

CITY OF CORVALLIS

Investment Council

Treasury Report

January 2011

CITY OF CORVALLIS, OREGON
INVESTMENT COUNCIL
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DRAFT
CITY OF CORVALLIS
INVESTMENT COUNCIL MEETING
FEBRUARY 3, 2011 MINUTES

The City of Corvallis Investment Council meeting was called to order at 7:30 a.m. on February 3, 2011 in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon.

ROLL CALL

Present: Jon Nelson, Nancy Brewer, Bill Mercer, Staci Voight, Mark O'Brien, Janet Chenard, Julian Contreras, Stephanie Kassavetis (recorder)

Excused: Scott Fewel

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held Over for Further Review	Recommendations
I. Approval of Minutes from November 4, 2010			Approved
II. Fiscal Year 2010-2011 Second Quarter Review - - Quarterly Portfolio Summary			Approved
III. Open Discussion	X		
V. Adjournment			The meeting was adjourned at 7:50a.m.

I. APPROVAL OF MINUTES

City Manager Jon Nelson asked for any corrections to the minutes from the November 4, 2010. None being received, the minutes were approved as submitted.

II. FISCAL YEAR 2010-2011 SECOND QUARTER REVIEW

Treasury Accountant Staci Voight presented the Second Quarter Portfolio Summary to the Investment Council (Attachment A), noting the ending cash balance for December 2010 was up about \$12.3 million. Historically there is generally a big spike in the month of November because of property tax dollars that are received from the County.

- Returns - there wasn't much change in short term portfolio but it has gone down by six basis points; the long term portfolio earnings are at zero, as there is nothing Long Term at this point.
- The Local Government Investment Pool (LGIP) showed a drop of five basis points that occurred on October 28, 2010. Ms. Voight noted the City's cash balance in the LGIP is up by \$13.7 million due to the property tax dollars that were received from the County.
- Treasury's 2 Year - 12 Week Average is down 6 basis points and 379 Day Agency - 12 Week Average is down by 3 basis points.
- Ms. Voight noted no purchases were made in the second quarter of 2010/2011.
- Ms. Voight stated that economic recovery is continuing, though still at a pace that's insufficient for significant improvements in the labor market (Attachment B).
- Ms. Voight stated that the review of the Investment Administrative Policy Review has been pushed back until staff secures an Investment Advisor. Any recommendations for change in the policy would then come to the Investment Council by August 2011 (Attachment C).

There being no further questions or comments on the Second Quarter Review Investment Council moved forward with Open Discussion.

IV. OPEN DISCUSSION

Ms. Chenard talked about getting an Investment Advisor. An RFP was issued at the end of December 2010, with the help of Terry McCall, the principal with Portfolio Services for Government and a former finance director in Oregon. Mr. McCall has considerable experience with Investment Advisory Services. Three bids have been received from reputable firms. The bids are being reviewed by Ms. Voight, Ms. Brewer and Ms. Chenard. We are anticipating a meeting with Terry McCall early next week; at which time a decision will be made with respect to conducting interviews with the top candidate(s). Currently, possible interviews are scheduled for the end of February 2011 with intent to award on March 1, 2011. We hope to have an Investment Advisor contract fully implemented with a view to starting services as of April 1, 2011. This type of service is provided by a few expert organizations that seek alternatives for placing investments for local governments, and then make recommendations about opportunities that meet cash flow needs, level of risk, etc. Early analysis indicates investment performance

may be better than the City is currently doing. Ms. Chenard will be officially managing the contract and working along with Ms. Voight to ensure that the City remains informed and participates actively in all investment-related decisions. The Investment Advisor will be called upon to supply reports to the Investment Council as often as requested and would be primarily responsible for the monthly and quarterly Investment Reports in the future. This is expected to yield cost savings from no longer needing the SymPro tracking software to help offset the additional costs of the Advisory service.

Ms. Brewer stated that most of Corvallis comparators that use Investment Advisors are getting a good 40 to 50 basis points higher earnings rate right now than what the City of Corvallis has been achieving. Investment Advisors are more attuned to the market and opportunities where we do not have the time or resources to see what is available in the market to buy every single day. Having an Investment Advisor should prove to be a good revenue driver for the City.

Mr. O'Brien asked if the intent would be to move a majority of the state pool money into other investments. Ms. Brewer stated that one of the first things to be done with the Investment Advisor is to look at the City's policies and cash flow, including what the City needs for cash on hand. With that in mind, the Advisor would then look at the options for having only enough cash on hand to meet liquidity needs, with the remainder doing more "work" for us in higher earning, acceptably-risked vehicles.

The next Investment Council meeting is May 5, 2011 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 7:50 a.m.

ATTACHMENTS:

- A. FY 10-11 Second Quarter Portfolio Summary
- B. Economic Outlook
- C. Annual Investment Administrative Policy Review

Investment Council - February 3, 2011

Quarterly Portfolio Summary

Balances:	September 2010 (page 3 of Treasury Report)	December 2010 (page 3 of Treasury Report)	Difference
Cash	\$25,499,655	\$37,825,112	\$12,325,457
Investments	\$4,245,450	\$4,245,450	\$0
Total	\$29,745,105	\$42,070,562	\$12,325,457

Returns:	September 2010 (page 3 of Treasury Report)	December 2010 (page 3 of Treasury Report)	Difference
Short Term Portfolio	0.60	0.54	-0.06
Long Term Portfolio *	0	0	-
Total to Call Date	0	0	-
LGIP **	0.55	0.50	-0.05

