

**CITY OF CORVALLIS**

*Investment Council*

*Treasury Report*

July 2010

**CITY OF CORVALLIS, OREGON**  
**INVESTMENT COUNCIL**  
*Treasury Report - Table of Contents*

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**CITY OF CORVALLIS  
INVESTMENT COUNCIL MEETING  
July 29, 2010 DRAFT MINUTES**

The City of Corvallis Investment Council meeting was called to order at 7:30 a.m. on July 29, 2010 in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon.

**ROLL CALL**

Present: Jon Nelson, Nancy Brewer, Scott Fewel, Bill Mercer, David Hamby, Staci Voight, Sharon Crowell (recorder)

Excused:

**SUMMARY OF DISCUSSION**

| Agenda Item   | Information Only | Held Over for Further Review | Recommendations                        |
|---|------------------|------------------------------|--|
| I. Approval of Minutes from May 19, 2010                                      |                  |                              | Approved                               |
| II. Fiscal Year 2009-10 Fourth Quarter Review - - Quarterly Portfolio Summary |                  |                              | Approved                               |
| III. Open Discussion  | X                |                              |  |
| V. Adjournment  |                  |                              | The meeting was adjourned at 7:43 a.m. |

## **I. APPROVAL OF MINUTES**

City Manager Jon Nelson asked for any corrections to the minutes from the May 19, 2010 meeting. None being received, the minutes were approved as submitted.

## **II. FISCAL YEAR 2009-2010 FOURTH QUARTER REVIEW**

Treasury Accountant Staci Voight presented the Fourth Quarter Portfolio Summary to the Investment Council (Attachment A), noting the ending cash balance for June 2010 was down about \$5.3 million, which appeared to be consistent with prior years.

- Returns - there wasn't much change in Short Term portfolio but it was up by 2 basis points and Long Term is at zero, as there is nothing Long Term at this point.
- LGIP showed no change. Ms. Voight noted the LGIP cash balance is down \$4.7 million, which is part of the \$5.3 million above.
- Treasury's 2 Year - 12 Week Average is down 12 basis points and 379 Day Agency - 12 Week Average is up by 8 basis points.
- Ms. Voight noted since the last meeting there have been signs of gradual economic improvement (Attachment B).

Mr. Fewel and Mr. Hamby moved and seconded respectively to approve the FY 09-10 Fourth Quarterly Report as submitted. The motion passed unanimously.

## **IV. OPEN DISCUSSION**

City Manager Nelson opened discussion with a memo from Staci Voight (Attachment C), regarding Annual Compliance and asked if it is approved by the State. Finance Director Brewer responded that the Investment Policy requires reporting by August 1<sup>st</sup> of every year on whether or not, in the prior fiscal year, the City complied with all provisions of the Investment Policy rules; and the City complied with all rules.

Mr. Fewel inquired who the Annual Compliance information is filed with and Ms. Brewer responded the Annual Compliance report is only filed with the Investment Council. Ms. Brewer responded that it's a statement that staff followed all of the investment rules last year. Past issues that have occurred are that staff purchased investments that met compliance, but then Portfolio balances change and then we are out of compliance. So this is our opportunity to come back and touch base. The Investment Policy is filed with the State Short

Term Fund Advisory Board and they review changes that were made to it; the most recent update to the policy was reviewed and they concurred that the changes we made were all fine.

Mr. Fewel inquired about maturities and that we have had two maturities between 365 days and two years and four years and is that as long as we go out. Ms. Brewer responded that the Policy wouldn't allow longer than five years, and at this point it wouldn't make sense to go longer than two years. We would look more for 12 – 18 month period for maturities at the present time. We wouldn't want to go out long when the market is low and is expected to go up.

Mr. Fewel asked if the City is back with Umpqua and Ms. Brewer responded that the City has a Money Market with Umpqua at about three million dollars and it's considered to be cash since it can be withdrawn at any time and Umpqua gives us ten basis points over the State pool.

Mr. Nelson added that he has viewed the pool as a savings account rate, but it really isn't that at a .6% return. Mr. Nelson stated that the pool is a very diverse mix of investments. Ms. Brewer agreed, and like the City now they are fairly short in their maturity schedule and comparable to what we can buy in the market right so it is not a great environment for investments at this time.

Mr. Nelson shared with Council a book he recently finished, "The Big Short" by Michael Lewis. It is an eye opener as to how investment banks control money and how Wall Street Investment Bankers do their business.

Next Investment Council Meeting is November 4, 2010 at 7:30 a.m. in the Madison Avenue Meeting Room.

## **V. ADJOURNMENT**

With no other questions or comments brought forward, City Manager Nelson adjourned the meeting at 7:43 a.m.

### **ATTACHMENTS:**

- A. FY 09-10 Fourth Quarter Portfolio Summary
- B. Economic Outlook
- C. Annual Compliance Memo

# Investment Council - July 29, 2010

## Quarterly Portfolio Summary

| <b>Balances:</b> | <b>March 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>June 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>Difference</b> |
|------------------|---|--|-------------------|
| Cash             | \$35,105,450  | \$29,807,065   | -\$5,298,385      |
| Investments      | \$4,245,450   | \$4,245,450  | \$0               |
| Total            | \$39,350,900  | \$34,052,515   | -\$5,298,385      |

| <b>Returns:</b>      | <b>March 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>June 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>Difference</b> |
|----------------------|---|--|-------------------|
| Short Term Portfolio | 0.57  | 0.59   | 0.02              |
| Long Term Portfolio  | 0.84  | 0  | -                 |
| Total to Call Date   | 0   | 0  | -                 |
| LGIP                 | 0.55  | 0.55   | 0.00              |

\*No L/T at this time

| <b>LGIP:</b>      | <b>March 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>June 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>Difference</b> |
|-------------------|---|--|-------------------|
| Cap: \$42,523,082 | 30,217,931  | 25,455,410   | -4,762,521        |

| <b>Treasury's 2 Year -<br/>Historical 12 Week<br/>Average:</b> | <b>March 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>June 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>Difference</b> |
|--|---|--|-------------------|
|  | 0.89  | 0.77   | -0.12             |

| <b>379 Day Agency -<br/>Historical 12 week<br/>average</b> | <b>March 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>June 2010</b><br><b>(page 4 of Treasury Report)</b> | <b>Difference</b> |
|--|---|--|-------------------|
|  | 0.40  | 0.48   | 0.08              |

No purchases were made in the 4th quarter of 2009/2010

## **Economic Outlook**

There have been signs of gradual economic improvement since our last quarterly meeting. The third estimate, based on more complete source data, of first quarter 2010 GDP growth is 2.7%. The previous quarter's GDP grew at 5.6%. Constraints such as high unemployment, modest household income growth, lower housing wealth, tight credit, and low housing starts, are still in place and are hindering household spending increases. The Federal Open Market Committee will maintain the target range for the federal funds rate at 0 to 1/4 percent. They will continue to monitor the economic outlook and will implement policy as needed to promote economic recovery and price stability.

MEMORANDUM

July 27, 2010

To: Investment Council

From: Staci Voight, Treasury Accountant

Subject: Annual Compliance Memo

Investment Policy 10.08.070.010 requires the filing of an annual statement indicating if the City has been in compliance with Council approved investment policies during the previous year. The policy requires that such a statement be filed on or before August 1 of each year.

Pursuant to that requirement, this memo is to advise the Investment Council that the City complied with all provisions of the Investment Policies during the fiscal year 2009-2010.

Review & Concur



Nancy Brewer, Finance Director

**MEMORANDUM**  
**August 19, 2010**

To: Investment Council  
From: Staci Voight, Treasury Accountant  
Subject: Treasury Report – July

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The Treasury Report provides an overview of general economic conditions that may affect interest rates and summarizes the activity of the City's portfolio for July 2010. Staff reviews market conditions and trends, in comparison to local economic data, to assist in making investment decisions. The City's primary investment objective is preservation of capital, then liquidity, then yield. Investments are purchased under the requirements of ORS and the City's investment policy. Cash flow is projected to forecast that the City's portfolio has sufficient liquidity to meet the City's obligations.

In a statement released on August 10<sup>th</sup>, the Federal Open Market Committee (FOMC) has indicated that the pace of economic recovery has slowed down in recent months. Household spending has increased gradually, but is continually affected by constraints such as high unemployment and modest income growth. Bank lending has also continued to tighten. The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent, while continuing to monitor the economic outlook and implementing policy as needed to promote economic recovery and price stability.

