

***RA6**

MEMORANDUM

Department of Financial Services



To: Honorable Mayor and City Council
Through: Thomas C. Williams, City Manager
From: Emma C. Karlen, Director of Financial Services
By: Kyle Spencer, Accounting Technician
Subject: **City of Milpitas Investment Portfolio Status Report for the Quarter Ended September 30, 2007**
Date: October 22, 2007

DISCUSSION

In compliance with the State of California Government Code and the City's Investment Policy, the City of Milpitas Investment Report for the period ended September 30, 2007 is submitted for your review and acceptance. State law requires that a report be submitted to the City Council each quarter.

The attached Portfolio Summary Report provides a summary of the City's investments by type. It lists the par value, market value, book value, percentage of portfolio, term, and days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of September 30, 2007.

The cash balance as of September 30, 2007 consists of \$820,188 held in the City's checking accounts and \$2,924,592 bond reserve funds invested by the fiscal agent. Since the bond reserve funds are invested in accordance with permitted investment provisions of their specific bond indentures, these investments are not included in the calculation of the equivalent yields on the City's investment portfolio.

The market values of the securities were provided by Interactive Data, an independent service provider of market valuation. All the securities owned by the City are held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement.

The investment portfolio is in compliance with the City's investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

As of September 30, 2007, the principal cost and market value of the City's pooled cash and investment portfolio was \$212,514,296 and \$213,183,093 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market

value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City's investment policy, all investments are held until maturity to ensure the return of all invested principal.

The effective rate of return for the period ended September 30, 2007 was 4.24%. The comparative benchmarks for the same period were 4.98% for LAIF (Local Agency Investment Fund) and 4.61% for the 12-month average yield of the 2 year Treasury Note. Excluding the long-term GNMA securities and Repurchase Investment Agreement, the weighted average maturity of the portfolio was 500 days.

To provide a visual picture of the City's investment portfolio, three graphs are presented to show investment by type of securities, by maturity levels, and comparison of the City's portfolio yields to other benchmark yields for the last 12 quarters. A schedule of Investment Portfolio Status is also included in the report. This schedule provides a trend of the type of securities in the City's portfolio, weighted average maturity, average yield, and benchmarks of LAIF and the 12-month average yield of the 2 year Treasury Note.

RECOMMENDATION

It is recommended that the City Council note, receipt, and file the investment report for the period ended September 30, 2007.

