



# Information Item

**Date: September 6, 2011**

To: Mayor and City Council  
From: Carol Swindell, Director of Finance/City Treasurer  
Subject: City Monthly Cash and Investment Report for April 2011

## **Introduction**

In compliance with the City Charter, State law, and the City's Investment Policy, the attached monthly report provides information concerning City investments and cash held and/or managed by the Director of Finance/City Treasurer as of April 30, 2011.

## **Discussion**

The April 2011 Investment Report highlights changes from March. The value of cash and investments held in the pooled portfolio increased by \$17.5 million in April to \$604.8 million. Revenues typically exceed expenditures in the month of April due to a large property tax apportionment from Los Angeles County. The pooled portfolio yield-to-maturity decreased nine basis points in April to 1.18%. The yield was thirty-five (35) basis points lower than one year earlier. Investment earnings for the month were \$0.3 million. Fiscal year-to-date earnings are down 40.5% from the same period last year reflecting the impact of the record low interest rate environment. Further detail is included in the attached report.

In addition to the pooled portfolio, the City's total cash holdings as of April 30, 2011 included \$32 million in Charnock settlement-related funds, \$67.8 million in debt proceeds held in trust with fiscal agents, \$11.9 million in other funds held in trust, and \$57,222 in petty cash/change funds for a total balance of \$716.6 million.

In compliance with Governmental Accounting Standards, the Monthly Cash and Investment Report provides the fair market value of all investments held by the City, with certain exceptions, as of the last day of the month. The fair market value may be greater or less than the original purchase price (book/reported value) of the investments due to fluctuations in the market resulting in either an unrealized gain or loss for financial disclosure purposes only. Since it is the City's policy to hold most securities to maturity, these fluctuations in market value do not affect the redemption value of the securities or the overall yield to maturity of the portfolio. The book values of investments shown in this report are exclusive of amortization/accretion of premiums/discounts. As of April 30, 2011, the market value of the City's portfolio was about \$0.2 million less than the book value.

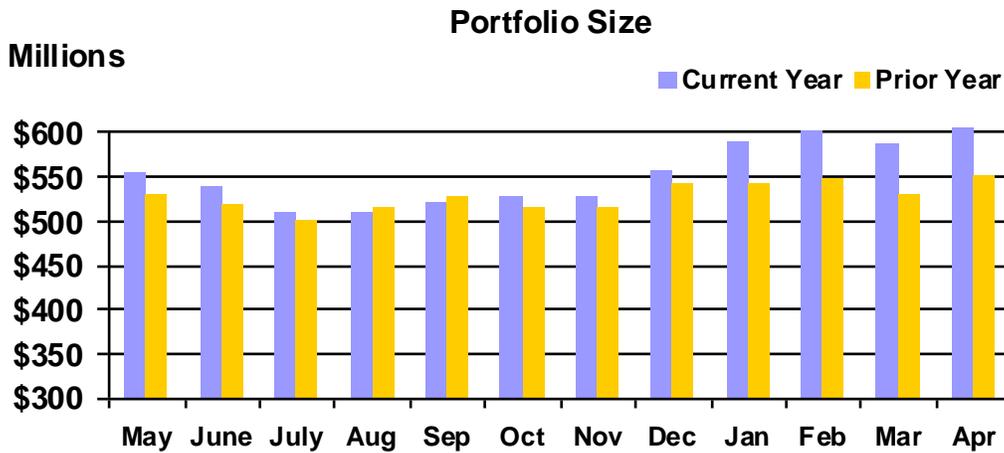
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of April 30, 2011.

Prepared by: David Carr, Treasury Administrator

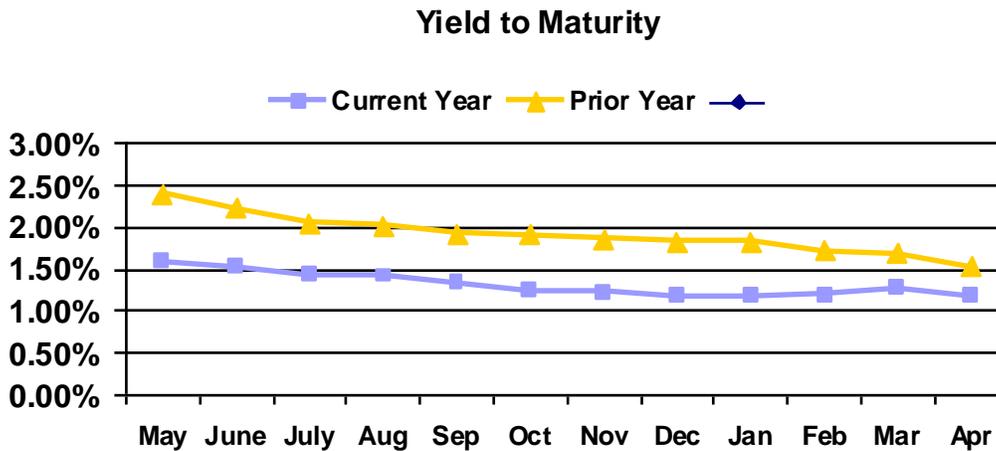
Attachments: 1 – Investment Highlights  
2 – Investment Report

# Investment Highlights

## April 30, 2011

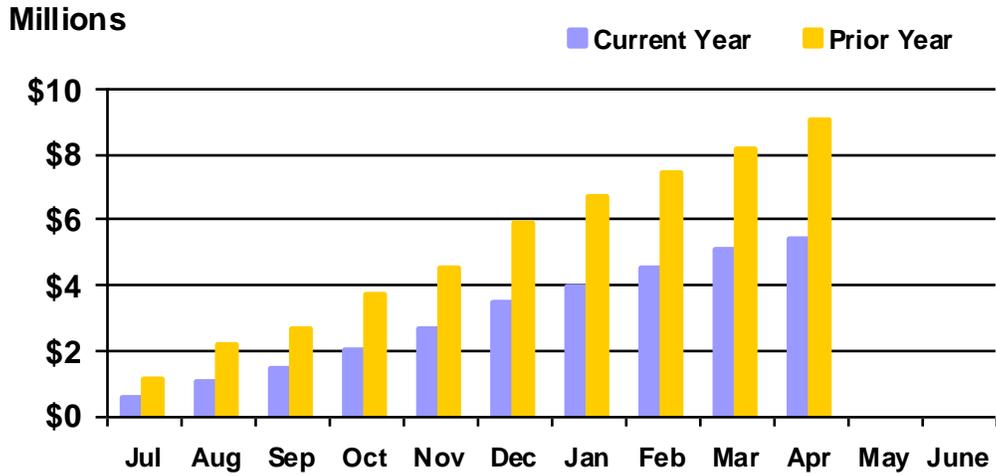


- As of April 30, the portfolio size is \$604.8 million, \$17.5 more than March, and \$53.1 million greater than in April 2010.

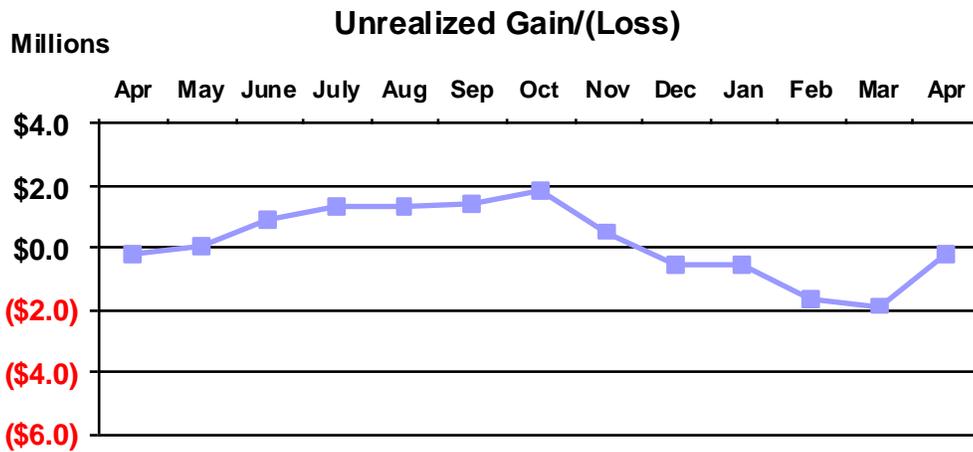


- As of April 30 yield to maturity is 1.18%.
- Decrease of nine basis points from March and thirty-five basis points from one year earlier.

