

**CITY OF SANTA BARBARA
Activity and Interest Report
November 30, 2009**

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

| | |
|---------------------------------|----------------------|
| 11/2 LAIF Deposit - City | \$ 2,000,000 |
| 11/3 LAIF Deposit - City | 1,500,000 |
| 11/16 LAIF Deposit - City | 2,000,000 |
| 11/18 Montecito Bank & Trust CD | 2,000,000 |
| 11/18 Montecito Bank & Trust CD | 2,000,000 |
| 11/23 LAIF Deposit - City | 3,500,000 |
| Total | \$ 13,000,000 |

SALES, MATURITIES, CALLS OR WITHDRAWALS

| | |
|---|------------------------|
| 11/3 Federal Home Loan Bank (FHLB) Maturity | \$ (2,000,000) |
| 11/5 LAIF Withdrawal/City | (3,500,000) |
| 11/12 LAIF Withdrawal/City | (1,000,000) |
| 11/18 Montecito Bank & Trust CD Maturity | (2,000,000) |
| 11/18 LAIF Withdrawal/City | (3,000,000) |
| 11/19 LAIF Withdrawal/City | (1,000,000) |
| 11/20 Federal National Mortgage Assn. (FNMA) Call | (2,000,000) |
| 11/24 LAIF Withdrawal/City | (500,000) |
| Total | \$ (15,000,000) |

ACTIVITY TOTAL

\$ (2,000,000)

INTEREST REVENUE

POOLED INVESTMENTS

| | |
|--------------------------------|-------------------|
| Interest Earned on Investments | \$ 346,745 |
| Amortization | 4,477 |
| SBB&T Sweep Account Interest | 81 |
| Total | \$ 351,304 |

RDA INVESTMENTS

| | |
|---------------------------------------|------------------|
| Interest Earned on Investments (LAIF) | \$ 12,605 |
|---------------------------------------|------------------|

TOTAL INTEREST EARNED

\$ 363,909

CITY OF SANTA BARBARA
Summary of Cash and Investments
November 30, 2009

ENDING BALANCE AS OF OCTOBER 31, 2009

| Description | Book Value | Yield to Maturity (365 days) | Percent of Portfolio | Average Days to Maturity |
|-----------------------------------|------------------------------|------------------------------|----------------------|--------------------------|
| State of California LAIF | \$ 44,600,000 | 0.650% | 27.70% | 1 |
| Certificates of Deposit | 2,000,000 | 2.500% | 1.24% | 17 |
| Federal Agency Issues - Coupon | 96,874,856 | 3.312% | 60.16% | 952 |
| Corporate/Medium Term Notes | 10,256,471 | 4.797% | 6.37% | 276 |
| | <u>153,731,327</u> | <u>2.628%</u> | <u>95.47%</u> | <u>618</u> |
| SB Airport Promissory Note | 7,300,000 | 7.000% | 4.53% | 7,181 |
| Totals and Averages | <u>\$ 161,031,327</u> | <u>2.826%</u> | <u>100.00%</u> | <u>917</u> |
| SBB&T Money Market Account | 3,559,547 | | | |
| Total Cash and Investments | <u>\$ 164,590,874</u> | | | |

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2009 **\$ (3,592,054)**

ENDING BALANCE AS OF NOVEMBER 30, 2009

| Description | Book Value | Yield to Maturity (365 days) | Percent of Portfolio | Average Days to Maturity |
|-----------------------------------|------------------------------|------------------------------|----------------------|--------------------------|
| State of California LAIF | \$ 44,600,000 | 0.611% | 28.04% | 1 (1) |
| Certificates of Deposit | 4,000,000 | 1.500% | 2.52% | 535 |
| Federal Agency Issues - Coupon | 92,879,248 | 3.272% | 58.40% | 926 |
| Corporate/Medium Term Notes | 10,256,556 | 4.797% | 6.45% | 246 |
| | <u>151,735,804</u> | <u>2.546%</u> | <u>95.41%</u> | <u>598</u> |
| SB Airport Promissory Note | 7,300,000 | 7.000% | 4.59% | 7,151 |
| Totals and Averages | <u>\$ 159,035,804</u> | <u>2.751%</u> | <u>100.00%</u> | <u>898</u> |
| SBB&T Money Market Account | 1,963,016 | | | |
| Total Cash and Investments | <u>\$ 160,998,820</u> | | | |

Note:

(1) The average life of the LAIF portfolio as of November 30, 2009 is 232 days.

