



MEETING DATE: 08/20/07

ITEM NO. 2

COUNCIL AGENDA REPORT

DATE: August 14, 2007
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA SPEICHER, TOWN TREASURER
SUBJECT: TREASURER'S REPORTS FOR MAY AND JUNE 2007

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for the months of May and June, 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. The bond market started to experience some issues from the mortgage market issues, but nothing significant.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated August 14, 2007

PREPARED BY: Linda L. Speicher, Town Treasurer

Reviewed by: PS Town Manager ___ Assistant Town Manager OK Town Attorney
___ Clerk so Finance ___ Community Development Revised: 8/14/07 6:34 pm

Distribution: Town Council; Town Manager; Finance Director

Reformatted: 5/30/02

Meeting date: August 20, 2007


Item No:

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

Submitted August 14, 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
June 30, 2007**

Weighted Average Portfolio Yield: **4.83%** **Weighted Average Maturity (days)** **411**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$73,499,683	\$72,676,515	\$66,482,900

Benchmarks/ References:

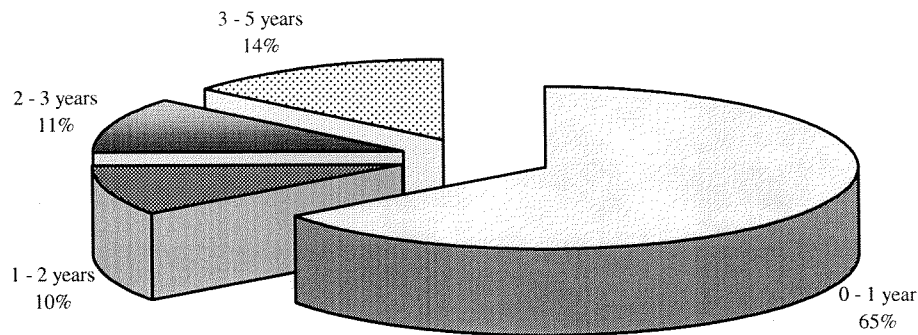
Town's Average Yield	4.83%	4.83%	4.17%
LAIF Yield for month	5.25%	5.25%	4.60%
3 mo. Treasury	4.82%	4.92%	5.04%
6 mo. Treasury	5.01%	5.01%	5.32%
2 yr. Treasury	4.91%	4.89%	5.24%
5 yr. Treasury (most recent)	4.94%	4.82%	5.20%
Prime rate	8.25%	8.25%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (04/16/07)	4.89%
2 yr. Freddie Mac (06/15/07)	5.03%

Portfolio Maturity Profile



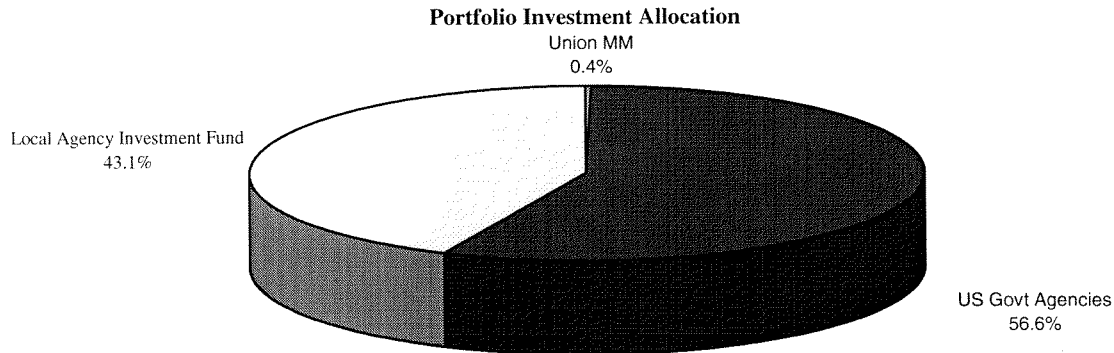
Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

