

CITY OF SANTA BARBARA
Activity and Interest Report
December 31, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

12/3 LAIF Deposit - City	\$ 2,000,000
12/11 Federal National Mortgage Association (FNMA)	2,000,000
12/12 Federal Agricultural Mortgage Corp (FAMCA)	2,000,000
12/12 LAIF Deposit - City	2,000,000
12/16 Federal Home Loan Bank (FHLB)	2,000,000
12/16 LAIF Deposit - City	3,000,000
12/18 Federal Home Loan Mortgage Corp (FHLMC)	1,000,000
12/24 LAIF Deposit - City	8,000,000
12/31 Federal Home Loan Mortgage Corp (FHLMC)	1,000,000
Total	\$ 23,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

12/11 LAIF Withdrawal - City	\$ (8,000,000)
12/13 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
12/13 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
12/13 LAIF Withdrawal - City	(2,000,000)
12/18 LAIF Withdrawal - City	(4,000,000)
12/26 LAIF Withdrawal - City	(2,000,000)
12/31 Airport Promissory Note - Partial Redemption	(132,120)
Total	\$ (20,132,120)

ACTIVITY TOTAL

\$ 2,867,880

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 176,047
Amortization	(16,594)
Total	\$ 159,453

INCOME TOTAL

\$ 159,453

CITY OF SANTA BARBARA
Summary of Cash and Investments
December 31, 2013

ENDING BALANCE AS OF NOVEMBER 30, 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	\$ 28,000,000	0.265%	17.84%	1
Certificates of Deposit	8,000,000	1.217%	5.10%	1,023
Treasury Securities - Coupon	10,305,471	0.458%	6.57%	852
Federal Agency Issues - Coupon	92,980,928	1.390%	59.25%	1,171
Corporate/Medium Term Notes	<u>12,034,825</u>	<u>1.884%</u>	<u>7.67%</u>	<u>792</u>
	151,321,224	1.149%	96.43%	895
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.57%</u>	<u>5,690</u>
Totals and Averages	<u>\$ 156,924,744</u>	<u>1.257%</u>	<u>100.00%</u>	<u>1,066</u>
UB Checking Account	4,491,590			
UB Trust Money Market Account	<u>6,000</u>			
Total Cash and Investments	<u>\$ 161,422,334</u>			

NET CASH AND INVESTMENT ACTIVITY FOR DECEMBER 2013 **\$ 2,794,397**

ENDING BALANCE AS OF DECEMBER 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	\$ 27,000,000	0.264%	16.90%	1 (1)
Certificates of Deposit	8,000,000	1.217%	5.01%	992
Treasury Securities - Coupon	10,294,806	0.458%	6.44%	821
Federal Agency Issues - Coupon	96,987,694	1.378%	60.70%	1,243
Corporate/Medium Term Notes	<u>12,033,471</u>	<u>1.884%</u>	<u>7.53%</u>	<u>761</u>
	154,315,970	1.153%	96.58%	947
SB Airport Promissory Note	<u>5,471,399</u>	<u>4.195%</u>	<u>3.42%</u>	<u>5,659</u>
Totals and Averages	<u>\$ 159,787,370</u>	<u>1.257%</u>	<u>100.00%</u>	<u>1,108</u>
UB Checking Account	4,429,362			
Total Cash and Investments	<u>\$ 164,216,731</u>			

(1) The average life of the LAIF portfolio as of December 31, 2013 is 209 days.

