

**CITY OF CORVALLIS**

*Investment Council*

*Treasury Report*

March 2010

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

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## **INVESTMENT COUNCIL MEETING**

**May 19, 2010  
Madison Avenue Meeting Room  
Thursday - 7:30 am**

### **\*\*\*AGENDA\*\*\***

- I. Approve Minutes of previous meeting  
-February 4, 2010
- II. Fiscal Year 2009-2010 Third Quarter Review  
-Quarterly Portfolio Summary
- III. Investment Policy Review
- IV. Open Discussion
  - A. Investment Strategy

**\*\*\*Next Meeting – August 5, 2010 - Thursday 7:30 am\*\*\***

**MEMORANDUM**  
**April, 26, 2010**

To: Investment Council  
From: Rhyan Van Horn, Treasury Accountant  
Subject: Treasury Report – March

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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 March 2010. Local economic data is provided for comparison. Staff reviews market conditions and trends 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 March 16th, the Federal Open Market Committee (FOMC) declared that economic activity continued to strengthen since their January meeting. Additionally, the labor market is stabilizing. Household spending is expanding, but is held back by high unemployment, low housing wealth and tight credit. Both financial market expectations and current FOMC statements indicate that rates will remain at the current range of 0-.25% for an extended period. Slack in supply is expected to keep inflation low, providing further justification for maintaining the current level of the federal funds rate. The FOMC states that it will continue to unwind the liquidity facilities it created to stabilize markets during the crisis. The only remaining program, the Term Asset-Backed Loan Facility is scheduled to close between April and June of this year. Looking locally at the economy, the University of Oregon Index of Economic Indicators showed a further increase in its February analysis. The index increased 0.3% in February. While the pace of improvement

moderated, the recovery remains intact. This is consistent with economic growth; however, this growth has yet to translate into significant decreases in Oregon's unemployment rate. While the recovery appears sustainable, without government stimulus and unforeseen usage of excesses in inventory supplies, the recovery is unlikely to generate rapid improvement in the labor market.

The most current consumer price index (CPI-U) press release noted that CPI-U increased 0.1% in March. The index has increased 2.3% over the last 12 months on an unadjusted basis. The core CPI-U (excluding food and energy costs) was unchanged in February, and has increased 1.1% annually on an unadjusted basis. Locally, the Oregon Employment Department of Workforce and Economic Research is currently estimating the CPI-U for the Portland-Salem area to be 0.5% for the second half of 2009.

In March, housing starts increased to 626,000 from February's revised number of 616,000. March 2010 housing starts are 1.6% above the March 2009 rate of 521,000. March 2010 single family building permits were at a rate of 543,000; this is 5.6% above the revised February figure of 514,000. Permits for privately owned housing units increased 7.5% from February's revised rate of 637,000. This is 34.1% above March 2009 levels and 27% below March 2008 levels. Looking at Corvallis housing data, single-family building permits issued in 2008 and 2009 were each 62% lower than 2007's total figures; decreasing from 89 units to 34 in both years. As of March 2010, 8 single-family permits have been

issued compared to 10 single-family permits issued as of March 2009.

The March unemployment rate held at 9.7%. Non-farm payroll employment increased by 162,000. Oregon's seasonally adjusted unemployment rate for March increased slightly to 10.6% from 10.5% in February. The most current (March) seasonally adjusted unemployment rate for the Corvallis Metropolitan Statistical Area (MSA) is 7.6%. Corvallis is the only Oregon MSAs with a seasonally adjusted unemployment rate less than 10%. Unemployment remains a challenge for the Oregon economy, but initial jobless claims have finally fallen below the highs reached in the previous recession (2001).

The City's March 31st total portfolio balance was \$39,389,080 as compared to the February 28th of \$39,458,900, a decrease of \$69,820.

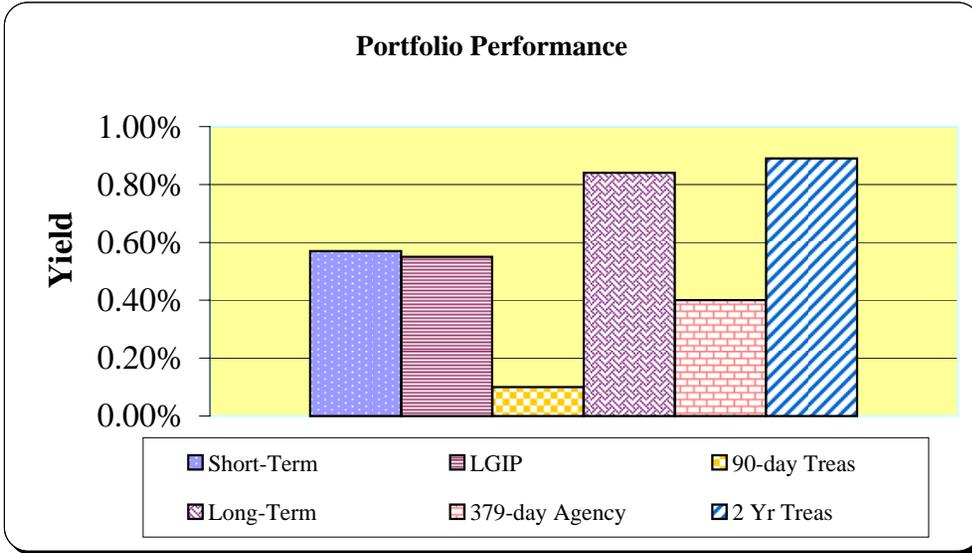
The short-term portfolio performance for March was 0.57% as compared to February's 0.56 % return. The City currently has one long term investment; on March 26<sup>th</sup> Staff purchased a FFCB security maturing 10/3/11, yielding 0.82%. As of March 31, 76.79% of the City's portfolio is invested in the Local Government Investment Pool (LGIP). As of February the LGIP rate was .55%. During this period of historically low interest rates the City has chosen to keep the vast majority of its investment portfolio in the LGIP. The reasons for this strategy are 1) the LGIP has had higher

rates of return than other short term allowable investments. 2) LGIP staff spend the majority of their time analyzing the market and investments. Thus they have a greater understanding of the unique risks of the current investment environment, where City staff has many other duties to perform, and 3) diversification within the pool is much greater than what the City could achieve by purchasing investments directly. Staff is reviewing this strategy and analyzing data to see if a revision to the strategy is appropriate.