### Fiscal Year-to-Date Interest Earnings (Cumulative by Month)



- April year-to-date earnings are 40.5% less than in the prior year.



- The unrealized loss of \$0.2 million reported as of April 30, 2011 is the difference between market value and the unamortized book value (purchase price).



# Investment Report

## April 2011

Prepared by:  
Carol Swindell, Director of Finance/City Treasurer  
David R. Carr, Treasury Administrator

**City of Santa Monica  
Report of Public Monies Held by the City Treasurer  
As of April 30, 2011**

**Petty Cash/Change Funds** \$57,222.00

**Pooled Portfolio**

Bank of America (1)	
General Account	\$573,454.01
Columbia Money Market Sweep Account	\$8,519,322.20
Total Bank of America	<u>\$9,092,776.21</u>
Bank of New York (BNY)	
Corporate Bonds - FDIC Insured	\$65,846,260.00
Federal Agencies Securities	\$483,302,427.07
Total Bank of New York	<u>\$549,148,687.07</u>
State of California Local Agency Investment Fund - RDA	\$35,085.81
State of California Local Agency Investment Fund - City	<u>\$46,533,537.46</u>

**Total Pooled Portfolio** \$604,810,086.55

**Restricted Cash/Investments Held in Trust/Debt Proceeds**

Union Bank - Redevelopment Agency Credit Line	\$60,004,360.88 *
Union Bank-Earthquake Recovery Redevelopment 2006	
Tax Allocation Refunding Bonds Series A & B	\$5.32
BNY-Library Improvement Project 2002 Series	\$0.12
BNY-Ocean Park Redevelopment Project 2002 Refunding	\$2,465,340.26
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$2.08
BNY-Public Safety Facility Bonds 2002 Series	\$1,355,450.00
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,154,108.45
U.S. Bank-Wastewater Enterprise Revenue Bonds-1993 Refunding	\$0.00
U.S. Bank-Wastewater Enterprise Revenue Bonds-2005 Refunding	\$1.00
Union Bank-Civic Center Parking Project 2004 Lease Revenue Bonds	<u>\$2,826,933.98</u>

\* Includes \$17,500 cash in transit received 5/2/11

**Total Restricted Cash/Investments Held in Trust** \$67,806,202.09

**Charnock Settlement Funds**

Union Bank (December 2006 Settlement)	
Money Market Funds	\$22,387,999.41
Federal Agencies Securities	\$9,585,170.00
Corporate Bonds	\$0.00
Total Union Bank (December 2006 Settlement)	<u>\$31,973,169.41</u>

**Total Charnock Settlement Funds** \$31,973,169.41

**Other Restricted Funds/Funds Held in Trust**

Cemetery Perpetual Care Fund (3)	\$8,127,499.00
Mausoleum Perpetual Care Fund (3)	\$884,965.00
HUD Depository Account (4)	\$2,813,096.30
Public Agency Family Self Sufficiency Program (2)	<u>\$84,955.55</u>

**Total Other Funds Held in Trust** \$11,910,515.85

**GRAND TOTAL** \$716,557,195.90

**City of Santa Monica**  
**Report of Public Monies Held by the City Treasurer**  
**As of April 30, 2011**

- (1) This is the actual bank account balance as of 4/30/11. It only reflects checks and warrants that have been presented for payment and deposits received by the bank. The balance on deposit per the City books would reflect reductions for all checks and warrants issued and an increase for all deposits transmitted. Redevelopment Agency, Housing Authority, and Parking Authority Funds included in totals.
- (2) The City of Santa Monica Housing Authority administers the Family Self Sufficiency Program. An escrow account is set up for each family in the program. The Housing Authority maintains and releases the escrow funds as required by HUD regulations.
- (3) The Cemetery Perpetual Care Funds and the Mausoleum Perpetual Care Funds are held in trust by Charles Schwab & Company, Inc. and administered by the investment firm RNC Genter Capital Management Company. Market value is shown since a large portion of the portfolio is in equities.
- (4) HUD Depository account is used to receive monthly housing assistance payments from HUD.

**City of Santa Monica  
Cash Receipts, Disbursements and Cash Balances\*  
April 30, 2011**

Pursuant to Section 711d of the City Charter, I submit the following:

Cash and Investments - March 31, 2011	587,316,477.90
Receipts	62,964,522.65
Disbursements	(45,470,914.00)
Cash and Investments - April 30, 2011	\$604,810,086.55

\* Pooled portfolio only. Excludes certain investments held in trust by third parties such as bond proceeds, perpetual care funds, and Charnock settlement funds.

Carol Swindell  
Director of Finance/City Treasurer

**Overview**

As of April 30, 2011, total City cash and investments were \$716.6 million, a \$16.7 million increase from March. An increase in April is typical and primarily reflects a scheduled large property tax apportionment from Los Angeles County.

Petty Cash	\$	57,222.00
Pooled Investment Portfolio	\$	604,810,086.55
Restricted Cash/Investment Held in Trust	\$	67,806,202.09
Charnock Settlement Funds	\$	31,973,169.41
Other Funds Held in Trust	\$	11,910,515.85
Total	\$	<u>716,557,195.90</u>

**Definitions**

- Basis Point – One hundredth of one percent (.01%)
- Book (Reported) Value – The price paid for the security at purchase.
- Bullets – A security with a fixed coupon or interest rate that cannot be redeemed by the issuer before the maturity date.
- Callable Securities – A security that can be redeemed by the issuer before the maturity date.
- Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a security. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.
- Market Value – The price at which a security is currently trading and could be presumably bought or sold.
- Par Value – The full face value of the security.
- Rebalancing – Strategy whereby low yielding securities are sold at a loss with the proceeds used to purchase higher yielding securities.
- TLGP (Temporary Loan Guarantee Program) – Federal program through which the Federal Deposit Insurance Corporation guarantees repayment of certain bonds issued by financial institutions.
- Unrealized Gain/Loss – Difference between the current market value and purchase price (book value) of a security.

- Yield to Maturity – The rate of return of a security held to maturity when both interest payments and the investor’s gain or loss (premium paid or discount taken) on the security is taken into account.

**Pooled Investment Portfolio**

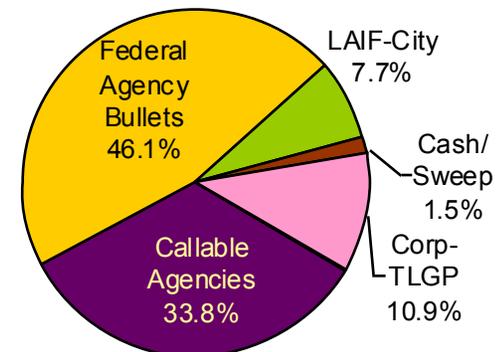
As of April 30, 2011, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$604.8 million, a \$17.5 million increase from March. As noted earlier, the increase reflects receipt of a large property tax apportionment and is a typical pattern for the month of April. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure patterns during the month rather than any realized gains or losses on securities. Additionally, the City does not amortize premiums or accrete discounts except for financial reporting purposes on the last day of each fiscal year. Four investments were made during the month (\$47 million), two investments matured (\$8.3 million), and four investments were called (\$17.1 million). No investments were sold. The net total City and RDA State Local Agency Investment Fund (LAIF) account balances decreased by \$2.5 million in April. The balance of the money market sweep account as of April month-end was \$8.5 million.

Details of the main portfolio follow.

