

City of Lompoc

Quarterly Investment Report



June 30, 2016



Quarterly Investment Report

As of June 30, 2016

Quarterly Reporting

This report presents the City's investment portfolio for the quarter ending June 30, 2016. 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 June 30, 2016 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

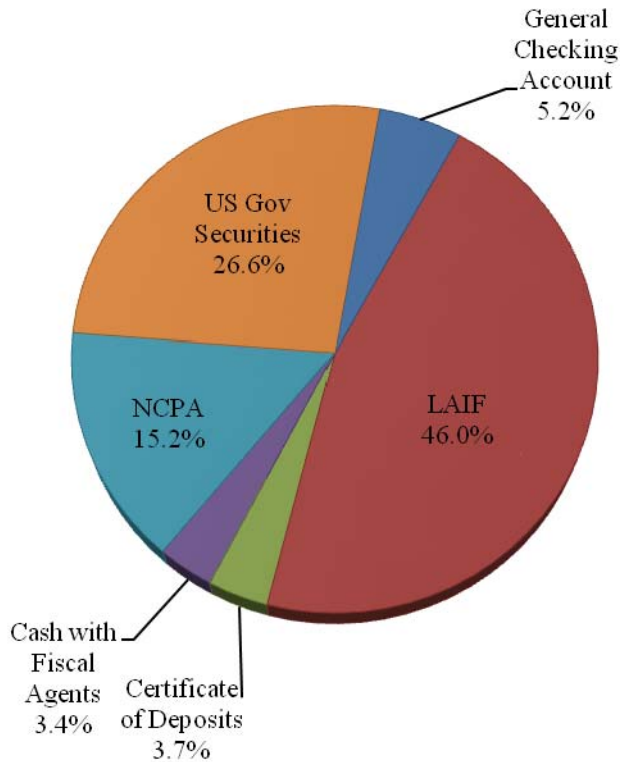
As of June 30, 2016

Current Portfolio Summary

Type of Investments	Percent of Portfolio	Yield	Book Value	Market Value
City Cash & Bank of America - Checking Account	5.9%	0.25%	\$ 4,759,896	\$ 4,759,896
Local Agent Investment Fund, State Treasurer (LAIF)	33.8%	0.43%	27,222,814	27,239,726
Certificate of Deposits	5.6%	1.71%	4,500,000	4,571,085
Cash with Fiscal Agents - Other	4.2%	0.07%	3,385,730	3,385,730
Cash with Fiscal Agents - Northern California Power Agency (NCPA)	14.4%	0.94%	11,562,884	11,562,884
US Government Securities	36.1%	1.56%	29,000,000	29,141,200
Total City Investments	100%	0.96%	\$ 80,431,325	\$ 80,660,521

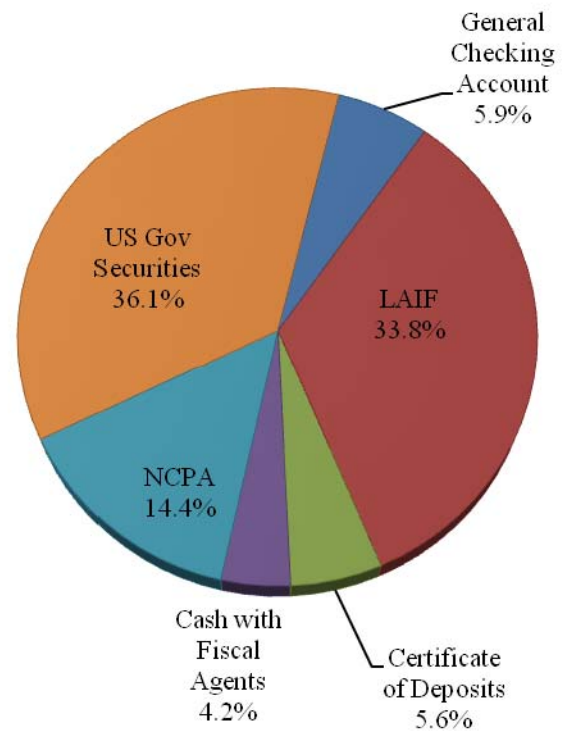
Percentage of Portfolio by Type - Year Over Year

June 30, 2015



Total City Investments \$75,290,974

June 30, 2016



Total City Investments \$80,431,325

Quarterly Investment Report

As of June 30, 2016

City Cash & General Checking

<u>Cash Bank Accounts</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Petty Cash	0.00%	\$ 4,085	\$ 4,085
Bank of America	0.25%	4,755,811	4,755,811
Total Cash	0.25%	\$ 4,759,896	\$ 4,759,896

Local Agency Investment Fund

<u>California Treasurer</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Fund	0.43%	\$ 27,222,814	\$ 27,239,726
Total LAIF	0.43%	\$ 27,222,814	\$ 27,239,726