The most current consumer price index (CPI-U) press release noted that CPI-U increased 0.3% in July. The index has increased 1.2% over the last 12 months on an unadjusted basis. The core CPI-U (excluding food and energy costs) increased in July by 0.1% and the 12-month change in index has remained at 0.9% for the fourth month in a row. Locally, the Oregon Employment Department of Workforce and Economic Research

have estimated the CPI-U for the Portland-Salem area to be 1.6% for the first half of 2010.

In July, housing starts increased to 546,000 from June's revised number of 537,000. July 2010 housing starts are 7.0% below the July 2009 rate of 587,000. July 2010 single-family building permits totaled 416,000; this is 1.2% below the revised June figure of 421,000. Permits for privately-owned housing units fell 3.1% below June's revised estimate of 583,000, and is 3.7% below July 2009 levels. Locally, the City of Corvallis reports that in July the year to date number of single-family residence permits issued is 17, compared to 23 in 2009.

The July U.S. seasonally adjusted unemployment rate remained unchanged at 9.5%. Non-farm payroll employment decreased by 131,000. This includes relief of an additional 143,000 temporary Census 2010 employees. Oregon's seasonally adjusted unemployment rate for July edged up slightly to 10.6%. For the Corvallis Metropolitan Statistical Area (MSA), this rate held at 7.0%. Corvallis continues to be the only Oregon MSA with a seasonally adjusted unemployment rate less than 10%.

The City's July 31<sup>st</sup> total portfolio balance was \$31,099,572; a decrease of \$2,952,943 from the June 30<sup>th</sup> total of \$34,052,515.

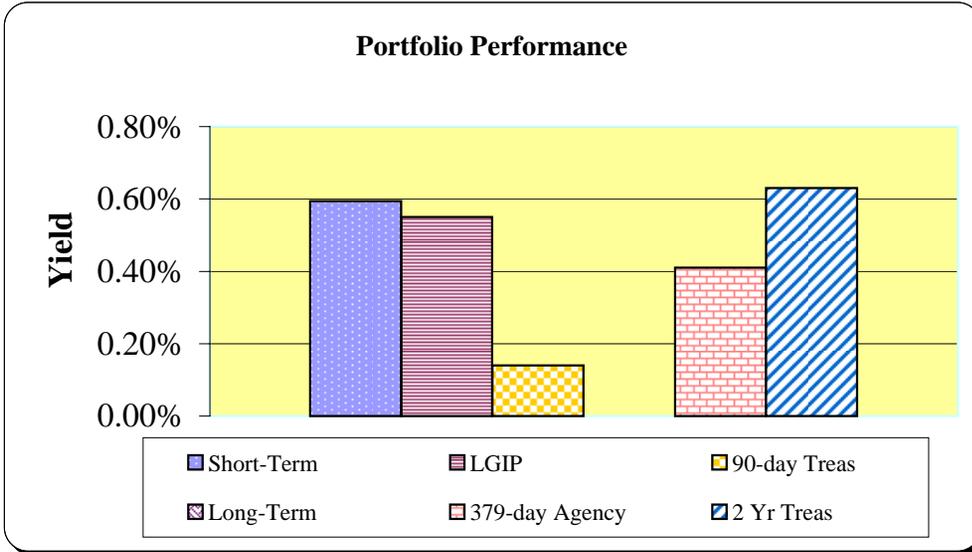
The short-term portfolio performance for July held at 0.59% return. The City currently has no long term investments. As of July 31, 75.42% of the City's portfolio is invested in the Local Government Investment Pool (LGIP). The LGIP rate has been .55% since

February 2010. 13.65% of the City's portfolio is invested in federal agency securities maturing in less than 18 months. 10.44% of the City's portfolio is held at an Umpqua Bank money market account that guarantees a return equal to that of the LGIP plus 10 basis points. The remainder of the City's portfolio is held in the City's checking account to manage pending expenditures.

July receipts were higher than projected by \$1,631,470. The majority of the difference can be attributed to Internal Service Charges and State Grant monies. Disbursements were lower than expected by \$1,194,309. This can be attributed to General Services being significantly less than originally budgeted.

Staff will continue to evaluate interest rates, analyze cash flow needs, and select investments as appropriate.

**City of Corvallis**  
**Investment Portfolio Summary**  
**July 31, 2010**



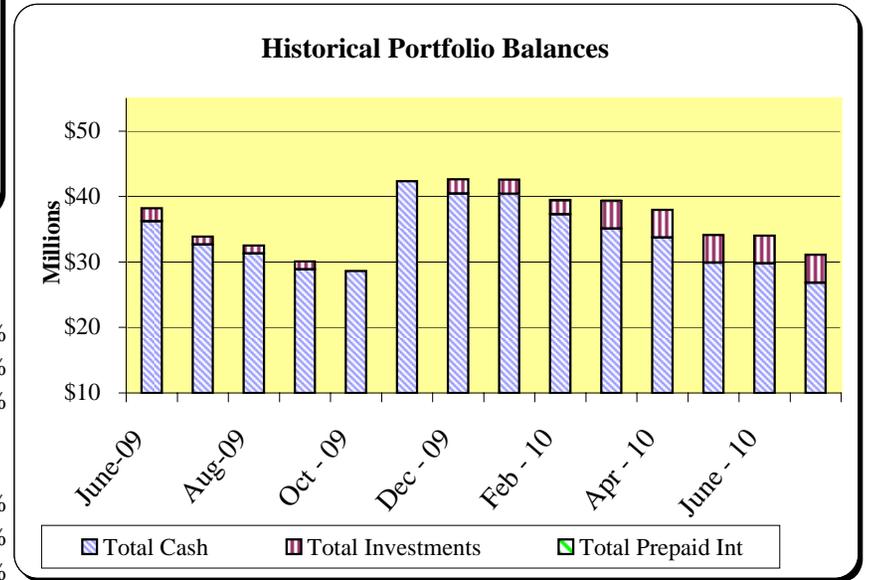
|   |                      |
|---|----------------------|
| Total Cash (1)                                    | 26,854,122.03        |
| Total Investments (2)                             | 4,245,450.00         |
| Total Cash & Investments                          | 31,099,572.03        |
| Prepaid Interest (3)                              | -                    |
| <b>Total Book Value of Cash &amp; Investments</b> | <b>31,099,572.03</b> |

**Portfolio Performance**

Short-term Investment Portfolio (less than 540 days to maturity)  
 Local Government Investment Pool  
 90-day Treasury Note - Historical 12 week average

Long-term Investment Portfolio (greater than 548 days to maturity)  
 379-day Agency Discount Note  
 2 Year Treasury Note - Historical 12 week average

0.59%  
 0.55%  
 0.14%  
 0.00%  
 0.41%  
 0.63%



- (1) All balances are unaudited and represent month-end bank balances. Reconciliations are done for each bank statement to tie to the City's general ledger balance.
- (2) Securities are valued at the original cost of investment.
- (3) The portion of interest prepaid at security purchase for the income accumulation since the last coupon.



**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Portfolio Summary**  
**July 31, 2010**

City of Corvallis  
 500 SW Madison  
 P.O. Box 1083  
 Corvallis, OR 97339-1083  
 (541)766-6738

| <b>Investments</b>                                     | <b>Par Value</b>     | <b>Market Value</b>  | <b>Book Value</b>    | <b>% of Portfolio</b> | <b>Term</b> | <b>Days to Maturity</b> | <b>YTM 360 Equiv.</b> | <b>YTM 365 Equiv.</b> |
|--|----------------------|----------------------|----------------------|-----------------------|-------------|-------------------------|-----------------------|-----------------------|
| General Checking Account                               | 141,542.26           | 141,542.26           | 141,542.26           | 0.46                  | 1           | 1                       | 0.148                 | 0.150                 |
| Local Government Investment Pool                       | 23,454,528.41        | 23,454,528.41        | 23,454,528.41        | 75.44                 | 1           | 1                       | 0.542                 | 0.550                 |
| Money Market Account                                   | 3,248,119.36         | 3,248,119.36         | 3,248,119.36         | 10.45                 | 1           | 1                       | 0.641                 | 0.650                 |
| Federal Agency Coupon Securities                       | 4,090,000.00         | 4,211,082.50         | 4,245,450.00         | 13.66                 | 556         | 375                     | 0.782                 | 0.793                 |
| <b>Investments</b>                                     | <b>30,934,190.03</b> | <b>31,055,272.53</b> | <b>31,089,640.03</b> | <b>100.00%</b>        | <b>77</b>   | <b>52</b>               | <b>0.584</b>          | <b>0.592</b>          |
| <b>Cash</b>  |                      |                      |                      |                       |             |                         |                       |                       |
| Passbook/Checking (not included in yield calculations) | 9,932.00             | 9,932.00             | 9,932.00             |                       | 1           | 1                       | 0.000                 | 0.000                 |
| <b>Total Cash and Investments</b>                      | <b>30,944,122.03</b> | <b>31,065,204.53</b> | <b>31,099,572.03</b> |                       | <b>77</b>   | <b>52</b>               | <b>0.584</b>          | <b>0.592</b>          |

