



MEETING DATE: 05/03/04  
ITEM NO. 4

## COUNCIL AGENDA REPORT

DATE: April 30, 2004  
TO: MAYOR AND TOWN COUNCIL  
FROM: LINDA LUBECK, TOWN TREASURER  
SUBJECT: TREASURER'S REPORTS FOR FEBRUARY & MARCH, 2004

### RECOMMENDATION:

Accept reports as attached.

### DISCUSSION:

Attached for your review are the Treasurer's reports for the months of February and March, 2004, as well as two revised pages for January, 2004. Highlights are as follows:

#### February, 2004 (and revised January, 2004):

Two investments matured during February, 2004 and were replaced with two new investments with maturities of approximately three years. The yield of the new investments was significantly lower than those replaced, but still fairly good in today's climate. The yields of the two new investments (#929 and #930) are 3% and 2.79%.

#### March, 2004:

A couple of smaller investments inside the SEI portfolio were called during March, 2004 and the funds were not reinvested before the end of the month. Thus the SEI cash is higher than normal. The funds will be reinvested in April.

Overall, interest rates and yields held fairly steady during the first quarter of 2004. The Federal Reserve is not expected to make any moves for the foreseeable future and thus yields possible will not be changing any time soon.

PREPARED BY: Linda L. Lubeck, Town Treasurer *LL*

Reviewed by: *g* Town Manager \_\_\_\_\_ Assistant Town Manager *AL* Town Attorney  
                  *g* Clerk *g* Finance \_\_\_\_\_ Community Development Revised: 4/30/04 11:42 am

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MAYOR AND TOWN COUNCIL

SUBJECT: TREASURER'S REPORTS FOR FEBRUARY & MARCH, 2004  
APRIL 24, 2004

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT: None

Attachments: Treasurer's reports dated April 24, 2004

Distribution: Town Council; Town Manager; Finance Director

Meeting date: May 3, 2004

Item No:

**Town of Los Gatos  
Treasurer's Report  
for the month ended  
March 31, 2004**

**Submitted April 24, 2004  
by  
Linda L. Lubeck**

Distribution:

Town Clerk  
Town Manager  
Town Council



**Town of Los Gatos**  
**Summary Investment Information**  
**March 31, 2004**

**Weighted Average Portfolio Yield:** 2.48% **Weighted Average Maturity (days)** 570

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
<b>Portfolio Balance</b>	\$49,862,617	\$48,728,240	\$47,472,995

**Benchmarks/ References:**

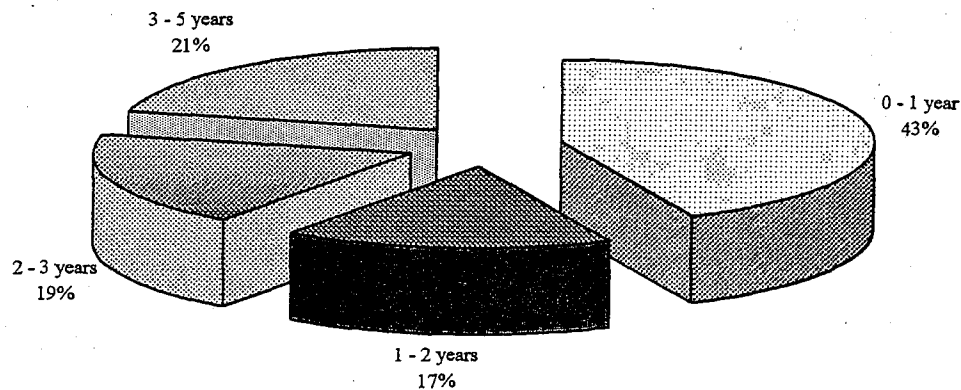
Town's Average Yield	2.48%	2.45%	3.29%
LAIF Yield for month	1.47%	1.44%	1.98%
3 mo. Treasury	0.96%	0.95%	1.21%
6 mo. Treasury	1.01%	1.02%	1.11%
2 yr. Treasury	1.52%	1.68%	1.69%
5 yr. Treasury (most recent)	2.70%	3.03%	3.03%
Prime rate	4.00%	4.00%	4.25%

**Most recent auctions of**

**Freddie Mac or Fannie Mae Reference Notes:**

2 yr. Freddie Mac (02/06/04)	1.88%
3 yr. Fannie Mae (02/20/04)	2.38%

**Portfolio Maturity Profile**



**Compliance:** The Town's investments are in compliance with the Town's investment policy dated June 24, 2002 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