CITY OF SANTA BARBARA

Investment Portfolio

December 31, 2013

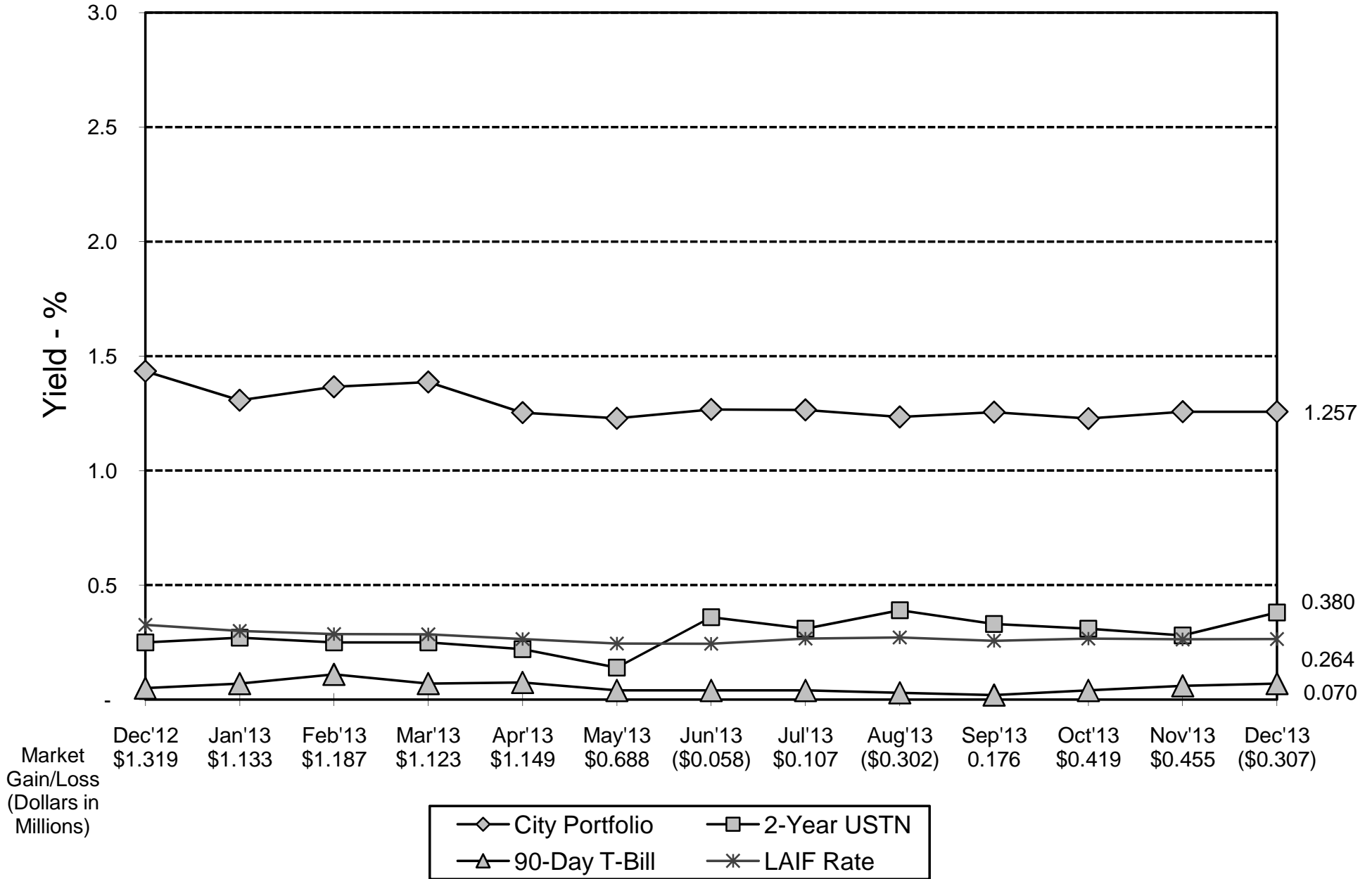
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.264	0.264	27,000,000.00	27,000,000.00	27,000,000.00	0.00	
Subtotal, LAIF							27,000,000.00	27,000,000.00	27,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	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	
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	2,000,785.73	2,004,140.00	3,354.27	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,030,999.66	2,033,120.00	2,120.34	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,220,059.16	2,216,400.00	(3,659.16)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,026,244.90	2,018,760.00	(7,484.90)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,016,716.09	1,999,840.00	(16,876.09)	
Subtotal, Treasury Securities							10,000,000.00	10,294,805.54	10,272,260.00	(22,545.54)	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	1,979,420.00	(20,580.00)	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	1,978,340.00	(21,660.00)	
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,002,620.00	2,620.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,985,920.00	(14,080.00)	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	2,020,480.00	20,480.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,089,080.00	89,080.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,012,100.00	12,100.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,016,800.00	16,800.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,008,027.88	2,012,460.00	4,432.12	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,913,240.00	(86,760.00)	Callable 01/16/14, 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	1,983,500.00	(16,500.00)	Callable 01/17/14, 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	1,973,520.00	(26,480.00)	SU 1.125%-2.5% Call 03/27/14, then qtrly
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,032,980.00	32,980.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,047,260.00	47,260.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,009,460.41	1,984,220.00	(25,240.41)	
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	2,003,660.00	3,660.00	
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	2,005,000.00	5,000.00	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	1,959,180.00	(40,820.00)	Callable 03/26/14, 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	1,974,100.00	(25,900.00)	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	12/18/13	12/18/18	Aaa	AA+	1.500	1.839	1,000,000.00	1,000,000.00	987,060.00	(12,940.00)	SU 1.5%-2.75% Call 06/18/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/31/13	12/31/18	Aaa	AA+	1.825	1.825	1,000,000.00	1,000,000.00	993,780.00	(6,220.00)	Callable 12/31/14, 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	2,003,000.00	3,000.00	Callable 02/21/14, once
The calculation for the average days to matu	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,123.54	2,006,540.00	7,416.46	
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	1,998,840.00	(1,160.00)	Callable 06/12/14, then qtrly