* No Long Term at this time

** LGIP dropped to 0.50 on October 28, 2010

LGIP:	September 2010 (page 4 of Treasury Report)	December 2010 (page 4 of Treasury Report)	Difference
Cap: \$42,523,082	20,563,123	34,349,170	13,786,047

	September 2010 (page 3 of Treasury Report)	December 2010 (page 3 of Treasury Report)	Difference
Treasury's 2 Year - Historical 12 Week Average:	0.52	0.46	-0.06

	September 2010 (page 3 of Treasury Report)	December 2010 (page 3 of Treasury Report)	Difference
379 Day Agency - Historical 12 week average	0.33	0.30	-0.03

No purchases were made in the 2nd Quarter of 2010/2011

ATTACHMENT A

Economic Outlook

Recent reports state that economic recovery is continuing, though still at a pace that's insufficient for significant improvements in the labor market.

Real Gross Domestic Product increased at an annual rate of 3.2% in the 4th quarter of 2010, while 3rd quarter increased by only 2.6%. Increases are primarily in personal consumption expenditures, exports and nonresidential fixed investment.

The Federal Open Market Committee will continue its recent asset-purchase program, announced back in November, with the intent to promote economic recovery. In order to reach maximum employment and price stability, the FOMC will monitor the pace and size of its securities in the program, and maintain the target range for the federal funds rate at 0 to ¼ percent for an extended period.

January 25, 2011

To: Investment Council
From: Staci Voight, Treasury Accountant
Subject: Annual Investment Administrative Policy Review

Issue

Per ORS 294.135(a) the City's Investment Administrative Policy must be reviewed and re-adopted annually. The City's policy states this should take place in February of each year by the Investment Council.

Background

Staff is considering the use of an Investment Advisor, and issued a Request for Proposal (RFP) for these services. Proposals were submitted last week and are undergoing evaluation; an award decision is anticipated by March 1, 2011. An Investment Advisor that is hired out of this process would be expected to assist in the review of this policy.

Recommendation

Since staff is in the process of securing an Investment Advisor coincident with the timing of the normal review process, staff recommends postponing the annual review of the investment policy until late spring. By that time any Investment Advisory Contract should have been awarded and implemented. Any recommendations for change in the policy would then come to the Investment Council by August 2011.

Review and Concur:



Nancy Brewer, Finance Director

MEMORANDUM
February 18, 2011

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

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 January 2011. 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.

According to the January 26th press release from the Federal Open Market Committee (FOMC), economic recovery is continuing, though still at a pace that is insufficient for significant improvements in the labor market. Growth in late 2010 was primarily in personal consumption expenditures, exports and nonresidential fixed investment, while employers remain reluctant to add to payrolls. The FOMC will continue its recent asset-purchase program, announced back in November, and will monitor the securities with the intent to maximize employment and price stability.

The most current consumer price index (CPI-U) press release noted that CPI-U increased 0.4% in January. The index has increased 1.6% over the last 12 months, before seasonal adjustment. The core CPI-U (excluding food and energy costs) rose 0.2% in January, and 1.0% over the last 12 months. Locally, the Oregon Employment Department of Workforce and Economic Research has estimated the CPI-U for the Portland-Salem area to be 0.9% for the second half of 2010.

While the housing market has shown some signs of stabilization, trends are still discouraging when compared to prior years. In January housing starts were 596,000, or 14.6% above December's revised estimate of 520,000 and 2.6% below January 2010. January 2011 single-family building permits totaled 421,000; 4.8% below the revised December

figure of 442,000. Permits for privately-owned housing dropped 10.4% below revised December 2010 levels and 10.7% below January 2010. City of Corvallis reports that four single-family residence permits were issued in 2011 year to date, matching exactly with January 2010.

The January U.S. seasonally adjusted unemployment rate decreased slightly to 9.0%. Non-farm payroll employment increased by 36,000, mostly in manufacturing and retail trade. Oregon's seasonally adjusted unemployment rate for December held at 10.6%. For the Corvallis Metropolitan Statistical Area (MSA), this rate decreased slightly to 7.3% in December; however, Corvallis continues to be the only Oregon MSA with a seasonally adjusted unemployment rate less than 10%.

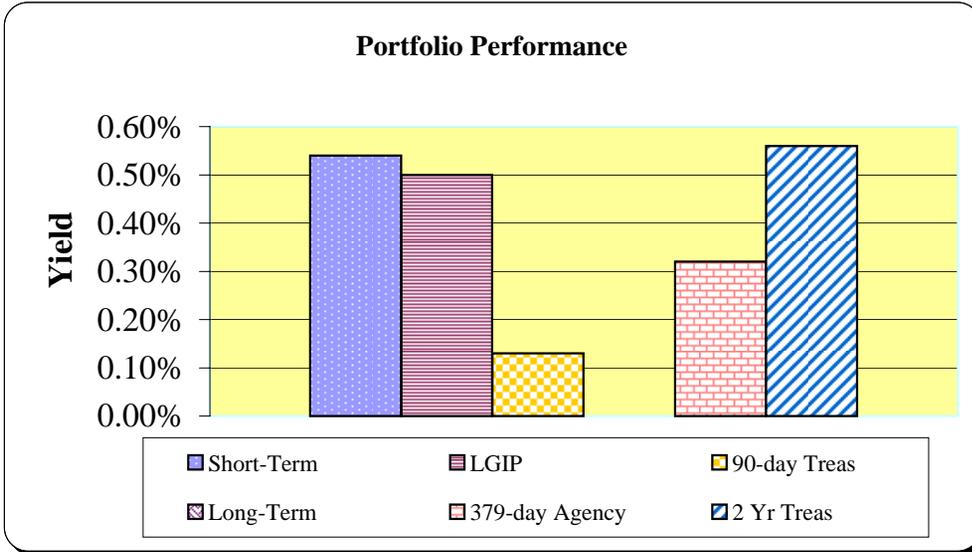
The City's January 31st total portfolio balance was \$40,965,629, decreasing by \$1,104,933 from the December 31st total of \$42,070,562.