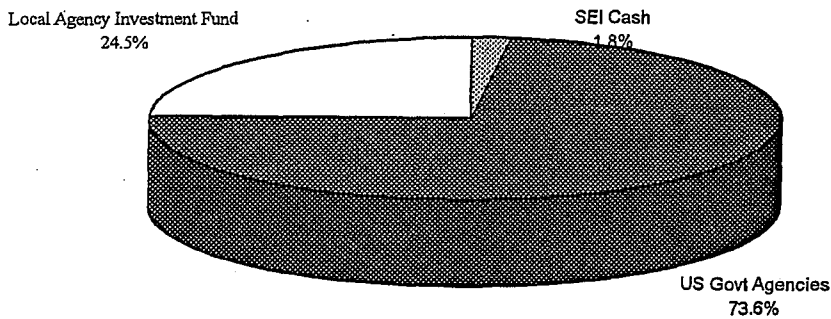
**Town of Los Gatos**  
**Portfolio Allocation & Treasurer's Fund Balances**  
**March 31, 2004**

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$48,728,239.54	\$49,655,650.00
Receipts	3,824,448.42	31,208,002.96
Disbursements	<u>(2,690,070.61)</u>	<u>(31,001,035.61)</u>
Fund Balances - End of Month/Period	<u>\$49,862,617.35</u>	<u>\$49,862,617.35</u>

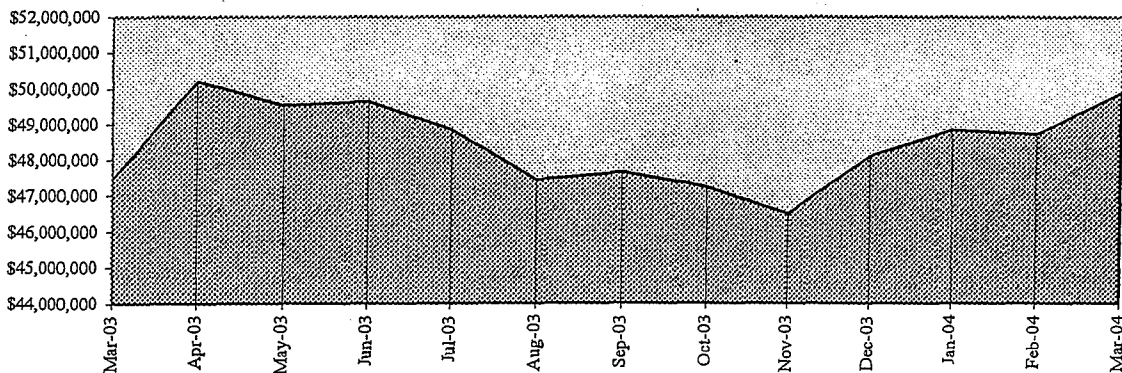
Portfolio Allocation:

SEI Cash	826,984.56
US Govt Agencies	33,164,126.99
Local Agency Investment Fund	<u>11,057,214.83</u>
Subtotal - Investments	45,048,326.38
Reconciled Demand Deposit Balances	<u>4,814,290.97</u>
 Total Treasurer's Fund	 <u>\$49,862,617.35</u>

**Portfolio Investment Allocation**



**Treasurer's Fund Balances**



**Town of Los Gatos**  
**Non-Treasury Restricted Fund Balances**  
**March 31, 2004**

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
<b>Non-Treasury Funds:</b>						
Downtown Parking District 12/20/02	223,259.61		1,249.94		224,509.55	<b>Note 1</b>
Certificates of Participation Reserve Fund (Lot 4)	254,136.36		100.29		254,236.65	<b>Note 2</b>
Cert. of Participation Lease Payment Fund (Lot 4)	80,701.21	41,264.49	19.53		121,985.23	<b>Note 3</b>
Cert. of Participation 2002 Series A Const. Fund	2,910,140.51		14,451.44	17,979.23	2,906,612.72	<b>Note 4</b>
Cert. of Participation 2002 Series A Reserve Fund	694,360.09		4.40	4.10	694,360.39	<b>Note 4</b>
Cert. Of Participation 2002 Series A Interest Fund	0.45		2.44	2.36	0.53	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	<b>Note 4</b>
<b>Total Restricted Funds:</b>	<b><u>\$4,162,598.23</u></b>	<b><u>\$41,264.49</u></b>	<b><u>\$15,828.04</u></b>	<b><u>\$17,985.69</u></b>	<b><u>\$4,201,705.07</u></b>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

**Note 1:** This account include redemption accounts set up for the repayment of interest and principal on outstanding bond coupons for Parking Assessment District '3', as well as Reserve Funds set up as required by the original Bond resolution.

**Note 2:** The reserve fund was a requirement of the original certificates of participation agreement when Lot 4 was built. It helps to guarantee payment of the lease payments should the Town not make payment.

**Note 3:** The lease payment fund receives the lease payments from the Town monthly for the lease of Lot 4. It holds the funds until payments on the certificates of participation are due semi-annually.