**Portfolio Composition**

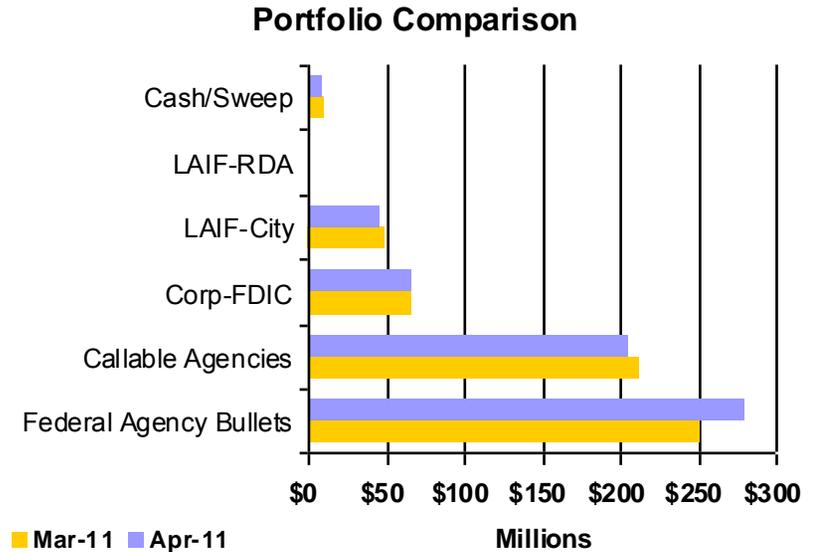
The portfolio is well-diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (79.9%). The remaining 20.1% is invested in the City’s account with the State Local Agency Investment Fund (7.7%); corporate notes (10.9%); all of which are currently FDIC insured bonds (AAA rated) issued under the FDIC’s Temporary Liquidity Guarantee Program (TLGP); and cash including the money market sweep account (1.5%). This portfolio mix allows the City to maintain its primary investment objectives of safety and liquidity while attaining a rate of return consistent with the City’s Investment Policy and Investment Plan.

**Portfolio Composition**



**Portfolio Comparison**

The chart to the right shows the overall structure of the portfolio by type of investment compared to last month. There were no significant changes in April. The City continues to hold a major balance in short term funds as interest rates remain at historic lows, and LAIF is still a significant benefit over other types of investments with maturities one year and under. The bond market, financial and economic conditions, and portfolio structure are continuously evaluated when making investment decisions.



**Rebalancing of Portfolio**

No portfolio rebalancing occurred in April due to the low interest rate environment. However, when rates begin to consistently rise again, rebalancing opportunities will be evaluated.

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
3128X7MN1	10810	Fed Home Loan Mortgage Corp		01/15/2009	5,000,000.00	5,001,400.00	5,206,700.00	3.500	840	1.664	4	05/05/2011
3133XFJY3	10899	Federal Home Loan Bank		01/18/2008	5,000,000.00	5,026,200.00	5,335,350.00	5.250	1,239	3.150	40	06/10/2011
3133XR4U1	10806	Federal Home Loan Bank		01/09/2009	5,000,000.00	5,014,500.00	5,174,150.00	3.125	882	1.650	40	06/10/2011
3133XTX4	10894	Federal Home Loan Bank		08/26/2009	4,000,000.00	4,014,400.00	4,028,360.00	1.625	700	1.250	87	07/27/2011
31331GDC0	10877	Federal Farm Credit Bank		07/17/2009	5,000,000.00	5,078,000.00	5,253,302.16	3.600	819	1.299	166	10/14/2011
3133XV6K2	10903	Federal Home Loan Bank		10/14/2009	5,000,000.00	5,022,900.00	5,011,850.00	1.150	730	1.030	166	10/14/2011
31331JBL6	10921	Federal Farm Credit Bank		01/14/2010	5,000,000.00	5,028,600.00	5,003,900.00	1.100	728	1.060	256	01/12/2012
3133XWFP9	10930	Federal Home Loan Bank		02/04/2010	1,205,000.00	1,212,422.80	1,205,554.30	1.050	750	1.025	299	02/24/2012
3133XYGF7	10965	Federal Home Loan Bank		06/04/2010	5,000,000.00	5,029,100.00	5,011,150.00	1.000	634	0.866	303	02/28/2012
3133XWWW47	11003	Federal Home Loan Bank		10/06/2010	2,000,000.00	2,014,160.00	2,021,720.00	1.125	520	0.360	313	03/09/2012
31398AH54	11028	Federal National Mort Assoc		12/09/2010	5,000,000.00	5,032,000.00	5,032,150.00	1.000	482	0.510	339	04/04/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,078,200.00	5,000,000.00	1.875	1,096	1.875	372	05/07/2012
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,280,250.00	5,620,170.41	5.750	1,212	1.880	377	05/12/2012
3133XWKU5	10980	Federal Home Loan Bank		07/29/2010	5,000,000.00	5,055,650.00	5,058,750.00	1.375	680	0.737	404	06/08/2012
3133XP68	10946	Federal Home Loan Bank		03/26/2010	5,000,000.00	5,051,800.00	4,990,800.00	1.250	854	1.331	453	07/27/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	4,041,600.00	4,000,000.00	1.250	895	1.250	456	07/30/2012
3133XWQ36	10999	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,529,875.00	2,539,400.00	1.375	669	0.514	456	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,084,150.00	5,066,400.00	1.750	980	1.245	467	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,085,550.00	5,056,600.00	1.750	1,007	1.337	479	08/22/2012
3134G1GG1	10981	Fed Home Loan Mortgage Corp		08/13/2010	2,500,000.00	2,518,425.00	2,514,960.00	1.000	746	0.668	485	08/28/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,105,000.00	5,007,335.75	2.000	1,122	1.951	502	09/14/2012
3133XUK93	10995	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,552,500.00	2,571,200.00	2.000	715	0.534	502	09/14/2012
3134G1VG6	11001	Fed Home Loan Mortgage Corp		10/06/2010	3,000,000.00	3,005,490.00	3,006,600.00	0.625	755	0.509	548	10/30/2012
3136FPUC9	11015	Federal National Mort Assoc		11/23/2010	4,000,000.00	3,993,920.00	3,994,480.00	0.500	707	0.572	548	10/30/2012
3134G1WT7	11012	Fed Home Loan Mortgage Corp		11/16/2010	5,000,000.00	4,999,050.00	4,991,650.00	0.515	741	0.612	575	11/26/2012
3134G1WT7	11026	Fed Home Loan Mortgage Corp		12/08/2010	5,000,000.00	4,999,050.00	4,988,858.33	0.515	719	0.638	575	11/26/2012
3136FPM61	11029	Federal National Mort Assoc		12/28/2010	5,000,000.00	5,002,300.00	5,000,000.00	0.875	731	0.875	607	12/28/2012
3133XW7L7	11007	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,061,360.00	4,092,600.00	1.500	804	0.441	626	01/16/2013
31331KAE0	11075	Federal Farm Credit Bank		01/19/2011	5,000,000.00	5,012,800.00	5,000,000.00	0.750	762	0.750	660	02/19/2013
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,546,575.00	2,502,800.00	1.750	1,113	1.709	662	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,366,950.00	5,496,750.00	4.750	1,176	1.570	662	02/21/2013
3133XWX87	10945	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,037,700.00	2,003,100.00	1.750	1,081	1.696	677	03/08/2013
3134G2AQ5	11088	Fed Home Loan Mortgage Corp		03/28/2011	5,000,000.00	5,005,000.00	5,000,000.00	1.000	731	1.000	697	03/28/2013
31398AQ54	10953	Federal National Mort Assoc		05/06/2010	5,000,000.00	5,000,850.00	4,996,250.00	1.875	1,096	1.901	736	05/06/2013
3134G13K8	11059	Fed Home Loan Mortgage Corp		02/25/2011	5,000,000.00	5,010,750.00	4,997,638.89	1.000	819	1.023	754	05/24/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,307,960.00	5,312,250.00	3.750	1,351	1.990	775	06/14/2013

