



DATE: June 6, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Rosemary R. Jones, City Treasurer

SUBJECT: **ACCEPTANCE OF THE TREASURER'S REPORT FOR QUARTER ENDED MARCH 31, 2007, AND ADOPTION OF A RESOLUTION APPROVING THE POLICY FOR THE INVESTMENT OF CITY OF OCEANSIDE FUNDS**

SYNOPSIS

The Treasurer's Report provides general information to Council regarding the status of the City's investment portfolio. As its purpose is informational in nature, no action by Council is required on the report. The Treasurer's office is also submitting the City's investment policy for annual approval, and therefore requesting Council adopt a resolution approving the investment policy as presented. Staff recommendation is to accept the Treasurer's Report for the quarter ended March 31, 2007, and adopt a resolution approving the policy for the investment of City of Oceanside funds.

BACKGROUND

Since 1994, the City Treasurer has been making quarterly report presentations to City Council regarding the status of the investment portfolio. The last report was for the quarter ended December 31, 2006.

The City of Oceanside investment policy was first adopted in March 1988 and has been reviewed annually since that time. The investment policy was last reviewed by City Council on June 7, 2006.

ANALYSIS

The quarterly Treasurer's report is intended to provide an awareness of the activity and performance of the City's investment portfolio. The goal of the Treasurer's office is to make investments in conformance with the investment policy adopted by the City Council.

REVIEW OF QUARTER ENDED MARCH 31, 2007

For the quarter ended March 31, 2007, the City's portfolio had a book value of \$220,309,573.99 (book value is the cost of the security plus any amortization or accretion of premiums or discounts). The average yield to maturity of the portfolio was 4.704%, which has generated fiscal year accrued earnings of \$7,258,247.39.

The following table provides a comparison of the portfolio for the quarter ended March 31, 2007, to the prior two quarters, December and September 2006.

City of Oceanside Portfolio Comparison March 31, 2007, December 31, 2006, and September 30, 2006

	March 31, 2007	Dec 31, 2006	Sept 30, 2006
Book Value	\$220,309,573.99	\$230,369,602.54	\$222,183,674.81
Market Value	\$219,771,503.75	\$229,345,547.20	\$220,856,098.02
Unrealized Gains/(Losses)	\$ (538,070.24)	\$ (1,024,055.34)	\$ (1,327,576.79)
Average YTM	4.704%	4.454%	4.05%
Liquidity 0 – 6 months	28.90%	32.41%	41.03%
Average DTM	494 (1.36 years)	474 (1.30 years)	375 (1.03 years)
Quarterly Earnings	\$2,640,815.80	\$2,379,681.22	\$2,267,780.80
Qrtly Capital Gains/(Losses)	\$13,347.32	\$ 9,031.67	\$ 3,736.66

The average weighted yield to maturity of the portfolio increased 25 basis points (4.704% vs. 4.454%) during the quarter. The investment of available revenues and maturing low yielding securities continues in securities yielding above 5% which contributed to the overall increase of portfolio yield to maturity. Portfolio liquidity remains strong at nearly 29%, and will continue to remain above the core liquidity mark of 15% as staff prepares for liquidity needs of the upcoming July through September 2007 quarter. Typically during the first quarter of the fiscal year expenditures outpace revenue receipts, therefore portfolio liquidity needs are higher than normal.

During the quarter, bond prices increased (lower yields) in the 2 to 5 year sector of the curve, primarily due to a late February flight to quality from equity markets and concerns over sub-prime mortgage defaults in March. Despite the continued concerns of declining housing markets contributing to an overall economic slowdown, the Federal Reserve Board (the Fed) left the Federal Funds rate unchanged at both the January 31, 2007, and March 21, 2007, Federal Open Market Committee (FOMC) meetings. In the statement released for the March FOMC meeting, The Fed continued to show concern about inflation, however, did remove language suggesting they would need to raise interest rates in the future. Because of the Fed's inflationary concerns, analysts are now looking to the Fed being on hold at least until the fall, rather than lowering interest rates as earlier predicted.

FISCAL IMPACT

Fiscal year accrued earnings to date totaled \$7,258,247, an increase of \$2,718,843 from the same quarter the prior year (March 2006). Of the \$7.2 million in overall earnings, \$1,985,591 was earned by the General Fund.

REVIEW OF INVESTMENT POLICY

Staff, in conjunction with the Investment Oversight Committee, conducted the annual review of the City’s investment policy as required. As there were no legislative or procedural changes necessary, staff recommends Council approval of the existing policy.

COMMISSION/COMMITTEE REPORT

The Investment Oversight Committee reviewed the quarter end report for March 31, 2007, at its May 17, 2007, meeting, and concurs with its contents. The Committee confirms that the investments are in compliance with the California State Code and the City's adopted investment policy, and that the portfolio is managed in a satisfactory manner. The Committee has been involved in the review process of the City's Investment Policy and it is their recommendation that the policy be approved as submitted.

CITY ATTORNEY’S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council accept the Treasurer’s Report for the quarter ended March 31, 2007, and adopt a resolution approving the policy for the investment of City of Oceanside funds.

PREPARED BY:

REVIEWED BY:



Michele C. Lund, CCMT
Treasury Manager



Rosemary R. Jones, CCMT
City Treasurer

Attachments: Treasurer's Quarter End Report – March 31, 2007
Resolution
City of Oceanside Investment Policy

CITY OF OCEANSIDE



TREASURER'S REPORT

For Quarter Ended

March 31, 2007



CITY OF OCEANSIDE

OFFICE OF THE CITY TREASURER

TO: CITY COUNCIL
CITY MANAGER

DATE: April 30, 2007

SUBJECT: INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2007

Market commentary for quarter ended March 31, 2007

Bond yields declined (higher prices) in the 2 to 5 year sector of the curve during the quarter. The rally in bond prices were due to a flight to quality from equity markets in late February, as well as speculation that defaults in the sub-prime lending market could lead to further slowing in the housing market and the overall economy. Despite the decline in yields, the Federal Reserve Board left interest rates unchanged at both the January 31st and March 21st Federal Open Market Committee meetings. The Fed continues to cite inflationary concerns, however indicated that growth may have moderated which indicated to analysts the Fed be on hold for longer than previously thought.

For quarter ended March 31, 2007, portfolio statistics are as follows:

• Portfolio Book Value	\$220,309,573.99
• Portfolio Market Value	\$219,771,503.75
• Unrealized Loss	\$(538,070.24)
• Average Yield-to-Maturity	4.704%
• Liquidity (0 – 6-months)	28.90%
• Average Days to Maturity	494 (1.36 years)
• Fiscal Year-to-Date Earnings	\$7,258,247.39
• Year-to-Date Capital Gains/(Losses)	\$26,011.65

In compliance with the California Code Section 53646, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months. I also certify that investments in the City's portfolio meet the requirements of the City of Oceanside's adopted investment policy and the California Government Code section 53601. Market prices are obtained from Bank of New York and the State Treasurer's Office (LAIF).

Respectfully submitted,

ROSEMARY R. JONES & RY

ROSEMARY R. JONES, CCMT
CITY TREASURER

**CITY OF OCEANSIDE
PORTFOLIO SUMMARY
FOR QUARTER ENDED MARCH 31, 2007**

INVESTMENT TYPE	FACE VALUE	BOOK VALUE	MARKET VALUE	YIELD TO MATURITY	DAYS TO MATURITY	PERCENT OF PORTFOLIO
Quarter Ended March 31, 2007						
LAI	\$ 14,000,000.00	\$ 14,000,000.00	\$ 13,962,768.17	5.214%	1	6.35%
Treasury Securities - Coupon	2,000,000.00	1,996,866.56	1,990,400.00	4.573%	305	0.91%
Federal Agency Non - Callable	103,005,000.00	102,539,688.67	102,094,253.08	4.075%	341	46.54%
Federal Agency - Callable	86,000,000.00	85,953,969.60	85,903,432.50	5.285%	838	39.02%
Federal Agency - Discount Notes	16,000,000.00	15,819,049.16	15,820,650.00	5.184%	80	7.18%
Total Investments	\$ 221,005,000.00	\$ 220,309,573.99	\$ 219,771,503.75	4.704%	494	100.00%
Unrealized Gain/(Loss) (Market Value - Book Value)			(538,070.24)			
Plus Accrued Interest			\$ 2,426,013.16			
Portfolio Liquidation Unrealized Gain/(Loss)			\$ 1,887,942.92			

Prior Period Comparisons

INVESTMENT TYPE	FACE VALUE	BOOK VALUE	MARKET VALUE	YIELD TO MATURITY	DAYS TO MATURITY	PERCENT OF PORTFOLIO
Quarter Ended December 31, 2006						
LAI	\$ 16,250,000.00	\$ 16,250,000.00	\$ 16,240,971.94	5.129%	1	7.38%
Treasury Securities - Coupon	6,000,000.00	5,994,445.56	5,976,640.00	4.208%	375	2.72%
Federal Agency Non - Callable	109,455,000.00	108,963,961.03	108,204,897.20	3.797%	340	49.46%
Federal Agency - Callable	86,800,000.00	86,784,007.55	86,542,638.06	5.050%	796	39.39%
Federal Agency - Discount Notes	12,500,000.00	12,377,188.40	12,360,400.00	5.288%	69	5.62%
Total Investments	\$ 231,005,000.00	\$ 230,369,602.54	\$ 229,345,547.20	4.454%	474	100.00%
Unrealized Gain/(Loss) (Market Value - Book Value)			(1,024,055.34)			
Plus Accrued Interest			2,083,678.25			
Portfolio Liquidation Unrealized Gain/(Loss)			\$ 1,059,622.91			
Quarter Ended September 30, 2006						
LAI	\$ 23,250,000.00	\$ 23,250,000.00	\$ 23,294,996.84	5.023%	1	10.55%
Treasury Securities - Coupon	4,000,000.00	3,993,229.74	3,975,785.00	3.986%	304	1.81%
Federal Agency Non - Callable	137,205,000.00	136,568,917.54	135,440,817.55	3.555%	356	62.00%
Federal Agency - Callable	49,050,000.00	49,030,693.09	48,820,798.63	4.741%	657	22.26%
Federal Agency - Discount Notes	9,500,000.00	9,320,834.44	9,323,700.00	5.276%	133	4.23%
Total Investments	\$ 223,005,000.00	\$ 222,183,674.81	\$ 220,856,098.02	4.050%	375	100.00%
Unrealized Gain/(Loss) (Market Value - Book Value)			(1,327,576.79)			
Plus Accrued Interest			1,860,224.89			
Portfolio Liquidation Unrealized Gain/(Loss)			\$ 532,648.10			