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2013

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							
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	1,988,300.00	(11,700.00)	Callable 01/24/14, 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	1,974,140.00	(25,860.00)	Callable 03/12/14, 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	3,918,920.00	(81,080.00)	Callable 01/16/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/13	11/26/18	Aaa	AA+	1.000	1.793	1,000,000.00	1,000,000.00	990,610.00	(9,390.00)	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,014,160.92	2,021,420.00	7,259.08	
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	1,983,460.00	(16,540.00)	Callable 03/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	998,893.65	988,290.00	(10,603.65)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,934,240.00	(65,760.00)	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	2,019,480.00	19,480.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,987,460.00	(12,540.00)	Callable 02/28/14, 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	1,959,700.00	(40,300.00)	Callable 03/12/14, 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	1,994,740.00	(5,260.00)	Callable 03/19/14, 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	1,000,650.00	650.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,986,046.80	1,965,980.00	(20,066.80)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,779.84	1,983,320.00	(18,459.84)	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,964,660.00	(35,340.00)	Callable 02/08/14, 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	1,964,660.00	(35,340.00)	Callable 02/08/14, 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	3,912,000.00	(88,000.00)	Callable 03/26/14, 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	1,988,600.00	(11,400.00)	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	2,055,000.00	55,000.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,984,766.40	2,043,700.00	58,933.60	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,954,260.00	(45,740.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/13/13	11/13/18	Aaa	AA+	0.625	1.857	1,000,000.00	1,000,000.00	999,350.00	(650.00)	SU 2% Callable 05/13/14, once
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,985,434.32	1,965,980.00	(19,454.32)	
Subtotal, Federal Agencies							97,000,000.00	96,987,693.76	96,522,020.00	(465,673.76)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,997,066.67	2,072,660.00	75,593.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,977,480.00	(22,520.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,061,220.00	61,220.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,000,380.00	380.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,026,103.41	2,046,220.00	20,116.59	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,010,300.77	2,057,220.00	46,919.23	
Subtotal, Corporate Securities							12,000,000.00	12,033,470.85	12,215,180.00	181,709.15	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,471,399.48	5,471,399.48	5,471,399.48	0.00	
Subtotal, SBA Note							5,471,399.48	5,471,399.48	5,471,399.48	0.00	
TOTALS							159,471,399.48	159,787,369.63	159,480,859.48	(306,510.15)	

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
December 31, 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	
BOND FUNDS											
<i>RESERVE FUNDS</i>											
2004 RDA - Housing Bonds	51,682.50	-	-	-	-	-	-	-	-	51,682.50	51,682.50
2002 Municipal Improvement - Refunding COPS	18,130.96	547,530.00	-	-	-	-	-	-	-	565,660.96	565,660.96
2011 Water - Safe Drinking Water State Loan	367,098.28	-	-	-	-	-	-	-	-	367,098.28	367,098.28
2009 Airport - Revenue Bonds	4,249,166.20	-	-	-	-	-	-	-	-	4,249,166.20	4,249,166.20
2002 Waterfront - Refunding COPS	2.99	1,393,262.50	-	-	-	-	-	-	-	1,393,265.49	1,393,265.49
Subtotal, Reserve Funds	<u>4,686,080.93</u>	<u>1,940,792.50</u>	-	-	-	-	-	-	-	<u>6,626,873.43</u>	<u>6,626,873.43</u>
<i>PROJECT FUNDS</i>											
2001 RDA Bonds	2,366,274.13	-	-	-	-	-	-	-	-	2,366,274.13	2,366,274.13
2003 RDA Bonds	8,506,816.24	-	-	-	-	-	-	-	-	8,506,816.24	8,506,816.24
2013 Water - Refunding COPS	663,296.52	428,069.44	-	-	-	-	-	-	-	1,091,365.96	1,091,365.96
2004 Sewer - Revenue Bonds	915,499.50	1,357,140.00	-	-	-	-	-	-	-	2,272,639.50	2,272,639.50
Subtotal, Project Funds	<u>12,451,886.39</u>	<u>1,785,209.44</u>	-	-	-	-	-	-	-	<u>14,237,095.83</u>	<u>14,237,095.83</u>
SUBTOTAL BOND FUNDS	<u>17,137,967.32</u>	<u>3,726,001.94</u>	-	-	-	-	-	-	-	<u>20,863,969.26</u>	<u>20,863,969.26</u>
POLICE/FIRE - SVC RETIREMENT FUND											
Police/Fire Funds	53,157.76	-	173,759.91	284,375.35	215,277.66	219,150.70	-	-	-	442,195.33	556,683.81
	<u>53,157.76</u>	-	<u>173,759.91</u>	<u>284,375.35</u>	<u>215,277.66</u>	<u>219,150.70</u>	-	-	-	<u>442,195.33</u>	<u>556,683.81</u>
TOTAL FISCAL AGENT INVESTMENTS	<u>17,191,125.08</u>	<u>3,726,001.94</u>	<u>173,759.91</u>	<u>284,375.35</u>	<u>215,277.66</u>	<u>219,150.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,306,164.59</u>	<u>21,420,653.07</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 Union Bank N.A.