City of
Santa Monica®

Information Item

Date: June 14, 2012

To: Mayor and City Council

From: Gigi Decavalles-Hughes, Director of Finance/City Treasurer

Subject: City Monthly Cash and Investment Report for March 2012

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 March 31, 2012.

Discussion

The March 2012 Investment Report highlights changes from February. The value of cash and investments held in the pooled portfolio decreased by $4.9 million to $571.8 million. The pooled portfolio yield-to-maturity of 0.94% was two basis points less than in February and thirty-three basis points less than one year earlier. Investment earnings for the month were $0.5 million. Fiscal year-to-date earnings are down 3.2% from the same period last year. Interest rates have remained near record lows resulting in callable investments being called and reinvested in lower yielding investments. Current projections are that FY 2011-12 interest earnings (exclusive of year-end adjustments) will be similar to FY 2010-11 results. However, earnings could fall short of expectations without some modest upturn in interest rates.

In addition to the pooled portfolio, the City's total cash holdings as of March 31, 2012 included $28.8 million in Charnock settlement-related funds held in an escrow account at Union Bank, $142.2 million in debt proceeds held in trust with various fiscal agents, $11.4 million in other funds held in trust, and $54,422 in petty cash/change funds for a total balance of $754.2 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 March 31, 2012, the market value of the City's portfolio was about $0.4 million less than the book value.

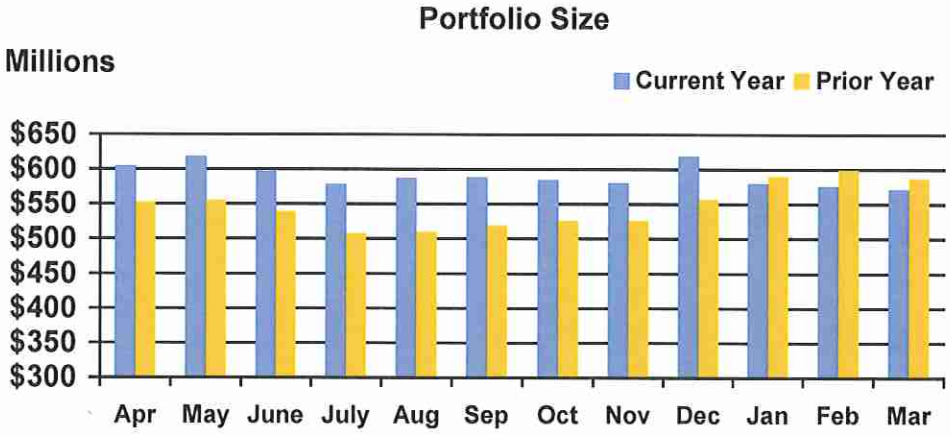
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of March 31, 2012.

Prepared by: David Carr, Treasury Administrator

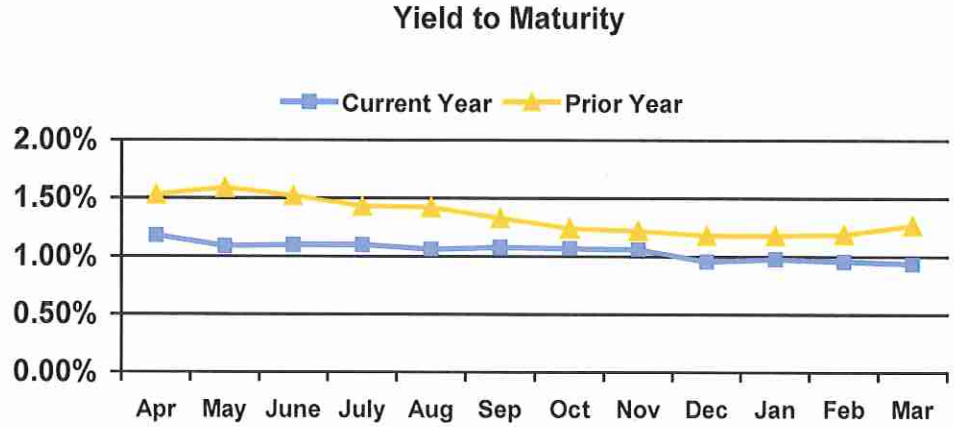
Attachments: 1 – Investment Highlights
2 – Investment Report

ATTACHMENT 1

Investment Highlights
March 31, 2012

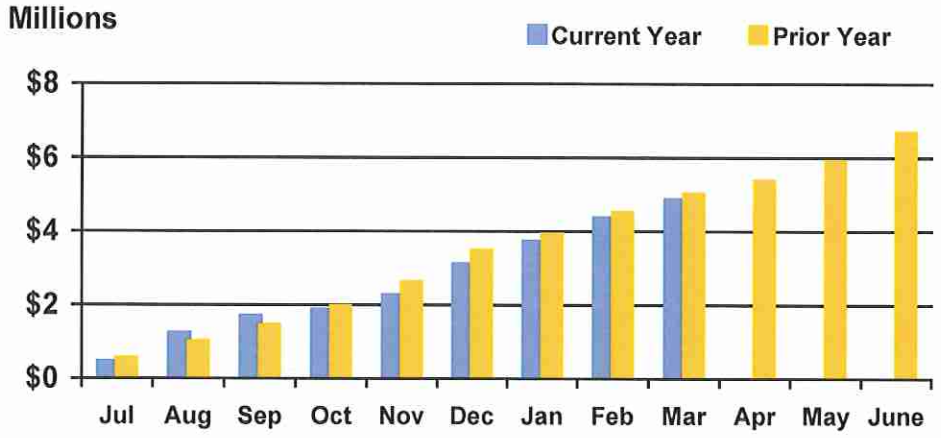


- As of March 31, the portfolio size is $571.8 million, $4.9 million less than in February and $15.5 million less than in March 2011.