| <b>Total Earnings</b>           | <b>July 31 Month Ending</b> | <b>Fiscal Year To Date</b> | <b>Fiscal Year Ending</b> |
|---------------------------------|-----------------------------|----------------------------|---------------------------|
| Current Year                    | 25,309.35                   | 25,309.35                  |                           |
| Current Budget                  | 58,360.00                   | 58,360.00                  | 876,120.00                |
| Last Year Actual                | 71,060.00                   | 71,060.00                  | 1,257,298.00              |
| <b>Average Daily Balance</b>    | <b>33,957,314.72</b>        | <b>36,633,155.07</b>       |                           |
| <b>Effective Rate of Return</b> | <b>0.88%</b>                | <b>0.06%</b>               |                           |

Staci Voight, Treasury Accountant



**MONTHLY TREASURY REPORT**  
**Aging Report**  
**By Maturity Date**  
**As of July 31, 2010**

City of Corvallis  
 500 SW Madison  
 P.O. Box 1083  
 Corvallis, OR 97339-1083  
 (541)766-6738

|                  |                    |                             |                      | Maturity<br>Par Value | Percent<br>of Portfolio | Current<br>Book Value | Current<br>Market Value |                      |
|------------------|--------------------|-----------------------------|----------------------|-----------------------|-------------------------|-----------------------|-------------------------|----------------------|
| Aging Interval:  | 0 days             | ( 07/31/2010 - 07/31/2010 ) | 4 Maturities         | 0 Payments            | 29,808,799.37           | 87.93%                | 29,808,799.37           | 29,808,799.37        |
| Aging Interval:  | 1 - 30 days        | ( 08/01/2010 - 08/30/2010 ) | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| Aging Interval:  | 31 - 60 days       | ( 08/31/2010 - 09/29/2010 ) | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| Aging Interval:  | 61 - 90 days       | ( 09/30/2010 - 10/29/2010 ) | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| Aging Interval:  | 91 - 180 days      | ( 10/30/2010 - 01/27/2011 ) | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| Aging Interval:  | 181 - 270 days     | ( 01/28/2011 - 04/27/2011 ) | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| Aging Interval:  | 271 - 364 days     | ( 04/28/2011 - 07/30/2011 ) | 1 Maturities         | 0 Payments            | 1,090,000.00            | 3.22%                 | 1,154,310.00            | 1,132,575.40         |
| Aging Interval:  | 365 - 545 days     | ( 07/31/2011 - 01/27/2012 ) | 2 Maturities         | 0 Payments            | 3,000,000.00            | 8.85%                 | 3,091,140.00            | 3,083,450.00         |
| Aging Interval:  | 546 days and after | ( 01/28/2012 - )            | 0 Maturities         | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                 |
| <b>Total for</b> |                    |                             | <b>7 Investments</b> | <b>0 Payments</b>     |                         | <b>100.00</b>         | <b>34,054,249.37</b>    | <b>34,024,824.77</b> |

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**July 31, 2010**

| CUSIP                                   | Investment # | Issuer                     | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | S&P | YTM 365      | Days to Maturity | Maturity Date |
|---|--------------|----------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|-----|--------------|------------------|---------------|
| <b>General Checking Account</b>         |              |                            |                      |               |                      |                      |                      |             |     |              |                  |               |
| SYS1004                                 | 1004         | Bank of America            |                      |               | 141,542.26           | 141,542.26           | 141,542.26           | 0.150       |     | 0.150        | 1                |               |
| <b>Subtotal and Average</b>             |              |                            | <b>1,064,570.58</b>  |               | <b>141,542.26</b>    | <b>141,542.26</b>    | <b>141,542.26</b>    |             |     | <b>0.150</b> | <b>1</b>         |               |
| <b>Local Government Investment Pool</b> |              |                            |                      |               |                      |                      |                      |             |     |              |                  |               |
| SYS4031                                 | 4031         | State of Oregon LGIP       |                      |               | 23,454,528.41        | 23,454,528.41        | 23,454,528.41        | 0.550       |     | 0.550        | 1                |               |
| <b>Subtotal and Average</b>             |              |                            | <b>25,390,865.26</b> |               | <b>23,454,528.41</b> | <b>23,454,528.41</b> | <b>23,454,528.41</b> |             |     | <b>0.550</b> | <b>1</b>         |               |
| <b>Money Market Account</b>             |              |                            |                      |               |                      |                      |                      |             |     |              |                  |               |
| SYS1003                                 | 1003         | Umpqua Bank                |                      |               | 3,248,119.36         | 3,248,119.36         | 3,248,119.36         | 0.650       |     | 0.650        | 1                |               |
| <b>Subtotal and Average</b>             |              |                            | <b>3,246,496.88</b>  |               | <b>3,248,119.36</b>  | <b>3,248,119.36</b>  | <b>3,248,119.36</b>  |             |     | <b>0.650</b> | <b>1</b>         |               |
| <b>Federal Agency Coupon Securities</b> |              |                            |                      |               |                      |                      |                      |             |     |              |                  |               |
| SYS31331Y3P                             | 1508         | Federal Farm Credit Bureau |                      | 03/26/2010    | 2,000,000.00         | 2,071,260.00         | 2,080,400.00         | 3.500       |     | 0.832        | 428              | 10/03/2011    |
| 3133XUJX2                               | 1505         | Federal Home Loan Bank     |                      | 12/09/2009    | 1,000,000.00         | 1,010,310.00         | 1,010,740.00         | 1.375       | Aaa | 0.721        | 369              | 08/05/2011    |
| 3133X7C69                               | 1507         | Federal Home Loan Bank     |                      | 12/15/2009    | 1,090,000.00         | 1,129,512.50         | 1,154,310.00         | 5.000       | Aaa | 0.787        | 285              | 05/13/2011    |
| <b>Subtotal and Average</b>             |              |                            | <b>4,245,450.00</b>  |               | <b>4,090,000.00</b>  | <b>4,211,082.50</b>  | <b>4,245,450.00</b>  |             |     | <b>0.793</b> | <b>375</b>       |               |
| <b>Total and Average</b>                |              |                            | <b>33,957,314.72</b> |               | <b>30,934,190.03</b> | <b>31,055,272.53</b> | <b>31,089,640.03</b> |             |     | <b>0.592</b> | <b>52</b>        |               |

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**July 31, 2010**

| CUSIP                                | Investment # | Issuer                         | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | S&P | YTM 365      | Days to Maturity |
|--------------------------------------|--------------|--------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|-----|--------------|------------------|
| <b>Petty Cash &amp; Change Funds</b> |              |                                |                      |               |                      |                      |                      |             |     |              |                  |
| SYS1001                              | 1001         | City of Corvallis - Petty Cash |                      |               | 9,932.00             | 9,932.00             | 9,932.00             |             |     | 0.000        | 1                |
|                                      |              | <b>Average Balance</b>         | <b>0.00</b>          |               |                      |                      |                      |             |     |              | <b>1</b>         |
| <b>Total Cash and Investments</b>    |              |                                | <b>33,957,314.72</b> |               | <b>30,944,122.03</b> | <b>31,065,204.53</b> | <b>31,099,572.03</b> |             |     | <b>0.592</b> | <b>52</b>        |