March receipts were lower than projected (by \$800 thousand). \$209 thousand is due to an unanticipated decrease in Franchise Fee receipts. \$495 thousand can be attributed to Federal Grant monies that have yet to be received. Lastly, \$100 thousand of the difference is due to lower than anticipated revenues from contracted fire services and ambulance billings. Disbursements were lower than expected (by \$940 thousand). The disbursement difference is due primarily to capital project expenditures occurring differently than budgeted (\$315 thousand). Salary and wage expenditures were also lower than budgeted by \$264 thousand reflecting some of the budget strategy to hold positions open longer. Finally, various housing loans that have yet to be fully disbursed to their applicants (\$120 thousand). The combination of receipts and disbursements left the City with a positive net difference of \$133 thousand.

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

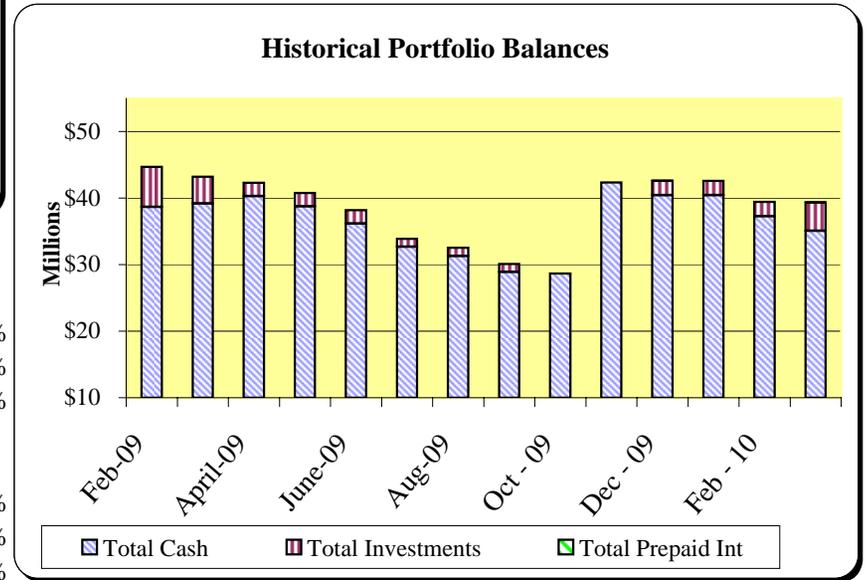
**City of Corvallis  
Investment Portfolio Summary  
March 31, 2010**



Total Cash (1)	35,105,450.31
Total Investments (2)	4,245,450.00
Total Cash & Investments	<u>39,350,900.31</u>
Prepaid Interest (3)	38,180.56
<b>Total Book Value of Cash &amp; Investments</b>	<b><u><u>39,389,080.87</u></u></b>

**Portfolio Performance**

Short-term Investment Portfolio (less than 548 days to maturity)	0.57%
Local Government Investment Pool	0.55%
90-day Treasury Note - Historical 12 week average	0.10%
Long-term Investment Portfolio (greater than 548 days to maturity)	0.84%
379-day Agency Discount Note	0.40%
2 Year Treasury Note - Historical 12 week average	0.89%



- (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**  
**March 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	1,636,456.89	1,636,456.89	1,636,456.89	4.16	1	1	0.148	0.150
Local Government Investment Pool	30,217,931.67	30,217,931.67	30,217,931.67	76.81	1	1	0.542	0.550
Money Market Account	3,241,129.75	3,241,129.75	3,241,129.75	8.24	1	1	0.641	0.650
Federal Agency Coupon Securities	4,090,000.00	4,228,362.90	4,245,450.00	10.79	556	497	0.782	0.793
<b>Investments</b>	<b>39,185,518.31</b>	<b>39,323,881.21</b>	<b>39,340,968.31</b>	<b>100.00%</b>	<b>61</b>	<b>55</b>	<b>0.560</b>	<b>0.568</b>
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	9,932.00	9,932.00	9,932.00		1	1	0.000	0.000
Accrued Interest at Purchase		38,180.56	38,180.56					
Subtotal		48,112.56	48,112.56					
<b>Total Cash and Investments</b>	<b>39,195,450.31</b>	<b>39,371,993.77</b>	<b>39,389,080.87</b>		<b>61</b>	<b>55</b>	<b>0.560</b>	<b>0.568</b>

<b>Total Earnings</b>	<b>March 31</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year		28,811.78	203,942.40	
Current Budget		71,670.00	602,830.00	876,120.00
Last Year Actual		50,574.00	655,826.00	1,257,298.00
<b>Average Daily Balance</b>		<b>39,786,569.53</b>	<b>36,780,501.87</b>	
<b>Effective Rate of Return</b>		<b>0.85%</b>	<b>0.74%</b>	