CITY OF MILPITAS
INVESTMENT PORTFOLIO STATUS

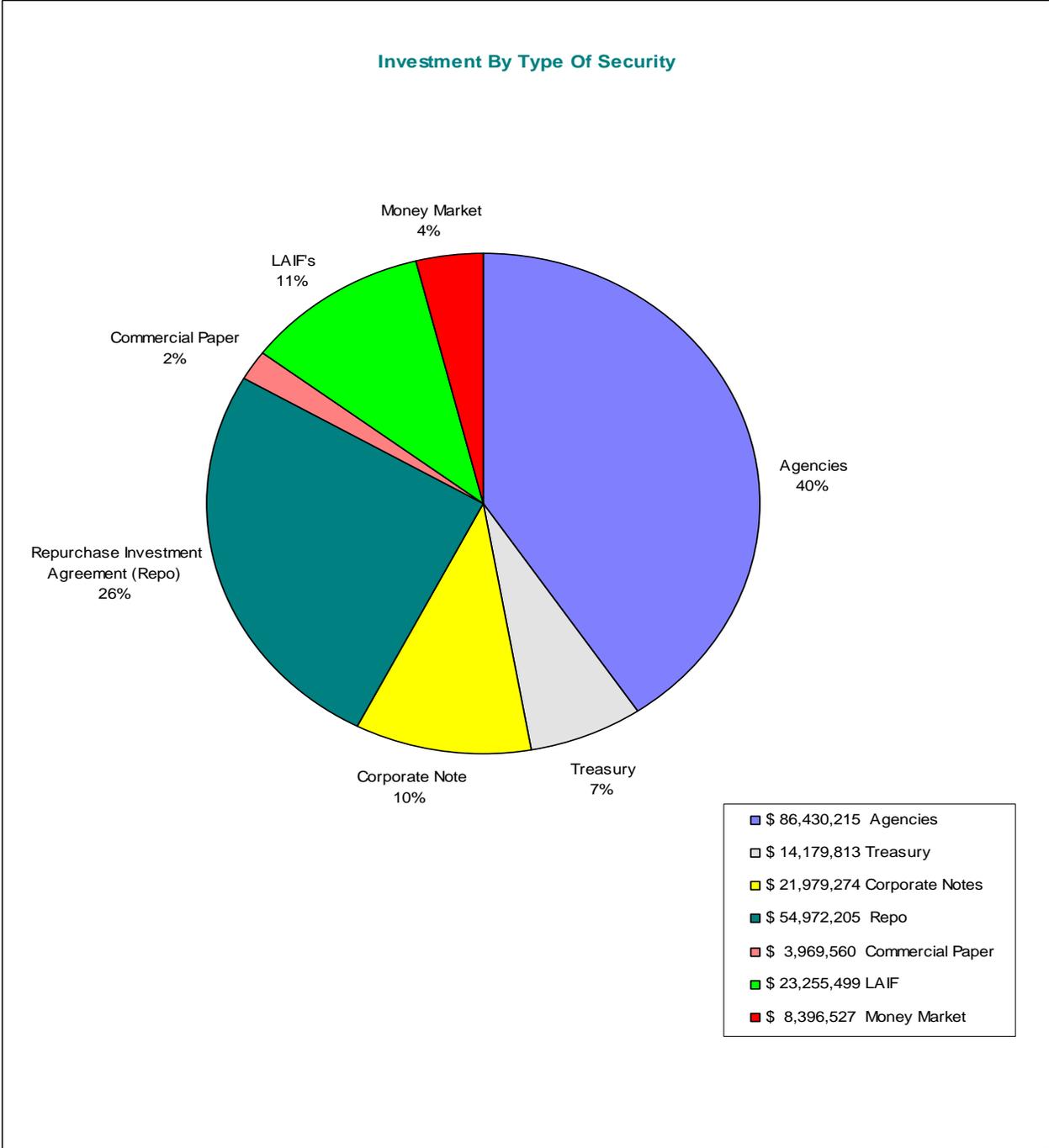
PERCENT OF TOTAL DOLLARS INVESTED AT QUARTER ENDED

<u>TYPE OF SECURITY</u>	<u>Sep-07</u>	<u>Jun-07</u>	<u>Mar-07</u>	<u>Dec-06</u>
LAIF & Money Market	15	17	18	19
Corporate Medium Term Notes	10	9	9	9
Treasury Notes / Bills	7	7	7	8
Federal Agency	40	41	37	33
Repurchase Investment Agreement	26	24	29	31
Commerical Paper	2	2	0	0
	100	100	100	100
	<u>Sep-07</u>	<u>Jun-07</u>	<u>Mar-07</u>	<u>Dec-06</u>
Market Value	213,183,093	244,122,746	243,318,406	237,822,503
Cost	212,514,296	244,916,346	243,810,886	238,818,655
	<u>Days</u>			
Weighted Average Maturity (1)	500	470	384	302
	<u>Rates</u>			
Average Yield	4.24%	4.16%	3.90%	3.56%
	<u>Benchmarks:</u>			
LAIF	4.98%	5.00%	4.96%	4.87%
2 Year Treasury - (12 Month Average)	4.61%	4.81%	4.81%	4.80%

