

City of Lompoc

Quarterly Investment Report



June 30, 2015



Quarterly Investment Report

As of June 30, 2015

Quarterly Reporting

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

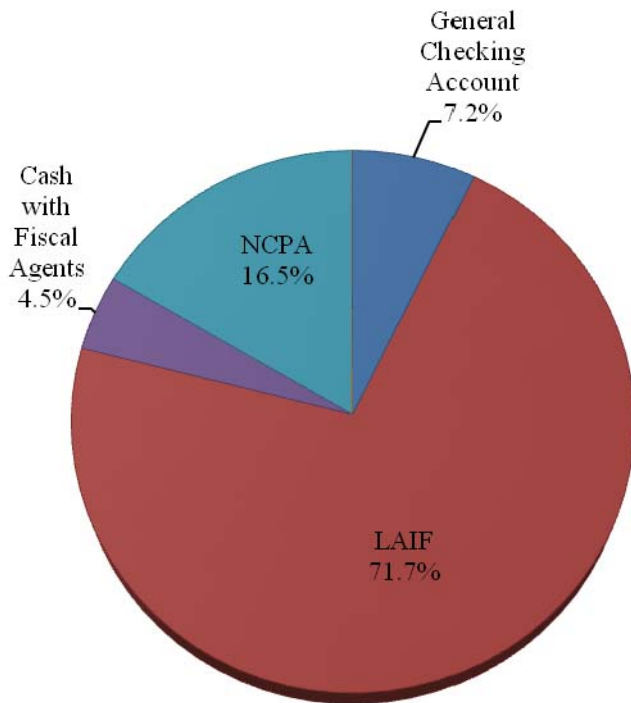
As of June 30, 2015

Current Portfolio Summary

Type of Investments	Percent of Portfolio	Yield	Book Value	Market Value
City Cash & Bank of America - General Checking Account	5.2%	0.25%	\$ 3,947,340	\$ 3,947,340
Local Agent Investment Fund, State Treasurer (LAIF)	46.0%	0.27%	34,620,321	34,633,337
Certificate of Deposits	3.7%	1.67%	2,750,000	2,750,593
Cash with Fiscal Agents	3.4%	0.02%	2,552,997	2,552,997
Northern California Power Agency NCPA	15.2%	0.60%	11,420,316	11,420,316
US Government Securities	26.6%	1.64%	20,000,000	20,039,980
Total City Investments	100%	0.73%	\$ 75,290,974	\$ 75,344,563

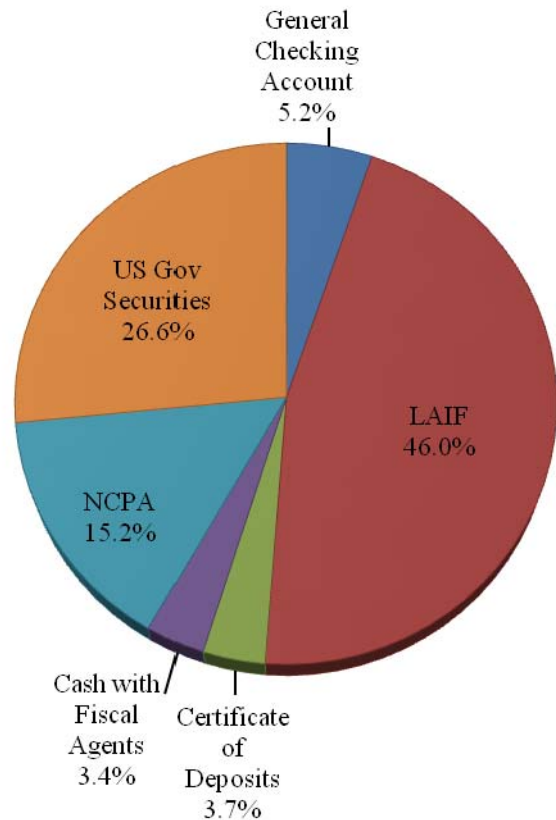
Percentage of Portfolio by Type

June 30, 2014



Total City Investments \$66,352,337

June 30, 2015



Total City Investments \$75,344,154

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City Cash & General Checking

<u>Cash Bank Accounts</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Petty Cash	0.00%	\$ 4,070	\$ 4,070
US Bank - Accrued Interest	0.00%	-	-
Bank of America	0.25%	3,943,270	3,943,270
Total Cash	0.25%	\$ 3,947,340	\$ 3,947,340

Local Agency Investment Fund

<u>California Treasurer</u>	<u>Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Fund	0.27%	\$ 34,620,321	\$ 34,633,337
Total LAIF	0.27%	\$ 34,620,321	\$ 34,633,337

