

# City of Lompoc

## Quarterly Investment Report



---

September 30, 2015



# *Quarterly Investment Report*

## *As of September 30, 2015*

### ***Quarterly Reporting***

This report presents the City's investment portfolio for the quarter ending September 30, 2015. The report includes all investments managed by the City and on behalf of the City by fiscal agents. 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 September 30, 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.

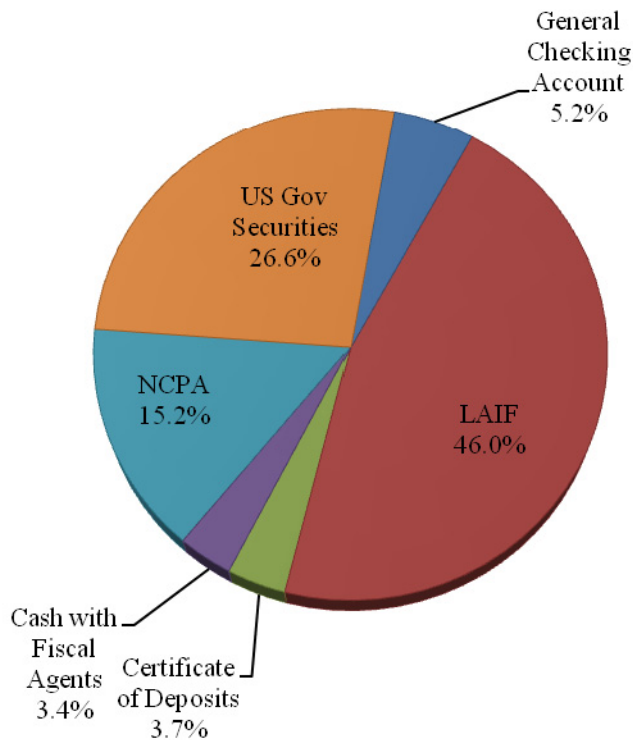
# Quarterly Investment Report

## As of September 30, 2015

### Current Portfolio Summary

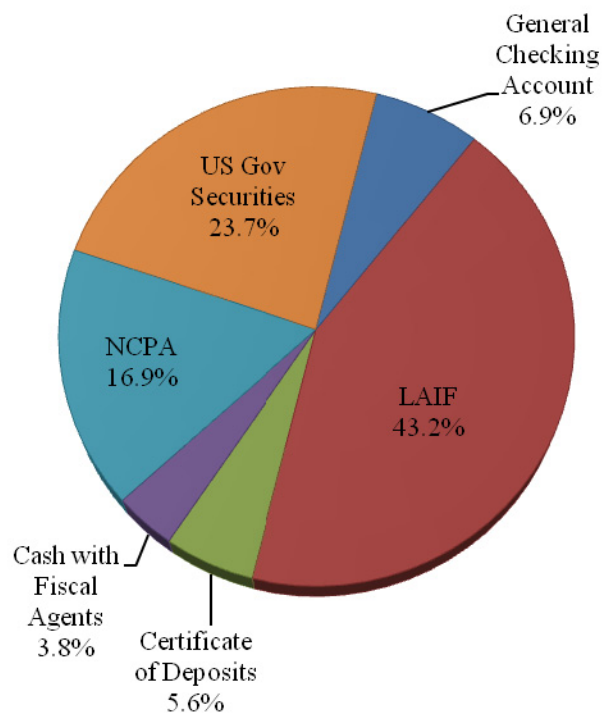
Type of Investments	Percent of Portfolio	Yield	Book Value	Market Value
City Cash & Bank of America - Checking Account	6.9%	0.18%	\$ 4,648,365	\$ 4,648,365
Local Agent Investment Fund, State Treasurer (LAIF)	43.2%	0.33%	29,143,415	29,160,745
Certificate of Deposits	5.6%	1.77%	3,750,000	3,743,580
Cash with Fiscal Agents - Other	3.8%	0.02%	2,552,990	2,552,990
Cash with Fiscal Agents - Northern California Power Agency (NCPA)	16.9%	0.81%	11,441,809	11,441,809
US Government Securities	23.7%	1.49%	16,000,000	16,092,960
<b>Total City Investments</b>	<b>100%</b>	<b>0.75%</b>	<b>\$ 67,536,579</b>	<b>\$ 67,640,449</b>

### June 30, 2015



Total City Investments \$75,344,154

### September 30, 2015



\* Total City Investments \$64,016,319

\* Annually and semi annual payments during the quarter totaled \$8.9 million.  
 (\$6.1 Million Bond and Loan payments, \$2.1 Million Retirement Payments, and \$0.7 Insurance Premiums)

# Quarterly Investment Report

## As of September 30, 2015

### City Cash & General Checking

<u>Cash Bank Accounts</u>	Rate	Book Value	Market Value
Petty Cash	0.00%	\$ 4,070	\$ 4,070
US Bank Custody Account	0.00%	1,255,375	1,255,375
Bank of America	0.25%	3,388,920	3,388,920
<b>Total Cash</b>	<b>0.18%</b>	<b>\$ 4,648,365</b>	<b>\$ 4,648,365</b>

### Local Agency Investment Fund

<u>California Treasurer</u>	Rate	Book Value	Market Value
Local Agency Investment Fund	0.33%	\$ 29,143,415	\$ 29,160,745
<b>Total LAIF</b>	<b>0.33%</b>	<b>\$ 29,143,415</b>	<b>\$ 29,160,745</b>

