

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**June 30, 2008**

**INVESTMENT ACTIVITY**

**PURCHASES OR DEPOSITS**

06/02	LAIF Deposit/City	\$ 4,000,000
06/04	Federal Home Loan Mortgage Corp. (FHLMC)	5,000,000
06/12	LAIF Deposit/City	1,000,000
06/16	Federal Home Loan Bank (FHLB)	2,000,000
06/25	LAIF Deposit/City	1,500,000
06/30	LAIF Deposit/City	2,000,000
	<b>Total</b>	<b>\$ 15,500,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

06/02	Federal Home Loan Mortgage Corp. (FHLMC) Maturity	\$ (2,000,000)
06/04	LAIF Withdrawal/City	(3,000,000)
06/05	LAIF Withdrawal/City	(2,000,000)
06/06	LAIF Withdrawal/City	(500,000)
06/09	LAIF Withdrawal/City	(1,500,000)
06/19	LAIF Withdrawal/City	(2,500,000)
06/20	LAIF Withdrawal/City	(2,000,000)
06/24	LAIF Withdrawal/City	(500,000)
06/30	Federal Home Loan Bank (FHLB) Maturity	(2,000,000)
06/30	LAIF Withdrawal/RDA	(4,800,000)
	<b>Total</b>	<b>\$ (20,800,000)</b>

**ACTIVITY TOTAL**

**\$ (5,300,000)**

**INTEREST REVENUE**

**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 523,866
Amortization	33,004
SBB&T Sweep Account Interest	1,314
SBB&T Trust Account M/M Interest	186
<b>Total</b>	<b>\$ 558,370</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 49,673</b>
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**TOTAL INTEREST EARNED**

**\$ 608,043**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**June 30, 2008**

**ENDING BALANCE AS OF MAY 31, 2008**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 43,000,000	3.070%	25.80%	1
Certificates of Deposit	2,000,000	5.000%	1.20%	170
Treasury Securities - Coupon	3,978,122	4.752%	2.39%	304
Federal Agency Issues - Coupon	98,461,886	4.824%	59.09%	846
Corporate/Medium Term Notes	19,195,365	4.929%	11.52%	560
Totals and Averages	<u>\$ 166,635,373</u>	4.384%	100.00%	574
SBB&T Money Market Account	8,153,804			
<b>Total Cash and Investments</b>	<b><u>\$ 174,789,177</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR JUNE 2008**                   **\$ (9,867,219)**

**ENDING BALANCE AS OF JUNE 30, 2008**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,700,000	2.900%	21.51%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.24%	140
Treasury Securities - Coupon	3,980,591	4.751%	2.47%	274
Federal Agency Issues - Coupon	101,460,990	4.766%	62.89%	899
Corporate/Medium Term Notes	19,200,876	4.929%	11.90%	530
Totals and Averages	<u>\$ 161,342,457</u>	4.387%	100.00%	637
SBB&T Money Market Account	3,579,501			
<b>Total Cash and Investments</b>	<b><u>\$ 164,921,958</u></b>			

Note:

(1) The average life of the LAIF portfolio as of June 30, 2008 is 212 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**June 30, 2008**

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
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.900	2.900	18,500,000.00	18,500,000.00	18,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.900	2.900	16,200,000.00	16,200,000.00	16,200,000.00	0.00	
<b>Subtotal, LAIF</b>							<b>34,700,000.00</b>	<b>34,700,000.00</b>	<b>34,700,000.00</b>	<b>0.00</b>	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
<b>Subtotal, Certificates of deposit</b>							<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>0.00</b>	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,997,998.01	2,043,280.00	45,281.99	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,982,592.91	2,010,470.00	27,877.09	
<b>Subtotal, Treasury Securities</b>							<b>4,000,000.00</b>	<b>3,980,590.92</b>	<b>4,053,750.00</b>	<b>73,159.08</b>	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,987,334.31	2,020,000.00	32,665.69	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,481.22	2,049,380.00	49,898.78	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,033,973.30	2,114,370.00	80,396.70	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,795.33	2,030,940.00	31,144.67	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,987,348.76	2,009,690.00	22,341.24	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,985,928.37	2,060,630.00	74,701.63	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,998,522.81	2,024,690.00	26,167.19	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	1,961,570.00	(38,430.00)	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	981,742.80	1,013,280.00	31,537.20	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,966,981.84	2,013,750.00	46,768.16	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,012,856.17	2,093,750.00	80,893.83	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,938,232.10	2,027,510.00	89,277.90	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	995,729.98	1,031,720.00	35,990.02	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	1,996,826.67	1,959,070.00	(37,756.67)	Callable 8/13/08, then cont.
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,044.01	1,038,280.00	37,235.99	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,015,310.00	15,310.00	Callable 11/10/08, once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,004,408.61	2,043,750.00	39,341.39	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	1,992,810.00	(7,190.00)	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	1,961,250.00	(38,750.00)	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,991,916.67	1,963,130.00	(28,786.67)	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,978,047.71	1,976,250.00	(1,797.71)	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,005,000.00	5,000.00	Callable 9/08/08, once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,001,068.10	1,006,720.00	5,651.90	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**June 30, 2008**

