

City of Lompoc

Quarterly Investment Report



December 31, 2018



Quarterly Investment Report

As of December 31, 2018

Quarterly Reporting

This report presents the City's investment portfolio for the quarter ending December 31, 2018. 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, 2018 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

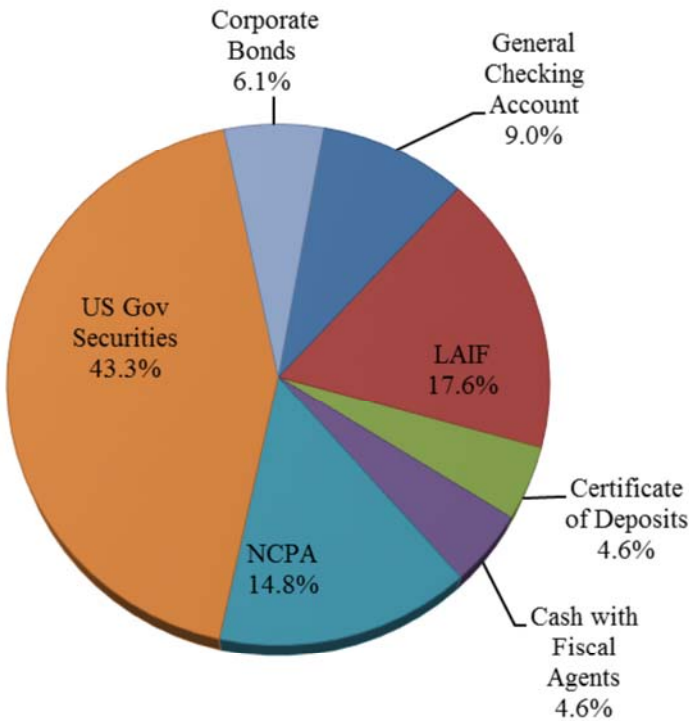
As of December 31, 2018

Current Portfolio Summary

Type of Investments	Percent of Portfolio	Yield	Book Value	Market Value
City Held Cash & Bank of America - Checking Account	2.9%	0.25%	\$ 2,471,907	\$ 2,471,907
Local Agency Investment Fund (LAIF), Ca. State Treasurer	19.6%	2.29%	16,457,228	16,441,613
Certificate of Deposits	3.6%	2.45%	3,000,000	2,957,038
Cash with Fiscal Agents - Other	3.1%	1.74%	2,573,510	2,573,510
Cash with Fiscal Agents - Northern California Power Agency (NCPA)	14.9%	1.66%	12,573,760	12,573,760
US Government Securities	50.0%	1.93%	42,080,000	41,354,791
Corporate Bonds	5.9%	2.50%	5,000,000	4,912,550
Total City Investments	100%	1.96%	\$ 84,156,406	\$ 83,285,168

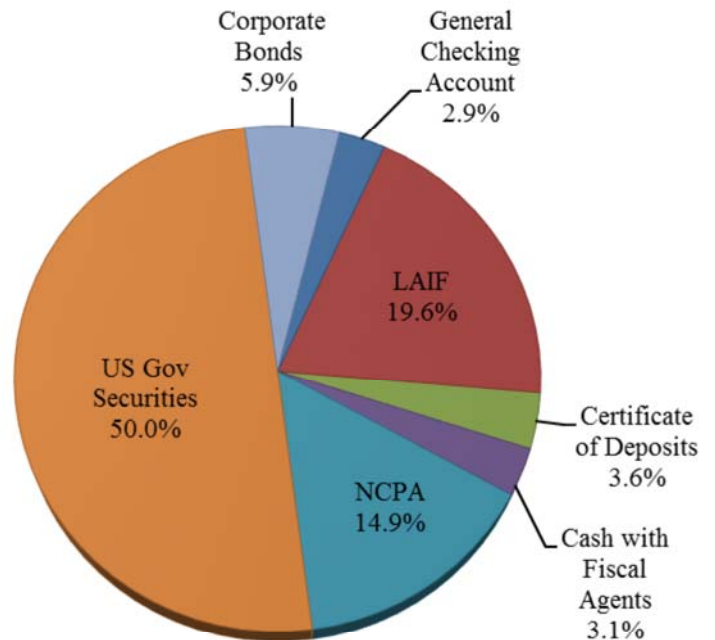
Percentage of Portfolio by Type - Year Over Year

