Treasurer's Report

October 11, 2011

TO:	Honorable Mayor and Town Council
FROM:	Roger Carroll, Treasurer/Finance Officer
DATE:	October 4, 2011
RE:	Monthly Treasurer's Report

RECOMMENDED ACTION:

Receive and file.

ISSUE STATEMENT AND DISCUSSION:

California Government Code and Town Municipal Code require monthly Treasurer's reports. The reports attached are as follows:

- Investment Policy Compliance Report - lists the types of investments allowable by the State and the Town and whether our investments comply.
- Quality Analysis Report - groups the investments by Moody Rating Group.
- Transaction Ledger Report – shows the purchases, sales, interest payments and redemptions during the report period.

Other Information

COMPLIANCE WITH INVESTMENT POLICY:

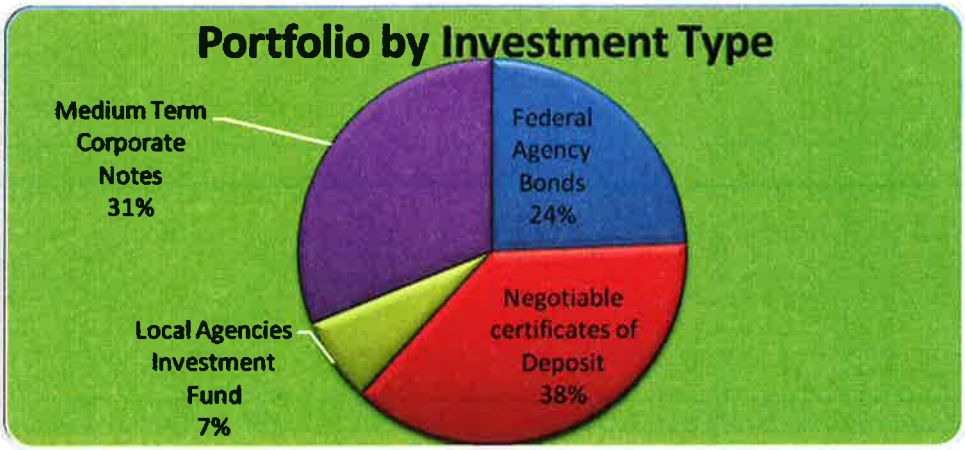
Although the Town's portfolio currently exceeds the allowable limit on Negotiable Certificates of Deposit (CD's), the CD's were purchased when the current volume was allowable, and therefore is in compliance with its investment policy. All CD's are Federally insured and pose no risk of loss. Over the next few months, the Treasurer will sell some of the CD's as values allow.

