



MEETING DATE: 05/15/06
ITEM NO. 4

COUNCIL AGENDA REPORT

DATE: May 10, 2006
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA LUBECK, TOWN TREASURER *LL*
SUBJECT: TREASURER'S REPORTS FOR FEBRUARY AND MARCH, 2006

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for February and March, 2006.

Prime increased to 7.75% on May 10, 2006. Treasurer's funds remained fairly constant during this two month period. Interest rates continued to rise slightly, as did the Town's overall performance.

The cash at Union Bank is being reinvested into the market during the month of May, with the advice of MBIA.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated May 10, 2006.

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

Reviewed by: *[Signature]* Town Manager *[Signature]* Assistant Town Manager _____ Town Attorney
_____ Clerk *SC* Finance _____ Community Development Revised: 5/11/06 8:44 am

Distribution: Town Council; Town Manager; Finance Director

Meeting date: May 15, 2006

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
March 31, 2006**

Submitted May 10, 2006

by

Linda L. Lubeck

A handwritten signature in black ink, appearing to be 'L. Lubeck', written over the printed name.

Distribution:

Town Clerk
Town Manager
Town Council

Town of Los Gatos
Summary Investment Information
March 31, 2006

Weighted Average Portfolio Yield: **3.65%** **Weighted Average Maturity (days)** **248**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$60,613,879	\$60,889,095	\$52,810,947

Benchmarks/ References:

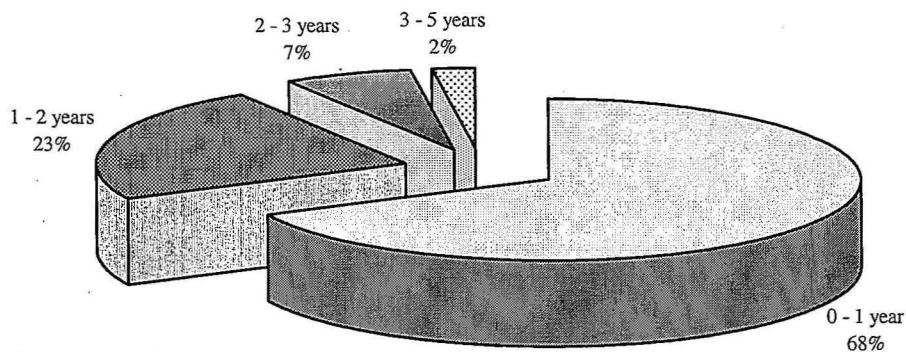
Town's Average Yield	3.65%	3.56%	2.60%
LAIF Yield for month	4.14%	4.04%	2.26%
3 mo. Treasury	4.61%	4.63%	2.37%
6 mo. Treasury	4.78%	4.75%	2.68%
2 yr. Treasury	4.73%	4.69%	3.25%
5 yr. Treasury (most recent)	4.79%	4.62%	3.73%
Prime rate	7.75%	7.50%	5.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (03/17/06)	5.00%
2 yr. Freddie Mac (03/09/06)	4.66%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated August 9, 2005 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.

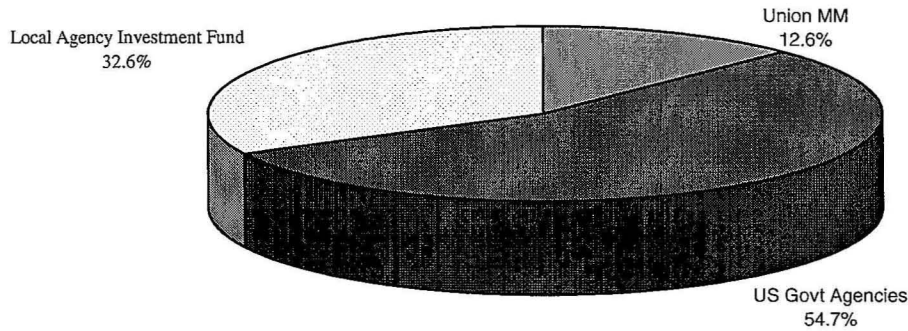
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
March 31, 2006

