



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 30, 2013

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: March 31, 2013, Investment Report And March 31, 2013, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the March 31, 2013, Investment Report; and
- B. Accept the March 31, 2013, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers the investment activity for the period of January through March 2013.

During the first quarter 2013, the Federal Reserve continued with their quantitative easing program, buying up to \$85 billion per month of U.S. treasury, government agency and mortgage securities in an effort to keep market rates extraordinarily low, thereby attempting to stimulate economic activity. The strategy continues to impact the City's return on its investment portfolio.

As shown in the table to the right, yields on Treasury notes with a maturity of greater than 3 years were slightly higher during the quarter. Longer term maturities saw the highest increases, although the increases were modest. Yields for most of the shorter term

U.S. Treasury Market					
	12/31/2012	1/31/2013	2/28/2013	3/31/2013	Cumulative Change
3 Month	0.05%	0.07%	0.11%	0.07%	0.02%
6 Month	0.11%	0.12%	0.13%	0.11%	0.00%
1 Year	0.16%	0.15%	0.17%	0.14%	-0.02%
2 Year	0.25%	0.27%	0.25%	0.25%	0.00%
3 Year	0.36%	0.42%	0.36%	0.36%	0.00%
4 Year	0.54%	0.64%	0.55%	0.56%	0.02%
5 Year	0.72%	0.88%	0.77%	0.77%	0.05%
10 Year	1.78%	2.02%	1.89%	1.87%	0.09%
30 Year	2.95%	3.17%	3.10%	3.10%	0.15%
LAIF	0.32%	0.28%	0.28%	0.28%	-0.04%

Treasuries remained the same. The Federal Reserve chairman, Ben Bernanke, expects yields will remain at these exceptionally low levels at least through the end of 2014, but

more likely now into calendar year 2015. The State of California's Local Agency Investment Fund (LAIF) yield decreased slightly, by 4 basis points, by the end of the quarter.

Investment Activity

As shown in the Investment Activity table below, the City invested \$13 million in "AAA" rated Federal Agency callable securities. The City also purchased three United States Treasury Notes totaling \$6 million. The purchases replaced \$14 million in securities that matured or were called by issuers during the quarter before the final maturity date.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Bank (FHLB)	\$ 4,000,000	01/16/13	01/16/18	07/16/13	1.000%	1.000%
Federal Home Loan Mortgage Corp (FHLMC)	4,000,000	01/16/13	01/16/18	07/16/13	1.050%	1.050%
Federal National Mortgage Association (FNMA)	3,000,000	01/30/13	01/30/18	01/30/14	1.030%	1.030%
Federal National Mortgage Association (FNMA)	2,000,000	02/05/13	02/05/18	02/05/15	1.000%	1.000%
United States Treasury Note (USTN)	2,000,000	02/22/13	08/31/16	-	-	0.502%
United States Treasury Note (USTN)	2,000,000	02/22/13	02/28/17	-	-	0.607%
United States Treasury Note (USTN)	2,000,000	02/22/13	05/15/16	-	-	0.442%
	\$ 19,000,000					
<i>Calls:</i>						
Federal National Mortgage Association (FNMA)	\$ 2,000,000	01/25/12	01/25/17	01/25/13	1.050%	1.256%
Federal National Mortgage Association (FNMA)	2,000,000	01/30/12	01/30/17	01/30/13	1.300%	1.300%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	08/28/12	08/28/17	02/28/13	1.030%	1.030%
Federal Farm Credit Bank (FFCB)	2,000,000	03/01/12	03/01/17	03/01/13	1.260%	1.260%
Federal National Mortgage Association (FNMA)	2,000,000	03/28/12	03/28/17	03/28/13	1.125%	1.332%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	03/28/12	03/28/17	03/28/13	1.210%	1.210%
	\$ 12,000,000					
<i>Maturities:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	03/05/09	03/04/13	-	-	2.600%
	\$ 2,000,000					

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter, the City's book rate of return decreased by 4.7 basis points from 1.434 percent at December 31, 2012 to 1.387 percent at March 31, 2013. The book rate of return will continue to decline through the attrition of higher-yielding securities and reinvestment at the current market rates at historic lows.