TREASURERS REPORT



PORTFOLIO DETAILS

As Of March 31, 2007

**Oceanside Investment Pool
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
LAIF												
SYS18000	18000	Local Agency Investment Fund			7,250,000.00	7,230,719.23	7,250,000.00	5.214		5.214	1	
SYS18001	18001	Local Agency Investment Fund			6,750,000.00	6,732,048.94	6,750,000.00	5.214		5.214	1	
		Subtotal and Average	15,806,451.61		14,000,000.00	13,962,768.17	14,000,000.00			5.214	1	
Treasury Securities - Coupon												
912828EU0	06-0019	U.S. Treasury Note		02/02/2006	1,000,000.00	995,200.00	999,050.80	4.375		4.495	305	01/31/2008
912828EU0	06-0020	U.S. Treasury Note		02/10/2006	1,000,000.00	995,200.00	997,815.76	4.375		4.651	305	01/31/2008
		Subtotal and Average	2,254,652.01		2,000,000.00	1,990,400.00	1,996,866.56			4.573	305	
Federal Agency - Non Callable												
3133XB5Z4	05-0037	Federal Home Loan Bank		05/16/2005	1,000,000.00	1,000,000.00	999,995.40	4.000		4.041	4	04/05/2007
3133XW5S9	04-0003	Federal Home Loan Bank		07/10/2003	1,000,000.00	999,375.00	1,000,000.00	2.375		2.375	9	04/10/2007
3136F5PV7	04-0109	Federal National Mortgage Assc		04/19/2004	1,000,000.00	998,750.00	1,000,000.00	2.820		2.820	18	04/19/2007
3136F5RC7	04-0117	Federal National Mortgage Assc		04/26/2004	1,000,000.00	998,437.50	1,000,000.00	2.875		3.023	25	04/26/2007
31339YM74	04-0007	Federal Home Loan Bank		07/30/2003	1,000,000.00	997,812.50	1,000,000.00	2.500		2.500	29	04/30/2007
3128X1AT4	03-0080	Federal Home Loan Mort Corp		05/14/2003	1,000,000.00	997,620.00	1,000,000.00	3.250		3.250	43	05/14/2007
3133XBQ65	05-0036	Federal Home Loan Bank		05/13/2005	1,000,000.00	998,437.50	1,000,000.00	3.000		4.000	44	05/15/2007
3128X3EL3	04-0123	Federal Home Loan Mort Corp		05/17/2004	1,000,000.00	997,510.00	1,000,000.00	3.300		3.311	46	05/17/2007
3133X03W7	04-0018	Federal Home Loan Bank		08/18/2003	1,875,000.00	1,869,726.56	1,875,000.00	3.030		3.031	47	05/18/2007
3136F5VB4	04-0116	Federal National Mortgage Assc		05/18/2004	1,000,000.00	997,187.50	1,000,000.00	3.150		3.150	47	05/18/2007
3136F5VB4	04-0126	Federal National Mortgage Assc		05/18/2004	1,000,000.00	997,187.50	1,000,000.00	3.150		3.399	47	05/18/2007
3133X9KJ8	05-0020	Federal Home Loan Bank		12/01/2004	1,000,000.00	996,562.50	1,000,000.00	3.250		3.250	61	06/01/2007
3133X9E29	05-0016	Federal Home Loan Bank		12/08/2004	1,000,000.00	996,562.50	1,000,000.00	3.460		3.460	68	06/08/2007
3133XBXU4	05-0038	Federal Home Loan Bank		06/13/2005	1,000,000.00	997,187.50	999,937.50	4.000		4.033	73	06/13/2007
3133XBXU4	05-0039	Federal Home Loan Bank		06/13/2005	2,000,000.00	1,994,375.00	2,000,000.00	4.000		4.000	73	06/13/2007
31331SHS5	05-0022	Federal Farm Credit Bank		12/29/2004	1,000,000.00	995,625.00	1,000,000.00	3.550		3.550	89	06/29/2007
3133XC7E7	05-0041	Federal Home Loan Bank		06/29/2005	1,000,000.00	996,875.00	1,000,000.00	4.000		4.000	89	06/29/2007
31331SKG7	05-0024	Federal Farm Credit Bank		01/13/2005	1,000,000.00	995,000.00	1,000,000.00	3.500		3.500	103	07/13/2007
31331VR32	07-0005	Federal Farm Credit Bank		07/19/2006	1,000,000.00	1,000,625.00	1,000,000.00	5.500		5.500	109	07/19/2007
31331Q7K7	04-0025	Federal Farm Credit Bank		08/13/2004	1,000,000.00	992,812.50	1,000,000.00	3.300		3.300	134	08/13/2007
3133X9HT0	05-0021	Federal Home Loan Bank		11/30/2004	1,000,000.00	992,812.50	1,000,000.00	3.450		3.475	151	08/30/2007
3136F6BF5	05-0004	Federal National Mortgage Assc		09/07/2004	1,000,000.00	992,187.50	1,000,000.00	3.375		3.441	159	09/07/2007
3136F6BF5	05-0017	Federal National Mortgage Assc		11/09/2004	1,000,000.00	992,187.50	1,000,000.00	3.375		3.479	159	09/07/2007
3133X8FQ0	05-0003	Federal Home Loan Bank		09/14/2004	2,000,000.00	1,983,125.00	2,000,000.00	3.350		3.350	166	09/14/2007
31331TYE2	04-0091	Federal Farm Credit Bank		03/17/2004	2,000,000.00	1,976,875.00	1,999,360.63	2.625		2.699	169	09/17/2007
3128X2E50	04-0085	Federal Home Loan Mort Corp		03/17/2004	2,000,000.00	1,980,680.00	2,000,000.00	3.100		3.100	169	09/17/2007
3128X2Q24	04-0092	Federal Home Loan Mort Corp		03/17/2004	1,000,000.00	990,560.00	1,000,000.00	3.150		3.150	169	09/17/2007
3128X2K95	04-0088	Federal Home Loan Mort Corp		03/18/2004	1,000,000.00	989,830.00	1,000,000.00	3.000		3.000	170	09/18/2007

Portfolio POOL
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**Oceanside Investment Pool
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Rated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency - Non Callable												
3128X36R9	05-0040	Federal Home Loan Mort Corp		06/13/2005	1,000,000.00	994,350.00	999,934.15	4.050		4.062	176	09/24/2007
31359MK51	06-0028	Federal National Mortgage Assc		03/31/2006	1,000,000.00	999,687.50	1,000,000.00	5.200		5.211	180	09/28/2007
3128X22Y0	04-0099	Federal Home Loan Mort Corp		04/05/2004	1,425,000.00	1,407,657.75	1,425,000.00	2.800		2.805	187	10/05/2007
3136F5NF4	04-0105	Federal National Mortgage Assc		04/05/2004	2,000,000.00	1,974,375.00	2,000,000.00	2.670		2.670	187	10/05/2007
3128X25L5	04-0106	Federal Home Loan Mort Corp		04/12/2004	1,250,000.00	1,234,250.00	1,250,000.00	2.800		2.831	194	10/12/2007
31331TAD3	04-0097	Federal Farm Credit Bank		04/15/2004	1,000,000.00	986,250.00	1,000,000.00	2.590		2.590	197	10/15/2007
31331XBD3	07-0035	Federal Farm Credit Bank		10/19/2006	2,000,000.00	1,998,750.00	2,000,000.00	5.125		5.125	201	10/19/2007
31331TYR6	04-0101	Federal Farm Credit Bank		04/22/2004	1,900,000.00	1,872,687.50	1,900,000.00	2.610		2.616	204	10/22/2007
3136F5RK9	05-0011	Federal National Mortgage Assc		10/04/2004	1,000,000.00	988,437.50	1,000,000.00	3.125		3.424	208	10/26/2007
3136F6JE0	05-0012	Federal National Mortgage Assc		11/01/2004	2,000,000.00	1,978,125.00	2,000,000.00	3.300		3.335	214	11/01/2007
3133XDTW1	06-0018	Federal Home Loan Bank		02/03/2006	1,000,000.00	998,125.00	1,000,000.00	4.900		4.960	234	11/21/2007
3133XBLT7	05-0006	Federal Home Loan Bank		09/28/2004	1,000,000.00	988,125.00	1,000,000.00	3.510		3.511	271	12/28/2007
31331SN99	07-0018	Federal Farm Credit Bank		09/07/2006	1,000,000.00	988,750.00	988,994.15	3.625		5.141	278	01/04/2008
31359ME82	06-0030	Federal National Mortgage Assc		03/31/2006	1,250,000.00	1,247,265.63	1,250,000.00	4.875		5.139	285	01/11/2008
31359MQP1	05-0005	Federal National Mortgage Assc		09/07/2004	1,000,000.00	986,875.00	1,000,000.00	3.500		3.624	302	01/28/2008
31331SDW0	05-0015	Federal Farm Credit Bank		11/01/2004	1,000,000.00	983,750.00	1,000,000.00	3.125		3.126	306	02/01/2008
31359MH71	06-0033	Federal National Mortgage Assc		04/13/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.100		5.320	327	02/22/2008
3128X0L31	05-0010	Federal Home Loan Mort Corp		09/30/2004	1,000,000.00	984,062.50	1,000,000.00	3.250		3.475	330	02/25/2008
3128X4M65	06-0029	Federal Home Loan Mort Corp		03/31/2006	1,000,000.00	1,000,330.00	1,000,000.00	5.125		5.244	332	02/27/2008
31359MG49	06-0031	Federal National Mortgage Assc		03/31/2006	1,250,000.00	1,248,828.13	1,250,000.00	5.000		5.165	332	02/27/2008
313XETW9	06-0025	Federal Home Loan Bank		03/07/2006	1,000,000.00	1,000,000.00	999,271.99	5.100		5.183	340	03/06/2008
3133XAT56	06-0034	Federal Home Loan Bank		04/13/2006	1,000,000.00	990,000.00	999,440.17	4.000		5.190	344	03/10/2008
3128X3XX6	05-0008	Federal Home Loan Mort Corp		09/21/2004	2,000,000.00	1,970,820.00	2,000,000.00	3.500		3.500	358	03/24/2008
3128X36X6	06-0036	Federal Home Loan Mort Corp		04/17/2006	1,000,000.00	992,450.00	990,726.15	4.250		5.245	362	03/28/2008
3128X03N7	05-0007	Federal Home Loan Mort Corp		09/16/2004	2,000,000.00	1,969,375.00	2,000,000.00	3.500		3.560	366	04/01/2008
3128X3D91	05-0014	Federal Home Loan Mort Corp		10/25/2004	3,000,000.00	2,955,120.00	3,000,000.00	3.560		3.560	390	04/25/2008
3133XDPD7	06-0046	Federal Home Loan Bank		05/05/2006	1,000,000.00	997,500.00	995,337.45	4.800		5.257	397	05/02/2008
31331SCZ4	06-0040	Federal Farm Credit Bank		04/20/2006	1,000,000.00	983,750.00	982,884.38	3.500		5.150	404	05/09/2008
31331XJP8	07-0060	Federal Farm Credit Bank		01/04/2007	1,000,000.00	999,375.00	999,004.61	4.950		5.034	452	06/26/2008
3136F3D94	04-0102	Federal National Mortgage Assc		03/30/2004	1,000,000.00	973,125.00	988,544.95	2.800		2.924	457	07/01/2008
3133XCFC2	06-0035	Federal Home Loan Bank		04/13/2006	1,000,000.00	990,312.50	987,812.16	4.200		5.205	474	07/18/2008
31339YV11	06-0016	Federal Home Loan Bank		01/23/2006	2,250,000.00	2,205,000.00	2,215,425.17	3.375		4.635	477	07/21/2008
3136F35R3	07-0067	Federal National Mortgage Assc		01/11/2007	1,000,000.00	983,125.00	981,367.11	3.650		5.090	498	08/11/2008
3133X0LJ6	06-0011	Federal Home Loan Bank		01/19/2006	2,000,000.00	1,968,750.00	1,978,330.15	3.750		4.595	502	08/15/2008
3133X0EP0	06-0009	Federal Home Loan Bank		01/12/2006	1,000,000.00	984,375.00	987,926.45	3.780		4.705	512	08/25/2008
3133XCSA2	06-0008	Federal Home Loan Bank		01/12/2006	1,000,000.00	990,625.00	993,878.25	4.250		4.701	530	09/12/2008
31359MTF0	06-0051	Federal National Mortgage Assc		05/10/2006	2,000,000.00	1,967,500.00	1,959,109.40	3.750		5.259	533	09/15/2008
3133XCZS5	06-0012	Federal Home Loan Bank		01/19/2006	2,000,000.00	1,981,250.00	1,990,498.36	4.250		4.590	544	09/26/2008
3133XCZS5	06-0013	Federal Home Loan Bank		01/20/2006	2,000,000.00	1,981,250.00	1,989,587.99	4.250		4.623	544	09/26/2008