Portfolio INVT

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
3133XYHDO	10962	Federal Home Loan Bank		05/28/2010	5,000,000.00	5,091,800.00	4,995,200.00	1.625	1,113	1.657	775	06/14/2013
3134G16V1	11062	Fed Home Loan Mortgage Corp		03/28/2011	2,500,000.00	2,502,950.00	2,500,000.00	1.050	820	1.050	786	06/25/2013
3134G1US1	10994	Fed Home Loan Mortgage Corp		09/27/2010	5,000,000.00	5,012,550.00	5,000,000.00	1.000	1,004	1.000	788	06/27/2013
313371AR7	10996	Federal Home Loan Bank		10/01/2010	2,500,000.00	2,498,775.00	2,501,475.00	0.750	1,001	0.730	789	06/28/2013
3134G1HW7	10972	Fed Home Loan Mortgage Corp		06/28/2010	5,000,000.00	5,010,850.00	5,000,000.00	1.625	1,096	1.625	789	06/28/2013
3134G2BB7	11078	Fed Home Loan Mortgage Corp		04/05/2011	5,000,000.00	5,007,031.00	4,988,700.00	1.000	822	1.102	796	07/05/2013
3134G1JG0	10973	Fed Home Loan Mortgage Corp		07/08/2010	5,000,000.00	5,004,200.00	5,000,000.00	1.000	1,096	1.000	799	07/08/2013
3134G1U28	11035	Fed Home Loan Mortgage Corp		01/25/2011	2,500,000.00	2,504,550.00	2,500,000.00	1.250	912	1.250	816	07/25/2013
3136FJ4C2	10924	Federal National Mort Assoc		02/23/2010	5,000,000.00	5,058,050.00	5,000,000.00	2.000	1,277	2.000	845	08/23/2013
313370SQ2	10988	Federal Home Loan Bank		08/30/2010	5,000,000.00	5,001,850.00	5,000,000.00	0.500	1,094	0.500	850	08/28/2013
313372H64	11049	Federal Home Loan Bank		01/28/2011	2,200,000.00	2,206,226.00	2,200,000.00	1.000	943	1.000	850	08/28/2013
3133XUPZ0	10942	Federal Home Loan Bank		03/05/2010	3,000,000.00	3,120,510.00	3,076,230.00	2.625	1,288	1.876	866	09/13/2013
313370LB2	10982	Federal Home Loan Bank		08/13/2010	2,500,000.00	2,505,625.00	2,502,850.00	1.000	1,127	0.962	866	09/13/2013
3137EACL1	11002	Fed Home Loan Mortgage Corp		10/06/2010	2,000,000.00	1,995,340.00	2,005,360.00	0.875	1,118	0.787	911	10/28/2013
3137EACL1	11011	Fed Home Loan Mortgage Corp		11/16/2010	4,000,000.00	3,990,680.00	4,007,200.00	0.875	1,077	0.814	911	10/28/2013
3137EACL1	11024	Fed Home Loan Mortgage Corp		12/08/2010	5,000,000.00	4,988,350.00	4,988,000.00	0.875	1,055	0.957	911	10/28/2013
3136FRCD3	11053	Federal National Mort Assoc		03/01/2011	5,000,000.00	5,008,800.00	5,000,000.00	1.500	976	1.500	915	11/01/2013
3133XVWWW7	11048	Federal Home Loan Bank		01/25/2011	5,000,000.00	5,136,750.00	5,152,050.00	2.100	1,035	1.132	939	11/25/2013
3136FPEX1	10989	Federal National Mort Assoc		09/17/2010	2,500,000.00	2,500,781.25	2,500,000.00	1.125	1,187	1.125	961	12/17/2013
313370NL8	10990	Federal Home Loan Bank		08/27/2010	2,500,000.00	2,496,175.00	2,500,650.00	1.000	1,218	0.992	971	12/27/2013
3136FP3T2	11040	Federal National Mort Assoc		01/27/2011	5,000,000.00	5,004,200.00	5,000,000.00	0.750	1,096	0.750	1,002	01/27/2014
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,217,150.00	5,092,600.00	2.750	1,506	2.276	1,011	02/05/2014
31331KCA6	11051	Federal Farm Credit Bank		02/10/2011	2,500,000.00	2,520,725.00	2,500,000.00	1.375	1,096	1.375	1,016	02/10/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,216,000.00	4,117,520.00	3.000	1,461	2.228	1,018	02/12/2014
3135GOAS2	11050	Federal National Mort Assoc		02/25/2011	2,500,000.00	2,508,325.00	2,498,125.00	1.500	1,096	1.526	1,031	02/25/2014
313372U93	11058	Federal Home Loan Bank		03/03/2011	5,000,000.00	5,035,800.00	5,000,000.00	1.400	1,093	1.400	1,034	02/28/2014
313372RP1	11055	Federal Home Loan Bank		03/07/2011	5,000,000.00	5,002,000.00	5,000,000.00	1.000	1,096	1.000	1,041	03/07/2014
31398AVZ2	11016	Federal National Mort Assoc		11/23/2010	3,000,000.00	3,139,920.00	3,175,080.00	2.750	1,206	0.952	1,047	03/13/2014
3136FREA7	11069	Federal National Mort Assoc		03/21/2011	5,000,000.00	5,010,850.00	5,000,000.00	0.875	1,096	0.875	1,055	03/21/2014
3133715D4	11014	Federal Home Loan Bank		11/23/2010	5,000,000.00	4,995,950.00	5,000,000.00	1.375	1,228	1.375	1,069	04/04/2014
31398AXB3	10852	Federal National Mort Assoc		05/05/2009	5,000,000.00	5,000,500.00	5,000,000.00	2.800	1,826	2.800	1,100	05/05/2014
3133XWE70	11008	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,149,480.00	4,237,120.00	2.500	1,317	0.829	1,139	06/13/2014
3133722S2	11025	Federal Home Loan Bank		12/23/2010	4,300,000.00	4,304,558.00	4,300,000.00	1.000	1,278	1.000	1,149	06/23/2014
313371YA8	11018	Federal Home Loan Bank		12/27/2010	2,500,000.00	2,480,175.00	2,500,000.00	1.200	1,278	1.200	1,153	06/27/2014
3135GOAB9	11076	Federal National Mort Assoc		03/30/2011	5,000,000.00	5,015,350.00	5,018,472.22	1.750	1,202	1.750	1,170	07/14/2014
3136FP4G9	11045	Federal National Mort Assoc		01/27/2011	10,000,000.00	10,016,300.00	10,000,000.00	1.000	1,277	1.000	1,183	07/27/2014

