



MEETING DATE: 05/19/08

ITEM NO. 3

COUNCIL AGENDA REPORT

DATE: May 1, 2008
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA SPEICHER, TOWN TREASURER
SUBJECT: TREASURER'S REPORT FOR FEBRUARY AND MARCH 2008

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for the months of February and March 2008.

The Prime dropped from 5.25% in March to 5.0% at the end of April as the Federal Reserve continued to work with the economy. Prime reached its most recent bottom of 4.0% in March 2008. Whether or not the Fed will lower prime to that level in the coming months is unknown.

Accordingly, the overall rate of return of the portfolio has continued to drop over the last few months as investments have matured and been reinvested at lower current levels of interest rates. The Town's overall average investment return remains slightly above 4%.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's report dated February 29 and March 31, 2008

Distribution: Town Council; Town Manager; Finance Director

PREPARED BY: Linda L. Speicher, Town Treasurer

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Reviewed by: 27 Town Manager ___ Assistant Town Manager OK Town Attorney
___ Clerk ___ Finance ___ Community Development Revised: 5/15/08 5:14 pm

Reformatted: 5/30/02

Meeting date: May 19, 2008

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
March 31, 2008**

**Submitted May 1, 2008
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
March 31, 2008**

Weighted Average Portfolio Yield: **4.10%** **Weighted Average Maturity (days)** **469**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$72,901,812	\$72,644,569	\$67,753,203

Benchmarks/ References:

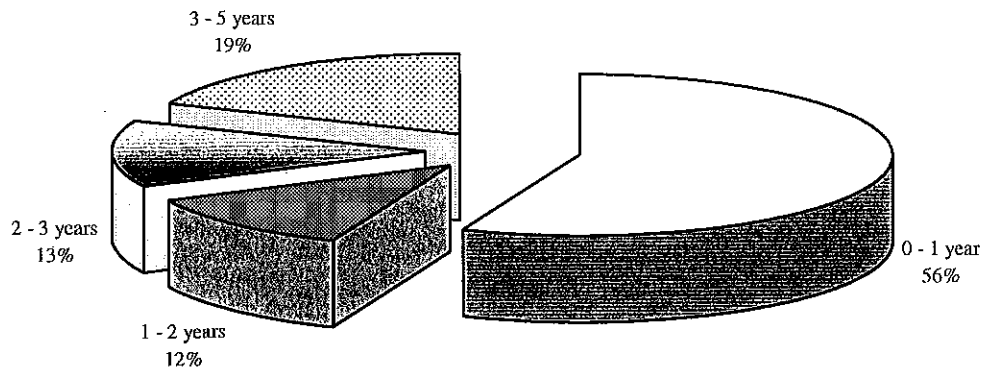
Town's Average Yield	4.10%	4.36%	4.65%
LAIF Yield for month	3.78%	4.16%	5.21%
3 mo. Treasury	1.22%	2.21%	5.07%
6 mo. Treasury	1.58%	2.13%	5.08%
2 yr. Treasury	1.76%	2.05%	4.51%
5 yr. Treasury (most recent)	2.60%	2.76%	4.54%
Prime rate	5.25%	6.00%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (04/11/08))	2.80%
2 yr. Fannie Mae (04/11/08)	2.46%

