

CITY OF SANTA BARBARA
Activity and Interest Report
June 30, 2012

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

6/1 Federal National Mortgage Association (FNMA)	\$ 2,000,000
6/7 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
6/11 LAIF Deposit - City	5,000,000
6/12 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
6/19 LAIF Deposit - City	4,000,000
6/28 LAIF Deposit - City	5,000,000
Total	\$ 20,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

6/7 Federal National Mortgage Association (FNMA) - Call	\$ (2,000,000)
6/8 Federal Home Loan Bank (FHLB) - Maturity	(1,700,000)
6/8 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
6/13 LAIF Withdrawal - City	(5,000,000)
6/18 Federal Farm Credit Bank (FFCB) - Maturity	(2,000,000)
6/28 Federal Home Loan Bank (FHLB) - Call	(5,000,000)
6/28 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
6/29 LAIF Withdrawal - City	(1,000,000)
6/30 Airport Promissory Note - Partial Redemption	(88,150)
Total	\$ (20,788,150)

ACTIVITY TOTAL

\$ (788,150)

INVESTMENT INCOME

POOLED INVESTMENTS

INTEREST INCOME

Interest Earned on Investments	\$ 212,019
Amortization	(12,461)
Interest on SBB&T Accounts	178
Total	\$ 199,735

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 2,648
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INCOME TOTAL

\$ 202,384

CITY OF SANTA BARBARA
Summary of Cash and Investments
June 30, 2012

ENDING BALANCE AS OF MAY 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	\$ 46,000,000	0.363%	27.32%	1
Certificates of Deposit	2,000,000	0.800%	1.19%	535
Federal Agency Issues - Coupon	104,408,712	1.671%	62.02%	1,093
Corporate/Medium Term Notes	<u>10,059,200</u>	<u>1.948%</u>	<u>5.98%</u>	<u>1,193</u>
	162,467,912	1.307%	96.51%	783
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.49%</u>	<u>6,238</u>
Totals and Averages	<u>\$ 168,345,246</u>	<u>1.506%</u>	<u>100.00%</u>	<u>974</u>
SBB&T Money Market Account	9,491,357			
Total Cash and Investments	<u>\$ 177,836,603</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JUNE 2012 **\$ (5,873,182)**

ENDING BALANCE AS OF JUNE 30, 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	\$ 54,000,000	0.358%	32.23%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.19%	505
Federal Agency Issues - Coupon	95,697,605	1.641%	57.12%	1,109
Corporate/Medium Term Notes	<u>10,057,845</u>	<u>1.948%</u>	<u>6.00%</u>	<u>1,163</u>
	161,755,451	1.221%	96.54%	735
SB Airport Promissory Note	<u>5,789,184</u>	<u>7.000%</u>	<u>3.46%</u>	<u>6,208</u>
Totals and Averages	<u>\$ 167,544,635</u>	<u>1.421%</u>	<u>100.00%</u>	<u>924</u>
SBB&T Money Market Account	4,418,786			
Total Cash and Investments	<u>\$ 171,963,421</u>			

Note:

(1) The average life of the LAIF portfolio as of June 30, 2012 is 268 days.