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
313372GS7	11046	Federal Home Loan Bank		02/11/2011	5,000,000.00	5,000,700.00	5,000,000.00	1.000	1,277	1.000	1,198	08/11/2014
313371YB6	11022	Federal Home Loan Bank		12/23/2010	2,500,000.00	2,482,725.00	2,500,000.00	1.300	1,370	1.300	1,241	09/23/2014
3134G2CB6	11074	Fed Home Loan Mortgage Corp		04/06/2011	5,000,000.00	5,026,650.00	5,000,000.00	1.650	1,279	1.650	1,254	10/06/2014
313370RB6	10985	Federal Home Loan Bank		08/26/2010	4,000,000.00	4,007,440.00	4,000,000.00	1.000	1,553	1.000	1,305	11/26/2014
3134G2AK8	11070	Fed Home Loan Mortgage Corp		03/30/2011	5,000,000.00	5,041,950.00	5,000,000.00	2.020	1,371	2.020	1,339	12/30/2014
3136FPZ83	11033	Federal National Mort Assoc		12/30/2010	5,000,000.00	5,012,050.00	5,000,000.00	2.000	1,461	2.000	1,339	12/30/2014
31331J7M9	11041	Federal Farm Credit Bank		01/21/2011	5,000,000.00	4,995,050.00	5,000,000.00	2.050	1,461	2.050	1,361	01/21/2015
3136FRCZ4	11061	Federal National Mort Assoc		03/23/2011	5,000,000.00	5,044,850.00	5,000,000.00	2.200	1,461	2.200	1,422	03/23/2015
3136FMXY5	10964	Federal National Mort Assoc		06/15/2010	5,000,000.00	5,010,400.00	5,000,000.00	2.000	1,826	2.000	1,506	06/15/2015
3136FM3T9	10977	Federal National Mort Assoc		07/28/2010	2,500,000.00	2,507,250.00	2,500,000.00	1.550	1,826	1.550	1,549	07/28/2015
3136FM2C7	10975	Federal National Mort Assoc		08/04/2010	5,000,000.00	5,000,400.00	5,000,000.00	1.875	1,826	1.875	1,556	08/04/2015
313370RQ3	10984	Federal Home Loan Bank		09/10/2010	4,000,000.00	3,976,040.00	4,000,000.00	1.850	1,826	1.850	1,593	09/10/2015
3136FPKK2	10991	Federal National Mort Assoc		09/28/2010	5,000,000.00	5,020,600.00	5,000,000.00	1.000	1,826	1.000	1,611	09/28/2015
3136FPQC4	10998	Federal National Mort Assoc		10/15/2010	5,000,000.00	4,988,800.00	5,000,000.00	1.250	1,826	1.250	1,628	10/15/2015
3134G1WL4	11000	Fed Home Loan Mortgage Corp		10/26/2010	3,000,000.00	2,999,370.00	3,000,000.00	1.000	1,826	1.000	1,639	10/26/2015
313371N93	11010	Federal Home Loan Bank		11/23/2010	4,000,000.00	3,928,280.00	4,000,000.00	1.700	1,826	1.700	1,667	11/23/2015
313371KF2	11009	Federal Home Loan Bank		11/24/2010	4,000,000.00	3,973,320.00	4,000,000.00	1.050	1,826	1.050	1,668	11/24/2015
3136FPB22	11013	Federal National Mort Assoc		11/30/2010	2,500,000.00	2,476,650.00	2,500,000.00	2.000	1,826	2.000	1,674	11/30/2015
31331J4J9	11020	Federal Farm Credit Bank		12/07/2010	2,000,000.00	1,978,320.00	2,000,000.00	1.740	1,826	1.740	1,681	12/07/2015
3136FPR66	11027	Federal National Mort Assoc		12/30/2010	5,000,000.00	5,010,100.00	5,000,000.00	2.000	1,826	2.000	1,704	12/30/2015
3134G1P99	11077	Fed Home Loan Mortgage Corp		03/30/2011	5,000,000.00	5,019,800.00	5,026,909.72	2.750	1,750	2.761	1,718	01/13/2016
3134G1T53	11036	Fed Home Loan Mortgage Corp		01/28/2011	2,000,000.00	2,007,480.00	2,000,000.00	2.150	1,826	2.150	1,733	01/28/2016
313372GW8	11064	Federal Home Loan Bank		03/03/2011	5,240,000.00	5,240,786.00	5,243,347.78	1.000	1,805	1.000	1,746	02/10/2016
31331KFK1	11073	Federal Farm Credit Bank		03/24/2011	1,155,000.00	1,155,889.35	1,153,845.00	2.440	1,827	2.461	1,789	03/24/2016
<b>Subtotal and Average</b>			<b>415,573,550.00</b>		<b>400,100,000.00</b>	<b>403,370,454.40</b>	<b>403,873,454.56</b>		<b>1,170</b>	<b>1.359</b>	<b>895</b>	
<b>Federal Agency Discount</b>												
313384FV6	11079	Federal Home Loan Bank		04/25/2011	15,000,000.00	14,999,850.00	14,999,583.33	0.040	25	0.041	19	05/20/2011
313384FV6	11080	Federal Home Loan Bank		04/26/2011	22,000,000.00	21,999,780.00	21,999,486.67	0.035	24	0.035	19	05/20/2011
313588GK5	10967	Federal National Mort Assoc		06/10/2010	7,000,000.00	6,999,860.00	6,967,978.89	0.460	358	0.475	33	06/03/2011
313588HC2	11063	Federal National Mort Assoc		03/03/2011	15,000,000.00	14,999,550.00	14,993,641.67	0.140	109	0.142	50	06/20/2011
313396HD8	10997	Fed Home Loan Mortgage Corp		09/30/2010	2,500,000.00	2,499,925.00	2,495,966.67	0.220	264	0.226	51	06/21/2011
313384JT7	11060	Federal Home Loan Bank		02/28/2011	5,000,000.00	4,999,500.00	4,997,273.61	0.130	151	0.132	89	07/29/2011
313396KU6	11047	Fed Home Loan Mortgage Corp		01/25/2011	3,000,000.00	2,999,340.00	2,996,500.00	0.200	210	0.205	114	08/23/2011
313396L77	11052	Fed Home Loan Mortgage Corp		02/04/2011	5,000,000.00	4,998,050.00	4,993,666.67	0.200	228	0.205	142	09/20/2011
313384PV5	11021	Federal Home Loan Bank		11/30/2010	5,000,000.00	4,996,500.00	4,984,875.00	0.300	363	0.309	211	11/28/2011

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Subtotal and Average</b>			<b>49,096,400.29</b>		<b>79,500,000.00</b>	<b>79,492,355.00</b>	<b>79,428,972.51</b>		<b>126</b>	<b>0.141</b>	<b>55</b>	
<b>Local Agency Investment Funds</b>												
SYS10090	10090	Local Agency Investment Fund			46,533,537.46	46,533,537.46	46,533,537.46	0.588	1	0.588	1	
<b>Subtotal and Average</b>			<b>46,838,279.71</b>		<b>46,533,537.46</b>	<b>46,533,537.46</b>	<b>46,533,537.46</b>		<b>1</b>	<b>0.588</b>	<b>1</b>	
<b>Columbia Money Market Fund</b>												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	8,519,322.20	8,519,322.20	8,519,322.20	0.010	1	0.010	1	
<b>Subtotal and Average</b>			<b>15,219,074.19</b>		<b>8,519,322.20</b>	<b>8,519,322.20</b>	<b>8,519,322.20</b>		<b>1</b>	<b>0.010</b>	<b>1</b>	
<b>Local Agency Investment Funds - RDA</b>												
SYS10092	10092	LAIF - RDA		03/17/2009	35,085.81	35,085.81	35,085.81	0.588	1	0.588	1	
<b>Subtotal and Average</b>			<b>18,712.43</b>		<b>35,085.81</b>	<b>35,085.81</b>	<b>35,085.81</b>		<b>1</b>	<b>0.588</b>	<b>1</b>	
<b>Corporate Bonds</b>												
17314JAK9	10886	Citigroup		08/07/2009	5,000,000.00	5,013,281.00	5,010,400.00	1.500	704	1.391	72	07/12/2011
38146FAF8	10888	Goldman Sachs		08/07/2009	5,000,000.00	5,014,800.00	5,030,000.00	1.625	707	1.310	75	07/15/2011
17314JAN3	10887	Citigroup		08/07/2009	5,000,000.00	5,017,550.00	4,991,600.00	1.375	733	1.460	101	08/10/2011
61757UAF7	10878	Morgan Stanley		07/21/2009	5,000,000.00	5,036,450.00	5,090,200.00	2.000	793	1.155	144	09/22/2011
86801BAB1	10798	Suntrust Bank		12/29/2008	5,000,000.00	5,073,900.00	5,153,450.00	3.000	1,052	1.900	199	11/16/2011
949744AA4	10790	Wells Fargo Bank		12/10/2008	5,000,000.00	5,084,800.00	4,994,150.00	3.000	1,094	3.041	222	12/09/2011
4042EPAA5	10823	HSBC		02/06/2009	5,000,000.00	5,087,900.00	5,151,350.00	3.125	1,043	2.030	229	12/16/2011
9116QHAA5	10842	US Bank		03/13/2009	5,000,000.00	5,085,300.00	4,999,400.00	2.250	1,096	2.254	317	03/13/2012
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,155,350.00	5,199,100.00	3.125	1,242	1.913	411	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,161,150.00	5,206,850.00	3.250	1,236	1.984	411	06/15/2012
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,085,550.00	4,998,450.00	1.950	1,164	1.960	416	06/20/2012
17313YAG6	10895	Citigroup		08/28/2009	2,000,000.00	2,042,560.00	2,015,520.00	2.125	1,049	1.844	438	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,060,090.00	3,011,940.00	1.875	1,113	1.741	540	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,132,500.00	4,993,850.00	2.125	1,353	2.160	605	12/26/2012
<b>Subtotal and Average</b>			<b>65,846,260.00</b>		<b>65,000,000.00</b>	<b>66,051,181.00</b>	<b>65,846,260.00</b>		<b>1,024</b>	<b>1.872</b>	<b>285</b>	
<b>Total and Average</b>			<b>592,592,276.62</b>		<b>599,687,945.47</b>	<b>604,001,935.87</b>	<b>604,236,632.54</b>		<b>911</b>	<b>1.176</b>	<b>636</b>	