Portfolio POOL
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**Oceanside Investment Pool
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency - Non Callable												
31331VDG8	06-0017	Federal Farm Credit Bank		01/26/2006	2,000,000.00	1,990,000.00	1,988,420.71	4.580		4.632	568	10/20/2008
3128X16N2	06-0015	Federal Home Loan Mort Corp		01/23/2006	1,355,000.00	1,339,828.13	1,339,651.90	3.875		4.632	589	11/10/2008
31333HTU6	07-0077	Federal Home Loan Bank		01/26/2007	1,000,000.00	1,001,562.50	997,875.96	5.000		5.125	621	12/12/2008
31333TTNK3	06-0027	Federal Farm Credit Bank		03/29/2006	1,000,000.00	980,312.50	979,158.04	3.700		5.016	626	12/17/2008
3128X2JY2	06-0039	Federal Home Loan Mort Corp		04/20/2006	1,000,000.00	997,620.00	993,184.75	4.750		5.170	639	12/30/2008
31331VW93	07-0014	Federal Farm Credit Bank		08/17/2006	1,000,000.00	1,004,062.50	1,000,000.00	5.125		5.125	688	02/17/2009
31331VWF0	07-0072	Federal Farm Credit Bank		01/22/2007	1,000,000.00	997,500.00	994,080.26	4.750		5.076	702	03/03/2009
31331TB34	06-0043	Federal Farm Credit Bank		05/03/2006	2,000,000.00	1,927,500.00	1,916,659.18	2.950		5.225	729	03/30/2009
31331XJ06	07-0079	Federal Farm Credit Bank		02/02/2007	1,000,000.00	999,687.50	993,964.55	4.820		5.075	940	10/27/2009
31331XF56	07-0078	Federal Farm Credit Bank		01/26/2007	1,000,000.00	998,125.00	991,155.15	4.750		5.106	981	12/07/2009
31331VYR1	06-0050	Federal Farm Credit Bank		05/10/2006	1,000,000.00	1,012,187.50	1,000,544.11	5.300		5.280	1,009	01/04/2010
3128X34V2	06-0061	Federal Home Loan Mort Corp		06/12/2006	1,000,000.00	984,760.00	972,973.14	4.240		5.279	1,058	02/22/2010
31331QF69	07-0022	Federal Farm Credit Bank		09/07/2006	1,450,000.00	1,411,484.38	1,402,508.28	3.875		5.044	1,132	05/07/2010
3133XBUL7	06-0060	Federal Home Loan Bank		06/12/2006	1,000,000.00	995,312.50	982,146.07	4.650		5.284	1,151	05/26/2010
Subtotal and Average						103,005,000.00	102,094,253.08			4.075	341	

Federal Agency - Callable

3128X25Y7	04-0107	Federal Home Loan Mort Corp		04/19/2004	1,000,000.00	987,610.00	1,000,000.00	2.920		2.920	201	10/19/2007
3136F7ZG5	06-0045	Federal National Mortgage Assc		05/08/2006	1,000,000.00	1,000,312.50	999,774.92	5.300		5.417	403	05/08/2008
3136F7ZG5	06-0048	Federal National Mortgage Assc		05/09/2006	1,000,000.00	1,000,312.50	999,774.29	5.300		5.417	403	05/08/2008
3136F7ZH3	06-0049	Federal National Mortgage Assc		05/08/2006	1,000,000.00	1,000,312.50	1,000,000.00	5.350		5.350	403	05/08/2008
3128X47H8	07-0011	Federal Home Loan Mort Corp		08/15/2006	1,000,000.00	1,000,400.00	999,683.56	5.375		5.473	417	05/22/2008
3133XFSX5	06-0059	Federal Home Loan Bank		06/15/2006	1,000,000.00	1,000,625.00	1,000,000.00	5.500		5.500	439	06/13/2008
3128X5CQ9	06-0058	Federal Home Loan Mort Corp		06/13/2006	1,000,000.00	1,000,690.00	1,000,000.00	5.500		5.500	439	06/13/2008
3128X5CQ9	07-0010	Federal Home Loan Mort Corp		08/09/2006	1,000,000.00	1,000,690.00	999,962.11	5.500		5.505	439	06/13/2008
31339YWB4	07-0083	Federal Home Loan Bank		02/22/2007	2,000,000.00	1,962,500.00	1,964,120.93	3.505		5.155	501	08/14/2008
31359MY64	07-0041	Federal National Mortgage Assc		11/09/2006	2,000,000.00	1,998,125.00	1,998,427.16	5.125		5.200	551	10/03/2008
3128X4Z95	06-0042	Federal Home Loan Mort Corp		05/03/2006	1,000,000.00	999,440.00	999,905.82	5.350		5.424	568	10/20/2008
3128X5MP0	07-0036	Federal Home Loan Mort Corp		11/07/2006	1,000,000.00	999,810.00	1,000,000.00	5.250		5.250	586	11/07/2008
3133XHKV3	07-0037	Federal Home Loan Bank		11/14/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.250		5.250	593	11/14/2008
31359M2G7	07-0059	Federal National Mortgage Assc		01/04/2007	2,000,000.00	1,999,375.00	2,000,000.00	5.250		5.246	599	11/20/2008
31333HY30	07-0050	Federal Home Loan Bank		12/14/2006	2,000,000.00	1,996,125.00	1,999,138.81	5.125		5.158	607	11/28/2008
3136F76K8	07-0040	Federal National Mortgage Assc		12/01/2006	2,000,000.00	2,000,000.00	2,000,000.00	5.300		5.300	610	12/01/2008
3128X5RE0	07-0046	Federal Home Loan Mort Corp		12/11/2006	2,000,000.00	1,999,340.00	2,000,000.00	5.250		5.250	620	12/11/2008
31359M2R3	07-0058	Federal National Mortgage Assc		12/21/2006	1,000,000.00	999,375.00	1,000,224.96	5.220		5.203	627	12/18/2008
3128X5TD0	07-0049	Federal Home Loan Mort Corp		12/26/2006	2,000,000.00	1,996,520.00	2,000,000.00	5.100		5.100	635	12/26/2008
3128X5TD0	07-0055	Federal Home Loan Mort Corp		12/26/2006	1,000,000.00	998,260.00	1,000,000.00	5.100		5.100	635	12/26/2008
3128X5UC0	07-0054	Federal Home Loan Mort Corp		12/29/2006	1,000,000.00	999,687.50	1,000,000.00	5.250		5.250	638	12/29/2008

Portfolio POOL
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**Oceanside Investment Pool
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency - Callable												
3133XJK80	07-0065	Federal Home Loan Bank		01/16/2007	2,000,000.00	2,000,000.00	2,000,000.00	5.300		5.300	656	01/16/2009
313359M4N0	07-0074	Federal National Mortgage Assc		01/29/2007	2,000,000.00	2,000,000.00	2,000,000.00	5.330		5.330	669	01/29/2009
31331XPH9	07-0081	Federal Farm Credit Bank		02/13/2007	1,000,000.00	999,062.50	1,000,000.00	5.250		5.250	684	02/13/2009
31331V5G5	07-0024	Federal Farm Credit Bank		10/03/2006	2,000,000.00	2,000,000.00	2,000,000.00	5.250		5.250	733	04/03/2009
31331V5Q5	07-0025	Federal Farm Credit Bank		10/03/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.250		5.250	733	04/03/2009
31359ML35	07-0019	Federal National Mortgage Assc		09/07/2006	1,000,000.00	1,000,000.00	999,965.28	5.400		5.424	743	04/13/2009
3128X43R0	06-0037	Federal Home Loan Mort Corp		04/24/2006	1,000,000.00	1,000,040.00	999,940.07	5.500		5.534	754	04/24/2009
3128X43R0	06-0054	Federal Home Loan Mort Corp		05/18/2006	1,000,000.00	1,000,040.00	999,958.93	5.500		5.521	754	04/24/2009
31359MM75	06-0047	Federal National Mortgage Assc		05/05/2006	1,000,000.00	1,000,000.00	999,927.38	5.550		5.579	764	05/04/2009
3133XFJN7	06-0044	Federal Home Loan Bank		05/25/2006	1,000,000.00	999,687.50	1,000,000.00	5.375		5.375	786	05/26/2009
3136F76Z5	07-0045	Federal National Mortgage Assc		12/04/2006	1,000,000.00	998,437.50	1,000,000.00	5.200		5.200	795	06/04/2009
3133XFP04	06-0063	Federal Home Loan Bank		06/13/2006	1,000,000.00	1,000,625.00	999,426.69	5.500		5.546	796	06/05/2009
3133XFP04	06-0065	Federal Home Loan Bank		06/16/2006	1,000,000.00	1,000,625.00	998,127.33	5.500		5.650	796	06/05/2009
3133XGQV9	07-0021	Federal Home Loan Bank		09/15/2006	1,000,000.00	1,000,000.00	999,931.48	5.375		5.388	806	06/15/2009
3133XGSL9	07-0015	Federal Home Loan Bank		09/08/2006	1,000,000.00	1,001,250.00	1,000,000.00	5.260		5.260	892	09/09/2009
3133XGSX3	07-0016	Federal Home Loan Bank		09/11/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.410		5.410	894	09/11/2009
3133XGSX3	07-0020	Federal Home Loan Bank		09/11/2006	1,000,000.00	1,000,000.00	999,930.53	5.410		5.416	894	09/11/2009
3133XGSX3	07-0032	Federal Home Loan Bank		10/11/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.410		5.408	894	09/11/2009
3133XHAZ5	07-0027	Federal Home Loan Bank		10/05/2006	2,000,000.00	1,998,125.00	2,000,000.00	5.250		5.250	918	10/05/2009
3133XAE2	07-0030	Federal Farm Credit Bank		10/13/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.200		5.200	926	10/13/2009
3133XHAFA5	07-0033	Federal Home Loan Bank		10/16/2006	1,000,000.00	997,812.50	998,612.50	5.000		5.065	929	10/16/2009
3136F74Z7	07-0038	Federal National Mortgage Assc		11/07/2006	1,000,000.00	999,375.00	999,270.23	5.300		5.345	936	10/23/2009
31331XCZ3	07-0039	Federal Farm Credit Bank		11/13/2006	1,000,000.00	998,750.00	1,000,000.00	5.250		5.250	957	11/13/2009
3133XHS94	07-0061	Federal Home Loan Bank		01/05/2007	1,000,000.00	998,750.00	999,783.50	5.250		5.259	957	11/13/2009
3133XHQ12	07-0042	Federal Home Loan Bank		11/15/2006	1,000,000.00	999,062.50	1,000,000.00	5.300		5.300	960	11/16/2009
3133XHTW2	07-0066	Federal Home Loan Bank		01/11/2007	1,000,000.00	999,687.50	1,000,000.00	5.375		5.372	964	11/20/2009
3128X5PT9	07-0043	Federal Home Loan Mort Corp		11/20/2006	2,000,000.00	1,997,380.00	2,000,000.00	5.250		5.250	964	11/20/2009
31359M2F9	07-0044	Federal National Mortgage Assc		11/27/2006	2,000,000.00	1,998,750.00	2,000,000.00	5.340		5.340	971	11/27/2009
31331XFH0	07-0057	Federal Farm Credit Bank		12/21/2006	1,000,000.00	999,062.50	999,868.14	5.150		5.161	988	12/14/2009
3128X5TU2	07-0051	Federal Home Loan Mort Corp		12/18/2006	1,000,000.00	996,230.00	1,000,000.00	5.050		5.050	992	12/18/2009
3128X5TU2	07-0053	Federal Home Loan Mort Corp		12/18/2006	1,000,000.00	996,230.00	1,000,000.00	5.050		5.050	992	12/18/2009
3133XFVX1	06-0062	Federal Home Loan Bank		06/21/2006	1,000,000.00	1,000,625.00	1,000,000.00	5.600		5.600	995	12/21/2009
3128X5XA1	07-0063	Federal Home Loan Mort Corp		01/11/2007	1,000,000.00	998,125.00	1,000,000.00	5.250		5.250	1,016	01/11/2010
3128X5XA1	07-0064	Federal Home Loan Mort Corp		01/11/2007	2,000,000.00	1,996,250.00	2,000,000.00	5.250		5.250	1,016	01/11/2010
3133XJLW6	07-0070	Federal Home Loan Bank		01/22/2007	2,000,000.00	1,997,500.00	1,998,484.38	5.300		5.334	1,027	01/22/2010
31331XMB5	07-0071	Federal Farm Credit Bank		01/25/2007	1,000,000.00	998,437.50	1,000,000.00	5.250		5.250	1,030	01/25/2010
31359M4Q3	07-0073	Federal National Mortgage Assc		02/01/2007	2,000,000.00	1,999,375.00	2,000,000.00	5.375		5.375	1,037	02/01/2010
31359M4Q3	07-0082	Federal National Mortgage Assc		02/13/2007	1,000,000.00	999,687.50	999,730.60	5.375		5.386	1,037	02/01/2010
31331XNU2	07-0080	Federal Farm Credit Bank		02/12/2007	2,000,000.00	1,998,750.00	2,000,000.00	5.350		5.350	1,048	02/12/2010