CITY OF SANTA BARBARA

Investment Portfolio

June 30, 2012

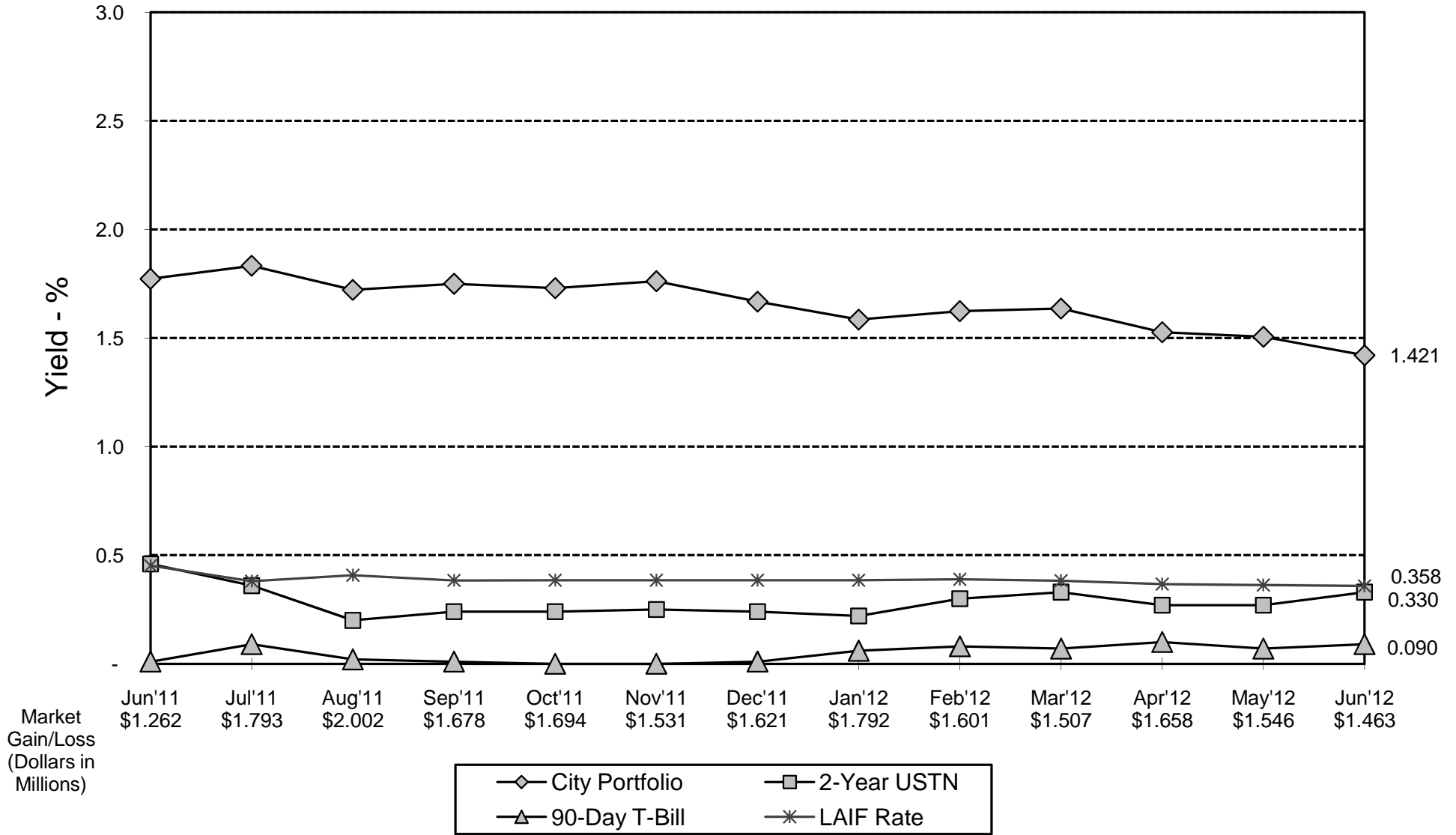
DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.358	0.358	45,000,000.00	45,000,000.00	45,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.358	0.358	9,000,000.00	9,000,000.00	9,000,000.00	0.00	
Subtotal, LAIF							54,000,000.00	54,000,000.00	54,000,000.00	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	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,033,940.00	33,940.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	2,006,800.00	6,800.00	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	2,031,460.00	31,460.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,029,580.00	29,580.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,135,980.00	135,980.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,043,980.00	43,980.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,042,220.00	42,220.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,018,747.62	2,081,260.00	62,512.38	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,010,320.00	10,320.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,047,660.00	47,660.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,006,500.00	6,500.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,013,040.00	13,040.00	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	1,007,140.82	1,008,400.00	1,259.18	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,047,989.30	2,097,960.00	49,970.70	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,027,558.25	2,081,260.00	53,701.75	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,065,620.00	65,620.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,085,640.00	85,640.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,531,770.28	1,533,930.00	2,159.72	
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	2,001,220.00	1,220.00	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	2,003,860.00	3,860.00	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	2,001,836.07	2,008,780.00	6,943.93	
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	2,033,680.00	33,680.00	
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	2,027,600.00	27,600.00	Callable 03/28/14, once
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	2,004,760.00	4,760.00	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	2,019,840.00	19,840.00	Callable 02/21/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,107.90	2,000,120.00	2,012.10	
FEDERAL HOME LOAN MTG CORP	06/12/12	06/12/17	Aaa	AA+	1.250	1.250	2,000,000.00	2,000,000.00	1,993,400.00	(6,600.00)	Callable 06/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	05/24/12	05/24/17	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	1,997,980.00	(2,020.00)	Callable 05/24/13, then qtrly

