




MEETING DATE: 11/19/07
ITEM NO. 3

COUNCIL AGENDA REPORT

DATE: November 19, 2007
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA SPEICHER, TOWN TREASURER 
SUBJECT: TREASURER'S REPORTS FOR AUGUST THROUGH OCTOBER 2007

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for the months of August, September and October 2007.

Prime started dropping in September (one half point) and then dropped another quarter point at the end of October. This has had a negative effect on the yield of the portfolio and prices of investments. At the end of October, the portfolio was heavy in cash/short term investments, waiting for the markets to settle down. The cash will be reinvested during November.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated November 14, 2007

PREPARED BY: Linda L. Speicher, Town Treasurer 

Reviewed by: PS Town Manager ____ Assistant Town Manager ____ Town Attorney
____ Clerk SS Finance ____ Community Development Revised: 11/14/07 10:02 pm
Distribution: Town Council; Town Manager; Finance Director

Meeting date: November 19, 2007

Item No:

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

Submitted November 15, 2007

by

Linda L. Speicher

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Distribution: Town Clerk
 Town Manager
 Town Council

Town of Los Gatos
Summary Investment Information
October 31, 2007

Weighted Average Portfolio Yield: **4.76%** **Weighted Average Maturity (days)** **380**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$65,350,972	\$67,775,046	\$60,275,043

Benchmarks/ References:

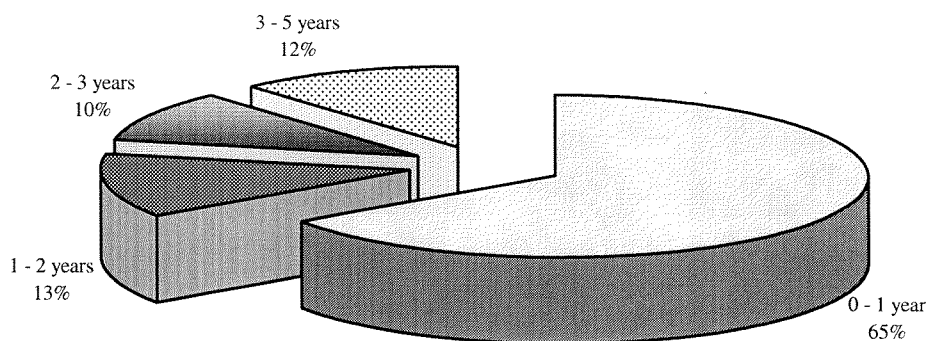
Town's Average Yield	4.76%	4.86%	4.27%
LAIF Yield for month	5.14%	5.24%	5.10%
3 mo. Treasury	4.03%	3.92%	5.09%
6 mo. Treasury	4.09%	4.15%	5.15%
2 yr. Treasury	3.72%	4.00%	4.89%
5 yr. Treasury (most recent)	3.99%	4.25%	4.69%
Prime rate	7.50%	7.75%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (09/13/07)	4.45%
2 yr. Freddie Mac (09/07/07)	4.96%

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.

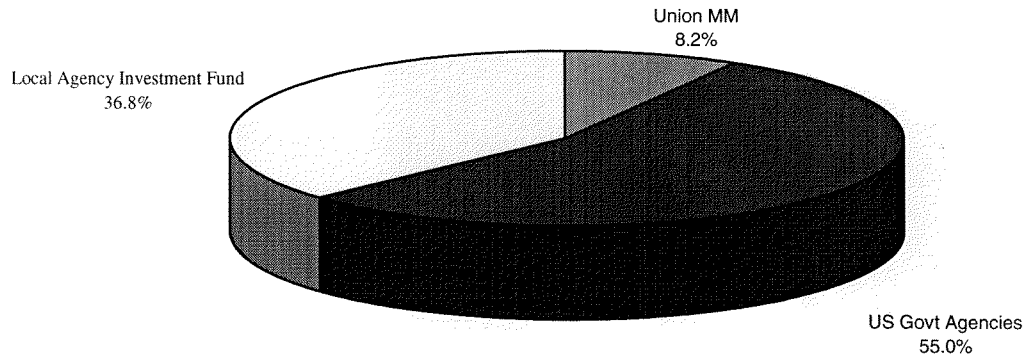
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
October 31, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$67,775,046.31	\$73,499,683.31
Receipts	2,666,071.05	8,840,613.75
Disbursements	(5,090,145.16)	(16,989,324.86)
Fund Balances - End of Month/Period	<u>\$65,350,972.20</u>	<u>\$65,350,972.20</u>