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

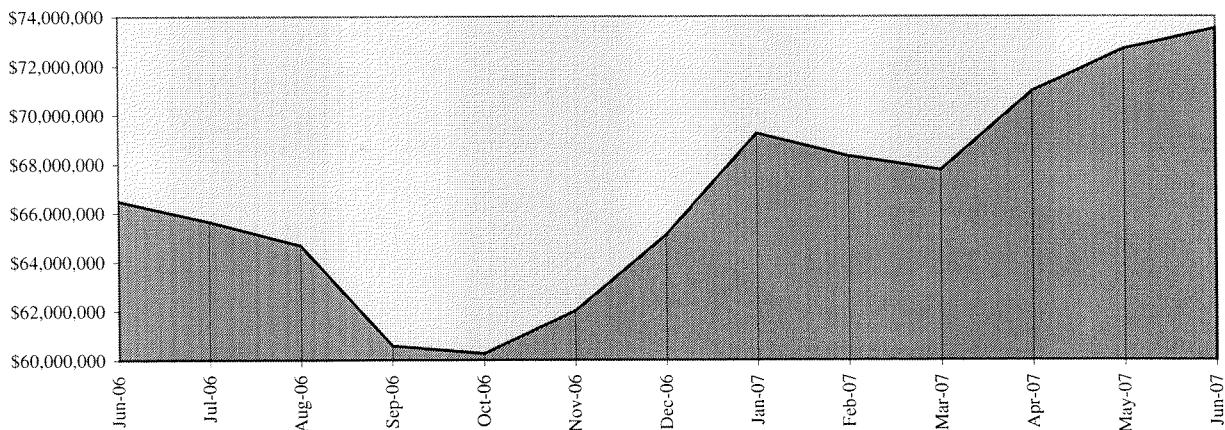
	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$72,676,515.31	\$66,482,899.82
Receipts	3,321,190.82	42,348,376.74
Disbursements	<u>(2,498,022.82)</u>	<u>(35,331,593.25)</u>
Fund Balances - End of Month/Period	<u>\$73,499,683.31</u>	<u>\$73,499,683.31</u>

Portfolio Allocation:

Union MM	\$260,827.56
US Govt Agencies	39,996,443.53
Local Agency Investment Fund	<u>30,432,473.38</u>
Subtotal - Investments	70,689,744.47
Reconciled Demand Deposit Balances	<u>2,809,938.84</u>
 Total Treasurer's Fund	 <u>\$73,499,683.31</u>



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
June 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	\$254,048.88		\$973.50		\$255,022.38	Note 1
Certificates of Participation Reserve Fund (Lot 4)	257,065.40		1,001.75		258,067.15	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	179,660.64	19,267.82	663.86		199,592.32	Note 3
Cert. of Participation 2002 Series A Const. Fund	367,745.92		2.51	0.08	367,748.35	Note 4
Cert. of Participation 2002 Series A Reserve Fund	769,840.24		1,815.64	147.43	771,508.45	Note 4
Cert. Of Participation 2002 Series A Interest Fund	6.84		0.00		6.84	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,828,367.92</u>	<u>\$19,267.82</u>	<u>\$4,457.26</u>	<u>\$147.51</u>	<u>\$1,851,945.49</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
June 30, 2007**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	\$123,966.34	\$2,472,397.09
Add: Interest accrued at end of period (see page 5)	638,512.99	638,512.99
Less: Interest accrued at beginning of period	<u>(480,653.23)</u>	<u>(268,699.72)</u>
Interest earned on investments	<u>\$281,826.10</u>	<u>\$2,842,210.36</u>

