

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
September 30, 2013

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

9/13 Federal Home Loan Bank (FHLB)	\$ 2,000,000
9/18 Federal Farm Credit Bank (FFCB)	<u>2,000,000</u>
<b>Total</b>	<b>\$ 4,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

9/5 LAIF Withdrawal - City	\$ (1,000,000)
9/13 LAIF Withdrawal - City	(1,000,000)
9/13 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
9/19 LAIF Withdrawal - City	<u>(2,000,000)</u>
<b>Total</b>	<b>\$ (6,000,000)</b>

**ACTIVITY TOTAL**

**\$ (2,000,000)**

**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 182,939
Amortization	<u>(21,576)</u>
<b>Total</b>	<b>\$ 161,362</b>

**INCOME TOTAL**

**\$ 161,362**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**September 30, 2013**

**ENDING BALANCE AS OF AUGUST 31, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 33,000,000	0.271%	21.09%	1
Certificates of Deposit	8,000,000	1.267%	5.11%	932
Treasury Securities - Coupon	10,336,781	0.458%	6.60%	943
Federal Agency Issues - Coupon	89,527,844	1.409%	57.20%	1,099
Corporate/Medium Term Notes	<u>10,038,887</u>	<u>1.950%</u>	<u>6.41%</u>	<u>736</u>
	150,903,513	1.123%	96.41%	815
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.58%</u>	<u>5,781</u>
Totals and Averages	<u>\$ 156,507,033</u>	<u>1.234%</u>	<u>100.00%</u>	<u>993</u>
UB Money Market Account	3,249,050			
UB Trust Money Market Funds	<u>1,000,000</u>			
<b>Total Cash and Investments</b>	<b><u>\$ 160,756,083</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2013**      **\$ (633,281)**

**ENDING BALANCE AS OF SEPTEMBER 30, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 29,000,000	0.257%	18.77%	1 (1)
Certificates of Deposit	8,000,000	1.267%	5.18%	902
Treasury Securities - Coupon	10,326,459	0.458%	6.68%	913
Federal Agency Issues - Coupon	91,526,484	1.404%	59.24%	1,117
Corporate/Medium Term Notes	<u>10,037,533</u>	<u>1.950%</u>	<u>6.50%</u>	<u>706</u>
	148,890,476	1.144%	96.37%	846
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.63%</u>	<u>5,751</u>
Totals and Averages	<u>\$ 154,493,996</u>	<u>1.255%</u>	<u>100.00%</u>	<u>1,024</u>
UB Money Market Account	5,628,806			
<b>Total Cash and Investments</b>	<b><u>\$ 160,122,802</u></b>			

(1) The average life of the LAIF portfolio as of September 30, 2013 is 239 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2013**