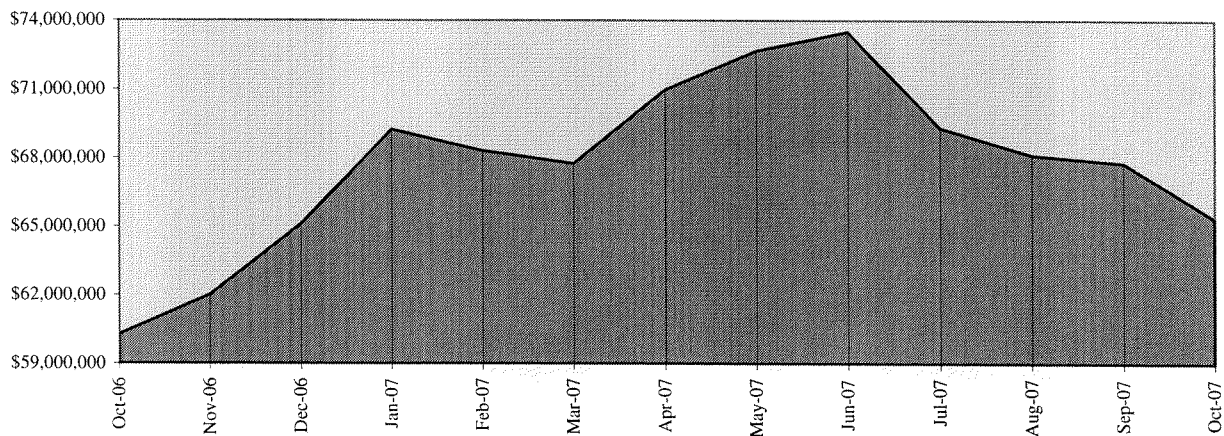
Portfolio Allocation:

Union MM	\$5,309,756.13
US Govt Agencies	35,502,452.51
Local Agency Investment Fund	<u>23,769,926.87</u>
Subtotal - Investments	64,582,135.51
Reconciled Demand Deposit Balances	<u>768,836.69</u>
Total Treasurer's Fund	<u>\$65,350,972.20</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
October 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	\$257,933.56		\$956.50		\$258,890.06	Note 1
Certificates of Participation Reserve Fund (Lot 4)	256,024.34		900.50	1,888.08	255,036.76	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	8,543.10	58,984.98	30.05		67,558.13	Note 3
Cert. of Participation 2002 Series A Const. Fund	372,532.25		4,890.34	0.10	377,422.49	Note 4
Cert. of Participation 2002 Series A Reserve Fund	779,287.44		2,707.55	236.69	781,758.30	Note 4
Cert. Of Participation 2002 Series A Interest Fund	796.93		2.76	0.10	799.59	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,675,117.62</u>	<u>\$58,984.98</u>	<u>\$9,487.70</u>	<u>\$2,124.97</u>	<u>\$1,741,465.33</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
October 31, 2007**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	\$582,156.66	\$1,292,907.70
Add: Interest accrued at end of period (see page 5)	451,626.99	451,626.99
Less: Interest accrued at beginning of period	<u>(762,559.88)</u>	<u>(638,512.99)</u>
Interest earned on investments	<u>\$271,223.77</u>	<u>\$1,106,021.70</u>

Interest by Month

July 2007	287,856.35
August 2007	285,325.36
September 2007	261,616.22
October 2007	<u>271,223.77</u>
	<u><u>1,106,021.70</u></u>