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

Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	1222	55	1277	3.156%	264,707.60	241,500.00	23,207.60
FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	684	138	822	4.496%	126,380.71	101,250.00	25,130.71
FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	729	168	897	3.807%	74,824.80	61,111.11	13,713.69
FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	684	230	914	4.513%	84,547.01	67,500.00	17,047.01
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	414	275	689	5.000%	112,662.59	81,885.25	30,777.34
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	729	293	1022	3.803%	57,420.71	55,601.56	1,819.15
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	380	336	716	5.135%	106,402.65	93,504.10	12,898.55
USTreasury	Note	07/19/06	738,281.25	02/15/09	346	596	942	5.157%	36,091.27	19,392.27	16,699.00
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	414	622	1036	5.298%	90,020.49	65,843.75	24,176.74
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	411	685	1096	5.014%	112,485.76	97,500.00	14,985.76
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	380	713	1093	5.226%	81,252.42	78,093.75	3,158.67
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	346	748	1094	5.408%	37,093.34	15,296.87	21,796.47
USTreasury	Note	11/17/06	748,066.41	11/15/09	225	869	1094	4.734%	21,830.22	17,152.11	4,678.11
ML Corp	Note	04/10/07	976,150.00	02/08/10	81	954	1035	5.165%	11,188.68		11,188.68
USTreasury	Note	10/19/06	976,406.25	04/15/10	254	1020	1274	4.744%	32,234.14	19,560.44	12,673.70
FHLB	Coupon Note	05/18/07	1,574,842.50	04/16/10	43	1021	1064	5.548%	10,293.17		10,293.17
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	312	1077	1389	4.957%	63,883.03	57,000.00	6,883.03
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	169	1137	1306	4.960%	34,154.38	5,483.33	28,671.05
USTreasury	Note	05/31/07	737,226.56	10/15/10	30	1203	1233	4.801%	2,909.12		2,909.12
FNMA	Coupon Note	05/09/07	998,200.00	11/08/10	52	1227	1279	5.250%	7,465.99		7,465.99
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	274	1385	1659	4.874%	55,485.73	41,854.17	13,631.56
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	184	1481	1665	5.375%	41,249.43	5,270.83	35,978.60
USTreasury	Note	10/19/06	990,078.13	09/30/11	254	1553	1807	4.721%	32,527.02	20,151.10	12,375.92
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	128	1622	1750	4.959%	17,148.39	13,618.06	3,530.33
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	52	1714	1766	4.743%	10,198.26		10,198.26
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1461	15	1476	2.359%	35,429.97	52,682.29	(17,252.32)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1467	138	1605	2.257%	61,033.93	87,173.33	(26,139.40)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1467	177	1644	2.528%	30,428.10	30,000.00	428.10
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1464	199	1663	2.492%	64,948.12	72,686.00	(7,737.88)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	1003	240	1243	3.462%	18,896.44	15,618.06	3,278.38
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1465	259	1724	2.294%	60,529.25	65,973.58	(5,444.33)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1461	290	1751	2.633%	30,159.28	55,737.50	(25,578.22)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1465	318	1783	2.507%	66,588.99	133,710.36	(67,121.37)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1461	349	1810	2.894%	26,445.88	25,001.32	1,444.56
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1467	354	1821	2.750%	55,263.70	55,000.00	263.70
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1003	412	1415	3.442%	18,784.15	15,437.50	3,346.65
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	956	443	1399	3.866%	20,172.10	17,479.17	2,692.93
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	892	443	1335	3.974%	24,100.57	20,208.33	3,892.24
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	956	506	1462	3.936%	20,571.99	19,396.53	1,175.46
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	723	562	1285	4.313%	25,322.55	18,244.79	7,077.76
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	890	625	1515	3.930%	23,228.56	16,818.58	6,409.98
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	743	761	1504	4.359%	26,637.33	21,255.21	5,382.12
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	698	761	1459	4.527%	25,826.94	19,651.04	6,175.90
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	746	794	1540	4.237%	25,865.15	21,209.37	4,655.78
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	890	794	1684	4.180%	15,256.54	13,062.50	2,194.04
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	746	940	1686	4.431%	27,108.12	21,182.29	5,925.83
Subtotal			39,957,620.17								
Union MM			260,827.56		30	30		4.75%	1,018.30		1,018.30
Purchased Interest			38,823.36								
LAIF	N/A	03/31/07	30,432,473.38	06/30/07	91	0	91	5.25%	366,536.58		366,536.58
						411		4.83%	\$2,594,609.44	\$1,956,096.45	\$638,512.99

Maturity Profile

	Amount	Percent
0-1 year	\$45,983,556.12	65.05%
1-2 years	\$7,106,385.50	10.05%
2-3 years	\$7,852,923.16	11.11%
3-5 years	\$9,746,879.69	13.79%
	<u>\$70,689,744.47</u>	<u>100.00%</u>

Market to Cost Position Report

Institution	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets	\$39,957,620.17	\$39,581,261.15	(376,359.02)
Union MM	260,827.56	260,827.56	0.00
Purchased Interest	38,823.36	38,823.36	0.00
LAIF	30,432,473.38	30,432,473.38	0.00
Totals:	<u>\$70,689,744.47</u>	<u>\$70,313,385.45</u>	<u>(\$376,359.02)</u>

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

Meeting date: August 20, 2007

Item No:

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

Submitted August 14, 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
May 31, 2007**