**Note 4:** The three funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

**Town of Los Gatos  
Statement of Interest Earned  
March 31, 2004**

	<b>Current Month</b>	<b>Fiscal Year to Date</b>
Interest received from Investments	77,964.31	1,162,260.25
Add: Interest accrued at end of period (see page 5)	119,722.00	119,722.00
Less: Interest accrued at beginning of period	<u>(103,299.24)</u>	<u>(471,723.72)</u>
Interest earned on investments	<u>\$94,387.07</u>	<u>\$810,258.53</u>



**Town of Los Gatos  
Inactive Deposits by Institution  
Market to Cost Position Report  
March 31, 2004**

**Inactive Deposits by Institution**

<u>Dep Institution</u>	<u>Security</u>	<u>Deposit Date</u>	<u>Amortized Cost</u>	<u>Maturity Date</u>	<u>Days Elapsed</u>	<u>Days to Maturity</u>	<u>Days Invested</u>	<u>Yield to Maturity</u>	<u>Interest Earned</u>	<u>Interest Received</u>	<u>Interest Accrued</u>
910 FHLB	Coupon Note	11/02/99	1,239,062.50	08/13/04	1611	135	1746	6.46%	353,287.61	334,852.43	18,435.18
921 FHLB	Coupon Note	09/10/01	2,021,440.00	08/13/04	933	135	1068	4.23%	218,577.22	224,569.44	(5,992.22)
923 FNMA	Coupon Note	02/25/02	1,998,520.00	03/15/05	765	349	1114	3.90%	163,358.48	159,305.56	4,052.92
924 FHLMC	Coupon Note	05/16/02	1,999,340.00	06/15/05	685	441	1126	4.13%	155,119.12	134,347.22	20,771.90
927 FNMA	Coupon Note	08/26/03	1,071,900.00	11/14/05	218	593	811	2.37%	15,171.51	10,180.80	4,990.71
928 FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	218	758	976	2.83%	15,120.26	4,069.30	11,050.96
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1013	806	1819	5.23%	290,565.05	260,484.30	30,080.75
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	51	1134	1185	3.00%	8,383.56		8,383.56
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	36	1241	1277	2.79%	6,904.11		6,904.11
SEI Cash			826,984.56						4,960.78	4,582.67	378.11
SEI Investments			17,431,554.49	Various		854		1.85%	246,264.90	266,111.60	(19,846.70)
LAIF	N/A	12/31/03	11,057,214.83	03/31/04	91	0	91	1.47%	40,512.72		40,512.72
			<b>45,048,326.38</b>			<b>570</b>		<b>2.48%</b>	<b>1,518,225.32</b>	<b>1,398,503.32</b>	<b>119,722.00</b>

**Maturity Profile**

	<u>Amount</u>	<u>Percent</u>
0-1 year	19,424,950.96	43.12%
1-2 years	7,627,190.36	16.93%
2-3 years	8,423,854.37	18.70%
3-5 years	<u>9,572,330.69</u>	<u>21.25%</u>
	<b>45,048,326.38</b>	<b>100.00%</b>

**Market to Cost Position Report**

<u>Institution</u>	<u>Security</u>	<u>Market Price</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
910 FHLB	Coupon Note	102.313	1,239,062.50	1,278,912.50	39,850.00
921 FHLB	Coupon Note	101.594	2,021,440.00	2,031,880.00	10,440.00
923 FNMA	Coupon Note	102.750	1,998,520.00	2,055,000.00	56,480.00
924 FHLMC	Coupon Note	103.688	1,999,340.00	2,073,760.00	74,420.00
927 FNMA	Coupon Note	100.156	1,071,900.00	1,081,684.80	9,784.80
928 FNMA	Coupon Note	100.219	895,320.00	901,971.00	6,651.00
920 FNMA	Coupon Note	107.250	2,001,740.00	2,145,000.00	143,260.00
929 FNMA	Coupon Note	100.750	2,000,000.00	2,015,000.00	15,000.00
930 FHLMC	Coupon Note	100.000	2,505,250.00	2,500,000.00	(5,250.00)
Subtotal			15,732,572.50	16,083,208.30	350,635.80
0			0.00	0.00	0.00
SEI			17,431,554.49	17,202,547.35	(229,007.14)
SEI Cash			826,984.56	826,984.56	0.00
N/A LAIF			11,057,214.83	11,057,214.83	0.00
Purchased Int.			0.00	0.00	0.00
<b>Totals:</b>			<b>45,048,326.38</b>	<b>45,169,955.04</b>	<b>121,628.66</b>

\* Source: Treasury and Agency Obligations - Union Bank of California  
LAIF balances per Local Agency Investment Fund monthly statement.