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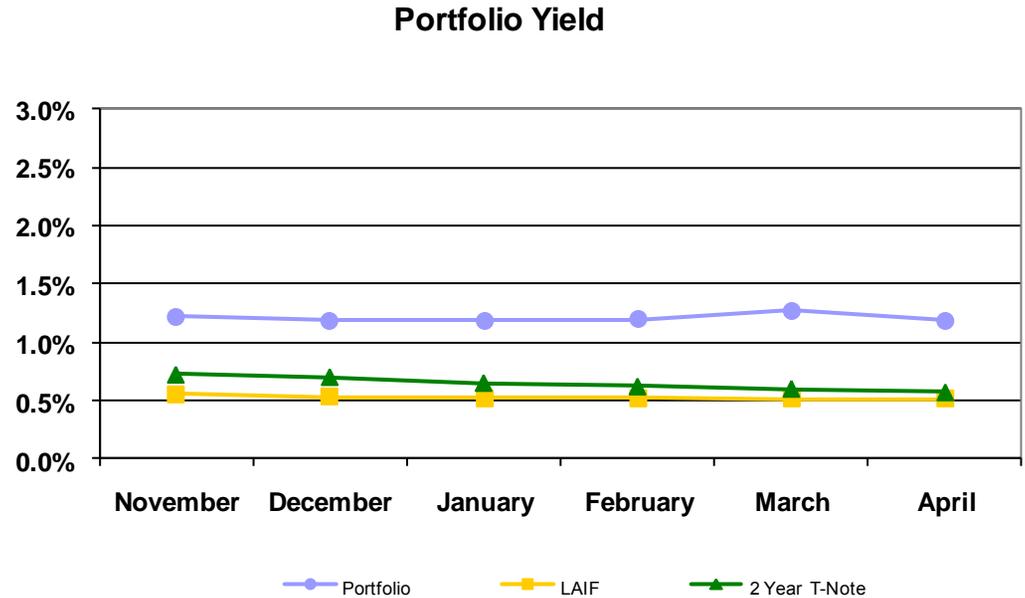
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**City of Santa Monica  
Portfolio Management  
Activity By Type  
April 1, 2011 through April 30, 2011**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Federal Agency Coupon</b>							
31331YG46	10865	Federal Farm Credit Bank	2.625	04/21/2011	0.00	5,145,915.57	
31331JJW4	10949	Federal Farm Credit Bank	1.230	04/05/2011	0.00	2,105,000.00	
313372RQ9	11054	Federal Home Loan Bank	3.000	04/15/2011	0.00	5,000,000.00	
3128X8TZ5	10844	Fed Home Loan Mortgage Corp	2.500	04/08/2011	0.00	5,000,000.00	
3134G1T87	11034	Fed Home Loan Mortgage Corp	0.750	04/28/2011	0.00	5,000,000.00	
3134G2CB6	11074	Fed Home Loan Mortgage Corp	1.650	04/06/2011	5,000,000.00	0.00	
3134G2BB7	11078	Fed Home Loan Mortgage Corp	1.000	04/05/2011	4,988,700.00	0.00	
31359MM26	10750	Federal National Mort Assoc	5.125	04/15/2011	0.00	3,134,760.00	
		<b>Subtotal</b>			<b>9,988,700.00</b>	<b>25,385,675.57</b>	<b>403,873,454.56</b>
<b>Federal Agency Discount</b>							
313384FV6	11079	Federal Home Loan Bank	0.040	04/25/2011	14,999,583.33	0.00	
313384FV6	11080	Federal Home Loan Bank	0.035	04/26/2011	21,999,486.67	0.00	
		<b>Subtotal</b>			<b>36,999,070.00</b>	<b>0.00</b>	<b>79,428,972.51</b>
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS10090	10090	Local Agency Investment Fund	0.381		61,266.61	2,500,000.00	
		<b>Subtotal</b>			<b>61,266.61</b>	<b>2,500,000.00</b>	<b>46,533,537.46</b>
<b>Columbia Money Market Fund (Monthly Summary)</b>							
SYS10091	10091	Columbia Money Market Reserves	0.010		55,431,300.36	56,889,989.40	
		<b>Subtotal</b>			<b>55,431,300.36</b>	<b>56,889,989.40</b>	<b>8,519,322.20</b>
<b>Local Agency Investment Funds - RDA (Monthly Summary)</b>							
SYS10092	10092	LAIF - RDA	0.381		35,085.81	0.00	
		<b>Subtotal</b>			<b>35,085.81</b>	<b>0.00</b>	<b>35,085.81</b>
<b>Corporate Bonds</b>							
		<b>Subtotal</b>					<b>65,846,260.00</b>
		<b>Total</b>			<b>102,515,422.78</b>	<b>84,775,664.97</b>	<b>604,236,632.54</b>

**Portfolio Yield**

The portfolio yield-to-maturity was 1.18% as of April 30, 2011, down nine (9) basis points from March and thirty-five (35) basis points from April 2010. The extended record low interest rate environment continues to affect portfolio returns. This month's yield is three hundred eight-two (382) basis points below the most recent high mark of 5.1% in September 2007 and continues near the lowest point for which records are available. The chart compares the month-end portfolio yield to the twelve-month moving averages of the two-year Constant Maturing Treasury security yield (CMT) and State Local Agency Investment Fund (LAIF) yield.



Interest rates in the two to five year maturity range dropped sharply in April after increasing for two consecutive months and remained near historically low levels. The month-end two year CMT decreased nineteen (19) basis points in April is just twenty-seven (27) basis points more than the all-time low of October 2010, and is thirty-six (36) basis points less than one year earlier. The twelve month moving average of the CMT was three (3) basis points lower in April and is four hundred seventeen (417) basis points off its February 2007 high. Rates are now expected to remain relatively low into 2013. LAIF rates also continue to reflect the low interest rate environment. The twelve month moving average LAIF yield of 0.51% was unchanged in April, and has not shown a monthly increase in over forty months. The monthly LAIF yield for April was 0.59% up nine basis points from March. However, this increase was due to one-time capital gains and the rate is expected to decrease significantly over the next several months.

At its April 2011 meeting, the Federal Open Market Committee (Fed) left the target Fed Funds rate remained unchanged at a range of 0% to 0.25%. Fed policy statements have indicated that they intend to keep rates at low levels for an extended time period. The economy continued to show some positive signs in April, but concerns regarding the long term health of the economy remain. Renewed slowing occurred in the housing market as prices showed year over year decreases, foreclosures

remained very high, and some analysts are beginning to project a “double dip” in the housing market. There is also growing concern about the economic situation in Europe as several countries have very high and unsustainable debt loads. The national unemployment rate increased from 8.8% to 9% in April after four months of decreases and continues to hinder economic growth. However, the economy did add 244,000 jobs during the month. Economic growth in the first quarter as measured by GDP was a weak 0.4%. However, the stock market continued its strength of the prior few months as the Dow Jones Industrial Average increased about 4% in April and was up 28% since the most recent high point at end of August. Most economists now expect slow to mild economic growth for the remainder of 2011 and into 2012.