Rhyan Schaub, Treasury Accountant

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**March 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			1,636,456.89	1,636,456.89	1,636,456.89	0.150		0.150	1	
<b>Subtotal and Average</b>			<b>1,075,357.64</b>		<b>1,636,456.89</b>	<b>1,636,456.89</b>	<b>1,636,456.89</b>			<b>0.150</b>	<b>1</b>	
<b>Local Government Investment Pool</b>												
SYS4031	4031	State of Oregon LGIP			30,217,931.67	30,217,931.67	30,217,931.67	0.550		0.550	1	
<b>Subtotal and Average</b>			<b>32,894,284.27</b>		<b>30,217,931.67</b>	<b>30,217,931.67</b>	<b>30,217,931.67</b>			<b>0.550</b>	<b>1</b>	
<b>Money Market Account</b>												
SYS1003	1003	Umpqua Bank			3,241,129.75	3,241,129.75	3,241,129.75	0.650		0.650	1	
<b>Subtotal and Average</b>			<b>3,239,287.56</b>		<b>3,241,129.75</b>	<b>3,241,129.75</b>	<b>3,241,129.75</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	2,078,120.00	2,080,400.00	3.500		0.832	550	10/03/2011
3133XUJX2	1505	Federal Home Loan Bank		12/09/2009	1,000,000.00	1,008,130.00	1,010,740.00	1.375	Aaa	0.721	491	08/05/2011
3133X7C69	1507	Federal Home Loan Bank		12/15/2009	1,090,000.00	1,142,112.90	1,154,310.00	5.000	Aaa	0.787	407	05/13/2011
<b>Subtotal and Average</b>			<b>2,567,708.06</b>		<b>4,090,000.00</b>	<b>4,228,362.90</b>	<b>4,245,450.00</b>			<b>0.793</b>	<b>497</b>	
<b>Total and Average</b>			<b>39,786,569.53</b>		<b>39,185,518.31</b>	<b>39,323,881.21</b>	<b>39,340,968.31</b>			<b>0.568</b>	<b>55</b>	

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**March 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>	Accrued Interest at Purchase		38,180.56	38,180.56				1
				Subtotal		48,112.56	48,112.56				
<b>Total Cash and Investments</b>			<b>39,786,569.53</b>		<b>39,195,450.31</b>	<b>39,371,993.77</b>	<b>39,389,080.87</b>			<b>0.568</b>	<b>55</b>

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Activity By Type**  
**March 1, 2010 through March 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		9,749,791.77	9,169,989.21	
		<b>Subtotal</b>	<b>1,056,654.33</b>			<b>9,749,791.77</b>	<b>9,169,989.21</b>	<b>1,636,456.89</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		3,284,447.48	6,050,011.83	
		<b>Subtotal</b>	<b>32,983,496.02</b>			<b>3,284,447.48</b>	<b>6,050,011.83</b>	<b>30,217,931.67</b>
<b>Money Market Account (Monthly Summary)</b>								
SYS1003	1003	Umpqua Bank		0.650		1,903.60	0.00	
		<b>Subtotal</b>	<b>3,239,226.15</b>			<b>1,903.60</b>	<b>0.00</b>	<b>3,241,129.75</b>
<b>Federal Agency Coupon Securities</b>								
SYS31331Y3P	1508	Federal Farm Credit Bureau		3.500	03/26/2010	2,080,400.00	0.00	
		<b>Subtotal</b>	<b>2,165,050.00</b>			<b>2,080,400.00</b>	<b>0.00</b>	<b>4,245,450.00</b>
		<b>Total</b>	<b>39,454,358.50</b>			<b>15,116,542.85</b>	<b>15,220,001.04</b>	<b>39,350,900.31</b>

**MONTHLY TREASURY REPORT**  
**Portfolio Management**  
**Activity Summary**  
**March 2009 through March 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					
March	2009	6	43,203,007.74	1.415	1.434	1.385	0	1	12	2
April	2009	6	42,283,237.00	1.129	1.144	1.160	2	2	8	7
May	2009	6	40,759,372.04	1.019	1.033	1.029	0	0	8	6
June	2009	6	38,203,008.24	0.976	0.990	0.988	0	0	8	5
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
Average		6	38,146,256.24	0.837%	0.848%	0.843	0	0	16	13

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

Security Type	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	Average by Period
General Checking Account	2.9	3.2	1.8	2.0	1.3	1.7	2.7	1.8	0.9	0.3	5.7	2.7	4.2	2.4%
Petty Cash & Change Funds														
Local Government Investment Pool	87.3	91.5	92.7	92.2	94.4	93.9	92.5	97.4	98.5	94.1	88.7	83.6	76.8	91.0%
Piper Jaffray Funds Held by Others														
Money Market Account	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.6	0.6	0.6	8.2	8.2	1.8%
Certificates of Deposit - Bank	4.6													0.4%
Certificates of Deposit - S & L														
Medium Term Notes														
Bankers Acceptances -At Cost		4.7	4.9	5.3	3.6	3.7	4.0							2.0%
Commercial Paper - Interest Bearing														
Commercial Paper Disc. -At Cost														
Repurchase Agreements														
Federal Agency Coupon Securities	4.6									5.1	5.1	5.5	10.8	2.4%
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**  
**March 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	407
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	491
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	550
<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>497</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>497</b>