The short-term portfolio performance for January held a 0.54% return. The City currently has no long term investments. As of January 31, 81.5% of the City's portfolio is invested in the Local Government Investment Pool (LGIP). 10.36% of the portfolio is invested in federal agency securities maturing in less than 18 months. 7.95% 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 portfolio is held in the City's checking account to manage pending expenditures.

January receipts were less than projected by \$1,074,952, attributed mainly to Federal and State Grants not yet received. Disbursements were also less than projected by \$1,362,704. The majority of the variance can be found in the areas of General Services and Salaries & Wages being less than budgeted.

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

**City of Corvallis
Investment Portfolio Summary
January 31, 2011**



Total Cash (1)	36,720,178.91
Total Investments (2)	4,245,450.00
Total Cash & Investments	<u>40,965,628.91</u>
Prepaid Interest (3)	<u>-</u>
Total Book Value of Cash & Investments	<u><u>40,965,628.91</u></u>

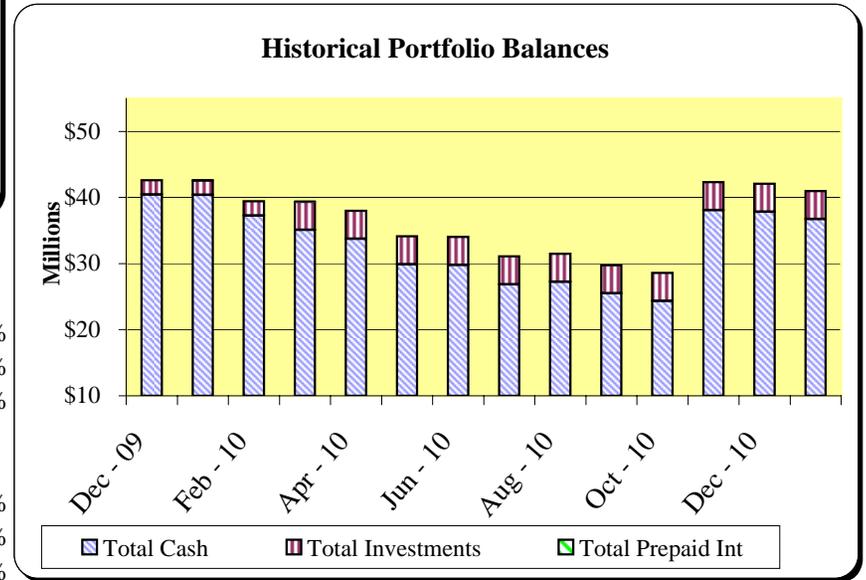
Portfolio Performance

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

0.54%
0.50%
0.13%

0.00%
0.32%
0.56%



- (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
January 31, 2011

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 973
 (541)766-6738

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
General Checking Account	63,655.54	63,655.54	63,655.54	0.16	1	1	0.148	0.150
Local Government Investment Pool	33,388,184.61	33,388,184.61	33,388,184.61	81.52	1	1	0.493	0.500
Money Market Account	3,258,406.76	3,258,406.76	3,258,406.76	7.96	1	1	0.592	0.600
Federal Agency Coupon Securities	4,090,000.00	4,153,002.30	4,245,450.00	10.37	556	191	0.782	0.793
Investments	40,800,246.91	40,863,249.21	40,955,696.91	100.00%	59	21	0.530	0.538
Cash								
Passbook/Checking (not included in yield calculations)	9,932.00	9,932.00	9,932.00		1	1	0.000	0.000
Total Cash and Investments	40,810,178.91	40,873,181.21	40,965,628.91		59	21	0.530	0.538

Total Earnings	January 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	27,779.99	180,207.02	
Current Budget	75,380.00	457,520.00	876,120.00
Last Year Actual	59,032.00	558,802.00	1,257,298.00
Average Daily Balance	42,034,918.75	34,262,437.50	
Effective Rate of Return	0.78%	0.89%	

Staci Voight, Treasury Accountant



MONTHLY TREASURY REPORT
Aging Report
By Maturity Date
As of January 31, 2011

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, Corvallis, OR 973
 (541)766-6738

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(01/31/2011 - 01/31/2011)	4 Maturities 0 Payments	37,825,111.74	90.24%	37,825,111.74	37,825,111.74
Aging Interval:	1 - 30 days	(02/01/2011 - 03/02/2011)	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	31 - 60 days	(03/03/2011 - 04/01/2011)	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	61 - 90 days	(04/02/2011 - 05/01/2011)	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 180 days	(05/02/2011 - 07/30/2011)	1 Maturities 0 Payments	1,090,000.00	2.60%	1,154,310.00	1,108,649.90
Aging Interval:	181 - 270 days	(07/31/2011 - 10/28/2011)	2 Maturities 0 Payments	3,000,000.00	7.16%	3,091,140.00	3,052,550.00
Aging Interval:	271 days and after	(10/29/2011 -)	0 Maturities 0 Payments	0.00	0.00%	0.00	0.00
Total for			7 Investments 0 Payments		100.00	42,070,561.74	41,986,311.64