Portfolio POOL
AP

**Oceanside Investment Pool
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency - Callable												
31331XAK8	07-0031	Federal Farm Credit Bank		10/16/2006	2,000,000.00	1,998,125.00	2,000,000.00	5.250		5.250	1,111	04/16/2010
31331V6R2	07-0026	Federal Farm Credit Bank		10/04/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.250		5.250	1,282	10/04/2010
3128X5TQ1	07-0052	Federal Home Loan Mort Corp		12/28/2006	1,000,000.00	997,960.00	1,000,000.00	5.250		5.250	1,367	12/28/2010
31331XAA0	07-0028	Federal Farm Credit Bank		10/19/2006	2,000,000.00	1,998,750.00	2,000,000.00	5.375		5.375	1,662	10/19/2011
31331XBC5	07-0034	Federal Farm Credit Bank		10/19/2006	2,000,000.00	2,000,625.00	2,000,000.00	5.500		5.500	1,662	10/19/2011
3128X5WH7	07-0062	Federal Home Loan Mort Corp		01/09/2007	1,000,000.00	998,730.00	1,000,000.00	5.550		5.550	1,744	01/09/2012
		Subtotal and Average	88,174,978.18		86,000,000.00	85,903,432.50	85,963,969.60			5.285	838	
Federal Agency Disc. -Amortizing												
313588EG6	07-0056	Federal National Mortgage Assc		12/20/2006	3,250,000.00	3,244,800.00	3,244,464.17	5.110		5.194	12	04/13/2007
313396EL3	06-0041	Federal Home Loan Mort Corp		04/20/2006	1,000,000.00	997,900.00	997,817.78	4.910		5.171	16	04/17/2007
313588HM0	07-0086	Federal National Mortgage Assc		03/15/2007	4,000,000.00	3,950,000.00	3,949,665.55	5.090		5.167	89	06/29/2007
313588JEG	07-0087	Federal National Mortgage Assc		03/29/2007	3,750,000.00	3,694,500.00	3,693,908.33	5.080		5.231	106	07/16/2007
313588JQ9	07-0084	Federal National Mortgage Assc		03/02/2007	1,500,000.00	1,475,700.00	1,475,543.33	5.060		5.166	116	07/26/2007
313588JV8	07-0085	Federal National Mortgage Assc		03/08/2007	2,500,000.00	2,457,750.00	2,457,650.00	5.040		5.144	121	07/31/2007
		Subtotal and Average	11,110,034.56		16,000,000.00	15,820,650.00	15,819,049.16			5.184	80	
		Total and Average	223,807,591.21		221,005,000.00	219,771,503.75	220,309,573.99			4.704	494	

Oceanside Investment Pool
 Portfolio Management
 Portfolio Details - Cash
 March 31, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		72,622.64	72,622.64				0
		Subtotal				72,622.64	72,622.64				
		Total Cash and Investmentss	223,807,591.21		221,005,000.00	219,844,126.39	220,382,196.63			4.704	484

TREASURER'S REPORT



INVESTMENT TRANSACTIONS

01/01/07 Through 03/31/07

Oceanside Quarterly Report Purchases Report Sorted by Fund - Fund January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Sec. Type	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
Undefined Fund												
31331XJP8	07-0060		NCB FFCB	1,000,000.00	01/04/2007	06/26 - 12/26	998,810.00	1,100.00	4.950	06/26/2008	5.034	999,004.61
31359M2G7	07-0059		FAC FNMA	2,000,000.00	01/04/2007	05/20 - 11/20	2,000,000.00	12,833.33	5.250	11/20/2008	5.246	2,000,000.00
3133XHS94	07-0061		FAC FHLB	1,000,000.00	01/05/2007	05/14 - 11/14	999,700.00	7,437.50	5.250	11/13/2009	5.259	999,783.50
3128X5WH7	07-0062		FAC FHLMC	1,000,000.00	01/09/2007	07/09 - 01/09	1,000,000.00		5.550	01/09/2012	5.550	1,000,000.00
3133XHTW2	07-0066		FAC FHLB	1,000,000.00	01/11/2007	05/20 - 11/20	1,000,000.00	7,614.58	5.375	11/20/2009	5.372	1,000,000.00
3128X5XA1	07-0063		FAC FHLMC	1,000,000.00	01/11/2007	07/11 - 01/11	1,000,000.00		5.250	01/11/2010	5.250	1,000,000.00
3128X5XA1	07-0064		FAC FHLMC	2,000,000.00	01/11/2007	07/11 - 01/11	2,000,000.00		5.250	01/11/2010	5.250	2,000,000.00
3136F35R3	07-0067		NCB FNMA	1,000,000.00	01/11/2007	02/11 - 08/11	978,325.00	Received	3.650	08/11/2008	5.090	981,367.11
3133XJK80	07-0065		FAC FHLB	2,000,000.00	01/16/2007	07/16 - 01/16	2,000,000.00		5.300	01/16/2009	5.300	2,000,000.00
912828GB0	07-0068		TRC TN	2,000,000.00	01/17/2007	02/16 - Final Pmt.	1,995,937.50	Sold	4.750	12/31/2008	4.859	0.00
3133XCTF0	07-0069		NCB FHLB	1,000,000.00	01/18/2007	03/06 - Final Pmt.	983,933.00	Sold	4.375	09/11/2009	5.029	0.00
31331VMF0	07-0072		NCB FFCB	1,000,000.00	01/22/2007	03/03 - 09/03	993,490.00	Received	4.750	03/03/2009	5.076	994,080.26
3133XJLW6	07-0070		FAC FHLB	2,000,000.00	01/22/2007	07/22 - 01/22	1,998,125.00		5.300	01/22/2010	5.334	1,998,484.38
31331XMB5	07-0071		FAC FFCB	1,000,000.00	01/25/2007	07/25 - 01/25	1,000,000.00		5.250	01/25/2010	5.250	1,000,000.00
31331XFS6	07-0078		NCB FFCB	1,000,000.00	01/26/2007	06/07 - 12/07	990,560.00	6,465.28	4.750	12/07/2009	5.106	991,155.15
3133XHTU6	07-0077		NCB FHLB	1,000,000.00	01/26/2007	06/12 - 12/12	997,650.00	10,833.33	5.000	12/12/2008	5.125	997,875.96
3128X3MY5	07-0075		NCB FHLMC	1,500,000.00	01/26/2007	02/21 - Final Pmt.	1,457,790.00	Sold	4.000	09/22/2009	5.145	0.00
31359M4N0	07-0074		FAC FNMA	2,000,000.00	01/29/2007	07/29 - 01/29	2,000,000.00		5.330	01/29/2009	5.330	2,000,000.00
912828GE4	07-0076		TRC TN	2,000,000.00	01/31/2007	02/01 - Final Pmt.	1,996,406.25		4.875	01/31/2009	4.970	0.00
31359M4Q3	07-0073		FAC FNMA	2,000,000.00	02/01/2007	08/01 - 02/01	2,000,000.00		5.375	02/01/2010	5.375	2,000,000.00
31331XJQ6	07-0079		NCB FFCB	1,000,000.00	02/02/2007	04/27 - 10/27	993,580.00	4,686.11	4.820	10/27/2009	5.075	993,964.55
31331XNU2	07-0080		FAC FFCB	2,000,000.00	02/12/2007	08/12 - 02/12	2,000,000.00		5.350	02/12/2010	5.350	2,000,000.00
31331XPH9	07-0081		FAC FFCB	1,000,000.00	02/13/2007	08/13 - 02/13	1,000,000.00		5.250	02/13/2009	5.250	1,000,000.00
31359M4Q3	07-0082		FAC FNMA	1,000,000.00	02/13/2007	08/01 - 02/01	999,687.50	1,791.67	5.375	02/01/2010	5.386	999,730.60
31339YWB4	07-0083		FAC FHLB	2,000,000.00	02/22/2007	08/14 - 02/14	1,953,600.00	1,557.78	3.505	08/14/2008	5.155	1,964,120.93
313588JQ9	07-0084		AFD FNMA	1,500,000.00	03/02/2007	07/26 - At Maturity	1,469,218.33		5.060	07/26/2007	5.166	1,475,543.33
313588JV8	07-0085		AFD FNMA	2,500,000.00	03/08/2007	07/31 - At Maturity	2,449,250.00		5.040	07/31/2007	5.144	2,457,650.00
313588HM0	07-0086		AFD FNMA	4,000,000.00	03/15/2007	06/29 - At Maturity	3,940,051.11		5.090	06/29/2007	5.167	3,949,665.55
313588JE6	07-0087		AFD FNMA	3,750,000.00	03/29/2007	07/16 - At Maturity	3,692,320.83		5.080	07/16/2007	5.231	3,693,908.33
		Subtotal		47,250,000.00			46,888,434.52	54,319.58				40,496,334.26

Managed Pool Deposits	Deposit Amount	Deposit Date	Rate

Received = Accrued Interest at Purchase was received by report ending date.

Oceanside Quarterly Report
Purchases Report
January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Deposit Amount	Deposit Date	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
Managed Pool Deposits														
SYS18000	18000		LA1	LAIF	3,500,000.00	01/02/2007			3,500,000.00		4.700			
SYS18000	18000		LA1	LAIF	5,750,000.00	01/17/2007			5,750,000.00		4.700			
SYS18000	18000		LA1	LAIF	6,750,000.00	01/26/2007			6,750,000.00		4.700			
SYS18000	18000		LA1	LAIF	5,250,000.00	01/30/2007			5,250,000.00		4.700			
SYS18000	18000		LA1	LAIF	1,000,000.00	02/15/2007			1,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	2,000,000.00	02/16/2007			2,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	2,000,000.00	02/21/2007			2,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	2,000,000.00	02/23/2007			2,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	2,000,000.00	03/05/2007			2,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	4,000,000.00	03/14/2007			4,000,000.00		4.700			
SYS18000	18000		LA1	LAIF	2,000,000.00	03/28/2007			2,000,000.00		4.700			
SYS18001	18001		LA1	LAIF	3,000,000.00	02/27/2007			3,000,000.00		4.700			
SYS18001	18001		LA1	LAIF	2,250,000.00	02/28/2007			2,250,000.00		4.700			
				Subtotal	41,500,000.00				41,500,000.00					
				Total Purchases and Deposits	88,750,000.00				88,388,434.52	54,319.58				40,496,334.26