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$60,889,095.37	\$57,531,241.44
Receipts	2,527,817.87	30,367,905.01
Disbursements	(2,803,034.53)	(27,285,267.74)
Fund Balances - End of Month/Period	<u>\$60,613,878.71</u>	<u>\$60,613,878.71</u>

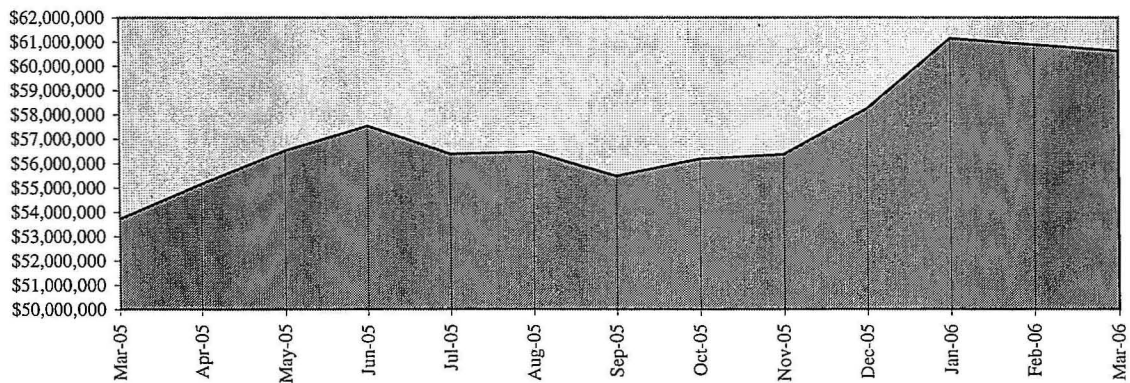
Portfolio Allocation:

Union MM	7,221,390.16
US Govt Agencies	31,326,490.32
Local Agency Investment Fund	<u>18,672,180.70</u>
Subtotal - Investments	57,220,061.18
Reconciled Demand Deposit Balances	<u>3,393,817.53</u>
Total Treasurer's Fund	<u>\$60,613,878.71</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2006

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Non-Treasury Funds:						
Downtown Parking District 12/20/02	244,029.42		487.79		244,517.21	Note 1
Certificates of Participation Reserve Fund (Lot 4)	258,303.20		773.70		259,076.90	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	89,737.89		268.79		90,006.68	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,300,640.64		1.37	0.04	1,300,641.97	Note 4
Cert. of Participation 2002 Series A Reserve Fund	752,707.42		208.08	20.49	752,895.01	Note 4
Cert. Of Participation 2002 Series A Interest Fund	297.00		0.78	0.01	297.77	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$2,645,715.57</u>	<u>\$0.00</u>	<u>\$1,740.51</u>	<u>\$20.54</u>	<u>\$2,647,435.54</u>	

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, 2006**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	72,092.95	1,207,804.48
Add: Interest accrued at end of period (see page 5)	158,155.76	158,155.76
Less: Interest accrued at beginning of period	<u>(54,071.25)</u>	<u>(33,323.60)</u>
Interest earned on investments	<u>\$176,177.46</u>	<u>\$1,332,636.64</u>

**Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
March 31, 2006**

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
928	FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	948	28	976	2.83%	65,752.33	51,319.30	14,433.03
933	FHLB	Coupon Note	08/18/04	996,420.00	05/15/06	590	45	635	2.46%	39,625.80	27,937.50	11,688.30
920	FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1743	76	1819	5.23%	499,955.46	470,484.30	29,471.16
939	FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	380	255	635	3.80%	19,723.85	13,342.01	6,381.84
934	FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	590	287	877	3.06%	73,760.49	58,800.00	14,960.49
940	FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	380	315	695	3.93%	22,226.23	13,743.65	8,482.58
929	FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	781	404	1185	3.00%	128,383.56	120,000.00	8,383.56
942	FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	319	411	730	4.04%	35,299.38	19,950.00	15,349.38
943	FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	273	412	685	3.82%	21,372.98	10,625.00	10,747.98
946	FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	228	594	822	4.50%	42,126.90	33,750.00	8,376.90
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	766	511	1277	3.16%	165,929.64	161,000.00	4,929.64
944	FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	273	624	897	3.81%	28,020.81	14,236.11	13,784.70
947	FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	228	686	914	4.51%	28,182.34	22,500.00	5,682.34
945	FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	273	749	1022	3.80%	21,503.23	9,195.31	12,307.92
	FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	1010	15	1025	1.576%	28,962.06	35,592.01	(6,629.95)
	FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	1008	28	1036	2.315%	32,227.51	30,661.46	1,566.05
	FMAC	Z Coupon	07/29/05	193,927.92	05/10/06	245	40	285	4.010%	5,219.85		5,219.85
	FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	1011	45	1056	1.625%	29,647.25	33,034.90	(3,387.65)
	FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	1008	63	1071	2.076%	28,719.18	26,128.47	2,590.71
	FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	1005	106	1111	1.872%	19,962.87	48,927.08	(28,964.21)
	FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	659	133	792	3.177%	17,048.16	13,772.92	3,275.24
	FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	1005	182	1187	2.200%	24,230.14	20,200.00	4,030.14
	FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	402	198	600	3.507%	7,633.43	3,559.72	4,073.71
	FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	1011	229	1240	1.825%	34,782.28	63,140.00	(28,357.72)
	FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	1010	263	1273	1.844%	33,725.68	72,637.50	(38,911.82)
	FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	1005	273	1278	2.225%	24,505.48	22,250.00	2,255.48
	FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	402	321	723	3.363%	7,235.90	4,657.64	2,578.26
	FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	1010	349	1359	1.946%	35,682.63	79,625.00	(43,942.37)
	FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1005	380	1385	2.150%	19,748.52	36,093.75	(16,345.23)
	FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1008	424	1432	2.808%	31,216.99	29,033.33	2,183.66
	FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1005	471	1476	2.359%	24,371.75	37,807.29	(13,435.54)
	FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1011	594	1605	2.257%	42,062.24	53,573.33	(11,511.09)
	FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1011	633	1644	2.528%	20,969.88	18,750.00	2,219.88
	FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1008	655	1663	2.492%	44,718.38	52,211.00	(7,492.62)
	FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	547	696	1243	3.462%	10,305.44	9,118.06	1,187.38
	FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1009	715	1724	2.294%	41,688.75	48,236.08	(6,547.33)
	FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1005	746	1751	2.633%	20,746.11	33,687.50	(12,941.39)
	FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1009	774	1783	2.507%	45,862.31	82,025.61	(36,163.30)
	FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1005	805	1810	2.894%	18,191.72	15,513.82	2,677.90
	FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1011	810	1821	2.750%	38,085.62	34,375.00	3,710.62
	FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	547	868	1415	3.442%	10,244.20	8,937.50	1,306.70
	FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	500	899	1399	3.866%	10,550.26	9,979.17	571.09
	FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	436	899	1335	3.974%	11,780.10	10,833.33	946.77
	FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	500	962	1462	3.936%	10,759.41	7,771.53	2,987.88
	FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	267	1018	1285	4.313%	9,351.48	6,619.79	2,731.69
	FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	434	1081	1515	3.930%	11,327.19	9,006.08	2,321.11
	FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	287	1217	1504	4.359%	10,289.25	8,130.21	2,159.04
	FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	242	1217	1459	4.527%	8,954.32	6,526.04	2,428.28
	FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	290	1250	1540	4.237%	10,054.82	8,834.37	1,220.45
	FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	434	1250	1684	4.180%	7,439.71	6,875.00	564.71
	FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	290	1396	1686	4.431%	10,538.01	8,057.29	2,480.72
	Subtotal			31,326,490.32								
	Union MM			7,221,390.16		30	30		4.26%	25,284.76		25,284.76
	LAIF	N/A	12/31/05	18,672,180.70	03/31/06	90	0	90	4.14%	165,234.10		165,234.10
				57,220,061.18			248		3.65%	2,181,220.72	2,023,064.96	158,155.76

Maturity Profile

	Amount	Percent
0-1 year	38,730,762.20	67.69%
1-2 years	13,326,542.93	23.29%
2-3 years	3,816,525.55	6.67%
3-5 years	1,346,230.50	2.35%
	<u>57,220,061.18</u>	<u>100.00%</u>

Market to Cost Position Report

Dep	Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
	Union Bank Assets			31,326,490.32	30,417,980.50	(908,509.82)
	Union MM			7,221,390.16	7,221,390.16	0.00
	LAIF			18,672,180.70	18,672,180.70	0.00
	Totals:			57,220,061.18	56,311,551.36	(908,509.82)

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

Meeting date: May 15, 2006

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
February 28, 2006**

Submitted May 10, 2006

by

Linda L. Lubeck

A handwritten signature in black ink, appearing to be 'L. Lubeck', with a stylized flourish extending from the end.