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

<u>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>
FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	807	15	822	4.496%	149,107.07	135,000.00	14,107.07
FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	852	45	897	3.807%	87,449.55	61,111.11	26,338.44
FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	807	107	914	4.513%	99,750.64	90,000.00	9,750.64
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	537	152	689	5.000%	146,134.80	128,135.25	17,999.55
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	852	170	1022	3.803%	67,108.98	71,070.31	(3,961.33)
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	503	213	716	5.135%	140,843.51	93,504.10	47,339.41
USTreasury	Note	07/19/06	738,281.25	02/15/09	469	473	942	5.157%	48,921.41	36,267.27	12,654.14
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	537	499	1036	5.298%	116,765.71	105,218.75	11,546.96
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	534	562	1096	5.014%	146,149.39	97,500.00	48,649.39
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	503	590	1093	5.226%	107,552.54	78,093.75	29,458.79
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	469	625	1094	5.408%	50,279.70	30,765.62	19,514.08
USTreasury	Note	11/17/06	748,066.41	11/15/09	348	746	1094	4.734%	33,764.07	17,152.11	16,611.96
ML Corp	Note	04/10/07	976,150.00	02/08/10	204	831	1035	5.165%	28,178.91	13,930.56	14,248.35
USTreasury	Note	10/19/06	976,406.25	04/15/10	377	897	1274	4.744%	47,843.59	39,560.44	8,283.15
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	435	954	1389	4.957%	89,067.68	57,000.00	32,067.68
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	292	1014	1306	4.960%	59,012.29	40,733.33	18,278.96
USTreasury	Note	05/31/07	737,226.56	10/15/10	153	1080	1233	4.801%	14,836.49	11,931.35	2,905.14
FNMA	Coupon Note	05/09/07	998,200.00	11/08/10	175	1104	1279	5.250%	25,125.92		25,125.92
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	397	1262	1659	4.874%	80,393.56	80,291.67	101.89
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	307	1358	1665	5.375%	68,823.78	48,395.83	20,427.95
USTreasury	Note	10/19/06	990,078.13	09/30/11	377	1430	1807	4.721%	48,278.30	42,651.10	5,627.20
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	251	1499	1750	4.959%	33,626.92	13,618.06	20,008.86
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	175	1591	1766	4.743%	34,321.08	25,000.00	9,321.08
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1590	15	1605	2.257%	66,151.29	87,173.33	(21,022.04)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1590	54	1644	2.528%	32,979.34	30,000.00	2,979.34
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1587	76	1663	2.492%	70,404.82	82,923.50	(12,518.68)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	1126	117	1243	3.462%	21,213.75	18,868.06	2,345.69
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1588	136	1724	2.294%	65,611.23	74,842.33	(9,231.10)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1584	167	1751	2.633%	32,698.35	63,087.50	(30,389.15)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1588	195	1783	2.507%	72,179.74	133,710.36	(61,530.62)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1584	226	1810	2.894%	28,672.33	25,001.32	3,671.01
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1590	231	1821	2.750%	59,897.26	55,000.00	4,897.26
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1126	289	1415	3.442%	21,087.69	18,687.50	2,400.19
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1079	320	1399	3.866%	22,767.46	21,229.17	1,538.29
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	1015	320	1335	3.974%	27,423.85	24,895.83	2,528.02
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1079	383	1462	3.936%	23,218.80	19,396.53	3,822.27
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	846	439	1285	4.313%	29,630.54	24,057.29	5,573.25
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	1013	502	1515	3.930%	26,438.80	20,724.83	5,713.97
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	866	638	1504	4.359%	31,047.00	27,817.71	3,229.29
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	821	638	1459	4.527%	30,378.10	26,213.54	4,164.56
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	869	671	1540	4.237%	30,129.77	27,396.87	2,732.90
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	1013	671	1684	4.180%	17,365.03	16,156.25	1,208.78
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	869	817	1686	4.431%	31,577.69	27,744.79	3,832.90
Subtotal			35,502,308.07								
Union MM			5,309,756.13		30	30		4.33%	18,896.91		18,896.91
Purchased Interest			144.44								
LAIF	N/A	09/30/07	23,769,926.87	12/31/07	31	61	92	5.14%	110,378.63		110,378.63
\$64,582,135.51						380		4.76%	\$2,593,484.31	\$2,141,857.32	\$451,626.99

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$42,096,760.16	65.18%
1-2 years	\$8,230,877.00	12.74%
2-3 years	\$6,732,050.22	10.42%
3-5 years	<u>\$7,522,448.13</u>	<u>11.65%</u>
	<u>\$64,582,135.51</u>	<u>100.00%</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
Union Bank Assets	\$35,502,308.07	\$35,651,787.05	149,478.98
Union MM	5,309,756.13	5,309,756.13	0.00
Purchased Interest	144.44	144.44	0.00
LAIF	23,769,926.87	23,769,926.87	0.00
Totals:	\$64,582,135.51	\$64,731,614.49	\$149,478.98

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

Meeting date: November 19, 2007

Item No:

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

Submitted November 15, 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
September 30, 2007**

Weighted Average Portfolio Yield: **4.86%** **Weighted Average Maturity (days)** **378**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$67,775,046	\$68,133,279	\$60,585,832

Benchmarks/ References:

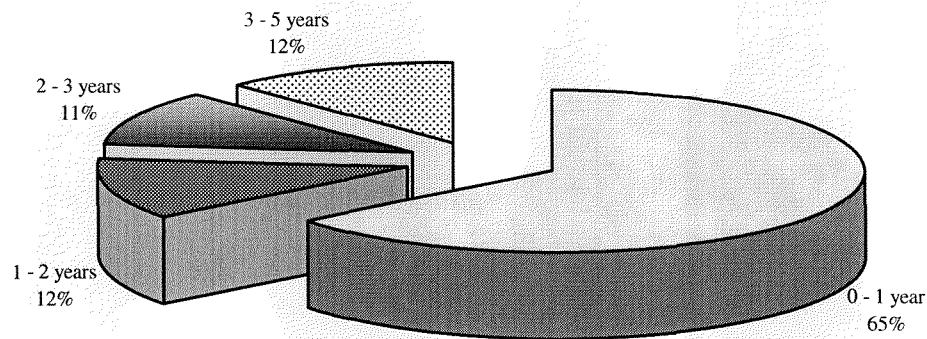
Town's Average Yield	4.86%	4.88%	4.35%
LAIF Yield for month	5.24%	5.25%	5.02%
3 mo. Treasury	3.92%	4.73%	4.90%
6 mo. Treasury	4.15%	4.78%	5.00%
2 yr. Treasury	4.00%	4.12%	4.66%
5 yr. Treasury (most recent)	4.25%	4.25%	4.57%
Prime rate	7.75%	8.25%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (09/13/07)	4.45%
2 yr. Freddie Mac (09/07/07)	4.96%

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.

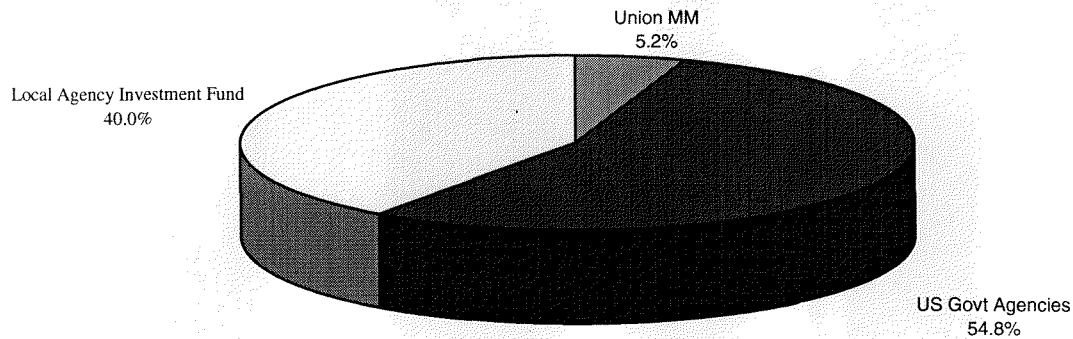
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
September 30, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$68,133,279.29	\$73,499,683.31
Receipts	1,696,429.03	6,174,542.70
Disbursements	<u>(2,054,662.01)</u>	<u>(11,899,179.70)</u>
Fund Balances - End of Month/Period	<u>\$67,775,046.31</u>	<u>\$67,775,046.31</u>

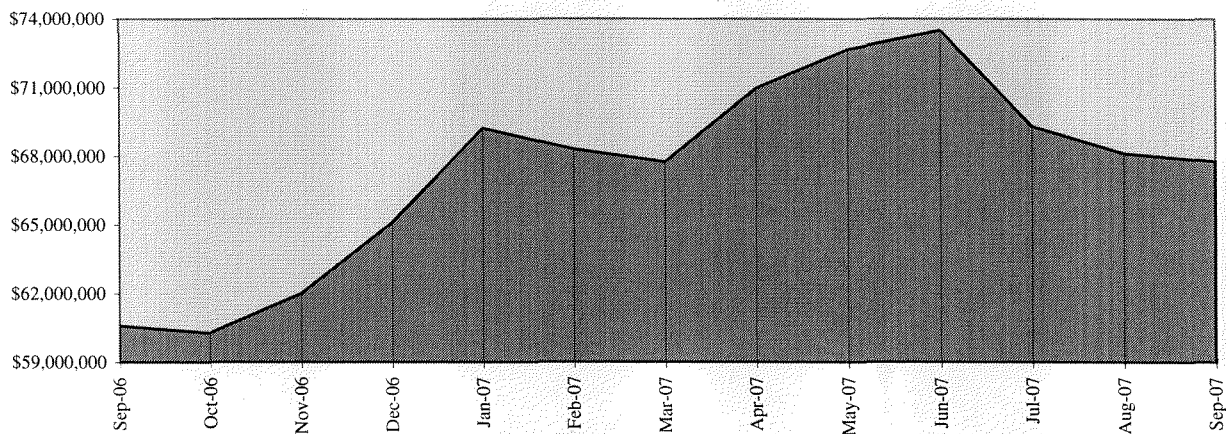
Portfolio Allocation:

Union MM	\$3,512,015.94
US Govt Agencies	37,089,071.16
Local Agency Investment Fund	<u>27,099,009.96</u>
Subtotal - Investments	67,700,097.06
Reconciled Demand Deposit Balances	<u>74,949.25</u>
Total Treasurer's Fund	<u>\$67,775,046.31</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
September 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	\$256,948.95		\$984.61		\$257,933.56	Note 1
Certificates of Participation Reserve Fund (Lot 4)	255,129.53		894.81		256,024.34	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	8,513.34		29.76		8,543.10	Note 3
Cert. of Participation 2002 Series A Const. Fund	372,530.04		2.29	0.08	372,532.25	Note 4
Cert. of Participation 2002 Series A Reserve Fund	776,840.04		2,691.35	243.95	779,287.44	Note 4
Cert. Of Participation 2002 Series A Interest Fund	794.46		2.55	0.08	796.93	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
	<hr/>					
Total Restricted Funds:	<u>\$1,670,756.36</u>	<u>\$0.00</u>	<u>\$4,605.37</u>	<u>\$244.11</u>	<u>\$1,675,117.62</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
September 30, 2007**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	\$100,704.18	\$710,751.04
Add: Interest accrued at end of period (see page 5)	762,559.88	762,559.88
Less: Interest accrued at beginning of period	<u>(601,647.84)</u>	<u>(638,512.99)</u>
Interest earned on investments	<u>\$261,616.22</u>	<u>\$834,797.93</u>

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

<u>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>
FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	776	46	822	4.496%	143,379.29	135,000.00	8,379.29
FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	821	76	897	3.807%	84,267.70	61,111.11	23,156.59
FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	776	138	914	4.513%	95,918.83	90,000.00	5,918.83
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	506	183	689	5.000%	137,698.72	81,885.25	55,813.47
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	821	201	1022	3.803%	64,667.22	55,601.56	9,065.66
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	472	244	716	5.135%	132,163.29	93,504.10	38,659.19
USTreasury	Note	07/19/06	738,281.25	02/15/09	438	504	942	5.157%	45,687.80	36,267.27	9,420.53
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	506	530	1036	5.298%	110,025.05	105,218.75	4,806.30
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	503	593	1096	5.014%	137,665.06	97,500.00	40,165.06
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	472	621	1093	5.226%	100,924.05	78,093.75	22,830.30
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	438	656	1094	5.408%	46,956.31	30,765.62	16,190.69
USTreasury	Note	11/17/06	748,066.41	11/15/09	317	777	1094	4.734%	30,756.35	17,152.11	13,604.24
ML Corp	Note	04/10/07	976,150.00	02/08/10	173	862	1035	5.165%	23,896.82	13,930.56	9,966.26
USTreasury	Note	10/19/06	976,406.25	04/15/10	346	928	1274	4.744%	43,909.50	19,560.44	24,349.06
FHLB	Coupon Note	05/18/07	1,574,842.50	04/16/10	135	929	1064	5.548%	32,315.77		32,315.77
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	404	985	1389	4.957%	82,720.33	57,000.00	25,720.33
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	261	1045	1306	4.960%	52,747.29	40,733.33	12,013.96
USTreasury	Note	05/31/07	737,226.56	10/15/10	122	1111	1233	4.801%	11,830.41		11,830.41
FNMA	Coupon Note	05/09/07	998,200.00	11/08/10	144	1135	1279	5.250%	20,675.05		20,675.05
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	366	1293	1659	4.874%	74,115.98	41,854.17	32,261.81
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	276	1389	1665	5.375%	61,874.14	48,395.83	13,478.31
USTreasury	Note	10/19/06	990,078.13	09/30/11	346	1461	1807	4.721%	44,308.46	20,151.10	24,157.36
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	220	1530	1750	4.959%	29,473.80	13,618.06	15,855.74
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	144	1622	1766	4.743%	28,241.34	25,000.00	3,241.34
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1559	46	1605	2.257%	64,861.55	87,173.33	(22,311.78)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1559	85	1644	2.528%	32,336.34	30,000.00	2,336.34
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1556	107	1663	2.492%	69,029.56	82,923.50	(13,893.94)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	1095	148	1243	3.462%	20,629.71	18,868.06	1,761.65
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1557	167	1724	2.294%	64,330.40	74,842.33	(10,511.93)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1553	198	1751	2.633%	32,058.42	55,737.50	(23,679.08)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1557	226	1783	2.507%	70,770.69	133,710.36	(62,939.67)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1553	257	1810	2.894%	28,111.19	25,001.32	3,109.87
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1559	262	1821	2.750%	58,729.45	55,000.00	3,729.45
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1095	320	1415	3.442%	20,507.13	18,687.50	1,819.63
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1048	351	1399	3.866%	22,113.35	21,229.17	884.18
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	984	351	1335	3.974%	26,586.28	24,895.83	1,690.45
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1048	414	1462	3.936%	22,551.72	19,396.53	3,155.19
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	815	470	1285	4.313%	28,544.79	24,057.29	4,487.50
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	982	533	1515	3.930%	25,629.72	20,724.83	4,904.89
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	835	669	1504	4.359%	29,935.62	27,817.71	2,117.91
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	790	669	1459	4.527%	29,231.06	26,213.54	3,017.52
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	838	702	1540	4.237%	29,054.95	27,396.87	1,658.08
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	982	702	1684	4.180%	16,833.62	16,156.25	677.37
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	838	848	1686	4.431%	30,451.21	27,744.79	2,706.42
Subtotal			37,077,150.57								
Union MM			3,512,015.94		30	30		4.52%	13,047.38		13,047.38
Purchased Interest			11,920.59								
LAIF	N/A	06/30/07	27,099,009.96	09/30/07	92	0	92	5.24%	370,916.91		370,916.91
						378		4.86%	\$2,742,479.60	\$1,979,919.72	\$762,559.88