SEI Investments Account  
Market to Cost Position Report  
March 31, 2004

Dep Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
FFCB	Coupon Note	06/27/03	550,000.00	09/27/04	278	180	458	1.000%	4,189.04	4,125.00	64.04
FHLB	Coupon Note	06/30/03	514,715.00	11/15/04	275	229	504	1.208%	4,684.61	6,328.12	(1,643.51)
FHLMC	Coupon Note	06/25/03	556,316.41	01/15/05	280	290	570	1.130%	4,822.42	5,729.21	(906.79)
FHLMC	Coupon Note	06/27/03	660,697.66	02/15/05	278	321	599	1.359%	6,838.71	15,583.97	(8,745.26)
FHLB	Coupon Note	06/26/03	665,362.50	04/15/05	279	380	659	1.064%	5,411.42	3,247.29	2,164.13
FHLB	Coupon Note	06/23/03	552,634.50	05/13/05	282	408	690	1.220%	5,209.00	3,231.25	1,977.75
FHLMC	Coupon Note	06/30/03	663,493.36	06/15/05	275	441	716	1.482%	7,408.40	12,271.87	(4,863.47)
FHLB	Coupon Note	06/24/03	672,743.50	08/15/05	281	502	783	1.335%	6,914.24	12,512.50	(5,598.26)
FHLB	Coupon Note	06/24/03	683,345.00	11/15/05	281	594	875	1.432%	7,533.49	9,228.65	(1,695.16)
FHLMC	Coupon Note	06/30/03	651,562.50	01/15/06	275	655	930	1.771%	8,693.90	17,062.50	(8,368.60)
FFCB	Coupon Note	06/25/03	666,809.00	03/15/06	280	714	994	1.523%	7,790.52	11,736.11	(3,945.59)
FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	280	745	1025	1.576%	8,029.09	4,717.01	3,312.08
FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	278	758	1036	2.315%	8,888.14	4,411.46	4,476.68
FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	281	775	1056	1.625%	8,240.24	5,409.90	2,830.34
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	278	793	1071	2.076%	7,920.57	4,628.47	3,292.10
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	275	836	1111	1.872%	5,462.48	10,427.08	(4,964.60)
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	275	912	1187	2.200%	6,630.14	4,040.00	2,590.14
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	281	959	1240	1.825%	9,667.48	10,340.00	(672.52)
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	280	993	1273	1.844%	9,349.69	14,137.50	(4,787.81)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	275	1003	1278	2.225%	6,705.48	4,450.00	2,255.48
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	280	1079	1359	1.946%	9,892.21	21,125.00	(11,232.79)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	275	1110	1385	2.150%	5,403.83	4,593.75	810.08
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	278	1154	1432	2.808%	8,609.45	5,033.33	3,576.12
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	275	1201	1476	2.359%	6,668.89	8,057.29	(1,388.40)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	281	1324	1605	2.257%	11,690.89	8,773.33	2,917.56
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	281	1363	1644	2.528%	5,828.42	3,750.00	2,078.42
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	278	1385	1663	2.492%	12,333.04	11,261.00	1,072.04
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	279	1445	1724	2.294%	11,527.41	12,761.08	(1,233.67)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	275	1476	1751	2.633%	5,676.80	4,287.50	1,389.30
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	279	1504	1783	2.507%	12,681.45	13,112.61	(431.16)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	275	1535	1810	2.894%	4,977.83	2,863.82	2,114.01
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	281	1540	1821	2.750%	10,585.62	6,875.00	3,710.62
			17,431,554.49			854		1.852%	246,264.90	266,111.60	(19,846.70)
Cash			826,984.56						4,960.78	4,582.67	378.11
			18,258,539.05						251,225.68	270,694.27	(19,468.59)

Meeting date: May 3, 2004

Item No:

**Town of Los Gatos  
Treasurer's Report  
for the month ended  
February 29, 2004**

**Submitted April 24, 2004  
by  
Linda L. Lubeck**

Distribution: Town Clerk  
Town Manager  
Town Council



**Town of Los Gatos**  
**Summary Investment Information**  
**February 29, 2004**

Weighted Average Portfolio Yield: 2.45% Weighted Average Maturity (days) 595

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$48,728,240	\$48,855,006	\$47,158,467

**Benchmarks/ References:**

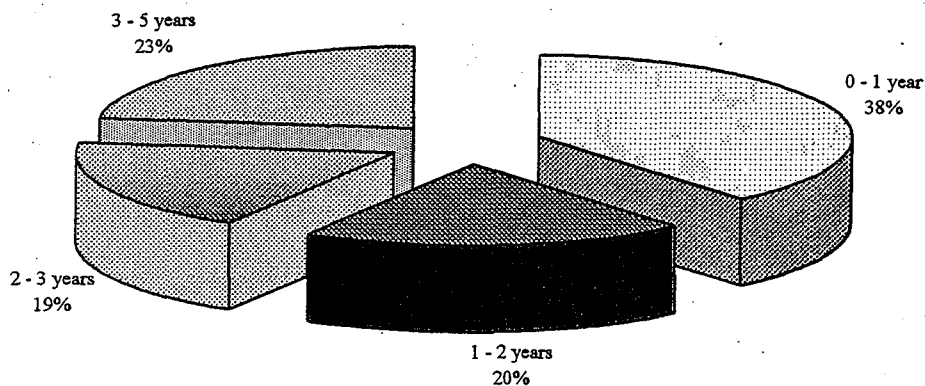
Town's Average Yield	2.45%	2.48%	3.27%
LAIF Yield for month	1.44%	1.53%	1.95%
3 mo. Treasury	0.95%	0.91%	1.20%
6 mo. Treasury	1.02%	0.98%	1.20%
2 yr. Treasury	1.68%	1.93%	1.58%
5 yr. Treasury (most recent)	3.03%	3.26%	3.03%
Prime rate	4.00%	4.00%	4.25%

