

CITY OF SANTA BARBARA
Activity and Interest Report
December 31, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

12/10 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
12/10 Federal National Mortgage Association (FNMA)	2,000,000
12/15 Federal National Mortgage Association (FNMA)	2,000,000
12/15 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
12/15 Federal Farm Credit Bank (FFCB)	2,000,000
12/15 Berkshire Hathaway Fin (BERK)	2,000,000
12/28 LAIF Deposit - City	10,000,000
12/28 Federal National Mortgage Association (FNMA)	2,000,000
12/28 Federal Home Loan Bank (FHLB)	2,000,000
Total	\$ 26,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

12/1 Federal Farm Credit Bank (FFCB) - Call	\$ (2,000,000)
12/3 LAIF Withdrawal - City	(1,000,000)
12/8 LAIF Withdrawal - City	(1,000,000)
12/9 LAIF Withdrawal - City	(1,000,000)
12/10 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
12/14 LAIF Withdrawal - City	(8,000,000)
12/16 LAIF Withdrawal - City	(7,000,000)
12/17 LAIF Withdrawal - City	(1,000,000)
12/31 Santa Barbara Airport Promissory Note - Principal Paydown	(79,507)
Total	\$ (23,079,507)

ACTIVITY TOTAL

\$ 2,920,493

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 260,863
Amortization	(4,724)
SBB&T Sweep Account Interest	592
Total	\$ 256,730

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 5,707
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TOTAL INTEREST EARNED

\$ 262,438

CITY OF SANTA BARBARA
Summary of Cash and Investments
December 31, 2010

ENDING BALANCE AS OF NOVEMBER 30, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,500,000	0.460%	31.65%	1
Certificates of Deposit	2,000,000	1.750%	1.25%	352
Federal Agency Issues - Coupon	94,915,674	2.396%	59.49%	1,011
Corporate/Medium Term Notes	6,003,313	4.204%	3.76%	643
	<u>153,418,987</u>	<u>1.821%</u>	<u>96.15%</u>	<u>656</u>
SB Airport Promissory Note	6,124,300	7.000%	3.84%	6,786
Totals and Averages	<u>\$ 159,543,286</u>	<u>2.020%</u>	<u>100.00%</u>	<u>891</u>
SBB&T Money Market Account	3,233,813			
Total Cash and Investments	<u>\$ 162,777,100</u>			

NET CASH AND INVESTMENT ACTIVITY FOR DECEMBER 2010 **\$ 3,643,787**

ENDING BALANCE AS OF DECEMBER 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 41,500,000	0.448%	25.55%	1 (1)
Certificates of Deposit	2,000,000	1.750%	1.23%	321
Federal Agency Issues - Coupon	104,857,483	2.310%	64.57%	1,084
Corporate/Medium Term Notes	7,994,939	3.787%	4.92%	910
	<u>156,352,422</u>	<u>1.884%</u>	<u>96.27%</u>	<u>778</u>
SB Airport Promissory Note	6,044,793	7.000%	3.72%	6,755
Totals and Averages	<u>\$ 162,397,215</u>	<u>2.075%</u>	<u>100.00%</u>	<u>1,000</u>
SBB&T Money Market Account	4,023,672			
Total Cash and Investments	<u>\$ 166,420,887</u>			

Note:

(1) The average life of the LAIF portfolio as of December 31, 2010 is 215 days .

