

City of Lompoc

Quarterly Investment Report



December 31, 2015



Quarterly Investment Report

As of December 31, 2015

Quarterly Reporting

This report presents the City's investment portfolio for the quarter ending December 31, 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 December 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

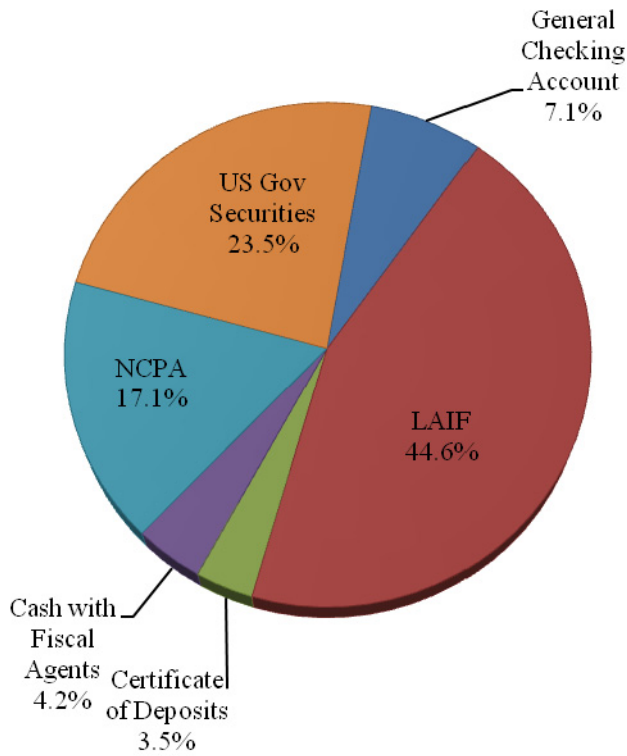
As of December 31, 2015

Current Portfolio Summary

Type of Investments	Percent of Portfolio	Yield	Book Value	Market Value
City Cash & Bank of America - Checking Account	9.4%	0.25%	\$ 6,710,576	\$ 6,710,576
Local Agent Investment Fund, State Treasurer (LAIF)	32.5%	0.35%	23,166,845	23,166,845
Certificate of Deposits	6.3%	1.71%	4,500,000	4,480,828
Cash with Fiscal Agents - Other	3.6%	0.03%	2,553,214	2,553,214
Cash with Fiscal Agents - Northern California Power Agency (NCPA)	15.9%	0.87%	11,362,542	11,362,542
US Government Securities	32.3%	1.59%	23,050,000	23,009,587
Total City Investments	100%	0.90%	\$ 71,343,178	\$ 71,283,592

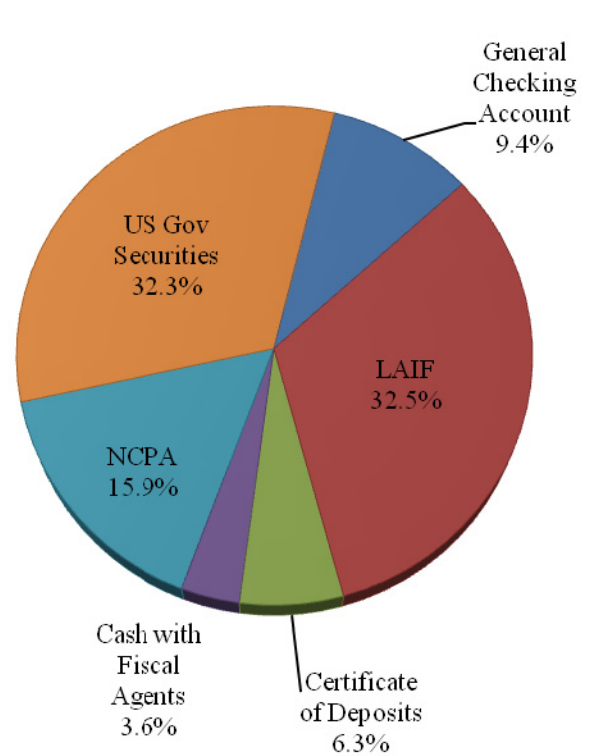
Percentage of Portfolio by Type

December 30, 2014



Total City Investments \$63,622,902

December 30, 2015



Total City Investments \$71,343,178

Quarterly Investment Report

As of December 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%	\$ 4,160	\$ 4,160
Bank of America	0.25%	6,706,416	6,706,416
Total Cash	0.25%	\$ 6,710,576	\$ 6,710,576

Local Agency Investment Fund

<u>California Treasurer</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Fund	0.35%	\$ 23,166,845	\$ 23,166,845
Total LAIF	0.35%	\$ 23,166,845	\$ 23,166,845