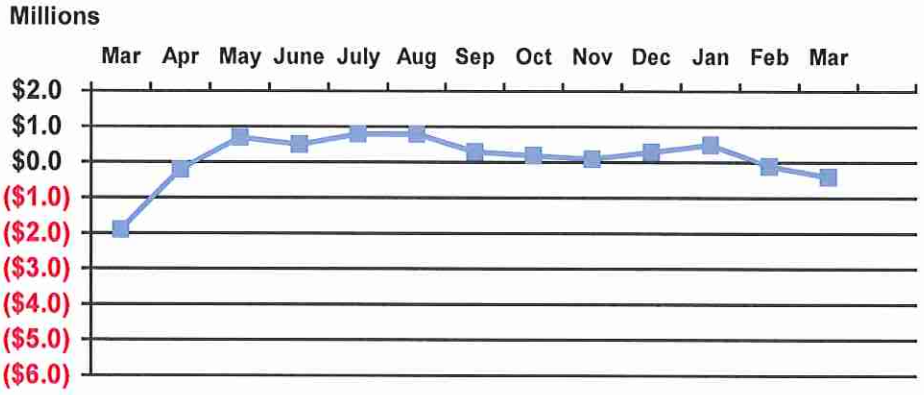
- As of March 31, yield to maturity is 0.94%.
- Decrease of two basis points from February and thirty-three basis points from one year earlier.

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



- March fiscal year-to-date earnings were 3.2% less than for the same period one year earlier.

Unrealized Gain/(Loss)



- The unrealized loss of $0.4 million reported as of March 31, 2012 is the difference between market value and the unamortized book value (purchase price).

ATTACHMENT 2

City of
Santa Monica®

Investment Report
March 2012

Prepared by:
Gigi Decavalles-Hughes, 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 March 31, 2012

Petty Cash/Change Funds		$54,422.00
Pooled Portfolio		
Bank of America (1)		
General Account	$1,596,717.72	
Columbia Money Market Sweep Account	$25,298,727.61	
Total Bank of America	$26,895,445.33	
Bank of New York (BNY)		
Corporate Bonds - FDIC Insured	$25,425,710.00	
Federal Agencies Securities	$469,805,374.45	
Treasury Bills	$0.00	
Total Bank of New York	$495,231,084.45	
State of California Local Agency Investment Fund - City	$49,678,842.82	
Total Pooled Portfolio		$571,805,372.60
Restricted Cash/Investments Held in Trust/Debt Proceeds		
Union Bank - Redevelopment Agency Term Loan	$60,660,821.99	
Union Bank-Earthquake Recovery Redevelopment 2006		
Tax Allocation Refunding Bonds Series A & B	$3.70	
BNY-Library Improvement Project 2002 Series	$0.00	
BNY-Ocean Park Redevelopment Project 2002 Refunding	$2,465,340.24	
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	$2.00	
BNY-Public Safety Facility Bonds 2002 Series	$0.00	
BNY-Public Safety Facility Bonds 2009 Refunding	$1,081,784.82	
BNY-2011 Series A & B Bonds	$34,086,008.23	
U.S. Bank-Wastewater Enterprise Revenue Bonds-1993 Refunding	$0.00	
U.S. Bank-Wastewater Enterprise Revenue Bonds-2005 Refunding	$2.00	
Union Bank-Civic Center Parking Project 2004 Lease Revenue Bonds	$2,826,954.23	
Union Bank-RDA 2011 Tax Allocation Bonds	$41,054,934.36	
Total Restricted Cash/Investments Held in Trust		$142,175,851.57
Charnock Settlement Funds		
Union Bank (December 2006 Settlement)		
Money Market Funds	$5,557,824.14	
Federal Agencies Securities	$23,227,640.00	
Total Union Bank (December 2006 Settlement)	$28,785,464.14	
Total Charnock Settlement Funds		$28,785,464.14
Other Restricted Funds/Funds Held in Trust		
Cemetery Perpetual Care Fund (3)	$8,336,614.00	
Mausoleum Perpetual Care Fund (3)	$933,129.00	
HUD Depository Account (4)	$1,967,453.55	
Public Agency Family Self Sufficiency Program (2)	$145,907.57	
Total Other Funds Held in Trust		$11,383,104.12
GRAND TOTAL		$754,204,214.43

City of Santa Monica
Report of Public Monies Held by the City Treasurer
As of March 31, 2012

(1) This is the actual bank account balance as of 3/31/12. 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*
March 31, 2012

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

Cash and Investments - February 29, 2012	576,680,459.26
Receipts	46,724,714.57
Disbursements	(51,599,801.23)
Cash and Investments - March 31, 2012	$571,805,372.60

* Pooled portfolio only. Excludes certain investments held in trust by third parties

Gigi Decavalles-Hughes
Director of Finance/City Treasurer

Overview

As of March 31, 2012, total City cash and investments were $759.2 million, a $5 million decrease from February . The pooled portfolio accounted for the most of the decrease reflecting several large one-time expenditures. Total cash and investments are categorized as follows:

Petty Cash	$	54,422.00
Pooled Investment Portfolio	$	571,805,372.60
Restricted Cash/Investment Held in Trust	$	142,175,851.57
Charnock Settlement Funds	$	28,785,464.14
Other Funds Held in Trust	$	11,383,104.12
Total	$	754,204,214.43

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

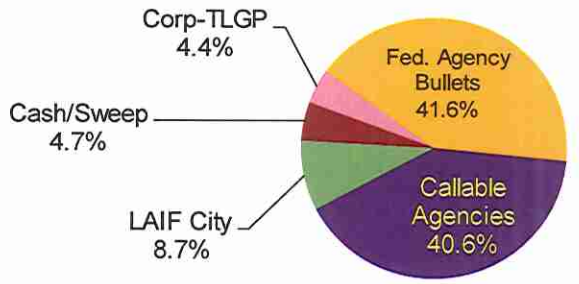
As of March 31, 2012, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is $571.8 million, a $4.9 million decrease from February. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure 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. The decrease reflects typical expenditure and revenue patterns for the month. March tends to be one of the lowest revenue months of the year as no significant property tax apportionments are received. Two investments were made during the month ($10 million), five investments matured ($26.1 million), and three investments were called ($10.2 million). No investments were sold. State Local Agency Investment Fund (LAIF) account balances increased by $0.5 million in March. The balance of the money market sweep account as of March month-end was $20.2 million reflecting several calls near month-end.

Details of the main portfolio follow.