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2009

| 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 | - | - | - | - | 0.611 | 0.611 | 19,500,000.00 | 19,500,000.00 | 19,500,000.00 | 0.00 | |
| LOCAL AGENCY INV FUND/RDA | - | - | - | - | 0.611 | 0.611 | 25,100,000.00 | 25,100,000.00 | 25,100,000.00 | 0.00 | |
| Subtotal, LAIF | | | | | | | 44,600,000.00 | 44,600,000.00 | 44,600,000.00 | 0.00 | |
| CERTIFICATES OF DEPOSIT | | | | | | | | | | | |
| MONTECITO BANK & TRUST | 11/18/09 | 11/18/10 | - | - | 1.250 | 1.250 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | 0.00 | |
| MONTECITO BANK & TRUST | 11/18/09 | 11/18/11 | - | - | 1.750 | 1.750 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | 0.00 | |
| Subtotal, Certificates of deposit | | | | | | | 4,000,000.00 | 4,000,000.00 | 4,000,000.00 | 0.00 | |
| FEDERAL AGENCY ISSUES - COUPON | | | | | | | | | | | |
| FEDERAL FARM CREDIT BANK | 03/06/09 | 04/24/12 | Aaa | AAA | 2.250 | 2.120 | 2,000,000.00 | 2,006,013.46 | 2,056,250.00 | 50,236.54 | |
| FEDERAL FARM CREDIT BANK | 10/14/09 | 10/14/14 | Aaa | AAA | 2.875 | 2.875 | 2,000,000.00 | 2,000,000.00 | 2,018,440.00 | 18,440.00 | Callable 10/14/10, then cont. |
| FEDERAL FARM CREDIT BANK | 11/07/06 | 01/18/11 | Aaa | AAA | 5.750 | 5.000 | 2,000,000.00 | 2,015,078.66 | 2,120,000.00 | 104,921.34 | |
| FEDERAL FARM CREDIT BANK | 01/29/07 | 08/25/10 | Aaa | AAA | 4.750 | 5.111 | 2,000,000.00 | 1,995,200.37 | 2,064,380.00 | 69,179.63 | |
| FEDERAL FARM CREDIT BANK | 02/01/08 | 02/01/13 | Aaa | AAA | 3.790 | 3.790 | 2,000,000.00 | 2,000,000.00 | 2,011,260.00 | 11,260.00 | Callable 2/01/10, then cont. |
| FEDERAL FARM CREDIT BANK | 03/04/09 | 03/02/12 | Aaa | AAA | 2.370 | 2.370 | 2,000,000.00 | 2,000,000.00 | 2,009,070.00 | 9,070.00 | Callable 3/02/10, then cont. |
| FEDERAL FARM CREDIT BANK | 03/04/09 | 01/17/12 | Aaa | AAA | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,047,820.00 | 47,820.00 | |
| FEDERAL FARM CREDIT BANK | 03/05/09 | 03/04/13 | Aaa | AAA | 2.600 | 2.600 | 2,000,000.00 | 2,000,000.00 | 2,072,190.00 | 72,190.00 | |
| FEDERAL FARM CREDIT BANK | 05/08/09 | 04/08/13 | Aaa | AAA | 2.200 | 2.200 | 2,000,000.00 | 2,000,000.00 | 2,045,940.00 | 45,940.00 | |
| FEDERAL FARM CREDIT BANK | 06/19/09 | 06/18/12 | Aaa | AAA | 2.125 | 2.125 | 2,000,000.00 | 2,000,000.00 | 2,045,010.00 | 45,010.00 | |
