

# City of Lompoc

## Quarterly Investment Report



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March 31, 2015



# *Quarterly Investment Report*

## *As of March 31, 2015*

### ***Quarterly Reporting***

This report presents the City's investment portfolio for the quarter ending March 31, 2015. The report includes all investments managed by the City. As required by the City's Investment Policy, the report provides information on the investment type, issuer, purchase date, maturity date, cost, par value, and market value for each security. This report also provides the portfolio yield based on cost and the weighted average days to maturity.

The investment objectives of the City of Lompoc are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet current operating requirements; and third, to earn a rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds. Interest earned on pooled cash and investments are allocated monthly to the various funds based on the respective fund's cash balance. Interest earned from cash and investments with fiscal agents is credited directly to the related accounts. It is common for governments, and is provided for in the City's Investment Policy, to pool cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

Short-term cash is primarily invested in the Local Agency Investment Fund (LAIF) administered by the Treasurer of the State of California.

All investments of the City are held in a safekeeping or custodial account with US Bank. US Bank also provides the City, on a monthly basis, the valuation of all held securities to help the City determine the current market value. In some cases, the market value may be greater than or less than the recorded value. These changes in valuation have no effect on the City's effective yield, since the securities are intended to be held to maturity. These changes will impact the total value of the portfolio, and are required to be reported in accordance with generally accepted accounting principles.

### ***Investment Reporting***

The City investment objectives are governed by State law and by the City's adopted Investment Policy. This report provides information regarding the City's investments and investment return in accordance with the Investment Policy.

The following affirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of March 31, 2015 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.

The City has historically provided two investment reports to the Council in compliance with the City's Investment Policy. The first is the "Treasurer's Accountability Report" and the second is the "Cash Balance" report. The two reports have been prepared monthly and will continue to be prepared and distributed upon the completion of the cash reconciliation process each month. This Quarterly Investment Report is in addition to the two monthly reports and provides information to the user regarding the investment activities during the previous quarter for the City's investment pool.

# Quarterly Investment Report

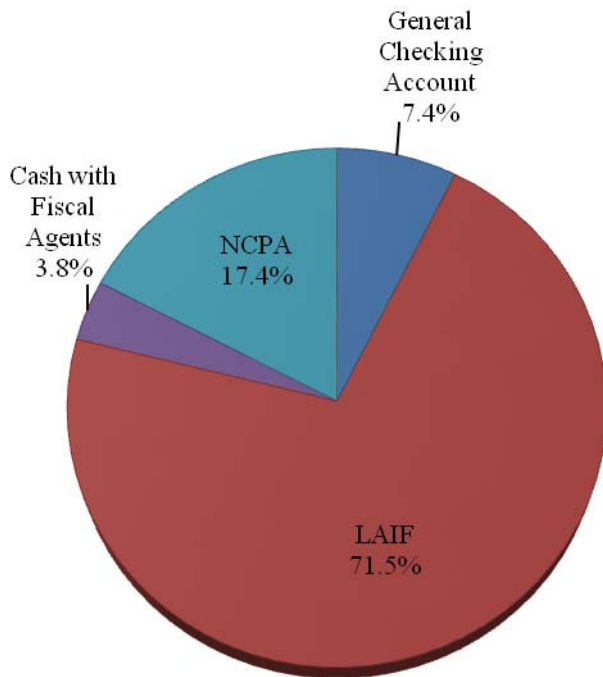
## As of March 31, 2015

### Current Portfolio Summary

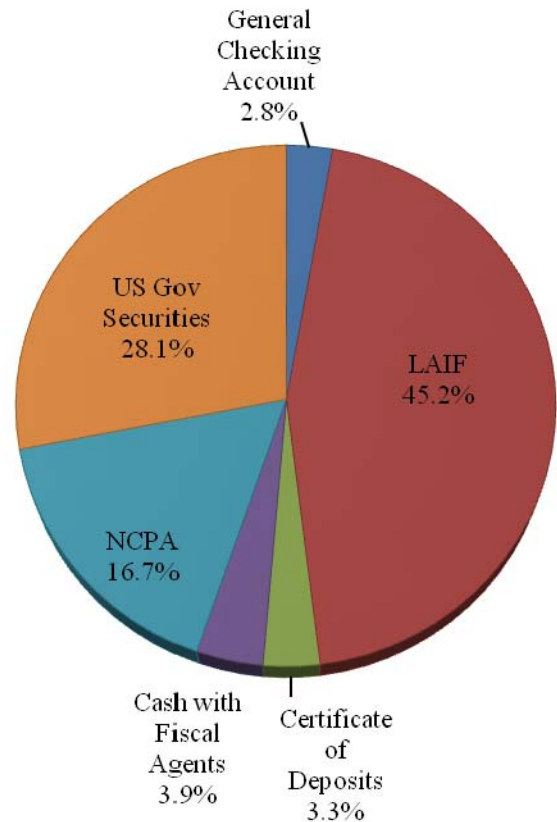
Type of Investments	Percent of Portfolio	Rate	Book Value	Market Value
City Cash & Bank of America - General Checking Account	2.8%	0.25%	\$ 1,910,814	\$ 1,910,814
Local Agent Investment Fund, State Treasurer (LAIF)	45.2%	0.26%	30,599,789	30,599,789
Certificate of Deposits	3.3%	1.69%	2,250,000	2,259,483
Cash with Fiscal Agents	3.9%	0.02%	2,641,948	2,641,948
Northern California Power Agency NCPA	16.7%	0.55%	11,275,394	11,275,394
US Government Securities	28.1%	1.54%	19,000,000	19,082,650
<b>Total City Investments</b>	<b>100%</b>	<b>0.71%</b>	<b>\$ 67,677,945</b>	<b>\$ 67,770,077</b>