Portfolio Composition

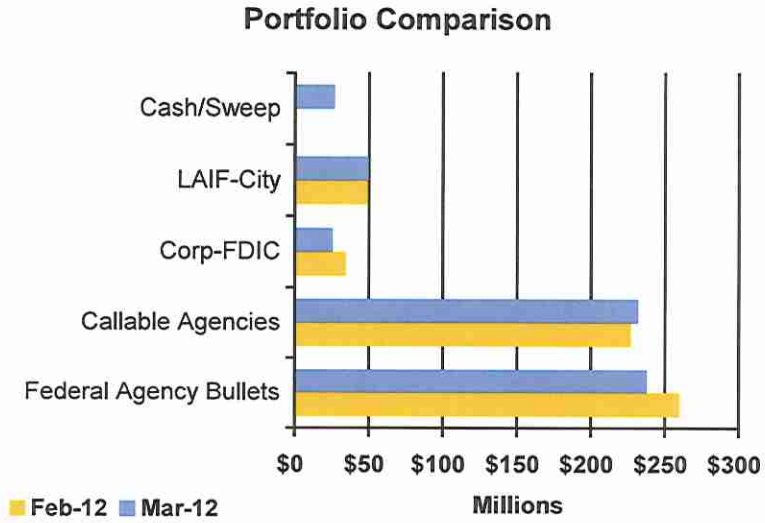
The portfolio is appropriately diversified and is in compliance with the City's Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (81.2%). The remaining 18.8% is invested in the State Local Agency Investment Fund (8.7%); corporate notes (4.4%), 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 (4.7%). 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 material changes in March except that the amount held in the sweep account was high due to investments called at month end. The City continues to hold a significant portion of the portfolio 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 March due to the low interest rate environment. As noted in previous reports, rebalancing opportunities will be evaluated when rates begin to show a consistent pattern of increase.

City of Santa Monica
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
31398AH54	11028	Federal National Mort Assoc		12/09/2010	5,000,000.00	5,000,250.00	5,032,150.00	1.000	482	0.510	3	04/04/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,008,400.00	5,000,000.00	1.875	1,096	1.875	36	05/07/2012
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,033,500.00	5,620,170.41	5.750	1,215	1.880	44	05/15/2012
313375BU0	11131	Federal Home Loan Bank		08/17/2011	5,000,000.00	4,999,800.00	4,998,800.00	0.120	274	0.152	46	05/17/2012
3133XXPV3	11187	Federal Home Loan Bank		01/09/2012	1,990,000.00	1,992,467.60	2,000,753.46	1.125	130	0.061	47	05/18/2012
3133XWKU2	10980	Federal Home Loan Bank		07/29/2010	5,000,000.00	5,011,200.00	5,058,750.00	1.375	680	0.737	68	06/08/2012
3133XWKU2	11186	Federal Home Loan Bank		01/09/2012	2,000,000.00	2,004,480.00	2,013,148.06	1.375	151	0.072	68	06/08/2012
313374Z37	11121	Federal Home Loan Bank		07/25/2011	2,500,000.00	2,501,171.75	2,499,392.50	0.250	366	0.274	115	07/25/2012
3133XXP68	10946	Federal Home Loan Bank		03/26/2010	5,000,000.00	5,017,550.00	4,990,800.00	1.250	854	1.331	117	07/27/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	4,014,400.00	4,000,000.00	1.250	895	1.250	120	07/30/2012
3133XWQ36	10999	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,510,025.00	2,539,400.00	1.375	669	0.514	120	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,028,400.00	5,066,400.00	1.750	980	1.245	131	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,031,100.00	5,056,600.00	1.750	1,007	1.337	143	08/22/2012
3134G1GQ1	10981	Fed Home Loan Mortgage Corp		08/13/2010	2,500,000.00	2,508,593.75	2,514,900.00	1.000	746	0.668	149	08/28/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,041,450.00	5,007,335.75	2.000	1,122	1.951	166	09/14/2012
3133XUK93	10995	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,520,725.00	2,571,200.00	2.000	715	0.534	166	09/14/2012
3134G1VG6	11001	Fed Home Loan Mortgage Corp		10/06/2010	3,000,000.00	3,007,530.00	3,006,600.00	0.625	755	0.509	212	10/30/2012
3136FPUC9	11015	Federal National Mort Assoc		11/23/2010	4,000,000.00	4,004,840.00	3,994,480.00	0.500	707	0.572	212	10/30/2012
3134G1WT7	11012	Fed Home Loan Mortgage Corp		11/16/2010	5,000,000.00	5,010,250.00	4,991,650.00	0.515	741	0.612	239	11/26/2012
3134G1WT7	11026	Fed Home Loan Mortgage Corp		12/08/2010	5,000,000.00	5,010,250.00	4,988,000.00	0.515	719	0.638	239	11/26/2012
313376NH4	11171	Federal Home Loan Bank		01/11/2012	5,000,000.00	5,002,300.00	5,000,500.00	0.300	366	0.290	285	01/11/2013
3133XW7L7	11007	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,039,840.00	4,092,600.00	1.500	804	0.441	290	01/16/2013
31331KAE0	11075	Federal Farm Credit Bank		01/19/2011	5,000,000.00	5,023,000.00	5,000,000.00	0.750	762	0.750	324	02/19/2013
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,531,425.00	2,502,800.00	1.750	1,113	1.709	326	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,198,200.00	5,496,750.00	4.750	1,176	1.570	326	02/21/2013
3133XWX87	10945	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,026,400.00	2,003,100.00	1.750	1,081	1.696	341	03/08/2013
31331GVD8	11085	Federal Farm Credit Bank		05/13/2011	2,000,000.00	2,039,620.00	2,061,180.00	2.200	696	0.581	372	04/08/2013
3137EACJ6	11095	Fed Home Loan Mortgage Corp		05/20/2011	3,000,000.00	3,042,690.00	3,062,100.00	1.625	696	0.530	379	04/15/2013
3137EABJ7	11153	Fed Home Loan Mortgage Corp		09/27/2011	4,000,000.00	4,150,120.00	4,211,120.00	3.500	610	0.332	423	05/29/2013
313376GT6	11166	Federal Home Loan Bank		11/30/2011	4,000,000.00	4,003,560.00	4,000,000.00	0.350	547	0.350	424	05/30/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,203,906.00	5,312,250.00	3.750	1,351	1.990	439	06/14/2013
3133XYHDO	10962	Federal Home Loan Bank		05/28/2010	5,000,000.00	5,080,400.00	4,995,200.00	1.625	1,113	1.657	439	06/14/2013
3133XYHD0	11151	Federal Home Loan Bank		09/22/2011	3,940,000.00	4,003,355.20	4,030,029.00	1.625	631	0.298	439	06/14/2013
3133XXYX9	11150	Federal Home Loan Bank		09/22/2011	5,000,000.00	5,097,300.00	5,139,050.00	1.875	638	0.278	446	06/21/2013
313371AR7	10996	Federal Home Loan Bank		10/01/2010	2,500,000.00	2,514,225.00	2,501,475.00	0.750	1,001	0.730	453	06/28/2013
31331KQK9	11123	Federal Farm Credit Bank		07/22/2011	5,000,000.00	5,002,600.00	5,002,850.00	0.570	714	0.541	460	07/05/2013