Portfolio Maturity Profile



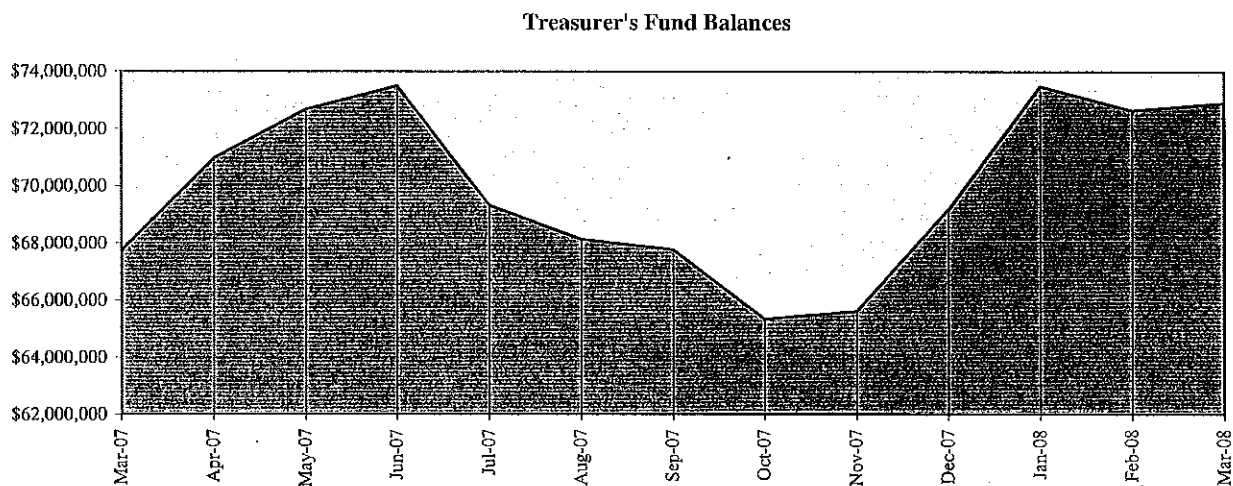
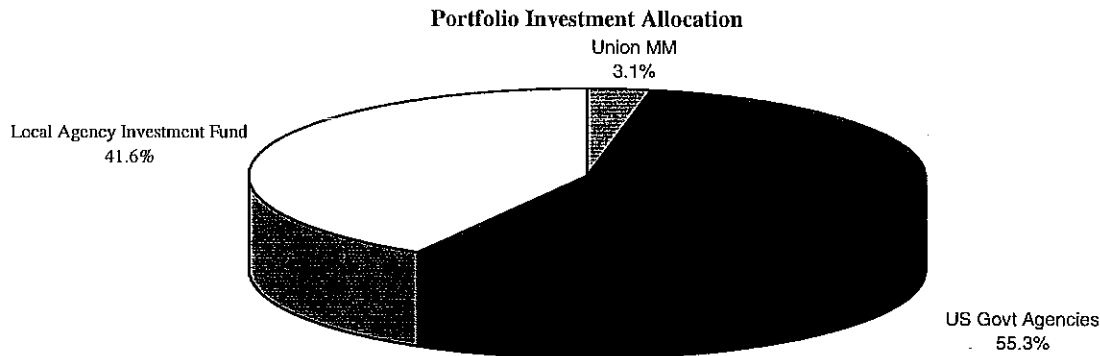
Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the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

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
March 31, 2008

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$72,644,569.24	\$73,499,683.31
Receipts	2,857,013.15	29,843,377.18
Disbursements	(2,599,770.50)	(30,441,248.60)
Fund Balances - End of Month/Period	<u>\$72,901,811.89</u>	<u>\$72,901,811.89</u>

Portfolio Allocation:

Union MM	\$2,231,847.51
US Govt Agencies	39,336,962.82
Local Agency Investment Fund	<u>29,563,466.78</u>
Subtotal - Investments	71,132,277.11
Reconciled Demand Deposit Balances	<u>1,769,534.78</u>
Total Treasurer's Fund	<u>\$72,901,811.89</u>



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2008

	<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	\$262,848.77		\$942.24		\$263,791.01	Note 1
Certificates of Participation Reserve Fund (Lot 4)	255,466.05		424.92		255,890.97	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	101,000.94	40,318.68	167.99		141,487.61	Note 3
Cert. of Participation 2002 Series A Const. Fund	285,969.12		0.83	0.05	285,969.90	Note 4
Cert. of Participation 2002 Series A Reserve Fund	789,795.67		1,264.69	232.00	790,828.36	Note 4
Cert. Of Participation 2002 Series A Interest Fund	78.31		0.05		78.36	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,695,158.86</u>	<u>\$40,318.68</u>	<u>\$2,800.72</u>	<u>\$232.05</u>	<u>\$1,738,046.21</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, 2008

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$178,654.08	\$2,344,357.00
Add: Interest accrued at end of period (see page 5)	661,744.33	661,744.33
Less: Interest accrued at beginning of period	(584,205.36)	(638,512.99)
Interest earned on investments	<u>\$256,193.05</u>	<u>\$2,367,588.34</u>

Interest by Month

July 2007	287,856.35
August 2007	285,325.36
September 2007	261,616.22
October 2007	271,223.77
November 2007	234,832.62
December 2007	252,611.44
January 2008	281,416.49
February 2008	236,513.04
March 2008	<u>256,193.05</u>
	<u>2,367,588.34</u>

**Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
March 31, 2008**

<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>
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	1004	18	1022	3.803%	79,081.47	71,070.31	8,011.16
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	655	61	716	5.135%	183,404.57	142,254.10	41,150.47
USTreasury	Note	07/19/06	738,281.25	02/15/09	621	321	942	5.157%	64,776.53	53,142.27	11,634.26
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	689	347	1036	5.298%	149,816.72	144,593.75	5,222.97
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	686	410	1096	5.014%	187,749.96	146,250.00	41,499.96
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	655	438	1093	5.226%	140,053.51	117,468.75	22,584.76
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	621	473	1094	5.408%	66,575.05	46,234.37	20,340.68
USTreasury	Note	03/25/08	1,024,062.50	09/15/09	6	533	539	1.709%	287.69		287.69
USTreasury	Note	11/17/06	748,066.41	11/15/09	500	594	1094	4.734%	48,511.59	34,495.86	14,015.73
ML Corp	Note	04/10/07	976,150.00	02/08/10	356	679	1035	5.165%	49,174.96	35,180.56	13,994.40
USTreasury	Note	10/19/06	976,406.25	04/15/10	529	745	1274	4.744%	67,133.31	39,560.44	27,572.87
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	587	802	1389	4.957%	120,190.19	96,375.00	23,815.19
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	444	862	1306	4.960%	89,731.02	75,983.33	13,747.69
USTreasury	Note	05/31/07	737,226.56	10/15/10	305	928	1233	4.801%	29,576.01	11,931.35	17,644.66
FFCB	Coupon Note	12/07/07	2,032,140.00	11/01/10	115	945	1060	3.715%	23,785.78		23,785.78
FFCB	Coupon Note	01/18/07	756,922.50	01/18/11	438	1023	1461	3.175%	28,838.75		28,838.75
FFCB	Coupon Note	11/28/07	2,062,000.00	02/18/11	124	1054	1178	3.840%	26,899.78	21,666.67	5,233.11
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	549	1110	1659	4.874%	111,173.97	80,291.67	30,882.30
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	459	1206	1665	5.375%	102,899.39	91,520.83	11,378.56
USTreasury	Note	10/19/06	990,078.13	09/30/11	529	1278	1807	4.721%	67,743.29	65,151.10	2,592.19
FFCB	Coupon Note	12/12/07	2,025,080.00	11/21/11	110	1330	1440	4.000%	24,411.92		24,411.92
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	403	1347	1750	4.959%	53,990.64	36,743.06	17,247.58
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	327	1439	1766	4.743%	64,131.39	62,500.00	1,631.39
FHLB	Coupon Note	11/29/07	2,038,360.00	08/15/12	123	1598	1721	4.170%	28,643.70	19,527.78	9,115.92
GE	Corporate Note	01/16/08	1,542,165.00	10/19/12	75	1663	1738	4.587%	14,535.43		14,535.43
FNMA	Coupon Note	02/21/08	1,260,300.00	01/02/13	39	1738	1777	4.562%	6,143.29		6,143.29
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1736	15	1751	2.633%	35,836.07	63,087.50	(27,251.43)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1740	43	1783	2.507%	79,088.63	150,938.61	(71,849.98)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1736	74	1810	2.894%	31,423.71	28,163.82	3,259.89
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1742	79	1821	2.750%	65,623.29	61,875.00	3,748.29
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1278	137	1415	3.442%	23,934.34	21,937.50	1,996.84
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1231	168	1399	3.866%	25,974.74	24,979.17	995.57
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	1167	168	1335	3.974%	31,530.67	29,583.33	1,947.34
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1231	231	1462	3.936%	26,489.66	23,271.53	3,218.13
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	998	287	1285	4.313%	34,954.23	29,869.79	5,084.44
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	1165	350	1515	3.930%	30,405.93	24,631.08	5,774.85
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	1018	486	1504	4.359%	36,496.36	34,380.21	2,116.15
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	973	486	1459	4.527%	36,002.31	32,776.04	3,226.27
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	1021	519	1540	4.237%	35,399.88	33,584.37	1,815.51
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	1165	519	1684	4.180%	19,970.64	19,250.00	720.64
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	1021	665	1686	4.431%	37,101.06	34,307.29	2,793.77
Subtotal			39,296,688.40								
Union MM			2,231,847.51		30	30		2.07%	3,797.20		3,797.20
Purchased Interest			40,274.42								
LAIF	N/A	12/31/07	29,563,466.78	03/31/08	91	0	91	3.78%	283,032.13		283,032.13
						469		4.10%	\$2,666,320.77	\$2,004,576.44	\$661,744.33