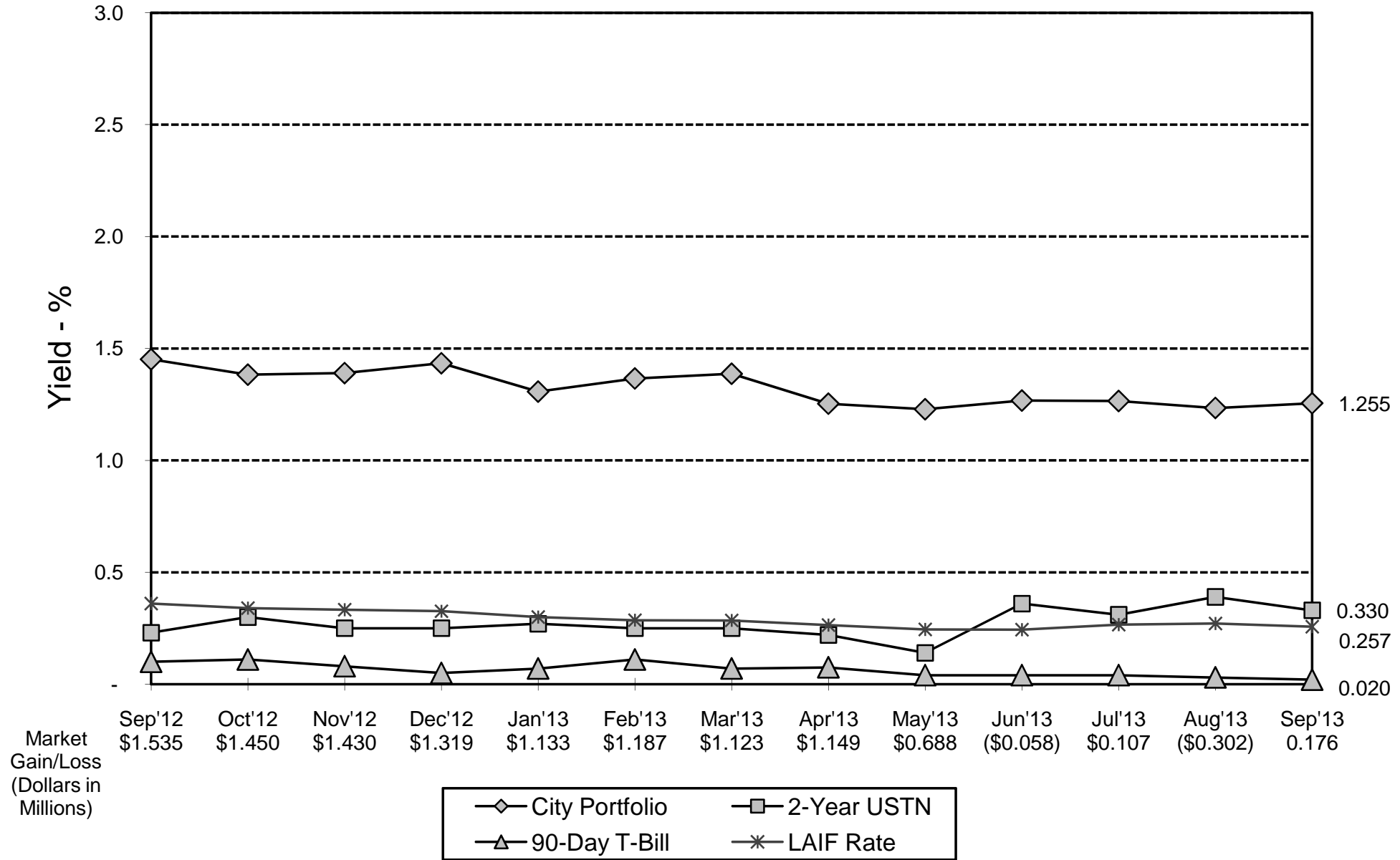
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.257	0.257	29,000,000.00	29,000,000.00	29,000,000.00	0.00	
<b>Subtotal, LAIF</b>							29,000,000.00	29,000,000.00	29,000,000.00	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	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
<b>Subtotal, Certificates of deposit</b>							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,950.77	2,004,760.00	3,809.23	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,035,269.07	2,037,040.00	1,770.93	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,243,464.29	2,241,260.00	(2,204.29)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,028,726.43	2,021,260.00	(7,466.43)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,018,048.74	2,002,960.00	(15,088.74)	
<b>Subtotal, Treasury Securities</b>							10,000,000.00	10,326,459.30	10,307,280.00	(19,179.30)	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,009,280.00	9,280.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,984,160.00	(15,840.00)	Callable, Continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,022,960.00	22,960.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,095,720.00	95,720.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,010,420.00	10,420.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,001,500.00	1,500.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,022,920.00	22,920.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,008,454.65	2,037,640.00	29,185.35	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,002,585.88	2,012,180.00	9,594.12	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,006,180.00	6,180.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,929,880.00	(70,120.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN BANK	07/17/13	07/17/18	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,997,520.00	(2,480.00)	Callable 10/17/13, then qtrly
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	1,980,080.00	(19,920.00)	SU 1.125%-2.5% Call 12/27/13, then qtrly
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,003,801.14	2,012,180.00	8,378.86	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,039,580.00	39,580.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,054,560.00	54,560.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,501,923.46	1,502,325.00	401.54	
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	2,010,360.00	10,360.00	
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	2,010,000.00	10,000.00	Callable 03/28/14, once
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,972,520.00	(27,480.00)	Callable 12/26/13, then qtrly
FEDERAL HOME LOAN MTG CORP	07/25/13	07/25/18	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,015,300.00	15,300.00	Callable 07/25/14, 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	2,006,860.00	6,860.00	Callable 02/21/14, once