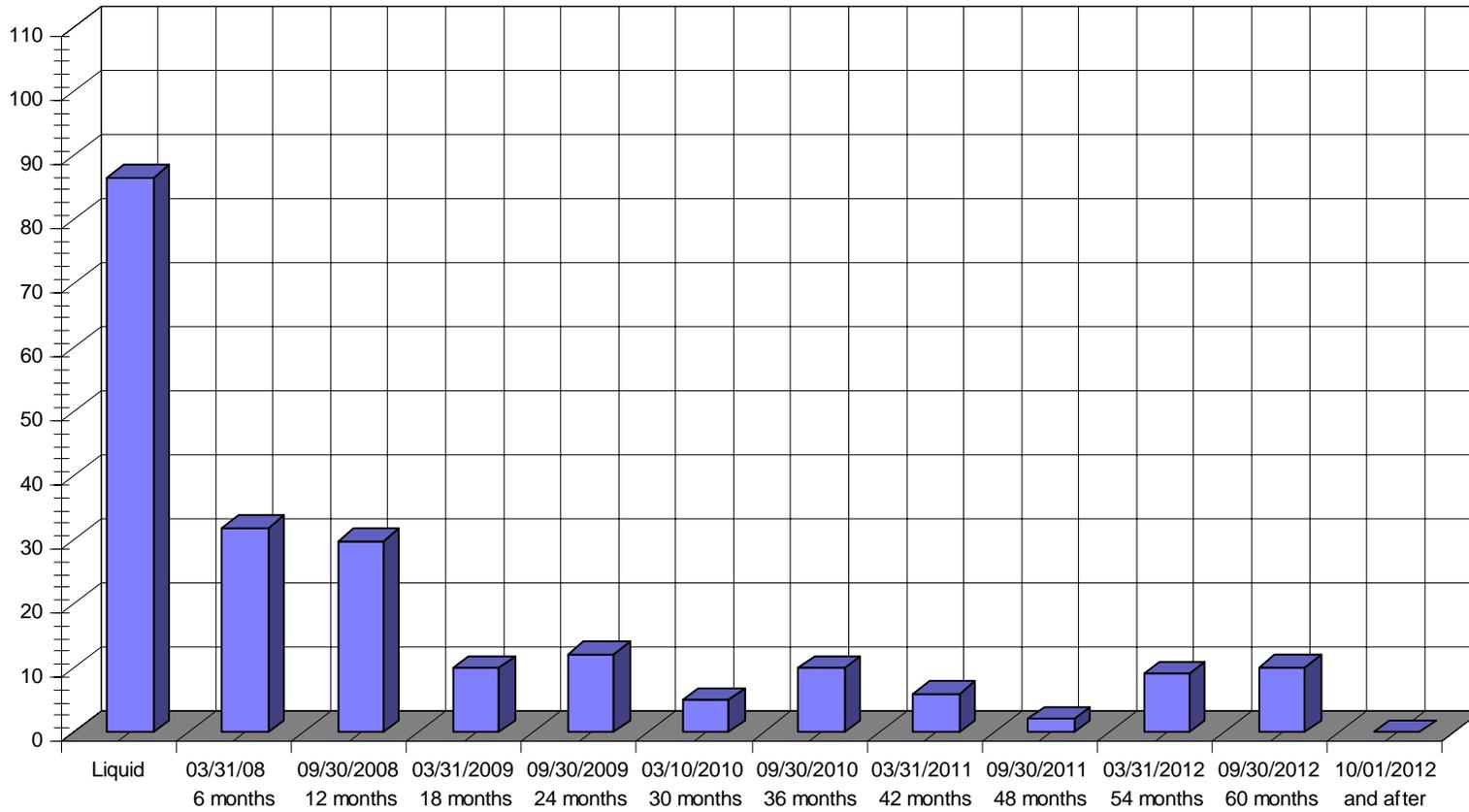
(1) Excludes GNMA & Repurchase Investment Agreement

CITY OF MILPITAS
INVESTMENT PORTFOLIO STATUS

September 30, 2007



City of Milpitas Investment Portfolio Maturity by Six Month Intervals as of 09/30/07



**City of Milpitas
Portfolio Management
Portfolio Summary
September 30, 2007**

Report Ver. 5.00

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365
LAIF	23,242,634.18	23,255,498.58	23,242,634.18	10.93	1	1	4.912	4.980
Money Market Funds	8,396,527.37	8,396,527.37	8,396,527.37	3.95	1	1	4.547	4.610
Corporate Notes	22,000,000.00	21,979,274.24	21,933,451.63	10.32	1,121	634	4.816	4.883
Commercial Paper Discounts	4,000,000.00	3,969,560.00	3,969,297.77	1.86	185	54	5.314	5.388
Federal Agency	86,000,000.00	86,356,665.19	85,978,113.69	40.45	1,177	618	4.540	4.603
Treasury Coupon Securities	14,000,000.00	14,179,812.68	13,952,741.79	6.56	1,117	825	4.709	4.774
GNMA	69,324.72	73,549.75	69,324.72	0.03	7,188	3,444	8.170	8.283
Repurchase Investment Agreement	54,972,204.77	54,972,204.77	54,972,204.77	25.86	1	1	2.520	2.555
Total Investments and Averages	212,680,691.04	213,183,092.58	212,514,295.92	100.00%	671	372	4.114	4.171
Cash								
Passbook/Checking (not included in yield calculations)	3,744,780.19	3,744,780.19	3,744,780.19				4.337	4.397
Total Cash and Investments	216,425,471.23	216,927,872.77	216,259,076.11		671	372	4.114	4.171
Total Earnings	September 30 Month Ending	Fiscal Year To Date						
Current Year	786,770.78	2,464,799.60						
Average Daily Balance	225,510,535.19	234,945,141.03						
Effective Rate of Return	4.24%	4.16%						

To the best of my knowledge, this report accurately reflects all City and RDA pooled investments and is in conformity with all State laws and the City's investment policy.
A copy of the policy is available at the office of the City Clerk. This investment program herein shown provides sufficient cash flow liquidity to meet next six months' estimated expenditures.

