



TREASURER

Karen D. Adams, C.P.A.
Treasurer

2222 "M" Street
Merced, CA 95340
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Equal Opportunity Employer

TREASURY OVERSIGHT COMMITTEE MEETING **for the Quarter Ending June 30, 2006**

AGENDA

- Introductions
- Roll Call
- Approve Minutes from April 26, 2006 Meeting
- Public opportunity to speak on any matter of interest within the Committee's jurisdiction, including items on the Committee's agenda (5 min limit).
- Review and Discuss Quarterly Investment Report
- Treasury Updates
- Adjourn

Meeting held:

July 26, 2006 at 2:30 p.m.

at

County Administration Building,

2222 "M" Street

Room # 301

Merced County



TREASURY INVESTMENTS
for the
Quarter Ending June 30, 2006

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of Quarter Ending June 30, 2006 Report

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PORTFOLIO REVIEW for the Quarter Ending June 30, 2006

Portfolio Composition:

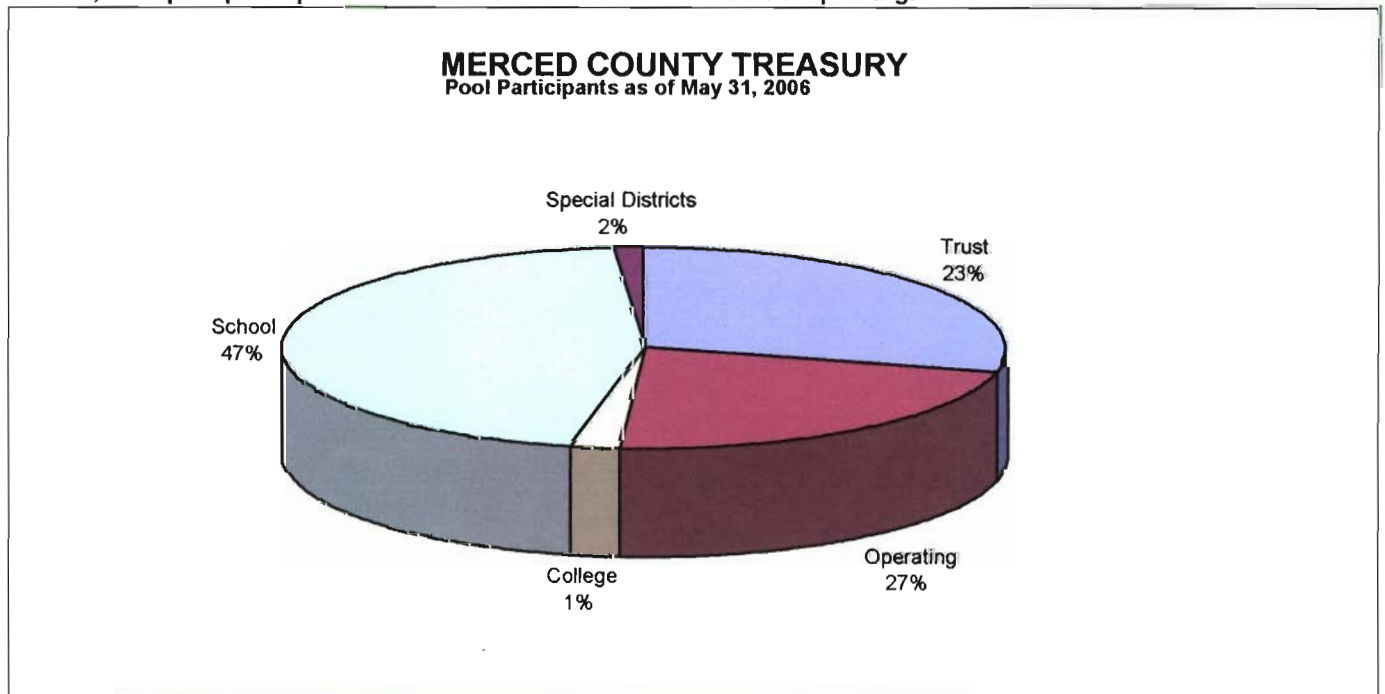
Book Value of Assets Held	\$565,037,663
Market Value of Assets Held	\$560,891,522
Assets Maturing Within 90 Days	\$144,883,031
Percentage of Market to Book Value	99.2662%
Weighted Average Maturity	343 days

Return on Assets:

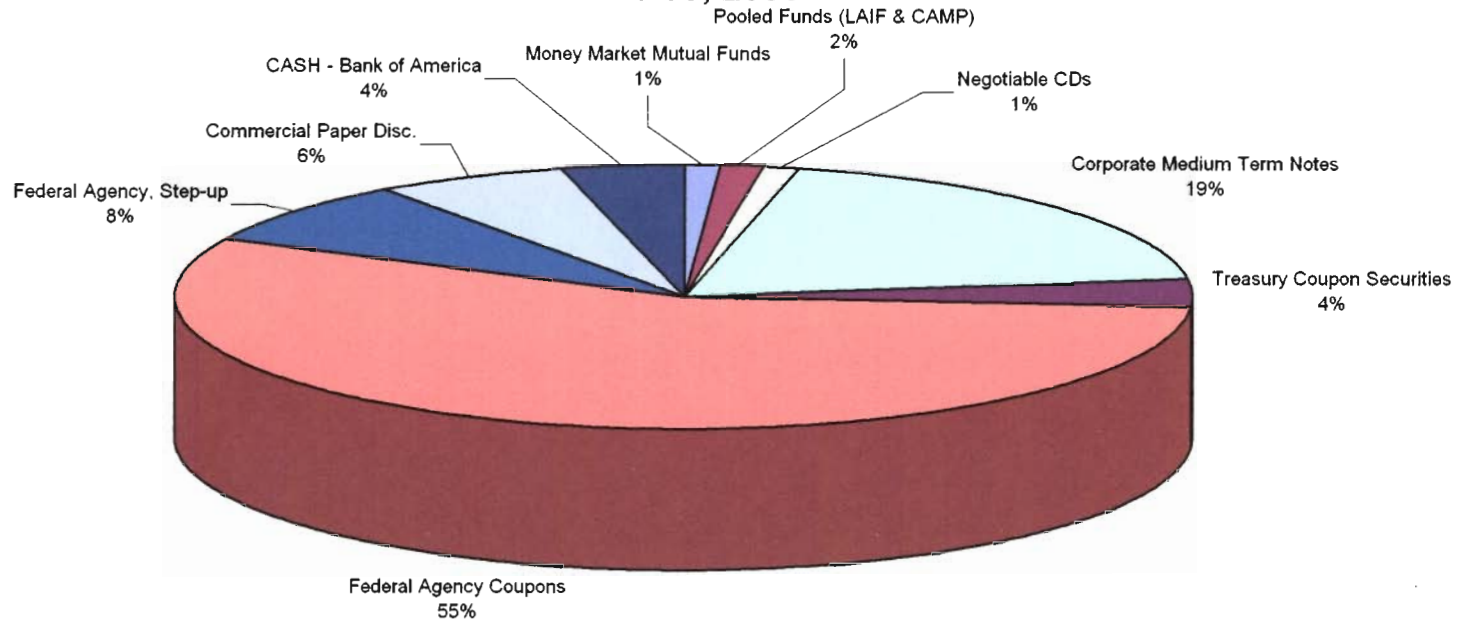
Total Earnings Quarter Ended	\$5,958,348
Total Earnings Fiscal YTD	\$19,164,189
Rate of Return QTR	4.19%
Rate of Return Fiscal YTD	3.59%

The entire portfolio is in Full Compliance with the Investment Policy and Government Code.

June 30, 2006 pool participant information was not available in time for printing.



MERCED COUNTY POOLED INVESTMENTS as of June 30, 2006



2

0

Weighted Average Days to Maturity

Investment	Weighted Average Days to Maturity
CASH - Bank of America	1
Money Market Mutual Funds	1
Pooled Funds (LAIF & Camp)	1
Negotiable CDs	356
Federal Agency, Step-up	284
Corporate (MTN)	443
Treasury Coupon Securities	307
Commercial Paper Disc.	122
Federal Agency Coupons	356
Total	343



