



MEETING DATE: 06/04/07
ITEM NO. 3

COUNCIL AGENDA REPORT

DATE: June 4, 2007
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA SPEICHER, TOWN TREASURER
SUBJECT: TREASURER'S REPORTS FOR FEBRUARY, MARCH, APRIL 2007

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for the months of February, March and April, 2007.

Prime remained steady during the period, with no foreseeable raises by the Federal Reserve on the horizon. Interest rates continued to rise slightly for the overall portfolio, as investments matured and were reinvested into higher earning investments.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated May 30, 2007

PREPARED BY: Linda L. Speicher, Town Treasurer

Reviewed by: JS Town Manager PS Assistant Town Manager _____ Town Attorney
_____ Clerk SC Finance _____ Community Development Revised: 5/30/07 6:34 pm

Distribution: Town Council; Town Manager; Finance Director

Reformatted: 5/30/02

Meeting date: June 4, 2007

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
April 30, 2007**

Submitted May 30, 2007

by

Linda L. Speicher

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

Distribution:

Town Clerk
Town Manager
Town Council

Town of Los Gatos
Summary Investment Information
April 30, 2007

Weighted Average Portfolio Yield: **4.68%** **Weighted Average Maturity (days)** **403**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$70,970,263	\$67,753,203	\$65,264,285

Benchmarks/ References:

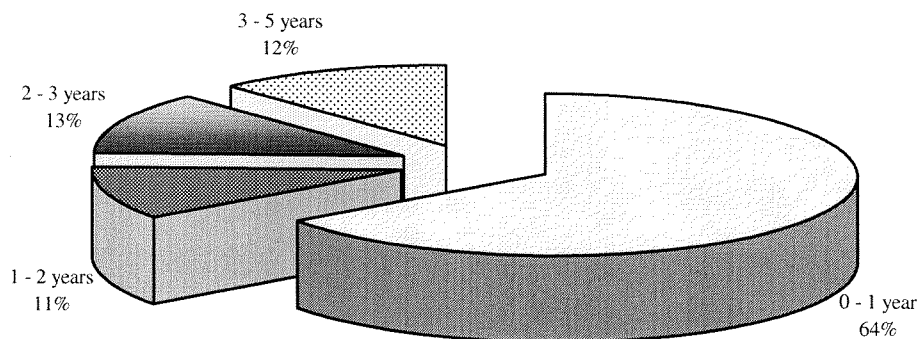
Town's Average Yield	4.68%	4.65%	3.78%
LAIF Yield for month	5.22%	5.21%	4.31%
3 mo. Treasury	4.92%	5.07%	4.76%
6 mo. Treasury	5.02%	5.08%	4.92%
2 yr. Treasury	4.61%	4.51%	4.98%
5 yr. Treasury (most recent)	4.58%	4.54%	4.96%
Prime rate	8.25%	8.25%	7.75%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (04/16/07)	4.89%
2 yr. Freddie Mac (05/23/07)	5.08%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 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.

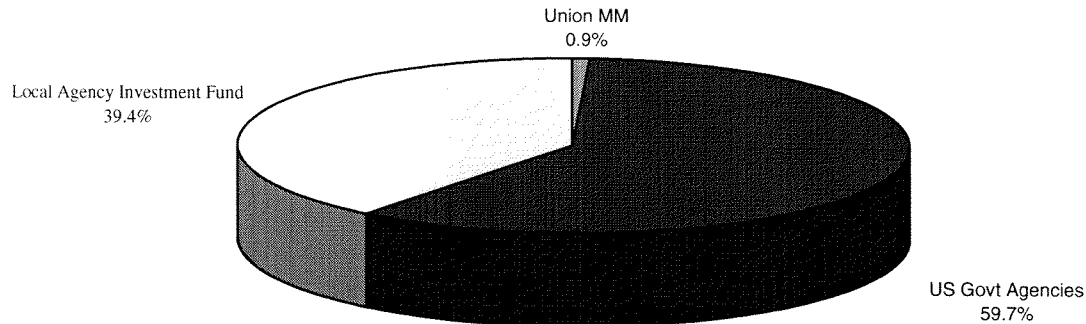
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
April 30, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$67,753,202.95	\$66,482,899.82
Receipts	5,718,921.34	35,205,356.73
Disbursements	(2,501,861.50)	(30,717,993.76)
Fund Balances - End of Month/Period	<u>\$70,970,262.79</u>	<u>\$70,970,262.79</u>