### Percentage of Portfolio by Type

**June 30, 2014**



**March 31, 2015**



# Quarterly Investment Report

## As of March 31, 2015

### City Cash & General Checking

<u>Cash Bank Accounts</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Petty Cash	0.00%	\$ 4,170	\$ 4,170
US Bank - Accrued Interest	0.00%	0	-
Bank of America	0.25%	1,906,644	1,906,644
<b>Total Cash</b>	<b>0.25%</b>	<b>\$ 1,910,814</b>	<b>\$ 1,910,814</b>

### Local Agency Investment Fund

<u>California Treasurer</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Fund	0.26%	\$ 30,599,789	\$ 30,599,789
<b>Total LAIF</b>	<b>0.26%</b>	<b>\$ 30,599,789</b>	<b>\$ 30,599,789</b>

### Certificate of Deposits

<u>Bank</u>	<u>Rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>
Barclays Bank of Delaware	2.10%	7/23/2014	7/23/2019	250,000	250,000	251,853
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	251,443
Ge Capital Bank	1.25%	8/1/2014	8/1/2017	250,000	250,000	250,748
American Express Bank FSB	1.20%	8/7/2014	8/7/2017	250,000	250,000	250,418
Discover Bank	1.25%	8/7/2014	8/7/2017	250,000	250,000	250,705
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	250,000	250,000	251,045
Capital One bank	1.80%	10/16/2014	10/16/2018	250,000	250,000	251,210
Comenity Bank	1.90%	10/22/2014	10/22/2018	250,000	250,000	251,075
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	250,000	250,000	250,988
<b>Total Certificate of Deposits</b>	<b>1.69%</b>			<b>\$ 2,250,000</b>	<b>\$ 2,250,000</b>	<b>\$ 2,259,483</b>

### Cash with Fiscal Agents

<u>Description</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
* Deutsche Bank Fleet - Lease Purchase Fund	0.01%	\$ 1,299,715	\$ 1,299,715
* Beneficial State Bank - Developer Deposits	0.35%	89,024	89,024
* US Bank - Bond Reserve Account	0.00%	1,253,208	1,253,208
<b>Total Money Market</b>	<b>0.26%</b>	<b>\$ 2,641,948</b>	<b>\$ 2,641,948</b>

# Quarterly Investment Report

## As of March 31, 2015

### Cash with Fiscal Agent - Northern California Power Agency

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	0.55%	\$ 10,261,560	\$ 10,261,560
* NCPA Restricted Security Account	0.55%	1,013,834	1,013,834
<b>Total Reserve Northern California Power Agency</b>	<b>0.55%</b>	<b>\$ 11,275,394</b>	<b>\$ 11,275,394</b>

### US Government Securities

Security Description	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
FFCB - Federal Farm Credit Bank	1.90%	7/24/2014	7/24/2019	3,000,000	3,000,000	3,010,920
FNMA - Fannie Mae	1.50%	8/15/2014	8/15/2018	3,000,000	3,000,000	3,017,760
FHLMC - Freddie Mac	1.30%	8/21/2014	11/21/2017	2,000,000	2,000,000	2,002,780
FHLB - Federal Home Loan Bank	1.28%	9/22/2014	12/22/2017	3,000,000	3,000,000	3,015,990
FHLMC - Freddie Mac	2.00%	12/22/2014	12/17/2019	2,000,000	2,000,000	2,005,960
FHLMC - Freddie Mac - Step Up	1.00%	2/11/2015	2/11/2020	2,000,000	2,000,000	2,000,980
FNMA - Fannie Mae	2.05%	3/18/2015	3/18/2020	2,000,000	2,000,000	2,012,500
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	2,015,760
<b>Total Government Securities</b>	<b>1.54%</b>			<b>\$ 19,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 19,082,650</b>

### Investment Activity

Sales/Redemptions	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
FHLB - Federal Home Loan Bank	2.05%	9/26/2014	9/26/2019	(2,000,000)	(2,000,000)	-
<b>Total Sales/Redemption</b>	<b>2.05%</b>			<b>\$ (2,000,000)</b>	<b>\$ (2,000,000)</b>	<b>\$ -</b>
<b>Purchases</b>						
FHLMC - Freddie Mac - Step Up	1.00%	2/11/2015	2/11/2020	2,000,000	2,000,000	2,000,980
FNMA - Fannie Mae	2.05%	3/18/2015	3/18/2020	2,000,000	2,000,000	2,012,500
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	2,015,760
<b>Total Purchases</b>	<b>1.45%</b>			<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 6,029,240</b>

# *Quarterly Investment Report*

## *As of March 31, 2015*

### **Summary Information**

<b>Years to Maturity</b>	<b>Percent of Portfolio</b>	<b>Book Value</b>
On demand	69%	\$ 46,427,945
Within One Year	0%	-
One to Two Years	0%	-
Two to Three Years	8%	5,750,000
Three to Four Years	9%	6,000,000
Four to Five Years	14%	9,500,000
<b>Total City Investments</b>		<b>\$ 67,677,945</b>
<b>Estimate Annually Interest</b>		<b>\$ 473,286</b>
<b>Weighted Average Years to Maturity</b>		<b>1.17</b>

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of March 31, 2015 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. City funds currently under the management of contracted parties are indicated above with an "\*".

/s/ Brad Wilkie  
**Brad Wilkie, Management Service Director**

05/11/15  
**Date**