| FEDERAL FARM CREDIT BANK | 09/30/09 | 10/03/11 | Aaa | AAA | 1.125 | 1.125 | 2,000,000.00 | 2,000,000.00 | 2,011,560.00 | 11,560.00 | |
| FEDERAL HOME LOAN BANK | 10/25/06 | 02/12/10 | Aaa | AAA | 3.875 | 5.117 | 1,000,000.00 | 997,768.91 | 1,007,190.00 | 9,421.09 | |
| FEDERAL HOME LOAN BANK | 05/22/07 | 06/10/11 | Aaa | AAA | 5.250 | 5.005 | 2,000,000.00 | 2,006,664.81 | 2,137,820.00 | 131,155.19 | |
| FEDERAL HOME LOAN BANK | 07/09/07 | 02/15/11 | Aaa | AAA | 4.000 | 5.308 | 2,000,000.00 | 1,971,602.47 | 2,085,630.00 | 114,027.53 | |
| FEDERAL HOME LOAN BANK | 07/09/07 | 03/12/10 | Aaa | AAA | 5.000 | 5.268 | 1,000,000.00 | 999,294.15 | 1,013,440.00 | 14,145.85 | |
| FEDERAL HOME LOAN BANK | 02/26/09 | 02/24/14 | Aaa | AAA | 3.250 | 3.261 | 2,000,000.00 | 1,999,768.16 | 2,014,380.00 | 14,611.84 | Callable 2/24/10, then qtrly |
| FEDERAL HOME LOAN BANK | 03/04/09 | 06/08/12 | Aaa | AAA | 4.375 | 2.110 | 1,700,000.00 | 1,793,236.36 | 1,822,187.50 | 28,951.14 | |
| FEDERAL HOME LOAN BANK | 06/30/09 | 06/30/14 | Aaa | AAA | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,039,060.00 | 39,060.00 | StrNt, Callable 6/30/11, once |
| FEDERAL HOME LOAN BANK | 09/30/09 | 09/30/14 | Aaa | AAA | 2.000 | 3.448 | 2,000,000.00 | 2,000,000.00 | 2,002,810.00 | 2,810.00 | StrNt, Callable 12/30/09, qtrly |
| FEDERAL HOME LOAN BANK | 09/17/09 | 12/13/13 | Aaa | AAA | 3.125 | 2.440 | 2,000,000.00 | 2,052,148.54 | 2,097,190.00 | 45,041.46 | |
| FEDERAL HOME LOAN BANK | 09/14/06 | 09/29/10 | Aaa | AAA | 5.125 | 5.070 | 1,000,000.00 | 1,000,385.04 | 1,038,285.00 | 37,899.96 | |
| FEDERAL HOME LOAN BANK | 05/23/08 | 06/10/11 | Aaa | AAA | 3.125 | 3.520 | 2,000,000.00 | 1,988,619.64 | 2,070,630.00 | 82,010.36 | |
| FEDERAL HOME LOAN BANK | 11/08/06 | 07/30/10 | Aaa | AAA | 5.000 | 5.010 | 2,000,000.00 | 1,999,850.40 | 2,061,570.00 | 61,719.60 | |
| FEDERAL HOME LOAN BANK | 12/18/06 | 06/22/10 | Aaa | AAA | 4.500 | 4.825 | 2,000,000.00 | 1,996,695.59 | 2,047,190.00 | 50,494.41 | |
| FEDERAL HOME LOAN BANK | 06/18/07 | 03/12/10 | Aaa | AAA | 4.875 | 5.382 | 2,000,000.00 | 1,997,372.36 | 2,026,260.00 | 28,887.64 | |
| FEDERAL HOME LOAN BANK | 06/16/08 | 12/10/10 | Aaa | AAA | 3.250 | 3.800 | 2,000,000.00 | 1,989,301.48 | 2,057,190.00 | 67,888.52 | |