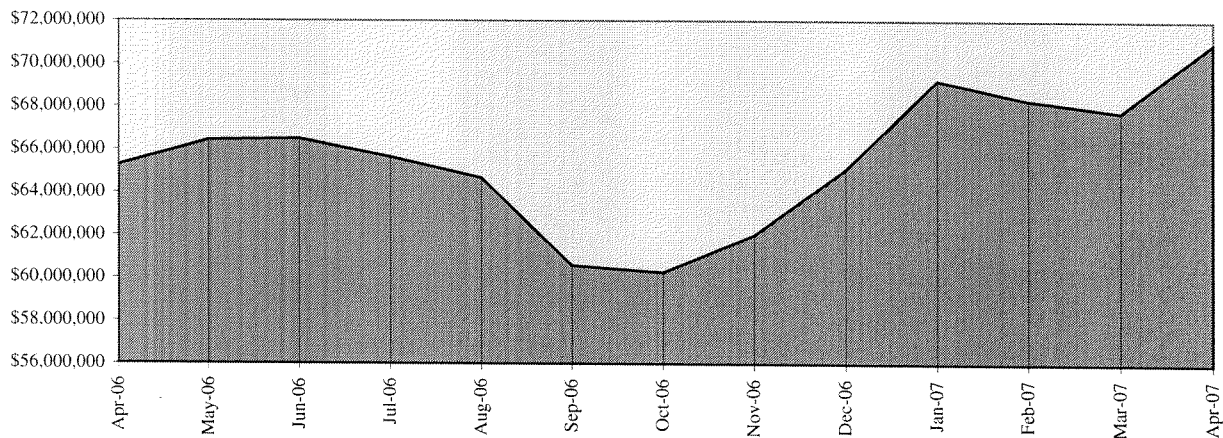
Portfolio Allocation:

Union MM	\$623,514.56
US Govt Agencies	39,305,702.63
Local Agency Investment Fund	<u>25,932,473.38</u>
Subtotal - Investments	65,861,690.57
Reconciled Demand Deposit Balances	<u>5,108,572.22</u>
Total Treasurer's Fund	<u>\$70,970,262.79</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
April 30, 2007

	<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	\$252,144.06		\$966.20		\$253,110.26	Note 1
Certificates of Participation Reserve Fund (Lot 4)	255,061.80		1,019.68		256,081.48	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	140,052.93	19,267.82	505.15		159,825.90	Note 3
Cert. of Participation 2002 Series A Const. Fund	362,803.58		2.52	0.05	362,806.05	Note 4
Cert. of Participation 2002 Series A Reserve Fund	785,011.72		413.65	32.84	785,392.53	Note 4
Cert. Of Participation 2002 Series A Interest Fund	4.24		2.78	0.18	6.84	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,795,078.33</u>	<u>\$19,267.82</u>	<u>\$2,909.98</u>	<u>\$33.07</u>	<u>\$1,817,223.06</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
April 30, 2007

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$436,793.21	\$2,143,764.90
Add: Interest accrued at end of period (see page 5)	410,862.17	410,862.17
Less: Interest accrued at beginning of period	<u>(598,196.59)</u>	<u>(268,699.72)</u>
Interest earned on investments	<u>\$249,458.79</u>	<u>\$2,285,927.35</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
April 30, 2007