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	249,340
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	249,000
GE Capital Bank	1.25%	8/1/2014	8/1/2017	250,000	250,000	249,995
American Express Bank FSB	1.20%	8/7/2014	8/7/2017	250,000	250,000	249,760
Discover Bank	1.25%	8/7/2014	8/7/2017	250,000	250,000	249,958
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	250,000	250,000	248,818
Capital One Bank USA	1.80%	10/16/2014	10/16/2018	250,000	250,000	248,943
Comenity Bank	1.90%	10/22/2014	10/22/2018	250,000	250,000	248,825
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	250,000	250,000	248,758
American Exprecenturion	1.05%	6/10/2015	6/12/2017	250,000	250,000	249,015
Synchrony Bank	2.05%	6/12/2015	6/12/2020	250,000	250,000	246,343
BMW Bank North America	2.25%	7/17/2015	7/17/2020	250,000	250,000	248,835
Everbank Jacksonville Florida	2.00%	8/7/2014	8/7/2017	250,000	250,000	248,878
Capital One Bank NA	2.25%	9/30/2015	9/30/2020	250,000	250,000	248,883
Ally Bank	1.70%	9/28/2015	9/28/2019	250,000	250,000	249,265
Key Bank	1.15%	10/2/2015	10/2/2017	250,000	250,000	249,345
Wells Fargo	1.40%	11/13/2015	11/13/2018	250,000	250,000	248,555
HSBC Bank USA (3.1% Yr 4 & 5)	1.60%	11/17/2015	11/17/2020	250,000	250,000	248,315
Total Certificate of Deposits	1.71%			\$ 4,500,000	\$ 4,500,000	\$ 4,480,828

Cash with Fiscal Agents - Other

<u>Description</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
* Deutsche Bank Fleet - Lease Purchase Fund	0.04%	\$ 1,300,049	\$ 1,300,049
* US Bank - Bond Reserve Account	0.01%	1,253,165	1,253,165
Total Money Market	0.35%	\$ 2,553,214	\$ 2,553,214

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Cash with Fiscal Agent - Northern California Power Agency

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	0.87%	\$ 10,348,708	\$ 10,348,708
* NCPA Restricted Security Account	0.87%	1,013,834	1,013,834
Total Reserve Northern California Power Agency	0.87%	\$ 11,362,542	\$ 11,362,542

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	3,005,610
FHLB - Federal Home Loan Bank	1.28%	9/22/2014	12/22/2017	3,000,000	3,000,000	3,000,060
FHLMC - Freddie Mac - Step Up	1.00%	2/11/2015	2/11/2020	2,000,000	2,000,000	2,000,880
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	1,992,120
FHLMC - Freddie Mac - Step Up	2.00%	6/29/2015	6/30/2020	2,000,000	2,000,000	1,990,620
FHLB - Federal Home Loan Bank	1.83%	7/20/2015	7/29/2020	2,000,000	2,000,000	1,995,920
FFCB - Federal Farm Credit Bank	1.65%	7/29/2015	7/28/2020	2,000,000	2,000,000	2,002,620
FHLMC - Freddie Mac Step Up	1.50%	10/29/2015	10/29/2020	2,000,000	2,000,000	2,000,640
FHLMC - Freddie Mac	1.88%	11/25/2015	11/25/2020	2,000,000	2,000,000	1,980,900
FNMA - Fannie Mae	1.75%	11/25/2015	11/25/2020	1,000,000	1,000,000	989,350
FHLMC - Freddie Mac	2.05%	11/25/2015	11/25/2020	1,000,000	1,000,000	1,000,090
FHLMC - Freddie Mac	2.10%	11/25/2015	11/25/2020	1,050,000	1,050,000	1,050,777
Total Government Securities	1.59%			\$ 23,050,000	\$ 23,050,000	\$ 23,009,587

Investment Activity

Sales/Redemptions	Rate	Purchase/Call Date	Maturity Date	Par Value	Book Value	Market Value
N/A				-	-	-
Total Sales/Redemption				\$ -	\$ -	\$ -

Purchases

Key Bank	1.15%	10/2/2015	10/2/2017	250,000	250,000	249,345
Wells Fargo	1.40%	11/13/2015	11/13/2018	250,000	250,000	248,555
HSBC Bank USA (3.1% Yr 4 & 5)	1.60%	11/17/2015	11/17/2020	250,000	250,000	248,315
FHLMC - Freddie Mac Step Up	1.50%	10/29/2015	10/29/2020	2,000,000	2,000,000	2,000,640
FHLMC - Freddie Mac	1.88%	11/25/2015	11/25/2020	2,000,000	2,000,000	1,980,900
FNMA - Fannie Mae	1.75%	11/25/2015	11/25/2020	1,000,000	1,000,000	989,350
FHLMC - Freddie Mac	2.05%	11/25/2015	11/25/2020	1,000,000	1,000,000	1,000,090
FHLMC - Freddie Mac	2.10%	11/25/2015	11/25/2020	1,050,000	1,050,000	1,050,777
Total Purchases	1.77%			\$ 7,800,000	\$ 7,800,000	\$ 7,767,972

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Summary Information

Years to Maturity	Percent of Portfolio	Book Value
On demand	61.4%	\$ 43,793,178
Within One Year	0.0%	-
One to Two Years	6.3%	4,500,000
Two to Three Years	8.8%	6,250,000
Three to Four Years	1.1%	750,000
Four to Five Years	22.5%	16,050,000
Total City Investments		\$ 71,343,178
Estimate Annually Interest		\$ 641,622
Weighted Average Years to Maturity		1.42

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

/s/ Brad Wilkie
Brad Wilkie, Management Service Director

02/23/16
Date