City of Santa Monica
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
313376R98	11183	Federal Home Loan Bank		01/17/2012	5,000,000.00	5,002,600.00	5,000,000.00	0.350	547	0.350	472	07/17/2013
31331KSF8	11114	Federal Farm Credit Bank		07/25/2011	4,000,000.00	4,002,280.00	4,000,000.00	0.550	731	0.550	480	07/25/2013
3134G2SQ6	11118	Fed Home Loan Mortgage Corp		07/26/2011	4,000,000.00	3,999,920.00	4,000,000.00	0.400	731	0.400	481	07/26/2013
31331KUY4	11141	Federal Farm Credit Bank		08/31/2011	3,000,000.00	2,994,960.00	2,995,290.00	0.250	719	0.330	505	08/19/2013
313372H64	11049	Federal Home Loan Bank		01/28/2011	2,200,000.00	2,220,812.00	2,200,000.00	1.000	943	1.000	514	08/28/2013
3133XUPZ0	10942	Federal Home Loan Bank		03/05/2010	3,000,000.00	3,099,270.00	3,076,230.00	2.625	1,288	1.876	530	09/13/2013
313370LB2	10982	Federal Home Loan Bank		08/13/2010	2,500,000.00	2,524,125.00	2,502,850.00	1.000	1,127	0.962	530	09/13/2013
3133747F1	11110	Federal Home Loan Bank		06/27/2011	5,000,000.00	5,004,400.00	5,000,000.00	0.700	823	0.700	544	09/27/2013
3137EACL1	11002	Fed Home Loan Mortgage Corp		10/06/2010	2,000,000.00	2,016,420.00	2,005,360.00	0.875	1,118	0.787	575	10/28/2013
3137EACL1	11011	Fed Home Loan Mortgage Corp		11/16/2010	4,000,000.00	4,032,840.00	4,007,200.00	0.875	1,077	0.814	575	10/28/2013
3137EACL1	11024	Fed Home Loan Mortgage Corp		12/08/2010	5,000,000.00	5,041,050.00	4,988,000.00	0.875	1,055	0.957	575	10/28/2013
3133XVWW7	11048	Federal Home Loan Bank		01/25/2011	5,000,000.00	5,142,600.00	5,134,550.00	2.100	1,035	1.132	603	11/25/2013
3136FPEX1	10989	Federal National Mort Assoc		09/17/2010	2,500,000.00	2,528,050.00	2,500,000.00	1.125	1,187	1.125	625	12/17/2013
313370NL8	10990	Federal Home Loan Bank		08/27/2010	2,500,000.00	2,527,050.00	2,500,650.00	1.000	1,218	0.992	635	12/27/2013
3134G33R2	11185	Fed Home Loan Mortgage Corp		01/09/2012	2,500,000.00	2,503,125.00	2,500,000.00	0.450	731	0.450	648	01/09/2014
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,222,300.00	5,092,600.00	2.750	1,506	2.276	675	02/05/2014
31331KCA6	11051	Federal Farm Credit Bank		02/10/2011	2,500,000.00	2,538,050.00	2,500,000.00	1.375	1,096	1.375	680	02/10/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,184,880.00	4,117,520.00	3.000	1,461	2.228	682	02/12/2014
3134G3MM9	11197	Fed Home Loan Mortgage Corp		02/27/2012	3,385,000.00	3,384,763.05	3,385,000.00	0.400	731	0.400	697	02/27/2014
313372U93	11058	Federal Home Loan Bank		03/03/2011	5,000,000.00	5,095,000.00	5,000,000.00	1.400	1,093	1.400	698	02/28/2014
31398AVZ2	11016	Federal National Mort Assoc		11/23/2010	3,000,000.00	3,143,040.00	3,175,080.00	2.750	1,206	0.952	711	03/13/2014
3134G2CL4	11094	Fed Home Loan Mortgage Corp		05/20/2011	5,000,000.00	5,095,000.00	5,042,750.00	1.350	1,075	1.054	758	04/29/2014
31331KKQ2	11090	Federal Farm Credit Bank		05/19/2011	5,000,000.00	5,048,000.00	5,012,850.00	1.150	1,089	1.062	771	05/12/2014
3134G2JV5	11099	Fed Home Loan Mortgage Corp		06/06/2011	2,500,000.00	2,503,925.00	2,500,000.00	1.250	1,096	1.250	796	06/06/2014
3133XWE70	11008	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,176,800.00	4,237,120.00	2.500	1,317	0.829	803	06/13/2014
3136FRQJ5	11103	Federal National Mort Assoc		06/20/2011	5,000,000.00	5,009,100.00	5,000,000.00	1.170	1,096	1.170	810	06/20/2014
3134G3FL9	11169	Fed Home Loan Mortgage Corp		12/27/2011	5,000,000.00	5,002,850.00	5,000,000.00	0.650	913	0.650	817	06/27/2014
3134G3FG0	11176	Fed Home Loan Mortgage Corp		12/27/2011	5,000,000.00	5,002,850.00	5,000,000.00	0.650	913	0.650	817	06/27/2014
3133EAAR9	11193	Federal Farm Credit Bank		01/25/2012	3,000,000.00	2,991,093.60	2,998,500.00	0.460	912	0.480	845	07/25/2014
3137EACU1	11195	Fed Home Loan Mortgage Corp		01/23/2012	5,000,000.00	5,064,800.00	5,064,750.00	1.000	919	0.482	850	07/30/2014
3135G0BY8	11117	Federal National Mort Assoc		07/19/2011	4,000,000.00	4,034,000.00	3,997,920.00	0.875	1,136	0.890	879	08/28/2014
3135G0CU5	11138	Federal National Mort Assoc		09/12/2011	5,000,000.00	5,003,450.00	5,000,000.00	0.625	1,096	0.625	894	09/12/2014
3136FTCT4	11157	Federal National Mort Assoc		10/20/2011	3,000,000.00	3,000,630.00	3,000,000.00	0.600	1,096	0.600	932	10/20/2014
3133EAAN8	11191	Federal Farm Credit Bank		01/27/2012	3,000,000.00	2,992,890.00	3,000,000.00	0.540	1,004	0.540	939	10/27/2014
3136FRMX8	11088	Federal National Mort Assoc		05/24/2011	2,500,000.00	2,503,875.00	2,500,000.00	1.520	1,280	1.520	967	11/24/2014
3137EADA4	11179	Fed Home Loan Mortgage Corp		12/21/2011	2,500,000.00	2,504,100.00	2,497,442.01	0.625	1,104	0.662	1,002	12/29/2014