**MONTHLY TREASURY REPORT**  
**Activity Report**  
**Sorted By Issuer**  
**March 1, 2010 - March 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		9,749,791.77	9,169,989.21	
		<b>Subtotal and Balance</b>		<b>1,056,654.33</b>			<b>9,749,791.77</b>	<b>9,169,989.21</b>	<b>1,636,456.89</b>
		<b>Issuer Subtotal</b>	<b>4.175%</b>	<b>1,056,654.33</b>			<b>9,749,791.77</b>	<b>9,169,989.21</b>	<b>1,636,456.89</b>
<b>Issuer: City of Corvallis - Petty Cash</b>									
<b>Petty Cash &amp; Change Funds</b>									
		<b>Subtotal and Balance</b>		<b>9,932.00</b>					<b>9,932.00</b>
		<b>Issuer Subtotal</b>	<b>0.025%</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>									
SYS31331Y3P	1508	Federal Farm Credit Bureau			3.500	03/26/2010	2,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
		<b>Issuer Subtotal</b>	<b>5.103%</b>	<b>0.00</b>			<b>2,000,000.00</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>		<b>2,090,000.00</b>					<b>2,090,000.00</b>
		<b>Issuer Subtotal</b>	<b>5.332%</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		3,284,447.48	6,050,011.83	
		<b>Subtotal and Balance</b>		<b>32,983,496.02</b>			<b>3,284,447.48</b>	<b>6,050,011.83</b>	<b>30,217,931.67</b>

**MONTHLY TREASURY REPORT**  
**Activity Report**  
**March 1, 2010 - March 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 Subtotal</b>			<b>77.096%</b>	<b>32,983,496.02</b>			<b>3,284,447.48</b>	<b>6,050,011.83</b>	<b>30,217,931.67</b>
<b>Issuer: Umpqua Bank</b>									
<b>Money Market Account</b>									
SYS1003	1003	Umpqua Bank			0.650		1,903.60	0.00	
<b>Subtotal and Balance</b>				<b>3,239,226.15</b>			<b>1,903.60</b>	<b>0.00</b>	<b>3,241,129.75</b>
<b>Issuer Subtotal</b>			<b>8.269%</b>	<b>3,239,226.15</b>			<b>1,903.60</b>	<b>0.00</b>	<b>3,241,129.75</b>
<b>Total</b>			<b>100.000%</b>	<b>39,379,308.50</b>			<b>15,036,142.85</b>	<b>15,220,001.04</b>	<b>39,195,450.31</b>



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

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

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 03/31/2010 - 03/31/2010 )	4 Maturities 0 Payments	37,289,308.50	90.12%	37,289,308.50	37,289,308.50
Aging Interval:	1 - 30 days	( 04/01/2010 - 04/30/2010 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	31 - 60 days	( 05/01/2010 - 05/30/2010 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	61 - 90 days	( 05/31/2010 - 06/29/2010 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 180 days	( 06/30/2010 - 09/27/2010 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	181 - 270 days	( 09/28/2010 - 12/26/2010 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	271 - 364 days	( 12/27/2010 - 03/30/2011 )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	365 - 545 days	( 03/31/2011 - 09/27/2011 )	2 Maturities 0 Payments	2,090,000.00	5.05%	2,165,050.00	2,157,872.90
Aging Interval:	546 - 730 days	( 09/28/2011 - 03/30/2012 )	1 Maturities 0 Payments	2,000,000.00	4.83%	2,080,400.00	2,080,400.00
Aging Interval:	731 days and after	( 03/31/2012 - )	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
<b>Total for</b>			<b>7 Investments 0 Payments</b>		<b>100.00</b>	<b>41,534,758.50</b>	<b>41,527,581.40</b>

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

	Receipts (1)	Disbursements (2)	Net
Actual Activity	5,168,701	5,834,186	(665,485)
Projected Activity	5,977,484	6,775,985	(798,501)
<b>Difference</b>	<b>(808,783)</b>	<b>(941,799)</b>	<b>133,016</b>

(1) Receipts include deposits and interest received.

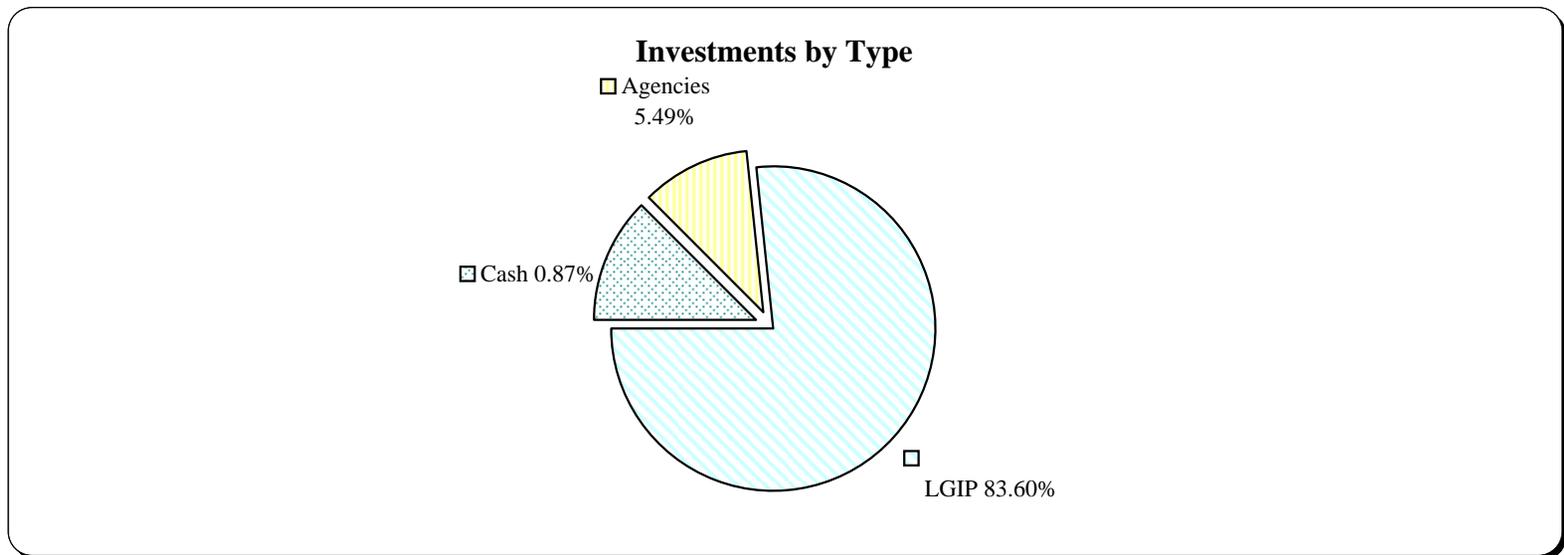
(2) Disbursements include accounts payable checks, payroll checks, other payments made through wire transfers and LGIP fees