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	256,165
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	255,868
GE Capital Bank	1.25%	8/1/2014	8/1/2017	250,000	250,000	251,263
American Express Bank FSB	1.20%	8/7/2014	8/7/2017	250,000	250,000	251,133
Discover Bank	1.25%	8/7/2014	8/7/2017	250,000	250,000	251,268
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	250,000	250,000	253,250
Capital One Bank USA	1.80%	10/16/2014	10/16/2018	250,000	250,000	253,368
Comenity Bank	1.90%	10/22/2014	10/22/2018	250,000	250,000	253,320
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	250,000	250,000	253,260
American Exprcenturion	1.05%	6/10/2015	6/12/2017	250,000	250,000	250,395
Synchrony Bank	2.05%	6/12/2015	6/12/2020	250,000	250,000	255,715
BMW Bank North America	2.25%	7/17/2015	7/17/2020	250,000	250,000	258,205
Everbank Jacksonville Florida	2.00%	8/7/2014	8/7/2017	250,000	250,000	258,755
Capital One Bank National Assn.	2.25%	9/30/2015	9/30/2020	250,000	250,000	258,703
Ally Bank	1.70%	9/28/2015	9/28/2019	250,000	250,000	253,525
Key Bank	1.15%	10/2/2015	10/2/2017	250,000	250,000	251,150
Wells Fargo	1.40%	11/13/2015	11/13/2018	250,000	250,000	253,295
HSBC Bank USA (3.1% Yr 4 & 5)	1.60%	11/17/2015	11/17/2020	250,000	250,000	252,450
Total Certificate of Deposits	1.71%			\$ 4,500,000	\$ 4,500,000	\$ 4,571,085

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As of June 30, 2016

Cash with Fiscal Agents - Other

Description	Rate	Book Value	Market Value
* Deutsche Bank Fleet - Lease Purchase Fund	0.17%	\$ 1,301,989	\$ 1,301,989
* US Bank - Bond Reserve Account	0.01%	2,083,741	2,083,741
Total Money Market	0.43%	\$ 3,385,730	\$ 3,385,730

Cash with Fiscal Agent - Northern California Power Agency

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	0.94%	\$ 10,822,416	\$ 10,822,416
* NCPA Restricted Security Account	0.94%	740,468	740,468
Total Reserve Northern California Power Agency	0.94%	\$ 11,562,884	\$ 11,562,884

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	3,003,840
FHLB - Federal Home Loan Bank	1.28%	9/22/2014	12/22/2017	3,000,000	3,000,000	3,027,870
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	2,026,040
FHLB - Federal Home Loan Bank (Bullet)	1.83%	7/20/2015	7/29/2020	2,000,000	2,000,000	2,063,120
FFCB - Federal Farm Credit Bank	1.65%	7/29/2015	7/28/2020	2,000,000	2,000,000	2,001,740
FHLMC - Freddie Mac Step Up	1.50%	10/29/2015	10/29/2020	2,000,000	2,000,000	2,002,140
FNMA - Fannie Mae	1.75%	11/25/2015	11/25/2020	1,000,000	1,000,000	1,002,270
FHLMC - Freddie Mac Step Up	1.25%	2/26/2016	2/26/2021	2,000,000	2,000,000	2,000,720
FHLMC - Freddie Mac Step Up	1.50%	3/30/2016	3/30/2021	2,000,000	2,000,000	2,002,400
FHLB - Federal Home Loan Bank	1.93%	3/30/2016	3/30/2021	1,000,000	1,000,000	1,000,060
FHLMC - Freddie Mac Step Up	1.60%	5/25/2016	5/26/2021	2,000,000	2,000,000	2,001,460
FFCB - Federal Farm Credit Bank	1.67%	6/14/2016	6/14/2021	2,000,000	2,000,000	2,000,860
FFCB - Federal Farm Credit Bank	1.54%	6/14/2016	12/14/2020	2,000,000	2,000,000	2,006,160
FHLMC - Freddie Mac	1.88%	6/30/2016	6/30/2021	3,000,000	3,000,000	3,002,520
Total Government Securities	1.56%			\$ 29,000,000	\$ 29,000,000	\$ 29,141,200

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As of June 30, 2016

Investment Activity						
Sales/Redemptions	Purchase/Call Rate	Date	Maturity Date	Par Value	Book Value	Market Value
Total Sales/Redemption				\$ -	\$ -	\$ -
Purchases						
FHLMC - Freddie Mac Step Up	1.60%	5/25/2016	5/26/2021	2,000,000	2,000,000	2,001,460
FFCB - Federal Farm Credit Bank	1.67%	6/14/2016	6/14/2021	2,000,000	2,000,000	2,000,860
FFCB - Federal Farm Credit Bank	1.54%	6/14/2016	12/14/2020	2,000,000	2,000,000	2,006,160
FHLMC - Freddie Mac	1.88%	6/30/2016	6/30/2021	3,000,000	3,000,000	3,002,520
Total Purchases	1.35%			\$ 9,000,000	\$ 9,000,000	\$ 9,011,000

Summary Information		
Years to Maturity	Percent of Portfolio	Book Value
On demand	58.3%	\$ 46,931,325
Within One Year	0.3%	250,000
One to Two Years	7.8%	6,250,000
Two to Three Years	5.3%	4,250,000
Three to Four Years	1.2%	1,000,000
Four to Five Years	27.0%	21,750,000
Total City Investments		\$ 80,431,325
Estimate Annually Interest		\$ 770,266
Weighted Average Years to Maturity		1.52

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of June 30, 2016 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 "*".

Brad Wilkie, Management Service Director	08/19/16 Date
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