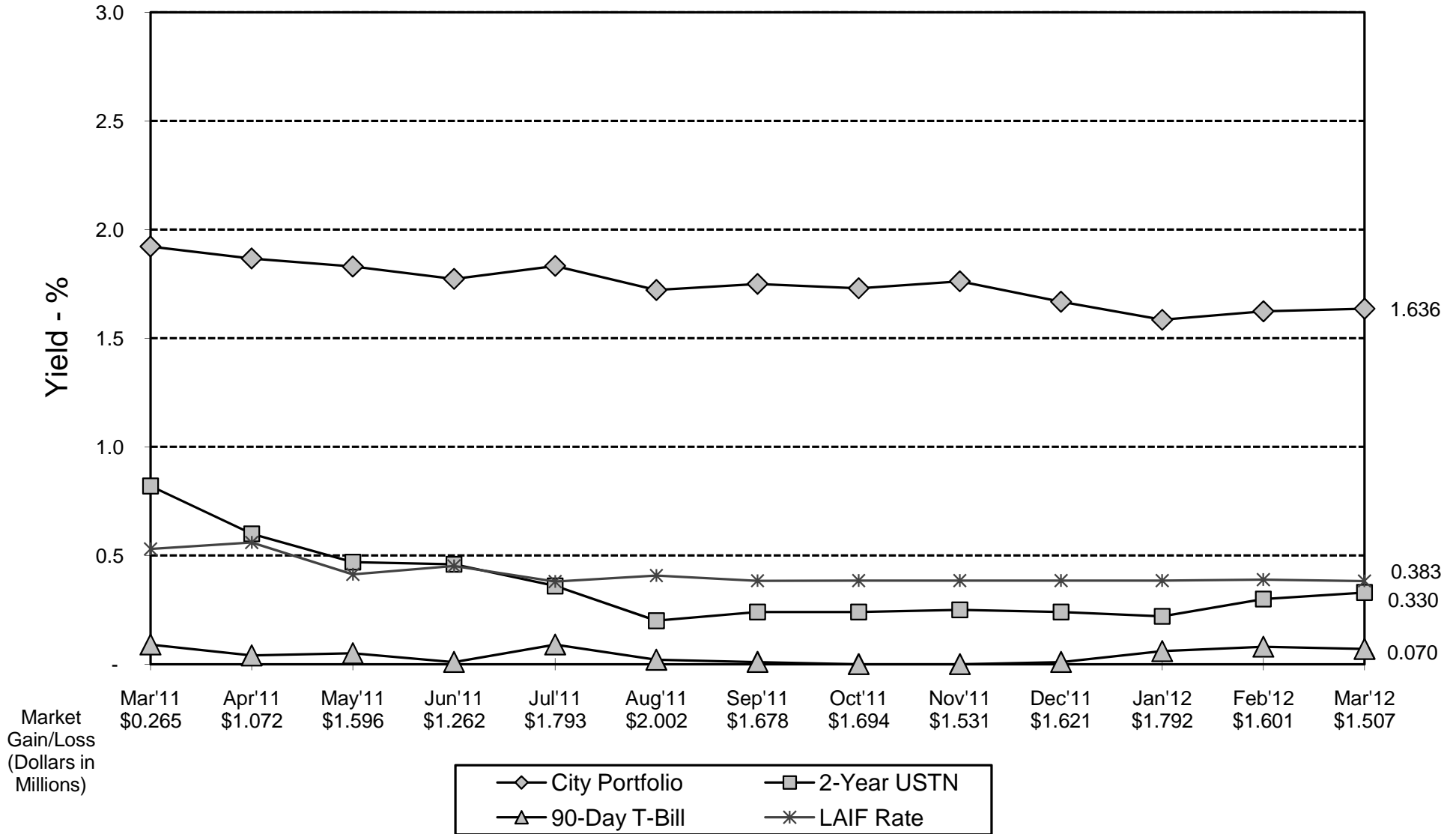
Investment Portfolio

March 31, 2012

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
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	2,006,380.00	6,380.00	Callable 09/28/12, once
FEDERAL HOME LOAN MTG CORP	02/21/12	02/21/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,999,500.00	(500.00)	Callable 02/21/14, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,989,731.29	2,005,540.00	15,808.71	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,952.58	1,000,620.00	667.42	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,112,198.05	2,159,360.00	47,161.95	
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	2,001,960.00	1,960.00	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	999,754.17	997,740.00	(2,014.17)	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	1,999,697.22	2,011,760.00	12,062.78	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	2,003,140.00	3,140.00	SU 2% Callable 12/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,006,640.00	6,640.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	2,004,560.00	4,560.00	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	1,998,425.00	2,015,400.00	16,975.00	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/25/12	01/25/17	Aaa	AA+	1.000	1.256	2,000,000.00	1,999,183.33	2,001,880.00	2,696.67	SU 1.5%, Callable 01/25/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,999,068.33	2,011,800.00	12,731.67	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	2,039,340.00	39,340.00	
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,001,160.00	1,160.00	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	2,027,780.00	27,780.00	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	2,010,300.00	10,300.00	Callable 12/28/12, once
FEDERAL NATL MORTGAGE ASSN	03/28/12	03/28/17	Aaa	AA+	1.125	1.332	2,000,000.00	2,000,000.00	1,995,240.00	(4,760.00)	SU 1.125%-2.25%, Call 03/28/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,076,600.00	76,600.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,970,114.24	2,061,920.00	91,805.76	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,044,760.00	44,760.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/12	01/30/17	Aaa	AA+	1.300	1.300	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>1,997,960.00</u>	<u>(2,040.00)</u>	Callable 01/30/13, then qtrly