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 Allowed</u>	<u>Current Month</u>			<u>Previous Month</u>	
			<u>Percent of Portfolio</u>	<u>Amount of Portfolio</u>	<u>Met Compliance</u>	<u>Percent of Portfolio</u>	<u>Amount of Portfolio</u>
Cash	100%	39,350,900	12.42%	4,887,519	Yes	10.91%	4,305,812
U.S. Treasury Obligations	100%	39,350,900	0.00%	-	Yes	0.00%	-
U.S. Gov't Agencies	75%	29,513,175	10.79%	4,245,450	Yes	5.49%	2,165,050
Local Government Investment Pool	100%	39,350,900	76.79%	30,217,932	Yes	83.60%	32,983,496
Repurchase Agreements	25%	9,837,725	0.00%	-	Yes	0.00%	-
Banker's Acceptances	25%	9,837,725	0.00%	-	Yes	0.00%	-
Certificates of Deposit	25%	9,837,725	0.00%	-	Yes	0.00%	-
Commercial Paper	25%	9,837,725	0.00%	-	Yes	0.00%	-
Municipal Bonds	25%	9,837,725	0.00%	-	Yes	0.00%	-
<b>Total Portfolio</b>		-	<b>100.00%</b>	<b>39,350,900</b>	(a)	<b>100.00%</b>	<b>39,454,359</b>

(a) Excludes prepaid interest.



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

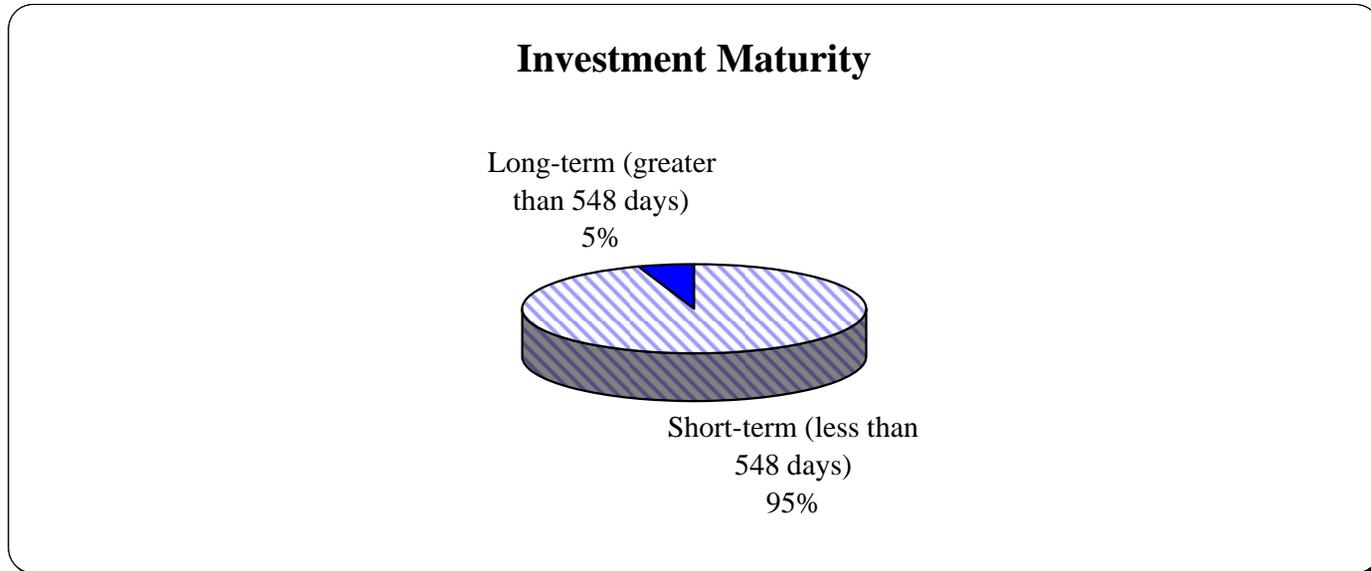
Institutions	Maximum Allowed	Current Month			Previous Month		
		Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio	Met Compliance
<b>US Bank</b>							
Banker's Acceptance	25%	9,837,725	0.00%	-	0.00%	-	
			<b>0.00%</b>	-	<b>0.00%</b>	-	<b>Yes</b>
<b>General Electric</b>							
Commercial Paper	5%	1,967,545	0.00%	-	0.00%	-	
			<b>0.00%</b>	-	<b>0.00%</b>	-	<b>Yes</b>
<b>Federal Farm Credit Bureau</b>							
Government Agency	40%	15,740,360	5.29%	2,080,400	0.00%	-	
			<b>5.29%</b>	<b>2,080,400</b>	<b>Yes</b>	-	<b>Yes</b>
<b>Federal Home Loan Bank</b>							
Government Agency	40%	15,740,360	5.50%	2,165,050	5.49%	2,165,050	
			<b>5.50%</b>	<b>2,165,050</b>	<b>5.49%</b>	<b>2,165,050</b>	<b>Yes</b>
<b>Umpqua Bank</b>							
Money Market Account	15%	5,902,635	8.24%	3,241,130	8.21%	3,239,226	
			<b>8.24%</b>	<b>3,241,130</b>	<b>8.21%</b>	<b>3,239,226</b>	<b>Yes</b>
<b>Citizen's Bank</b>							
Certificate of Deposit	25%	9,837,725	0.00%	-	0.00%	-	
			<b>0.00%</b>	-	<b>0.00%</b>	-	<b>Yes</b>
<b>Local Government Investment Pool</b>							
LGIP 4031	100%	39,350,900	76.79%	30,217,932	83.60%	32,983,496	
			<b>76.79%</b>	<b>30,217,932</b>	<b>83.60%</b>	<b>32,983,496</b>	<b>Yes</b>
<b>Checking Account</b>	n/a	n/a	<b>4.16%</b>	<b>1,636,457</b>	<b>2.68%</b>	<b>1,056,654</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>39,350,900</b>	(a)	
					<b>100.00%</b>	<b>39,454,359</b>	(a)