MERCED COUNTY TREASURY
Portfolio Management
Portfolio Summary
June 30, 2006

Merced County

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 360 Equiv.
Managed Pool Accounts	36,301,204.33	36,301,204.33	36,301,204.33	6.42	1	1	4.592	4.592
Negotiable CDs	5,000,000.00	4,997,792.00	5,001,242.57	0.89	361	356	5.573	5.573
Medium Term Notes	108,850,000.00	107,104,584.50	107,948,304.69	19.10	636	435	4.690	4.690
Commercial Paper Disc. -Amortizing	35,000,000.00	34,846,938.50	34,742,540.38	6.15	239	57	4.723	4.723
Federal Agency Coupon Securities	316,630,000.00	313,302,490.63	316,152,596.10	55.95	850	411	4.057	4.057
Treasury Coupon Securities	20,000,000.00	19,768,750.00	19,893,396.52	3.52	454	216	4.062	4.062
Step-Up/Variable Rates	45,000,000.00	44,569,762.50	44,998,379.02	7.96	993	193	2.956	2.956
Investments	566,781,204.33	560,891,522.46	565,037,663.61	100.00%	710	343	4.179	4.179
Cash and Accrued Interest								
Accrued Interest at Purchase		474,233.68	474,233.68					
Subtotal		474,233.68	474,233.68					
Total Cash and Investments	566,781,204.33	561,365,756.14	565,511,897.29		710	343	4.179	4.179

Total Earnings	June 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year		1,995,190.26	19,164,189.14	19,164,189.14
Average Daily Balance		679,076,864.93	533,744,428.54	
Effective Rate of Return		4.19%	3.59%	

I hereby certify that this report includes all investments in the investment pool and is in accordance with the investment policy. I further certify that the investments meet the County's cash flow needs for the next six months.

KAREN D. ADAMS, C.P.A., TREASURER

Reporting period 06/01/2006-06/30/2006

Portfolio POOL

Run Date: 07/18/2006 - 14:49

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 PM (PRF_PM1) SymRept 6.41.202
 Report Ver. 5.00



MERCED COUNTY TREASURY
Investment Classification
Sorted by Dealer - Fund
June 30, 2006

Merced County

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Market Price	Market Date	Market Value	Book Value	Reported Value
Union Banc											
8447HACE2	1492	2070	Southtrust Bank	FAIR	5,000,000.00	05/15/2008	95.550	06/30/2006	4,777,500.00	4,826,710.82	4,777,500.00
				Subtotal	5,000,000.00				4,777,500.00	4,826,710.82	4,777,500.00
Merrill Lynch											
001388AA5	1467	2070	AIG Sunamer Glob Fin	FAIR	4,000,000.00	01/17/2007	99.724	06/30/2006	3,988,960.00	4,006,806.37	3,988,960.00
060505AL8	1483	2070	Bank of America	FAIR	5,000,000.00	02/01/2007	99.757	06/30/2006	4,987,850.00	5,006,593.02	4,987,850.00
589331AJ6	1471	2070	Merck & Co Inc	FAIR	5,750,000.00	03/30/2007	97.771	06/30/2006	5,621,832.50	5,655,165.93	5,621,832.50
59018YLN9	1472	2070	Merrill Lynch & Co	FAIR	5,000,000.00	02/01/2007	99.857	06/30/2006	4,992,850.00	5,014,601.97	4,992,850.00
717081AK9	1446	2070	PFIZER INC	FAIR	5,000,000.00	03/15/2007	97.915	06/30/2006	4,895,750.00	4,955,650.47	4,895,750.00
89233PYR1	1512	2070	Toyota Mtr Credit	FAIR	5,000,000.00	06/30/2011	99.881	06/30/2006	4,994,050.00	5,000,000.00	4,994,050.00
45974NJ15	1468	2070	Int'l Lease Finance	FAIR	5,000,000.00	09/01/2006	99.530	06/30/2006	4,976,538.50	4,960,916.82	4,976,538.50
3133XAFD4	1436	2070	Federal Home Loan Bank	FAIR	5,000,000.00	01/18/2007	98.906	06/30/2006	4,945,312.50	4,987,314.10	4,945,312.50
3133XCEK5	1456	2070	Federal Home Loan Bank	FAIR	5,000,000.00	01/19/2007	99.468	06/30/2006	4,973,437.50	4,996,147.16	4,973,437.50
3133XEXM6	1491	2070	Federal Home Loan Bank	FAIR	5,000,000.00	03/23/2011	98.968	06/30/2006	4,948,437.50	5,000,000.00	4,948,437.50
3133XDN72	1511	2070	Federal Home Loan Bank	FAIR	5,000,000.00	05/11/2007	99.125	06/30/2006	4,956,250.00	4,953,743.71	4,956,250.00
3128X5EH7	1510	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	06/27/2011	100.058	06/30/2006	5,002,900.00	5,000,000.00	5,002,900.00
3136F5GU9	1367	2070	Federal National Mortgage	FAIR	5,000,000.00	03/29/2007	98.156	06/30/2006	4,907,812.50	5,000,000.00	4,907,812.50
3136F44N1	1378	2070	Federal National Mortgage	FAIR	5,000,000.00	08/17/2006	99.656	06/30/2006	4,982,812.50	4,999,662.56	4,982,812.50
31359MG98	1481	2070	Federal National Mortgage	FAIR	5,000,000.00	08/09/2007	99.468	06/30/2006	4,973,437.50	4,998,848.38	4,973,437.50
31359MH48	1484	2070	Federal National Mortgage	FAIR	5,000,000.00	02/22/2011	98.281	06/30/2006	4,914,062.50	4,984,311.17	4,914,062.50
3136F7TB3	1494	2070	Federal National Mortgage	FAIR	5,000,000.00	02/08/2008	99.156	06/30/2006	4,957,812.50	4,985,198.23	4,957,812.50
3136F7VT1	1496	2070	Federal National Mortgage	FAIR	8,000,000.00	03/20/2008	99.406	06/30/2006	7,952,500.00	7,976,687.59	7,952,500.00
912828DQ0	1458	2070	US Treasury Notes	FAIR	5,000,000.00	03/31/2007	98.875	06/30/2006	4,943,750.00	4,993,082.77	4,943,750.00
3128X1HX8	1319	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	12/19/2006	98.639	06/30/2006	4,931,950.00	5,001,041.67	4,931,950.00
3128X1HX8	1321	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	12/19/2006	98.639	06/30/2006	4,931,950.00	5,001,465.31	4,931,950.00
				Subtotal	107,750,000.00				106,780,256.00	107,477,237.23	106,780,256.00
UBS											
064057BE1	1482	2070	Bank of New York Company	FAIR	5,150,000.00	02/15/2008	97.191	06/30/2006	5,005,336.50	5,050,999.83	5,005,336.50
172967BS9	1473	2070	Citigroup Inc	FAIR	5,000,000.00	02/01/2008	96.839	06/30/2006	4,841,950.00	4,905,262.85	4,841,950.00
36962GJ96	1442	2070	General Electric Capital Corp	FAIR	3,950,000.00	07/26/2006	99.869	06/30/2006	3,944,825.50	3,948,051.75	3,944,825.50