City of Santa Monica
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3134G2TJ1	11120	Fed Home Loan Mortgage Corp		07/26/2011	4,000,000.00	4,010,520.00	4,000,000.00	1.270	1,280	1.270	1,030	01/26/2015
3134G2TJ1	11122	Fed Home Loan Mortgage Corp		07/26/2011	5,000,000.00	5,013,150.00	5,000,000.00	1.270	1,280	1.270	1,030	01/26/2015
3134G3LF5	11198	Fed Home Loan Mortgage Corp		02/23/2012	3,000,000.00	3,026,370.00	3,027,275.33	1.000	1,086	0.700	1,048	02/13/2015
3136FR6N8	11148	Federal National Mort Assoc		09/30/2011	1,500,000.00	1,501,785.00	1,500,000.00	0.810	1,277	0.810	1,093	03/30/2015
3136FR6N8	11149	Federal National Mort Assoc		09/30/2011	3,500,000.00	3,504,165.00	3,500,000.00	0.810	1,277	0.810	1,093	03/30/2015
3134G23S9	11167	Fed Home Loan Mortgage Corp		11/30/2011	5,835,000.00	5,848,303.80	5,838,914.31	1.050	1,254	1.050	1,131	05/07/2015
31331KLE8	11086	Federal Farm Credit Bank		05/18/2011	2,500,000.00	2,560,725.00	2,501,250.00	1.600	1,461	1.587	1,142	05/18/2015
3136FRKZ5	11082	Federal National Mort Assoc		05/18/2011	5,000,000.00	5,001,950.00	5,000,000.00	0.850	1,461	0.850	1,142	05/18/2015
3134G3BM1	11164	Fed Home Loan Mortgage Corp		12/12/2011	5,000,000.00	5,002,600.00	4,997,500.00	1.020	1,278	1.035	1,167	06/12/2015
3136FRRB1	11108	Federal National Mort Assoc		06/22/2011	10,000,000.00	10,024,800.00	10,000,000.00	1.550	1,461	1.550	1,177	06/22/2015
31331K6R6	11192	Federal Farm Credit Bank		01/23/2012	3,000,000.00	2,993,940.00	3,000,410.00	0.820	1,271	0.820	1,202	07/17/2015
3134G2V25	11154	Fed Home Loan Mortgage Corp		10/20/2011	5,000,000.00	5,001,650.00	5,000,000.00	1.000	1,369	1.000	1,205	07/20/2015
313375PT8	11147	Federal Home Loan Bank		09/19/2011	2,500,000.00	2,509,900.00	2,500,000.00	0.750	1,410	0.750	1,215	07/30/2015
313376VZ5	11196	Federal Home Loan Bank		01/30/2012	5,000,000.00	4,982,031.00	5,000,000.00	0.670	1,277	0.670	1,215	07/30/2015
31331KUU2	11142	Federal Farm Credit Bank		08/31/2011	3,000,000.00	3,005,010.00	3,000,000.00	1.000	1,447	0.999	1,233	08/17/2015
3136FRX40	11140	Federal National Mort Assoc		08/26/2011	9,000,000.00	8,995,590.00	9,000,000.00	1.000	1,461	1.000	1,242	08/26/2015
3136FPKK2	10991	Federal National Mort Assoc		09/28/2010	5,000,000.00	5,002,900.00	5,000,000.00	1.000	1,826	1.000	1,275	09/28/2015
3134G3GL8	11173	Fed Home Loan Mortgage Corp		01/13/2012	5,000,000.00	5,002,250.00	5,000,000.00	1.000	1,369	1.000	1,290	10/13/2015
3134G3GL8	11182	Fed Home Loan Mortgage Corp		01/13/2012	3,000,000.00	3,001,350.00	3,000,000.00	1.000	1,369	1.000	1,290	10/13/2015
3136FTCL1	11156	Federal National Mort Assoc		10/26/2011	3,000,000.00	3,002,550.00	2,997,000.00	1.000	1,461	1.026	1,303	10/26/2015
3136FTDU0	11158	Federal National Mort Assoc		10/26/2011	5,000,000.00	5,013,750.00	5,000,000.00	1.125	1,461	1.125	1,303	10/26/2015
3134G23F7	11163	Fed Home Loan Mortgage Corp		11/22/2011	5,000,000.00	5,010,000.00	5,001,041.67	1.250	1,455	1.250	1,324	11/16/2015
313378FP1	11199	Federal Home Loan Bank		02/24/2012	3,000,000.00	2,983,200.00	3,000,000.00	0.720	1,369	0.719	1,332	11/24/2015
31331J4J9	11020	Federal Farm Credit Bank		12/07/2010	2,000,000.00	2,058,750.00	2,000,000.00	1.740	1,826	1.740	1,345	12/07/2015
3136FTAK5	11152	Federal National Mort Assoc		09/28/2011	4,000,000.00	4,010,680.00	4,000,000.00	1.000	1,552	0.998	1,366	12/28/2015
3136FTYD5	11184	Federal National Mort Assoc		01/25/2012	5,000,000.00	5,001,700.00	5,000,000.00	1.100	1,461	1.100	1,394	01/25/2016
3136FRS61	11136	Federal National Mort Assoc		09/07/2011	5,000,000.00	5,006,250.00	5,000,000.00	1.250	1,643	1.250	1,436	03/07/2016
3134G3RK8	11205	Fed Home Loan Mortgage Corp		03/27/2012	5,000,000.00	4,994,400.00	4,996,305.56	1.000	1,448	1.028	1,443	03/14/2016
31331KFK1	11073	Federal Farm Credit Bank		03/24/2011	1,155,000.00	1,166,942.70	1,153,845.00	2.440	1,827	2.461	1,453	03/24/2016
3133EAJX7	11204	Federal Farm Credit Bank		03/28/2012	5,000,000.00	5,009,200.00	5,000,000.00	1.140	1,461	1.140	1,457	03/28/2016
3134G3EW6	11168	Fed Home Loan Mortgage Corp		12/30/2011	3,400,000.00	3,406,222.00	3,400,000.00	1.270	1,644	1.270	1,551	06/30/2016
3136FTWY1	11174	Federal National Mort Assoc		12/30/2011	5,000,000.00	4,995,000.00	5,000,000.00	1.150	1,644	1.150	1,551	06/30/2016
3136FRQ71	11130	Federal National Mort Assoc		08/24/2011	2,500,000.00	2,506,150.00	2,500,000.00	1.450	1,827	1.450	1,606	08/24/2016
3136FRS38	11135	Federal National Mort Assoc		09/06/2011	5,000,000.00	5,017,850.00	5,000,000.00	1.400	1,827	1.400	1,619	09/06/2016
3136FRT37	11139	Federal National Mort Assoc		09/14/2011	5,000,000.00	5,014,100.00	5,000,000.00	1.050	1,827	1.050	1,627	09/14/2016
3136FR3Q4	11144	Federal National Mort Assoc		09/28/2011	5,000,000.00	5,015,050.00	5,000,000.00	1.320	1,827	1.320	1,641	09/28/2016