December 31, 2017



Total City Investments \$82,188,967

December 31, 2018



Total City Investments \$84,156,406

Quarterly Investment Report

As of December 31, 2018

City Cash & General Checking

Cash Bank Accounts	Rate	Book Value	Market Value
Petty Cash	0.00%	\$ 4,685	\$ 4,685
Bank of America	0.25%	2,467,222	2,467,222
Total Cash	0.25%	\$ 2,471,907	\$ 2,471,907

Local Agency Investment Fund

California Treasurer	Rate	Book Value	Market Value
Local Agency Investment Fund	2.29%	\$ 16,457,228	\$ 16,441,613
Total LAIF	2.29%	\$ 16,457,228	\$ 16,441,613

Certificate of Deposits

Bank	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	249,193
BMW Bank North America	2.25%	7/17/2015	7/17/2020	250,000	250,000	247,343
Capital One Bank National Assn.	2.25%	9/30/2015	9/30/2020	250,000	250,000	246,928
Everbank	2.00%	9/30/2015	9/30/2020	250,000	250,000	245,870
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	249,135
HSBC Bank USA	3.10%	11/17/2015	11/17/2020	250,000	250,000	249,950
JP Morgan Chase	1.70%	10/19/2016	10/19/2021	250,000	250,000	238,563
Morgan Stanley	2.65%	1/11/2018	1/11/2023	250,000	250,000	242,495
Morgan Stanley Pvt Bank	3.55%	11/8/2018	11/8/2023	250,000	250,000	249,068
State Bank of India	2.25%	1/26/2017	1/26/2022	250,000	250,000	242,908
Synchrony Bank	2.05%	6/12/2015	6/12/2020	250,000	250,000	246,698
Wells Fargo	3.50%	11/9/2018	11/9/2023	250,000	250,000	248,890
Total Certificate of Deposits	2.45%			\$ 3,000,000	\$ 3,000,000	\$ 2,957,038

Cash with Fiscal Agents - Other

Description	Rate	Book Value	Market Value
* Deutsche Bank Fleet - Lease Purchase Fund	1.82%	\$ 330,400	\$ 330,400
* Bank of America - Public Capital Corp	1.12%	1,248,423	1,248,423
* US Bank - Bond Reserve Account	0.83%	994,687	994,687
Total Cash with Fiscal Agent - Other	1.74%	\$ 2,573,510	\$ 2,573,510

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Cash with Fiscal Agent - Northern California Power Agency

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	1.66%	\$ 12,108,133	\$ 12,108,133
* Restricted Security Account	1.66%	465,627	465,627
Total Cash with Fiscal Agent - Northern California Power Agency	1.66%	\$ 12,573,760	\$ 12,573,760