Oceanside Quarterly Report Maturity Report

Sorted by Maturity Date
Receipts during January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3128X1NN3	04-0093		NCB	FHLMC	1,935,000.00	01/02/2007	03/11/2004	2.050	1,935,000.00	19,833.75	1,954,833.75	19,833.75
31339XTT1	04-0002		NCB	FHLB	1,000,000.00	01/09/2007	07/09/2003	2.250	1,000,000.00	11,250.00	1,011,250.00	11,250.00
3133XA4E0	05-0026		FAC	FHLB	1,000,000.00	01/10/2007	01/10/2005	3.375	1,000,000.00	16,875.00	1,016,875.00	16,875.00
313588AK1	07-0048		AFD	FNMA	1,250,000.00	01/10/2007	12/12/2006	5.130	1,250,000.00	0.00	1,250,000.00	0.00
31331QZ75	04-0010		NCB	FFCB	1,000,000.00	01/16/2007	07/16/2003	2.250	1,000,000.00	11,250.00	1,011,250.00	11,250.00
3136F3L46	04-0086		NCB	FNMA	1,375,000.00	01/16/2007	02/27/2004	2.180	1,375,000.00	14,987.50	1,389,987.50	14,987.50
3133XBKW4	05-0035		NCB	FHLB	1,000,000.00	01/26/2007	04/26/2005	4.000	1,000,000.00	10,000.00	1,010,000.00	10,000.00
3128X1SV0	04-0008		NCB	FHLMC	1,000,000.00	01/29/2007	07/29/2003	2.580	1,000,000.00	12,900.00	1,012,900.00	12,900.00
31339YR53	04-0012		NCB	FHLB	1,000,000.00	01/30/2007	07/30/2003	2.415	1,000,000.00	12,075.00	1,012,075.00	12,075.00
31339YNY4	04-0013		NCB	FHLB	1,000,000.00	01/30/2007	07/30/2003	2.370	1,000,000.00	11,850.00	1,011,850.00	11,850.00
3128X1VW4	04-0020		NCB	FHLMC	2,000,000.00	01/30/2007	07/30/2003	2.750	2,000,000.00	27,500.00	2,027,500.00	27,500.00
3136F3W28	04-0016		NCB	FNMA	1,000,000.00	01/30/2007	07/30/2003	2.500	1,000,000.00	12,500.00	1,012,500.00	12,500.00
912828DJ6	05-0032		TRC	TN	2,000,000.00	01/31/2007	02/18/2005	3.125	2,000,000.00	31,250.00	2,031,250.00	31,250.00
3136F36F8	04-0026		NCB	FNMA	1,000,000.00	02/12/2007	08/12/2003	3.010	1,000,000.00	15,050.00	1,015,050.00	15,050.00
313588BY0	06-0032		AFD	FNMA	2,000,000.00	02/16/2007	04/12/2006	4.900	2,000,000.00	0.00	2,000,000.00	0.00
31331TTN1	04-0122		NCB	FFCB	1,440,000.00	02/27/2007	04/27/2004	2.550	1,440,000.00	18,360.00	1,458,360.00	18,360.00
3136F5DG3	04-0084		NCB	FNMA	1,500,000.00	02/27/2007	02/27/2004	2.500	1,500,000.00	18,750.00	1,518,750.00	18,750.00
3128X4HQ7	06-0014		NCB	FHLMC	2,000,000.00	02/28/2007	01/20/2006	4.250	2,000,000.00	42,500.00	2,042,500.00	42,500.00
313588CL7	06-0038		AFD	FNMA	1,000,000.00	02/28/2007	04/17/2006	4.920	1,000,000.00	0.00	1,000,000.00	0.00
313588CN3	07-0003		AFD	FNMA	2,000,000.00	03/02/2007	07/03/2006	5.250	2,000,000.00	0.00	2,000,000.00	0.00
3136F5FW6	04-0087		NCB	FNMA	1,000,000.00	03/08/2007	03/08/2004	2.500	1,000,000.00	12,500.00	1,012,500.00	12,500.00
3136F6CP2	05-0013		NCB	FNMA	2,000,000.00	03/14/2007	10/20/2004	3.100	2,000,000.00	31,000.00	2,031,000.00	31,000.00
313588DC6	07-0004		AFD	FNMA	2,000,000.00	03/16/2007	07/06/2006	5.290	2,000,000.00	0.00	2,000,000.00	0.00
3128X3XZ1	05-0009		NCB	FHLMC	1,000,000.00	03/28/2007	09/30/2004	3.000	1,000,000.00	15,000.00	1,015,000.00	15,000.00
3128X22W4	04-0100		NCB	FHLMC	1,000,000.00	03/29/2007	03/29/2004	2.400	1,000,000.00	12,000.00	1,012,000.00	12,000.00
3128X1QG5	03-0101		NCB	FHLMC	1,000,000.00	03/30/2007	06/30/2003	2.380	1,000,000.00	5,950.00	1,005,950.00	5,950.00
Total Maturities									35,500,000.00	363,381.25	35,863,381.25	363,381.25

Oceanside Quarterly Report Sales/Call Report Sorted by Fund - Fund January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase/Redem. Date/Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
Undefined Fund											
912828GE4	07-0076		TN TRC	01/31/2007 02/01/2007	2,000,000.00	4.875	1,996,411.17	1,997,968.75	269.34	1,998,238.09	1,826.92
				01/31/2009						Sale	
31331VS98	07-0006		FFCB FAC	08/08/2006 02/08/2007	1,000,000.00	5.550	1,000,000.00	1,000,000.00	27,750.00	1,027,750.00	27,750.00
				08/08/2008						Call	
31331VS98	07-0007		FFCB FAC	08/08/2006 02/08/2007	1,000,000.00	5.550	1,000,000.00	1,000,000.00	27,750.00	1,027,750.00	27,750.00
				08/08/2008						Call	
3133XGM76	07-0013		FHLB FAC	08/16/2006 02/15/2007	1,000,000.00	5.525	1,000,000.00	1,000,000.00	27,625.00	1,027,625.00	27,625.00
				08/15/2007						Call	
912828GE0	07-0068		TN TRC	01/17/2007 02/16/2007	2,000,000.00	4.750	1,996,108.19	1,997,187.50	12,334.25	2,009,521.75	13,413.56
				12/31/2008						Sale	
3128X3WY5	07-0075		FHLMC	01/26/2007 02/21/2007	1,500,000.00	4.000	1,458,893.82	1,463,854.05	24,833.33	1,488,687.38	29,793.56
				09/22/2009						Sale	
31331VZ33	07-0012		FFCB FAC	08/23/2006 02/23/2007	2,000,000.00	5.500	2,000,000.00	2,000,000.00	55,000.00	2,055,000.00	55,000.00
				02/23/2009						Call	
31331VZ33	07-0017		FFCB FAC	08/30/2006 02/23/2007	1,000,000.00	5.500	1,000,000.00	1,000,000.00	27,500.00	1,027,500.00	27,500.00
				02/23/2009						Call	
31359MX24	07-0029		FNMA FAC	10/02/2006 02/28/2007	2,000,000.00	5.400	2,000,000.00	2,000,000.00	54,000.00	2,054,000.00	54,000.00
				08/28/2009						Call	
912828FZ8	07-0047		TN TRC	12/11/2006 03/05/2007	2,000,000.00	4.625	1,999,033.85	2,000,312.50	24,141.48	2,024,453.98	25,420.13
				11/30/2008						Sale	
3133XCTF0	07-0069		FHLB NCB	01/18/2007 03/06/2007	1,000,000.00	4.375	984,742.25	989,109.80	21,267.36	1,010,377.16	25,634.91
				09/11/2009						Sale	
3128X4Q79	06-0026		FHLMC FAC	03/14/2006 03/14/2007	1,000,000.00	5.100	1,000,000.00	1,000,000.00	25,500.00	1,025,500.00	25,500.00
				03/14/2008						Call	
31331V4T0	07-0023		FFCB FAC	09/29/2006 03/29/2007	2,000,000.00	5.400	2,000,000.00	2,000,000.00	54,000.00	2,054,000.00	54,000.00
				03/29/2010						Call	
			Subtotal		19,500,000.00		19,435,189.28	19,448,432.60	381,970.76	19,830,403.36	395,214.08

Managed Pool Withdrawals	Withdrawal Date	Withdrawal Amount	Current Rate	Withdrawal Amount
SYS18000	18000	2,500,000.00	5.214	2,500,000.00
SYS18000	18000	2,500,000.00	5.214	2,500,000.00
SYS18001	18001	2,250,000.00	5.214	2,250,000.00
SYS18001	18001	4,250,000.00	5.214	4,250,000.00
SYS18001	18001	1,250,000.00	5.214	1,250,000.00

Oceanside Quarterly Report
Sales/Call Report
January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Issuer Sec. Type	PurchaseMatur. Date	Withdrawal Date	Withdrawal Amount	Current Rate	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
Managed Pool Withdrawals														
SYS18000	18000		LAI	07/01/2006	01/16/2007	1,500,000.00	5.214				1,500,000.00		1,500,000.00	
SYS18000	18000		LAI	07/01/2006	01/18/2007	500,000.00	5.214				500,000.00		500,000.00	
SYS18000	18000		LAI	07/01/2006	01/19/2007	2,250,000.00	5.214				2,250,000.00		2,250,000.00	
SYS18000	18000		LAI	07/01/2006	01/22/2007	3,250,000.00	5.214				3,250,000.00		3,250,000.00	
SYS18000	18000		LAI	07/01/2006	01/23/2007	3,250,000.00	5.214				3,250,000.00		3,250,000.00	
SYS18000	18000		LAI	07/01/2006	01/29/2007	750,000.00	5.214				750,000.00		750,000.00	
SYS18000	18000		LAI	07/01/2006	01/31/2007	1,250,000.00	5.214				1,250,000.00		1,250,000.00	
SYS18000	18000		LAI	07/01/2006	02/02/2007	2,500,000.00	5.214				2,500,000.00		2,500,000.00	
SYS18000	18000		LAI	07/01/2006	02/05/2007	750,000.00	5.214				750,000.00		750,000.00	
SYS18000	18000		LAI	07/01/2006	02/06/2007	500,000.00	5.214				500,000.00		500,000.00	
SYS18000	18000		LAI	07/01/2006	02/13/2007	1,000,000.00	5.214				1,000,000.00		1,000,000.00	
SYS18000	18000		LAI	07/01/2006	02/20/2007	1,000,000.00	5.214				1,000,000.00		1,000,000.00	
SYS18000	18000		LAI	07/01/2006	02/22/2007	2,250,000.00	5.214				2,250,000.00		2,250,000.00	
SYS18000	18000		LAI	07/01/2006	03/08/2007	1,000,000.00	5.214				1,000,000.00		1,000,000.00	
SYS18000	18000		LAI	07/01/2006	03/09/2007	500,000.00	5.214				500,000.00		500,000.00	
SYS18000	18000		LAI	07/01/2006	03/13/2007	500,000.00	5.214				500,000.00		500,000.00	
SYS18000	18000		LAI	07/01/2006	03/15/2007	5,000,000.00	5.214				5,000,000.00		5,000,000.00	
SYS18000	18000		LAI	07/01/2006	03/16/2007	250,000.00	5.214				250,000.00		250,000.00	
SYS18000	18000		LAI	07/01/2006	03/19/2007	250,000.00	5.214				250,000.00		250,000.00	
SYS18000	18000		LAI	07/01/2006	03/20/2007	500,000.00	5.214				500,000.00		500,000.00	
SYS18000	18000		LAI	07/01/2006	03/30/2007	2,250,000.00	5.214				2,250,000.00		2,250,000.00	
Subtotal						43,750,000.00				19,435,189.28	43,750,000.00	381,970.76	63,560,403.36	395,214.08
Total Sales and Withdrawals						63,250,000.00				19,435,189.28	63,198,432.60	381,970.76	63,560,403.36	395,214.08

TREASURER'S REPORT



LAP ACTIVITY
GRAPHS

As of March 31, 2007

**Oceanside Quarterly Report
Cash/Checking Activity
January 1, 2007 - March 31, 2007**

Issuer Investment #	Fund	Security ID	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
18000	Local Agency Investment Fund	SYS18000	01/02/2007		3,500,000.00			7,000,000.00
			01/04/2007			2,500,000.00		10,500,000.00
			01/05/2007			2,500,000.00		8,000,000.00
			01/12/2007				126,409.66	5,500,000.00
			01/16/2007			1,500,000.00		5,500,000.00
			01/17/2007		5,750,000.00			4,000,000.00
			01/18/2007			500,000.00		9,750,000.00
			01/19/2007			2,250,000.00		9,250,000.00
			01/22/2007			3,250,000.00		7,000,000.00
			01/23/2007			3,250,000.00		3,750,000.00
			01/26/2007		6,750,000.00			500,000.00
			01/29/2007			750,000.00		7,250,000.00
			01/30/2007		5,250,000.00			6,500,000.00
			01/31/2007			1,250,000.00		11,750,000.00
			01/31/2007					10,500,000.00
			02/02/2007			2,500,000.00		10,500,000.00
			02/05/2007			750,000.00		8,000,000.00
			02/06/2007			500,000.00		7,250,000.00
			02/13/2007			1,000,000.00		6,750,000.00
			02/15/2007		1,000,000.00			5,750,000.00
			02/16/2007		2,000,000.00			6,750,000.00
			02/20/2007			1,000,000.00		7,750,000.00
			02/21/2007		2,000,000.00			9,750,000.00
			02/22/2007			2,250,000.00		7,500,000.00
			02/23/2007		2,000,000.00			9,500,000.00
			02/28/2007					9,500,000.00
			03/05/2007		2,000,000.00			11,500,000.00
			03/08/2007			1,000,000.00		10,500,000.00
			03/09/2007			500,000.00		10,000,000.00
			03/13/2007			500,000.00		9,500,000.00
			03/14/2007		4,000,000.00			13,500,000.00
			03/15/2007			5,000,000.00		8,500,000.00
			03/16/2007			250,000.00		8,250,000.00
			03/19/2007			250,000.00		8,000,000.00
			03/20/2007			500,000.00		7,500,000.00