Emma C. Karlen
Date: 10/22/07

Emma C. Karlen
Director of Finance

**City of Milpitas
Portfolio Management
Portfolio Details - Investments
September 30, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
LAIF												
SY5820000010	82000010	Local Agency Invest. Fd - City			6,200,000.00	6,203,431.59	6,200,000.00	4.980		4.980	1	
SY597090401	97090401	Local Agency Invest. Fd - MPFA			8,000,000.00	8,004,427.86	8,000,000.00	4.980		4.980	1	
SY5820000900	82000900	Local Agency Invest. Fd - RDA			9,000,000.00	9,004,981.35	9,000,000.00	4.980		4.980	1	
SY500121401	00121401	Local Agency Invest Fd - COP00			42,634.18	42,657.78	42,634.18	4.980		4.980	1	
Subtotal and Average			21,132,634.18		23,242,634.18	23,242,634.18				4.980	1	
Money Market Funds												
SY506121301	06121301	Dreyfus Treasury Fund			6,361,510.97	6,361,510.97	6,361,510.97	4.610	AAA	4.610	1	
SY598122102	98122102	Dreyfus Treasury Fund			2,035,016.40	2,035,016.40	2,035,016.40	4.610	AAA	4.610	1	
Subtotal and Average			22,338,139.37		8,396,527.37	8,396,527.37				4.610	1	
Corporate Notes												
949746CQ2	05050501	Wells Fargo Financial		05/05/2005	1,000,000.00	999,338.07	999,896.99	3.750	AA+	4.030	14	10/15/2007
172967DB4	06011302	Citigroup Inc		01/13/2006	1,000,000.00	997,388.00	998,850.70	4.200	AA	4.741	80	12/20/2007
172967BS9	05093001	Citigroup Inc		09/30/2005	1,000,000.00	994,299.93	997,157.67	3.500	AA	4.405	123	02/01/2008
892332AL1	04012102	Toyota Motor Credit		01/21/2004	1,000,000.00	981,000.06	997,877.91	2.875	AAA	3.179	305	08/01/2008
060505BC7	05112301	Bank of America Corp		11/23/2005	1,000,000.00	983,950.04	988,328.92	3.250	AA	4.689	319	08/15/2008
92976FAS2	06011301	Wachovia Bank NA		01/13/2006	1,000,000.00	994,987.03	997,102.58	4.375	AA	4.730	319	08/15/2008
949746JB8	05112302	Wells Fargo Financial		11/23/2005	1,000,000.00	989,602.05	994,493.81	4.000	AA+	4.677	319	08/15/2008
892332AH0	06092801	Toyota Motor Credit		09/28/2006	2,000,000.00	2,009,949.95	2,011,086.88	5.500	AAA	5.004	441	12/15/2008
922380AD2	06050902	BPLN Vastar Resources		05/09/2006	1,000,000.00	1,026,121.06	1,016,868.52	6.500	AA+	5.270	548	04/01/2009
36962GZ31	06050901	Walmart Stores		05/09/2006	1,000,000.00	1,033,690.95	1,025,286.35	6.875	AA-	5.370	679	08/10/2009
36962GR48	06031001	General Electric Capital Corp		03/10/2006	1,000,000.00	985,964.05	981,699.28	4.125	AAA	5.180	701	09/01/2009
742718BM0	07062802	Proctor & Gamble Co		06/28/2007	1,000,000.00	1,039,501.95	1,028,981.48	6.875	AA-	5.280	715	09/15/2009
36962GZ31	07041802	General Electric Capital Corp		04/18/2007	1,000,000.00	1,006,045.99	1,004,431.68	5.250	AAA	5.019	757	10/27/2009
88579EAB1	07070202	3M Company		07/02/2007	1,000,000.00	1,019,746.21	1,008,204.80	5.125	AA	5.090	767	11/06/2009
931142BX0	06041102	Walmart Stores		04/11/2006	1,000,000.00	982,200.01	974,695.78	4.000	AA	5.230	837	01/15/2010
931142BZ5	07012302	Walmart Stores		01/23/2007	1,000,000.00	979,759.06	975,665.83	4.125	AA	5.100	1,004	07/01/2010
172967DA6	07012301	Citigroup Inc		01/23/2007	1,000,000.00	991,976.93	987,278.93	4.625	AA	5.120	1,037	08/03/2010
931142CA9	06041101	Walmart Stores		04/11/2006	1,000,000.00	994,922.03	987,828.68	4.750	AA	5.227	1,049	08/15/2010
060505BF0	06100201	Bank of America Corp		10/02/2006	1,000,000.00	984,272.00	981,449.15	4.375	AA	5.030	1,157	12/01/2010
892332AM9	07041801	Toyota Motor Credit		04/18/2007	1,000,000.00	993,963.93	980,258.45	4.350	AAA	5.030	1,171	12/15/2010
949746NB3	06092802	Wells Fargo Financial		09/28/2006	1,000,000.00	990,594.94	996,007.24	4.875	AA+	5.010	1,199	01/12/2011
Subtotal and Average			21,940,528.86		22,000,000.00	21,979,274.24				4.883	634	