Distribution:

Town Clerk
Town Manager
Town Council

Town of Los Gatos
Summary Investment Information
February 28, 2006

Weighted Average Portfolio Yield: **3.56%** **Weighted Average Maturity (days)** **275**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$60,889,095	\$61,146,352	\$53,046,566

Benchmarks/ References:

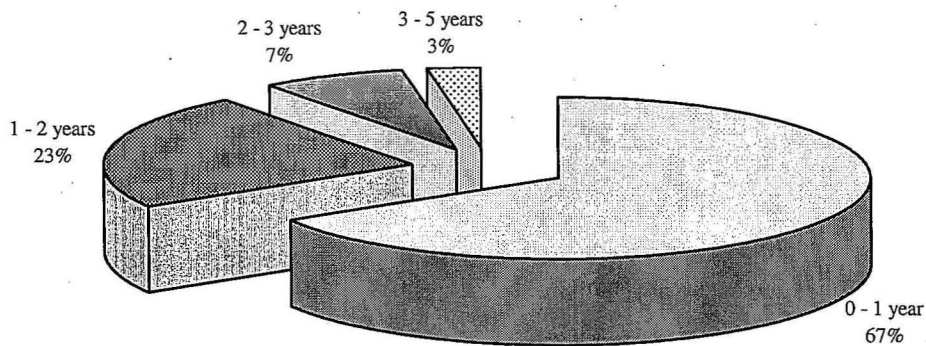
Town's Average Yield	3.56%	3.43%	2.66%
LAIF Yield for month	4.04%	3.96%	2.37%
3 mo. Treasury	4.63%	4.49%	2.77%
6 mo. Treasury	4.75%	4.60%	3.01%
2 yr. Treasury	4.69%	4.43%	3.50%
5 yr. Treasury (most recent)	4.62%	4.37%	3.62%
Prime rate	7.50%	7.50%	5.50%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (02/13/06)	4.88%
2 yr. Freddie Mac (01/13/06)	4.63%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated August 9, 2005 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.

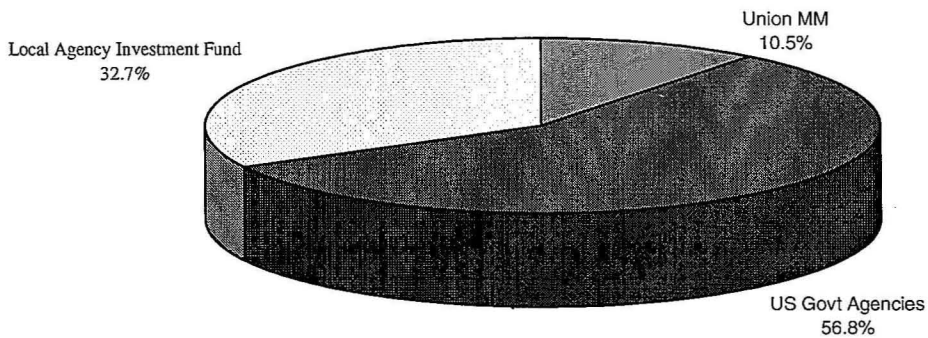
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
February 28, 2006

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$61,146,351.87	\$57,531,241.44
Receipts	3,176,456.32	27,840,087.14
Disbursements	(3,433,712.82)	(24,482,233.21)
Fund Balances - End of Month/Period	<u>\$60,889,095.37</u>	<u>\$60,889,095.37</u>