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2009

| DESCRIPTION | PURCHASE | MATURITY | QUALITY RATING | | STATED | YIELD AT | FACE | BOOK | MARKET | BOOK | COMMENTS |
|--|----------|----------|----------------|-------|--------|----------|-----------------------|-----------------------|-----------------------|---------------------|-------------------------------|
| | DATE | DATE | MOODY'S | S & P | RATE | 365 | VALUE | VALUE | VALUE | GAIN/(LOSS) | |
| FEDERAL HOME LOAN BANK | 09/17/09 | 09/13/13 | Aaa | AAA | 4.375 | 2.272 | 2,000,000.00 | 2,151,299.61 | 2,195,630.00 | 44,330.39 | |
| FEDERAL HOME LOAN MTG CORP | 04/08/09 | 04/08/13 | Aaa | AAA | 2.500 | 2.526 | 2,000,000.00 | 1,998,647.22 | 2,035,360.00 | 36,712.78 | Callable 4/08/11, once |
| FEDERAL HOME LOAN MTG CORP | 05/19/09 | 11/19/12 | Aaa | AAA | 2.170 | 2.170 | 2,000,000.00 | 2,000,000.00 | 2,031,320.00 | 31,320.00 | Callable 5/19/11, once |
| FEDERAL HOME LOAN MTG CORP | 09/03/09 | 09/21/12 | Aaa | AAA | 2.125 | 1.699 | 2,000,000.00 | 2,023,180.33 | 2,046,870.00 | 23,689.67 | |
| FEDERAL HOME LOAN MTG CORP | 05/13/09 | 05/13/13 | Aaa | AAA | 2.400 | 2.400 | 2,000,000.00 | 2,000,000.00 | 2,040,360.00 | 40,360.00 | Callable 5/13/11, once |
| FEDERAL HOME LOAN MTG CORP | 08/26/09 | 08/26/14 | Aaa | AAA | 3.625 | 3.625 | 2,000,000.00 | 2,000,000.00 | 2,013,740.00 | 13,740.00 | Callable 2/26/10, then qtrly |
| FEDERAL HOME LOAN MTG CORP | 05/29/07 | 07/06/10 | Aaa | AAA | 4.500 | 5.070 | 2,000,000.00 | 1,993,752.10 | 2,048,080.00 | 54,327.90 | |
| FEDERAL HOME LOAN MTG CORP | 07/30/09 | 01/30/13 | Aaa | AAA | 2.350 | 2.350 | 2,000,000.00 | 2,000,000.00 | 2,019,980.00 | 19,980.00 | Callable 7/30/10, once |
| FEDERAL HOME LOAN MTG CORP | 10/28/09 | 10/28/14 | Aaa | AAA | 3.000 | 3.000 | 2,000,000.00 | 2,000,000.00 | 2,014,120.00 | 14,120.00 | Callable 10/28/10, then qtrly |
| FEDERAL HOME LOAN MTG CORP | 06/09/09 | 08/17/12 | Aaa | AAA | 1.000 | 2.420 | 2,000,000.00 | 1,926,306.90 | 1,984,020.00 | 57,713.10 | |
| FEDERAL HOME LOAN MTG CORP | 01/29/07 | 01/25/10 | Aaa | AAA | 4.375 | 5.122 | 2,000,000.00 | 1,997,946.39 | 2,012,180.00 | 14,233.61 | |
| FEDERAL HOME LOAN MTG CORP | 05/22/07 | 09/17/10 | Aaa | AAA | 3.880 | 5.015 | 2,000,000.00 | 1,983,548.42 | 2,054,140.00 | 70,591.58 | |
| FEDERAL HOME LOAN MTG CORP | 04/29/09 | 10/29/12 | Aaa | AAA | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,029,280.00 | 29,280.00 | Callable 10/29/10, once |
| FEDERAL NATL MORTGAGE ASSN | 03/18/09 | 09/18/12 | Aaa | AAA | 2.500 | 2.500 | 2,000,000.00 | 2,000,000.00 | 2,046,560.00 | 46,560.00 | Callable 3/18/11, once |