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Activity By Type**  
**July 1, 2010 through July 31, 2010**

| CUSIP   | Investment # | Issuer               | Beginning Balance    | Stated Rate | Transaction Date | Purchases or Deposits | Redemptions or Withdrawals | Ending Balance       |
|---|--------------|----------------------|----------------------|-------------|------------------|-----------------------|----------------------------|----------------------|
| <b>General Checking Account (Monthly Summary)</b>         |              |                      |                      |             |                  |                       |                            |                      |
| SYS1004   | 1004         | Bank of America      |                      | 0.150       |                  | 7,228,255.17          | 8,182,051.10               |                      |
|   |              | <b>Subtotal</b>      | <b>1,095,338.19</b>  |             |                  | <b>7,228,255.17</b>   | <b>8,182,051.10</b>        | <b>141,542.26</b>    |
| <b>Petty Cash &amp; Change Funds (Monthly Summary)</b>    |              |                      |                      |             |                  |                       |                            |                      |
|   |              | <b>Subtotal</b>      | <b>9,932.00</b>      |             |                  |                       |                            | <b>9,932.00</b>      |
| <b>Local Government Investment Pool (Monthly Summary)</b> |              |                      |                      |             |                  |                       |                            |                      |
| SYS4031   | 4031         | State of Oregon LGIP |                      | 0.550       |                  | 1,149,129.38          | 3,150,010.79               |                      |
|   |              | <b>Subtotal</b>      | <b>25,455,409.82</b> |             |                  | <b>1,149,129.38</b>   | <b>3,150,010.79</b>        | <b>23,454,528.41</b> |
| <b>Money Market Account (Monthly Summary)</b>             |              |                      |                      |             |                  |                       |                            |                      |
| SYS1003   | 1003         | Umpqua Bank          |                      | 0.650       |                  | 1,734.37              | 0.00                       |                      |
|   |              | <b>Subtotal</b>      | <b>3,246,384.99</b>  |             |                  | <b>1,734.37</b>       | <b>0.00</b>                | <b>3,248,119.36</b>  |
| <b>Federal Agency Coupon Securities</b>                   |              |                      |                      |             |                  |                       |                            |                      |
|   |              | <b>Subtotal</b>      | <b>4,245,450.00</b>  |             |                  |                       |                            | <b>4,245,450.00</b>  |
|   |              | <b>Total</b>         | <b>34,052,515.00</b> |             |                  | <b>8,379,118.92</b>   | <b>11,332,061.89</b>       | <b>31,099,572.03</b> |

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Activity Summary**  
**July 2009 through July 2010**

| Month End | Year | Number of Securities | Total Invested | Yield to Maturity |                | Managed Pool Rate | Number of Investments Purchased | Number of Investments Redeemed | Average Term | Average Days to Maturity |
|-----------|------|----------------------|----------------|-------------------|----------------|-------------------|---------------------------------|--------------------------------|--------------|--------------------------|
|           |      |                      |                | 360 Equivalent    | 365 Equivalent |                   |                                 |                                |              |                          |
| July      | 2009 | 5                    | 33,878,416.38  | 0.929             | 0.942          | 0.930             | 0                               | 1                              | 7            | 4                        |
| August    | 2009 | 5                    | 32,519,513.58  | 0.833             | 0.845          | 0.830             | 0                               | 0                              | 8            | 3                        |
| September | 2009 | 5                    | 30,094,946.21  | 0.781             | 0.792          | 0.778             | 0                               | 0                              | 8            | 2                        |
| October   | 2009 | 4                    | 28,638,818.42  | 0.730             | 0.740          | 0.750             | 0                               | 1                              | 1            | 1                        |
| November  | 2009 | 4                    | 42,342,522.95  | 0.688             | 0.697          | 0.702             | 0                               | 0                              | 1            | 1                        |
| December  | 2009 | 6                    | 42,615,017.14  | 0.677             | 0.687          | 0.684             | 2                               | 0                              | 29           | 28                       |
| January   | 2010 | 6                    | 42,578,076.64  | 0.591             | 0.599          | 0.618             | 0                               | 0                              | 29           | 27                       |
| February  | 2010 | 6                    | 39,444,426.50  | 0.551             | 0.559          | 0.550             | 0                               | 0                              | 31           | 27                       |
| March     | 2010 | 7                    | 39,340,968.31  | 0.560             | 0.568          | 0.550             | 1                               | 0                              | 61           | 55                       |
| April     | 2010 | 7                    | 37,965,843.14  | 0.554             | 0.561          | 0.550             | 0                               | 0                              | 63           | 53                       |
| May       | 2010 | 7                    | 34,113,984.20  | 0.573             | 0.581          | 0.550             | 0                               | 0                              | 70           | 55                       |
| June      | 2010 | 7                    | 34,042,583.00  | 0.569             | 0.577          | 0.550             | 0                               | 0                              | 70           | 52                       |
| July      | 2010 | 7                    | 31,089,640.03  | 0.584             | 0.592          | 0.550             | 0                               | 0                              | 77           | 52                       |
| Average   |      | 6                    | 36,051,135.12  | 0.663%            | 0.672%         | 0.661             | 0                               | 0                              | 35           | 28                       |

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Distribution of Investments By Type**  
**July 2009 through July 2010**

| Security Type                       | July 2009 | August 2009 | September 2009 | October 2009 | November 2009 | December 2009 | January 2010 | February 2010 | March 2010 | April 2010 | May 2010 | June 2010 | July 2010 | Average by Period |
|-------------------------------------|-----------|-------------|----------------|--------------|---------------|---------------|--------------|---------------|------------|------------|----------|-----------|-----------|-------------------|
| General Checking Account            | 1.3       | 1.7         | 2.7            | 1.8          | 0.9           | 0.3           | 5.7          | 2.7           | 4.2        | 6.1        | 2.2      | 3.2       | 0.5       | 2.6%              |
| Petty Cash & Change Funds           |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Local Government Investment Pool    | 94.4      | 93.9        | 92.5           | 97.4         | 98.5          | 94.1          | 88.7         | 83.6          | 76.8       | 74.2       | 75.9     | 74.8      | 75.4      | 86.2%             |
| Piper Jaffray Funds Held by Others  |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Money Market Account                | 0.7       | 0.7         | 0.8            | 0.8          | 0.6           | 0.6           | 0.6          | 8.2           | 8.2        | 8.5        | 9.5      | 9.5       | 10.5      | 4.6%              |
| Certificates of Deposit - Bank      |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Certificates of Deposit - S & L     |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Medium Term Notes                   |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Bankers Acceptances -At Cost        | 3.6       | 3.7         | 4.0            |              |               |               |              |               |            |            |          |           |           | 0.9%              |
| Commercial Paper - Interest Bearing |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Commercial Paper Disc. -At Cost     |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Repurchase Agreements               |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Federal Agency Coupon Securities    |           |             |                |              |               | 5.1           | 5.1          | 5.5           | 10.8       | 11.2       | 12.4     | 12.5      | 13.7      | 5.9%              |
| Federal Agency Disc. -At Cost       |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Treasury Coupon Securities          |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Treasury Discounts -At Cost         |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Miscellaneous Coupon Securities     |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Municipal Bonds - Disco - At Cost   |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Municipal Bonds                     |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |
| Rolling Repurchase Agreements       |           |             |                |              |               |               |              |               |            |            |          |           |           |                   |



**MONTHLY TREASURY REPORT**  
**Inventory by Maturity Report**  
**July 31, 2010**

City of Corvallis  
 500 SW Madison  
 P.O. Box 1083  
 Corvallis, OR 97339-1083  
 (541)766-6738

| CUSIP                             | Investment # | Fund | Sec. Type | Issuer                     | Purchase Date | Book Value          | Current Rate | Maturity Date | Maturity Amount     | Total Days | Par Value           | YTM          |              | Days to Maturity |
|-----------------------------------|--------------|------|-----------|----------------------------|---------------|---------------------|--------------|---------------|---------------------|------------|---------------------|--------------|--------------|------------------|
|                                   |              |      |           |                            |               |                     |              |               |                     |            |                     | 360          | 365          |                  |
| 3133X7C69                         | 1507         | 990  | FAC       | Federal Home Loan Bank     | 12/15/2009    | 1,154,310.00        | 5.000        | 05/13/2011    | 1,090,000.00        | 514        | 1,090,000.00        | 0.776        | 0.787        | 285              |
| 3133XUJX2                         | 1505         | 990  | FAC       | Federal Home Loan Bank     | 12/09/2009    | 1,010,740.00        | 1.375        | 08/05/2011    | 1,000,000.00        | 604        | 1,000,000.00        | 0.711        | 0.721        | 369              |
| SYS31331Y3P                       | 1508         | 990  | FAC       | Federal Farm Credit Bureau | 03/26/2010    | 2,080,400.00        | 3.500        | 10/03/2011    | 2,000,000.00        | 556        | 2,000,000.00        | 0.821        | 0.832        | 428              |
| <b>Subtotal and Average</b>       |              |      |           |                            |               | <b>4,245,450.00</b> |              |               | <b>4,090,000.00</b> |            | <b>4,090,000.00</b> | <b>0.782</b> | <b>0.793</b> | <b>375</b>       |
| <b>Net Maturities and Average</b> |              |      |           |                            |               | <b>4,245,450.00</b> |              |               | <b>4,090,000.00</b> |            | <b>4,090,000.00</b> | <b>0.782</b> | <b>0.793</b> | <b>375</b>       |