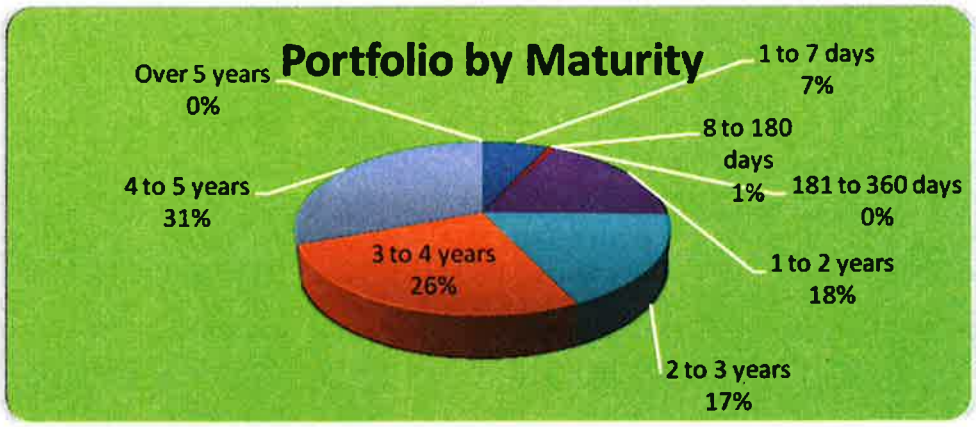
Other Information

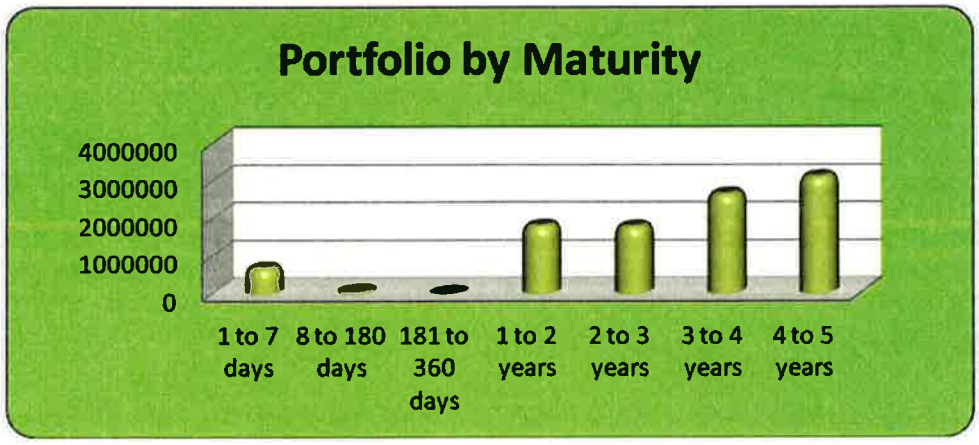
Benchmarks as of September 30, 2011:

Federal Lending Rate:	0.25%
Two Year T-Bill Rate:	0.24%
LAIF daily Rate	0.38%

Town of Loomis Weighted Average Rate, excluding LAIF investments: 3.03%
Average Maturity is 3.11 years.







Strategy

The Treasurer's current practice is:

- Sell bonds with higher interest rates to capture the market gain before it evaporates, but only if replacement earnings plus the market gain exceed the current projected earnings.
- Approximate a "barbell" strategy by investing in higher earning investments in the four to five year maturity range, and shorter term investments to be in position for as rates start to climb.

POLICY AND/OR FINANCIAL IMPLICATIONS:

None.

Attachments: Investment Policy Compliance Report
Quality Analysis Report
Transaction Ledger Report

Town of Loomis
Investment Policy Compliance
with Government Code Standards, and the Town of Loomis Investment Plan Standards
As of September 30, 2011

Current Portfolio Balance:	**$ 10,147,339**

Ca Government Code Section 53601		**Govt Code Maximum %**	**Loomis Maximum %**	**Loomis Actual %**	**Complies**
a	Bonds issued by Loomis		5.00%		Yes
b	Federal Treasury notes, bonds, bills	100.00%	100.00%		Yes
c	State/local agency bonds, etc	100.00%	50.00%	5.27%	Yes
d	Local agency bonds, etc	100.00%	50.00%		Yes
e	Federal Agency Bonds	100.00%	100.00%	23.08%	Yes
f	Bankers Acceptances	40.00%	40.00%		Yes
g	Commercial Paper	30.00%	15.00%		Yes
h	Negotiable certificates of Deposit	30.00%	30.00%	35.42%	No
l(1)	Repurchase Agreements	20.00%	20.00%		Yes
l(3)	Reverse Repurchase Agreements	20.00%	20.00%		Yes
	Local Agencies Investment Fund		100.00%	6.78%	Yes
h	Time Deposits	30.00%	25.00%		Yes
j	Medium Term Corporate Notes	30.00%	30.00%	29.45%	Yes
k	Shares of Beneficial Interest	20.00%	0.00%		Yes
l	Local agency Certificates of Participation, security pledges, lease installments, etc.		0.00%		Yes
m	Local agency notes, bonds, etc.	0.00%	0.00%		Yes
n	Mortgage pass through security bonds	20.00%	0.00%		Yes
	Total			100.00%	

Target Share of Portfolio per Investment Policy			Actual %	Actual $
Range	Not Less Than	Not More Than		
1 to 7 days	5%	70%	7%	688,357
8 to 180 days	0%	30%	1%	72,959
181 to 360 days	0%	30%	0%	-
1 to 2 years	0%	40%	18%	1,812,219
2 to 3 years		40%	18%	1,789,837
3 to 4 years		30%	26%	2,663,783
4 to 5 years		30%	31%	3,120,185
Over 5 years		0%	0%	
	Total			10,147,339

Note: The Town holds $500,000 in senior unsecured bonds in Lehman Brothers, which, due to bankruptcy have fallen below investment grade. See the narrative for further details.

