

CITY OF SANTA BARBARA
Activity and Interest Report
May 31, 2015

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

| | |
|--------------------------|---------------------|
| 5/29 LAIF Deposit - City | \$ 4,000,000 |
| Total | \$ 4,000,000 |

SALES, MATURITIES, CALLS OR WITHDRAWALS

| | |
|---|-----------------------|
| 5/26 Federal Home Loan Mortgage Corp (FHLMC) - Call | \$ (2,000,000) |
| 5/27 Federal Home Loan Bank (FHLB) - Maturity | (2,000,000) |
| Total | \$ (4,000,000) |

ACTIVITY TOTAL

\$ -

INVESTMENT INCOME

POOLED INVESTMENTS

| | |
|--------------------------------|-------------------|
| Interest Earned on Investments | \$ 163,744 |
| Amortization | (11,438) |
| Total | \$ 152,307 |

INCOME TOTAL

\$ 152,307

CITY OF SANTA BARBARA
Summary of Cash and Investments
May 31, 2015

ENDING BALANCE AS OF APRIL 30, 2015

| Description | Book Value | Yield to Maturity (365 days) | Percent of Portfolio | Average Days to Maturity |
|-------------------------------------|------------------------------|------------------------------|----------------------|--------------------------|
| MUFG Union Bank NA Checking Account | \$ 18,227,353 | 0.400% | 11.28% | 1 |
| State of California LAIF | 24,000,000 | 0.283% | 14.85% | 1 |
| Certificates of Deposit | 9,000,000 | 1.311% | 5.57% | 633 |
| Treasury Securities | 8,128,019 | 0.487% | 5.03% | 430 |
| Federal Agency Issues - Coupon | 84,998,150 | 1.394% | 52.61% | 1,005 |
| Corporate/Medium Term Notes | 12,015,285 | 1.910% | 7.44% | 582 |
| | <u>156,368,808</u> | <u>1.095%</u> | <u>96.78%</u> | <u>650</u> |
| SB Airport Promissory Note | 5,200,182 | 4.195% | 3.22% | 5,174 |
| Totals and Averages | <u>\$ 161,568,990</u> | <u>1.195%</u> | <u>100.00%</u> | <u>796</u> |
| Total Cash and Investments | <u>\$ 161,568,990</u> | | | |

NET CASH AND INVESTMENT ACTIVITY FOR MAY 2015 **\$ 6,193,645**

ENDING BALANCE AS OF MAY 31, 2015

| Description | Book Value | Yield to Maturity (365 days) | Percent of Portfolio | Average Days to Maturity |
|-------------------------------------|------------------------------|------------------------------|----------------------|--------------------------|
| MUFG Union Bank NA Checking Account | \$ 24,432,436 | 0.400% | 14.56% | 1 (1) |
| State of California LAIF | 28,000,000 | 0.290% | 16.69% | 1 (2) |
| Certificates of Deposit | 9,000,000 | 1.311% | 5.36% | 602 |
| Treasury Securities | 8,117,409 | 0.487% | 4.84% | 399 |
| Federal Agency Issues - Coupon | 80,998,755 | 1.364% | 48.28% | 982 |
| Corporate/Medium Term Notes | 12,013,853 | 1.910% | 7.16% | 551 |
| | <u>162,562,453</u> | <u>1.028%</u> | <u>96.90%</u> | <u>584</u> |
| SB Airport Promissory Note | 5,200,182 | 4.195% | 3.10% | 5,143 |
| Totals and Averages | <u>\$ 167,762,635</u> | <u>1.126%</u> | <u>100.00%</u> | <u>725</u> |
| Total Cash and Investments | <u>\$ 167,762,635</u> | | | |

Note:

- (1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.
(2) The average life of the LAIF portfolio as of May 31, 2015 is 222 days.