| FEDERAL NATL MORTGAGE ASSN | 03/23/09 | 03/23/12 | Aaa | AAA | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,019,070.00 | 19,070.00 | StrNt, Callable 9/23/10, once |
| FEDERAL NATL MORTGAGE ASSN | 05/04/09 | 05/04/12 | Aaa | AAA | 2.150 | 2.185 | 2,000,000.00 | 1,999,150.00 | 2,013,440.00 | 14,290.00 | Callable 5/04/10, once |
| FEDERAL NATL MORTGAGE ASSN | 09/09/09 | 09/09/14 | Aaa | AAA | 3.250 | 3.250 | 2,000,000.00 | 2,000,000.00 | 2,035,000.00 | 35,000.00 | Callable 9/09/10, once |
| FEDERAL NATL MORTGAGE ASSN | 04/27/06 | 04/20/10 | Aaa | AAA | 4.750 | 5.270 | 2,000,000.00 | 1,996,416.85 | 2,034,070.00 | 37,653.15 | |
| FEDERAL NATL MORTGAGE ASSN | 02/27/09 | 02/24/12 | Aaa | AAA | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,036,250.00 | 36,250.00 | Callable 2/24/11, once |
| FEDERAL NATL MORTGAGE ASSN | 05/20/09 | 11/20/12 | Aaa | AAA | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,014,070.00 | 14,070.00 | Callable 5/20/10, once |
| FEDERAL NATL MORTGAGE ASSN | 10/29/09 | 10/29/14 | Aaa | AAA | 2.250 | 3.304 | 2,000,000.00 | 2,000,000.00 | 2,012,190.00 | 12,190.00 | StrNt, Callable 4/29/10 cont. |
| FEDERAL NATL MORTGAGE ASSN | 03/05/08 | 03/05/13 | Aaa | AAA | 4.100 | 4.100 | 2,000,000.00 | 2,000,000.00 | 2,019,380.00 | 19,380.00 | Callable 3/05/10, once |
| Subtotal, Federal Agencies | | | | | | | 92,700,000.00 | 92,879,248.22 | 94,777,862.50 | 1,898,614.28 | |
| CORPORATE/MEDIUM TERM NOTES | | | | | | | | | | | |
| BERKSHIRE HATHAWAY FIN | 01/15/08 | 01/15/10 | Aa2 | AAA | 4.125 | 3.630 | 2,250,000.00 | 2,251,300.75 | 2,260,147.50 | 8,846.75 | |
| GENERAL ELECTRIC CAPITAL CORP | 01/10/07 | 02/22/11 | Aa2 | AA+ | 6.125 | 5.100 | 2,000,000.00 | 2,022,353.52 | 2,116,480.00 | 94,126.48 | |
| TOYOTA MOTOR CREDIT | 10/19/06 | 03/15/10 | Aa1 | AA | 4.250 | 5.140 | 2,000,000.00 | 1,995,329.33 | 2,020,720.00 | 25,390.67 | |
| WELLS FARGO & CO. | 05/30/07 | 01/12/11 | A1 | AA- | 4.875 | 5.260 | 2,000,000.00 | 1,992,244.87 | 2,077,680.00 | 85,435.13 | |
| WELLS FARGO & CO. | 10/10/06 | 08/09/10 | A1 | AA- | 4.625 | 5.000 | 2,000,000.00 | 1,995,327.52 | 2,056,540.00 | 61,212.48 | |
| Subtotal, Corporate Securities | | | | | | | 10,250,000.00 | 10,256,555.99 | 10,531,567.50 | 275,011.51 | |
| SB AIRPORT PROMISSORY NOTE (LT) | | | | | | | | | | | |
| SANTA BARBARA AIRPORT | 07/14/09 | 06/30/29 | - | - | 7.000 | 7.000 | 7,300,000.00 | 7,300,000.00 | 7,300,000.00 | 0.00 | |
| Subtotal, SBA Note | | | | | | | 7,300,000.00 | 7,300,000.00 | 7,300,000.00 | 0.00 | |
| TOTALS | | | | | | | 158,850,000.00 | 159,035,804.21 | 161,209,430.00 | 2,173,625.79 | |

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.