(a) Excludes prepaid interest.

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

	Minimum/ Maximum Allowed	Current Month			Previous Month		
		Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio	
Short-term (less than 548 days)	75% min	26,329,088	94.71%	37,270,500	Yes	100.00%	39,454,359
Long-term (greater than 548 days)	25% max	8,776,363	5.29%	2,080,400	Yes	0.00%	-
<b>Portfolio Total</b>		<b>35,105,450</b>	<b>100.00%</b>	<b>39,350,900</b>	(a)	<b>100.00%</b>	<b>39,454,359</b>
Local Government Investment Pool	Minimum Target Options						
-15% of the overall portfolio	15% min	5,265,818		37,270,500	Yes		
-10% of the overall portfolio plus an	10%	3,510,545					
-additional 5% maturing within 60 days	5%	1,755,273					
	min	5,265,818		37,270,500	Yes		

(a) Excludes prepaid interest.



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

<b>Fund</b>	<b>Fund Name</b>	<b>Month's Avg Cash Balance</b>	<b>Interest Distributed</b>	<b>Fund</b>	<b>Fund Name</b>	<b>Month's Avg Cash Balance</b>	<b>Interest Distributed</b>
101	General	2,022,058.38	898.12	460	Davidson Library	6,067.50	2.69
201	Street	661,926.92	291.90	501	Water	1,161,494.95	516.84
208	Street SDC	701,403.57	312.15	502	Water Timber	(19,244.35)	(9.00)
210	Parks & Recreation	2,075,288.25	922.95	508	Water SDC	4,422,053.71	1,966.38
211	Parks & Recreation - Aquatics	(14,280.48)	(6.00)	509	Water Construction	34,881.16	15.54
212	Open Space	93,117.85	41.40	520	Wastewater	4,597,989.87	2,044.74
218	Parks SDC	49,994.10	22.20	528	Wastewater SDC	7,344,933.06	3,266.12
220	911	532,489.70	236.83	529	Wastewater Construction	60,220.35	26.78
230	Development Services	1,000,523.98	444.81	540	Storm Water	1,594,595.37	708.99
240	Fire & Rescue	3,690,499.17	1,641.51	548	Storm Water SDC	(27,764.50)	(12.00)
250	Comm Dev Revolving	1,026,165.73	456.36	549	Storm Water Construction	71,544.47	31.80
260	Parking	869,099.74	386.19	560	Airport	740,613.90	329.57
270	Transit	1,134,322.68	504.46	569	Airport Construction	(3,027.01)	1.00
290	Library	1,702,595.23	757.44	610	Fleet Maintenance	60,047.55	26.58
291	Library 2010	436,593.07	194.16	615	Facility Maintenance	170,165.08	75.63
301	Capital Improvement	644,570.51	288.79	620	Technology & Communications	715,602.20	318.16
401	General Obligation Debt Service	1,384,072.35	615.37	625	Administrative Services	423,038.16	188.00
				630	Risk Management	737,960.01	328.15
<b>Total</b>						<b>40,101,612.22</b>	<b>17,834.61</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.