Weighted Average Portfolio Yield: **4.83%** **Weighted Average Maturity (days)** **442**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$72,676,515	\$70,970,263	\$66,424,046

Benchmarks/ References:

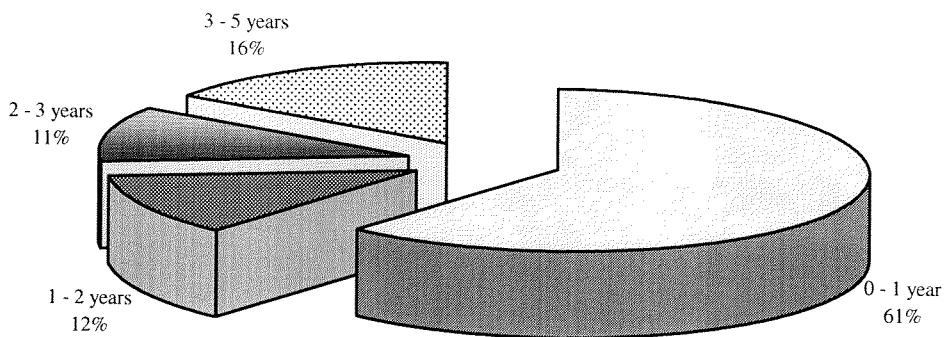
Town's Average Yield	4.83%	4.68%	3.98%
LAIF Yield for month	5.25%	5.22%	4.56%
3 mo. Treasury	4.92%	4.92%	4.84%
6 mo. Treasury	5.01%	5.02%	5.03%
2 yr. Treasury	4.89%	4.61%	4.93%
5 yr. Treasury (most recent)	4.82%	4.58%	4.95%
Prime rate	8.25%	8.25%	8.00%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (04/16/07)	4.89%
2 yr. Freddie Mac (05/25/07)	5.01%

Portfolio Maturity Profile



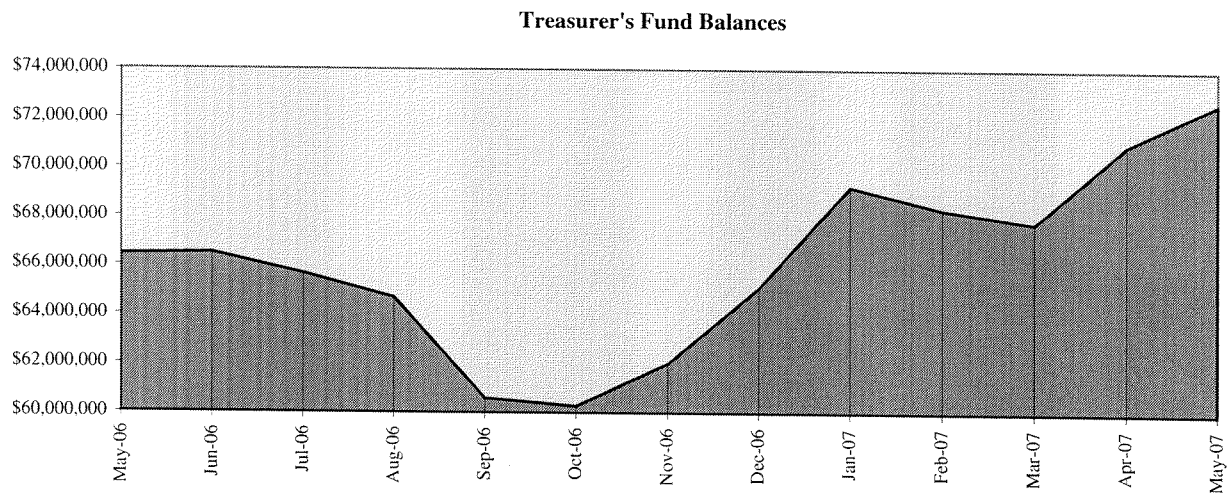
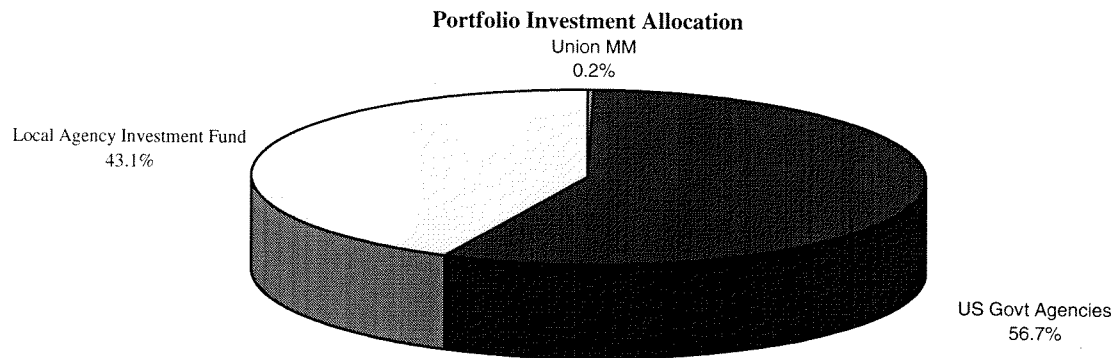
Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