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
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	1176	9	1185	3.000%	193,315.07	180,000.00	13,315.07
942 FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	714	16	730	4.043%	79,008.64	59,850.00	19,158.64
943 FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	668	17	685	3.815%	52,297.24	38,750.00	13,547.24
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	1161	116	1277	3.156%	251,493.88	241,500.00	9,993.88
946 FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	623	199	822	4.496%	115,109.92	101,250.00	13,859.92
944 FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	668	229	897	3.807%	68,563.74	45,486.11	23,077.63
947 FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	623	291	914	4.513%	77,007.00	67,500.00	9,507.00
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	353	336	689	5.000%	96,062.54	81,885.25	14,177.29
945 FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	668	354	1022	3.803%	52,615.96	55,601.56	(2,985.60)
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	319	397	716	5.135%	89,322.23	44,754.10	44,568.13
USTreasury	Note	07/19/06	738,281.25	02/15/09	285	657	942	5.157%	29,728.36	19,392.27	10,336.09
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	353	683	1036	5.298%	76,756.60	65,843.75	10,912.85
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	350	746	1096	5.014%	95,790.80	48,750.00	47,040.80
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	319	774	1093	5.226%	68,209.27	38,718.75	29,490.52
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	285	809	1094	5.408%	30,553.76	15,296.87	15,256.89
USTreasury	Note	11/17/06	748,066.41	11/15/09	164	930	1094	4.734%	15,911.80		15,911.80
ML Corp	Note	04/10/07	976,150.00	02/08/10	20	1015	1035	5.165%	2,762.64		2,762.64
USTreasury	Note	10/19/06	976,406.25	04/15/10	193	1081	1274	4.744%	24,492.87	19,560.44	4,932.43
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	251	1138	1389	4.957%	51,393.08	17,625.00	33,768.08
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	108	1198	1306	4.960%	21,826.47	5,483.33	16,343.14
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	213	1446	1659	4.874%	43,133.07	41,854.17	1,278.90
USTreasury	Note	10/19/06	990,078.13	09/30/11	193	1614	1807	4.721%	24,715.42	20,151.10	4,564.32
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1403	29	1432	2.808%	43,449.84	41,033.33	2,416.51
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1400	76	1476	2.359%	33,950.69	52,682.29	(18,731.60)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1406	199	1605	2.257%	58,496.05	75,973.33	(17,477.28)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1406	238	1644	2.528%	29,162.86	26,250.00	2,912.86
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1403	260	1663	2.492%	62,241.94	72,686.00	(10,444.06)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	942	301	1243	3.462%	17,747.20	15,618.06	2,129.14
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1404	320	1724	2.294%	58,008.92	65,973.58	(7,964.66)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1400	351	1751	2.633%	28,900.06	55,737.50	(26,837.44)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1404	379	1783	2.507%	63,816.34	116,482.11	(52,665.77)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1400	410	1810	2.894%	25,341.70	21,838.82	3,502.88
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1406	415	1821	2.750%	52,965.75	48,125.00	4,840.75
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	942	473	1415	3.442%	17,641.75	15,437.50	2,204.25
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	895	504	1399	3.866%	18,884.97	17,479.17	1,405.80
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	831	504	1335	3.974%	22,452.43	20,208.33	2,244.10
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	895	567	1462	3.936%	19,259.34	15,521.53	3,737.81
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	662	623	1285	4.313%	23,186.07	18,244.79	4,941.28
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	829	686	1515	3.930%	21,636.49	16,818.58	4,817.91
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	682	822	1504	4.359%	24,450.41	21,255.21	3,195.20
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	637	822	1459	4.527%	23,569.85	19,651.04	3,918.81
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	685	855	1540	4.237%	23,750.17	21,209.37	2,540.80
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	829	855	1684	4.180%	14,210.87	13,062.50	1,148.37
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	685	1001	1686	4.431%	24,891.50	21,182.29	3,709.21
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	123	1542	1665	5.375%	27,574.35	5,270.83	22,303.52
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	67	1683	1750	4.959%	8,976.11		8,976.11
Subtotal			39,288,684.61								
Union MM			623,514.56		30	30		4.87%	2,495.77		2,495.77
Purchased Interest			17,018.02								
LAIF	N/A	03/31/07	25,932,473.38	06/30/07	30	61	91	5.22%	110,724.23		110,724.23
						403		4.68%	\$2,417,856.03	\$2,006,993.86	\$410,862.17

Maturity Profile

	Amount	Percent
0-1 year	\$42,594,651.48	64.67%
1-2 years	\$7,001,016.55	10.63%
2-3 years	\$8,256,159.41	12.54%
3-5 years	\$8,009,863.13	12.16%
	<u>\$65,861,690.57</u>	<u>100.00%</u>

Market to Cost Position Report

Dep. Institution	Security	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets		\$39,288,684.61	\$39,096,790.35	(191,894.26)
Union MM		623,514.56	623,514.56	0.00
Purchased Interest		17,018.02	17,018.02	0.00
LAIF		25,932,473.38	25,932,473.38	0.00
Totals:		<u>\$65,861,690.57</u>	<u>\$65,669,796.31</u>	<u>(\$191,894.26)</u>

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

Meeting date: June 4, 2007

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
March 31, 2007**

Submitted May 30, 2007

by

Linda L. Speicher

A handwritten signature in black ink, appearing to be 'L. Speicher', with a long horizontal stroke extending to the right.

Distribution:

Town Clerk
Town Manager
Town Council

**Town of Los Gatos
Summary Investment Information
March 31, 2007**

Weighted Average Portfolio Yield: **4.65%** **Weighted Average Maturity (days)** **384**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$67,753,203	\$68,312,202	\$60,613,879

Benchmarks/ References:

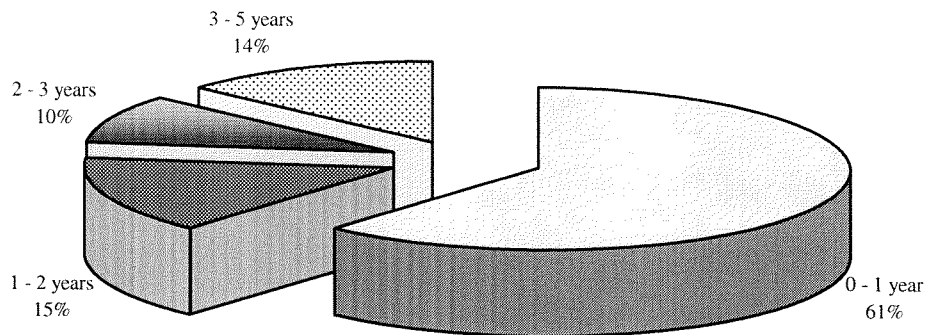
Town's Average Yield	4.65%	4.61%	3.65%
LAIF Yield for month	5.21%	5.18%	4.14%
3 mo. Treasury	5.07%	5.00%	4.61%
6 mo. Treasury	5.08%	5.09%	4.78%
2 yr. Treasury	4.51%	4.77%	4.73%
5 yr. Treasury (most recent)	4.54%	4.70%	4.79%
Prime rate	8.25%	8.25%	7.75%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (04/16/07)	4.89%
2 yr. Freddie Mac (05/23/07)	5.08%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 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.