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$39,878,743.01	56.06%
1-2 years	\$8,303,815.66	11.67%
2-3 years	\$9,559,565.31	13.44%
3-5 years	<u>\$13,390,153.13</u>	<u>18.82%</u>
	<u>\$71,132,277.11</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	\$39,296,688.40	\$40,565,649.90	1,268,961.50
Union MM	2,231,847.51	2,231,847.51	0.00
Purchased Interest	40,274.42	40,274.42	0.00
LAIF	29,563,466.78	29,563,466.78	0.00
Totals:	<u>\$71,132,277.11</u>	<u>\$72,401,238.61</u>	<u>\$1,268,961.50</u>

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

Meeting date: May 19, 2008

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
February 29, 2008**

**Submitted May 1, 2008
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 29, 2008**

Weighted Average Portfolio Yield: **4.36%** **Weighted Average Maturity (days)** **492**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$72,644,569	\$73,480,753	\$68,312,202

Benchmarks/ References:

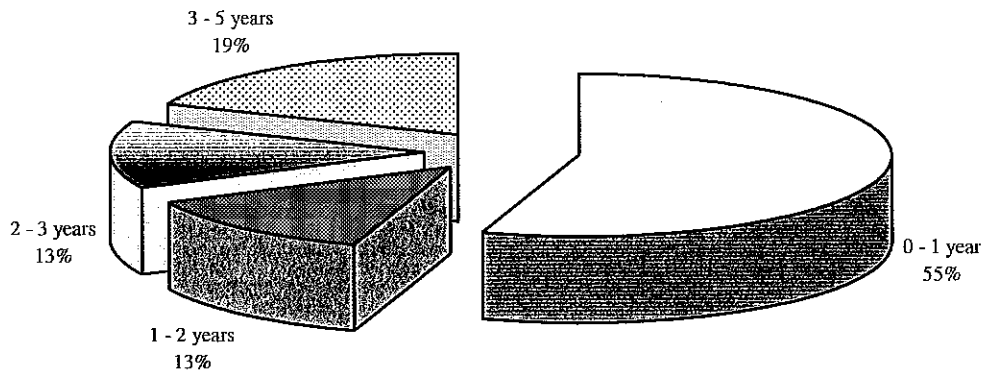
Town's Average Yield	4.36%	4.56%	4.61%
LAIF Yield for month	4.16%	4.73%	5.18%
3 mo. Treasury	2.21%	2.39%	5.00%
6 mo. Treasury	2.13%	2.38%	5.09%
2 yr. Treasury	2.05%	2.24%	4.77%
5 yr. Treasury (most recent)	2.76%	2.91%	4.70%
Prime rate	6.00%	6.00%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (03/07/08)	2.85%
2 yr. Freddie Mac (02/22/08)	2.88%

Portfolio Maturity Profile



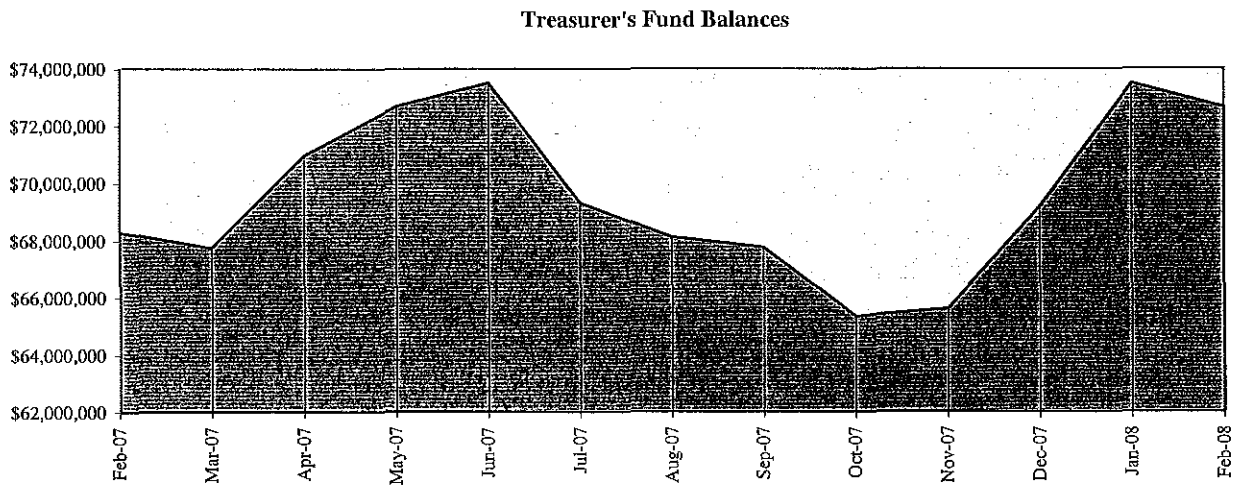
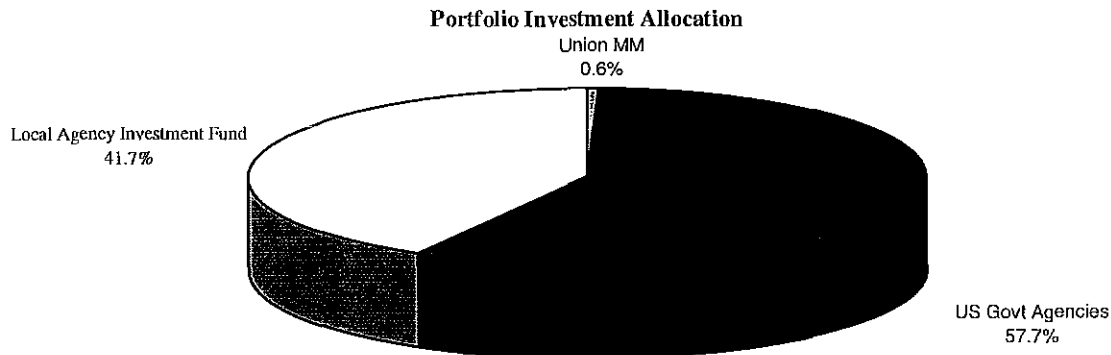
Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the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