MONTHLY TREASURY REPORT
Portfolio Management
Portfolio Details - Investments
January 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
General Checking Account												
SYS1004	1004	Bank of America		07/01/2010	63,655.54	63,655.54	63,655.54	0.150		0.150	1	
Subtotal and Average			204,565.44		63,655.54	63,655.54	63,655.54			0.150	1	
Local Government Investment Pool												
SYS4031	4031	State of Oregon LGIP		07/01/2010	33,388,184.61	33,388,184.61	33,388,184.61	0.500		0.500	1	
Subtotal and Average			34,318,170.61		33,388,184.61	33,388,184.61	33,388,184.61			0.500	1	
Money Market Account												
SYS1003	1003	Umpqua Bank		07/01/2010	3,258,406.76	3,258,406.76	3,258,406.76	0.600		0.600	1	
Subtotal and Average			3,256,800.70		3,258,406.76	3,258,406.76	3,258,406.76			0.600	1	
Federal Agency Coupon Securities												
SYS31331Y3P	1508	Federal Farm Credit Bureau		03/26/2010	2,000,000.00	2,042,520.00	2,080,400.00	3.500		0.832	244	10/03/2011
3133XUJX2	1505	Federal Home Loan Bank		12/09/2009	1,000,000.00	1,005,800.00	1,010,740.00	1.375	Aaa	0.721	185	08/05/2011
3133X7C69	1507	Federal Home Loan Bank		12/15/2009	1,090,000.00	1,104,682.30	1,154,310.00	5.000	Aaa	0.787	101	05/13/2011
Subtotal and Average			4,245,450.00		4,090,000.00	4,153,002.30	4,245,450.00			0.793	191	
Total and Average			42,034,918.75		40,800,246.91	40,863,249.21	40,955,696.91			0.538	21	

MONTHLY TREASURY REPORT
Portfolio Management
Portfolio Details - Cash
January 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Petty Cash & Change Funds											
SYS1001	1001	City of Corvallis - Petty Cash		07/01/2010	9,932.00	9,932.00	9,932.00			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			42,034,918.75		40,810,178.91	40,873,181.21	40,965,628.91			0.538	21

MONTHLY TREASURY REPORT
Portfolio Management
Activity By Type
January 1, 2011 through January 31, 2011

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
General Checking Account (Monthly Summary)								
SYS1004	1004	Bank of America		0.150		5,451,190.00	5,596,796.90	
		Subtotal	209,262.44			5,451,190.00	5,596,796.90	63,655.54
Petty Cash & Change Funds (Monthly Summary)								
		Subtotal	9,932.00					9,932.00
Local Government Investment Pool (Monthly Summary)								
SYS4031	4031	State of Oregon LGIP		0.500		1,189,025.45	2,150,010.98	
		Subtotal	34,349,170.14			1,189,025.45	2,150,010.98	33,388,184.61
Money Market Account (Monthly Summary)								
SYS1003	1003	Umpqua Bank		0.600		1,659.60	0.00	
		Subtotal	3,256,747.16			1,659.60	0.00	3,258,406.76
Federal Agency Coupon Securities								
		Subtotal	4,245,450.00					4,245,450.00
		Total	42,070,561.74			6,641,875.05	7,746,807.88	40,965,628.91

MONTHLY TREASURY REPORT
Portfolio Management
Activity Summary
January 2010 through January 2011

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					
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
August	2010	7	31,483,228.79	0.581	0.589	0.550	0	0	76	47
September	2010	7	29,735,173.13	0.565	0.573	0.550	0	0	80	46
October	2010	7	28,570,110.17	0.577	0.585	0.550	0	0	83	43
November	2010	7	42,278,402.84	0.517	0.524	0.500	0	0	57	26
December	2010	7	42,060,629.74	0.528	0.536	0.500	0	0	57	23
January	2011	7	40,955,696.91	0.530	0.538	0.500	0	0	59	21
Average		7	36,435,289.49	0.560%	0.568%	0.544	0	0	63	41

MONTHLY TREASURY REPORT
Portfolio Management
Distribution of Investments By Type
January 2010 through January 2011

Security Type	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	Average by Period
General Checking Account	5.7	2.7	4.2	6.1	2.2	3.2	0.5	1.1	5.6	3.2	3.7	0.5	0.2	3.0%
Petty Cash & Change Funds														
Local Government Investment Pool	88.7	83.6	76.8	74.2	75.9	74.8	75.4	75.1	69.2	70.6	78.6	81.7	81.5	77.4%
Piper Jaffray Funds Held by Others														
Money Market Account	0.6	8.2	8.2	8.5	9.5	9.5	10.5	10.3	10.9	11.4	7.7	7.7	8.0	8.6%
Certificates of Deposit - Bank														
Certificates of Deposit - S & L														
Medium Term Notes														
Bankers Acceptances -At Cost														
Commercial Paper - Interest Bearing														
Commercial Paper Disc. -At Cost														
Repurchase Agreements														
Federal Agency Coupon Securities	5.1	5.5	10.8	11.2	12.4	12.5	13.7	13.5	14.3	14.9	10.0	10.1	10.4	11.1%
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
January 31, 2011

City of Corvallis
 500 SW Madison
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 Corvallis, Corvallis, OR 973
 (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	101
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	185
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	244
Subtotal and Average						4,245,450.00			4,090,000.00		4,090,000.00	0.782	0.793	191
Net Maturities and Average						4,245,450.00			4,090,000.00		4,090,000.00	0.782	0.793	191