**Most recent auctions of**

**Freddie Mac or Fannie Mae Reference Notes:**

2 yr. Freddie Mac (02/06/04)	1.88%
3 yr. Fannie Mae (02/20/04)	2.38%

**Portfolio Maturity Profile**



**Compliance:** The Town's investments are in compliance with the Town's investment policy dated June 24, 2002 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

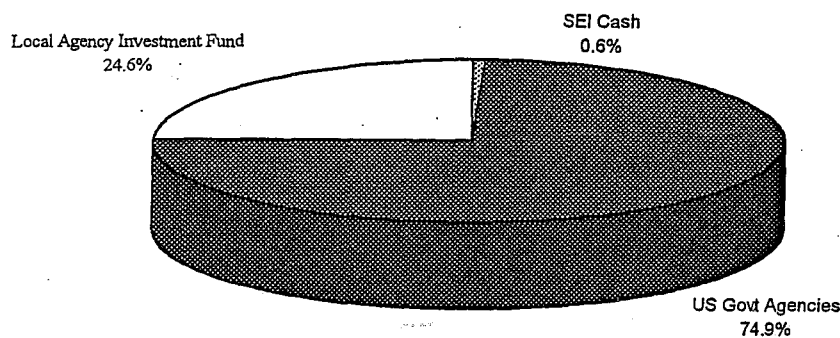
**Town of Los Gatos**  
**Portfolio Allocation & Treasurer's Fund Balances**  
**February 29, 2004**

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$48,855,005.80	\$49,655,650.00
Receipts	6,438,930.28	27,383,554.54
Disbursements	(6,565,696.54)	(28,310,965.00)
Fund Balances - End of Month/Period	<u>\$48,728,239.54</u>	<u>\$48,728,239.54</u>

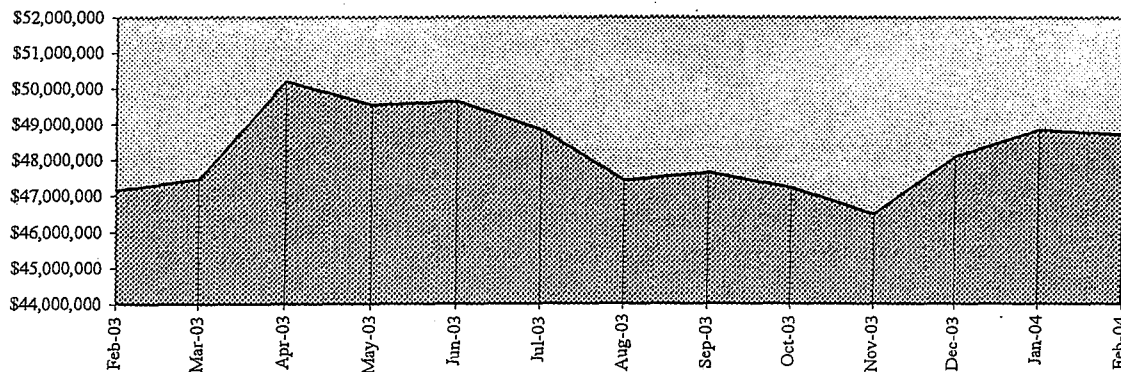
Portfolio Allocation:

SEI Cash	249,277.60
US Govt Agencies	33,704,325.49
Local Agency Investment Fund	<u>11,057,214.83</u>
Subtotal - Investments	45,010,817.92
Reconciled Demand Deposit Balances	<u>3,717,421.62</u>
 Total Treasurer's Fund	 <u>\$48,728,239.54</u>

**Portfolio Investment Allocation**



**Treasurer's Fund Balances**



**Town of Los Gatos**  
**Non-Treasury Restricted Fund Balances**  
**February 29, 2004**

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
<b>Non-Treasury Funds:</b>						
Downtown Parking District 12/20/02	221,931.41		1,328.20		223,259.61	Note 1
Certificates of Participation Reserve Fund (Lot 4)	295,840.30		108.93	41,812.87	254,136.36	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	84,761.59	41,812.87	24.25	45,897.50	80,701.21	Note 3
Cert. of Participation 2002 Series A Const. Fund	2,910,140.51				2,910,140.51	Note 4
Cert. of Participation 2002 Series A Reserve Fund	694,360.04		4.43	4.38	694,360.09	Note 4
Cert. Of Participation 2002 Series A Interest Fund	233,228.75		26.42	233,254.72	0.45	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
<b>Total Restricted Funds:</b>	<b><u>\$4,440,262.60</u></b>	<b><u>\$41,812.87</u></b>	<b><u>\$1,492.23</u></b>	<b><u>\$320,969.47</u></b>	<b><u>\$4,162,598.23</u></b>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

**Note 1:** This account include redemption accounts set up for the repayment of interest and principal on outstanding bond coupons for Parking Assessment District '3', as well as Reserve Funds set up as required by the original Bond resolution.