City of Santa Monica
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3135G0EN9	11159	Federal National Mort Assoc		10/28/2011	5,000,000.00	5,025,150.00	5,000,486.11	1.750	1,825	1.750	1,669	10/26/2016
3136FTQY8	11162	Federal National Mort Assoc		12/07/2011	5,000,000.00	5,008,250.00	5,000,000.00	1.250	1,827	1.250	1,711	12/07/2016
3136FTWG0	11172	Federal National Mort Assoc		12/28/2011	5,000,000.00	5,006,900.00	5,000,000.00	1.125	1,827	1.125	1,732	12/28/2016
3134G3GJ3	11177	Fed Home Loan Mortgage Corp		01/17/2012	5,000,000.00	5,000,400.00	5,000,000.00	1.375	1,827	1.375	1,752	01/17/2017
3134G3LG3	11194	Fed Home Loan Mortgage Corp		02/14/2012	5,000,000.00	4,997,700.00	5,000,000.00	1.250	1,827	1.250	1,780	02/14/2017
		Subtotal and Average	**457,908,414.28**		**457,405,000.00**	**460,595,407.45**	**460,807,224.17**		**1,153**	**1.010**	**815**	
Federal Agency Discount												
313396VU4	11189	Fed Home Loan Mortgage Corp		01/09/2012	2,000,000.00	1,999,980.00	1,999,887.78	0.020	101	0.020	18	04/19/2012
313396XL2	11181	Fed Home Loan Mortgage Corp		12/22/2011	5,000,000.00	4,999,750.00	4,998,895.83	0.050	159	0.051	58	05/29/2012
31396ZM8	11188	Fed Home Loan Mortgage Corp		01/09/2012	2,000,000.00	1,999,700.00	1,999,366.67	0.060	190	0.062	107	07/17/2012
		Subtotal and Average	**18,030,185.74**		**9,000,000.00**	**8,999,430.00**	**8,998,150.28**		**153**	**0.046**	**60**	
Local Agency Investment Funds												
SYS10090	10090	Local Agency Investment Fund			49,678,842.82	49,678,842.82	49,678,842.82	0.383	1	0.383	1	
		Subtotal and Average	**45,646,584.76**		**49,678,842.82**	**49,678,842.82**	**49,678,842.82**		**1**	**0.383**	**1**	
Columbia Money Market Fund												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	25,298,727.61	25,298,727.61	25,298,727.61	0.010	1	0.010	1	
		Subtotal and Average	**12,870,573.15**		**25,298,727.61**	**25,298,727.61**	**25,298,727.61**		**1**	**0.010**	**1**	
Local Agency Investment Funds - RDA												
SYS10092	10092	LAIF - RDA		03/17/2009	0.00	0.00	0.00	0.385	1	0.385	1	
		Subtotal and Average	**0.00**		**0.00**	**0.00**	**0.00**		**0**	**0.000**	**0**	
Corporate Bonds												
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,029,950.00	5,199,100.00	3.125	1,242	1.913	75	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,030,750.00	5,206,850.00	3.250	1,236	1.984	75	06/15/2012
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,019,250.00	4,998,450.00	1.950	1,164	1.960	80	06/20/2012
17313YAG6	10895	Citigroup		08/28/2009	2,000,000.00	2,010,780.00	2,015,520.00	2.125	1,049	1.844	102	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,027,720.00	3,011,940.00	1.875	1,113	1.741	204	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,070,800.00	4,993,850.00	2.125	1,353	2.160	269	12/26/2012
		Subtotal and Average	**31,149,708.71**		**25,000,000.00**	**25,189,250.00**	**25,425,710.00**		**1,217**	**1.959**	**132**	

City of Santa Monica
Portfolio Management
Portfolio Details - Investments
March 31, 2012

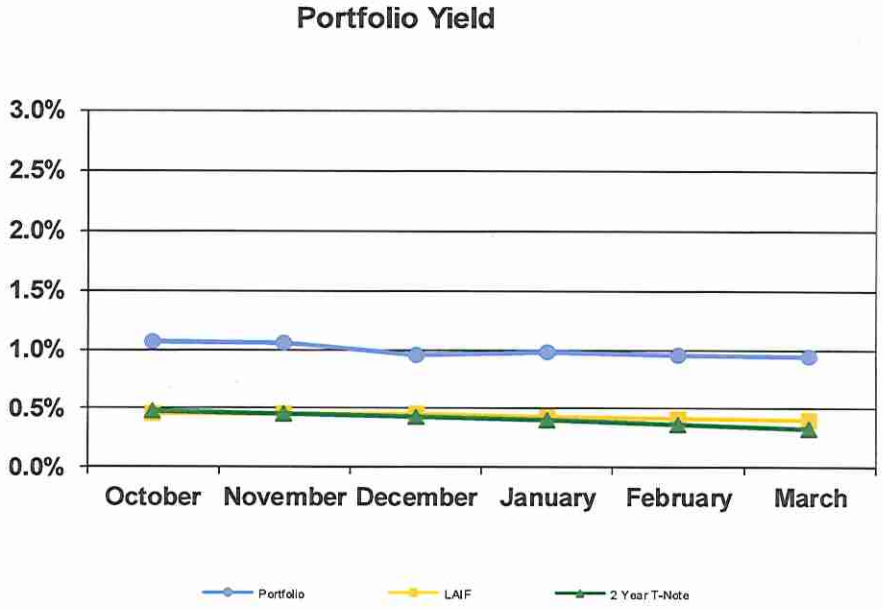
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity
		Total and Average	565,605,466.64		566,382,570.43	569,761,657.88	570,208,654.88		988	0.938	665