City of Milpitas
Portfolio Management
Portfolio Details - Investments
September 30, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Commercial Paper Discounts												
59018KY54	07052901	Merrill Lynch		05/29/2007	1,000,000.00	995,100.00	995,022.22	5.120	A1+	5.312	35	11/05/2007
00137FY89	07050401	AIG Funding Inc		05/04/2007	2,000,000.00	1,989,360.00	1,989,233.33	5.100	A-1+	5.428	38	11/08/2007
17307RAF1	07062501	Citigroup Funding Inc		06/25/2007	1,000,000.00	985,100.00	985,042.22	5.080	A-1+	5.383	106	01/15/2008
		Subtotal and Average	4,061,066.83		4,000,000.00	3,969,560.00	3,969,297.77			5.388	54	
Federal Agency												
3128X0EB1	03090401	Fed Home Loan Mortgage Corp		09/04/2003	1,000,000.00	998,993.07	999,864.19	3.500	AAA	3.721	24	10/25/2007
31331XEF5	06112101	Federal Farm Credit Bank		11/21/2006	2,000,000.00	2,000,000.00	2,000,000.00	5.100	AAA	5.100	51	11/21/2007
3128X2FK6	03121901	Fed Home Loan Mortgage Corp		12/19/2003	1,000,000.00	997,115.02	1,000,000.00	3.625	AAA	3.625	79	12/19/2007
3128X3NH2	04062101	Fed Home Loan Mortgage Corp		06/21/2004	1,000,000.00	997,857.06	1,000,000.00	4.000	AAA	4.000	81	12/21/2007
3133X4JG4	04032901	Federal Home Loan Bank		03/29/2004	2,000,000.00	1,990,625.00	2,000,000.00	3.010	AAA	3.011	88	12/28/2007
3133X35B5	04011601	Federal Home Loan Bank		01/16/2004	2,000,000.00	1,990,625.00	2,000,000.00	3.300	AAA	3.300	108	01/17/2008
31331QZR1	04010903	Federal Farm Credit Bank		01/09/2004	2,000,000.00	1,988,750.00	1,999,825.82	3.100	AAA	3.130	113	01/22/2008
3128X2NS0	04012801	Fed Home Loan Mortgage Corp		01/28/2004	1,000,000.00	994,568.02	1,000,000.00	3.250	AAA	3.250	119	01/28/2008
31359MQP1	03101602	Federal Nat'l. Mortgage Assoc		10/16/2003	1,000,000.00	995,312.50	999,990.14	3.500	AAA	3.502	119	01/28/2008
3133XBD93	05031701	Federal Home Loan Bank		03/17/2005	3,000,000.00	2,990,625.00	3,000,000.00	4.125	AAA	4.126	137	02/15/2003
3133XK4T9	07030601	Federal Home Loan Bank		03/06/2007	2,000,000.00	2,000,625.00	2,000,000.00	5.000	AAA	5.000	157	03/06/2008
31331VTH9	06031401	Federal Farm Credit Bank		03/14/2006	2,000,000.00	2,002,500.00	2,000,086.03	5.030	AAA	5.020	165	03/14/2008
3133MXFT1	04022401	Federal Home Loan Bank		02/24/2004	1,000,000.00	990,312.50	999,151.51	2.750	AAA	2.950	165	03/14/2008