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2010

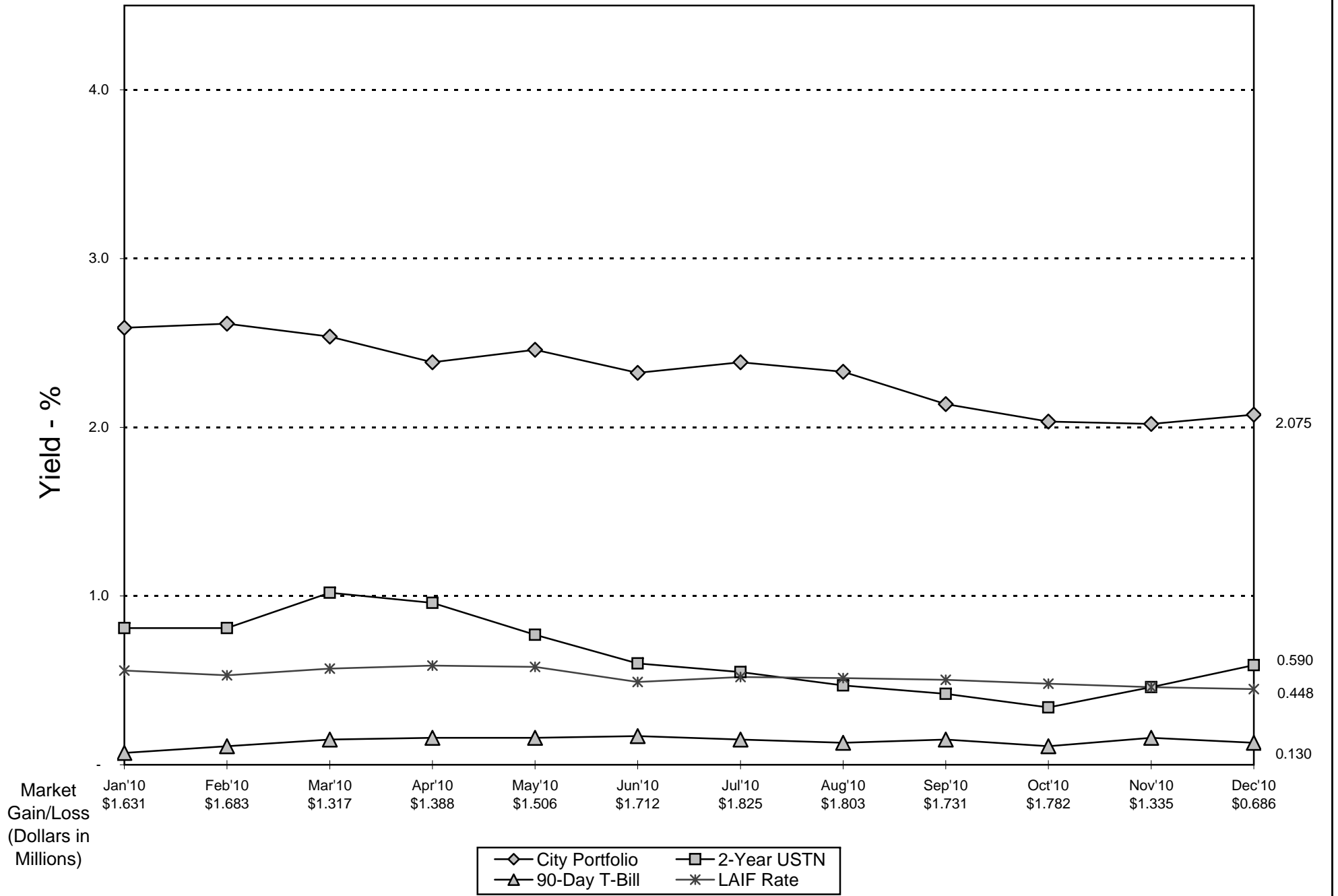
DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.448	0.448	26,500,000.00	26,500,000.00	26,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.448	0.448	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF							41,500,000.00	41,500,000.00	41,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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							2,000,000.00	2,000,000.00	2,000,000.00	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	2,003,295.90	2,045,840.00	42,544.10	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AAA	1.540	1.540	2,000,000.00	2,000,000.00	1,957,460.00	(42,540.00)	Callable 10/28/11, then cont.
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AAA	1.500	1.662	2,000,000.00	1,988,233.24	1,996,460.00	8,226.76	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AAA	2.480	2.480	2,000,000.00	2,000,000.00	1,991,650.00	(8,350.00)	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,000,629.82	2,004,380.00	3,750.18	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,033,320.00	33,320.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,079,420.00	79,420.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,062,860.00	62,860.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,046,610.00	46,610.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,010,420.00	10,420.00	
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,001,710.00	1,710.00	Callable 01/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,999,004.06	2,026,130.00	27,125.94	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	1,966,770.00	(33,230.00)	Callable 05/23/12, then cont.
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,001,930.25	2,042,340.00	40,409.75	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,997,120.99	2,008,750.00	11,629.01	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,753,145.75	1,784,107.50	30,961.75	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,052,010.00	52,010.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	1,994,870.00	(5,130.00)	
FEDERAL HOME LOAN BANK	12/28/10	07/28/14	Aaa	AAA	0.650	1.816	2,000,000.00	2,000,000.00	2,007,290.00	7,290.00	SU 2.05% Callable 07/28/11, once
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,009,750.00	9,750.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,038,141.70	2,111,380.00	73,238.30	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,039,520.00	39,520.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,007,560.00	7,560.00	Callable 03/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,050,990.00	50,990.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,018,720.00	18,720.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,996,704.05	2,023,170.00	26,465.95	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,040,270.00	40,270.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,107,975.93	2,178,350.00	70,374.07	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,056,066.78	2,111,380.00	55,313.22	