Subtotal, Federal Agencies							<u>107,200,000.00</u>	<u>107,437,937.17</u>	<u>108,720,748.00</u>	<u>1,282,810.83</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,994,441.67	2,085,260.00	90,818.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,055,440.00	55,440.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,041,480.00	41,480.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,050,502.74	2,063,420.00	12,917.26	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	<u>2,000,000.00</u>	<u>2,016,963.49</u>	<u>2,040,960.00</u>	<u>23,996.51</u>	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,061,907.90</u>	<u>10,286,560.00</u>	<u>224,652.10</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
TOTALS							<u>162,077,334.65</u>	<u>162,377,179.72</u>	<u>163,884,642.65</u>	<u>1,507,462.93</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
March 31, 2012**

	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	6,533.05	547,530.00	-	-	-	-	-	-	554,063.05	554,063.05
2002 Water - Refunding COPs	8,625.54	1,088,268.76	-	-	-	-	-	-	1,096,894.30	1,096,894.30
1994 Water - Revenue Bonds	19,916.35	757,680.00	-	-	-	-	-	-	777,596.35	777,596.35
2002 Waterfront - Reference COPs	362,415.34	1,393,262.50	-	-	-	-	-	-	1,755,677.84	1,755,677.84
1992 Seismic - Safety Bonds	-	-	-	-	-	-	-	-	-	-
Subtotal, Reserve Funds	397,490.28	3,786,741.26	-	-	-	-	-	-	4,184,231.54	4,184,231.54
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,365,858.89	-	-	-	-	-	-	-	2,365,858.89	2,365,858.89
2003 RDA Bonds	8,539,770.43	-	-	-	-	-	-	-	8,539,770.43	8,539,770.43
2004 Sewer Revenue Bonds	1,983,478.90	1,357,140.00	-	-	-	-	-	-	3,340,618.90	3,340,618.90
2009 Airport Bonds	2,257,710.57	-	-	-	-	-	3,100,000.00	3,119,158.00	5,357,710.57	5,376,868.57
Subtotal, Project Funds	15,146,818.79	1,357,140.00	-	-	-	-	3,100,000.00	3,119,158.00	19,603,958.79	19,623,116.79
Subtotal Bond Funds	15,544,309.07	5,143,881.26	-	-	-	-	3,100,000.00	3,119,158.00	23,788,190.33	23,807,348.33
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	128,844.50	-	234,401.46	299,677.51	203,881.10	204,860.05	-	-	567,127.06	633,382.06
	128,844.50	-	234,401.46	299,677.51	203,881.10	204,860.05	-	-	567,127.06	633,382.06
TOTAL FISCAL AGENT INVESTMENTS	15,673,153.57	5,143,881.26	234,401.46	299,677.51	203,881.10	204,860.05	3,100,000.00	3,119,158.00	24,355,317.39	24,440,730.39

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