MONTHLY TREASURY REPORT
Activity Report
Sorted By Issuer
January 1, 2011 - January 31, 2011

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 973
 (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	
Issuer: Bank of America									
General Checking Account									
SYS1004	1004	Bank of America			0.150		5,451,190.00	5,596,796.90	
		Subtotal and Balance		209,262.44			5,451,190.00	5,596,796.90	63,655.54
		Issuer Subtotal	0.156%	209,262.44			5,451,190.00	5,596,796.90	63,655.54
Issuer: City of Corvallis - Petty Cash									
Petty Cash & Change Funds									
		Subtotal and Balance		9,932.00					9,932.00
		Issuer Subtotal	0.024%	9,932.00			0.00	0.00	9,932.00
Issuer: Federal Farm Credit Bureau									
Federal Agency Coupon Securities									
		Subtotal and Balance		2,000,000.00					2,000,000.00
		Issuer Subtotal	4.901%	2,000,000.00			0.00	0.00	2,000,000.00
Issuer: Federal Home Loan Bank									
Federal Agency Coupon Securities									
		Subtotal and Balance		2,090,000.00					2,090,000.00
		Issuer Subtotal	5.121%	2,090,000.00			0.00	0.00	2,090,000.00
Issuer: State of Oregon LGIP									
Local Government Investment Pool									
SYS4031	4031	State of Oregon LGIP			0.500		1,189,025.45	2,150,010.98	
		Subtotal and Balance		34,349,170.14			1,189,025.45	2,150,010.98	33,388,184.61
		Issuer Subtotal	81.813%	34,349,170.14			1,189,025.45	2,150,010.98	33,388,184.61

MONTHLY TREASURY REPORT
Activity Report
January 1, 2011 - January 31, 2011

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: Umpqua Bank									
Money Market Account									
SYS1003	1003	Umpqua Bank			0.600		1,659.60	0.00	
		Subtotal and Balance		<u>3,256,747.16</u>			<u>1,659.60</u>	<u>0.00</u>	<u>3,258,406.76</u>
		Issuer Subtotal	7.984%	<u>3,256,747.16</u>			<u>1,659.60</u>	<u>0.00</u>	<u>3,258,406.76</u>
		Total	100.000%	41,915,111.74			6,641,875.05	7,746,807.88	40,810,178.91

**City of Corvallis
Cash Flow Summary
January 31, 2011**

	<u>Receipts (1)</u>	<u>Disbursements (2)</u>	<u>Net</u>
Actual Activity	4,890,528	6,377,567	(1,487,039)
Projected Activity	<u>5,965,480</u>	<u>7,740,271</u>	<u>(1,774,791)</u>
Difference	<u><u>(1,074,952)</u></u>	<u><u>(1,362,704)</u></u>	<u><u>287,752</u></u>

(1) Receipts include deposits and interest received.

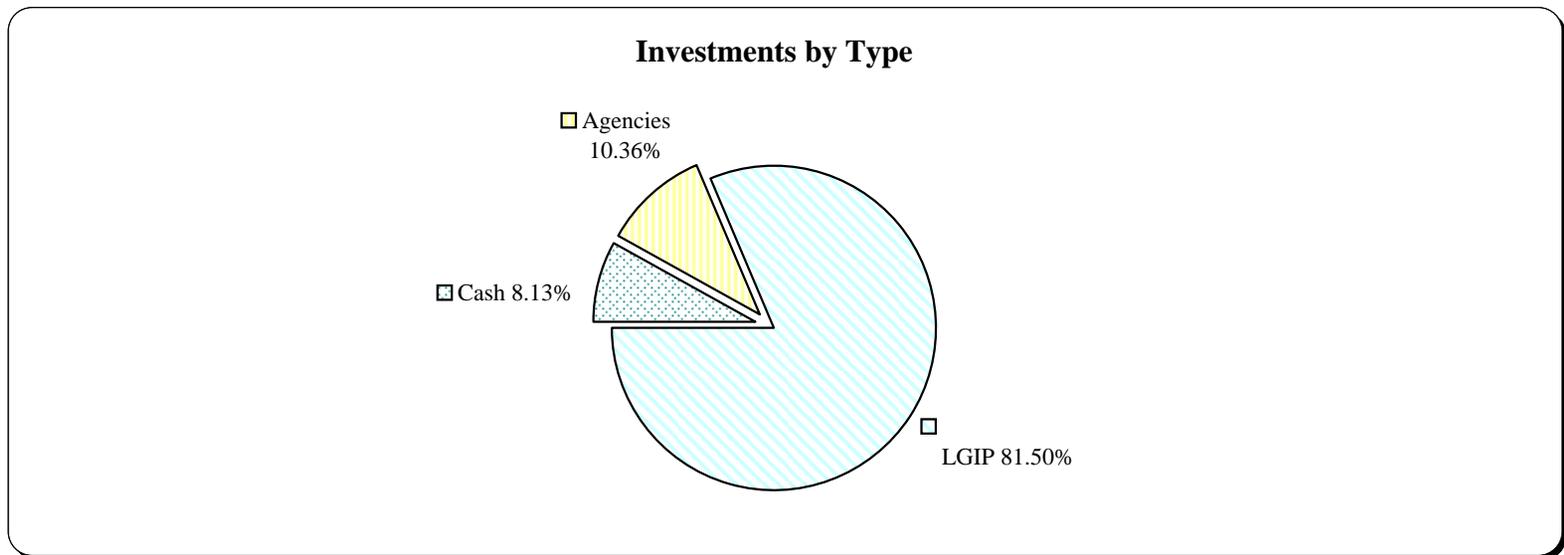
(2) Disbursements include accounts payable checks, payroll checks, other payments made through wire transfers and LGIP fees