Mo. Ended	Yield	Days to Maturity
12/31/2012	1.434%	1072
1/31/2013	1.307%	996
2/28/2013	1.366%	1080
3/31/2013	1.387%	1086

The portfolio's average days to maturity, including the long-term Airport promissory note, increased by 14 days from 1072 to 1086 days. Excluding the Airport note, the portfolio's average days to maturity is 894 days, reflecting reinvestment of maturities and calls during the quarter in the one-to-five year range in accordance with the City's Annual Statement of Investment Policy. The Annual Statement of Investment Policy requires that the average days to maturity on the portfolio not exceed 912 days, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

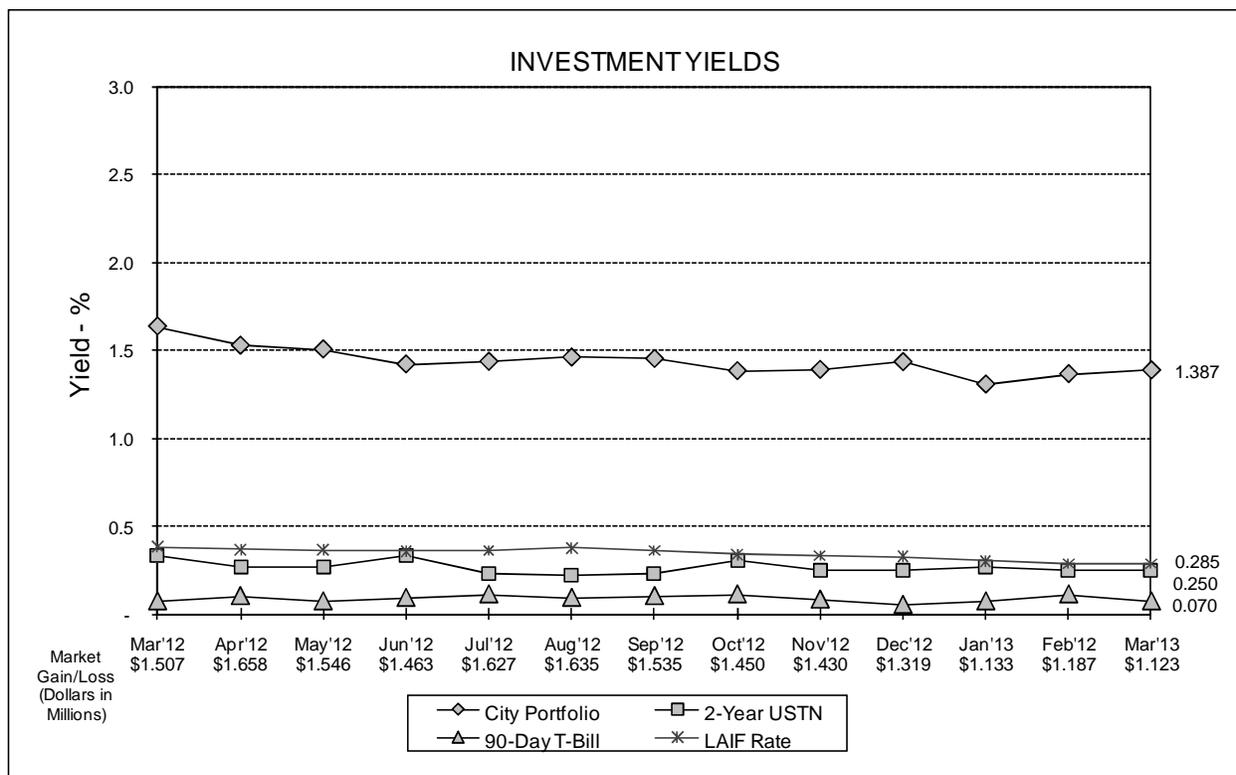
The average LAIF rate at which the City earned interest for funds invested was at 0.28 percent for the quarter ended March 31, 2013, down four basis points. The City's LAIF holdings at the end of the quarter were \$26 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

Credit Quality on Corporate Notes

There were no changes to the corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway Financial, General Electric Capital Corp., Proctor & Gamble, and Toyota Motor Credit) and the ratings of all corporate notes remain within the City's Investment Policy guidelines of "A" or better.