Portfolio POOL
NLI AP
LP (PRF_LP) SymRept 6.41.202a
Report Ver: 5.00i

Oceanside Quarterly Report
 Cash/Checking Activity
 January 1, 2007 - March 31, 2007

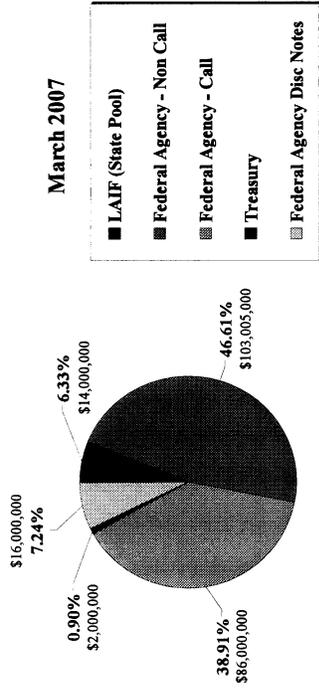
Issuer Investment #	Fund	Security ID	Transaction Date Receipt	Deposits	Withdrawals	Interest Received	Balance
18000	Local Agency Investment Fund	SYS18000	03/28/2007	2,000,000.00			7,500,000.00
			03/30/2007		2,250,000.00		9,500,000.00
			03/31/2007				7,250,000.00
				36,250,000.00	36,000,000.00	126,409.66	7,250,000.00
	Subtotal and Ending Balance						
18001		SYS18001	01/10/2007		2,250,000.00		9,250,000.00
			01/11/2007		4,250,000.00		7,000,000.00
			01/12/2007		1,250,000.00		2,750,000.00
			01/12/2007			71,424.60	1,500,000.00
			01/31/2007				1,500,000.00
			02/27/2007	3,000,000.00			1,500,000.00
			02/28/2007	2,250,000.00			4,500,000.00
			02/28/2007				6,750,000.00
			03/31/2007				6,750,000.00
	Subtotal and Ending Balance			5,250,000.00	7,750,000.00	71,424.60	6,750,000.00

Total

				41,500,000.00	43,750,000.00	197,834.26	14,000,000.00
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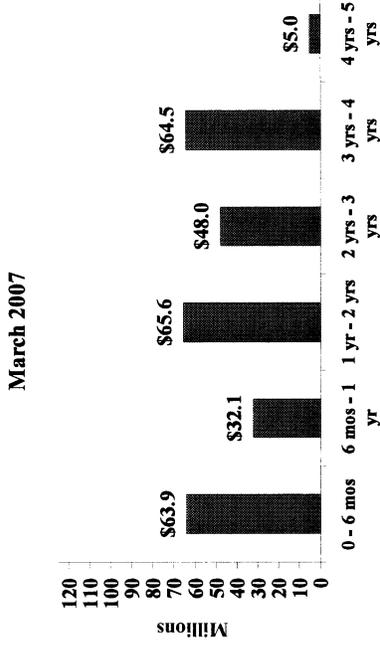
CITY OF OCEANSIDE INVESTMENT PORTFOLIO SUMMARY GRAPHS

BREAKDOWN OF INVENTORY BY TYPE



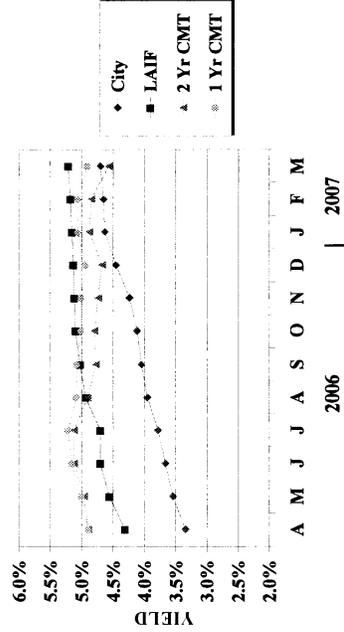
GRAPH 1

AGING OF MATURING INVESTMENTS



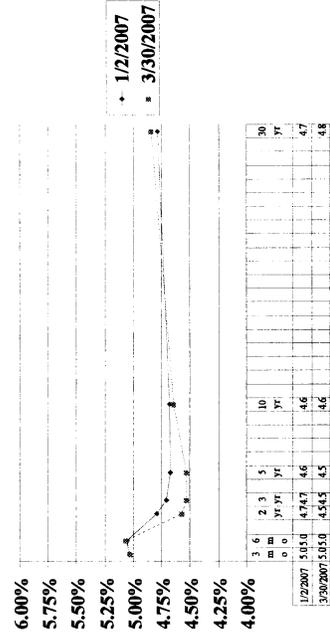
GRAPH 2

INVESTMENT PORTFOLIO YIELD COMPARISON City, Local Agency Investment Fund, 1 & 2-Yr CMT



GRAPH 3

HISTORICAL YIELD CURVE COMPARISON 1/2/07 to 3/30/07



GRAPH 4

TREASURER'S REPORT



**BOND FUNDS -
2003 REDEVELOPMENT TAX ALLOCATION BONDS
FUNDS HELD BY OUTSIDE MANAGEMENT**

As of March 31, 2007

**2003 Escrow Tax Allocation
Portfolio Management
Portfolio Summary
March 31, 2007**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	1,000,000.00	997,340.58	1,000,000.00	7.05	1	1	5.143	5.214
Federal Agency Coupon Securities	3,490,000.00	3,481,798.50	3,489,619.15	24.59	136	4	5.152	5.224
Federal Agency Disc. -Amortizing	9,792,000.00	9,700,656.04	9,700,656.04	66.36	90	66	5.181	5.253
Investments	14,282,000.00	14,179,795.12	14,190,275.19	100.00%	95	46	5.171	5.243

Cash and Accrued Interest								
Accrued Interest at Purchase		18,540.63	18,540.63					
Subtotal		18,540.63	18,540.63					
Total Cash and Investments	14,282,000.00	14,198,335.75	14,208,815.82		95	46	5.171	5.243

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	62,615.92	324,994.73
Average Daily Balance	14,168,080.23	
Effective Rate of Return	5.20%	

Rosemary R. Jones, Commission Treasurer

**2003 Escrow Tax Allocation
Portfolio Management
Portfolio Details - Investments
March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts												
SYS18002-TA	18002-TA	State of CA LAIF	1,000,000.00	01/26/2007	1,000,000.00	997,340.58	1,000,000.00	5.214		5.214	1	
	Subtotal and Average		1,000,000.00		1,000,000.00	997,340.58	1,000,000.00			5.214	1	
Federal Agency Coupon Securities												
3128X4QC8	03-TA06	Federal Home Loan Mtg Corp	3,488,283.11	11/20/2006	3,490,000.00	3,481,798.50	3,489,619.15	4.250		5.224	4	04/05/2007
	Subtotal and Average		3,488,283.11		3,490,000.00	3,481,798.50	3,489,619.15			5.224	4	
Federal Agency Disc.-Amortizing												
313384FL8	03-TA10	Federal Home Loan Bank	4,622,500.70	02/28/2007	4,649,000.00	4,622,500.70	4,622,500.70	5.130		5.255	40	05/11/2007
313588HM0	03-TA11	Federal National Mtg Assn	5,078,155.34	03/14/2007	5,143,000.00	5,078,155.34	5,078,155.34	5.100		5.250	89	06/29/2007
	Subtotal and Average		9,679,797.13		9,792,000.00	9,700,656.04	9,700,656.04			5.253	66	
	Total and Average		14,168,080.23		14,282,000.00	14,179,795.12	14,190,275.19			5.243	46	

**2003 Escrow Tax Allocation
 Portfolio Management
 Portfolio Details - Cash
 March 31, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		18,540.63	18,540.63				0
		Subtotal				18,540.63	18,540.63				
		Total Cash and Investmentss	14,166,080.23		14,282,000.00	14,198,335.75	14,208,815.82			5,243	46

**2003 Escrow Tax Allocation
Purchases Report
Sorted by Purchase Date - Investment Number
January 1, 2007 - March 31, 2007**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity/ Call Date	YTM/YTC	365	Ending Book Value
313384BB4	03-TA08	03 TA	AFD	FHLB	5,580,000.00	01/12/2007	01/26 - At Maturity	5,568,889.60		5.120	01/26/2007	5.201		0.00
313588CL7	03-TA09	03 TA	AFD	FNMA	4,601,000.00	01/26/2007	02/28 - At Maturity	4,579,405.97		5.120	02/28/2007	5.216		0.00
SYS18002-TA	18002-TA	03 TA	LA1	LAIF	1,000,000.00	01/26/2007	03/31 - Quarterly	1,000,000.00		5.129		5.129		1,000,000.00
313384FL8	03-TA10	03 TA	AFD	FHLB	4,649,000.00	02/28/2007	05/11 - At Maturity	4,601,301.26		5.130	05/11/2007	5.255		4,622,500.70
313588HMO	03-TA11	03 TA	AFD	FNMA	5,143,000.00	03/14/2007	06/29 - At Maturity	5,065,040.69		5.100	06/29/2007	5.250		5,078,155.34
Total Purchases								20,973,000.00	0.00					10,700,656.04

2003 Escrow Tax Allocation Maturity Report

Sorted by Maturity Date
Received or due during January 1, 2007 - March 31, 2007

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
313588AM7	03-TA05	03 TA	AFD	FNMA	5,568,000.00	01/12/2007	11/14/2006	5.120	5,568,000.00	0.00	5,568,000.00	0.00
313384BB4	03-TA08	03 TA	AFD	FHLB	5,580,000.00	01/26/2007	01/12/2007	5.120	5,580,000.00	0.00	5,580,000.00	0.00
313588CL7	03-TA09	03 TA	AFD	FNMA	4,601,000.00	02/28/2007	01/26/2007	5.120	4,601,000.00	0.00	4,601,000.00	0.00
313588DA0	03-TA07	03 TA	AFD	FNMA	5,065,000.00	03/14/2007	12/19/2006	5.110	5,065,000.00	0.00	5,065,000.00	0.00
Total Maturities					20,814,000.00				20,814,000.00	0.00	20,814,000.00	0.00

Month End Reports
Cash/Checking Activity
January 1, 2007 - March 31, 2007

Issuer Investment #	Fund	Security ID	Current Transaction Rate	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
Managed Pool Accounts									
State of CA LAIF									
18002-TA	03 TA	SYS18002-TA	5.129	01/26/2007					0.00
			5.156	01/31/2007					1,000,000.00
			5.181	02/28/2007					1,000,000.00
			5.214	03/31/2007					1,000,000.00
Subtotal and Ending Balance			5.214			0.00	0.00	0.00	1,000,000.00
Total						0.00	0.00	0.00	1,000,000.00