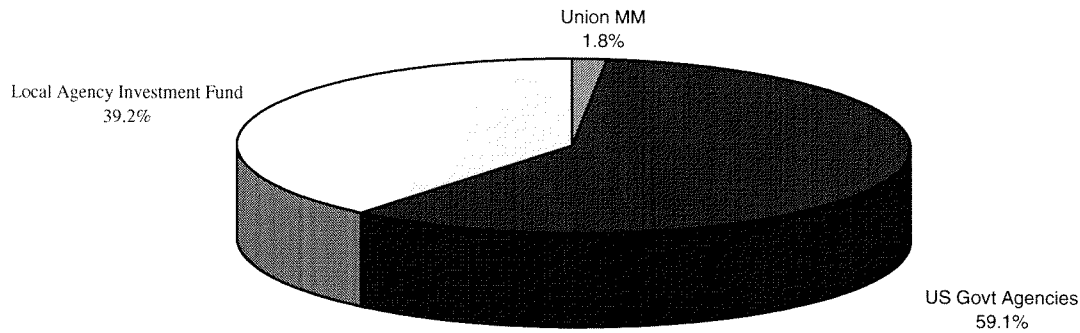
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
March 31, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$68,312,201.96	\$66,482,899.82
Receipts	2,736,903.15	29,486,435.39
Disbursements	(3,295,902.16)	(28,216,132.26)
Fund Balances - End of Month/Period	<u>\$67,753,202.95</u>	<u>\$67,753,202.95</u>

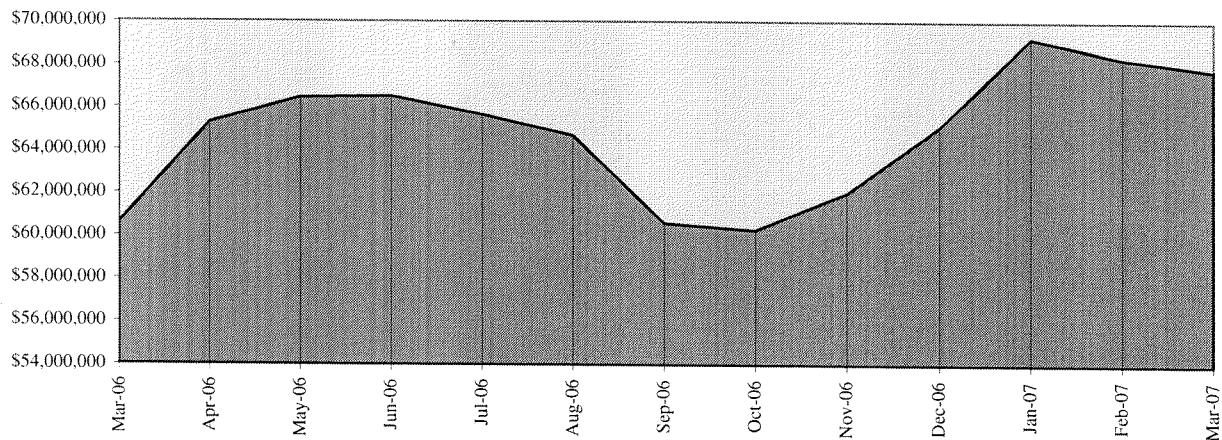
Portfolio Allocation:

Union MM	\$1,145,654.35
US Govt Agencies	38,658,619.31
Local Agency Investment Fund	<u>25,620,968.66</u>
Subtotal - Investments	65,425,242.32
Reconciled Demand Deposit Balances	<u>2,327,960.63</u>
Total Treasurer's Fund	<u>\$67,753,202.95</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2007

	<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	\$251,274.37		\$869.69		\$252,144.06	Note 1
Certificates of Participation Reserve Fund (Lot 4)	254,136.26		925.54		255,061.80	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	120,410.91	19,267.82	374.20		140,052.93	Note 3
Cert. of Participation 2002 Series A Const. Fund	362,801.26		2.38	0.06	362,803.58	Note 4
Cert. of Participation 2002 Series A Reserve Fund	784,669.80		371.40	29.48	785,011.72	Note 4
Cert. Of Participation 2002 Series A Interest Fund	1.24		3.21	0.21	4.24	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,773,293.84</u>	<u>\$19,267.82</u>	<u>\$2,546.42</u>	<u>\$29.75</u>	<u>\$1,795,078.33</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, 2007