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2015

| 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 | - | - | - | - | 0.290 | 0.290 | 28,000,000.00 | 28,000,000.00 | 28,000,000.00 | 0.00 | |
| Subtotal, LAIF | | | | | | | 28,000,000.00 | 28,000,000.00 | 28,000,000.00 | 0.00 | |
| CERTIFICATES OF DEPOSIT | | | | | | | | | | | |
| AMERICAN EXPRESS BANK FSB | 10/23/14 | 10/23/19 | - | - | 2.200 | 2.200 | 250,000.00 | 250,000.00 | 253,132.50 | 3,132.50 | FDIC Certificate 35328 |
| CAPITAL ONE BANK USA NA | 10/29/14 | 10/29/19 | - | - | 1.900 | 1.900 | 250,000.00 | 250,000.00 | 253,105.00 | 3,105.00 | FDIC Certificate 33954 |
| GE CAPITAL BANK | 10/17/14 | 10/17/19 | - | - | 2.000 | 2.000 | 250,000.00 | 250,000.00 | 253,092.50 | 3,092.50 | FDIC Certificate 33778 |
| GOLDMAN SACHS BANK USA | 10/29/14 | 10/29/19 | - | - | 2.150 | 2.150 | 250,000.00 | 250,000.00 | 253,087.50 | 3,087.50 | FDIC Certificate 33124 |
| 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 | | | | | | | 9,000,000.00 | 9,000,000.00 | 9,012,417.50 | 12,417.50 | |
| TREASURY SECURITIES - COUPON | | | | | | | | | | | |
| U S TREASURY NOTE | 10/25/12 | 10/31/15 | Aaa | AA+ | 1.250 | 0.397 | 2,000,000.00 | 2,007,053.81 | 2,009,540.00 | 2,486.19 | |
| U S TREASURY NOTE | 02/22/13 | 05/15/16 | Aaa | AA+ | 5.125 | 0.442 | 2,000,000.00 | 2,088,786.87 | 2,091,560.00 | 2,773.13 | |
| U S TREASURY NOTE | 02/22/13 | 08/31/16 | Aaa | AA+ | 1.000 | 0.502 | 2,000,000.00 | 2,012,326.74 | 2,015,160.00 | 2,833.26 | |
| U S TREASURY NOTE | 02/22/13 | 02/28/17 | Aaa | AA+ | 0.875 | 0.607 | 2,000,000.00 | 2,009,241.65 | 2,011,880.00 | 2,638.35 | |
| Subtotal, Treasury Securities | | | | | | | 8,000,000.00 | 8,117,409.07 | 8,128,140.00 | 10,730.93 | |
| 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 | 2,028,040.00 | 28,040.00 | |
| FED AGRICULTURAL MTG CORP | 12/12/13 | 12/12/18 | - | - | 1.705 | 1.705 | 2,000,000.00 | 2,000,000.00 | 2,042,220.00 | 42,220.00 | |
| FEDERAL FARM CREDIT BANK | 01/22/15 | 07/22/19 | Aaa | AA+ | 1.720 | 1.720 | 2,000,000.00 | 2,000,000.00 | 1,995,860.00 | (4,140.00) | Callable, continuous |
| FEDERAL FARM CREDIT BANK | 07/09/14 | 07/09/18 | Aaa | AA+ | 1.470 | 1.470 | 2,000,000.00 | 2,000,000.00 | 2,002,460.00 | 2,460.00 | Callable 07/09/15, then continuous |