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2010

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	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,410.00	2,025,440.00	24,030.00	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,013,230.00	13,230.00	SU 2.0%-3.5% Call 07/14/11, then qtrly
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,019,530.00	19,530.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,730.56	2,011,020.00	11,289.44	Callable 04/08/11, 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	2,013,420.00	13,420.00	Callable 05/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,014,229.51	2,052,060.00	37,830.49	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AAA	1.750	1.845	2,000,000.00	1,991,950.00	1,946,920.00	(45,030.00)	Callable 11/23/11, once
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	2,014,180.00	14,180.00	Callable 05/13/11, once
FEDERAL HOME LOAN MTG CORP	12/15/10	12/15/15	Aaa	AAA	2.100	2.100	2,000,000.00	2,000,000.00	1,983,720.00	(16,280.00)	Callable 03/15/11, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,955,753.94	2,009,760.00	54,006.06	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	999,063.39	1,008,290.00	9,226.61	
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,018,080.00	18,080.00	SU 2.0%-4.5%, Call 06/30/11, annually
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,009,340.00	9,340.00	Callable 03/18/11, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,008,700.00	8,700.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,011,660.00	11,660.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,995,818.33	1,977,760.00	(18,058.33)	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AAA	1.300	1.300	2,000,000.00	2,000,000.00	1,968,150.00	(31,850.00)	Callable 05/17/11, once
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AAA	2.000	2.011	2,000,000.00	1,999,008.33	1,955,730.00	(43,278.33)	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,004,950.00	4,950.00	Callable 02/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	1,983,110.00	(16,890.00)	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,998,622.22	1,961,280.00	(37,342.22)	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	12/15/10	12/15/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	1,983,860.00	(16,140.00)	Callable 06/15/11, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	1,976,250.00	(23,750.00)	Callable 03/21/11, once
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AAA	1.625	2.067	2,000,000.00	1,959,648.41	1,951,600.00	(8,048.41)	
Subtotal, Federal Agencies							<u>104,700,000.00</u>	<u>104,857,483.16</u>	<u>105,611,527.50</u>	<u>754,044.34</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,992,566.67	1,987,720.00	(4,846.67)	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,002,585.10	2,014,660.00	12,074.90	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,922,700.00	(77,300.00)	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,999,787.27	2,001,500.00	1,712.73	
Subtotal, Corporate Securities							<u>8,000,000.00</u>	<u>7,994,939.04</u>	<u>7,926,580.00</u>	<u>(68,359.04)</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,044,793.28	6,044,793.28	6,044,793.28	0.00	
Subtotal, SBA Note							<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>0.00</u>	
TOTALS							<u>162,244,793.28</u>	<u>162,397,215.48</u>	<u>163,082,900.78</u>	<u>685,685.30</u>	

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
December 31, 2010

	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	75,057.50	-	-	-	-	-	-	-	-	75,057.50	75,057.50
2002 Municipal Improvement - Refunding COPs	13,954.67	547,530.00	-	-	-	-	-	-	-	561,484.67	561,484.67
2002 Water - Refunding COPs	24,732.49	1,088,268.76	-	-	-	-	-	-	-	1,113,001.25	1,113,001.25
1994 Water - Revenue Bonds	20,012.29	757,680.00	-	-	-	-	-	-	-	777,692.29	777,692.29
2002 Waterfront - Reference COPs	439.33	1,393,262.50	-	-	-	-	-	-	-	1,393,701.83	1,393,701.83
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	221,661.47	3,786,741.26	-	-	-	-	-	-	-	4,008,402.73	4,008,402.73
<i>PROJECT FUNDS</i>											
2001 RDA Bonds	2,643,701.81	-	-	-	-	-	-	-	-	2,643,701.81	2,643,701.81
2003 RDA Bonds	13,035,128.54	-	-	-	-	-	-	-	-	13,035,128.54	13,035,128.54
2004 Sewer Revenue Bonds	2,730,146.27	1,357,140.00	-	-	-	-	-	-	-	4,087,286.27	4,087,286.27
2009 Airport Bonds	23,586,374.94	-	-	-	-	-	3,100,000.00	3,195,883.00	-	26,686,374.94	26,782,257.94
Subtotal, Project Funds	41,995,351.56	1,357,140.00	-	-	-	-	3,100,000.00	3,195,883.00	-	46,452,491.56	46,548,374.56
Subtotal Bond Funds	42,217,013.03	5,143,881.26	-	-	-	-	3,100,000.00	3,195,883.00	-	50,460,894.29	50,556,777.29
POLICE/FIRE - SVC RETIREMENT FUND											
Police/Fire Funds	60,186.09	-	235,837.83	269,877.83	371,136.20	365,884.60	-	-	-	667,160.12	695,948.52
	60,186.09	-	235,837.83	269,877.83	371,136.20	365,884.60	-	-	-	667,160.12	695,948.52
TOTAL FISCAL AGENT INVESTMENTS	<u>42,277,199.12</u>	<u>5,143,881.26</u>	<u>235,837.83</u>	<u>269,877.83</u>	<u>371,136.20</u>	<u>365,884.60</u>	<u>3,100,000.00</u>	<u>3,195,883.00</u>	<u>-</u>	<u>51,128,054.41</u>	<u>51,252,725.81</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 Santa Barbara Bank & Trust