**MONTHLY TREASURY REPORT**  
**Activity Report**  
**Sorted By Issuer**  
**July 1, 2010 - July 31, 2010**

City of Corvallis  
 500 SW Madison  
 P.O. Box 1083  
 Corvallis, OR 97339-1083  
 (541)766-6738

| CUSIP   | Investment # | Issuer                      | Percent of Portfolio | Par Value            |              | Transaction Date | Par Value             |                            | Ending Balance       |
|---|--------------|-----------------------------|----------------------|----------------------|--------------|------------------|-----------------------|----------------------------|----------------------|
|   |              |                             |                      | Beginning Balance    | Current Rate |                  | Purchases or Deposits | Redemptions or Withdrawals |                      |
| <b>Issuer: Bank of America</b>                |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>General Checking Account</b>               |              |                             |                      |                      |              |                  |                       |                            |                      |
| SYS1004                                       | 1004         | Bank of America             |                      |                      | 0.150        |                  | 7,228,255.17          | 8,182,051.10               |                      |
|   |              | <b>Subtotal and Balance</b> |                      | <u>1,095,338.19</u>  |              |                  | <u>7,228,255.17</u>   | <u>8,182,051.10</u>        | <u>141,542.26</u>    |
|   |              | <b>Issuer Subtotal</b>      | <b>0.457%</b>        | <b>1,095,338.19</b>  |              |                  | <b>7,228,255.17</b>   | <b>8,182,051.10</b>        | <b>141,542.26</b>    |
| <b>Issuer: City of Corvallis - Petty Cash</b> |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>Petty Cash &amp; Change Funds</b>          |              |                             |                      |                      |              |                  |                       |                            |                      |
|   |              | <b>Subtotal and Balance</b> |                      | <u>9,932.00</u>      |              |                  |                       |                            | <u>9,932.00</u>      |
|   |              | <b>Issuer Subtotal</b>      | <b>0.032%</b>        | <b>9,932.00</b>      |              |                  | <b>0.00</b>           | <b>0.00</b>                | <b>9,932.00</b>      |
| <b>Issuer: Federal Farm Credit Bureau</b>     |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>Federal Agency Coupon Securities</b>       |              |                             |                      |                      |              |                  |                       |                            |                      |
|   |              | <b>Subtotal and Balance</b> |                      | <u>2,000,000.00</u>  |              |                  |                       |                            | <u>2,000,000.00</u>  |
|   |              | <b>Issuer Subtotal</b>      | <b>6.463%</b>        | <b>2,000,000.00</b>  |              |                  | <b>0.00</b>           | <b>0.00</b>                | <b>2,000,000.00</b>  |
| <b>Issuer: Federal Home Loan Bank</b>         |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>Federal Agency Coupon Securities</b>       |              |                             |                      |                      |              |                  |                       |                            |                      |
|   |              | <b>Subtotal and Balance</b> |                      | <u>2,090,000.00</u>  |              |                  |                       |                            | <u>2,090,000.00</u>  |
|   |              | <b>Issuer Subtotal</b>      | <b>6.754%</b>        | <b>2,090,000.00</b>  |              |                  | <b>0.00</b>           | <b>0.00</b>                | <b>2,090,000.00</b>  |
| <b>Issuer: State of Oregon LGIP</b>           |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>Local Government Investment Pool</b>       |              |                             |                      |                      |              |                  |                       |                            |                      |
| SYS4031                                       | 4031         | State of Oregon LGIP        |                      |                      | 0.550        |                  | 1,149,129.38          | 3,150,010.79               |                      |
|   |              | <b>Subtotal and Balance</b> |                      | <u>25,455,409.82</u> |              |                  | <u>1,149,129.38</u>   | <u>3,150,010.79</u>        | <u>23,454,528.41</u> |
|   |              | <b>Issuer Subtotal</b>      | <b>75.796%</b>       | <b>25,455,409.82</b> |              |                  | <b>1,149,129.38</b>   | <b>3,150,010.79</b>        | <b>23,454,528.41</b> |

MONTHLY TREASURY REPORT

Activity Report

July 1, 2010 - July 31, 2010

| CUSIP                       | Investment # | Issuer                      | Percent of Portfolio | Par Value            |              | Transaction Date | Par Value             |                            | Ending Balance       |
|-----------------------------|--------------|-----------------------------|----------------------|----------------------|--------------|------------------|-----------------------|----------------------------|----------------------|
|                             |              |                             |                      | Beginning Balance    | Current Rate |                  | Purchases or Deposits | Redemptions or Withdrawals |                      |
| <b>Issuer: Umpqua Bank</b>  |              |                             |                      |                      |              |                  |                       |                            |                      |
| <b>Money Market Account</b> |              |                             |                      |                      |              |                  |                       |                            |                      |
| SYS1003                     | 1003         | Umpqua Bank                 |                      |                      | 0.650        |                  | 1,734.37              | 0.00                       |                      |
|                             |              | <b>Subtotal and Balance</b> |                      | <b>3,246,384.99</b>  |              |                  | <b>1,734.37</b>       | <b>0.00</b>                | <b>3,248,119.36</b>  |
|                             |              | <b>Issuer Subtotal</b>      | <b>10.497%</b>       | <b>3,246,384.99</b>  |              |                  | <b>1,734.37</b>       | <b>0.00</b>                | <b>3,248,119.36</b>  |
|                             |              | <b>Total</b>                | <b>100.000%</b>      | <b>33,897,065.00</b> |              |                  | <b>8,379,118.92</b>   | <b>11,332,061.89</b>       | <b>30,944,122.03</b> |

**City of Corvallis  
Cash Flow Summary  
July 31, 2010**

|                    | Receipts (1)     | Disbursements (2)  | Net              |
|--------------------|------------------|--------------------|------------------|
| Actual Activity    | 5,803,942        | 8,117,186          | (2,313,244)      |
| Projected Activity | 4,172,472        | 9,311,495          | (5,139,023)      |
| <b>Difference</b>  | <b>1,631,470</b> | <b>(1,194,309)</b> | <b>2,825,779</b> |

(1) Receipts include deposits and interest received.

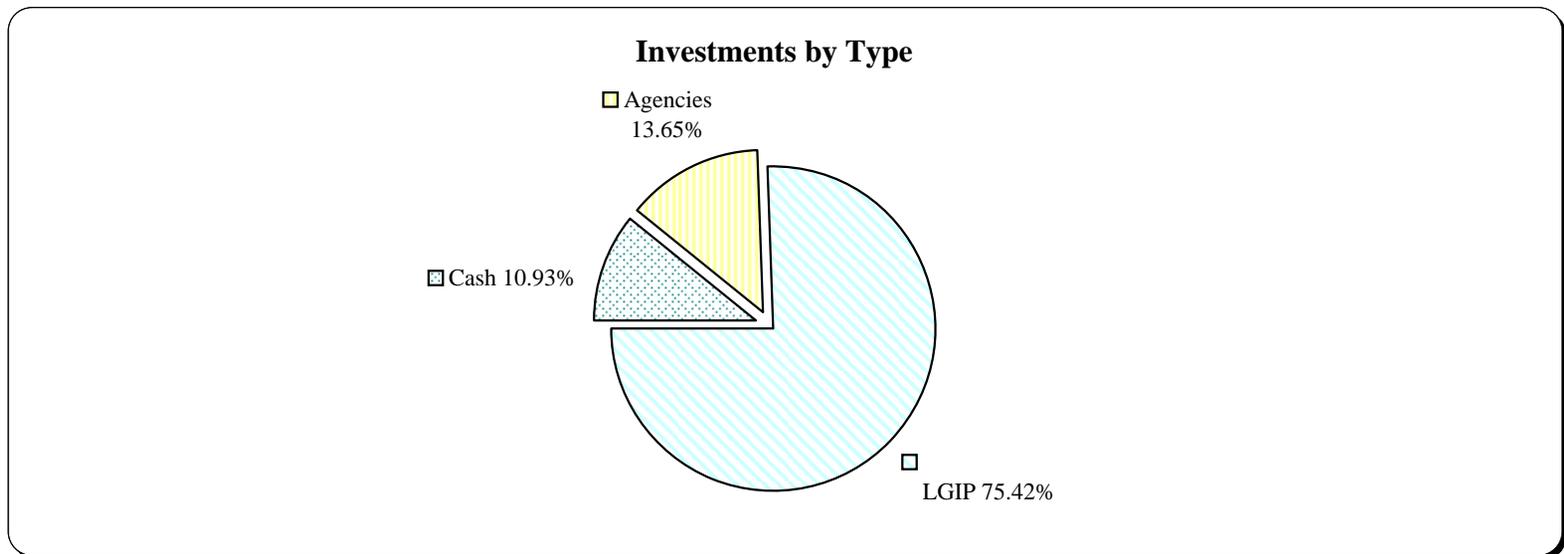
(2) Disbursements include accounts payable checks, payroll checks, other payments made through wire transfers and LGIP fees

Intrafund and interfund transfers, and investment purchases and maturities are movements between cash in different accounting funds or investment securities. The net effect on cash is zero, therefore they are not included.