**Note 2:** The reserve fund was a requirement of the original certificates of participation agreement when Lot 4 was built. It helps to guarantee payment of the lease payments should the Town not make payment.

**Note 3:** The lease payment fund receives the lease payments from the Town monthly for the lease of Lot 4. It holds the funds until payments on the certificates of participation are due semi-annually.

**Note 4:** The three funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

**Town of Los Gatos**  
**Statement of Interest Earned**  
**February 29, 2004**

	<b>Current Month</b>	<b>Fiscal Year to Date</b>
Interest received from Investments	177,247.25	1,084,295.94
Add: Interest accrued at end of period (see page 5)	103,299.24	103,299.24
Less: Interest accrued at beginning of period	<u>(286,554.64)</u>	<u>(471,723.72)</u>
Interest earned on investments	<u>(\$6,008.15)</u> *	<u>\$715,871.46</u>

\* During the preparation of the February, 2004 Treasurer's report, an error in recording the interest on two bonds, that dates back to June, 2003 was discovered. The net effect of the error was that \$95,000 of interest was over recorded in fiscal 2003 through the year end accrued interest entry. This is an entry the Treasurer prepares, not Finance. The correction of the error requires the reduction of interest recorded during fiscal 2004 by the same amount. Thus page 4 of the February, 2004 report reflects 'negative' interest earnings for the month. The revised January, 2004 report pages correct a similar, much smaller, error from January, 2004 and are submitted so that your records are correct and complete.



Town of Los Gatos  
Inactive Deposits by Institution  
Market to Cost Position Report  
February 29, 2004

Inactive Deposits by Institution

<u>Dep Institution</u>	<u>Security</u>	<u>Deposit Date</u>	<u>Amortized Cost</u>	<u>Maturity Date</u>	<u>Days Elapsed</u>	<u>Days to Maturity</u>	<u>Days Invested</u>	<u>Yield to Maturity</u>	<u>Interest Earned</u>	<u>Interest Received</u>	<u>Interest Accrued</u>	
910 FHLB	Coupon Note	11/02/99	1,239,062.50	08/13/04	1580	166	1746	6.46%	346,489.40	334,852.43	11,636.97	
921 FHLB	Coupon Note	09/10/01	2,021,440.00	08/13/04	902	166	1068	4.23%	211,314.74	224,569.44	(13,254.70)	
923 FNMA	Coupon Note	02/25/02	1,998,520.00	03/15/05	734	380	1114	3.90%	156,738.72	120,555.56	36,183.16	
924 FHLMC	Coupon Note	05/16/02	1,999,340.00	06/15/05	654	472	1126	4.13%	148,099.13	134,347.22	13,751.91	
927 FNMA	Coupon Note	08/26/03	1,071,900.00	11/14/05	187	624	811	2.37%	13,014.10	10,180.80	2,833.30	
928 FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	187	789	976	2.83%	12,970.13	4,069.30	8,900.83	
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	982	837	1819	5.23%	281,673.13	260,484.30	21,188.83	
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	20	1165	1185	3.00%	3,287.67		3,287.67	
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	5	1272	1277	2.79%	958.90		958.90	
SEI Cash			249,277.60						4,582.67	4,411.46	171.21	
SEI Investments			17,971,319.37	Various		861		1.82%	224,064.78	233,399.78	(9,335.00)	
SEI Purchased Int.			433.62	Various								
LAIF	N/A	12/31/03	11,057,214.83	03/31/04	60	31	91	1.44%	26,976.17		26,976.17	
			45,010,817.92			595			2.45%	1,430,169.53	1,326,870.29	103,299.24

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	17,388,922.50	38.63%
1-2 years	8,958,901.36	19.90%
2-3 years	8,428,011.37	18.72%
3-5 years	<u>10,234,982.69</u>	<u>22.74%</u>
	<b>45,010,817.92</b>	<b>100.00%</b>