Portfolio 03TA
AP
LP (PRF_LP) SymRept 6.41.202a
Report Ver. 5.00i

**CITY OF OCEANSIDE
FUNDS MANAGED BY OUTSIDE PARTIES
AS OF MARCH 31, 2007**

TYPE OF FUND/INSTITUTION	MARKET VALUE	INSTITUTION TOTAL
<u>BOND FUNDS</u>		
Bank of New York		
1994 Local Agency Revenue Bonds (Assesment District Refinance), Series A	38,845.24	
1998 Oceanside Certificates of Participation - Police & Library Facility	2,774.80	
1998 Water Revenue Refunding Bonds	1,851,424.88	
1998 Watereuse Variable Rate Demand Bonds	247,279.03	
2002 Tax Allocation Bonds	3,315,692.75	
2002 Community Facilities District Bonds - Ocean Ranch Corporate Centre	2,641,081.27	
2002 Community Facilities District Bonds - Morro Hills Development	8,877,658.67	
2003 Refunding Certificates of Participation - 93 Series A Bonds	3,777,478.75	
2003 Revenue Certificates of Participation - Wastewater System Bonds	54.34	
2003 Refunding Certificates of Participation - Water System Bonds	248.81	
2004 Community Facilities District Bonds - Morro Hills Development Imp#1	784,885.49	
2004 Community Facilities District Bonds - Morro Hills Development	1,088,741.32	
2004 Community Facilities District Bonds - Ocean Ranch Corporate Centre	-	
2004 Refunding Tax Allocation Bonds	1,964,638.85	
2005 Civic Center Refunding Certificates of Participation	148,686.77	
2005 Pension Obligation Bonds	29,805.38	24,769,296.35
Rabobank		
2003 Tax Allocation Bonds	290.36	290.36
	\$	\$
		<u>\$ 24,769,586.71</u>

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE APPROVING THE POLICY FOR THE INVESTMENT OF CITY OF OCEANSIDE FUNDS

WHEREAS, Section 53646 of the State of California Government Code provides for the annual review and adoption of an investment policy statement;

WHEREAS, said investment policy has been written in compliance with all applicable laws and in accordance with guidelines provided by the Association of Public Treasurers of the United States and Canada; and

WHEREAS, The City Treasurer, City staff and members of the City Treasurer’s Citizen Investment Oversight Committee have reviewed and approved the proposed policy.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

Section 1. That the policy statement attached hereto as Exhibit “A” is adopted; and

Section 2. That the policy be examined and considered for readoption no later than June 30, 2008.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____ day of _____, 2007, by the following vote:

AYES:

NAYS:

ABSENT:

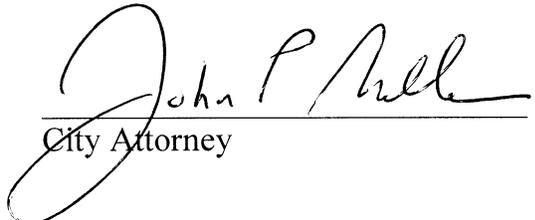
ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

City Clerk



City Attorney

EXHIBIT A

CITY OF OCEANSIDE INVESTMENT POLICY



Prepared by the
City Treasurer's Office
300 North Coast Highway
Oceanside, CA 92054

Rosemary R. Jones, CCMT
City Treasurer

Adopted June 6, 2007
City Council Resolution No.

CITY OF OCEANSIDE

EXHIBIT A

INVESTMENT POLICY

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EXHIBIT A



CITY OF OCEANSIDE

Office of the City Treasurer

June 6, 2007

INTRODUCTION

The investment policies and practices of the City of Oceanside (hereafter referred to as the “City”) are based upon state law and prudent money management principles. The primary goals of these policies are:

1. To protect and manage the principal monies entrusted to this office in compliance with all Federal, State, and Local laws governing the investment of monies under the control of the City Treasurer.
2. To ensure ample liquidity to meet budgeted City expenditures for at least a six-month period.
3. To generate the maximum amount of investment income within the parameters of prudent risk management and required liquidity.

The monies (Investment Pool) entrusted to the City Treasurer in accordance with Council Ordinance 97-19, shall be referred to as the “Fund” throughout the remainder of this document. The Fund will be an actively managed portfolio. That is, the Treasury Manager and staff will observe, review, and react to changing conditions that affect the Fund. The Treasury Manager, as directed by the City Treasurer, shall manage the Fund on a full-time basis. The Treasury Manager shall manage all transactions and shall establish a system of controls to regulate the activities of all Treasury personnel. The authority to execute investment transactions that will affect the Fund will be limited to:

City Treasurer
Treasury Manager
Deputy Treasurer

The above officers will meet with members of the Citizen Investment Oversight Committee on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund and the City.

The policy stated below addresses risk management because it is such an integral part of the investment policy. To concentrate only on maximizing yield would be imprudent; therefore, policy issues will be directed to:

1. limiting the Fund’s exposure to each issue and issuer of debt, and
2. determining a minimum credit requirement that firms must have in order to hold city monies.

EXHIBIT A

1. SCOPE

In accordance with Ordinance 97-19 of the City Council of the City of Oceanside and under authority granted on January 7, 1998, the City Treasurer is responsible for investing the unexpended cash in the City Treasury. This investment policy applies to all the financial assets of the City of Oceanside. These funds are accounted for in the City of Oceanside's Comprehensive Annual Financial Report and include: General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Debt Service Funds, Trust and Agency Funds, and Internal Service Funds. The investment policy does not apply to Employee Retirement and Deferred Compensation Funds, which are administered separately. Bond proceeds of the City of Oceanside shall be invested in accordance with the permitted investments of each bond indenture.

2. PRUDENT INVESTOR RULE

Generally, investments shall be made in the context of the "prudent investor" rule, which states:

"...investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

3. OBJECTIVES

A. Safety of principal.

Safety of principal is the foremost objective of the City of Oceanside. Each investment transaction shall seek to ensure, whenever possible, that all capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only very safe securities (see *Section 8 Authorized Investments* for detailed limitations of credit risk), and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
2. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus reducing the need to sell securities prior to their maturity; and by prohibiting the taking of short positions, that is, selling securities that the City does not own. It is explicitly recognized herein, however, that in a

EXHIBIT A

diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return and liquidity needs.

B. Liquidity

The portfolio will be structured with sufficient liquidity to allow the City to meet anticipated cash requirements. This will be accomplished through diversity of the instruments to include those with active secondary markets, those which can match maturities to expected cash needs, and the State Local Agency Investment Fund with immediate withdrawal provisions. A statement showing that the portfolio has ample liquidity to meet six months of budgeted City expenditures will be included in the Treasurer's report to Council.

C. Return on investment

The City's investment portfolio shall be designed to attain at least a market-average rate of return through economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasury Manager shall seek to augment returns above the market average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matches the average maturity of the portfolio.

4. INVESTMENT PROCEDURES

The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, Public Securities Administration repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy procedures established by the City Treasurer.

5. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investments decisions. Employees and investment officials shall disclose any material financial interests that could be related to the performance of the City's investment policy.

6. INVESTMENT OVERSIGHT COMMITTEE

The City Treasurer shall be responsible for establishing a Citizen Investment Oversight Committee consisting of no less than 5 members. Members of the committee shall serve at the

EXHIBIT A

City Treasurer's pleasure and meet on a regular basis to review investment operations and assure compliance to California Code requirements. The committee shall act in an advisory role and shall not make investment decisions.

7. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule.) No deposit shall be made except as established by California laws. All financial institutions and broker/dealers for investment transactions must supply the Treasurer with the following: audited financial statements, proof of National Association of Security Dealers certification, proof of State of California registrations, completed broker/dealer questionnaire (attached as an addendum), and certificate of having read the City's investment policy. The Treasury Manager shall provide information regarding any newly acquired dealer to the City Treasurer and the Investment Oversight Committee.

The City may execute security transactions with the investment department of the City's custodial bank. If the custodial bank is not a primary dealer in government securities, investments shall be restricted to short term investments (six months or less) and the business relationship with the bank's investment department shall terminate at such time when the City terminates its banking relationship with the bank. If the City's custodial bank is a primary dealer, the rules pertaining to primary dealer status apply.

The City may purchase A1-P1 rated commercial paper from its direct issuer if it presents a higher return than in the secondary market.

The Treasury Manger shall annually send a copy of the current investment policy by electronic mail to all dealers approved to do business with the City. Broker/dealers shall be required to provide a certification acknowledging receipt of the policy and submit their most recent audited financial statements. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and agrees to sell the City only appropriate investments. The Treasury Manger will annually review the financial condition and registrations of qualified financial institutions and broker/dealers. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

8. AUTHORIZED INVESTMENTS

The City is further governed by California Government Code, Sections 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited herein:

- A. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. The City shall not invest in any United States security that exceeds five-years of maturity.

EXHIBIT A

- B. Obligations issued by the United States Government Agencies such as, the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). There is no percentage limitation of the dollar amount that can be invested in these issues, however, no more than 25% of the cost value of the portfolio may be invested in any single agency name. The City shall not invest in any agency security that could result in zero interest accrual if held to maturity.

- C. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity. The total amount of purchases of banker's acceptances may not exceed 20% of the cost value of the portfolio. No more than 5% of the cost value of the portfolio may be invested in banker's acceptances issued by any one bank.

- D. Time deposits. The City may invest in non-negotiable time deposits collateralized in accordance with the California Government Code, in those U.S. banks and savings and loan associations, which meet the requirements as evaluated by a nationally recognized statistical rating organization (NSRO) as designated by the Securities and Exchange Commission, for the qualitative and quantitative analysis of financial institutions. Since time deposits are not liquid, no more than 15% of the cost value of the portfolio may be invested in this category. The issuer firm should have been in existence for at least five years. The City may waive the first \$100,000.00 of collateral security for such deposits if the institution is insured pursuant to federal law. In order to secure such deposits, an institution shall maintain in the collateral pool, securities having a market value of at least 10% in excess of the total amount deposited. Real estate mortgages may not be accepted as collateral. The maximum term for deposits shall be one year. In general, the issuer must have a minimum tier one risk-based capital ratio of 6% as determined by the FDIC and their operation must have been profitable during their last reporting period.

- E. Repurchase agreements. The City may invest in repurchase agreements with banks and dealers with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements.
 - 1. Transactions shall be limited to primary dealers and the top twenty-five U.S. banking institutions according to asset size. The maturity of repurchase agreements shall not exceed 30 days. The market value of the securities used as collateral for repurchase agreements shall be monitored daily by the investment staff and will not be allowed to fall below 100% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code which provides for the securities acceptable as collateral shall be certificates of deposit, eligible banker's acceptances, or securities that are either direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

EXHIBIT A

2. No more than 30% of the cost value of the portfolio may be invested in repurchase agreements, and a "perfected security interest" shall always be maintained in the securities subject to a repurchase agreement.
- F. Reverse Repurchase Agreements. The City may enter into reverse repurchase agreements when the earnings from the matching investment(s) are greater than or equal to the cost of the reverse(s) and the terms and conditions are otherwise favorable to the City, or to provide funds for the immediate payment of City obligations. Reverse repurchase agreements entered into in accordance with this paragraph may only be entered into with securities owned and previously paid for a minimum of 30 days prior to the settlement of the reverse repurchase agreement. Maturities of reverse repurchase agreements may not exceed 60 days to maturity without written approval of the City Treasurer, and must be matched as to maturity with all proceeds of the reverse reinvested in the matched security or the Local Agency Investment Fund (LAIF). No more than 15% of the total cost value of the portfolio is to be invested in reverse repurchase agreements at any one time.
- G. Commercial paper. The City may invest in commercial paper ranked P₁ by Moody's Investor Services and A₁ by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million. The commercial paper must also have an A or better rating for the issuers debt, other than commercial paper, if any, as provided by Moody's or Standard and Poor's. Purchase of commercial paper from corporations on negative credit watch by a major rating agency shall be prohibited. Purchases of eligible commercial paper may not exceed 270 days to maturity. The total amount of purchases of commercial paper may not exceed 15% of the cost value of the portfolio. No more than 5% of the cost value of the portfolio may be invested in commercial paper issued by any one corporation. The sum of the market value of the Commercial Paper and Medium Term Notes invested in any one corporation or corporate entity shall not exceed 5% of the cost value of the portfolio.
- H. Medium Term Notes (MTNs). The City may invest in MTNs, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States. MTNs eligible for purchase shall be rated "A" or better by Standard and Poor's or by Moody's rating services. Purchase of medium term notes from corporations on negative credit watch by a major rating agency shall be prohibited. MTNs with an "A" rating shall be limited to 24 months maximum maturity; AA rated MTNs shall be limited to 36 months. The aggregate total of all purchased MTNs may not exceed 15% of the cost value of the investment portfolio. No more than 5% of the cost value of the portfolio may be invested in notes issued by any one corporation. The sum of the market value of the Commercial Paper and Medium Term Notes invested in any one corporation or corporate entity shall not exceed 5% of the cost value of the portfolio. Upon any announcement of negative credit watch or downgrade by a major rating agency of any issue within the portfolio, the Treasury Manager shall contact the City Treasurer and recommend a course of action. If at any time a security falls below

EXHIBIT A

"investment grade," the Treasury Manager should obtain the best bid and take the necessary steps toward liquidation.