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**

		Maximum Allowed	Current Month			Previous Month	
			Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio
Cash	100%	40,965,629	8.13%	3,331,994	Yes	8.26%	3,475,942
U.S. Treasury Obligations	100%	40,965,629	0.00%	-	Yes	0.00%	-
U.S. Gov't Agencies	75%	30,724,222	10.36%	4,245,450	Yes	10.09%	4,245,450
Local Government Investment Pool	100%	40,965,629	81.50%	33,388,185	Yes	81.65%	34,349,170
Repurchase Agreements	25%	10,241,407	0.00%	-	Yes	0.00%	-
Banker's Acceptances	25%	10,241,407	0.00%	-	Yes	0.00%	-
Certificates of Deposit	25%	10,241,407	0.00%	-	Yes	0.00%	-
Commercial Paper	25%	10,241,407	0.00%	-	Yes	0.00%	-
Municipal Bonds	25%	10,241,407	0.00%	-	Yes	0.00%	-
Total Portfolio		-	100.00%	40,965,629	(a)	100.00%	42,070,562

(a) Excludes prepaid interest.



**City of Corvallis
Investment Purchase
Financial Institution Compliance Test
January 31, 2011**

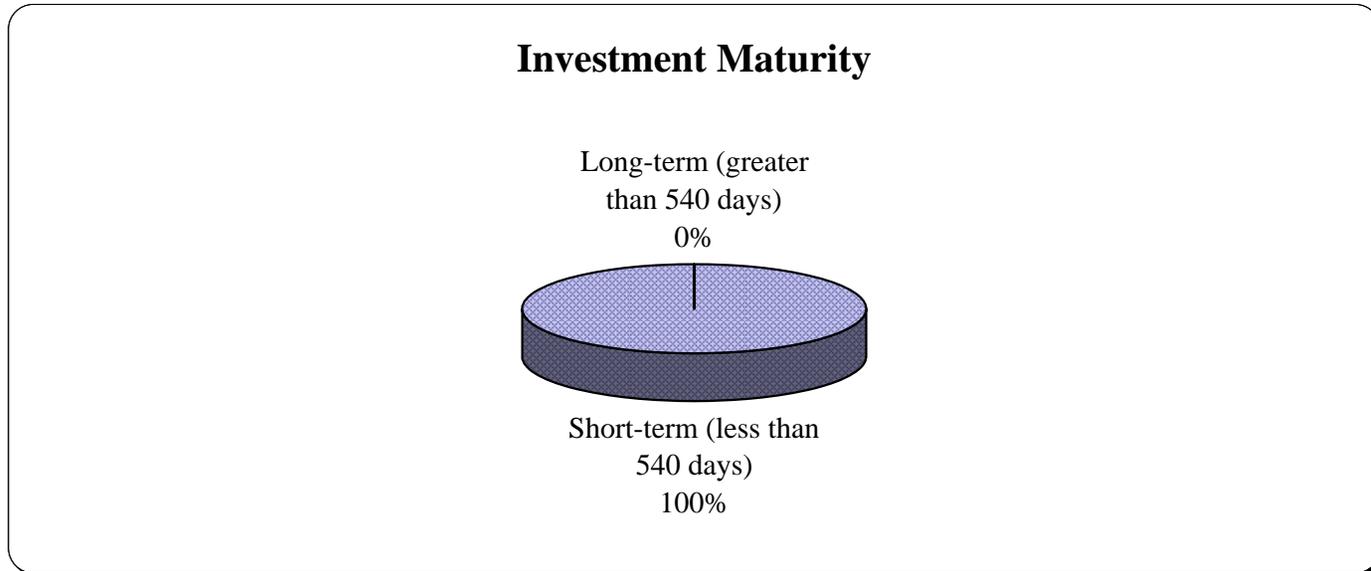
Institutions	Maximum Allowed	Current Month			Previous Month		
		Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio	Met Compliance
US Bank							
Banker's Acceptance	25%	10,241,407	0.00%	-	0.00%	-	
			0.00%	-	0.00%	-	Yes
General Electric							
Commercial Paper	5%	2,048,281	0.00%	-	0.00%	-	
			0.00%	-	0.00%	-	Yes
Federal Farm Credit Bureau							
Government Agency	40%	16,386,252	5.08%	2,080,400	4.95%	2,080,400	
			5.08%	2,080,400	4.95%	2,080,400	Yes
Federal Home Loan Bank							
Government Agency	40%	16,386,252	5.29%	2,165,050	5.15%	2,165,050	
			5.29%	2,165,050	5.15%	2,165,050	Yes
Umpqua Bank							
Money Market Account	15%	6,144,844	7.95%	3,258,407	7.74%	3,256,747	
			7.95%	3,258,407	7.74%	3,256,747	Yes
Citizen's Bank							
Certificate of Deposit	25%	10,241,407	0.00%	-	0.00%	-	
			0.00%	-	0.00%	-	Yes
Local Government Investment Pool							
LGIP 4031	100%	40,965,629	81.50%	33,388,185	81.65%	34,349,170	
			81.50%	33,388,185	81.65%	34,349,170	Yes
Checking Account							
	n/a	n/a	0.16%	63,656	0.50%	209,262	Yes
Petty Cash							
	n/a	n/a	0.02%	9,932	0.02%	9,932	Yes
		Portfolio Total	100.00%	40,965,629	100.00%	42,070,562	(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	30,724,222	100.00%	40,965,629	Yes	100.00%	42,070,562
Long-term (greater than 548 days)	25% max	10,241,407	0.00%		Yes	0.00%	
Portfolio Total		40,965,629	100.00%	40,965,629 (a)		100.00%	42,070,562
Local Government Investment Pool	Minimum Target Options						
-15% of the overall portfolio	15% min	6,144,844		40,965,629	Yes		
-10% of the overall portfolio plus an	10%	4,096,563					
-additional 5% maturing within 60 days	5%	2,048,281					
	min	6,144,844		40,965,629	Yes		