**City of Corvallis  
Treasury Report  
Investment Type Compliance Test**

|                                  |      | <u>Maximum<br/>Allowed</u> | <u>Current Month</u>            |                                |                           | <u>Previous Month</u>           |                                |
|----------------------------------|------|----------------------------|---------------------------------|--------------------------------|---------------------------|---------------------------------|--------------------------------|
|                                  |      |                            | <u>Percent of<br/>Portfolio</u> | <u>Amount of<br/>Portfolio</u> | <u>Met<br/>Compliance</u> | <u>Percent of<br/>Portfolio</u> | <u>Amount of<br/>Portfolio</u> |
| Cash                             | 100% | 31,099,572                 | 10.93%                          | 3,399,594                      | Yes                       | 12.78%                          | 4,351,655                      |
| U.S. Treasury Obligations        | 100% | 31,099,572                 | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| U.S. Gov't Agencies              | 75%  | 23,324,679                 | 13.65%                          | 4,245,450                      | Yes                       | 12.47%                          | 4,245,450                      |
| Local Government Investment Pool | 100% | 31,099,572                 | 75.42%                          | 23,454,528                     | Yes                       | 74.75%                          | 25,455,410                     |
| Repurchase Agreements            | 25%  | 7,774,893                  | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| Banker's Acceptances             | 25%  | 7,774,893                  | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| Certificates of Deposit          | 25%  | 7,774,893                  | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| Commercial Paper                 | 25%  | 7,774,893                  | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| Municipal Bonds                  | 25%  | 7,774,893                  | 0.00%                           | -                              | Yes                       | 0.00%                           | -                              |
| <b>Total Portfolio</b>           |      | -                          | <b>100.00%</b>                  | <b>31,099,572</b>              | (a)                       | <b>100.00%</b>                  | <b>34,052,515</b>              |

(a) Excludes prepaid interest.



**City of Corvallis**  
**Investment Purchase**  
**Financial Institution Compliance Test**  
**July 31, 2010**

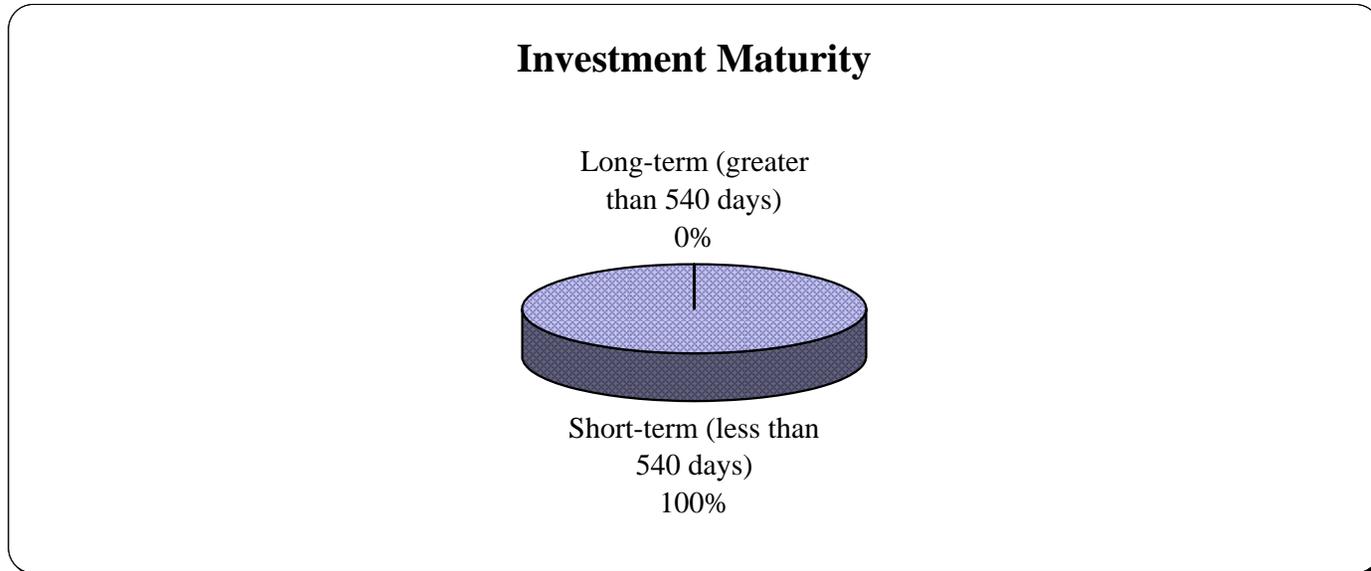
| Institutions                            | Maximum Allowed | Current Month          |                     |                   | Previous Month       |                     |                   |     |
|---|-----------------|------------------------|---------------------|-------------------|----------------------|---------------------|-------------------|-----|
|   |                 | Percent of Portfolio   | Amount of Portfolio | Met Compliance    | Percent of Portfolio | Amount of Portfolio | Met Compliance    |     |
| <b>US Bank</b>                          |                 |                        |                     |                   |                      |                     |                   |     |
| Banker's Acceptance                     | 25%             | 7,774,893              | 0.00%               | -                 | 0.00%                | -                   |                   |     |
|   |                 |                        | <b>0.00%</b>        | -                 | <b>0.00%</b>         | -                   | <b>Yes</b>        |     |
| <b>General Electric</b>                 |                 |                        |                     |                   |                      |                     |                   |     |
| Commercial Paper                        | 5%              | 1,554,979              | 0.00%               | -                 | 0.00%                | -                   |                   |     |
|   |                 |                        | <b>0.00%</b>        | -                 | <b>0.00%</b>         | -                   | <b>Yes</b>        |     |
| <b>Federal Farm Credit Bureau</b>       |                 |                        |                     |                   |                      |                     |                   |     |
| Government Agency                       | 40%             | 12,439,829             | 6.69%               | 2,080,400         | 6.11%                | 2,080,400           |                   |     |
|   |                 |                        | <b>6.69%</b>        | <b>2,080,400</b>  | <b>6.11%</b>         | <b>2,080,400</b>    | <b>Yes</b>        |     |
| <b>Federal Home Loan Bank</b>           |                 |                        |                     |                   |                      |                     |                   |     |
| Government Agency                       | 40%             | 12,439,829             | 6.96%               | 2,165,050         | 6.36%                | 2,165,050           |                   |     |
|   |                 |                        | <b>6.96%</b>        | <b>2,165,050</b>  | <b>6.36%</b>         | <b>2,165,050</b>    | <b>Yes</b>        |     |
| <b>Umpqua Bank</b>                      |                 |                        |                     |                   |                      |                     |                   |     |
| Money Market Account                    | 15%             | 4,664,936              | 10.44%              | 3,248,119         | 9.53%                | 3,246,385           |                   |     |
|   |                 |                        | <b>10.44%</b>       | <b>3,248,119</b>  | <b>9.53%</b>         | <b>3,246,385</b>    | <b>Yes</b>        |     |
| <b>Citizen's Bank</b>                   |                 |                        |                     |                   |                      |                     |                   |     |
| Certificate of Deposit                  | 25%             | 7,774,893              | 0.00%               | -                 | 0.00%                | -                   |                   |     |
|   |                 |                        | <b>0.00%</b>        | -                 | <b>0.00%</b>         | -                   | <b>Yes</b>        |     |
| <b>Local Government Investment Pool</b> |                 |                        |                     |                   |                      |                     |                   |     |
| LGIP 4031                               | 100%            | 31,099,572             | 75.42%              | 23,454,528        | 74.75%               | 25,455,410          |                   |     |
|   |                 |                        | <b>75.42%</b>       | <b>23,454,528</b> | <b>74.75%</b>        | <b>25,455,410</b>   | <b>Yes</b>        |     |
| <b>Checking Account</b>                 |                 |                        |                     |                   |                      |                     |                   |     |
|   | n/a             | n/a                    | <b>0.46%</b>        | <b>141,542</b>    | <b>3.22%</b>         | <b>1,095,338</b>    | <b>Yes</b>        |     |
| <b>Petty Cash</b>                       |                 |                        |                     |                   |                      |                     |                   |     |
|   | n/a             | n/a                    | <b>0.03%</b>        | <b>9,932</b>      | <b>0.03%</b>         | <b>9,932</b>        | <b>Yes</b>        |     |
|   |                 | <b>Portfolio Total</b> | <b>100.00%</b>      | <b>31,099,572</b> | (a)                  | <b>100.00%</b>      | <b>34,052,515</b> | (a) |

(a) Excludes prepaid interest.