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

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$70,970,262.79	\$66,482,899.82
Receipts	3,821,829.19	39,027,185.92
Disbursements	(2,115,576.67)	(32,833,570.43)
Fund Balances - End of Month/Period	<u>\$72,676,515.31</u>	<u>\$72,676,515.31</u>

Portfolio Allocation:

Union MM	\$127,518.25
US Govt Agencies	40,005,950.47
Local Agency Investment Fund	<u>30,432,473.38</u>
Subtotal - Investments	70,565,942.10
Reconciled Demand Deposit Balances	<u>2,110,573.21</u>
Total Treasurer's Fund	<u>\$72,676,515.31</u>



Town of Los Gatos
Non-Treasury Restricted Fund Balances
May 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	\$253,110.26		\$938.62		\$254,048.88	Note 1
Certificates of Participation Reserve Fund (Lot 4)	256,081.48		983.92		257,065.40	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	159,825.90	19,267.82	566.92		179,660.64	Note 3
Cert. of Participation 2002 Series A Const. Fund	362,806.05		4,939.91	0.04	367,745.92	Note 4
Cert. of Participation 2002 Series A Reserve Fund	785,392.53		399.51	15,951.80	769,840.24	Note 4
Cert. Of Participation 2002 Series A Interest Fund	6.84		0.00		6.84	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,817,223.06</u>	<u>\$19,267.82</u>	<u>\$7,828.88</u>	<u>\$15,951.84</u>	<u>\$1,828,367.92</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
May 31, 2007