Town of Loomis
Quality Analysis Report
9/30/2011

Cusip		NAME	RATE	SETTLMENT DATE	NEXT COUPON	MATURITY DATE	UNITS	DISCOUNT OR PREMIUM	BOOK VALUE	7/31/2008 MARKET VALUE	UNREALIZED MARKET GAIN/LOSS
31331KNJ5	AGY	FFCB	2.140%	6/15/2011	12/12/2011	6/15/2016	250,000.00		250,000.00	250,000.00	-
313371NW2	AGY	FHLB	1.375%	12/28/2010	12/11/2001	12/11/2015	280,000.00	(8,806.06)	271,193.94	248,667.50	(22,526.44)
313374WN6	AGY	FHLB	2.125%	8/10/2011	2/10/2012	8/10/2016	250,000.00		250,000.00	282,004.80	32,004.80
3133XWX95	AGY	FHLB	2.750%	3/25/2010	3/13/2012	3/13/2015	500,000.00	(252.96)	499,747.04	250,385.00	(249,362.04)
3136FRWL3	AGY	FNMA	1.125%	7/28/2011	10/6/2011	10/6/2014	250,000.00		250,000.00	532,815.00	282,815.00
3136FRUM3	AGY	FNMA	2.000%	6/29/2011	12/29/2011	6/29/2016	250,000.00		250,000.00	250,410.00	410.00
3136FP6L6	AGY	FNMA	2.450%	2/22/2011	5/22/2012	2/22/2016	250,000.00	(1,625.00)	248,375.00	252,190.00	3,815.00
3136FRTD5	AGY	FNMA s/u	1.500%	6/30/2011	12/30/2011	6/30/2016	250,000.00		250,000.00	252,240.00	2,240.00
13063A5D2	A1	CA State GOB	5.950%	9/21/2011	3/21/2012	4/1/2016	100,000.00	14,181.43	114,181.43	250,445.00	136,263.57
4521518V8	A1	Illnois GOB	4.421%	8/3/2010	1/1/2012	1/1/2015	100,000.00		100,000.00	112,695.00	12,695.00
452151LC5	A1	Illnois GOB	4.050%	8/24/2010	12/1/2011	6/1/2015	150,000.00	723.78	150,723.78	104,006.00	(46,717.78)
913366ET3	A1	UCD	2.875%	11/18/2010	1/15/2012	5/15/2015	170,000.00		170,000.00	153,526.50	(16,473.50)
02003MBQ6	AA	Alstate LF GLB	5.375%	5/1/2009	10/30/2011	4/30/2013	250,000.00		250,000.00	172,818.60	(77,181.40)
02005QQD8	CD	Ally Bank	2.150%	6/2/2011	12/2/2011	6/2/2016	250,000.00		250,000.00	264,952.50	14,952.50
02580VBJ3	CD	Amex Bank FSB	5.000%	11/26/2008	11/26/2011	11/26/2013	100,000.00		100,000.00	249,795.00	149,795.00
02586TBJ2	CD	Amex Bank	5.000%	11/26/2008	11/26/2011	11/26/2013	100,000.00		100,000.00	107,873.00	7,873.00
05155THC5	CD	Aurora Bank	1.500%	5/23/2011	11/23/2011	5/23/2014	200,000.00		200,000.00	107,873.00	(92,127.00)
05967EGY9	CD	Banco Popular	1.200%	8/24/2011	2/24/2012	8/24/2014	200,000.00		200,000.00	200,142.00	142.00
06740KCB1	CD	Barclays Bank	3.200%	10/14/2009	11/14/2011	10/14/2014	100,000.00		100,000.00	199,258.00	99,258.00
05568PPD3	CD	BMW Bank	3.550%	3/31/2009	9/30/2011	3/31/2014	97,000.00		97,000.00	104,484.00	7,484.00
140653TS5	CD	CAPMARK BANK	5.000%	10/22/2008	10/22/2011	10/22/2013	100,000.00		100,000.00	102,081.83	2,081.83
17284ADC9	CD	CIT Bank	3.650%	5/22/2009	11/22/2011	5/22/2014	100,000.00		100,000.00	107,607.00	7,607.00
17284ARS9	CD	CIT Bank SLC	2.250%	5/27/2011	11/11/2011	5/11/2016	100,000.00	(222.14)	99,777.86	105,603.00	5,825.14
254670F49	CD	DISCOVER BANK	2.150%	6/3/2011	12/1/2011	5/31/2016	150,000.00		150,000.00	99,929.00	(50,071.00)
25469J5W5	CD	DISCOVER BANK	3.550%	5/20/2009	11/20/2011	5/20/2014	100,000.00		100,000.00	149,886.00	49,886.00
25811LUH0	CD	Doral Bank	2.150%	5/14/2010	10/14/2011	5/14/2013	100,000.00		100,000.00	105,342.00	5,342.00
3191404X4	CD	Firstbank Highland	3.400%	5/20/2009	11/20/2011	5/20/2014	100,000.00		100,000.00	101,878.00	1,878.00
337629K65	CD	Firstbank PR	2.150%	5/14/2010	10/14/2011	5/14/2013	100,000.00		100,000.00	104,957.00	4,957.00