Market to Cost Position Report

<u>Dep Institution</u>	<u>Security</u>	<u>Market Price</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
910 FHLB	Coupon Note	102.313	1,239,062.50	1,278,912.50	39,850.00
921 FHLB	Coupon Note	101.594	2,021,440.00	2,031,880.00	10,440.00
923 FNMA	Coupon Note	102.750	1,998,520.00	2,055,000.00	56,480.00
924 FHLMC	Coupon Note	103.688	1,999,340.00	2,073,760.00	74,420.00
927 FNMA	Coupon Note	100.156	1,071,900.00	1,081,684.80	9,784.80
928 FNMA	Coupon Note	100.219	895,320.00	901,971.00	6,651.00
920 FNMA	Coupon Note	107.250	2,001,740.00	2,145,000.00	143,260.00
929 FNMA	Coupon Note	100.750	2,000,000.00	2,015,000.00	15,000.00
930 FHLMC	Coupon Note	100.000	2,505,250.00	2,500,000.00	(5,250.00)
					0.00
Subtotal			15,732,572.50	16,083,208.30	350,635.80
0			0.00	0.00	0.00
SEI			17,971,319.37	17,711,490.15	(259,829.22)
SEI Cash			249,277.60	249,277.60	0.00
N/A LAIF	N/A		11,057,214.83	11,057,214.83	0.00
Purchased Int.			433.62	433.62	0.00
Totals:			<b>45,010,817.92</b>	<b>45,101,624.50</b>	<b>90,806.58</b>

\* Source: Treasury and Agency Obligations - Union Bank of California  
LAIF balances per Local Agency Investment Fund monthly statement.

SEI Investments Account  
Market to Cost Position Report  
February 29, 2004

Dep	Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
	FHLB	Coupon Note	06/26/03	339,946.88	07/16/04	248	138	386	1.444%	3,335.32	1,656.93	1,678.39
	FFCB	Coupon Note	06/27/03	550,000.00	09/27/04	247	211	458	1.000%	3,721.92	1,375.00	2,346.92
	FHLB	Coupon Note	06/30/03	514,715.00	11/15/04	244	260	504	1.208%	4,156.53	6,328.12	(2,171.59)
	FHLMC	Coupon Note	06/25/03	556,316.41	01/15/05	249	321	570	1.130%	4,288.51	5,729.21	(1,440.70)
	FHLMC	Coupon Note	06/27/03	660,697.66	02/15/05	247	352	599	1.359%	6,076.12	15,583.97	(9,507.85)
	FHLB	Coupon Note	06/26/03	665,362.50	04/15/05	248	411	659	1.064%	4,810.15	3,247.29	1,562.86
	FHLB	Coupon Note	06/23/03	552,634.50	05/13/05	251	439	690	1.220%	4,636.38	3,231.25	1,405.13
	FHLMC	Coupon Note	06/30/03	663,493.36	06/15/05	244	472	716	1.482%	6,573.27	12,271.87	(5,698.60)
	FHLB	Coupon Note	06/24/03	672,743.50	08/15/05	250	533	783	1.335%	6,151.46	12,512.50	(6,361.04)
	FHLB	Coupon Note	06/24/03	683,345.00	11/15/05	250	625	875	1.432%	6,702.40	9,228.65	(2,526.25)
	FHLMC	Coupon Note	06/30/03	651,562.50	01/15/06	244	686	930	1.771%	7,713.86	17,062.50	(9,348.64)
	FFCB	Coupon Note	06/25/03	666,809.00	03/15/06	249	745	994	1.523%	6,928.00	3,611.11	3,316.89
	FHLMC MTN	Coupon Note	10/03/03	199,818.00	03/17/03	149	-349	-200	2.302%	1,877.73		1,877.73
	FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	249	776	1025	1.576%	7,140.15	4,717.01	2,423.14
	FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	247	789	1036	2.315%	7,897.02	4,411.46	3,485.56
	FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	250	806	1056	1.625%	7,331.17	5,409.90	1,921.27
	FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	247	824	1071	2.076%	7,037.34	4,628.47	2,408.87
	FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	244	867	1111	1.872%	4,846.71	10,427.08	(5,580.37)
	FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	244	943	1187	2.200%	5,882.74	4,040.00	1,842.74
	FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	250	990	1240	1.825%	8,600.96	10,340.00	(1,739.04)
	FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	249	1024	1273	1.844%	8,314.55	14,137.50	(5,822.95)
	FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	244	1034	1278	2.225%	5,949.59	4,450.00	1,499.59
	FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	249	1110	1359	1.946%	8,797.00	6,500.00	2,297.00
	FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	244	1141	1385	2.150%	4,794.67	4,593.75	200.92
	FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	247	1185	1432	2.808%	7,649.40	5,033.33	2,616.07
	FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	244	1232	1476	2.359%	5,917.12	8,057.29	(2,140.17)
	FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	250	1355	1605	2.257%	10,401.15	8,773.33	1,627.82
	FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	250	1394	1644	2.528%	5,185.43	3,750.00	1,435.43
	FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	247	1416	1663	2.492%	10,957.78	11,261.00	(303.22)
	FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	248	1476	1724	2.294%	10,246.59	3,892.33	6,354.26
	FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	244	1507	1751	2.633%	5,036.87	4,287.50	749.37
	FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	248	1535	1783	2.507%	11,272.40	13,112.61	(1,840.21)
	FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	244	1566	1810	2.894%	4,416.70	2,863.82	1,552.88
	FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	250	1571	1821	2.750%	9,417.81	6,875.00	2,542.81
				17,971,319.37			861		1.823%	224,064.78	233,399.78	(9,335.00)
	Cash			249,277.60						4,582.67	4,411.46	171.21
	Purchased Interest			433.62						228,647.45	237,811.24	(9,163.79)
				18,221,030.59								