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	\$25,192.70	\$1,706,971.69
Add: Interest accrued at end of period (see page 5)	598,196.59	598,196.59
Less: Interest accrued at beginning of period	<u>(365,485.32)</u>	<u>(268,699.72)</u>
Interest earned on investments	<u>\$257,903.97</u>	<u>\$2,036,468.56</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
March 31, 2007

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
929	FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	1146	39	1185	3.000%	188,383.56	180,000.00	8,383.56
942	FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	684	46	730	4.043%	75,688.95	59,850.00	15,838.95
943	FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	638	47	685	3.815%	49,948.57	38,750.00	11,198.57
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	1131	146	1277	3.156%	244,995.33	241,500.00	3,495.33
946	FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	593	229	822	4.496%	109,566.90	101,250.00	8,316.90
944	FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	638	259	897	3.807%	65,484.53	45,486.11	19,998.42
947	FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	593	321	914	4.513%	73,298.80	67,500.00	5,798.80
	USTreasury	Note	05/12/06	1,986,562.50	03/31/08	323	366	689	5.000%	87,898.59	35,635.25	52,263.34
945	FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	638	384	1022	3.803%	50,252.97	40,132.81	10,120.16
	USTreasury	Note	06/15/06	1,990,312.50	05/31/08	289	427	716	5.135%	80,922.02	44,754.10	36,167.92
	USTreasury	Note	07/19/06	738,281.25	02/15/09	255	687	942	5.157%	26,599.06	19,392.27	7,206.79
	FHLB	Coupon Note	05/12/06	1,498,035.00	03/31/09	323	713	1036	5.298%	70,233.38	65,843.75	4,389.63
	USTreasury	Note	05/15/06	1,992,343.75	05/15/09	320	776	1096	5.014%	87,580.16	48,750.00	38,830.16
	FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	289	804	1093	5.226%	61,794.60	38,718.75	23,075.85
	FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	255	839	1094	5.408%	27,337.58	15,296.87	12,040.71
	USTreasury	Note	11/17/06	748,066.41	11/15/09	134	960	1094	4.734%	13,001.11		13,001.11
	USTreasury	Note	10/19/06	976,406.25	04/15/10	163	1111	1274	4.744%	20,685.69		20,685.69
	FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	221	1168	1389	4.957%	45,250.48	17,625.00	27,625.48
	FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	78	1228	1306	4.960%	15,763.56	5,483.33	10,280.23
	FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	183	1476	1659	4.874%	37,057.99	3,416.67	33,641.32
	USTreasury	Note	10/19/06	990,078.13	09/30/11	163	1644	1807	4.721%	20,873.64		20,873.64
	FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1370	15	1385	2.150%	26,920.87	51,843.75	(24,922.88)
	FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1373	59	1432	2.808%	42,520.77	41,033.33	1,487.44
	FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1370	106	1476	2.359%	33,223.18	52,682.29	(19,459.11)
	FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1376	229	1605	2.257%	57,247.91	75,973.33	(18,725.42)
	FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1376	268	1644	2.528%	28,540.61	26,250.00	2,290.61
	FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1373	290	1663	2.492%	60,911.04	72,686.00	(11,774.96)
	FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	912	331	1243	3.462%	17,182.01	15,618.06	1,563.95
	FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1374	350	1724	2.294%	56,769.41	65,973.58	(9,204.17)
	FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1370	381	1751	2.633%	28,280.77	48,387.50	(20,106.73)
	FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1374	409	1783	2.507%	62,452.75	116,482.11	(54,029.36)
	FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1370	440	1810	2.894%	24,798.67	21,838.82	2,959.85
	FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1376	445	1821	2.750%	51,835.62	48,125.00	3,710.62
	FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	912	503	1415	3.442%	17,079.91	15,437.50	1,642.41
	FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	865	534	1399	3.866%	18,251.95	17,479.17	772.78
	FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	801	534	1335	3.974%	21,641.88	20,208.33	1,433.55
	FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	865	597	1462	3.936%	18,613.77	15,521.53	3,092.24
	FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	632	653	1285	4.313%	22,135.34	18,244.79	3,890.55
	FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	799	716	1515	3.930%	20,853.51	16,818.58	4,034.93
	FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	652	852	1504	4.359%	23,374.88	21,255.21	2,119.67
	FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	607	852	1459	4.527%	22,459.81	19,651.04	2,808.77
	FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	655	885	1540	4.237%	22,710.01	21,209.37	1,500.64
	FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	799	885	1684	4.180%	13,696.60	13,062.50	634.10
	FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	655	1031	1686	4.431%	23,801.37	21,182.29	2,619.08
	FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	93	1572	1665	5.375%	20,848.90	5,270.83	15,578.07
	FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	37	1713	1750	4.959%	4,956.96		4,956.96
	Subtotal			38,646,132.27								
	Union MM			1,145,654.35		30	30		4.87%	4,585.76		4,585.76
	Purchased Interest			12,487.04								
	LAIF	N/A	12/31/06	25,620,968.66	03/31/07	90	0	90	5.21%	311,504.72		311,504.72
							384		4.65%	\$2,509,816.41	\$1,911,619.82	\$598,196.59