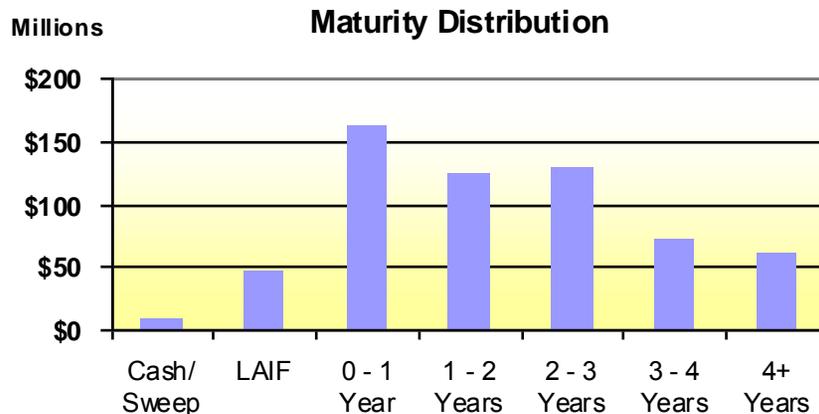
The City’s portfolio yield-to-maturity has decreased significantly over the last four years as interest rates have reached historic lows resulting in many investments being called and reinvested at lower rates. Overall, the yield will likely continue to decrease over the next few months, but the market continues to be volatile, so yields could vary on a month-to-month basis. More bonds will be called in the next few months as interest rates are expected to remain near historic lows.

Investment earnings in April were \$0.4 million. Fiscal year-to-date earnings are down 40.5% from the same period last year.

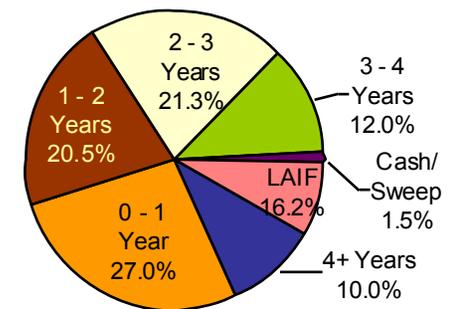
**Maturity Distribution**

The weighted average days to maturity as of April 30, 2011 is 636 days (1.74 years), fifty-nine less than the prior month. Due to the large number of bonds maturing and called, staff was able to diversify and invest some funds in bonds with longer maturities to take advantage of the yield curve. However, as noted elsewhere in this report, the current volatile and low interest rate environment continues to result in bonds being called, and the portfolio’s

average days to maturity may vary over the next several months. Investments continue to be made primarily in maturities of three years or less as rates are not expected to begin a period of significant increase until a number of months in



**Portfolio Maturities**



the future. However, since most of the bonds being called have longer maturities, some bonds of longer maturities are being purchased to replace the called bonds and maintain appropriate diversification in the portfolio.

### **Unrealized Gains/Losses**

The Governmental Accounting Standards Board Statement No. 31 (GASB 31) requires public agencies to report all investments, with certain exceptions, at current fair market value rather than at the original purchase price. Current fair market value is defined in GASB 31 as “the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.”

The current fair market value and unrealized gain/loss of a security do not affect its redemption value or yield if held to maturity. There is an inverse relationship between the price of the bond and the market interest rate. The City’s practice is to purchase most securities with the intent to hold them to maturity. Book value and market values are exclusive of interest realized to date on investments. Also, the book value shown is the purchase price and is exclusive of any amortization of premiums or accretion of discounts. As of April 30, 2011, the market value and the book value of the City’s pooled investments (excluding cash) are:

Market Value	\$	604,001,935.87
Book Value (purchase price)		604,236,632.54
		(234,696.67)
Unrealized Gain/(Loss)	\$	(234,696.67)

### **Charnock Settlement**

All remaining restricted settlement funds are now held in an escrow account with Union Bank to be used to pay for the costs of design, construction, and operation of the water treatment facility at the Charnock Wells. These funds are invested under the same guidelines as the pooled portfolio with maturity dates to match the estimated cash flow needs of the Water Treatment Facility project. In accordance with the December 2006 settlement agreement, investment income earned in the escrow account is not restricted for use on the project. In August 2009, all investment income earned from date of account opening (December 2006) through July 2009 was transferred to the City (approximately \$9.7 million) and interest is now being transferred on a monthly basis. Funds remaining in the account (approximately \$32 million) should be sufficient to cover remaining costs related to construction of the facility and operations for the first three to four years. Construction was

completed near the end of 2010 and the plant is now operational. The yield to maturity on these funds as of April 30, 2011 is 0.67%. On April 30, 2011, the portfolio showed an unrealized loss of \$263,430. The weighted average days-to-maturity was 57 days. Most investments are being held in very short maturity/low yield investments.

### **RDA Credit Line Proceeds**

In March, the Santa Monica Redevelopment Agency established a \$60 million line of credit with Wells Fargo Bank to be used to finance certain capital projects. The credit line was drawn down in its entirety with funds transferred to a new custodial account with Union Bank. The funds have been invested to match cash flow requirements of eligible capital projects. As of April 30, \$42.1 million had been invested in Federal agency securities with the remainder invested in a money market mutual fund. The month-end yield to maturity was 0.36%. The weighted average days to maturity was 323 days. The month-end unrealized gain was approximately \$8,500.

### **Compliance**

California State law and the City's Investment Policy set certain legal standards for allowable investments that can be included in the City's portfolio. Additionally, there are certain maximum limits for classes of investments, as well as minimum credit quality requirements. In testing for compliance, the City considers all funds under the direct control and invested directly by the City including the pooled portfolio and the Water Treatment Facility account. Bond proceeds and the Cemetery and Mausoleum Perpetual Care Funds are excluded.

The following tables summarize portfolio compliance as of April 30, 2011; all investments were in compliance with State law and the City's Investment Policy at the time of purchase. State law requires that any investment subject to a credit downgrade subsequent to the time of purchase shall be reviewed for possible sale within a reasonable amount of time after the downgrade. As of the date of this report, the portfolio includes no bonds that have been downgraded since the time of purchase and all remaining corporate bonds are FDIC insured and rated AAA.

Further detail regarding City compliance with State law and City investment guidelines is presented as follows:

**SM Water Treatment Facility  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Sweep Fund</b>												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	22,387,999.41	22,387,999.41	22,387,999.41	0.020	0.020	0.020	1	
<b>Subtotal and Average</b>			<b>21,789,132.33</b>		<b>22,387,999.41</b>	<b>22,387,999.41</b>	<b>22,387,999.41</b>		<b>0.020</b>	<b>0.020</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>												
3137EAAF6	42	Federal Home Loan Mortgage Cor		04/16/2008	4,200,000.00	4,245,990.00	4,497,570.00	5.250	2.910	2.950	78	07/18/2011
3133XT2T2	57	Federal Home Loan Bank		07/17/2009	5,000,000.00	5,075,750.00	5,087,600.00	2.250	1.529	1.550	285	02/10/2012
<b>Subtotal and Average</b>			<b>10,309,048.68</b>		<b>9,200,000.00</b>	<b>9,321,740.00</b>	<b>9,585,170.00</b>		<b>2.177</b>	<b>2.207</b>	<b>188</b>	
<b>Total and Average</b>			<b>32,098,181.00</b>		<b>31,587,999.41</b>	<b>31,709,739.41</b>	<b>31,973,169.41</b>		<b>0.666</b>	<b>0.676</b>	<b>57</b>	