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$43,639,879.21	64.46%
1-2 years	\$8,230,877.00	12.16%
2-3 years	\$7,569,666.16	11.18%
3-5 years	\$8,259,674.69	12.20%
	<u>\$67,700,097.06</u>	<u>100.00%</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
Union Bank Assets	\$37,077,150.57	\$37,217,515.60	140,365.03
Union MM	3,512,015.94	3,512,015.94	0.00
Purchased Interest	11,920.59	11,920.59	0.00
LAIF	27,099,009.96	27,099,009.96	0.00
Totals:	<u>\$67,700,097.06</u>	<u>\$67,840,462.09</u>	<u>\$140,365.03</u>

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

Meeting date: November 19, 2007

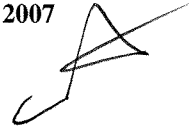
Item No:

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

Submitted November 15, 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
August 31, 2007

Weighted Average Portfolio Yield: **4.88%** **Weighted Average Maturity (days)** **407**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$68,133,279	\$69,314,343	\$64,679,337

Benchmarks/ References:

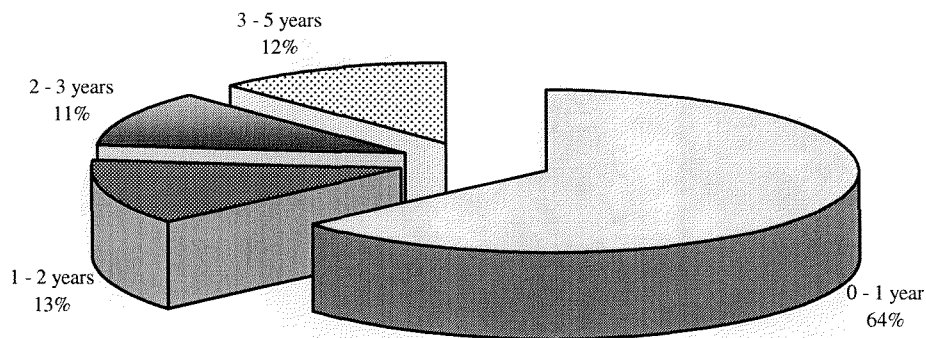
Town's Average Yield	4.88%	4.82%	4.30%
LAIF Yield for month	5.25%	5.26%	4.95%
3 mo. Treasury	4.73%	4.97%	5.09%
6 mo. Treasury	4.78%	5.00%	5.17%
2 yr. Treasury	4.12%	4.74%	4.92%
5 yr. Treasury (most recent)	4.25%	4.64%	4.74%
Prime rate	8.25%	8.25%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (08/13/07)	5.10%
2 yr. Fannie Mae (07/13/07)	5.17%

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.

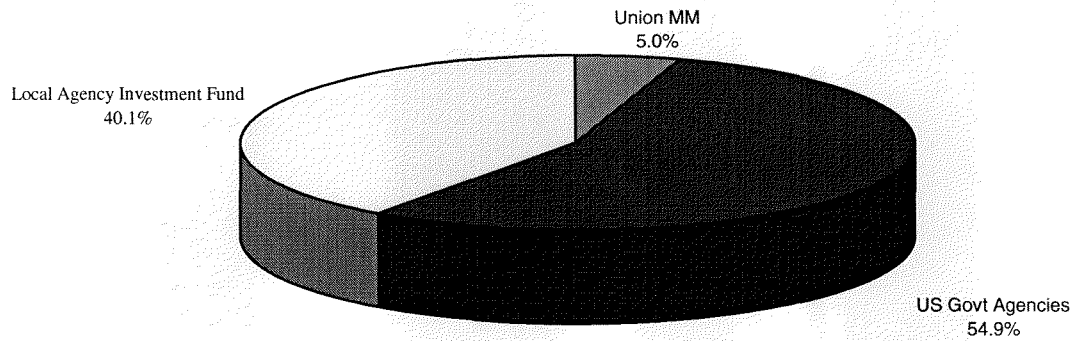
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
August 31, 2007