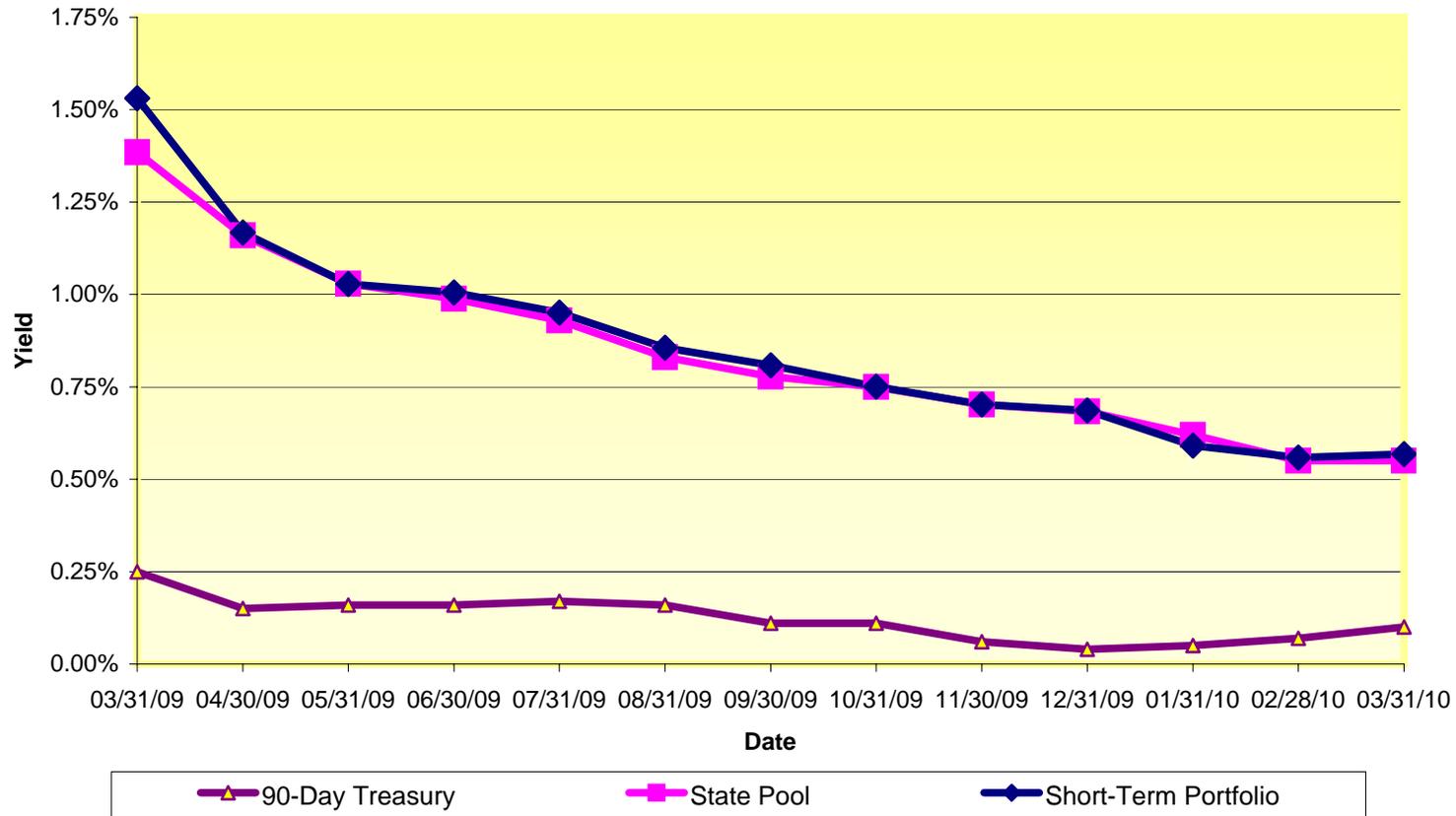
**Par Value** - the face value of a security. This is the value to which the coupon rate is applied for interest payments.