US Government Securities

Security Description	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
FHLMC - Freddie Mac Step Up (8/2019 2.00%)	1.50%	2/26/2016	2/26/2021	\$ 2,000,000	\$ 2,000,000	\$ 1,981,560
FHLMC - Freddie Mac Step Up (8/2019 2.00%)	1.50%	8/29/2016	8/25/2021	2,000,000	2,000,000	1,962,700
FHLMC - Freddie Mac 4yr	1.50%	8/25/2016	8/25/2020	2,000,000	2,000,000	1,962,960
FHLMC - Freddie Mac 5yr	1.65%	9/29/2016	9/29/2021	1,830,000	1,830,000	1,786,208
FHLMC - Freddie Mac	1.65%	11/30/2016	11/24/2021	2,750,000	2,750,000	2,681,443
FHLMC - Freddie Mac 5yr	1.68%	8/25/2016	8/25/2021	2,000,000	2,000,000	1,955,140
FHLMC - Freddie Mac	3.00%	3/15/2018	3/15/2023	1,000,000	1,000,000	1,000,210
FNMA - Fannie Mae	1.75%	11/25/2015	11/25/2020	1,000,000	1,000,000	980,520
FNMA - Fannie Mae	2.00%	1/20/2017	2/5/2022	2,000,000	2,000,000	1,970,400
FNMA - Fannie Mae	1.55%	10/28/2016	10/28/2021	3,000,000	3,000,000	2,893,620
FFCB - Federal Farm Credit Bank	1.54%	6/14/2016	12/14/2020	2,000,000	2,000,000	1,960,120
FFCB - Federal Farm Credit Bank	1.67%	6/14/2016	6/14/2021	2,000,000	2,000,000	1,957,580
FFCB - Federal Farm Credit Bank	2.00%	12/1/2016	6/1/2021	2,000,000	2,000,000	1,973,580
FFCB - Federal Farm Credit Bank	2.01%	12/8/2016	12/8/2021	2,000,000	2,000,000	1,967,440
FFCB - Federal Farm Credit Bank	2.94%	2/15/2018	2/15/2023	1,000,000	1,000,000	1,000,010
FHLB - Federal Home Loan Bank	1.54%	10/6/2016	10/6/2021	3,000,000	3,000,000	2,919,630
FHLB - Federal Home Loan Bank	1.70%	11/23/2016	11/23/2021	2,000,000	2,000,000	1,951,900
FHLB - Federal Home Loan Bank (Bullet)	1.83%	7/20/2015	7/29/2020	2,000,000	2,000,000	1,977,240
FHLB - Federal Home Loan Bank (Bullet)	2.38%	1/8/2018	1/8/2023	3,000,000	3,000,000	2,964,750
FHLB - Federal Home Loan Bank (Bullet)	3.05%	3/29/2018	3/29/2023	1,000,000	1,000,000	1,000,210
FFCB - Federal Farm Credit Bank	3.34%	10/23/2018	10/4/2023	1,000,000	1,000,000	1,004,480
FHLB - Federal Home Loan Bank	3.55%	11/21/2018	11/21/2023	1,500,000	1,500,000	1,503,090
Total Government Securities	1.93%			\$ 42,080,000	\$ 42,080,000	\$ 41,354,791

Corporate Bonds

Security Description	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
Toyota Motor Credit Corp.	2.60%	1/24/2017	1/24/2022	\$ 2,000,000	\$ 2,000,000	\$ 1,968,160
Apple Inc.	2.50%	2/17/2017	2/9/2022	2,000,000	2,000,000	1,968,460
Apple Inc.	2.30%	5/12/2017	5/11/2022	1,000,000	1,000,000	975,930
	2.50%			\$ 5,000,000	\$ 5,000,000	\$ 4,912,550

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Investment Activity						
	Purchase/Call	Maturity	Par	Book	Market	
Sales/Redemptions	Rate	Date	Date	Value	Value	Value
FHLB - Federal Home Loan Bank	1.30%	3/30/2015	10/30/2018	(2,000,000)	(2,000,000)	-
Ally Bank	1.70%	9/28/2015	10/1/2018	(250,000)	(250,000)	-
Capital One Bank USA	1.80%	10/16/2014	10/16/2018	(250,000)	(250,000)	-
Comenity Bank	1.90%	10/22/2014	10/22/2018	(250,000)	(250,000)	-
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	(250,000)	(250,000)	-
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	(250,000)	(250,000)	-
Wells Fargo	1.40%	11/13/2015	11/13/2018	(250,000)	(250,000)	-
Total Sales/Redemption	1.49%			\$ (3,500,000)	\$ (3,500,000)	\$ -
Purchases						
FFCB - Federal Farm Credit Bank	3.34%	10/23/2018	10/4/2023	1,000,000	1,000,000	1,004,480
FHLB - Federal Home Loan Bank	3.55%	11/21/2018	11/21/2023	1,500,000	1,500,000	1,503,090
Morgan Stanley Pvt Bank	3.55%	11/8/2018	11/8/2023	250,000	250,000	249,068
Wells Fargo	3.50%	11/9/2018	11/9/2023	250,000	250,000	248,890
Total Purchases	3.48%			\$ 3,000,000	\$ 3,000,000	\$ 3,005,528

Summary Information		
	Percent of Portfolio	Book Value
Years to Maturity		
On demand	20.9%	\$ 17,619,177
Within One Year	20.1%	16,957,228
One to Two Years	9.8%	8,250,000
Two to Three Years	29.5%	24,830,000
Three to Four Years	8.6%	7,250,000
Four to Five Years	11.0%	9,250,000
Total City Investments		\$ 84,156,406
Estimate Annually Interest		\$ 1,647,562
Weighted Average Years to Maturity		1.91

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of December 31, 2018 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 "*".



Dean Albro, Management Service Director

4/24/19

Date