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$69,314,343.35	\$73,499,683.31
Receipts	2,026,226.44	4,478,113.67
Disbursements	<u>(3,207,290.50)</u>	<u>(9,844,517.69)</u>
Fund Balances - End of Month/Period	<u>\$68,133,279.29</u>	<u>\$68,133,279.29</u>

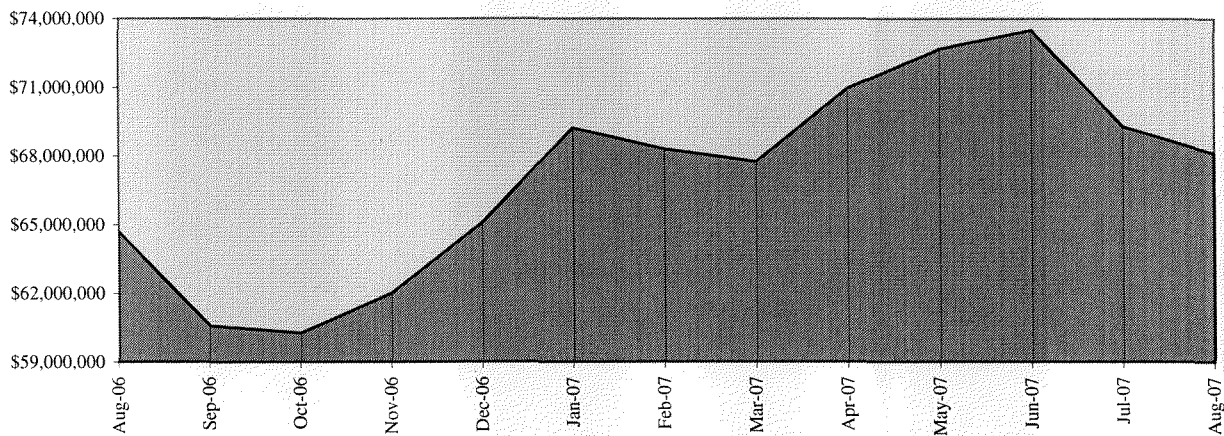
Portfolio Allocation:

Union MM	\$3,391,769.46
US Govt Agencies	37,108,654.49
Local Agency Investment Fund	<u>27,099,009.96</u>
Subtotal - Investments	67,599,433.91
Reconciled Demand Deposit Balances	<u>533,845.38</u>
Total Treasurer's Fund	<u>\$68,133,279.29</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
August 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	\$255,968.09		\$980.86		\$256,948.95	Note 1
Certificates of Participation Reserve Fund (Lot 4)	254,136.26		993.27		255,129.53	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	224,439.09		824.25	216,750.00	8,513.34	Note 3
Cert. of Participation 2002 Series A Const. Fund	372,527.63		2.50	0.09	372,530.04	Note 4
Cert. of Participation 2002 Series A Reserve Fund	774,108.45		2,974.63	243.04	776,840.04	Note 4
Cert. Of Participation 2002 Series A Interest Fund	459,853.75		864.36	459,923.65	794.46	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$2,341,033.27</u>	<u>\$0.00</u>	<u>\$6,639.87</u>	<u>\$676,916.78</u>	<u>\$1,670,756.36</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
August 31, 2007**

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	\$165,887.58	\$610,046.86
Add: Interest accrued at end of period (see page 5)	601,647.84	601,647.84
Less: Interest accrued at beginning of period	<u>(482,210.06)</u>	<u>(638,512.99)</u>
Interest earned on investments	<u>\$285,325.36</u>	<u>\$573,181.71</u>