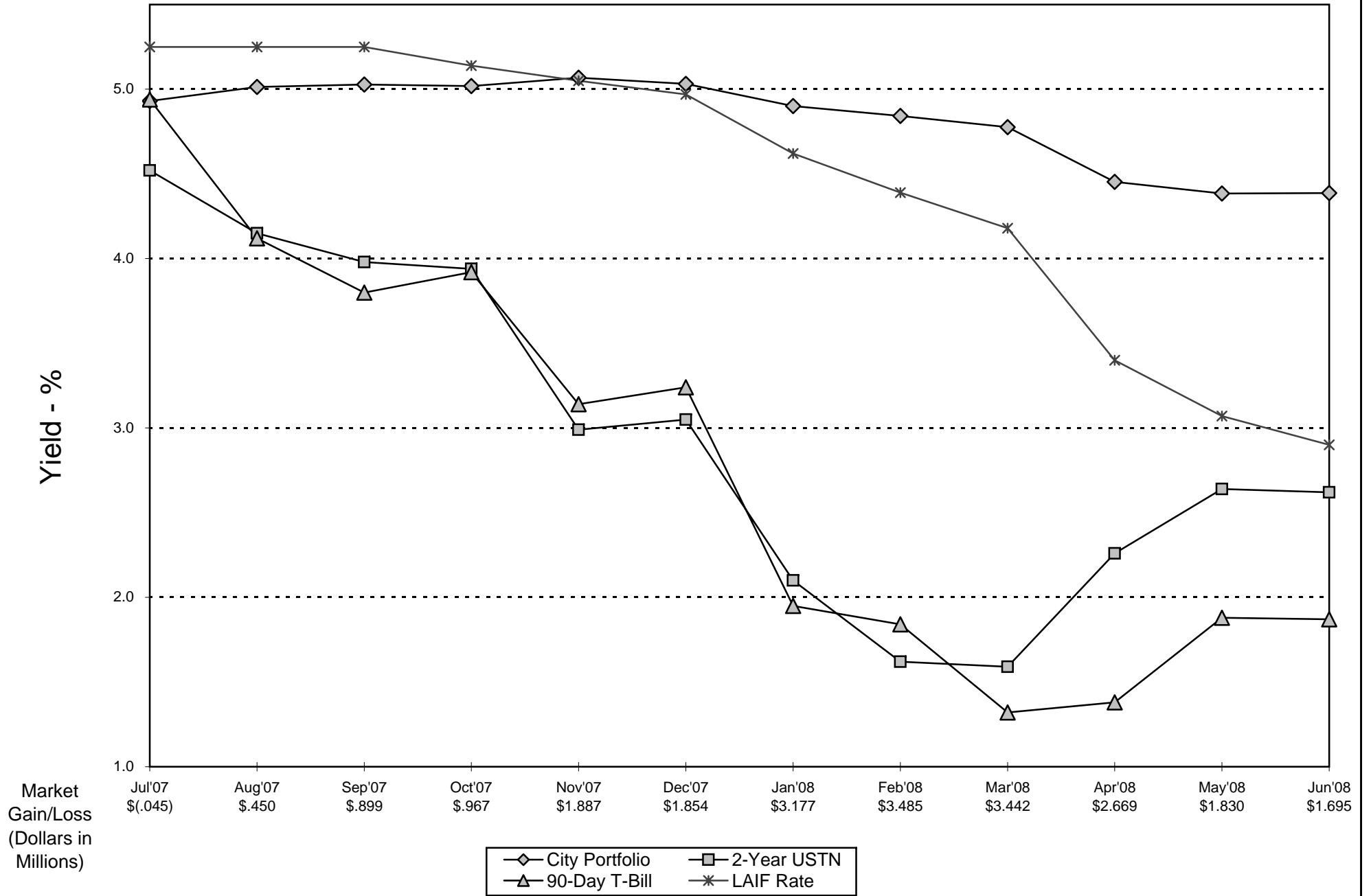
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	997,845.08	1,009,380.00	11,534.92	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 8/18/08, once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,002,024.26	1,025,940.00	23,915.74	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,979.16	2,407,294.92	62,315.76	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,531.18	2,069,690.00	70,158.82	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,002,483.75	2,020,940.00	18,456.25	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,988,311.25	2,049,060.00	60,748.75	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,981.47	2,009,380.00	9,398.53	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,441,008.78	1,467,450.75	26,441.97	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,984,104.07	2,059,380.00	75,275.93	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,000,310.00	310.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,974,514.90	1,994,060.00	19,545.10	
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	1,976,400.00	(23,600.00)	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,980,420.00	(19,580.00)	Callable 10/16/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	989,871.98	1,013,680.00	23,808.02	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,001,617.16	2,013,660.00	12,042.84	Callable 11/14/08, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,978,931.51	2,049,700.00	70,768.49	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,044,720.00	44,720.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	1,963,180.00	(36,820.00)	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,007,900.00	7,900.00	Callable 9/04/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,004,490.00	4,490.00	Callable 9/08/08, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,978,551.23	2,041,880.00	63,328.77	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,035,640.00	35,640.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,954,211.68	2,024,820.00	70,608.32	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,008,060.00	8,060.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,983,270.02	2,057,190.00	73,919.98	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,984,674.59	2,012,190.00	27,515.41	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,995,143.30	2,024,070.00	28,926.70	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,998,695.86	2,015,620.00	16,924.14	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	1,996,570.00	(3,430.00)	Callable 3/05/10, once
<b>Subtotal, Federal Agencies</b>							101,795,000.00	101,460,989.99	102,826,245.67	1,365,255.68	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,266,377.62	2,272,207.50	5,829.88	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,048,204.53	2,089,640.00	41,435.47	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,985,134.52	2,016,060.00	30,925.48	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	991,285.81	1,001,650.00	10,364.19	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,967,580.87	1,988,520.00	20,939.13	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**June 30, 2008**