Maturity Profile

	Amount	Percent
0-1 year	\$40,105,652.98	61.30%
1-2 years	\$10,029,716.80	15.33%
2-3 years	\$6,303,603.16	9.63%
3-5 years	\$8,986,269.38	13.74%
	<u>\$65,425,242.32</u>	<u>100.00%</u>

Market to Cost Position Report

Dep	Institution	Security	Amortized Cost	Market Value*	Unrealized Gain (Loss)
		Union Bank Assets	\$38,646,132.27	\$38,399,260.95	(246,871.32)
		Union MM	1,145,654.35	1,145,654.35	0.00
		Purchased Interest	12,487.04	12,487.04	0.00
		LAIF	25,620,968.66	25,620,968.66	0.00
Totals:			<u>\$65,425,242.32</u>	<u>\$65,178,371.00</u>	<u>(\$246,871.32)</u>

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

Meeting date: June 4, 2007

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
February 28, 2007**

Submitted May 30, 2007

by

Linda L. Speicher

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

Distribution:

Town Clerk
Town Manager
Town Council

**Town of Los Gatos
Summary Investment Information
February 28, 2007**

Weighted Average Portfolio Yield: **4.61%** **Weighted Average Maturity (days)** **415**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$68,312,202	\$69,236,890	\$60,889,095

Benchmarks/ References:

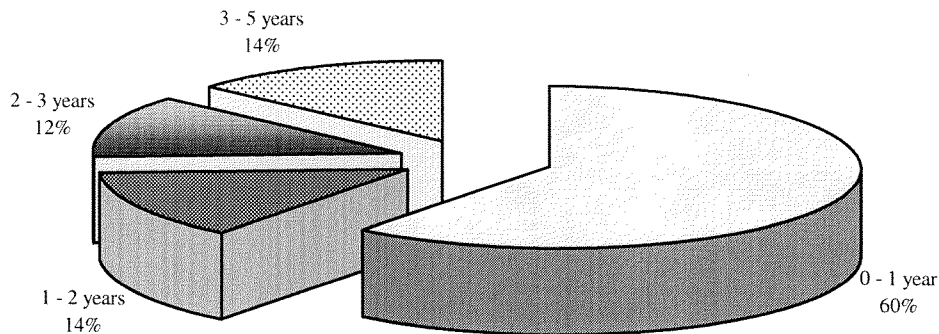
Town's Average Yield	4.61%	4.57%	3.56%
LAIF Yield for month	5.18%	5.16%	4.04%
3 mo. Treasury	5.00%	5.15%	4.63%
6 mo. Treasury	5.09%	5.18%	4.75%
2 yr. Treasury	4.77%	4.93%	4.69%
5 yr. Treasury (most recent)	4.70%	4.86%	4.62%
Prime rate	8.25%	8.25%	7.50%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (02/09/07)	4.89%
2 yr. Freddie Mac (01/16/07)	5.01%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 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.

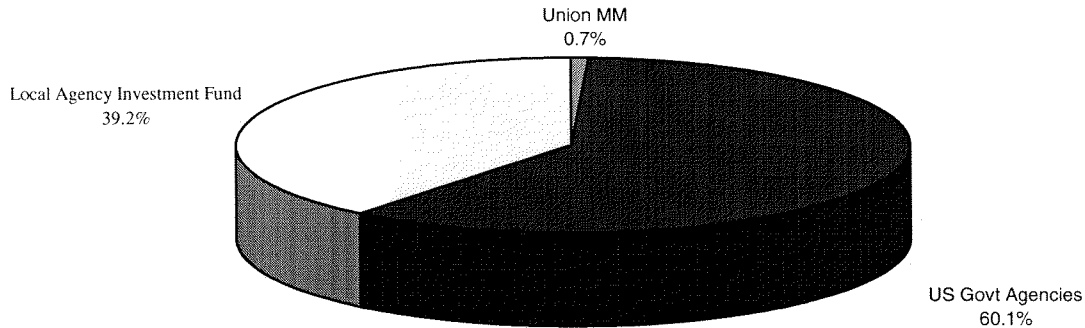
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
February 28, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$69,236,890.27	\$66,482,899.82
Receipts	1,691,011.19	26,749,532.24
Disbursements	<u>(2,615,699.50)</u>	<u>(24,920,230.10)</u>
Fund Balances - End of Month/Period	<u>\$68,312,201.96</u>	<u>\$68,312,201.96</u>