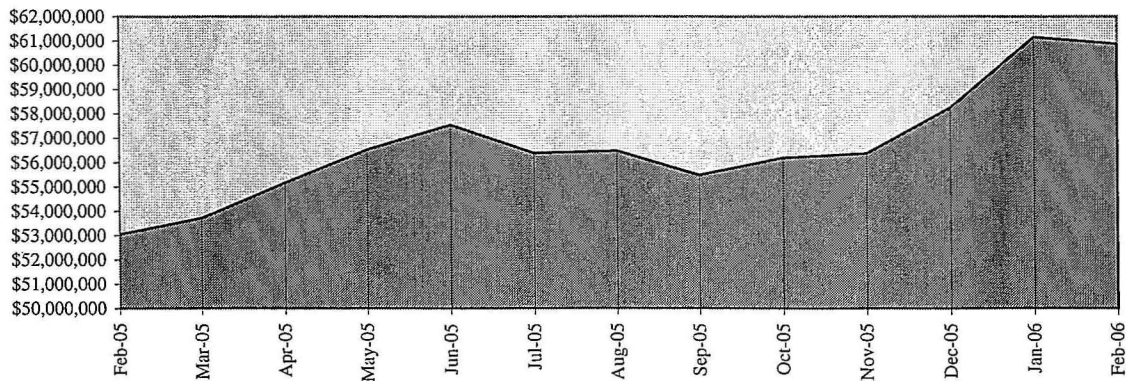
Portfolio Allocation:

Union MM	6,000,452.10
US Govt Agencies	32,476,735.43
Local Agency Investment Fund	<u>18,672,180.70</u>
Subtotal - Investments	57,149,368.23
Reconciled Demand Deposit Balances	<u>3,739,727.14</u>
 Total Treasurer's Fund	 <u>\$60,889,095.37</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
February 28, 2006

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Non-Treasury Funds:						
Downtown Parking District 12/20/02	243,490.56		538.86		244,029.42	Note 1
Certificates of Participation Reserve Fund (Lot 4)	257,509.70		793.50		258,303.20	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	126,145.82		329.57	36,737.50	89,737.89	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,288,761.70		11,878.98	0.04	1,300,640.64	Note 4
Cert. of Participation 2002 Series A Reserve Fund	752,516.81		213.28	22.67	752,707.42	Note 4
Cert. Of Participation 2002 Series A Interest Fund	227,728.75		331.54	227,763.29	297.00	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$2,896,153.34</u>	<u>\$0.00</u>	<u>\$14,085.73</u>	<u>\$264,523.50</u>	<u>\$2,645,715.57</u>	

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 28, 2006**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	172,216.19	1,135,711.53
Add: Interest accrued at end of period (see page 5)	54,071.25	54,071.25
Less: Interest accrued at beginning of period	<u>(54,876.29)</u>	<u>(33,323.60)</u>
Interest earned on investments	<u>\$171,411.15</u>	<u>\$1,156,459.18</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
February 28, 2006