**Santa Monica Custodial 2011  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Sweep Account</b>												
SYS2000	2000	Blackrock Institutional Funds		03/24/2011	17,857,069.61	17,857,069.61	17,857,069.61	0.020		0.020	1	
<b>Subtotal and Average</b>			<b>20,596,965.11</b>		<b>17,857,069.61</b>	<b>17,857,069.61</b>	<b>17,857,069.61</b>			<b>0.020</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>												
3133TXH4	2001	Federal Home Loan Bank		03/31/2011	2,500,000.00	2,509,000.00	2,519,097.22	1.625		0.148	87	07/27/2011
313373BP6	2007	Federal Home Loan Bank		04/11/2011	8,300,000.00	8,303,154.00	8,298,174.00	0.300		0.320	365	04/30/2012
31398AT77	2006	Federal National Mortgage Asso		04/01/2011	12,700,000.00	12,812,395.00	12,834,445.38	1.125		0.470	456	07/30/2012
3136FPUC9	2002	Federal National Mortgage Asso		03/31/2011	8,400,000.00	8,387,232.00	8,377,824.00	0.500		0.668	548	10/30/2012
3137EACJ6	2003	Federal Home Loan Mortgage Cor		03/31/2011	6,900,000.00	7,029,306.00	7,004,328.00	1.625		0.874	715	04/15/2013
<b>Subtotal and Average</b>			<b>36,308,854.90</b>		<b>38,800,000.00</b>	<b>39,041,087.00</b>	<b>39,033,868.60</b>			<b>0.532</b>	<b>479</b>	
<b>Federal Agency Disc. -At Cost</b>												
313396JJ3	2005	Federal Home Loan Mortgage Cor		04/01/2011	900,000.00	899,919.00	899,670.00	0.120		0.122	80	07/20/2011
313396RY1	2004	Federal Home Loan Mortgage Cor		04/01/2011	2,200,000.00	2,197,778.00	2,196,252.67	0.210		0.217	262	01/18/2012
<b>Subtotal and Average</b>			<b>3,095,922.67</b>		<b>3,100,000.00</b>	<b>3,097,697.00</b>	<b>3,095,922.67</b>			<b>0.189</b>	<b>209</b>	
<b>Total and Average</b>			<b>60,001,742.68</b>		<b>59,757,069.61</b>	<b>59,995,853.61</b>	<b>59,986,860.88</b>			<b>0.362</b>	<b>323</b>	

**Portfolio Allocation as of 4/30/11**

	Pooled Portfolio	SM Water Treatment Facility Account (1)	Total Portfolio (2) (4)	% of Portfolio	Legal/Policy Limit	In Compliance (Yes/No)
<b>Federal Agency Securities</b>						
Federal Home Loan Bank	\$203,730,481.85	\$5,087,600.00	\$208,818,081.85	32.8%	50.0%	Yes
Federal National Mortgage Association	144,831,927.78	0.00	144,831,927.78	22.7%	50.0%	Yes
Federal Home Loan Mortgage Corporation	97,208,650.28	4,497,570.00	101,706,220.28	16.0%	50.0%	Yes
Federal Farm Credit Bank	37,531,367.16	0.00	37,531,367.16	5.9%	50.0%	Yes
<b>Total Federal Agency Securities</b>	<b>\$483,302,427.07</b>	<b>9,585,170.00</b>	<b>492,887,597.07</b>	<b>77.4%</b>	<b>n/a</b>	<b>Yes</b>
<b>Corporate Bonds</b>						
Corporate Bonds - TGLP (FDIC Insured)	\$65,846,260.00	\$0.00	65,846,260.00			
Corporate Bonds - Other	\$0.00		0.00			
<b>Total Corporate Bonds</b>	<b>\$65,846,260.00</b>	<b>\$0.00</b>	<b>\$65,846,260.00</b>	<b>10.3%</b>	<b>30.0%</b>	<b>Yes</b>
<b>Money Market Mutual Funds</b>						
Columbia Money Market Reserves Advisor Class	8,519,322.20		8,519,322.20	1.3%	10.0%	Yes
BlackrockT-Find Cash Management Sweep		22,387,999.41	22,387,999.41	3.5%	10.0%	Yes
<b>Total-Money Market Mutual Funds</b>	<b>\$8,519,322.20</b>	<b>\$22,387,999.41</b>	<b>\$30,907,321.61</b>	<b>4.9%</b>	<b>20.0%</b>	<b>Yes</b>
<b>State Local Agency Investment Fund-City</b>	<b>\$46,533,537.46</b>		<b>\$46,533,537.46</b>	<b>7.3%</b>	<b>\$50 million</b>	<b>Yes</b>
<b>State Local Agency Investment Fund-RDA</b>	<b>\$35,085.81</b>		<b>\$35,085.81</b>	<b>0.0%</b>	<b>\$50 million</b>	<b>Yes</b>
<b>Cash (3)</b>	<b>573,454.01</b>		<b>573,454.01</b>	<b>0.1%</b>	<b>None</b>	<b>Yes</b>
<b>Total (Book Value)</b>	<b>\$604,810,086.55</b>	<b>\$31,973,169.41</b>	<b>\$636,783,255.96</b>	<b>100.00%</b>		

**Notes:**

- (1) Held by Union Bank
- (2) Excludes bond proceeds, funds held in trust for others, petty cash accounts, and other funds which are not entirely under City ownership and control
- (3) City's general bank account held at Bank of America. Does not include balance of HUD depository account (\$2,813,096.30)
- (4) Value used to test compliance is reported value (book value plus unrealized purchased interest).

**Credit Ratings - Corporate Medium Term Notes**

	Standard & Poors/ Fitch		Moody's	In Compliance (Yes/No)
<b>Best Quality</b>	AAA		Aaa	Yes
	AA+		Aa1	Yes
<b>High Quality</b>	AA		Aa2	Yes
	AA-		Aa3	Yes
	A+		A1	Yes
<b>Upper Medium Grade</b>	A		A2	Yes
	A-		A3	Yes
	BBB+		Baa1	No
<b>Medium Grade</b>	BBB		Baa2	No
	BBB-		Baa3	No

Security	Pooled Portfolio	MTBE Custodial Account	SM Water Treatment Facility Account	Total Portfolio	Credit Rating*	In Compliance (Yes/No)
<b>Corporate - TLGP (FDIC Guaranteed)</b>						
Bank of America 3.125% (TLGP) 6/15/2012	\$5,199,100.00			\$5,199,100.00	AAA	Yes
Suntrust Bank 3% (TLGP) maturing 11/16/11	\$5,153,450.00			\$5,153,450.00	AAA	Yes
Goldman Sachs 3.25% (TLGP) 6/15/2012	\$5,206,850.00			\$5,206,850.00	AAA	Yes
Goldman Sachs 1.625% (TLGP) 7/15/11	\$5,030,000.00			\$5,030,000.00	AAA	Yes
HSBC 3.125% (TLGP) maturing 12/16/11	\$5,151,350.00			\$5,151,350.00	AAA	Yes
JP Morgan Chase 2.125% (TLGP) maturing 12/26/12	\$4,993,850.00			\$4,993,850.00	AAA	Yes
Wells Fargo Bank 3% (TLGP) maturing 1/12/11	\$4,994,150.00			\$4,994,150.00	AAA	Yes
Morgan Stanley 1.95% (TLGP) maturing 6/20/12	\$4,998,450.00			\$4,998,450.00	AAA	Yes
Morgan Stanley 2% (TLGP) maturing 9/22/11	\$5,090,200.00			\$5,090,200.00	AAA	Yes
U.S. Bank 2.25% (TLGP) maturing 3/13/12	\$4,999,400.00			\$4,999,400.00	AAA	Yes
Citigroup 2.125% (TLGP) maturing 7/12/12	\$2,015,520.00			\$2,015,520.00	AAA	Yes
Citigroup 1.5% (TLGP) maturing 7/12/11	\$5,010,400.00			\$5,010,400.00	AAA	Yes
Citigroup 1.875% (TLGP) maturing 10/22/12	\$3,011,940.00			\$3,011,940.00	AAA	Yes
Citigroup 1.375% (TLGP) maturing 8/10/11	\$4,991,600.00			\$4,991,600.00	AAA	Yes

\* Per Standard and Poors

**Certification**

In compliance with California Government Code Section 53546 as amended January 1, 1996, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

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Carol Swindell, Director of Finance/City Treasurer