Portfolio Market Gains/Losses

As shown in the Investment Yields chart on the next page, the City's portfolio continues to significantly outperform the three benchmark measures (the 90-day T-Bill, 2-year T-Note and LAIF). Overall, the portfolio also reflects unrealized market gains during the quarter due to lower market yields compared to the yields on securities currently held in the portfolio. At March 31, 2013, the portfolio had an overall unrealized market gain of \$1.123 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses when comparing book value to market value. There were only three securities trading below purchase price at the end of the quarter. Market losses occur when current market yields rise above the yields on securities held in the portfolio. However, because securities in the City's portfolio are held to maturity, no market losses would be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL HOME LOAN BANK	\$4,000,000	01/16/18	-\$2,760	-0.07%
FEDERAL NATL MORTGAGE ASSN	\$4,000,000	12/26/17	-\$1,240	-0.03%
FEDERAL HOME LOAN MTG CORP	\$4,000,000	01/16/18	-\$280	-0.01%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. There were no securities in the portfolio with a market decline of greater than 1 percent compared to the prior month.

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of March 31, 2013, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of March 31, 2013.

ATTACHMENTS: 1. March 31, 2013, Investment Report
 2. March 31, 2013, Fiscal Agent Report

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
March 31, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

3/4 LAIF Deposit - City	\$ 4,000,000
3/26 LAIF Deposit - City	1,000,000
3/28 LAIF Deposit - City	<u>5,000,000</u>
Total	\$ 10,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

3/1 Federal Farm Credit Bank (FFCB) - Call	\$ (2,000,000)
3/4 Federal Farm Credit Bank (FFCB) - Maturity	(2,000,000)
3/12 LAIF Withdrawal - City	(1,000,000)
3/19 LAIF Withdrawal - RDAS	(6,700,000)
3/21 LAIF Withdrawal - City	(6,000,000)
3/22 LAIF Withdrawal - City	(1,000,000)
3/28 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
3/28 Federal Home Loan Mortgage Corp (FHLMC) - Call	<u>(2,000,000)</u>
Total	\$ (22,700,000)

ACTIVITY TOTAL

\$ (12,700,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 201,910
Amortization	(24,348)
Interest on SBB&T Accounts	<u>524</u>
Total	\$ 178,085

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	<u>\$ 942</u>
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INCOME TOTAL

\$ 179,026

CITY OF SANTA BARBARA

Investment Portfolio

March 31, 2013

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)	
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.285	0.285	26,000,000.00	26,000,000.00	26,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.285	0.285	0.00	0.00	0.00	0.00	
Subtotal, LAIF							<u>26,000,000.00</u>	<u>26,000,000.00</u>	<u>26,000,000.00</u>	<u>0.00</u>	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
SANTA BARBARA BANK & TRUST	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
SANTA BARBARA BANK & TRUST	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							<u>8,000,000.00</u>	<u>8,000,000.00</u>	<u>8,000,000.00</u>	<u>0.00</u>	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,001,279.06	2,005,080.00	3,800.94	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,043,761.50	2,047,980.00	4,218.50	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,290,020.16	2,292,980.00	2,959.84	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,033,662.52	2,037,660.00	3,997.48	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,020,699.56	2,025,940.00	5,240.44	
Subtotal, Treasury Securities							<u>10,000,000.00</u>	<u>10,389,422.80</u>	<u>10,409,640.00</u>	<u>20,217.20</u>	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,021,060.00	21,060.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	2,005,440.00	5,440.00	Callable 08/15/13, then cont.
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,001,060.00	1,060.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,124,860.00	124,860.00	
FEDERAL FARM CREDIT BANK	09/13/12	09/13/17	Aaa	AA+	1.020	1.020	2,000,000.00	2,000,000.00	2,000,160.00	160.00	Callable, continuous
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,020,380.00	20,380.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,033,220.00	33,220.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,009,050.57	2,042,020.00	32,969.43	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,024,720.00	24,720.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,997,240.00	(2,760.00)	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,002,517.27	1,003,700.00	1,182.73	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,017,995.99	2,038,840.00	20,844.01	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,013,303.98	2,042,020.00	28,716.02	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,053,640.00	53,640.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,071,960.00	71,960.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,513,862.19	1,516,380.00	2,517.81	
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,021,620.00	21,620.00	
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.350	1.350	2,000,000.00	2,000,000.00	2,025,520.00	25,520.00	Callable 03/28/14, once
FEDERAL HOME LOAN MTG CORP	02/21/12	02/21/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,018,740.00	18,740.00	Callable 02/21/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,615.72	2,007,820.00	9,204.28	