36160XFJ1	CD	GE Cap Fin inc	3.500%	4/30/2009	10/30/2011	4/30/2014	100,000.00		100,000.00	101,878.00	1,878.00
36160XRX7	CD	GE Cap Fin inc	1.800%	6/10/2011	12/10/2011	6/10/2015	150,000.00		150,000.00	105,173.00	(44,827.00)
36159SQL8	CD	GE Money Bnk	2.050%	8/6/2010	8/6/2012	8/6/2014	100,000.00		100,000.00	149,800.50	49,800.50
36159SHN4	CD	GE Money Bnk	2.400%	11/13/2009	11/13/2011	11/13/2012	50,000.00		50,000.00	101,704.00	51,704.00
36159SEJ6	CD	GE Money Bnk	4.750%	12/18/2008	12/18/2011	12/18/2013	100,000.00		100,000.00	50,908.00	(49,092.00)
36962G3Z5	AA	GECC (F)	1.360%	8/3/2010	9/23/2011	9/23/2013	150,000.00	(3,030.50)	146,969.50	107,495.00	(39,474.50)
36962GK94	AA	GECC (F)	0.598%	6/28/2010	9/15/2011	9/15/2014	100,000.00	(4,163.40)	95,836.60	149,595.00	53,758.40
38141EKF5	A	GOLDMAN SACHS	0.561%	7/16/2010	1/22/2012	7/22/2015	250,000.00	(14,062.50)	235,937.50	95,715.00	(140,222.50)
381426HR9	CD	GOLDMAN SACHS BAI	4.450%	4/30/2008	10/30/2011	4/30/2013	100,000.00		100,000.00	223,240.00	123,240.00
3814264E2	CD	GOLDMAN SACHS BAI	1.850%	8/24/2011	2/24/2012	8/24/2016	100,000.00		100,000.00	105,452.00	5,452.00
428236BC6	A2	Hewlett Packard	2.125%	9/21/2011	3/13/2012	9/13/2015	250,000.00	(1,517.71)	248,482.29	99,650.00	(148,832.29)
40429XUJ3	AA-	HSBC	6.000%	11/16/2009	10/15/2011	4/15/2013	250,000.00	11,409.86	261,409.86	247,820.00	(13,589.86)
46625HHB9	AA-	JP Morgan	4.750%	5/26/2009	11/1/2011	5/1/2013	250,000.00	3,840.00	253,840.00	258,925.00	5,085.00
46625HHP8	AA-	JP Morgan	3.700%	8/23/2011	1/20/2012	1/20/2015	250,000.00	8,892.00	258,892.00	262,840.00	3,948.00
59012YG43	CD	Merrick Bank	2.000%	6/15/2011	10/15/2011	6/15/2016	200,000.00		200,000.00	256,165.00	56,165.00
59018YM40	A2	MERIL LYNCH	5.450%	3/28/2008	1/5/2012	2/5/2013	250,000.00		250,000.00	199,756.00	(50,244.00)
61747MQF1	CD	MORGAN STANLEY CE	5.050%	10/29/2008	10/29/2011	10/29/2013	100,000.00		100,000.00	247,757.50	147,757.50
61745EG70	A2	MORGAN STANLEY	4.500%	8/31/2011	3/2/2012	8/31/2015	225,000.00		225,000.00	107,762.00	(117,238.00)
61747YCL7	A2	MORGAN STANLEY	4.100%	1/29/2010	2/26/2011	1/26/2015	275,000.00		275,000.00	223,377.75	(51,622.25)
785907AV8	CD	Saehan Bank	3.400%	3/31/2009	2/27/2011	3/24/2014	97,000.00		97,000.00	262,218.00	165,218.00
7954550HP3	CD	Sallie Mae Bk	3.500%	2/19/2009	2/19/2011	2/19/2014	100,000.00		100,000.00	101,969.31	1,969.31
856283RL2	CD	State Bnk India	2.000%	8/12/2011	2/12/2012	8/12/2016	200,000.00		200,000.00	104,994.00	(95,006.00)
92979HFG6	CD	WACHOVIA BANK	5.000%	7/25/2008	1/25/2012	7/25/2013	100,000.00		100,000.00	199,382.00	99,382.00
92977BQA2	CD	WACHOVIA BANK	5.000%	7/25/2008	1/25/2012	7/25/2013	100,000.00		100,000.00	106,046.00	6,046.00
92976GAF8	AA	WACHOVIA Bank	0.578%	7/6/2011	3/15/2012	3/15/2016	250,000.00	(12,986.14)	237,013.86	106,046.00	(130,967.86)
929781FF4	CD	WACHOVIA MTG	5.000%	7/25/2008	1/25/2012	7/25/2013	100,000.00		100,000.00	223,270.00	123,270.00
949746QU8	AA	Wells Fargo	3.676%	7/6/2011	3/15/2012	6/15/2016	240,000.00	9,642.50	249,642.50	106,046.00	(143,596.50)
ACCRUED INT	AGY						72,958.83		72,958.83	249,751.20	
		Sub- total					9,456,958.83	2,023.16	9,458,981.99	9,778,600.99	142,826.63
		Balance on account with LAIF/Money market					688,356.66		688,356.66	688,356.66	
		Total Portfolio					10,145,315.49		10,147,338.65		