31331XUG5	07040201	Federal Farm Credit Bank		04/02/2007	2,000,000.00	2,001,250.00	2,000,000.00	5.000	AAA	5.000	184	04/02/2008
3133XKJ97	07041601	Federal Home Loan Bank		04/16/2007	2,000,000.00	2,002,500.00	2,000,000.00	5.125	AAA	5.125	198	04/16/2008
31331TZY0	04042101	Federal Farm Credit Bank		04/21/2004	2,000,000.00	1,982,500.00	2,000,000.00	3.240	AAA	3.240	203	04/21/2008
3128X1ED5	03051301	Fed Home Loan Mortgage Corp		05/13/2003	2,000,000.00	1,978,132.02	2,000,000.00	3.000	AAA	3.000	225	05/13/2008
3136F3SY3	04030401	Federal Nat'l. Mortgage Assoc		03/04/2004	1,000,000.00	990,312.50	1,000,000.00	3.250	AAA	3.249	228	05/16/2008
31359MRW5	04012101	Federal Nat'l. Mortgage Assoc		01/21/2004	2,000,000.00	1,975,625.00	1,996,525.85	2.875	AAA	3.170	231	05/19/2008
31331XJP8	06122601	Federal Farm Credit Bank		12/26/2006	2,000,000.00	2,003,125.00	2,000,000.00	4.950	AAA	4.950	269	06/26/2008
31339XSL9	04022402	Federal Home Loan Bank		02/24/2004	1,000,000.00	986,250.00	998,216.93	2.830	AAA	3.090	269	06/26/2008
31331VM52	06072501	Federal Farm Credit Bank		07/25/2006	2,000,000.00	2,011,250.00	2,000,381.89	5.500	AAA	5.471	276	07/03/2008
3133X07M5	03081901	Federal Home Loan Bank		08/19/2003	2,000,000.00	1,980,000.00	2,000,000.00	3.500	AAA	3.500	323	08/19/2008
31359M5T6	07022701	Federal Nat'l. Mortgage Assoc		02/27/2007	2,000,000.00	2,008,750.00	2,000,300.03	5.125	AAA	5.107	337	09/02/2008
3133XHJG8	07022001	Federal Home Loan Bank		02/20/2007	2,000,000.00	2,006,875.00	1,999,599.54	5.000	AAA	5.021	347	09/12/2008
3133X07M5	06091501	Federal Nat'l. Mortgage Assoc		09/15/2006	2,000,000.00	2,013,125.00	2,000,000.00	5.000	AAA	5.000	350	09/15/2008
3133XLM59	07062901	Federal Home Loan Bank		06/29/2007	2,000,000.00	2,015,625.00	1,998,821.93	5.125	AAA	5.175	455	12/29/2008
31359ME74	07012304	Federal Nat'l. Mortgage Assoc		01/23/2007	2,000,000.00	2,012,500.00	1,998,557.78	5.000	AAA	5.059	480	01/23/2009
3133XJQP6	07012303	Federal Home Loan Bank		01/23/2007	2,000,000.00	2,013,125.00	1,998,921.48	5.000	AAA	5.070	492	02/04/2009
3133XJQP6	07012305	Federal Home Loan Bank		01/23/2007	2,000,000.00	2,013,125.00	1,998,401.01	5.000	AAA	5.062	492	02/04/2009