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 2012

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,996,526.76	2,001,840.00	5,313.24	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,098,192.75	2,141,360.00	43,167.25	
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	2,000,040.00	40.00	SU 2.25% Callable 07/03/12, then qtrly
FEDERAL HOME LOAN MTG CORP	06/07/12	06/07/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,007,180.00	7,180.00	Callable 06/07/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,879.17	1,001,370.00	1,490.83	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	1,999,822.22	2,009,320.00	9,497.78	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	2,006,160.00	6,160.00	SU 2% Callable 12/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,675.00	2,024,200.00	25,525.00	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	1,999,433.33	2,007,220.00	7,786.67	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	1,999,718.33	2,003,520.00	3,801.67	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	2,041,720.00	41,720.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,026,320.00	26,320.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	04/12/12	04/12/17	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,012,840.00	12,840.00	Callable 04/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.625	1.625	2,000,000.00	2,000,000.00	2,011,080.00	11,080.00	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	2,010,320.00	10,320.00	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	2,090,820.00	90,820.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,972,207.40	2,073,300.00	101,092.60	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,032,100.00	32,100.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/12	01/30/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,009,160.00	9,160.00	Callable 01/30/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/24/12	04/24/17	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,007,020.00	7,020.00	Callable 10/24/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/01/12	05/29/15	Aaa	AA+	0.650	0.650	2,000,000.00	2,000,000.00	1,999,400.00	(600.00)	Callable 05/29/13, once
Subtotal, Federal Agencies							95,500,000.00	95,697,605.20	96,963,080.00	1,265,474.80	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,994,816.67	2,087,280.00	92,463.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,040,580.00	40,580.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,031,100.00	31,100.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,047,017.12	2,064,580.00	17,562.88	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,016,011.67	2,032,220.00	16,208.33	
Subtotal, Corporate Securities							10,000,000.00	10,057,845.46	10,255,760.00	197,914.54	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,789,184.34	5,789,184.34	5,789,184.34	0.00	
Subtotal, SBA Note							5,789,184.34	5,789,184.34	5,789,184.34	0.00	
TOTALS							167,289,184.34	167,544,635.00	169,008,024.34	1,463,389.34	

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
June 30, 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	572,708.75	-	-	-	-	-	-	-	-	572,708.75	572,708.75
2002 Municipal Improvement - Refunding COPs	13,680.11	547,530.00	-	-	-	-	-	-	-	561,210.11	561,210.11
2002 Water - Refunding COPs	23,940.41	1,088,268.76	-	-	-	-	-	-	-	1,112,209.17	1,112,209.17
1994 Water - Revenue Bonds	19,917.13	757,680.00	-	-	-	-	-	-	-	777,597.13	777,597.13
2002 Waterfront - Reference COPs	1,012.41	1,393,262.50	-	-	-	-	-	-	-	1,394,274.91	1,394,274.91
1992 Seismic - Safety Bonds	-	-	-	-	-	-	-	-	-	-	-
Subtotal, Reserve Funds	631,258.81	3,786,741.26	-	-	-	-	-	-	-	4,418,000.07	4,418,000.07
<i>PROJECT FUNDS</i>											
2001 RDA Bonds	2,365,918.55	-	-	-	-	-	-	-	-	2,365,918.55	2,365,918.55
2003 RDA Bonds	8,505,538.06	-	-	-	-	-	-	-	-	8,505,538.06	8,505,538.06
2004 Sewer Revenue Bonds	1,949,260.77	1,357,140.00	-	-	-	-	-	-	-	3,306,400.77	3,306,400.77
2009 Airport Bonds	3,706,097.93	-	-	-	-	-	3,100,268.78	3,100,268.78	6,806,366.71	6,806,366.71	
Subtotal, Project Funds	16,526,815.31	1,357,140.00	-	-	-	-	3,100,268.78	3,100,268.78	20,984,224.09	20,984,224.09	
Subtotal Bond Funds	17,158,074.12	5,143,881.26	-	-	-	-	3,100,268.78	3,100,268.78	25,402,224.16	25,402,224.16	
POLICE/FIRE - SVC RETIREMENT FUND											
Police/Fire Funds	41,813.21	-	233,786.06	296,715.81	266,802.62	266,244.85	-	-	542,401.89	604,773.87	
	41,813.21	-	233,786.06	296,715.81	266,802.62	266,244.85	-	-	542,401.89	604,773.87	
TOTAL FISCAL AGENT INVESTMENTS	17,199,887.33	5,143,881.26	233,786.06	296,715.81	266,802.62	266,244.85	3,100,268.78	3,100,268.78	25,944,626.05	26,006,998.03	

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