Treasurer's Report

April 12, 2011

TO:	Honorable Mayor and Town Council
FROM:	Roger Carroll, Treasurer/Finance Officer
DATE:	April 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:

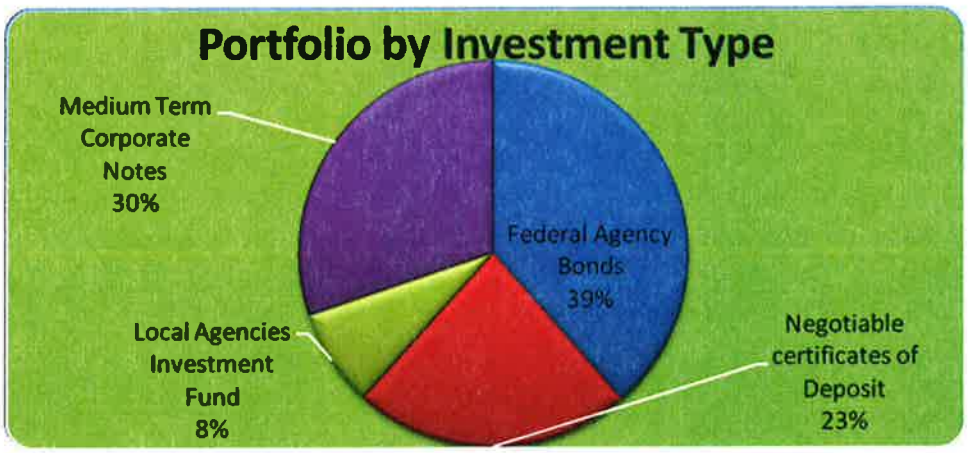
The Town is in compliance with its investment policy. The Lehman Brothers bonds have been downgraded to below investment level. The Town's investment policy does not require immediate liquidation of such bonds, but allows some discretion. As these bonds went suddenly from AA investment grade to below investment grade the day that Lehman Brother's declared bankruptcy, the majority of the resale value was gone before markets opened. Union bank is currently reporting the value of the $500,000 par value bonds at $128,125. The Treasurer recommends waiting for the bankruptcy proceedings.

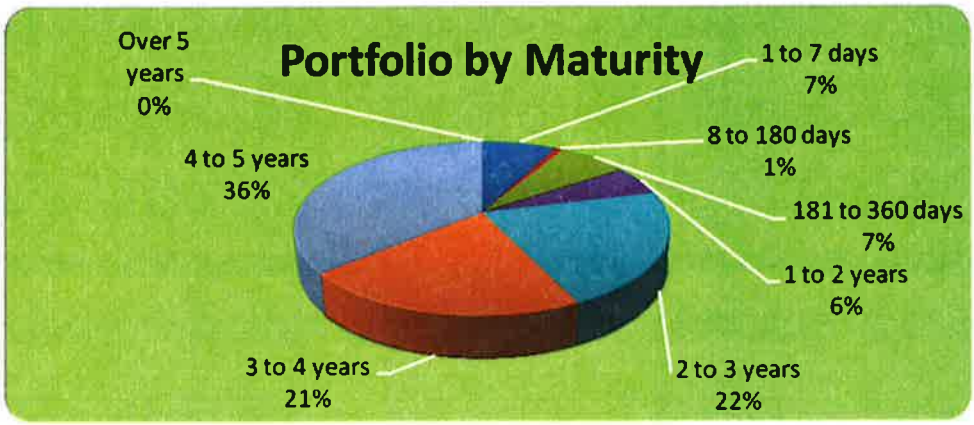
Other Information

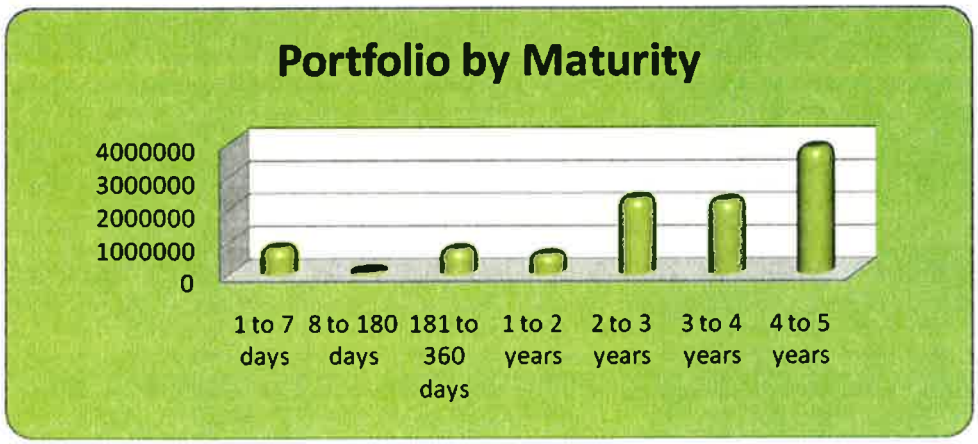
Benchmarks as of March 31, 2011:

Federal Lending Rate:	0.25%
Two Year T-Bill Rate:	0.83%
LAIF daily Rate	0.51%

Town of Loomis Weighted Average Rate, excluding LAIF investments: 3.17%
Average Maturity is 3.07 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 March 31, 2011

Current Portfolio Balance:	**$ 10,646,804**

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%	6.59%	Yes
d	Local agency bonds, etc	100.00%	50.00%		Yes
e	Federal Agency Bonds	100.00%	100.00%	36.04%	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%	21.55%	Yes
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%	7.61%	Yes
h	Time Deposits	30.00%	25.00%		Yes
j	Medium Term Corporate Notes	30.00%	30.00%	28.21%	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%	8%	810,329
8 to 180 days	0%	30%	1%	85,892
181 to 360 days	0%	30%	7%	761,342
1 to 2 years	0%	40%	6%	600,000
2 to 3 years		40%	22%	2,310,725
3 to 4 years		30%	21%	2,242,322
4 to 5 years		30%	36%	3,836,194
Over 5 years		0%	0%	
	Total			10,646,804

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
3/31/2011

Cusip		NAME	RATE	SETTLMENT DATE	NEXT COUPON	MATURITY DATE	UNITS	DISCOUNT OR PREMIUM	BOOK VALUE	7/31/2008 MARKET VALUE	UNREALIZED MARKET GAIN/LOSS
313371NW2	AGY	FHLB	1.375%	12/28/2010	6/11/2011	12/11/2015	280,000.00	(9,842.02)	270,157.98	268,760.80	(1,397.18)
3133722L71	AGY	FHLB	2.250%	12/28/2010	6/22/2011	12/22/2015	250,000.00	(475.01)	249,524.99	248,332.50	(1,192.49)
3133XWX95	AGY	FHLB	2.750%	3/25/2010	3/13/2011	3/13/2015	500,000.00	(289.92)	499,710.08	515,050.00	15,339.92
3133XYUU7	AGY	FHLB s/u	1.250%	6/30/2010	6/30/2011	6/30/2015	500,000.00	(425.03)	499,574.97	500,940.00	1,365.03
3136FPC70	AGY	FNMA	2.000%	1/24/2011	6/15/2011	12/15/2015	520,000.00	(3,211.01)	516,788.99	512,985.20	(3,803.79)
3136FPKY2	AGY	FNMA	2.250%	3/30/2011	9/28/2011	3/28/2016	250,000.00	(2,925.00)	247,075.00	247,130.00	55.00
3136FP6L6	AGY	FNMA	2.450%	2/22/2011	8/22/2011	2/22/2016	250,000.00	(1,812.50)	248,187.50	250,077.50	1,890.00
3136FP7B7	AGY	FNMA	2.500%	3/30/2011	8/23/2011	2/23/2016	220,000.00		220,000.00	219,863.60	(136.40)
3136FMUD4	AGY	FNMA	2.700%	5/26/2010	5/26/2011	5/26/2015	500,000.00		500,000.00	501,950.00	1,950.00
3136FM3D4	AGY	FNMA s/u	1.500%	7/28/2010	7/28/2011	7/28/2015	500,000.00		500,000.00	498,285.00	(1,715.00)
13063BHY1	A1	CA RANS	3.000%	11/23/2010	6/28/2011	6/28/2011	250,000.00	787.50	250,787.50	251,445.00	657.50
4521518V8	A1	Illnois GOB	4.421%	8/3/2010	7/1/2011	1/1/2015	100,000.00		100,000.00	99,419.00	(581.00)
452151LC5	A1	Illnois GOB	4.050%	8/24/2010	6/1/2011	6/1/2015	150,000.00	822.42	150,822.42	147,366.00	(3,456.42)
913366ET3	A1	UCD	2.875%	11/18/2010	5/15/2011	5/15/2015	200,000.00		200,000.00	194,706.00	(5,294.00)
02003MBQ6	AA	Alstate LF GLB	5.375%	5/1/2009	4/30/2011	4/30/2013	250,000.00		250,000.00	269,717.50	19,717.50
02004MD91	CD	Ally Bank	2.150%	8/6/2010	2/6/2011	8/6/2014	100,000.00		100,000.00	101,093.00	1,093.00
02580VBJ3	CD	Amex Bank FSB	5.000%	11/26/2008	5/26/2011	11/26/2013	100,000.00		100,000.00	108,987.00	8,987.00
02586TBJ2	CD	Amex Bank	5.000%	11/26/2008	5/26/2011	11/26/2013	100,000.00		100,000.00	108,987.00	8,987.00
06740KCB1	CD	Barclays Bank	3.200%	10/14/2009	5/14/2011	10/14/2014	100,000.00		100,000.00	104,182.00	4,182.00
05568PPD3	CD	BMW Bank	3.550%	3/31/2009	3/30/2011	3/31/2014	97,000.00		97,000.00	102,349.55	5,349.55