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$204,665.85	\$2,348,430.75
Add: Interest accrued at end of period (see page 5)	480,653.23	480,653.23
Less: Interest accrued at beginning of period	<u>(410,862.17)</u>	<u>(268,699.72)</u>
Interest earned on investments	<u>\$274,456.91</u>	<u>\$2,560,384.26</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
May 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
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	1192	85	1277	3.156%	258,209.05	241,500.00	16,709.05
946	FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	654	168	822	4.496%	120,837.70	101,250.00	19,587.70
944	FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	699	198	897	3.807%	71,745.59	45,486.11	26,259.48
947	FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	654	260	914	4.513%	80,838.81	67,500.00	13,338.81
	USTreasury	Note	05/12/06	1,986,562.50	03/31/08	384	305	689	5.000%	104,498.63	81,885.25	22,613.38
945	FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	699	323	1022	3.803%	55,057.72	55,601.56	(543.84)
	USTreasury	Note	06/15/06	1,990,312.50	05/31/08	350	366	716	5.135%	98,002.44	93,504.10	4,498.34
	USTreasury	Note	07/19/06	738,281.25	02/15/09	316	626	942	5.157%	32,961.97	19,392.27	13,569.70
	FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	384	652	1036	5.298%	83,497.27	65,843.75	17,653.52
	USTreasury	Note	05/15/06	1,992,343.75	05/15/09	381	715	1096	5.014%	104,275.12	97,500.00	6,775.12
	FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	350	743	1093	5.226%	74,837.75	38,718.75	36,119.00
	FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	316	778	1094	5.408%	33,877.16	15,296.87	18,580.29
	USTreasury	Note	11/17/06	748,066.41	11/15/09	195	899	1094	4.734%	18,919.52	17,152.11	1,767.41
	ML Corp	Note	04/10/07	976,150.00	02/08/10	51	984	1035	5.165%	7,044.73		7,044.73
	USTreasury	Note	10/19/06	976,406.25	04/15/10	224	1050	1274	4.744%	28,426.96	19,560.44	8,866.52
	FHLB	Coupon Note	05/18/07	1,574,842.50	04/16/10	13	1051	1064	5.548%	3,111.89		3,111.89
	FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	282	1107	1389	4.957%	57,740.43	17,625.00	40,115.43
	FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	139	1167	1306	4.960%	28,091.47	5,483.33	22,608.14
	USTreasury	Note	05/31/07	737,226.56	10/15/10	0	1233	1233	4.801%	0.00		0.00
	FNMA	Coupon Note	05/09/07	998,200.00	11/08/10	22	1257	1279	5.250%	3,158.69		3,158.69
	FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	244	1415	1659	4.874%	49,410.65	41,854.17	7,556.48
	USTreasury	Note	10/19/06	990,078.13	09/30/11	224	1583	1807	4.721%	28,685.25	20,151.10	8,534.15
	FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	22	1744	1766	4.743%	4,314.65		4,314.65
	FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1431	45	1476	2.359%	34,702.46	52,682.29	(17,979.83)
	FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1437	168	1605	2.257%	59,785.79	87,173.33	(27,387.54)
	FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1437	207	1644	2.528%	29,805.85	26,250.00	3,555.85
	FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1434	229	1663	2.492%	63,617.21	72,686.00	(9,068.79)
	FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	973	270	1243	3.462%	18,331.24	15,618.06	2,713.18
	FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1435	289	1724	2.294%	59,289.74	65,973.58	(6,683.84)
	FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1431	320	1751	2.633%	29,539.99	55,737.50	(26,197.51)
	FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1435	348	1783	2.507%	65,225.39	133,710.36	(68,484.97)
	FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1431	379	1810	2.894%	25,902.84	21,838.82	4,064.02
	FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1437	384	1821	2.750%	54,133.56	48,125.00	6,008.56
	FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	973	442	1415	3.442%	18,222.31	15,437.50	2,784.81
	FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	926	473	1399	3.866%	19,539.08	17,479.17	2,059.91
	FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	862	473	1335	3.974%	23,290.01	20,208.33	3,081.68
	FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	926	536	1462	3.936%	19,926.42	19,396.53	529.89
	FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	693	592	1285	4.313%	24,271.82	18,244.79	6,027.03
	FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	860	655	1515	3.930%	22,445.58	16,818.58	5,627.00
	FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	713	791	1504	4.359%	25,561.79	21,255.21	4,306.58
	FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	668	791	1459	4.527%	24,716.90	19,651.04	5,065.86
	FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	716	824	1540	4.237%	24,824.99	21,209.37	3,615.62
	FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	860	824	1684	4.180%	14,742.27	13,062.50	1,679.77
	FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	716	970	1686	4.431%	26,017.98	21,182.29	4,835.69
	FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	154	1511	1665	5.375%	34,523.98	5,270.83	29,253.15
	FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	98	1652	1750	4.959%	13,129.24		13,129.24
	Subtotal			39,957,620.17								
	Union MM			127,518.25		30	30		4.87%	510.42		510.42
	Purchased Interest			48,330.30								
	LAIF	N/A	03/31/07	30,432,473.38	06/30/07	61	30	91	5.25%	235,368.79		235,368.79
				\$70,565,942.10			442		4.83%	\$2,314,969.12	\$1,834,315.89	\$480,653.23

Maturity Profile

	Amount	Percent
0-1 year	\$43,141,143.25	61.14%
1-2 years	\$8,331,596.00	11.81%
2-3 years	\$7,838,658.16	11.11%
3-5 years	<u>\$11,254,544.69</u>	<u>15.95%</u>
	<u>\$70,565,942.10</u>	<u>100.00%</u>

Market to Cost Position Report

Dep	Institution	Security	Amortized Cost	Market Value*	Unrealized Gain (Loss)
		Union Bank Assets	\$39,957,620.17	\$39,582,152.65	(375,467.52)
		Union MM	127,518.25	127,518.25	0.00
		Purchased Interest	48,330.30	48,330.30	0.00
		LAIF	30,432,473.38	30,432,473.38	0.00
		Totals:	\$70,565,942.10	\$70,190,474.58	(\$375,467.52)

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