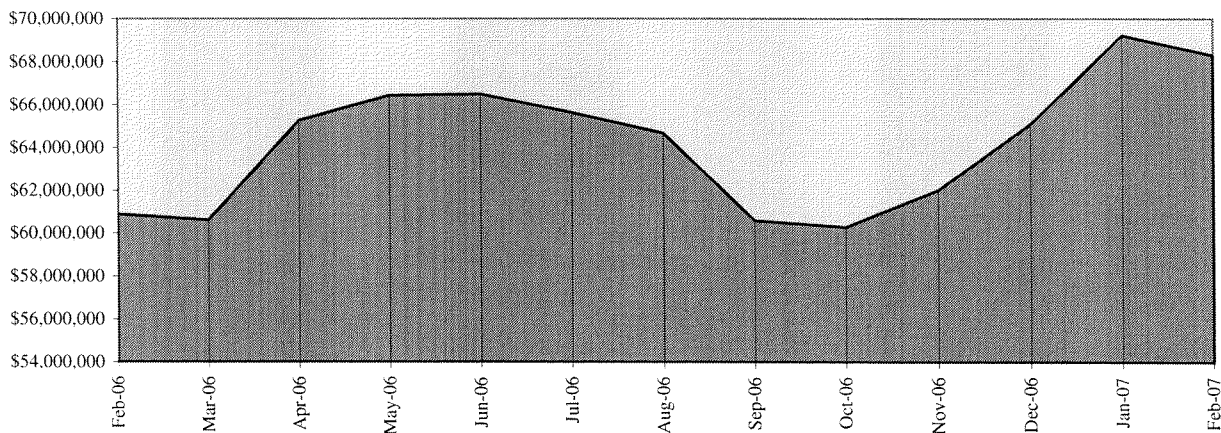
Portfolio Allocation:

Union MM	\$458,055.59
US Govt Agencies	39,321,271.31
Local Agency Investment Fund	<u>25,620,968.66</u>
Subtotal - Investments	65,400,295.56
Reconciled Demand Deposit Balances	<u>2,911,906.40</u>
Total Treasurer's Fund	<u>\$68,312,201.96</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
February 28, 2007

	<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	\$250,315.18		\$959.19		\$251,274.37	Note 1
Certificates of Participation Reserve Fund (Lot 4)	260,217.24		1,032.79	7,113.77	254,136.26	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	125,320.24	26,381.59	459.08	31,750.00	120,410.91	Note 3
Cert. of Participation 2002 Series A Const. Fund	419,669.91	10,338.54	3.40	67,210.59	362,801.26	Note 4
Cert. of Participation 2002 Series A Reserve Fund	784,294.08		408.32	32.60	784,669.80	Note 4
Cert. Of Participation 2002 Series A Interest Fund	327.31	224,526.44	1.25	224,853.76	1.24	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,840,143.96</u>	<u>\$261,246.57</u>	<u>\$2,864.03</u>	<u>\$330,960.72</u>	<u>\$1,773,293.84</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, 2007

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$183,934.47	\$1,681,778.99
Add: Interest accrued at end of period (see page 5)	365,485.32	365,485.32
Less: Interest accrued at beginning of period	<u>(325,190.24)</u>	<u>(268,699.72)</u>
Interest earned on investments	<u>\$224,229.55</u>	<u>\$1,778,564.59</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
February 28, 2007