| FEDERAL FARM CREDIT BANK | 01/22/15 | 01/22/19 | Aaa | AA+ | 1.480 | 1.480 | 2,000,000.00 | 2,000,000.00 | 2,005,820.00 | 5,820.00 | Callable 01/22/16, then continuous |
| FEDERAL FARM CREDIT BANK | 08/15/12 | 08/15/17 | Aaa | AA+ | 0.980 | 0.980 | 2,000,000.00 | 2,000,000.00 | 1,998,780.00 | (1,220.00) | 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 | 2,031,340.00 | 31,340.00 | |
| FEDERAL FARM CREDIT BANK | 12/16/14 | 12/16/19 | Aaa | AA+ | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,010,000.00 | 10,000.00 | Callable 12/16/15, then continuous |
| FEDERAL FARM CREDIT BANK | 02/11/15 | 02/11/19 | Aaa | AA+ | 1.520 | 1.520 | 2,000,000.00 | 2,000,000.00 | 2,001,500.00 | 1,500.00 | Callable 02/11/16, then continuous |
| FEDERAL FARM CREDIT BANK | 02/16/11 | 02/16/16 | Aaa | AA+ | 2.570 | 2.570 | 2,000,000.00 | 2,000,000.00 | 2,032,520.00 | 32,520.00 | |
| FEDERAL FARM CREDIT BANK | 07/17/13 | 07/17/17 | Aaa | AA+ | 1.300 | 1.300 | 2,000,000.00 | 2,000,000.00 | 2,022,960.00 | 22,960.00 | |
| FEDERAL HOME LOAN BANK | 09/13/13 | 09/14/18 | Aaa | AA+ | 2.000 | 1.910 | 2,000,000.00 | 2,005,609.56 | 2,058,620.00 | 53,010.44 | |
| FEDERAL HOME LOAN BANK | 01/16/13 | 01/16/18 | Aaa | AA+ | 1.000 | 1.000 | 4,000,000.00 | 4,000,000.00 | 3,987,600.00 | (12,400.00) | Callable 07/16/15, 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 | 2,026,860.00 | 26,860.00 | |
| FEDERAL HOME LOAN BANK | 06/26/14 | 06/26/19 | Aaa | AA+ | 1.250 | 2.062 | 2,000,000.00 | 2,000,000.00 | 2,001,360.00 | 1,360.00 | SU 1.25%-6% Call 06/26/15, then qtrly |
| FEDERAL HOME LOAN BANK | 11/26/14 | 11/26/19 | Aaa | AA+ | 1.500 | 2.102 | 2,000,000.00 | 2,000,000.00 | 2,005,160.00 | 5,160.00 | SU 1.5%-5% Call 08/26/15, then qtrly |
| FEDERAL HOME LOAN BANK | 12/16/13 | 12/14/18 | Aaa | AA+ | 1.750 | 1.650 | 2,000,000.00 | 2,006,754.40 | 2,039,940.00 | 33,185.60 | |
| FEDERAL HOME LOAN BANK | 06/18/14 | 06/09/17 | Aaa | AA+ | 1.000 | 1.003 | 2,000,000.00 | 1,999,864.05 | 2,012,360.00 | 12,495.95 | |
| FEDERAL HOME LOAN BANK | 10/22/14 | 11/18/16 | Aaa | AA+ | 0.750 | 0.500 | 2,000,000.00 | 2,007,262.14 | 2,008,820.00 | 1,557.86 | |
| 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 | 1,999,700.00 | (300.00) | Callable 06/26/15, then qtrly |