City of Santa Monica
Portfolio Management
Activity By Type
March 1, 2012 through March 31, 2012

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Coupon							
3133EAJX7	11204	Federal Farm Credit Bank	1.140	03/28/2012	5,000,000.00	0.00	
3133XWW47	11003	Federal Home Loan Bank	1.125	03/09/2012	0.00	2,021,720.00	
3134G2AK8	11070	Fed Home Loan Mortgage Corp	2.020	03/30/2012	0.00	5,000,000.00	
3134G3RK8	11205	Fed Home Loan Mortgage Corp	1.000	03/27/2012	4,994,500.00	0.00	
3136FRW74	11145	Federal National Mort Assoc	0.625	03/02/2012	0.00	3,000,260.42	
3135G0CP6	11178	Federal National Mort Assoc	0.600	03/06/2012	0.00	2,173,363.50	
		Subtotal			**9,994,500.00**	**12,195,343.92**	**460,807,224.17**
Federal Agency Discount							
313384UP2	11180	Federal Home Loan Bank	0.020	03/21/2012	0.00	4,999,750.00	
313384UM9	11203	Federal Home Loan Bank	0.020	03/19/2012	0.00	9,999,894.40	
		Subtotal			**0.00**	**14,999,644.40**	**8,998,150.28**
Local Agency Investment Funds (Monthly Summary)							
SYS10090	10090	Local Agency Investment Fund	0.383		7,500,000.00	7,000,000.00	
		Subtotal			**7,500,000.00**	**7,000,000.00**	**49,678,842.82**
Columbia Money Market Fund (Monthly Summary)							
SYS10091	10091	Columbia Money Market Reserves	0.010		48,671,153.77	28,445,435.59	
		Subtotal			**48,671,153.77**	**28,445,435.59**	**25,298,727.61**
Local Agency Investment Funds - RDA (Monthly Summary)							
		Subtotal					**0.00**
Corporate Bonds							
17314AAF9	11116	Citigroup	2.000	03/30/2012	0.00	4,050,040.00	
9116OHAA5	10842	US Bank	2.250	03/13/2012	0.00	4,999,400.00	
		Subtotal			**0.00**	**9,049,440.00**	**25,425,710.00**
		Total			**66,165,653.77**	**71,689,863.91**	**570,208,654.88**

Portfolio Yield

The portfolio yield-to-maturity was 0.94% as of March 31, 2012, down (2) basis points from February and thirty-three (33) basis points from March 2011. The yield remains near the low point for which records are available as the extended record low interest rate environment continues to hamper portfolio returns. This month's yield is four hundred sixteen (416) basis points below the most recent high mark of 5.1% in September 2007. 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.



Overall, interest rates in the two to five year maturity range rose slightly in March for the second consecutive month, but remain near the record lows first reached last year. The two year CMT increased three (3) basis points during the month, but the twelve month moving average CMT fell four (4) basis points to another record low level and is now four hundred forty-one (441) basis points off its February 2007 high. Rates are now expected to remain relatively low at least into 2014. LAIF rates also remain at historic low points. The twelve month moving average LAIF yield fell to 0.41% in March, and has not shown a monthly increase since September 2007. The monthly LAIF yield dropped one basis point in February to 0.38% and is now at its lowest level on record.

The Federal Open Market Committee (Fed) left the Fed Funds rate unchanged at a range of 0% to 0.25% at its March meeting. Although economic activity, including the labor market, has shown signs of improvement, only modest growth is anticipated in the near future, hindered in part by the global economic crisis. Fed policy statements indicate that it intends to keep rates at low levels through late 2014. First quarter GDP growth was a disappointing 2.2% after the fourth quarter growth

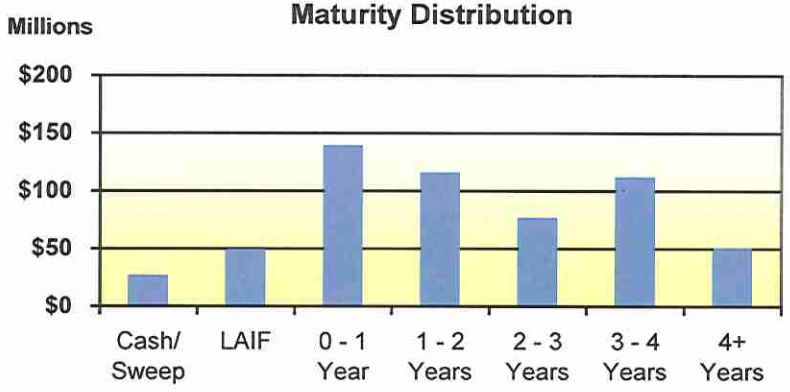
was 3%, below the expectations of most economists. Most recent economic projections predicted modest growth of less than 2.5% in both 2012 and 2013. The housing market continues weak, but the labor market has shown signs of recovery. The March unemployment rate was unchanged at 8.2%, but the addition of new jobs the work force was less than anticipated. The stock market had a third consecutive strong month as the Dow Jones Industrial Average gained 2%.

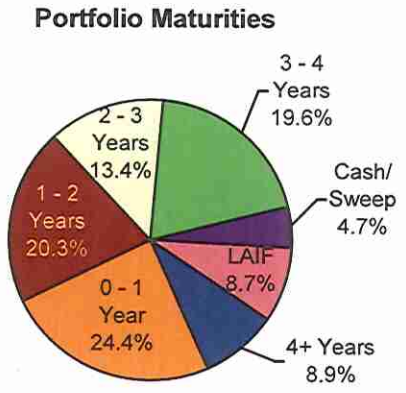
The City's portfolio yield-to-maturity has decreased significantly over the last four and a half years as interest rates have reached historic lows resulting in many investments being called and reinvested at lower rates. Overall, the yield should remain relatively stable over the next few months. However, more bonds will be called in the next few months as interest rates are expected to remain near historic lows. Eventually the portfolio yield will continue to fall if some uptick in rates does not occur in 2012.

