

CITY OF SANTA BARBARA
Activity and Interest Report
June 30, 2014

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

6/18 Federal Home Loan Bank (FHLB)	\$ 2,000,000
6/26 Federal Home Loan Bank (FHLB)	2,000,000
6/30 Federal Home Loan Mortgage Corp (FHLMC)	<u>2,000,000</u>
Total	\$ 6,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

6/2 LAIF Withdrawal - City	\$ (1,500,000)
6/12 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
6/30 LAIF Withdrawal - City	(2,000,000)
6/30 Airport Promissory Note - Partial Redemption	<u>(134,433)</u>
Total	\$ (5,634,433)

ACTIVITY TOTAL

\$ 365,567

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 167,014
Amortization	<u>(10,572)</u>
Total	\$ 156,442

INCOME TOTAL

\$ 156,442

CITY OF SANTA BARBARA
Summary of Cash and Investments
June 30, 2014

ENDING BALANCE AS OF MAY 31, 2014

<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>
Union Bank Checking Account	\$ 21,217,439	0.400%	11.63%	1
State of California LAIF	33,500,000	0.228%	18.36%	1
Certificates of Deposit	8,000,000	1.217%	4.38%	841
Treasury Securities	10,242,852	0.458%	5.61%	670
Federal Agency Issues - Coupon	91,978,880	1.391%	50.42%	1,196
Corporate/Medium Term Notes	12,031,042	1.909%	6.59%	915
	<u>176,970,213</u>	<u>1.025%</u>	<u>97.00%</u>	<u>761</u>
SB Airport Promissory Note	5,471,399	4.195%	3.00%	5,508
Totals and Averages	<u>\$ 182,441,612</u>	<u>1.120%</u>	<u>100.00%</u>	<u>903</u>
Total Cash and Investments	<u>\$ 182,441,612</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JUNE 2014 **\$ (4,135,604)**

ENDING BALANCE AS OF JUNE 30, 2014

<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>
Union Bank Checking Account	\$ 16,731,039	0.400%	9.38%	1 (1)
State of California LAIF	30,000,000	0.228%	16.83%	1 (2)
Certificates of Deposit	8,000,000	1.217%	4.49%	811
Treasury Securities	10,232,530	0.458%	5.74%	640
Federal Agency Issues - Coupon	95,975,862	1.391%	53.83%	1,178
Corporate/Medium Term Notes	12,029,610	1.910%	6.75%	885
	<u>172,969,041</u>	<u>1.066%</u>	<u>97.01%</u>	<u>791</u>
SB Airport Promissory Note	5,336,967	4.195%	2.99%	5,478
Totals and Averages	<u>\$ 178,306,008</u>	<u>1.160%</u>	<u>100.00%</u>	<u>931</u>
Total Cash and Investments	<u>\$ 178,306,008</u>			

Note:

- (1) Interest earnings allowance is provided at the rate of 0.400% by Union Bank to help offset banking fees.
(2) The average life of the LAIF portfolio as of June 30, 2014 is 232 days.

CITY OF SANTA BARBARA

Investment Portfolio

June 30, 2014

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							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.228	0.228	30,000,000.00	30,000,000.00	30,000,000.00	0.00	
Subtotal, LAIF							30,000,000.00	30,000,000.00	30,000,000.00	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	2,000,461.04	2,004,060.00	3,598.96	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,022,600.05	2,028,120.00	5,519.95	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,174,012.10	2,176,100.00	2,087.90	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,021,362.75	2,020,620.00	(742.75)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,014,094.24	2,007,340.00	(6,754.24)	
Subtotal, Treasury Securities							10,000,000.00	10,232,530.18	10,236,240.00	3,709.82	
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	2,009,880.00	9,880.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,023,100.00	23,100.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,996,400.00	(3,600.00)	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	2,034,260.00	34,260.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,071,640.00	71,640.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,026,480.00	26,480.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,005,080.00	5,080.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,007,174.36	2,039,540.00	32,365.64	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,003,880.00	3,880.00	Callable, 04/17/15 once
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,961,320.00	(38,680.00)	Callable 07/16/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,009,400.00	9,400.00	
FEDERAL HOME LOAN BANK	05/28/14	05/28/19	Aaa	AA+	1.375	2.288	2,000,000.00	2,000,000.00	1,995,460.00	(4,540.00)	SU 1.375%-6% Call 11/28/14, then qtrly
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	1,996,111.11	1,998,580.00	2,468.89	SU 1.25%-6% Call 12/26/14, 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	1,998,140.00	(1,860.00)	SU 1.125%-2.5% Call 09/27/14, then qtrly
FEDERAL HOME LOAN BANK	04/15/14	04/15/19	Aaa	AA+	2.070	2.070	1,000,000.00	1,000,000.00	999,290.00	(710.00)	Callable 07/15/14, then continuous
FEDERAL HOME LOAN BANK	05/22/14	05/22/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,002,140.00	2,140.00	Callable 08/22/14, then continuous
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,018,620.00	18,620.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,032,200.00	32,200.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,008,505.35	2,017,360.00	8,854.65	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,802.43	2,005,880.00	6,077.57	
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	1,987,700.00	(12,300.00)	Callable 09/26/14, 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	2,001,800.00	1,800.00	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	1,001,950.00	1,950.00	SU 1.5%-2.75% Call 09/18/14, 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	1,006,660.00	6,660.00	Callable 12/31/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,462.09	2,005,760.00	6,297.91	