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2013**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,954.26	2,007,040.00	8,085.74	
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	1,998,580.00	(1,420.00)	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	1,988,380.00	(11,620.00)	Callable 10/24/13, 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	1,975,380.00	(24,620.00)	Callable 12/12/13, 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	3,935,600.00	(64,400.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,028,166.22	2,043,500.00	15,333.78	
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,976,160.00	(23,840.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,925.00	2,001,820.00	1,895.00	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	2,946,600.00	(53,400.00)	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	2,024,960.00	24,960.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,990,060.00	(9,940.00)	Callable 11/28/13, 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	1,966,160.00	(33,840.00)	Callable 12/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/19/13	12/19/16	Aaa	AA+	0.750	0.750	2,000,000.00	2,000,000.00	1,990,880.00	(9,120.00)	Callable 12/19/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/30/13	07/30/18	Aaa	AA+	1.000	1.896	1,000,000.00	1,000,000.00	1,001,570.00	1,570.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,968,820.00	(31,180.00)	Callable 11/08/13, 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	1,968,820.00	(31,180.00)	Callable 11/08/13, 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	3,926,880.00	(73,120.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/10/13	07/10/18	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,997,580.00	(2,420.00)	Callable 07/10/14, 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	2,062,660.00	62,660.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,982,673.23	2,048,920.00	66,246.77	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,962,700.00	(37,300.00)	Callable 02/05/15, then qtrly
<b>Subtotal, Federal Agencies</b>							<b>91,500,000.00</b>	<b>91,526,483.84</b>	<b>91,517,195.00</b>	<b>(9,288.84)</b>	
<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	1,996,691.67	2,073,380.00	76,688.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,053,300.00	53,300.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,009,400.00	9,400.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,029,589.03	2,051,480.00	21,890.97	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,011,252.59	2,054,820.00	43,567.41	
<b>Subtotal, Corporate Securities</b>							<b>10,000,000.00</b>	<b>10,037,533.29</b>	<b>10,242,380.00</b>	<b>204,846.71</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,603,519.96	5,603,519.96	5,603,519.96	0.00	
<b>Subtotal, SBA Note</b>							<b>5,603,519.96</b>	<b>5,603,519.96</b>	<b>5,603,519.96</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>154,103,519.96</b>	<b>154,493,996.39</b>	<b>154,670,374.96</b>	<b>176,378.57</b>	

Market values have been obtained from the City's safekeeping agent, Union Bank The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.

# INVESTMENT YIELDS



**CITY OF SANTA BARBARA**  
**Fiscal Agent Investments**  
**September 30, 2013**

	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	2.71	-	-	-	-	-	-	-	2.71	2.71
2002 Municipal Improvement - Refunding COPs	10,885.51	547,530.00	-	-	-	-	-	-	558,415.51	558,415.51
2009 Airport Bonds	3,146,857.15	-	-	-	-	-	-	-	3,146,857.15	3,146,857.15
2002 Waterfront - Refunding COPs	949,537.02	1,393,262.50	-	-	-	-	-	-	2,342,799.52	2,342,799.52
Subtotal, Reserve Funds	<u>4,107,282.39</u>	<u>1,940,792.50</u>	-	-	-	-	-	-	<u>6,048,074.89</u>	<u>6,048,074.89</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,215.00	-	-	-	-	-	-	-	2,366,215.00	2,366,215.00
2003 RDA Bonds	8,506,604.01	-	-	-	-	-	-	-	8,506,604.01	8,506,604.01
2013 Water - Refunding COPS	665,505.72	428,069.44	-	-	-	-	-	-	1,093,575.16	1,093,575.16
2004 Sewer - Revenue Bonds	1,025,235.90	1,357,140.00	-	-	-	-	-	-	2,382,375.90	2,382,375.90
Subtotal, Project Funds	<u>12,563,560.63</u>	<u>1,785,209.44</u>	-	-	-	-	-	-	<u>14,348,770.07</u>	<u>14,348,770.07</u>
<b>SUBTOTAL BOND FUNDS</b>	<b><u>16,670,843.02</u></b>	<b><u>3,726,001.94</u></b>	-	-	-	-	-	-	<b><u>20,396,844.96</u></b>	<b><u>20,396,844.96</u></b>
<b>POLICE/FIRE - SVC RETIREMENT FUND</b>										
Police/Fire Funds	<u>68,468.35</u>	-	<u>173,759.91</u>	<u>263,217.42</u>	<u>215,277.66</u>	<u>220,341.30</u>	-	-	<u>457,505.92</u>	<u>552,027.07</u>
	68,468.35	-	173,759.91	263,217.42	215,277.66	220,341.30	-	-	457,505.92	552,027.07
<b>TOTAL FISCAL AGENT INVESTMENTS</b>	<b><u>16,739,311.37</u></b>	<b><u>3,726,001.94</u></b>	<b><u>173,759.91</u></b>	<b><u>263,217.42</u></b>	<b><u>215,277.66</u></b>	<b><u>220,341.30</u></b>	-	-	<b><u>20,854,350.88</u></b>	<b><u>20,948,872.03</u></b>

- 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 Union Bank N.A.