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
February 29, 2008

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$73,480,752.73	\$73,499,683.31
Receipts	2,385,962.13	26,986,364.03
Disbursements	(3,222,145.62)	(27,841,478.10)
Fund Balances - End of Month/Period	<u>\$72,644,569.24</u>	<u>\$72,644,569.24</u>

Portfolio Allocation:

Union MM	\$434,380.70
US Govt Agencies	40,955,941.79
Local Agency Investment Fund	<u>29,563,466.78</u>
Subtotal - Investments	70,953,789.27
Reconciled Demand Deposit Balances	<u>1,690,779.97</u>
Total Treasurer's Fund	<u>\$72,644,569.24</u>



Town of Los Gatos
Non-Treasury Restricted Fund Balances
February 29, 2008

	<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	\$261,845.39		\$1,003.38		\$262,848.77	Note 1
Certificates of Participation Reserve Fund (Lot 4)	257,410.47		606.84	2,551.26	255,466.05	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	125,316.43	2,551.26	258.25	27,125.00	101,000.94	Note 3
Cert. of Participation 2002 Series A Const. Fund	285,967.90		1.27	0.05	285,969.12	Note 4
Cert. of Participation 2002 Series A Reserve Fund	788,208.47		1,834.83	247.63	789,795.67	Note 4
Cert. Of Participation 2002 Series A Interest Fund	221,683.36		96.45	221,701.50	78.31	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,940,432.02</u>	<u>\$2,551.26</u>	<u>\$3,801.02</u>	<u>\$251,625.44</u>	<u>\$1,695,158.86</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 29, 2008

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$149,294.87	\$2,165,702.92
Add: Interest accrued at end of period (see page 5)	584,205.36	584,205.36
Less: Interest accrued at beginning of period	(496,987.19)	(638,512.99)
Interest earned on investments	<u>\$236,513.04</u>	<u>\$2,111,395.29</u>

Interest by Month

July 2007	287,856.35
August 2007	285,325.36
September 2007	261,616.22
October 2007	271,223.77
November 2007	234,832.62
December 2007	252,611.44
January 2008	281,416.49
February 2008	236,513.04
	<u>2,111,395.29</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
February 29, 2008