CITY OF SANTA BARBARA

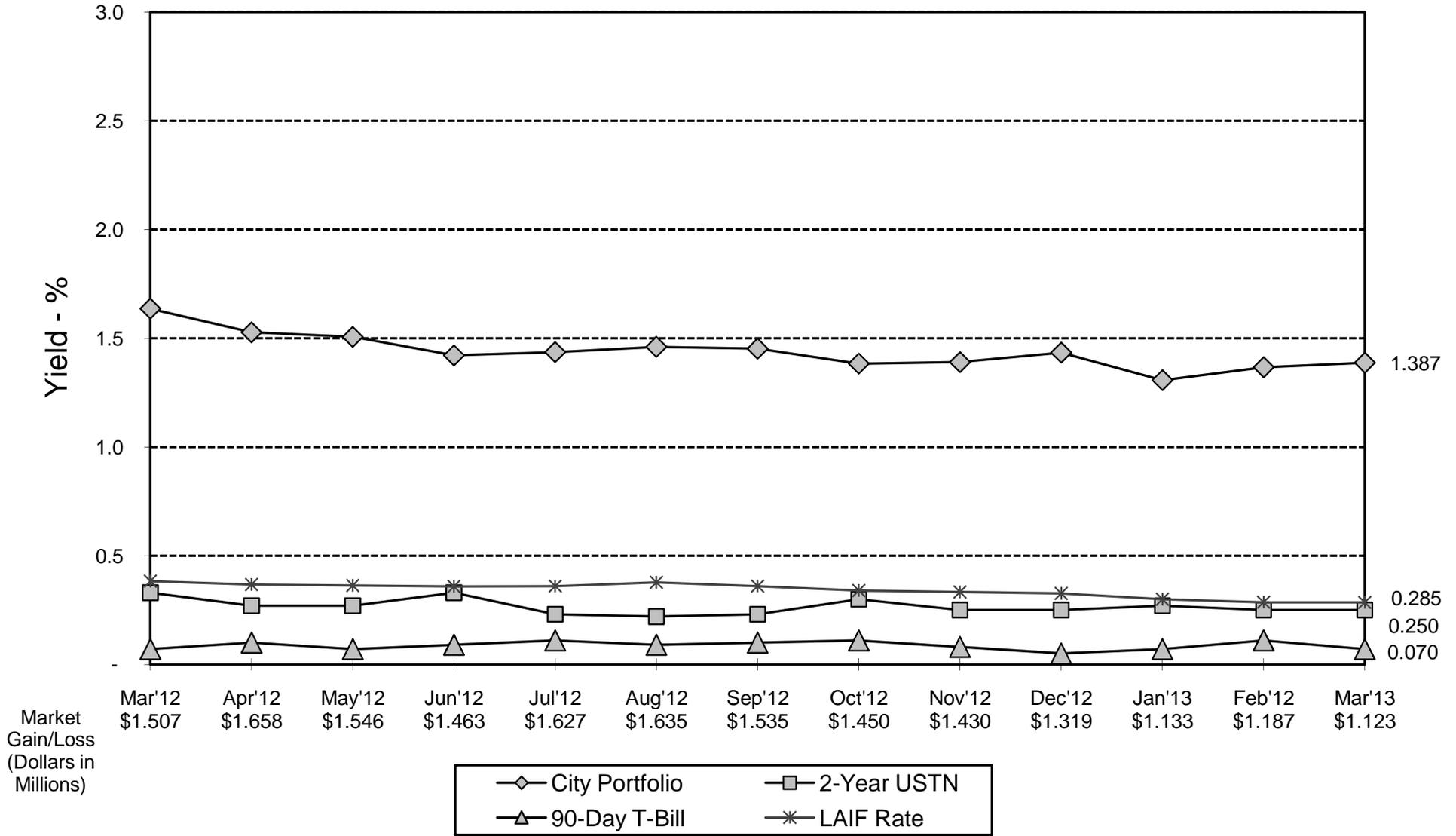
Investment Portfolio

March 31, 2013

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN MTG CORP	06/12/12	06/12/17	Aaa	AA+	1.250	1.250	2,000,000.00	2,000,000.00	2,018,960.00	18,960.00	Callable 06/12/14, then qtrly
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	2,005,460.00	5,460.00	Callable 07/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	05/24/12	05/24/17	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,003,180.00	3,180.00	Callable 05/24/13, then qtrly
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	2,003,440.00	3,440.00	Callable 09/12/13, 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	3,999,720.00	(280.00)	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,056,176.83	2,085,100.00	28,923.17	
FEDERAL HOME LOAN MTG CORP	06/07/12	06/07/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,003,720.00	3,720.00	Callable 06/07/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,425.00	2,014,660.00	15,235.00	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,000,510.00	510.00	Callable 01/30/14, 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	2,034,160.00	34,160.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	2,007,480.00	7,480.00	Callable 08/28/13, 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	2,000,260.00	260.00	Callable 06/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/12/12	04/12/17	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,000,600.00	600.00	Callable 04/12/13, 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	2,001,820.00	1,820.00	Callable 05/08/13, 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	2,001,820.00	1,820.00	Callable 05/08/13, 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	3,998,760.00	(1,240.00)	Callable 12/26/13, 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	2,080,220.00	80,220.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,978,486.90	2,063,680.00	85,193.10	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,002,280.00	2,280.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/01/12	05/29/15	Aaa	AA+	0.650	0.650	2,000,000.00	2,000,000.00	2,001,220.00	1,220.00	Callable 05/29/13, once
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,080.00	1,080.00	Callable 02/05/15, then qtrly