140653TS5	CD	CAPMARK BANK	5.000%	10/22/2008	4/22/2011	10/22/2013	100,000.00		100,000.00	108,777.00	8,777.00
17284ADC9	CD	CIT Bank	3.650%	5/22/2009	5/22/2011	5/22/2014	100,000.00		100,000.00	105,803.00	5,803.00
25469J5W5	CD	DISCOVER BANK	3.550%	5/20/2009	5/20/2011	5/20/2014	100,000.00		100,000.00	103,563.00	3,563.00
254670RF1	CD	DISCOVER BANK	2.900%	11/12/2009	6/12/2011	11/12/2013	100,000.00		100,000.00	105,501.00	5,501.00
25811LUH0	CD	Doral Bank	2.150%	5/14/2010	4/14/2011	5/14/2013	100,000.00		100,000.00	101,848.00	1,848.00
3191404X4	CD	Firstbank Highland	3.400%	5/20/2009	5/20/2011	5/20/2014	100,000.00		100,000.00	105,047.00	5,047.00
337629K65	CD	Firstbank PR	2.150%	5/14/2010	4/14/2011	5/14/2013	100,000.00		100,000.00	101,848.00	1,848.00
36160XFJ1	CD	GE Cap in dc	3.500%	4/30/2009	4/30/2011	4/30/2014	100,000.00		100,000.00	105,360.00	5,360.00
36159SQL8	CD	GE Money Bnk	2.050%	8/6/2010	2/6/2011	8/6/2014	100,000.00		100,000.00	101,063.00	1,063.00
36159SHN4	CD	GE Money Bnk	2.400%	11/13/2009	5/13/2011	11/13/2012	100,000.00		100,000.00	102,264.00	2,264.00
36159SEJ6	CD	GE Money Bnk	4.750%	12/18/2008	6/18/20111	12/18/2013	100,000.00		100,000.00	108,471.00	8,471.00
36962G3Z5	AA	GECC (F)	1.309%	8/3/2010	3/23/2011	9/23/2013	150,000.00	(3,821.00)	146,179.00	151,750.50	5,571.50
36962GK94	AA	GECC (F)	0.569%	6/28/2010	3/15/2011	9/15/2014	100,000.00	(4,898.04)	95,101.96	98,712.00	3,610.04
38141EKF5	A	GOLDMAN SACHS	0.612%	7/16/2010	2/22/2011	7/22/2015	250,000.00	(15,937.50)	234,062.50	242,840.00	8,777.50
381426HR9	CD	GOLDMAN SACHS BAI	4.450%	4/30/2008	4/30/2012	4/30/2013	100,000.00		100,000.00	106,552.00	6,552.00
40429XUJ3	AA-	HSBC	6.000%	11/16/2009	4/15/2012	4/15/2013	250,000.00	12,985.58	262,985.58	263,085.00	99.42
45974VB31	A1	AIG	5.300%	5/22/2007	5/1/2011	5/1/2012	250,000.00		250,000.00	254,375.00	4,375.00
46625HHB9	AA-	JP Morgan	4.750%	5/26/2009	5/1/2011	5/1/2013	250,000.00	4,560.00	254,560.00	265,575.00	11,015.00
52517PK59	A2	LEHMAN BRO	5.750%	10/6/2006		7/18/2011	500,000.00	10,554.78	510,554.78	128,125.00	(382,429.78)
59018YM40	A2	MERIL LYNCH	5.450%	3/28/2008	4/5/2011	2/5/2013	250,000.00		250,000.00	265,015.00	15,015.00
61747MQF1	CD	MORGAN STANLEY CI	5.050%	10/29/2008	6/29/2011	10/29/2013	100,000.00		100,000.00	108,947.00	8,947.00
61747YCL7	AA3	MORGAN STANLEY	4.100%	1/29/2010	2/26/2011	1/26/2015	275,000.00		275,000.00	282,348.00	7,348.00
785907AV8	CD	Saehan Bank	3.400%	3/31/2009	2/27/2011	3/24/2014	97,000.00		97,000.00	102,281.65	5,281.65
7954550HP3	CD	Sallie Mae Bk	3.500%	2/19/2009	2/19/2011	2/19/2014	100,000.00		100,000.00	105,294.00	5,294.00
92979HFG6	CD	WACHOVIA BANK	5.000%	7/25/2008	7/25/2011	7/25/2013	100,000.00		100,000.00	107,049.00	7,049.00
92976GAC5	AA	WACHOVIA BANK	0.666%	6/28/2010	2/3/2011	11/3/2014	500,000.00	(24,489.84)	475,510.16	487,525.00	12,014.84
92977BQA2	CD	WACHOVIA BANK	5.000%	7/25/2008	7/25/2011	7/25/2013	100,000.00		100,000.00	107,049.00	7,049.00
929781FF4	CD	WACHOVIA MTG	5.000%	7/25/2008	7/25/2011	7/25/2013	100,000.00		100,000.00	107,049.00	7,049.00
ACCRUED INT	AGY						85,891.61		85,891.61		
	Sub- total						9,874,891.61	(38,416.59)	9,836,475.02	9,584,743.80	(165,839.61)
	Balance on account with LAIF						810,329.11		810,329.11	810,329.11	
	Total Portfolio						10,685,220.72		10,646,804.13		