- I. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF), established by the State Treasurer for the benefit of local agencies, and identified under Government Code section 16429.1, up to the maximum amount permitted by State Law. Treasury staff shall investigate at least annually the status of LAIF with regard to ongoing investment in the pool.
- J. Restricted Investments. Individual investments in excess of 5 million dollars par value with a maturity of more than 3 years requires 72 hour advance notification (exclusive of weekends and holidays) to the City Manager and City Council. Also, any individual investment, regardless of maturity, of more than 10% of the total portfolio cost requires the same notification.
- K. Ineligible investments. Investments not described herein, including but not limited to, common stocks, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, and mutual funds are prohibited from use in this portfolio. Investments that exceed five years in maturity are prohibited. The lending of funds directly from the investment portfolio, not otherwise covered herein, is prohibited.

9. SWAPPING OF SECURITIES

A swap is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. Losses or gains on security swaps must be recorded as a completed sale and purchase. The Treasurer's investment staff will maintain details of every swap transaction.

10. ACTIVE MANAGEMENT OF U.S. TREASURY POSITIONS

The City Treasurer may elect to actively manage the U.S. Treasury segment of the investment portfolio. Purchasing and subsequently selling all, or a portion of, U.S. Treasury securities may be implemented for the purpose of increasing current income to complement the earning of the portfolio. All investment transactions will be made with available cash and all such securities purchases must be made with the ability to hold to maturity. In no event will purchasing and selling Treasury issues interfere with the overall strategy of the core portfolio, nor will such trading ever compromise the City's daily liquidity to meet its current obligations.

U.S. Treasury securities may be sold prior to maturity [in the secondary market] for the purpose of realizing capital gains or minimizing losses. Records of such purchase and/or sale transactions shall fully describe the issue, trade date, par value, purchase cost, sale proceeds, and any accrued interest. Purchase and sale transactions will be matched via inventory "blocks" for the purpose of ascertaining the historical differences between purchase cost and sale proceeds. Multiple inventory blocks at different purchase prices may be used to document activity per issue.

EXHIBIT A

Eligible Transactions: Purchases and/or sales of U.S. Treasury securities may occur under the following conditions:

- A. During the period in which the issue has been announced or trading has commenced, but not yet auctioned ("when-issued" period)
- B. During the period of time after the issue has been auctioned and the coupon determined, but not yet issued
- C. At any time after the issue date.

Limitations and Restrictions:

The frequency of purchase and/or sale transactions shall not be limited, except that the total position of purchased securities for active management (net of sales not yet settled) shall not exceed ten percent of the total average portfolio as of the trade date, based upon par value. The total ownership of US Treasury issues shall not be limited except for those securities that have been purchased in anticipation of future sales. It shall be the objective of the City Treasurer that realized capital gains exceed capital losses.

11. PORTFOLIO ADJUSTMENTS

Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the City Treasurer shall consider reconstructing the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced.

12. SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the City, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and by the City. All securities will be received and delivered using standard delivery versus payment procedures.

The City's custodian bank recognizes daily instruction from the Treasury Manager and/or the Investment Officer. If instructions are received by the custodian bank from any other authorized staff member, either by voice or in writing, the custodian bank will obtain phone approval from two other approved signers on the account.

13. REPORTING

On a quarterly basis, the City Treasurer shall submit to the City Council a report that provides the status of the current investment portfolio. The report shall identify the type of investment, name of the issuer, date of maturity, par and dollar amount invested in each security, the weighted average maturity of the investments, any funds investments or programs including loans that are under the management of contracted parties and the market value as of the date of

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the report along with the source of this valuation. The report shall also include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, and possible changes in future portfolio structure and investment strategies. Pursuant to State Code Section 53646(g), the City Treasurer shall also submit by mail the second and fourth quarter investment report to the California Debt and Investment Advisory Commission no later than 60 days after the close of the respective quarter. In addition to the quarter report to council, the City Treasurer will submit a monthly summary report to the City Manager and City Council. The City shall record interest revenue on a full accrual basis of accounting that is in accordance with generally accepted accounting practices for reporting and recording of interest earnings, accretions and premium amortizations. The City shall also comply with GASB 31 and GASB 40 when reporting fiscal year-end investments in the City's annual financial statement.

14. INTERNAL CONTROL

The City Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15. POLICY REVIEW

This investment policy shall be reviewed at least annually, following the receipt of the audit report, to ensure its consistency with the overall objective of preservation of principal, liquidity, rate of return, and its relevance to current law and financial and economic trends. The City Council, acting through the City Treasurer, shall be responsible for maintaining guidance over this investment policy to ensure that the City can adapt readily to changing market conditions, and shall approve any modification to the investment policy prior to implementation. Amendments to the policy shall be forwarded to the City Manager and the City Council. The policy shall be adopted annually, no later than June 30, by resolution of the City Council. The City Treasurer shall submit the policy by mail to the California Debt and Investment Advisory Commission no later than 60 days following the annual adoption of the policy, as required by State Code Section 8855(8f).

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4. Contact personnel: (provide an attachment if more space is required)

Name _____
Title _____
Telephone _____

Name _____
Title _____
Telephone _____

4a. Provide background information concerning the account representatives listed in No. 4 above. Please include information on the individual's employment history as it relates to the securities industry, official licenses and certificates, the history and details of any disciplinary actions or complaints and the disposition of each as well as the history of any arbitration or litigation, the nature of the case and status or disposition.

5. Please provide the following information regarding at least four comparable clients with whom any of the representatives listed in No. 4 has an established relationship. We would prefer public sector clients in our geographical area, if possible.

Client Name _____
Address _____
Person to Contact/ _____
Telephone _____
Length of relationship _____

Client Name _____
Address _____
Person to Contact/ _____
Telephone _____
Length of relationship _____

Client Name _____
Address _____
Person to Contact/ _____
Telephone _____
Length of relationship _____

Client Name _____
Address _____
Person to Contact/ _____
Telephone _____
Length of relationship _____

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6. Has/have the representative(s) listed in No. 4 been authorized by the firm to be account representative(s) for the City of Oceanside?

Yes _____ No _____

If Yes, by whom? _____

7. Please list the name and title of the immediate supervisor of the account representative(s) named in your response to No. 4 above.

- 1. _____
- 2. _____
- 3. _____
- 4. _____

8. Is your firm a member of NASD? Yes _____ No _____

If not, why?

9. Place an "X" by each regulatory agency that your firm is examined by and/or subject to its rules and regulations:

FDIC _____ SEC _____ NYSE _____
Comptroller of Currency _____ Federal Reserve System _____

10. Have you obtained all required licenses to operate as a broker/dealer in the State of California?

Yes _____ No _____

11. If you are not a Bank, please provide the following information regarding your principal banking relationship.

Bank Name _____
Address _____
Bank Contact _____
Telephone _____
Length of Relationship _____

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12. Place and "X" by each of the instruments below in which you make an active market (both buy and sell):

T-Bills	_____	T-Notes	_____
BA-Domestic	_____	BA-Foreign	_____
Commercial Paper	_____	Medium Term Notes	_____
Repurchase Agreements	_____	Reverse Repo	_____

Federal Agencies-please specify below

13. Does your firm specialize in any of the instruments listed above? If so, please specify which ones.

Section II – Part II: Request for Broker/Dealer Candidate Disclosure

To the best of your knowledge, has there been any "material" litigation, arbitration or regulatory proceedings, either pending, adjudicated or settled, that your firm has been subject to within the last five years that involved issues concerning the suitability of the sale or purchase of securities to institutional clients or fraudulent or unfair practices related to the sale of securities to a client? If so, please describe each such matter briefly. For purposes of this section, proceedings are "material" if your independent accountant applying generally accepted accounting principles determines that such proceedings required disclosure on your financial statements.

14. Please provide certified audited financial statements for the last three years. In addition, for those dealers preparing and submitting financial statements to the following organizations, please provide publicly available financial documents file with these agencies for the previous two years.

National Association of Securities Dealers
Securities and Exchange Commission
New York Stock Exchange
Federal Deposit Insurance Corp.

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Section III: Certification

I hereby certify that I have personally read the City of Oceanside's Investment Policy and the California Government Codes pertaining to the investments of the City of Oceanside; that the above information is true and correct to the best of my knowledge; and that I am authorized to execute this request for information on behalf of _____ (name of firm).

Signed

Print Name

Title

Date

Counter signature by Company president or person in charge of government securities operations

Signed

Print Name

Title

Date

EXHIBIT A

GLOSSARY

AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions (e.g. S&L's, Small business firms, students, farmers, housing agencies, etc.)

ASK/OFFER - The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BANKERS ACCEPTANCE (BA) - A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT - One one-hundredth of a percent (i.e. 0.01%)

BEAR MARKET - A period of generally pessimistic attitudes and declining market prices.

BOND EQUIVALENT YIELD - The basis on which yields on notes and bonds are quoted.

BROKER/DEALER - Individual or firm acting as principal in securities transaction.

BULL MARKET - A period of generally optimistic attitudes and increasing market prices.

CALLABLES - Securities that the issuer has the right to redeem prior to maturity.

CERTIFICATE OF DEPOSIT (CD) - A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

CMT - Constant Maturity Treasury

COLLATERAL - Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CORPORATE MEDIUM TERM NOTE - A security issued by a corporation doing business in the U.S. with a maturity not to exceed five years.

COUPON - a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; b) A certificate attached to a bond evidencing interest due on a payment date.

DEBENTURE - A bond secured only by the general credit of the issuer.

DELIVERY VS PAYMENT - Deliver of securities with a simultaneous exchange of money.

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DERIVATIVES - Financial products that are dependent for their value on (or derived from) an underlying financial instrument, a commodity, or an index representing values of groups of such instruments or assets.

DIVERSIFICATION - Dividing investment funds among a variety of securities offering independent returns.

FEDERAL FUND RATE - The rate of interest associated with borrowing a Federal Reserve bank's excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC) - Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

INTERNAL RATE OF RETURN - Rate of return over the life of a security.

LOCAL AGENCY INVESTMENT FUND (LAIF) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE - The price at which a security is trading, usually the liquidation value.

OPEN MARKET OPERATIONS - Federal Reserve activity. Under the Federal Reserve Act, the Fed uses purchases and sales of Government and Federal Agency securities to add to or subtract from commercial bank reserves. Goals are to sustain economic growth, high employment and reasonable price stability.

PAPER GAIN OR LOSS - Term used for unrealized gain or loss on securities being held in a portfolio based on comparison of current market quotes and their original cost. This situation exists as long as the security is held while there is a difference between market value and the purchase price.

PRIMARY DEALER - A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

RATE OF RETURN - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

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SAFEKEEPING - The service provided by banks and trust companies for clients when the bank or trust company stores the securities, takes in coupon payments, and redeems issues at maturity.

SPREAD - a) The yield or price difference between the bid and offer on an issue; b) The yield or price difference between different issues.

SWAP - The sale of one issue and the simultaneous purchase of another for some perceived advantage.

TREASURY BILLS - A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BONDS - Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES - Intermediate-term coupon bearing U.S. Treasury securities having initial maturities of one year to ten years.

WHEN ISSUED BASIS (WI) - A term applied to securities that are traded before they are actually issued, with the stipulation that transactions are null and void if securities are not issued.

YIELD CURVE - Yield calculations of various maturities at a given time to observe spread differences.

YIELD TO MATURITY - The current income yield minus any premium above par, or plus any discount from par in the purchase price with the adjustment spread over the period from date of purchase to maturity.