CITY OF SANTA BARBARA

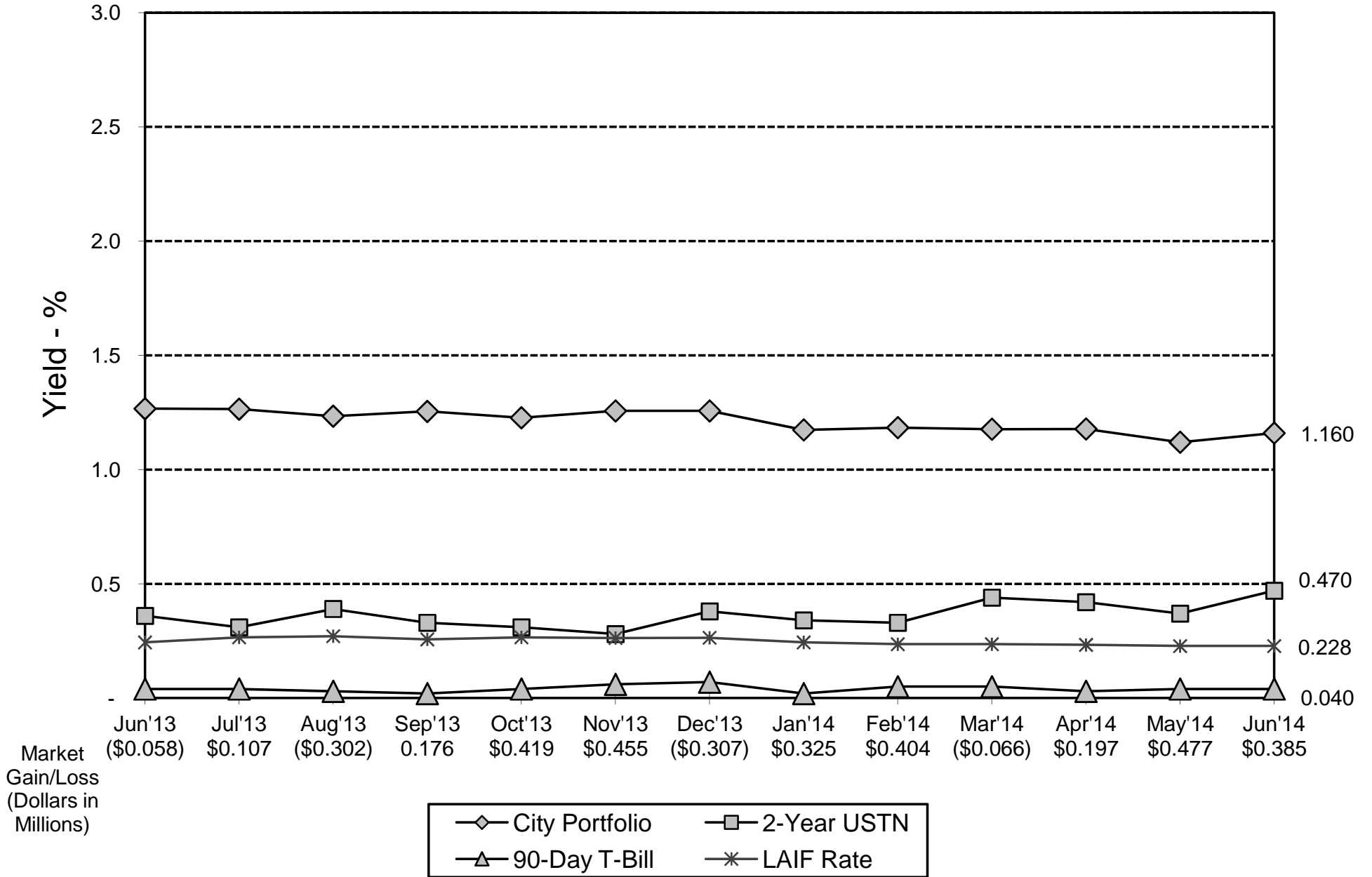
Investment Portfolio

June 30, 2014

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	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	2,001,200.00	1,200.00	Callable 07/24/14, then qtrly
FEDERAL HOME LOAN MTG CORP	04/24/14	04/24/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,009,020.00	9,020.00	Callable 10/24/14, then qtrly
FEDERAL HOME LOAN MTG CORP	06/30/14	06/30/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,500.00	(500.00)	Callable 06/30/15, once
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	2,000,580.00	580.00	Callable 09/12/14, 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	3,969,520.00	(30,480.00)	Callable 07/16/14, 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	1,001,960.00	1,960.00	SU 1%-2% Callable 11/26/14, once
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	2,000,400.00	400.00	Callable 09/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,041.38	997,940.00	(1,101.38)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,968,980.00	(31,020.00)	Callable 07/30/14, 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	2,008,980.00	8,980.00	
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,981,640.00	(18,360.00)	Callable 09/12/14, 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	1,994,960.00	(5,040.00)	Callable 09/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,987,873.40	1,985,320.00	(2,553.40)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,598.43	2,010,700.00	9,101.57	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,984,460.00	(15,540.00)	Callable 08/08/14, 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	1,984,460.00	(15,540.00)	Callable 08/08/14, 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	3,957,320.00	(42,680.00)	Callable 09/26/14, 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	2,000,680.00	680.00	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	2,040,960.00	40,960.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,988,952.73	2,034,180.00	45,227.27	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,978,040.00	(21,960.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,987,341.10	1,985,320.00	(2,021.10)	