<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>
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	658	31	689	5.000%	179,062.76	128,135.25	50,927.51
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	973	49	1022	3.803%	76,639.71	71,070.31	5,569.40
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	624	92	716	5.135%	174,724.35	142,254.10	32,470.25
USTreasury	Note	07/19/06	738,281.25	02/15/09	590	352	942	5.157%	61,542.92	53,142.27	8,400.65
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	658	378	1036	5.298%	143,076.05	105,218.75	37,857.30
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	655	441	1096	5.014%	179,265.63	146,250.00	33,015.63
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	624	469	1093	5.226%	133,425.02	117,468.75	15,956.27
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	590	504	1094	5.408%	63,251.65	46,234.37	17,017.28
USTreasury	Note	11/17/06	748,066.41	11/15/09	469	625	1094	4.734%	45,503.88	34,495.86	11,008.02
ML Corp	Note	04/10/07	976,150.00	02/08/10	325	710	1035	5.165%	44,892.87	35,180.56	9,712.31
USTreasury	Note	10/19/06	976,406.25	04/15/10	498	776	1274	4.744%	63,199.22	39,560.44	23,638.78
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	556	833	1389	4.957%	113,842.83	96,375.00	17,467.83
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	413	893	1306	4.960%	83,466.02	75,983.33	7,482.69
USTreasury	Note	05/31/07	737,226.56	10/15/10	274	959	1233	4.801%	26,569.93	11,931.35	14,638.58
FFCB	Coupon Note	12/07/07	2,032,140.00	11/01/10	84	976	1060	3.715%	17,373.96		17,373.96
FFCB	Coupon Note	01/18/07	756,922.50	01/18/11	407	1054	1461	3.175%	26,797.65		26,797.65
FFCB	Coupon Note	11/28/07	2,062,000.00	02/18/11	93	1085	1178	3.840%	20,174.83	21,666.67	(1,491.84)
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	518	1141	1659	4.874%	104,896.39	80,291.67	24,604.72
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	428	1237	1665	5.375%	95,949.76	91,520.83	4,428.93
USTreasury	Note	10/19/06	990,078.13	09/30/11	498	1309	1807	4.721%	63,773.46	42,651.10	21,122.36
FFCB	Coupon Note	12/12/07	2,025,080.00	11/21/11	79	1361	1440	4.000%	17,532.20		17,532.20
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	372	1378	1750	4.959%	49,837.51	36,743.06	13,094.45
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	296	1470	1766	4.743%	58,051.65	25,000.00	33,051.65
FHLB	Coupon Note	11/29/07	2,038,360.00	08/15/12	92	1629	1721	4.170%	21,424.56	19,527.78	1,896.78
GE	Corporate Note	01/16/08	1,542,165.00	10/19/12	44	1694	1738	4.587%	8,527.45		8,527.45
FNMA	Coupon Note	02/21/08	1,260,300.00	01/02/13	8	1769	1777	4.562%	1,260.16		1,260.16
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1709	15	1724	2.294%	70,610.57	74,842.33	(4,231.76)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1705	46	1751	2.633%	35,196.15	63,087.50	(27,891.35)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1709	74	1783	2.507%	77,679.58	150,938.61	(73,259.03)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1705	105	1810	2.894%	30,862.57	28,163.82	2,698.75
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1711	110	1821	2.750%	64,455.48	61,875.00	2,580.48
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1247	168	1415	3.442%	23,353.78	21,937.50	1,416.28
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1200	199	1399	3.866%	25,320.63	21,229.17	4,091.46
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	1136	199	1335	3.974%	30,693.10	24,895.83	5,797.27
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1200	262	1462	3.936%	25,822.58	23,271.53	2,551.05
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	967	318	1285	4.313%	33,868.48	29,869.79	3,998.69
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	1134	381	1515	3.930%	29,596.84	20,724.83	8,872.01
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	987	517	1504	4.359%	35,384.98	34,380.21	1,004.77
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	942	517	1459	4.527%	34,855.26	32,776.04	2,079.22
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	990	550	1540	4.237%	34,325.06	27,396.87	6,928.19
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	1134	550	1684	4.180%	19,439.23	16,156.25	3,282.98
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	990	696	1686	4.431%	35,974.58	34,307.29	1,667.29
Subtotal			40,916,584.49								
Union MM			434,380.70		30	30		2.75%	981.82		981.82
Purchased Interest			39,357.30								
LAIF	N/A	12/31/07	29,563,466.78	03/31/08	60	31	91	4.16%	188,276.26		188,276.26
						492		4.36%	\$2,670,759.38	\$2,086,554.02	\$584,205.36

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$38,983,882.67	54.94%
1-2 years	\$9,020,188.16	12.71%
2-3 years	\$9,559,565.31	13.47%
3-5 years	\$13,390,153.13	18.87%
	<u>\$70,953,789.27</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	\$40,916,584.49	\$42,216,272.00	1,299,687.51
Union MM	434,380.70	434,380.70	0.00
Purchased Interest	39,357.30	39,357.30	0.00
LAIF	29,563,466.78	29,563,466.78	0.00
Totals:	<u>\$70,953,789.27</u>	<u>\$72,253,476.78</u>	<u>\$1,299,687.51</u>

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