Town of Looms
Transaction Ledger
3/01/11 to 3/31/11

Trans Date Trans Type	Quanity	Description	Price	Amount Int Purch/Sold	Premium/Gain (Discount)/(Loss)
3/1/2011 Interest Received	0.42	Highmark Treas Fund 0.01% floating 7 day	1.000	0.42	0.42
3/1/2011 Interest Received	322.74	GMAC Bank 3.8% due 3/28/11	1.000	322.74	322.74
3/15/2011 Bond Called	250,000.00	FHLMC 2.0% due 3/15/15	1.000	250,000.00 2,500.00	2,500.00
3/15/2011 Interest Received	140.39	GECC F/R due 9/15/14	1.000	140.39	140.39
3/15/2011 Interest Received	164.93	Doral Bank 2.15% due 5/14/13	1.000	164.93 -	164.93
3/15/2011 Interest Received	164.93	Firstbank PR 2.15% due 5/14/13	1.000	164.93	164.93
3/24/2011 Interest Received	488.55	GECC FR due 9/23/13	1.000	488.55 -	488.55
3/28/2011 Interest Received	813.21	Saehan Bnk 3.4% due 3/27/14	1.000	813.21 -	813.21
3/28/2011 CD Matured	100,000.00	GMAC Bnk 3.8% due 3/28/11	1.000	100,000.00 291.51	291.51
3/30/2011 Bond Called	500,000.00	FNMA 2.0% due 9/30/15	1.000	500,000.00 5,000.00	5,845.78 (845.78)
3/30/2011 Bond Purchased	250,000.00	FNMA 2.5% due 3/28/16	0.988	247,075.00 565.28	-
3/30/2011 Bond Purchased	220,000.00	FNMA 2.25% due 2/23/16	1.000	220,000.00 31.25	-

Local Agency Investment Fund

3/3/2011 Withdrawal	(70,000.00)	Local Agency Investment Fund State Pool	1.000	(70,000.00)	

3/10/2011 Withdrawal	(10,000.00)	Local Agency Investment Fund State Pool	1.000	(10,000.00)
3/16/2011 Deposit	200,000.00	Local Agency Investment Fund State Pool	1.000	200,000.00
3/24/2011 Withdrawal	(20,000.00)	Local Agency Investment Fund State Pool	1.000	(20,000.00)