**City of Milpitas
Portfolio Management
Portfolio Details - Investments
September 30, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency												
3137EAA16	07052502	Fed Home Loan Mortgage Corp		05/25/2007	2,000,000.00	2,018,125.00	1,998,988.86	5.000	AAA	5.030	619	06/11/2009
31331VQ66	06072001	Federal Farm Credit Bank		07/20/2006	3,000,000.00	3,049,687.50	3,000,000.00	5.375	AAA	5.375	658	07/20/2009
3133XGYT5	06091502	Federal Home Loan Bank		09/15/2006	2,000,000.00	2,024,375.00	2,000,000.00	5.000	AAA	5.003	802	12/11/2009
3133XKKS3	07042001	Federal Home Loan Bank		04/20/2007	1,000,000.00	1,007,500.00	1,000,000.00	5.050	AAA	5.050	932	04/20/2010
3133XKXD2	07051801	Federal Home Loan Bank		05/18/2007	2,000,000.00	2,021,250.00	1,997,896.65	4.875	AAA	4.919	956	05/14/2010
3133XJEL8	06122201	Federal Home Loan Bank		12/22/2006	2,000,000.00	2,008,750.00	2,000,000.00	5.000	AAA	5.000	995	06/22/2010
31331XH39	07062801	Federal Farm Credit Bank		06/28/2007	2,000,000.00	2,041,250.00	1,999,488.22	5.250	AAA	5.260	1,001	06/28/2010
31331XNE8	07022010	Federal Farm Credit Bank		02/01/2007	3,000,000.00	3,053,437.50	3,000,000.00	5.050	AAA	5.050	1,219	02/01/2011
31331XA36	07052501	Federal Farm Credit Bank		05/25/2007	2,000,000.00	2,036,250.00	2,000,657.00	5.050	AAA	5.040	1,332	05/25/2011
3133XJ6K9	06121201	Federal Home Loan Bank		12/12/2006	2,000,000.00	2,005,000.00	2,000,000.00	5.000	AAA	5.000	1,533	12/12/2011
3133XJKM9	07011201	Federal Home Loan Bank		01/12/2007	2,000,000.00	2,021,875.00	2,000,000.00	5.100	AAA	5.100	1,584	01/12/2012
31331XMN9	07020501	Federal Farm Credit Bank		02/05/2007	2,000,000.00	2,035,000.00	1,992,438.83	5.040	AAA	5.140	1,576	01/24/2012
3133XJVV6	07021301	Federal Home Loan Bank		02/13/2007	3,000,000.00	3,027,187.50	3,000,000.00	5.300	AAA	5.300	1,596	02/13/2012
3133XKF83	07041901	Federal Home Loan Bank		04/19/2007	3,000,000.00	3,030,000.00	3,000,000.00	5.020	AAA	5.020	1,682	04/19/2012
3133XLAS2	07061501	Federal Home Loan Bank		06/15/2007	2,000,000.00	2,045,000.00	2,000,000.00	5.420	AAA	5.420	1,719	06/15/2012
Subtotal and Average			87,043,977.81		86,000,000.00	86,356,665.19	85,978,113.69			4.603	618	
Treasury Coupon Securities												
912828EU0	06013101	United States Treasury Note		01/31/2006	2,000,000.00	2,002,500.00	1,999,592.22	4.375	AAA	4.439	122	01/31/2008
912828EY2	07011601	United States Treasury Note		01/16/2007	2,000,000.00	2,003,750.00	1,996,884.93	4.625	AAA	5.013	151	02/29/2008
912828EC0	05093002	United States Treasury Note		09/30/2005	2,000,000.00	2,000,000.00	2,000,806.99	4.125	AAA	4.074	319	08/15/2008
912828GT1	07053101A	United States Treasury Note		05/31/2007	1,543,200.00	1,565,865.75	1,543,559.39	4.875	AAA	4.860	608	05/31/2009
912828GT1	07053101B	United States Treasury Note		05/31/2007	1,456,800.00	1,478,196.75	1,457,139.27	4.875	AAA	4.860	608	05/31/2009
912828GU8	07061101	United States Treasury Note		06/11/2007	3,000,000.00	3,072,720.29	2,964,918.14	4.750	AAA	5.071	1,704	05/31/2012
912828GW4	07070201	United States Treasury Note		07/02/2007	2,000,000.00	2,056,779.89	1,989,840.85	4.875	AAA	5.004	1,734	06/30/2012
Subtotal and Average			13,952,023.19		14,000,000.00	14,179,812.68	13,952,741.79			4.774	825	
GNMA												
36216NLL3	88021601A	GNMA		07/01/1997	5,151.99	5,578.47	5,151.99	9.500	AAA	9.615	3,302	10/15/2016
36217ENG3	87052601C	GNMA		07/01/1997	10,577.99	11,308.61	10,577.99	8.500	AAA	8.588	3,363	12/15/2016
36217KGX0	87052601D	GNMA		07/01/1997	2,019.74	2,168.53	2,019.74	8.500	AAA	8.588	3,425	02/15/2017
362174T46	87042001C	GNMA		07/01/1997	14,034.99	14,829.37	14,034.99	8.000	AAA	8.075	3,453	03/15/2017
36217FKE8	87042001A	GNMA		07/01/1997	32,630.05	34,476.91	32,630.05	8.000	AAA	8.076	3,484	04/15/2017
36217PUL9	87042001B	GNMA		07/01/1997	4,909.96	5,187.86	4,909.96	8.000	AAA	8.076	3,484	04/15/2017
Subtotal and Average			69,560.20		69,324.72	73,549.75	69,324.72			8.283	3,444	