(a) Excludes prepaid interest.



City of Corvallis
Monthly Revenue Allocations
Distributed in January 2011

Fund	Fund Name	Month's Avg Cash Balance	Interest Distributed	Fund	Fund Name	Month's Avg Cash Balance	Interest Distributed
101	General	1,563,628.15	604.47	460	Davidson Library	5,931.17	2.27
201	Street	224,473.15	86.17	501	Water	1,245,345.35	478.97
208	Street SDC	1,055,004.90	405.84	502	Water Timber	218,196.89	83.93
210	Parks & Recreation	1,980,686.82	762.75	508	Water SDC	4,599,384.37	1,769.18
211	Parks & Recreation - Aquatics	283,127.29	109.02	509	Water Construction	91,890.20	35.31
212	Open Space	93,736.26	36.04	520	Wastewater	3,710,740.15	1,427.18
218	Parks SDC	178,620.09	68.67	528	Wastewater SDC	7,597,896.02	2,922.77
220	911	694,697.73	266.96	529	Wastewater Construction	193,002.38	74.21
230	Development Services	1,647,619.31	630.20	540	Storm Water	1,575,391.30	606.10
240	Fire & Rescue	4,367,360.01	1,680.94	548	Storm Water SDC	555.84	0.22
250	Comm Dev Revolving	945,926.39	363.39	549	Storm Water Construction	50,720.40	19.51
260	Parking	906,909.46	348.89	560	Airport	582,639.29	223.82
270	Transit	25,463.97	10.00	569	Airport Construction	(499,420.39)	(191.87)
290	Library	2,748,961.23	1,057.58	610	Fleet Maintenance	68,360.32	26.00
291	Library 2010	431,614.61	166.02	615	Facility Maintenance	228,095.00	87.72
301	Capital Improvement	2,131,306.25	823.87	620	Technology & Communications	760,806.45	292.60
401	General Obligation Debt Service	1,564,326.98	601.73	625	Administrative Services	495,411.13	190.42
				630	Risk Management	907,412.28	348.40
Total						42,675,820.75	16,419.28

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.

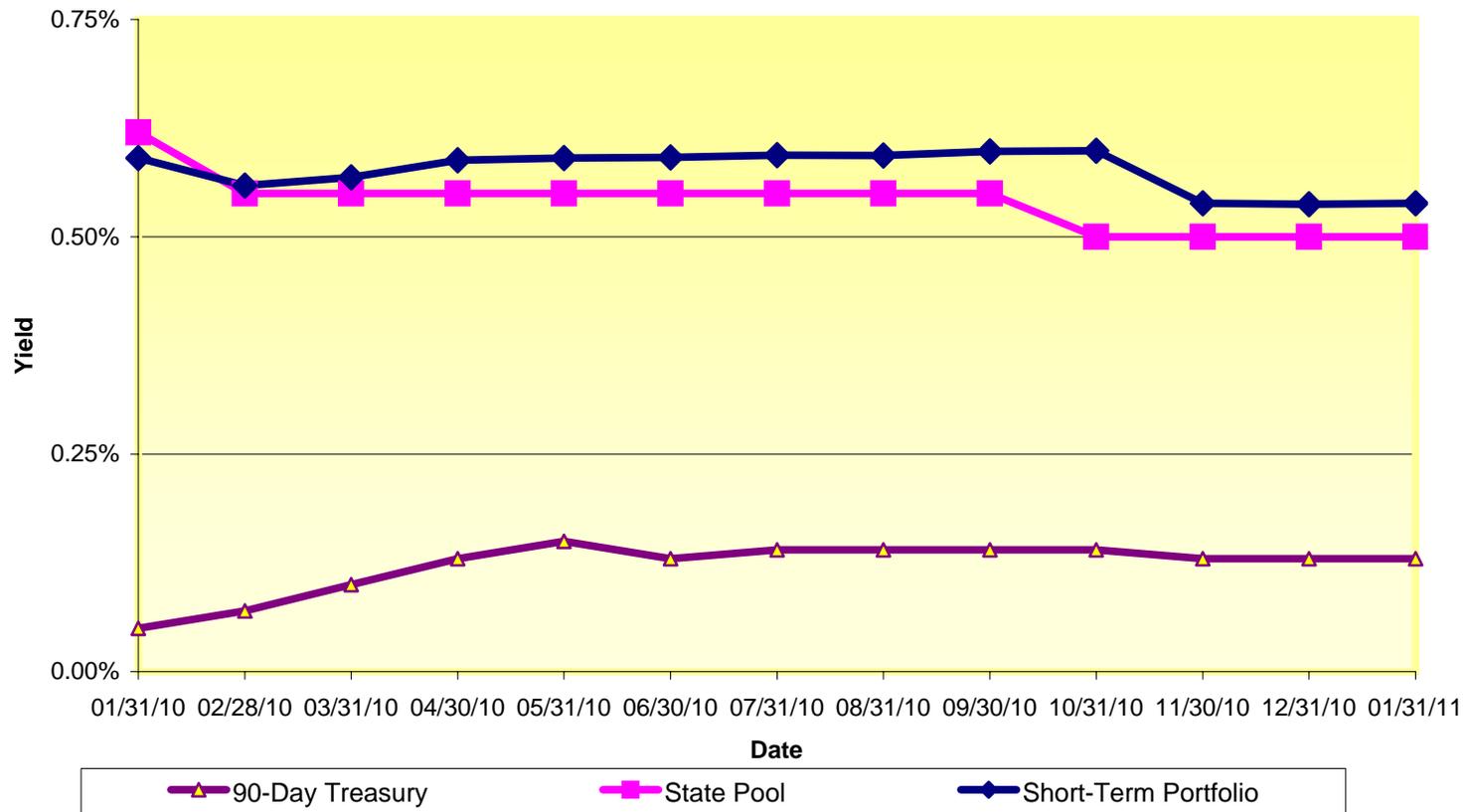
Par Value - the face value of a security. This is the value to which the coupon rate is applied for interest payments.