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

<u>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>
FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	746	76	822	4.496%	137,836.27	135,000.00	2,836.27
FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	791	106	897	3.807%	81,188.50	61,111.11	20,077.39
FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	746	168	914	4.513%	92,210.63	90,000.00	2,210.63
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	476	213	689	5.000%	129,534.76	81,885.25	47,649.51
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	791	231	1022	3.803%	62,304.23	55,601.56	6,702.67
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	442	274	716	5.135%	123,763.08	93,504.10	30,258.98
USTreasury	Note	07/19/06	738,281.25	02/15/09	408	534	942	5.157%	42,558.50	36,267.27	6,291.23
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	476	560	1036	5.298%	103,501.82	65,843.75	37,658.07
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	473	623	1096	5.014%	129,454.42	97,500.00	31,954.42
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	442	651	1093	5.226%	94,509.39	78,093.75	16,415.64
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	408	686	1094	5.408%	43,740.13	30,765.62	12,974.51
USTreasury	Note	11/17/06	748,066.41	11/15/09	287	807	1094	4.734%	27,845.66	17,152.11	10,693.55
ML Corp	Note	04/10/07	976,150.00	02/08/10	143	892	1035	5.165%	19,752.86	13,930.56	5,822.30
USTreasury	Note	10/19/06	976,406.25	04/15/10	316	958	1274	4.744%	40,102.32	19,560.44	20,541.88
FHLB	Coupon Note	05/18/07	1,574,842.50	04/16/10	105	959	1064	5.548%	25,134.49		25,134.49
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	374	1015	1389	4.957%	76,577.73	57,000.00	19,577.73
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	231	1075	1306	4.960%	46,684.38	40,733.33	5,951.05
USTreasury	Note	05/31/07	737,226.56	10/15/10	92	1141	1233	4.801%	8,921.29		8,921.29
FNMA	Coupon Note	05/09/07	998,200.00	11/08/10	114	1165	1279	5.250%	16,367.75		16,367.75
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	336	1323	1659	4.874%	68,040.90	41,854.17	26,186.73
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	246	1419	1665	5.375%	55,148.69	48,395.83	6,752.86
USTreasury	Note	10/19/06	990,078.13	09/30/11	316	1491	1807	4.721%	40,466.69	20,151.10	20,315.59
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	190	1560	1750	4.959%	25,454.64	13,618.06	11,836.58
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	114	1652	1766	4.743%	22,357.73		22,357.73
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1529	76	1605	2.257%	63,613.41	87,173.33	(23,559.92)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1529	115	1644	2.528%	31,714.09	30,000.00	1,714.09
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1526	137	1663	2.492%	67,698.65	82,923.50	(15,224.85)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	1065	178	1243	3.462%	20,064.51	18,868.06	1,196.45
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1527	197	1724	2.294%	63,090.90	65,973.58	(2,882.68)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1523	228	1751	2.633%	31,439.14	55,737.50	(24,298.36)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1527	256	1783	2.507%	69,407.09	133,710.36	(64,303.27)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1523	287	1810	2.894%	27,568.15	25,001.32	2,566.83
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1529	292	1821	2.750%	57,599.32	55,000.00	2,599.32
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1065	350	1415	3.442%	19,945.29	18,687.50	1,257.79
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1018	381	1399	3.866%	21,480.33	17,479.17	4,001.16
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	954	381	1335	3.974%	25,775.72	20,208.33	5,567.39
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1018	444	1462	3.936%	21,906.15	19,396.53	2,509.62
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	785	500	1285	4.313%	27,494.06	24,057.29	3,436.77
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	952	563	1515	3.930%	24,846.73	16,818.58	8,028.15
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	805	699	1504	4.359%	28,860.09	27,817.71	1,042.38
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	760	699	1459	4.527%	28,121.02	26,213.54	1,907.48
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	808	732	1540	4.237%	28,014.80	21,209.37	6,805.43
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	952	732	1684	4.180%	16,319.36	13,062.50	3,256.86
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	808	878	1686	4.431%	29,361.07	27,744.79	1,616.28
Subtotal			37,077,150.57								
Union MM			3,391,769.46		30	30		4.84%	13,492.74		13,492.74
Purchased Interest			31,503.92								
LAIF	N/A	06/30/07	27,099,009.96	09/30/07	62	30	92	5.25%	255,429.34		255,429.34
						407		4.88%	\$2,486,698.81	\$1,885,050.97	\$601,647.84

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$43,091,842.56	63.75%
1-2 years	\$8,678,250.50	12.84%
2-3 years	\$7,569,666.16	11.20%
3-5 years	<u>\$8,259,674.69</u>	<u>12.22%</u>
	<u>\$67,599,433.91</u>	<u>100.00%</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
Union Bank Assets	\$37,077,150.57	\$37,064,524.50	(12,626.07)
Union MM	3,391,769.46	3,391,769.46	0.00
Purchased Interest	31,503.92	31,503.92	0.00
LAIF	27,099,009.96	27,099,009.96	0.00
Totals:	\$67,599,433.91	\$67,586,807.84	(\$12,626.07)

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