Investment earnings in March were $0.5 million. Fiscal year-to-date earnings are down 3.2% from the same period last year. For the entire fiscal year, current projections are that investment earnings will be similar to last fiscal year, but a decrease is possible if rates don't begin to show at least a modest upward trend.

Maturity Distribution

The weighted average days to maturity as of March 31, 2012 is 665 days (1.82 years), twelve days less than the prior month. The current volatile and low interest rate environment continues to result in bonds being called, and the portfolio's average days to maturity may continue to vary over the next several months. Iinvestments 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 2014. 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 March 31, 2012, the market value and the book value of the City's pooled investments (excluding cash) are:

Market Value	$	569,761,657.88
Book Value (purchase price)		570,208,654.88
Unrealized Gain/(Loss)	$	(444,997.00)

Charnock Settlement

All remaining restricted settlement funds are now held in an escrow account with Union Bank and being used to pay for the 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 $28.8 million) should be sufficient to cover costs related to operations for the next three to four years. The plant has been operational since the beginning of 2011. The yield to maturity on these funds as of March 31, 2012 is 0.27%. On March 31, 2012, the portfolio showed an unrealized loss of $61,090. The weighted average days-to-maturity was 272 days (0.75 years). Most investments are being held in relatively short maturity/low yield investments.

SM Water Treatment Facility
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Money Market Sweep Fund												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	5,557,624.14	5,557,624.14	5,557,624.14	0.010	0.010	0.010	1	
		Subtotal and Average	**5,557,624.14**		**5,557,624.14**	**5,557,624.14**	**5,557,624.14**		**0.010**	**0.010**	**1**	
Federal Agency Coupon Securities												
313375XD4	64	Federal Home Loan Bank		10/25/2011	5,000,000.00	5,000,650.00	5,000,000.00	0.300	0.296	0.300	207	10/25/2012
3137EACG2	63	Federal Home Loan Mortgage Cor		10/04/2011	6,000,000.00	6,053,520.00	6,080,880.00	1.375	0.347	0.352	283	01/09/2013
3134G1VX9	62	Federal Home Loan Mortgage Cor		10/03/2011	6,000,000.00	6,028,800.00	6,040,620.00	0.800	0.355	0.360	383	04/19/2013
31331JPK3	65	Federal Farm Credit Bank		10/04/2011	6,000,000.00	6,083,580.00	6,106,140.00	1.375	0.341	0.345	450	06/25/2013
		Subtotal and Average	**23,227,640.00**		**23,000,000.00**	**23,166,550.00**	**23,227,640.00**		**0.336**	**0.341**	**337**	
		Total and Average	**28,785,264.14**		**28,557,624.14**	**28,724,174.14**	**28,785,264.14**		**0.273**	**0.277**	**272**	

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 and loan proceeds, as well as the Cemetery and Mausoleum Perpetual Care Funds are excluded.

The following tables summarize portfolio compliance as of March 31, 2012. 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:

Credit Ratings - Corporate Medium Term Notes

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

Portfolio Allocation as of 3/31/12

	Pooled Portfolio	SM Water Treatment Facility Account (1)	Total Portfolio (2) (4)	% of Portfolio	Legal/ Policy Limit	In Compliance (Yes/No)
Federal Agency Securities						
Federal Home Loan Bank	$128,581,954.18	$5,000,000.00	$133,581,954.18	22.2%	50.0%	Yes
Federal National Mortgage Association	143,352,866.11	0.00	143,352,866.11	23.9%	50.0%	Yes
Federal Home Loan Mortgage Corporation	137,024,059.16	12,121,500.00	149,145,559.16	24.8%	50.0%	Yes
Federal Farm Credit Bank	60,846,495.00	6,106,140.00	66,952,635.00	11.1%	50.0%	Yes
Total Federal Agency Securities	$469,805,374.45	$23,227,640.00	$493,033,014.45	82.1%	n/a	Yes
Corporate Bonds						
Corporate Bonds - TGLP (FDIC Insured)	$25,425,710.00	$0.00	25,425,710.00			
Corporate Bonds - Other	0.00		0.00			
Total Corporate Bonds	$25,425,710.00	$0.00	$25,425,710.00	4.2%	30.0%	Yes
Money Market Mutual Funds						
Columbia Money Market Reserves Advisor Class	25,298,727.61		25,298,727.61	4.2%	10.0%	Yes
BlackrockT-Find Cash Management Sweep		5,557,624.14	5,557,624.14	0.9%	10.0%	Yes
Total-Money Market Mutual Funds	$25,298,727.61	$5,557,624.14	$30,856,351.75	5.1%	20.0%	Yes
State Local Agency Investment Fund-City	$49,678,842.82		$49,678,842.82	8.3%	$50 million	Yes
State Local Agency Investment Fund-RDA	$0.00		$0.00	0.0%	$50 million	Yes
Cash (3)	1,596,717.72		1,596,717.72	0.3%	None	Yes
Total (Book Value)	**$571,805,372.60**	**$28,785,264.14**	**$600,590,636.74**	**100.00%**		

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 ($1,967,453.55)
(4) Value used to test compliance is reported value (book value plus unrealized purchased interest).

City Portfolio as of 3/31/12 (Book Value)

Security	Pooled Portfolio	MTBE Custodial Account	SM Water Treatment Facility Account	Total Portfolio	Credit Rating*	In Compliance (Yes/No)
Corporate - TLGP (FDIC Guaranteed)						
Bank of America 3.125% (TLGP) 6/15/2012	$5,199,100.00			$5,199,100.00	AAA	Yes
Goldman Sachs 3.25% (TLGP) 6/15/2012	$5,206,850.00			$5,206,850.00	AAA	Yes
JP Morgan Chase 2.125% (TLGP) maturing 12/26/12	$4,993,850.00			$4,993,850.00	AAA	Yes
Morgan Stanley 1.95% (TLGP) maturing 6/20/12	$4,998,450.00			$4,998,450.00	AAA	Yes
Citigroup 2.125% (TLGP) maturing 7/12/12	$2,015,520.00			$2,015,520.00	AAA	Yes
Citigroup 1.875% (TLGP) maturing 10/22/12	$3,011,940.00			$3,011,940.00	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.

Gigi Decavalles-Hughes, Director of Finance/City Treasurer