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
929	FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	1115	70	1185	3.000%	183,287.67	180,000.00	3,287.67
942	FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	653	77	730	4.043%	72,258.60	59,850.00	12,408.60
943	FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	607	78	685	3.815%	47,521.60	38,750.00	8,771.60
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	1100	177	1277	3.156%	238,280.16	241,500.00	(3,219.84)
946	FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	562	260	822	4.496%	103,839.12	101,250.00	2,589.12
944	FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	607	290	897	3.807%	62,302.68	45,486.11	16,816.57
947	FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	562	352	914	4.513%	69,466.99	67,500.00	1,966.99
	USTreasury	Note	05/12/06	1,986,562.50	03/31/08	292	397	689	5.000%	79,462.50	35,635.25	43,827.25
945	FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	607	415	1022	3.803%	47,811.21	40,132.81	7,678.40
	USTreasury	Note	06/15/06	1,990,312.50	05/31/08	258	458	716	5.135%	72,241.80	44,754.10	27,487.70
	USTreasury	Note	07/19/06	738,281.25	02/15/09	224	718	942	5.157%	23,365.45	19,392.27	3,973.18
	FHLB	Coupon Note	11/12/06	1,498,035.00	03/13/09	292	744	1036	5.298%	63,492.72	26,468.75	37,023.97
	USTreasury	Note	05/15/06	1,992,343.75	05/15/09	289	807	1096	5.014%	79,095.83	48,750.00	30,345.83
	FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	258	835	1093	5.226%	55,166.11	38,718.75	16,447.36
	FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	224	870	1094	5.408%	24,014.19	15,296.87	8,717.32
	USTreasury	Note	11/17/06	748,066.41	11/15/09	103	991	1094	4.734%	9,993.39		9,993.39
	USTreasury	Note	10/19/06	976,406.25	04/15/10	132	1142	1274	4.744%	16,751.60		16,751.60
	FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	190	1199	1389	4.957%	38,903.13	17,625.00	21,278.13
	FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	47	1259	1306	4.960%	9,498.55	5,483.33	4,015.22
	FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	152	1507	1659	4.874%	30,780.41	3,416.67	27,363.74
	USTreasury	Note	10/19/06	990,078.13	09/30/11	132	1675	1807	4.721%	16,903.81		16,903.81
	FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	1344	15	1359	1.946%	47,482.63	94,250.00	(46,767.37)
	FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1339	46	1385	2.150%	26,311.72	51,843.75	(25,532.03)
	FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1342	90	1432	2.808%	41,560.72	41,033.33	527.39
	FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1339	137	1476	2.359%	32,471.41	52,682.29	(20,210.88)
	FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1345	260	1605	2.257%	55,958.17	75,973.33	(20,015.16)
	FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1345	299	1644	2.528%	27,897.61	26,250.00	1,647.61
	FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1342	321	1663	2.492%	59,535.77	72,686.00	(13,150.23)
	FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	881	362	1243	3.462%	16,597.97	15,618.06	979.91
	FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1343	381	1724	2.294%	55,488.59	57,104.83	(1,616.24)
	FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1339	412	1751	2.633%	27,640.84	48,387.50	(20,746.66)
	FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1343	440	1783	2.507%	61,043.70	116,482.11	(55,438.41)
	FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1339	471	1810	2.894%	24,237.53	21,838.82	2,398.71
	FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1345	476	1821	2.750%	50,667.81	48,125.00	2,542.81
	FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	881	534	1415	3.442%	16,499.34	15,437.50	1,061.84
	FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	834	565	1399	3.866%	17,597.84	13,729.17	3,868.67
	FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	770	565	1335	3.974%	20,804.30	15,520.83	5,283.47
	FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	834	628	1462	3.936%	17,946.69	15,521.53	2,425.16
	FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	601	684	1285	4.313%	21,049.59	18,244.79	2,804.80
	FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	768	747	1515	3.930%	20,044.42	12,912.33	7,132.09
	FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	621	883	1504	4.359%	22,263.50	21,255.21	1,008.29
	FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	576	883	1459	4.527%	21,312.77	19,651.04	1,661.73
	FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	624	916	1540	4.237%	21,635.19	15,021.87	6,613.32
	FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	768	916	1684	4.180%	13,165.19	9,968.75	3,196.44
	FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	624	1062	1686	4.431%	22,674.89	21,182.29	1,492.60
	FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	62	1603	1665	5.375%	13,899.26	5,270.83	8,628.43
	FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	6	1744	1750	4.959%	803.83		803.83
	Subtotal			39,308,784.27								
	Union MM			458,055.59		30	30		4.86%	1,829.71		1,829.71
	Purchased Interest			12,487.04								
	LAIF	N/A	12/31/06	25,620,968.66	03/31/07	59	31	90	5.18%	198,627.89		198,627.89
				\$65,400,295.56			415		4.61%	\$2,301,486.39	\$1,936,001.07	\$365,485.32

Maturity Profile

	Amount	Percent
0-1 year	\$39,423,310.13	60.28%
1-2 years	\$8,946,677.89	13.68%
2-3 years	\$8,044,038.16	12.30%
3-5 years	<u>\$8,986,269.38</u>	<u>13.74%</u>
	<u>\$65,400,295.56</u>	<u>100.00%</u>

Market to Cost Position Report

Dep	Institution	Security	Amortized Cost	Market Value*	Unrealized Gain (Loss)
		Union Bank Assets	\$39,308,784.27	\$38,993,712.45	(315,071.82)
		Union MM	458,055.59	458,055.59	0.00
		Purchased Interest	12,487.04	12,487.04	0.00
		LAIF	25,620,968.66	25,620,968.66	0.00
		Totals:	\$65,400,295.56	\$65,085,223.74	(\$315,071.82)

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