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.

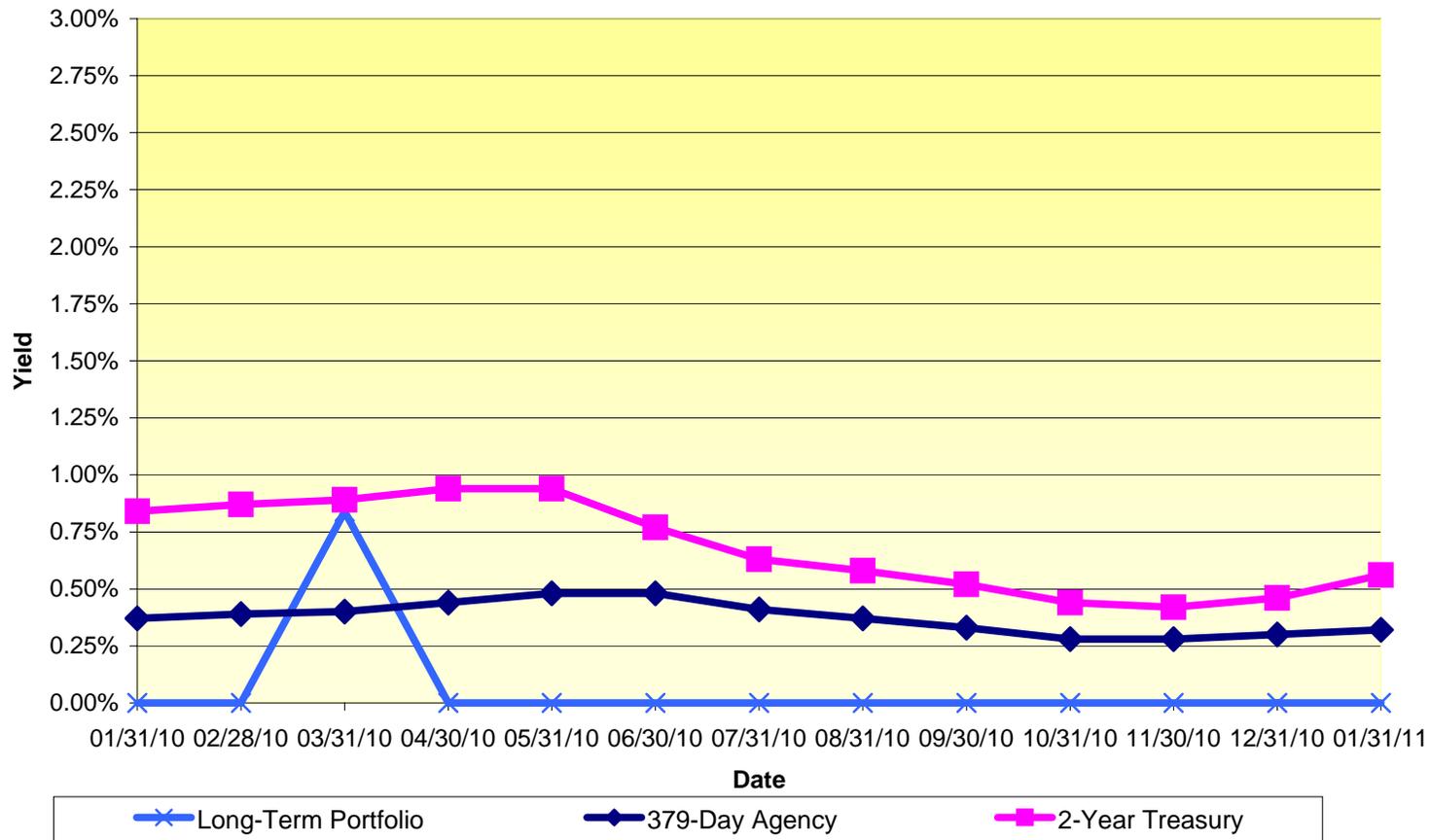


City of Corvallis Short-Term Yields January 2010 - January 2011





City of Corvallis Long-Term Yields January 2010 - January 2011





City of Corvallis Cash & Investments

