

CITY OF SANTA BARBARA
Activity and Interest Report
February 28, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

2/5 Federal National Mortgage Association (FNMA)	\$ 2,000,000
2/8 LAIF Deposit - City	3,000,000
2/22 United States Treasury Note (USTN)	2,000,000
2/22 United States Treasury Note (USTN)	2,000,000
2/22 United States Treasury Note (USTN)	2,000,000
Total	\$ 11,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

2/6 LAIF Withdrawal - City	\$ (6,000,000)
2/11 LAIF Withdrawal - City	(2,000,000)
2/21 LAIF Withdrawal - City	(6,000,000)
2/27 LAIF Withdrawal - City	(4,000,000)
2/28 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
Total	\$ (20,000,000)

ACTIVITY TOTAL

\$ (9,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 200,404
Amortization	(17,103)
Interest on SBB&T Accounts	314
Total	\$ 183,615

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 1,470
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INCOME TOTAL

\$ 185,085

CITY OF SANTA BARBARA
Summary of Cash and Investments
February 28, 2013

ENDING BALANCE AS OF JANUARY 31, 2013

<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	\$ 45,700,000	0.300%	26.71%	1
Certificates of Deposit	8,000,000	1.267%	4.68%	1,144
Treasury Securities - Coupon	4,047,884	0.370%	2.37%	888
Federal Agency Issues - Coupon	97,614,091	1.422%	57.05%	1,167
Corporate/Medium Term Notes	<u>10,048,366</u>	<u>1.949%</u>	<u>5.87%</u>	<u>948</u>
	165,410,342	1.111%	96.67%	824
SB Airport Promissory Note	<u>5,697,949</u>	<u>7.000%</u>	<u>3.33%</u>	<u>5,993</u>
Totals and Averages	<u>\$ 171,108,291</u>	<u>1.307%</u>	<u>100.00%</u>	<u>996</u>
SBB&T Money Market Account	<u>4,949,710</u>			
Total Cash and Investments	<u>\$ 176,058,001</u>			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2013 **\$ (9,440,803)**

ENDING BALANCE AS OF FEBRUARY 28, 2013

<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	\$ 30,700,000	0.286%	18.90%	1 (1)
Certificates of Deposit	8,000,000	1.267%	4.92%	1,116
Treasury Securities - Coupon	10,400,089	0.458%	6.40%	1,127
Federal Agency Issues - Coupon	97,601,763	1.421%	60.08%	1,142
Corporate/Medium Term Notes	<u>10,047,012</u>	<u>1.949%</u>	<u>6.18%</u>	<u>920</u>
	156,748,864	1.161%	96.47%	902
SB Airport Promissory Note	<u>5,697,949</u>	<u>7.000%</u>	<u>3.51%</u>	<u>5,965</u>
Totals and Averages	<u>\$ 162,446,813</u>	<u>1.366%</u>	<u>100.00%</u>	<u>1,080</u>
SBB&T Money Market Account	<u>4,170,385</u>			
Total Cash and Investments	<u>\$ 166,617,198</u>			

(1) The average life of the LAIF portfolio as of February 28, 2013 is 217 days.

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2013

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	-	-	-	-	0.286	0.286	24,000,000.00	24,000,000.00	24,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.286	0.286	6,700,000.00	6,700,000.00	6,700,000.00	0.00	
Subtotal, LAIF							30,700,000.00	30,700,000.00	30,700,000.00	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	
SANTA BARBARA BANK & TRUST	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
SANTA BARBARA BANK & TRUST	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,001,334.67	2,005,160.00	3,825.33	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,045,200.10	2,049,860.00	4,659.90	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,297,906.67	2,300,480.00	2,573.33	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,034,498.69	2,037,980.00	3,481.31	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,021,148.60	2,025,780.00	4,631.40	
Subtotal, Treasury Securities							10,000,000.00	10,400,088.73	10,419,260.00	19,171.27	
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	2,022,580.00	22,580.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 03/01/13, then cont.
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	2,006,100.00	6,100.00	Callable 08/15/13, 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	2,000,420.00	420.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,004,240.00	4,240.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,126,160.00	126,160.00	
FEDERAL FARM CREDIT BANK	09/13/12	09/13/17	Aaa	AA+	1.020	1.020	2,000,000.00	2,000,000.00	2,000,200.00	200.00	Callable, continuous
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,022,700.00	22,700.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,034,960.00	34,960.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,010,128.02	2,046,160.00	36,031.98	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,027,140.00	27,140.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,999,160.00	(840.00)	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,003,031.00	1,004,210.00	1,179.00	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,021,328.58	2,044,940.00	23,611.42	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,014,887.79	2,046,160.00	31,272.21	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,055,560.00	55,560.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,074,040.00	74,040.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,515,851.98	1,518,165.00	2,313.02	
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	2,001,480.00	1,480.00	Callable 03/28/13, 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	2,022,900.00	22,900.00	
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	2,026,780.00	26,780.00	Callable 03/28/14, 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	2,020,100.00	20,100.00	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	1,998,559.29	2,007,900.00	9,340.71	

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2013

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
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	2,019,980.00	19,980.00	Callable 06/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,005,720.00	5,720.00	Callable 07/24/13, 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	2,003,620.00	3,620.00	Callable 05/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,004,540.00	4,540.00	Callable 09/12/13, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	4,003,200.00	3,200.00	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,060,845.27	2,091,080.00	30,234.73	
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	2,005,360.00	5,360.00	Callable 06/07/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,341.67	2,016,520.00	17,178.33	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,000,750.00	750.00	Callable 01/30/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,035,460.00	35,460.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,008,880.00	8,880.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	2,008,060.00	8,060.00	Callable 08/28/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,300.00	300.00	Callable 06/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/12/12	04/12/17	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,001,860.00	1,860.00	Callable 04/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,640.00	1,640.00	Callable 05/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,640.00	1,640.00	Callable 05/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	03/28/12	03/28/17	Aaa	AA+	1.125	1.332	2,000,000.00	2,000,000.00	2,000,800.00	800.00	SU 1.125%-2.25%, Call 03/28/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,998,920.00	(1,080.00)	Callable 12/26/13, 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	2,082,340.00	82,340.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,977,789.18	2,065,260.00	87,470.82	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,005,520.00	5,520.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/01/12	05/29/15	Aaa	AA+	0.650	0.650	2,000,000.00	2,000,000.00	2,001,540.00	1,540.00	Callable 05/29/13, once
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,001,320.00</u>	<u>1,320.00</u>	Callable 02/05/15, then qtrly
Subtotal, Federal Agencies							<u>97,500,000.00</u>	<u>97,601,762.78</u>	<u>98,476,365.00</u>	<u>874,602.22</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,995,816.67	2,099,620.00	103,803.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,072,460.00	72,460.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,029,800.00	29,800.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,037,722.14	2,063,980.00	26,257.86	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	<u>2,000,000.00</u>	<u>2,013,473.49</u>	<u>2,074,240.00</u>	<u>60,766.51</u>	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,047,012.30</u>	<u>10,340,100.00</u>	<u>293,087.70</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
TOTALS							<u>161,897,948.77</u>	<u>162,446,812.58</u>	<u>163,633,673.77</u>	<u>1,186,861.19</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.