Town of Looms
Transaction Ledger
9/01/11 to 9/30/11

Trans Date Trans Type	Quanity	Description	Price	Amount Int Purch/Sold	Premium/Gain (Discount)/(Loss)
9/1/2011 Interest Received	0.17	Highmark Treas Fund 0.00% floating 7 day	1.000	0.17	0.17
9/13/2011 Interest Received	6,875.00	FHLB 2.7% due 3/13/15	1.000	6,875.00	6,875.00
9/14/2011 Interest Received	182.60	Doral Bank 2.15% due 5/14/13	1.000	182.60 -	182.60
9/14/2011 Interest Received	182.60	Firstbank PR 2.15% due 5/14/13	1.000	182.60	182.60
9/15/2011 Interest Received	339.73	Merrick Bank 2.0% due 5/15/16	1.000	339.73 -	339.73
9/15/2011 Interest Received	129.57	GECC FR% due 9/15/14	1.000	129.57	129.57
9/16/2011 Interest Received	368.84	Wachovia Bank FR% due 3/15/16	1.000	368.84	368.84
9/16/2011 Interest Received	4,411.20	Wells Fargo 3.676% due 6/15/16	1.000	4,411.20	4,411.20
9/21/2011 Bond Purchased	250,000.00	Hewlett Packard 2.125% due 9/13/15	0.994	248,450.00 118.06	(1,431.94)
9/21/2011 Bond Purchased	100,000.00	CA State GOB 5.95% due 4/1/16	1.114	111,444.90 2,809.72	14,254.62
9/21/2011 Transfer	353,337.27	Xfer from Wells Fargo	1.000	353,337.27	-
9/23/2011 Interest Received	477.44	GECC FR% due 9/23/13	1.000	477.44 -	477.44
9/27/2011 Interest Received	813.21	Saehan Bank 3.4% due 3/27/14	1.000	813.21 -	813.21
9/30/2011 Interest Received	1,735.90	BMW Bank 3.55% due 8/24/15	1.000	1,735.90 -	1,735.90

9/30/2011 Bond Purchased	250,000.00	FHLB 2.2% due 6/30/16	1.000	250,000.00 2,809.72	2,809.72
9/30/2011 Month end Transfer	3,050.89	Xfer to Wells Fargo	1.000	4,419.62	1,368.73

Local Agency Investment Fund

9/15/2011 Withdrawal	(75,000.00)	Local Agency Investment Fund State Pool	1.000	(75,000.00)
9/21/2011 Withdrawal	(350,000.00)	Local Agency Investment Fund State Pool	1.000	(350,000.00)
9/29/2011 Withdrawal	(125,000.00)	Local Agency Investment Fund State Pool	1.000	(125,000.00)