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
938 FHLMC	Discount Note	03/16/05	483,436.11	03/07/06	349	7	356	3.35%	15,485.19		15,485.19
928 FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	917	59	976	2.83%	63,602.20	51,319.30	12,282.90
933 FHLB	Coupon Note	08/18/04	996,420.00	05/15/06	559	76	635	2.46%	37,543.76	27,937.50	9,606.26
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1712	107	1819	5.23%	491,063.54	470,484.30	20,579.24
939 FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	349	286	635	3.80%	18,114.80	13,342.01	4,772.79
934 FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	559	318	877	3.06%	69,884.94	58,800.00	11,084.94
940 FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	349	346	695	3.93%	20,413.04	13,743.65	6,669.39
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	750	435	1185	3.00%	123,287.67	120,000.00	3,287.67
942 FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	288	442	730	4.04%	31,869.03	19,950.00	11,919.03
943 FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	242	443	685	3.82%	18,946.01	10,625.00	8,321.01
946 FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	197	625	822	4.50%	36,399.12	33,750.00	2,649.12
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	735	542	1277	3.16%	159,214.47	161,000.00	(1,785.53)
944 FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	242	655	897	3.81%	24,838.96	14,236.11	10,602.85
947 FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	197	717	914	4.51%	24,350.53	22,500.00	1,850.53
945 FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	242	780	1022	3.80%	19,061.47	9,195.31	9,866.16
FFCB	Coupon Note	06/25/03	666,809.00	03/15/06	979	15	994	1.523%	27,239.00	36,111.11	(8,872.11)
FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	979	46	1025	1.576%	28,073.13	35,592.01	(7,518.88)
FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	977	59	1036	2.315%	31,236.39	30,661.46	574.93
FMAC	Z Coupon	07/29/05	193,927.92	05/10/06	214	71	285	4.010%	4,559.38		4,559.38
FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	980	76	1056	1.625%	28,738.19	33,034.90	(4,296.71)
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	977	94	1071	2.076%	27,835.95	26,128.47	1,707.48
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	974	137	1111	1.872%	19,347.10	48,927.08	(29,579.98)
FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	628	164	792	3.177%	16,246.20	13,772.92	2,473.28
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	974	213	1187	2.200%	23,482.74	20,200.00	3,282.74
FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	371	229	600	3.507%	7,044.78	3,559.72	3,485.06
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	980	260	1240	1.825%	33,715.76	63,140.00	(29,424.24)
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	979	294	1273	1.844%	32,690.53	72,637.50	(39,946.97)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	974	304	1278	2.225%	23,749.59	22,250.00	1,499.59
FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	371	352	723	3.363%	6,677.91	4,657.64	2,020.27
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	979	380	1359	1.946%	34,587.42	65,000.00	(30,412.58)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	974	411	1385	2.150%	19,139.37	36,093.75	(16,954.38)
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	977	455	1432	2.808%	30,256.95	29,033.33	1,223.62
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	974	502	1476	2.359%	23,619.98	37,807.29	(14,187.31)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	980	625	1605	2.257%	40,772.49	53,573.33	(12,800.84)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	980	664	1644	2.528%	20,326.89	18,750.00	1,576.89
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	977	686	1663	2.492%	43,343.11	52,211.00	(8,867.89)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	516	727	1243	3.462%	9,721.40	9,118.06	603.34
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	978	746	1724	2.294%	40,407.92	39,367.33	1,040.59
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	974	777	1751	2.633%	20,106.18	33,687.50	(13,581.32)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	978	805	1783	2.507%	44,453.26	82,025.61	(37,572.35)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	974	836	1810	2.894%	17,630.59	15,513.82	2,116.77
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	980	841	1821	2.750%	36,917.81	34,375.00	2,542.81
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	516	899	1415	3.442%	9,663.63	8,937.50	726.13
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	469	930	1399	3.866%	9,896.14	6,229.17	3,666.97
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	405	930	1335	3.974%	10,942.52	6,145.83	4,796.69
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	469	993	1462	3.936%	10,092.32	7,771.53	2,320.79
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	236	1049	1285	4.313%	8,265.73	6,619.79	1,645.94
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	403	1112	1515	3.930%	10,518.10	5,099.83	5,418.27
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	256	1248	1504	4.359%	9,177.87	8,130.21	1,047.66
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	211	1248	1459	4.527%	7,807.28	6,526.04	1,281.24
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	259	1281	1540	4.237%	8,979.99	2,646.87	6,333.12
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	403	1281	1684	4.180%	6,908.30	3,781.25	3,127.05
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	259	1427	1686	4.431%	9,411.53	8,057.29	1,354.24
Subtotal			32,476,735.43								
Union MM			6,000,452.10		30	30		4.08%	20,122.06		20,122.06
LAIF	N/A	12/31/05	18,672,180.70	03/31/06	59	31	90	4.04%	100,348.34		100,348.34
			57,149,368.23			275		3.56%	2,068,128.57	2,014,057.32	54,071.25

Maturity Profile

	Amount	Percent
0-1 year	37,997,417.25	66.49%
1-2 years	13,331,798.84	23.33%
2-3 years	4,231,521.64	7.40%
3-5 years	1,588,630.50	2.78%
	57,149,368.23	100.00%

Market to Cost Position Report

Dep. Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets			32,476,735.43	31,593,476.30	(883,259.13)
Union MM			6,000,452.10	6,000,452.10	0.00
LAIF			18,672,180.70	18,672,180.70	0.00
Totals:			57,149,368.23	56,266,109.10	(883,259.13)

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