**City of Corvallis  
Treasury Report  
Investment Maturity Compliance Test**

|  | Minimum/<br>Maximum<br>Allowed | Current Month           |                        |                       | Previous Month          |                        |                   |
|--|--------------------------------|-------------------------|------------------------|-----------------------|-------------------------|------------------------|-------------------|
|  |                                | Percent of<br>Portfolio | Amount of<br>Portfolio | Met<br>Compliance     | Percent of<br>Portfolio | Amount of<br>Portfolio |                   |
| Short-term (less than 548 days)        | 75% min                        | 20,140,592              | 100.00%                | 31,099,572            | Yes                     | 100.00%                | 34,052,515        |
| Long-term (greater than 548 days)      | 25% max                        | 6,713,531               | 0.00%                  |                       | Yes                     | 0.00%                  |                   |
| <b>Portfolio Total</b>                 |                                | <b>26,854,122</b>       | <b>100.00%</b>         | <b>31,099,572</b> (a) |                         | <b>100.00%</b>         | <b>34,052,515</b> |
| Local Government Investment Pool       | Minimum Target Options         |                         |                        |                       |                         |                        |                   |
| -15% of the overall portfolio          | 15% min                        | 4,028,118               |                        | 31,099,572            | Yes                     |                        |                   |
| -10% of the overall portfolio plus an  | 10%                            | 2,685,412               |                        |                       |                         |                        |                   |
| -additional 5% maturing within 60 days | 5%                             | 1,342,706               |                        |                       |                         |                        |                   |
|  | min                            | 4,028,118               |                        | 31,099,572            | Yes                     |                        |                   |

(a) Excludes prepaid interest.



**City of Corvallis**  
**Monthly Revenue Allocations**  
**Distributed in July 2010**

| <b>Fund</b>  | <b>Fund Name</b>                | <b>Month's<br/>Avg Cash<br/>Balance</b> | <b>Interest<br/>Distributed</b> | <b>Fund</b> | <b>Fund Name</b>            | <b>Month's<br/>Avg Cash<br/>Balance</b> | <b>Interest<br/>Distributed</b> |
|--------------|---------------------------------|---|---------------------------------|-------------|-----------------------------|---|---------------------------------|
| 101          | General                         | 12,794.11                               | 12.50                           | 460         | Davidson Library            | 6,026.63                                | 2.40                            |
| 201          | Street                          | 437,107.41                              | 179.40                          | 501         | Water                       | 1,085,229.79                            | 435.62                          |
| 208          | Street SDC                      | 1,081,467.71                            | 432.65                          | 502         | Water Timber                | 78,543.30                               | 27.72                           |
| 210          | Parks & Recreation              | 1,242,161.83                            | 501.99                          | 508         | Water SDC                   | 4,549,077.88                            | 1,820.27                        |
| 211          | Parks & Recreation - Aquatics   | (17,368.18)                             | (6.43)                          | 509         | Water Construction          | 20,376.90                               | 8.17                            |
| 212          | Open Space                      | 93,250.39                               | 37.31                           | 520         | Wastewater                  | 4,097,258.40                            | 1,620.37                        |
| 218          | Parks SDC                       | 82,944.13                               | 33.12                           | 528         | Wastewater SDC              | 7,561,478.55                            | 3,025.58                        |
| 220          | 911                             | 666,618.94                              | 269.07                          | 529         | Wastewater Construction     | 22,775.04                               | 10.67                           |
| 230          | Development Services            | 1,554,066.54                            | 622.68                          | 540         | Storm Water                 | 1,699,373.12                            | 680.01                          |
| 240          | Fire & Rescue                   | 1,758,280.67                            | 713.33                          | 548         | Storm Water SDC             | (20,930.80)                             | (8.38)                          |
| 250          | Comm Dev Revolving              | 945,262.32                              | 380.07                          | 549         | Storm Water Construction    | 50,966.09                               | 21.04                           |
| 260          | Parking                         | 891,167.02                              | 356.85                          | 560         | Airport                     | 623,483.87                              | 249.40                          |
| 270          | Transit                         | 569,610.05                              | 229.65                          | 569         | Airport Construction        | (68,592.30)                             | (27.25)                         |
| 290          | Library                         | 199,373.32                              | 83.99                           | 610         | Fleet Maintenance           | 57,275.61                               | 23.16                           |
| 291          | Library 2010                    | 429,376.11                              | 171.82                          | 615         | Facility Maintenance        | 155,846.22                              | 63.03                           |
| 301          | Capital Improvement             | 641,723.47                              | 254.98                          | 620         | Technology & Communications | 798,221.42                              | 321.24                          |
| 401          | General Obligation Debt Service | 683,333.39                              | 281.18                          | 625         | Administrative Services     | 565,480.17                              | 229.99                          |
|              |                                 |   |                                 | 630         | Risk Management             | 1,185,666.75                            | 480.93                          |
| <b>Total</b> |                                 |   |                                 |             |                             | <b>33,738,725.88</b>                    | <b>13,538.13</b>                |

The interest distributed is the net of the previous fiscal year interest accrual, interest received and the previous fiscal year's GASB 31 Fair Value Adjustment reversal.

The distribution is based on the average cash balance for the period in which interest is earned.

The interest distributed to sub-funds 509, 529, 549, & 569 is distributed to the operations fund.

**City of Corvallis**  
**Glossary of SymPro Report Acronyms and Terms**

**Investment Types**

|     |                                  |
|-----|----------------------------------|
| BCD | Bank Certificate of Deposit      |
| BAC | Bankers Acceptance               |
| COM | Commercial Paper                 |
| FAC | Federal Agency - Coupon Security |
| FAD | Federal Agency - Discount Note   |
| PA1 | General Checking Account         |
| LA1 | Local Government Investment Pool |
| MUN | Municipal Bond                   |
| MD1 | Municipal Bond - Discount Note   |
| PA2 | Petty Cash                       |
| TRC | Treasury Note                    |

**Issuers**

|        |  |
|--------|--|
| FHLB   | Federal Home Loan Bank                 |
| FNMA   | Federal National Mortgage Association  |
| FFCR   | Federal Farm Credit Bank               |
| FHLMC  | Federal Home Loan Mortgage Corporation |
| SLMA   | Student Loan Marketing Association     |
| TVA    | Tennessee Valley Authority             |
| US TRE | Treasury Note                          |
| OR SBD | Oregon School Boards                   |
| LGIP   | Local Government Investment Pool       |

**Dealers\***

|       |                   |
|-------|-------------------|
| BOA   | Bank of America   |
| DAD   | DA Davidson & Co. |
| DR    | RBC Dain Rauscher |
| PPJ   | Piper Jaffray     |
| PW    | UBS Paine Webber  |
| SNW   | Seattle Northwest |
| UMP   | Umpqua Bank       |
| US    | US Bank           |
| WELLS | Wells Fargo       |

\* All investments are safekept with the purchasing dealer.

**Accrued Interest at Purchase** - number of days interest between last coupon date and purchase date that is paid for at time of investment purchase.

**Book Value** - the cost of the principal at the time of the security purchase.

**Days to Maturity** - (weighted average) number of days from the report date to the maturity date of a security (or group of securities).