Subtotal, Federal Agencies							<u>96,000,000.00</u>	<u>95,975,862.38</u>	<u>96,148,640.00</u>	<u>172,777.62</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,997,816.67	2,056,700.00	58,883.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,005,260.00	5,260.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,045,760.00	45,760.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,263.94	2,040,240.00	35,976.06	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,019,132.17	2,038,640.00	19,507.83	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,008,397.14	2,051,660.00	43,262.86	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,029,609.92</u>	<u>12,238,260.00</u>	<u>208,650.08</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>0.00</u>	
CHECKING ACCOUNT											
Union Bank Checking Account	-	-	-	-	0.400	0.400	<u>16,731,038.94</u>	<u>16,731,038.94</u>	<u>16,731,038.94</u>	<u>0.00</u>	
Subtotal, Checking Account							<u>16,731,038.94</u>	<u>16,731,038.94</u>	<u>16,731,038.94</u>	<u>0.00</u>	
TOTALS							<u>178,068,005.84</u>	<u>178,306,008.32</u>	<u>178,691,145.84</u>	<u>385,137.52</u>	

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
June 30, 2014**

	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	591,683.15	-	-	-	-	-	-	-	591,683.15	591,683.15
2002 Municipal Improvement - Refunding COPS	13,719.74	547,530.00	-	-	-	-	-	-	561,249.74	561,249.74
2011 Water - Safe Drinking Water State Loan	458,922.62	-	-	-	-	-	-	-	458,922.62	458,922.62
2013 Water - Refunding COPS	41,529.10	428,069.44	-	-	-	-	636,099.18	642,054.40	1,105,697.72	1,111,652.94
2004 Sewer - Revenue Bonds	46,549.94	1,357,140.00	-	-	-	-	-	-	1,403,689.94	1,403,689.94
2009 Airport - Revenue Bonds	2,162,521.30	-	-	-	-	-	3,046,223.36	3,052,246.25	5,208,744.66	5,214,767.55
2014 Waterfront - Refunding Bonds	4,439.24	581,455.74	-	-	-	-	-	-	585,894.98	585,894.98
Subtotal, Reserve Funds	3,319,365.09	2,914,195.18	-	-	-	-	3,682,322.54	3,694,300.65	9,915,882.81	9,927,860.92
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,392.40	-	-	-	-	-	-	-	2,366,392.40	2,366,392.40
2003 RDA Bonds	8,507,245.28	-	-	-	-	-	-	-	8,507,245.28	8,507,245.28
Subtotal, Project Funds	10,873,637.68	-	-	-	-	-	-	-	10,873,637.68	10,873,637.68
SUBTOTAL BOND FUNDS	14,193,002.77	2,914,195.18	-	-	-	-	3,682,322.54	3,694,300.65	20,789,520.49	20,801,498.60
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	65,865.95	-	143,377.82	256,843.94	219,676.71	231,898.40	-	-	428,920.48	554,608.29
	65,865.95	-	143,377.82	256,843.94	219,676.71	231,898.40	-	-	428,920.48	554,608.29
TOTAL FISCAL AGENT INVESTMENTS	14,258,868.72	2,914,195.18	143,377.82	256,843.94	219,676.71	231,898.40	3,682,322.54	3,694,300.65	21,218,440.97	21,356,106.89

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank and Union Bank N.A.