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2015

| DESCRIPTION | PURCHASE DATE | MATURITY DATE | QUALITY RATING MOODY'S | S & P | STATED RATE | YIELD AT 365 | FACE VALUE | BOOK VALUE | MARKET VALUE | BOOK GAIN/(LOSS) | COMMENTS |
|--|---------------|---------------|------------------------|-------|-------------|--------------|-----------------------|-----------------------|-----------------------|-------------------|---|
| 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 | 1,000,650.00 | 650.00 | SU 1.5%-2.75% Call 06/18/15, 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 | 2,001,440.00 | 1,440.00 | 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 | 1,999,320.00 | (680.00) | Callable 06/12/15, 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 | 4,004,880.00 | 4,880.00 | Callable 07/16/15, then qtrly |
| 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 | 2,001,660.00 | 1,660.00 | Callable 06/26/15, then qtrly |
| FEDERAL HOME LOAN MTG CORP | 11/20/13 | 09/29/17 | Aaa | AA+ | 1.000 | 1.030 | 1,000,000.00 | 999,312.22 | 1,003,780.00 | 4,467.78 | |
| FEDERAL NATL MORTGAGE ASSN | 01/30/13 | 01/30/18 | Aaa | AA+ | 1.030 | 1.030 | 3,000,000.00 | 3,000,000.00 | 2,994,900.00 | (5,100.00) | Callable 07/30/15, 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 | 1,989,500.00 | (10,500.00) | Callable 06/12/15, 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 | 2,000,540.00 | 540.00 | Callable 06/19/15, then qtrly |
| FEDERAL NATL MORTGAGE ASSN | 11/15/13 | 10/26/17 | Aaa | AA+ | 0.875 | 1.062 | 2,000,000.00 | 1,991,222.17 | 2,001,120.00 | 9,897.83 | |
| FEDERAL NATL MORTGAGE ASSN | 12/11/13 | 11/27/18 | Aaa | AA+ | 1.625 | 1.606 | 2,000,000.00 | 2,001,265.85 | 2,029,560.00 | 28,294.15 | |
| FEDERAL NATL MORTGAGE ASSN | 11/08/12 | 11/08/17 | Aaa | AA+ | 1.000 | 1.000 | 2,000,000.00 | 2,000,000.00 | 1,999,280.00 | (720.00) | Callable 08/08/15, 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 | 1,999,280.00 | (720.00) | Callable 08/08/15, 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 | 3,994,160.00 | (5,840.00) | Callable 06/26/15, 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 | 2,011,540.00 | 11,540.00 | |
| FEDERAL NATL MORTGAGE ASSN | 12/10/10 | 10/26/15 | Aaa | AA+ | 1.625 | 2.067 | 2,000,000.00 | 1,996,627.68 | 2,011,780.00 | 15,152.32 | |
| FEDERAL NATL MORTGAGE ASSN | 02/05/13 | 02/05/18 | Aaa | AA+ | 1.000 | 1.000 | 2,000,000.00 | 2,000,000.00 | 1,989,140.00 | (10,860.00) | Callable 08/05/15, then qtrly |
| FEDERAL NATL MORTGAGE ASSN | 11/20/13 | 10/26/17 | Aaa | AA+ | 0.875 | 1.070 | 2,000,000.00 | 1,990,836.86 | 2,001,120.00 | 10,283.14 | |
| Subtotal, Federal Agencies | | | | | | | 81,000,000.00 | 80,998,754.93 | 81,345,570.00 | 346,815.07 | |
| CORPORATE/MEDIUM TERM NOTES | | | | | | | | | | | |
| BERKSHIRE HATHAWAY FIN | 12/15/10 | 12/15/15 | Aa2 | AA | 2.450 | 2.530 | 2,000,000.00 | 1,999,191.67 | 2,022,280.00 | 23,088.33 | |
| BERKSHIRE HATHAWAY INC | 11/29/13 | 02/09/18 | Aa2 | AA | 1.550 | 1.550 | 2,000,000.00 | 2,000,000.00 | 2,022,020.00 | 22,020.00 | |
| GENERAL ELECTRIC CAPITAL CORP | 11/10/10 | 11/09/15 | A1 | AA+ | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,016,360.00 | 16,360.00 | |
| GENERAL ELECTRIC CAPITAL CORP | 01/14/14 | 01/14/19 | A1 | AA+ | 2.300 | 2.250 | 2,000,000.00 | 2,003,402.28 | 2,045,460.00 | 42,057.72 | |
| PROCTOR & GAMBLE | 09/20/11 | 11/15/15 | Aa3 | AA- | 1.800 | 1.085 | 2,000,000.00 | 2,006,351.57 | 2,012,640.00 | 6,288.43 | |
| TOYOTA MOTOR CREDIT | 09/26/11 | 09/15/16 | Aa3 | AA- | 2.000 | 1.800 | 2,000,000.00 | 2,004,907.14 | 2,031,140.00 | 26,232.86 | |
| Subtotal, Corporate Securities | | | | | | | 12,000,000.00 | 12,013,852.66 | 12,149,900.00 | 136,047.34 | |
| SB AIRPORT PROMISSORY NOTE (LT) | | | | | | | | | | | |
| SANTA BARBARA AIRPORT | 07/14/09 | 06/30/29 | - | - | 3.500 | 4.195 | 5,200,181.75 | 5,200,181.75 | 5,200,181.75 | 0.00 | |
| Subtotal, SBA Note | | | | | | | 5,200,181.75 | 5,200,181.75 | 5,200,181.75 | 0.00 | |
| CHECKING ACCOUNT | | | | | | | | | | | |
| MUFG UNION BANK NA CHKNG ACCNT | - | - | - | - | 0.400 | 0.400 | 24,432,436.16 | 24,432,436.16 | 24,432,436.16 | 0.00 | |
| Subtotal, Checking Account | | | | | | | 24,432,436.16 | 24,432,436.16 | 24,432,436.16 | 0.00 | |
| TOTALS | | | | | | | 167,632,617.91 | 167,762,634.57 | 168,268,645.41 | 506,010.84 | |

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