**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.

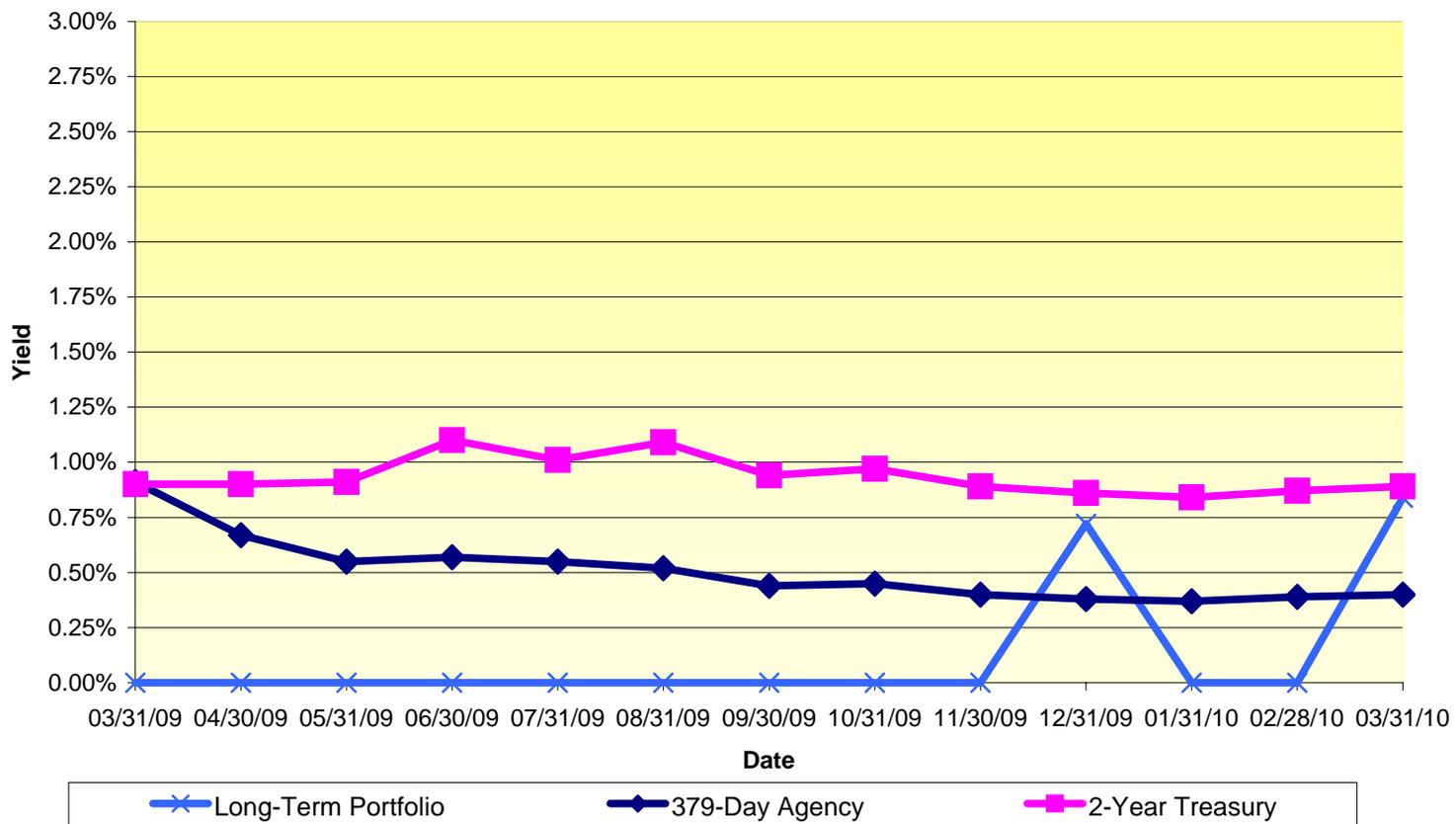


## City of Corvallis Short-Term Yields March 2009 - March 2010



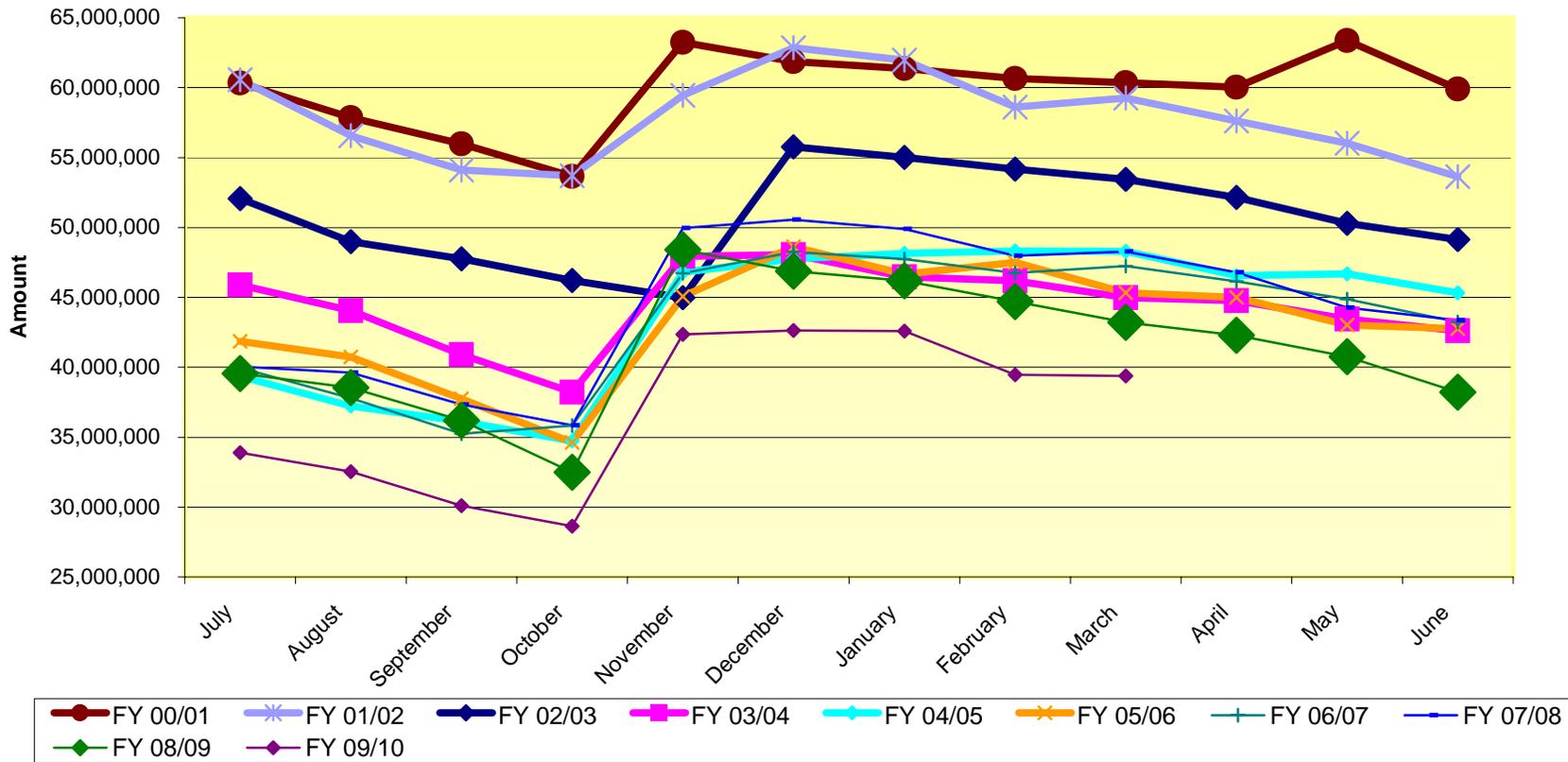


## City of Corvallis Long-Term Yields March 2009 - March 2010





# City of Corvallis Cash & Investments





## City of Corvallis Cash and Investments By Quarter