Town of Los Gatos  
Statement of Interest Earned  
January 31, 2004

*REVISED*

	Current Month	Fiscal Year to Date
Interest received from Investments	94,692.99	907,048.69
Add: Interest accrued at end of period (see page 5)	286,554.64	286,554.64
Less: Interest accrued at beginning of period	(290,924.61)	(471,723.72)
Interest earned on investments	<u>\$90,323.02</u>	<u>\$721,879.61</u>



Town of Los Gatos  
Inactive Deposits by Institution  
Market to Cost Position Report  
January 31, 2004

REVISED

Inactive Deposits by Institution

Dep Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
919 FHLMC	Coupon Note	03/12/01	1,006,380.00	02/13/04	1055	13	1068	5.01%	145,738.10	127,312.50	18,425.60
908 FHLB	Coupon Note	02/23/99	1,502,265.00	02/23/04	1803	23	1826	5.40%	400,721.99	366,862.50	33,859.49
910 FHLB	Coupon Note	11/02/99	1,239,062.50	08/13/04	1551	195	1746	6.46%	340,129.79	295,789.93	44,339.86
921 FHLB	Coupon Note	09/10/01	2,021,440.00	08/13/04	873	195	1068	4.23%	204,520.80	178,319.44	26,201.36
923 FNMA	Coupon Note	02/25/02	1,998,520.00	03/15/05	705	409	1114	3.90%	150,546.05	120,555.56	29,990.49
924 FHLMC	Coupon Note	05/16/02	1,999,340.00	06/15/05	625	501	1126	4.13%	141,532.05	91,847.22	49,684.83
927 FNMA	Coupon Note	08/26/03	1,071,900.00	11/14/05	158	653	811	2.37%	10,995.87		10,995.87
928 FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	158	818	976	2.83%	10,958.72	4,069.30	6,889.42
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	953	866	1819	5.23%	273,354.88	207,984.30	65,370.58
Union Bank - Government Highmark Fds			2,019,253.06								
Sep. Inv. Purch. Int.			727.20								
SEI Cash			235,045.27						4,411.46	4,257.87	153.59
SEI Investments			17,971,319.37	Various		890		1.82%	197,664.71	211,346.65	(13,681.94)
SEI Purchased Int.			433.62	Various							
LAIF	N/A	12/31/03	11,057,214.83	03/31/04	31	60	91	1.53%	14,325.50		14,325.50
			45,019,960.85			498		2.48%	1,894,899.91	1,608,345.27	286,554.64

Maturity Profile	Amount	Percent
0-1 year	21,242,617.77	47.18%
1-2 years	9,619,599.02	21.37%
2-3 years	8,428,011.37	18.72%
3-5 years	5,729,732.69	12.73%
	45,019,960.85	100.00%

Market to Cost Position Report

Dep Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
919 FHLMC	Coupon Note	100.125	1,006,380.00	1,001,250.00	(5,130.00)
908 FHLB	Coupon Note	100.250	1,502,265.00	1,503,750.00	1,485.00
910 FHLB	Coupon Note	102.688	1,239,062.50	1,283,600.00	44,537.50
921 FHLB	Coupon Note	101.844	2,021,440.00	2,036,880.00	15,440.00
923 FNMA	Coupon Note	102.844	1,998,520.00	2,056,880.00	58,360.00
924 FHLMC	Coupon Note	103.719	1,999,340.00	2,074,380.00	75,040.00
927 FNMA	Coupon Note	100.031	1,071,900.00	1,080,334.80	8,434.80
928 FNMA	Coupon Note	100.313	895,320.00	902,817.00	7,497.00
920 FNMA	Coupon Note	106.906	2,001,740.00	2,138,120.00	136,380.00
0 - Government Highmark Fds		100.000	2,019,253.06	2,019,253.06	0.00
Subtotal			15,755,220.56	16,097,264.86	342,044.30
Sep. Inv. Purch. Int.			727.20	727.20	0.00
SEI			17,971,319.37	17,633,461.75	(337,857.62)
SEI Cash			235,045.27	235,045.27	0.00
N/A LAIF	N/A		11,057,214.83	11,057,214.83	0.00
Purchased Int.			433.62	433.62	0.00
Totals:			45,019,960.85	45,024,147.53	4,186.68

\* Source: Treasury and Agency Obligations - Union Bank of California  
LAIF balances per Local Agency Investment Fund monthly statement.