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	250,655
Goldman Sachs Bank USA New York	2.05%	7/23/2014	7/23/2019	250,000	250,000	250,270
Ge Capital Bank	1.25%	8/1/2014	8/1/2017	250,000	250,000	251,005
American Express Bank FSB	1.20%	8/7/2014	8/7/2017	250,000	250,000	250,703
Discover Bank	1.25%	8/7/2014	8/7/2017	250,000	250,000	250,960
Salle Mae Bank Primary	1.90%	10/15/2014	10/15/2018	250,000	250,000	250,175
Capital One bank	1.80%	10/16/2014	10/16/2018	250,000	250,000	250,325
Comenity Bank	1.90%	10/22/2014	10/22/2018	250,000	250,000	250,198
Republic Bank & Trust	1.80%	10/22/2014	10/22/2018	250,000	250,000	250,115
American Exprcenturion	1.05%	6/10/2015	6/12/2017	250,000	250,000	249,590
Synchrony Bank	2.05%	6/12/2015	6/12/2020	250,000	250,000	246,598
Total Certificate of Deposits	1.67%			\$ 2,750,000	\$ 2,750,000	\$ 2,750,593

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%	\$ 1,299,758	\$ 1,299,758
* US Bank - Bond Reserve Account	0.00%	1,253,239	1,253,239
Total Money Market	0.27%	\$ 2,552,997	\$ 2,552,997

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Cash with Fiscal Agent - Northern California Power Agency

NCPA	Rate	Book Value	Market Value
* General Operating Reserves	0.60%	\$ 10,406,482	\$ 10,406,482
* NCPA Restricted Security Account	0.60%	1,013,834	1,013,834
Total Reserve Northern California Power Agency	0.60%	\$ 11,420,316	\$ 11,420,316

US Government Securities

Security Description	Rate	Purchase Date	Maturity Date	Par Value	Book Value	Market Value
FFCB - Federal Farm Credit Bank Chicago	1.90%	7/24/2014	7/24/2019	3,000,000	3,000,000	3,003,150
FNMA - Fannie Mae	1.50%	8/15/2014	8/15/2018	3,000,000	3,000,000	3,009,270
FHLB - Federal Home Loan Bank Chicago	1.28%	9/22/2014	12/22/2017	3,000,000	3,000,000	3,013,410
FHLMC - Freddie Mac	2.00%	12/22/2014	12/17/2019	2,000,000	2,000,000	2,005,280
FHLMC - Freddie Mac - Step Up	1.00%	2/11/2015	2/11/2020	2,000,000	2,000,000	1,999,140
FNMA - Fannie Mae	2.05%	3/18/2015	3/18/2020	2,000,000	2,000,000	2,005,660
FHLB - Federal Home Loan Bank Chicago	1.30%	3/30/2015	3/30/2018	2,000,000	2,000,000	2,002,020
FHLMC - Freddie Mac - Step Up	2.00%	6/29/2015	6/30/2020	2,000,000	2,000,000	2,001,740
FHLB - Federal Home Loan Bank Chicago	2.15%	6/30/2015	6/30/2020	1,000,000	1,000,000	1,000,310
Total Government Securities	1.64%			\$ 20,000,000	\$ 20,000,000	\$ 20,039,980

Investment Activity

Sales/Redemptions	Rate	Purchase/Call Date	Maturity Date	Par Value	Book Value	Market Value
FHLMC - Freddie Mac	1.30%	5/22/2015	5/22/2015	(2,000,000)	(2,000,000)	-
Total Sales/Redemption	1.30%			\$ (2,000,000)	\$ (2,000,000)	\$ -
Purchases						
FHLMC - Freddie Mac - Step Up	2.00%	6/29/2015	6/30/2020	2,000,000	2,000,000	2,001,740
FHLB - Federal Home Loan Bank Chicago	2.15%	6/30/2015	6/30/2020	1,000,000	1,000,000	1,000,310
Total Purchases	2.05%			\$ 3,000,000	\$ 3,000,000	\$ 3,002,050

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Investment Activity						
	Purchase/Call	Maturity		Par	Book	Market
Sales/Redemptions	Rate	Date	Date	Value	Value	Value
FHLMC - Freddie Mac	1.30%	5/22/2015	5/22/2015	(2,000,000)	(2,000,000)	-
Total Sales/Redemption	<u>1.30%</u>			<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>\$ -</u>
Purchases						
FHLMC - Freddie Mac - Step Up	2.00%	6/29/2015	6/30/2020	2,000,000	2,000,000	2,001,740
FHLB - Federal Home Loan Bank Chicago	2.15%	6/30/2015	6/30/2020	1,000,000	1,000,000	1,000,310
Total Purchases	<u>2.05%</u>			<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,002,050</u>

Summary Information		
Years to Maturity	Percent of Portfolio	Book Value
On demand	69.8%	\$ 52,540,974
Within One Year	0.0%	-
One to Two Years	0.3%	250,000
Two to Three Years	7.6%	5,750,000
Three to Four Years	5.3%	4,000,000
Four to Five Years	16.9%	12,750,000
Total City Investments		<u><u>\$ 75,290,974</u></u>
Estimate Annually Interest		<u><u>\$ 536,536</u></u>
Weighted Average Years to Maturity		<u><u>1.14</u></u>

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

/s/ Brad Wilkie
Brad Wilkie, Management Service Director

09/04/15
Date