Subtotal, Federal Agencies							<u>89,500,000.00</u>	<u>89,589,434.45</u>	<u>90,405,410.00</u>	<u>815,975.55</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,995,941.67	2,098,060.00	102,118.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,068,380.00	68,380.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,026,220.00	26,220.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,036,560.27	2,068,780.00	32,219.73	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,013,156.22	2,070,820.00	57,663.78	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,045,658.16</u>	<u>10,332,260.00</u>	<u>286,601.84</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
TOTALS							<u>149,197,948.77</u>	<u>149,722,464.18</u>	<u>150,845,258.77</u>	<u>1,122,794.59</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
March 31, 2012

	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	1.67	-	-	-	-	-	-	-	1.67	1.67
2002 Municipal Improvement - Refunding COPs	6,472.37	547,530.00	-	-	-	-	-	-	554,002.37	554,002.37
2002 Water - Refunding COPs	8,816.61	1,088,268.76	-	-	-	-	-	-	1,097,085.37	1,097,085.37
1994 Water - Revenue Bonds	20,110.91	757,680.00	-	-	-	-	-	-	777,790.91	777,790.91
2002 Waterfront - Reference COPs	350,556.01	1,393,262.50	-	-	-	-	-	-	1,743,818.51	1,743,818.51
Subtotal, Reserve Funds	385,957.57	3,786,741.26	-	-	-	-	-	-	4,172,698.83	4,172,698.83
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,095.61	-	-	-	-	-	-	-	2,366,095.61	2,366,095.61
2003 RDA Bonds	8,506,174.99	-	-	-	-	-	-	-	8,506,174.99	8,506,174.99
2004 Sewer Revenue Bonds	1,754,926.34	1,357,140.00	-	-	-	-	-	-	3,112,066.34	3,112,066.34
2009 Airport Bonds	4,318,401.26	-	-	-	-	-	-	-	4,318,401.26	4,318,401.26
Subtotal, Project Funds	16,945,598.20	1,357,140.00	-	-	-	-	-	-	18,302,738.20	18,302,738.20
Subtotal Bond Funds	17,331,555.77	5,143,881.26	-	-	-	-	-	-	22,475,437.03	22,475,437.03
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	48,852.02	-	190,992.85	285,829.99	247,563.32	249,234.50	-	-	487,408.19	583,916.51
	48,852.02	-	190,992.85	285,829.99	247,563.32	249,234.50	-	-	487,408.19	583,916.51
TOTAL FISCAL AGENT INVESTMENTS	<u>17,380,407.79</u>	<u>5,143,881.26</u>	<u>190,992.85</u>	<u>285,829.99</u>	<u>247,563.32</u>	<u>249,234.50</u>	<u>-</u>	<u>-</u>	<u>22,962,845.22</u>	<u>23,059,353.54</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