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
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa AAA	5.500	5.016	2,000,000.00	2,004,038.93	2,009,140.00	5,101.07	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa AAA	4.250	5.140	2,000,000.00	1,972,425.09	2,032,300.00	59,874.91	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1 AA+	4.000	5.000	2,000,000.00	1,997,727.80	1,999,940.00	2,212.20	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1 AA+	4.875	5.260	2,000,000.00	1,982,381.74	2,027,580.00	45,198.26	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1 AA+	4.625	5.000	2,000,000.00	1,985,718.80	2,020,180.00	34,461.20	
<b>Subtotal, Corporate Securities</b>						19,250,000.00	19,200,875.71	19,457,217.50	256,341.79	
<b>TOTALS</b>						161,745,000.00	161,342,456.62	163,037,213.17	1,694,756.55	

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.

# INVESTMENT YIELDS



**CITY OF SANTA BARBARA  
Fiscal Agent Investments  
June 30, 2008**

	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>										
2002 Municipal Improvement - Refunding COPs	13,749.06	547,530.00	-	-	-	-	-	-	561,279.06	561,279.06
2002 Water - Refunding COPs	24,033.54	1,088,268.76	-	-	-	-	-	-	1,112,302.30	1,112,302.30
1994 Water - Revenue Bonds	20,341.74	757,680.00	-	-	-	-	-	-	778,021.74	778,021.74
2002 Waterfront - Reference COPs	431.07	1,393,262.50	-	-	-	-	-	-	1,393,693.57	1,393,693.57
1992 Seismic - Safety Bonds	96,460.08	-	-	-	-	-	-	-	96,460.08	96,460.08
1995 RDA Refunding - Tax Allocation Bonds	-	-	-	-	-	-	-	-	-	-
Subtotal, Reserve Funds	155,015.49	3,786,741.26	-	-	-	-	-	-	3,941,756.75	3,941,756.75
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	4,296,786.36	-	-	-	-	-	-	-	4,296,786.36	4,296,786.36
2003 RDA Bonds	3,788.04	26,440,180.22	-	-	-	-	-	-	26,443,968.26	26,443,968.26
2004 RDA Housing	549,442.14	-	-	-	-	-	-	-	549,442.14	549,442.14
2004 Sewer Revenue Bonds	5,142,323.71	1,357,140.00	-	-	-	-	-	-	6,499,463.71	6,499,463.71
Subtotal, Project Funds	9,992,340.25	27,797,320.22	-	-	-	-	-	-	37,789,660.47	37,789,660.47
Subtotal Bond Funds	10,147,355.74	31,584,061.48	-	-	-	-	-	-	41,731,417.22	41,731,417.22
<b>POLICE/FIRE - SVC RETIREMENT FUND</b>										
Police/Fire Funds	55,625.16	-	229,896.65	304,566.30	25,330.00	24,625.00	130,900.00	130,496.80	441,751.81	515,313.26
	55,625.16	-	229,896.65	304,566.30	25,330.00	24,625.00	130,900.00	130,496.80	441,751.81	515,313.26
<b>TOTAL FISCAL AGENT INVESTMENTS</b>	<u>10,202,980.90</u>	<u>31,584,061.48</u>	<u>229,896.65</u>	<u>304,566.30</u>	<u>25,330.00</u>	<u>24,625.00</u>	<u>130,900.00</u>	<u>130,496.80</u>	<u>42,173,169.03</u>	<u>42,246,730.48</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: U S Bank, Bank of New York and Santa Barbara Bank & Trust