City of Milpitas
 Portfolio Management
 Portfolio Details - Investments
 September 30, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
03112001	03112001	Citigroup Global Markets Inc	54,972,204.77	11/20/2003	54,972,204.77	54,972,204.77	54,972,204.77	2.520		2.555	1	
		Subtotal and Average	54,972,204.77		54,972,204.77	54,972,204.77	54,972,204.77			2.555	1	
		Total Investments and Average	225,510,535.19		212,680,691.04	213,183,092.58	212,514,295.92			4.171	372	

Repurchase Investment Agreement

**City of Milpitas
Portfolio Management
Portfolio Details - Cash
September 30, 2007**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	
Cash Accounts												
SYS1000	1000	Cash in Bank				820,188.00	820,188.00	4.210		4.210	1	
SYS1030	1030	Cash with Fiscal Agent				2,924,592.19	2,924,592.19	4.450		4.450	1	
Total Cash and Investments			225,510,535.19		216,425,471.23	216,927,872.77	216,259,076.11			4.171	372	

**City of Milpitas
Portfolio Management
Activity By Type**

September 1, 2007 through September 30, 2007

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
LAIF (Monthly Summary)							
SYS82000010	82000010	Local Agency Invest. Fd - City	4.980		0.00	100,000.00	
SYS97090401	97090401	Local Agency Invest. Fd - MPFA	4.980		1,000,000.00	1,000,000.00	
SYS82000900	82000900	Local Agency Invest. Fd - RDA	4.980		3,700,000.00	1,500,000.00	
		Subtotal			4,700,000.00	2,600,000.00	23,242,634.18
Money Market Funds (Monthly Summary)							
SYS1000	1000	Cash in Bank	4.210		820,188.00	657,780.00	
SYS06121301	06121301	Dreyfus Treasury Fund	4.610		54,626.12	3,280,095.86	
SYS98122102	98122102	Dreyfus Treasury Fund	4.610		7,676.69	0.00	
SYS1030	1030	Cash with Fiscal Agent	4.450		2,924,592.19	11,542,865.47	
		Subtotal			3,807,083.00	15,480,741.33	8,396,527.37
Corporate Notes							
		Subtotal					21,933,451.63
Commercial Paper Discounts							
89233HW42	07050801	Toyota Motor Credit Corp	5.140	09/04/2007	0.00	1,000,000.00	
		Subtotal			0.00	1,000,000.00	3,969,297.77
Federal Agency							
31331TYF2	04031001	Federal Farm Credit Bank	2.625	09/17/2007	0.00	2,000,000.00	
		Subtotal			0.00	2,000,000.00	85,978,113.69
Treasury Coupon Securities							
		Subtotal					13,952,741.79
GNMA							
36217FKE8	87042001A	GNMA	8.000	09/15/2007	0.00	186.90	
36217PUL9	87042001B	GNMA	8.000	09/15/2007	0.00	122.90	
362174T46	87042001C	GNMA	8.000	09/15/2007	0.00	81.41	
36217ENG3	87052601C	GNMA	8.500	09/15/2007	0.00	66.11	
36217KGX0	87052601D	GNMA	8.500	09/15/2007	0.00	15.76	
36216NLL3	88021601A	GNMA	9.500	09/15/2007	0.00	31.51	
		Subtotal			0.00	504.59	69,324.72

City of Milpitas
Portfolio Management
Activity By Type
September 1, 2007 through September 30, 2007

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Repurchase Investment Agreement							
							54,372,204.77
					8,507,083.00	-21,081,245.92	212,514,295.92
							Total

City of Milpitas

Investment Broker Dealer List

Citigroup Global Markets Inc. (Solomon Smith Barney)

Morgan Stanley Dean Witter

Mischler Financial Group, Inc.

Vining Sparks IBG, L.P.

Dreyfus Institutional Services

State of California Local Agency Investment Fund