**Market Value** - Par value time the price at which the security could theoretically have been sold at month end per Interactive Data Corp. (IDC) and independent third-party security pricing firm.

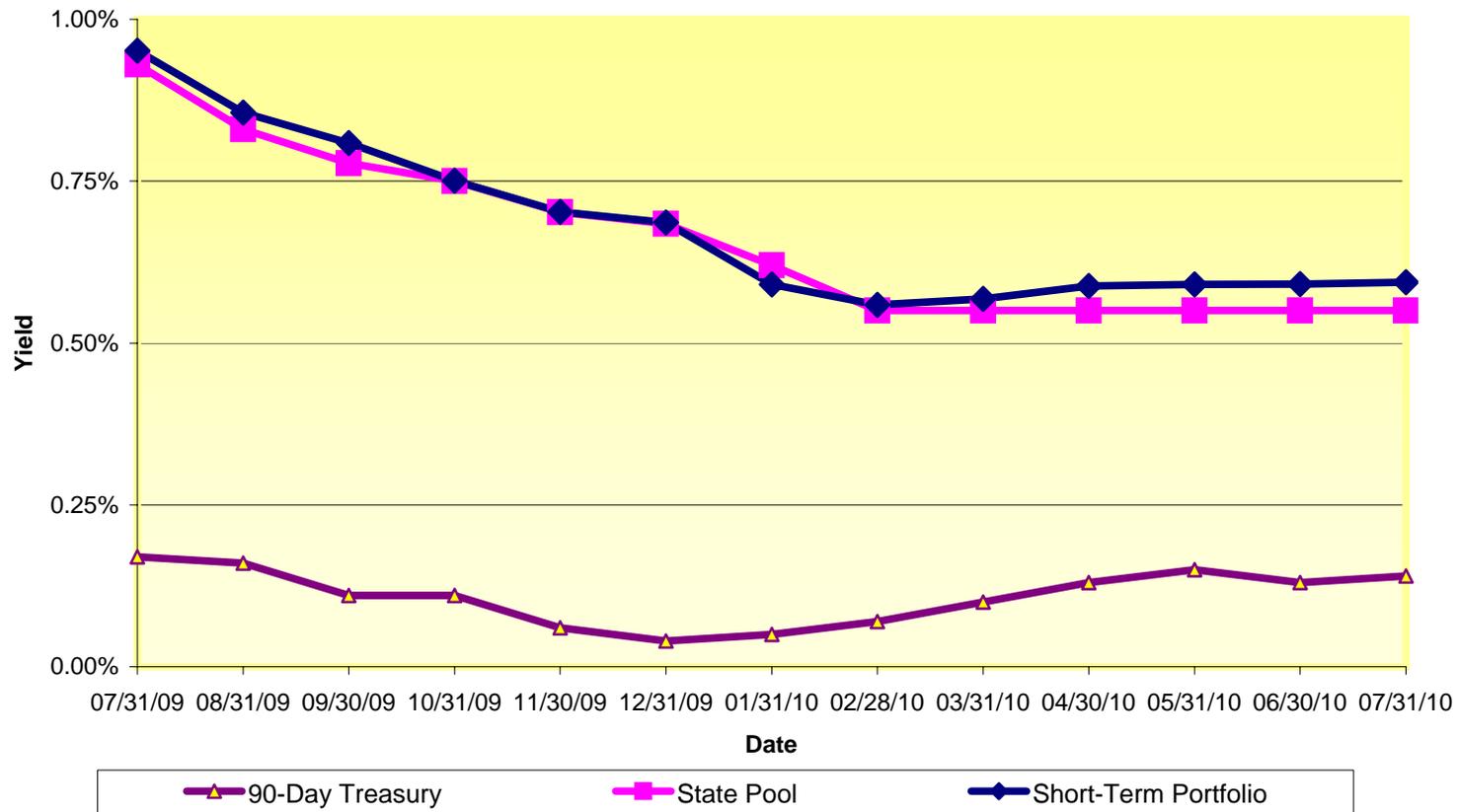
**Par Value** - the face value of a security. This is the value to which the coupon rate is applied for interest payments.

**Term** - (weighted average) number of days from the purchase date to the maturity date of a security (or group of securities).

**YTM** - yield to maturity. YTM is normally calculated on a 365-day basis (except for long-term TRC's which are done on a 360-day basis). FAC, TRC and MUN securities are reflected in SymPro at their "Bond Equivalent-Yield". Shorter-term securities, such as BCD, FAD, COM and BAC, are quoted in SymPro on a simple interest basis.

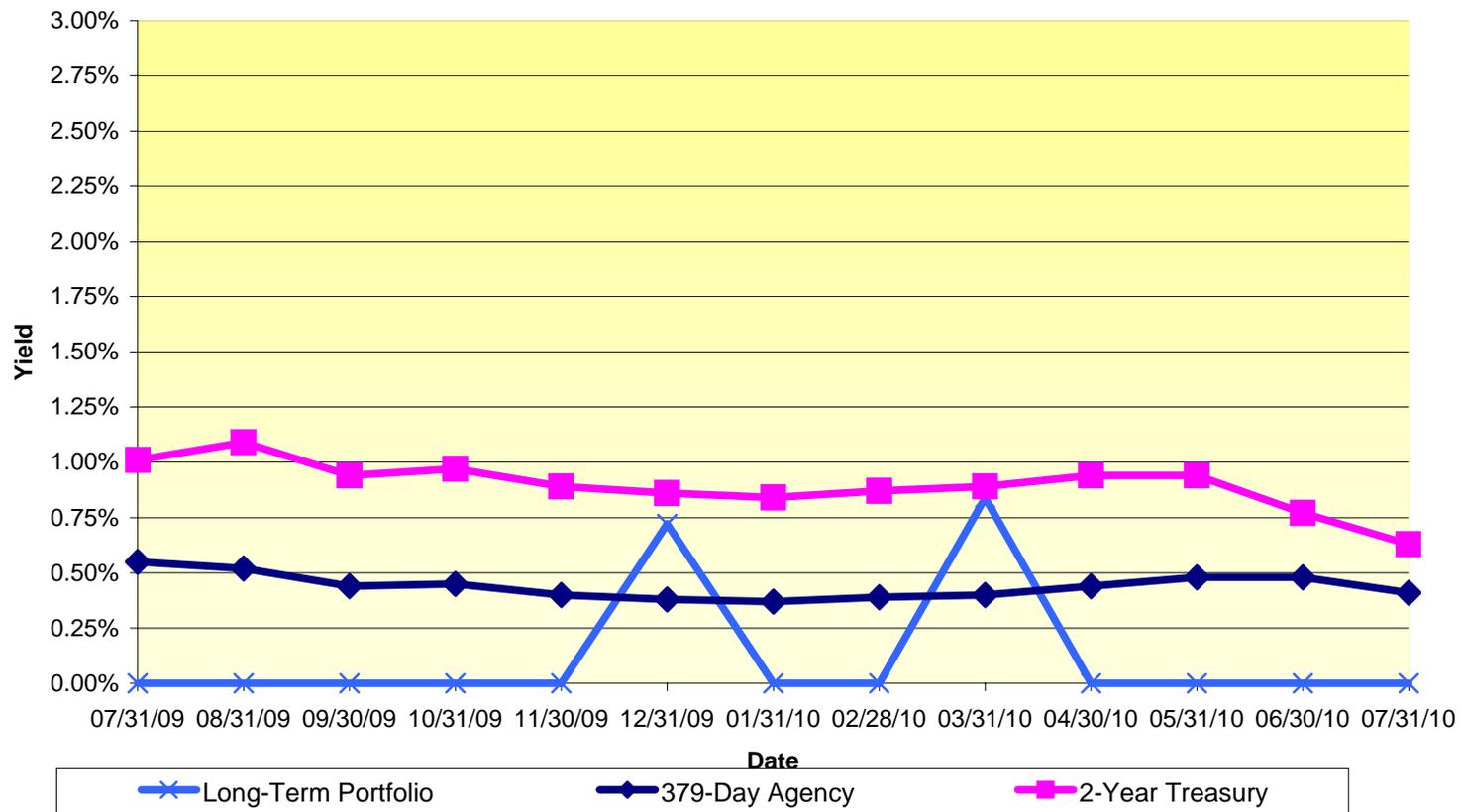


## City of Corvallis Short-Term Yields July 2009 - July 2010





## City of Corvallis Long-Term Yields July 2009 - July 2010





# City of Corvallis Cash & Investments