### Certificate of Deposits

<u>Bank</u>	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
Barclays Bank of Delaware	2.10%	7/23/2014	7/23/2019	250,000	250,000	249,968
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	249,603
GE Capital Bank	1.25%	8/1/2014	8/1/2017	250,000	250,000	250,665
American Express Bank FSB	1.20%	8/7/2014	8/7/2017	250,000	250,000	250,400
Discover Bank	1.25%	8/7/2014	8/7/2017	250,000	250,000	250,625
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	250,000	250,000	249,438
Capital One Bank USA	1.80%	10/16/2014	10/16/2018	250,000	250,000	249,575
Comenity Bank	1.90%	10/22/2014	10/22/2018	250,000	250,000	249,450
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	250,000	250,000	249,378
American Exprenturion	1.05%	6/10/2015	6/12/2017	250,000	250,000	249,458
Synchrony Bank	2.05%	6/12/2015	6/12/2020	250,000	250,000	246,848
BMW Bank North America	2.25%	7/17/2015	7/17/2020	250,000	250,000	249,443
Everbank Jacksonville Florida	2.00%	8/7/2014	8/7/2017	250,000	250,000	249,405
Capital One Bank NA	2.25%	9/30/2015	9/30/2020	250,000	250,000	249,410
Ally Bank	1.70%	9/28/2015	9/28/2019	250,000	250,000	249,918
<b>Total Certificate of Deposits</b>	<b>1.77%</b>			<b>\$ 3,750,000</b>	<b>\$ 3,750,000</b>	<b>\$ 3,743,580</b>

### Cash with Fiscal Agents - Other

<u>Description</u>	Rate	Book Value	Market Value
* Deutsche Bank Fleet - Lease Purchase Fund	0.03%	\$ 1,299,857	\$ 1,299,857
* US Bank - Bond Reserve Account	0.01%	1,253,133	1,253,133
<b>Total Money Market</b>	<b>0.33%</b>	<b>\$ 2,552,990</b>	<b>\$ 2,552,990</b>

# Quarterly Investment Report

## As of September 30, 2015

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

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	0.81%	\$ 10,427,975	\$ 10,427,975
* NCPA Restricted Security Account	0.81%	1,013,834	1,013,834
<b>Total Reserve Northern California Power Agency</b>	<b>0.81%</b>	<b>\$ 11,441,809</b>	<b>\$ 11,441,809</b>

### US Government Securities

Security Description	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
FNMA - Fannie Mae	1.50%	8/15/2014	8/15/2018	3,000,000	3,000,000	3,017,520
FHLB - Federal Home Loan Bank	1.28%	9/22/2014	12/22/2017	3,000,000	3,000,000	3,020,280
FHLMC - Freddie Mac - Step Up	1.00%	2/11/2015	2/11/2020	2,000,000	2,000,000	2,001,940
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	2,012,680
FHLMC - Freddie Mac - Step Up	2.00%	6/29/2015	6/30/2020	2,000,000	2,000,000	2,005,300
FHLB - Federal Home Loan Bank	1.83%	7/20/2015	7/29/2020	2,000,000	2,000,000	2,030,300
FFCB - Federal Farm Credit Bank	1.65%	7/29/2015	7/28/2020	2,000,000	2,000,000	2,004,940
<b>Total Government Securities</b>	<b>1.49%</b>			<b>\$ 16,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 16,092,960</b>

### Investment Activity

Sales/Redemptions	Rate	Purchase/Call Date	Maturity Date	Par Value	Book Value	Market Value
FFCB - Federal Farm Credit Bank	1.90%	7/24/2015	7/24/2019	3,000,000	3,000,000	3,000,000
FHLMC - Freddie Mac	2.00%	9/17/2015	12/17/2019	2,000,000	2,000,000	2,000,000
FNMA - Fannie Mae	2.05%	9/18/2015	3/18/2020	2,000,000	2,000,000	2,000,000
FHLB - Federal Home Loan Bank	2.15%	9/30/2015	6/30/2020	1,000,000	1,000,000	1,000,000
<b>Total Sales/Redemption</b>	<b>1.99%</b>			<b>\$ 8,000,000</b>	<b>\$ 8,000,000</b>	<b>\$ 8,000,000</b>

#### Purchases

BMW Bank North America	2.25%	7/17/2015	7/17/2020	250,000	250,000	249,443
Everbank Jacksonville Florida	2.00%	8/7/2014	8/7/2017	250,000	250,000	249,405
Capital One Bank NA	2.25%	9/30/2015	9/30/2020	250,000	250,000	249,410
Ally Bank	1.70%	9/28/2015	9/28/2019	250,000	250,000	249,918
FHLB - Federal Home Loan Bank	1.83%	7/20/2015	7/29/2020	2,000,000	2,000,000	2,030,300
FFCB - Federal Farm Credit Bank	1.65%	7/29/2015	7/28/2020	2,000,000	2,000,000	2,004,940
<b>Total Purchases</b>	<b>1.80%</b>			<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,033,415</b>

# Quarterly Investment Report

## As of September 30, 2015

### Summary Information

Years to Maturity	Percent of Portfolio	Book Value
On demand	70.8%	\$ 47,786,579
Within One Year	0.0%	-
One to Two Years	1.9%	1,250,000
Two to Three Years	11.8%	8,000,000
Three to Four Years	2.6%	1,750,000
Four to Five Years	13.0%	8,750,000
<b>Total City Investments</b>		<b>\$ 67,536,579</b>
		<b>\$ 503,385</b>
<b>Estimate Annually Interest</b>		<b>1.03</b>
<b>Weighted Average Years to Maturity</b>		<b>1.03</b>

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of September 30, 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 fiscal agents are indicated above with an "\*".

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

12/28/15  
**Date**