Portfolio POOL

AP

MERCED COUNTY TREASURY
Investment Classification
June 30, 2006

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Market Price	Market Date	Market Value	Book Value	Reported Value
UBS											
36962GF41	1477	2070	General Electric Capital Corp	FAIR	5,000,000.00	01/15/2007	98.617	06/30/2006	4,930,850.00	4,951,775.57	4,930,850.00
438506AR8	1470	2070	Honeywell Inc	FAIR	5,000,000.00	03/15/2007	100.737	06/30/2006	5,036,850.00	5,074,506.67	5,036,850.00
06423EPM1	1465	2070	Bank One Na Illinois	FAIR	5,000,000.00	01/15/2008	97.190	06/30/2006	4,859,500.00	4,925,104.72	4,859,500.00
49306BNW9	1485	2070	Key Bank	FAIR	5,000,000.00	03/18/2008	98.120	06/30/2006	4,906,000.00	4,950,165.38	4,906,000.00
524908FD7	1476	2070	Lehman Brothers	FAIR	5,000,000.00	01/22/2008	97.388	06/30/2006	4,869,400.00	4,946,318.78	4,869,400.00
931142BU6	1503	2070	Wall-Mart	FAIR	5,000,000.00	10/01/2008	95.449	06/30/2006	4,772,450.00	4,797,876.74	4,772,450.00
949746CH2	1462	2070	Wells Fargo	FAIR	5,000,000.00	02/15/2007	99.699	06/30/2006	4,984,950.00	5,013,400.87	4,984,950.00
90262DG74	1459	2070	UBS Finance	AMO	5,000,000.00	07/07/2006	99.941	06/30/2006	4,997,088.50	4,996,397.82	4,996,397.82
90262DHR9	1463	2070	UBS Finance	FAIR	5,000,000.00	08/25/2006	99.584	06/30/2006	4,979,247.00	4,965,339.57	4,979,247.00
90262DJ89	1489	2070	UBS Finance	FAIR	5,000,000.00	09/08/2006	99.477	06/30/2006	4,973,870.00	4,956,526.83	4,973,870.00
31339YJR4	1326	2070	Federal Home Loan Bank	FAIR	5,000,000.00	07/14/2008	95.887	06/30/2006	4,784,375.00	4,993,637.15	4,784,375.00
3133X5GK8	1391	2070	Federal Home Loan Bank	FAIR	5,000,000.00	12/29/2006	98.468	06/30/2006	4,923,437.50	5,000,000.00	4,923,437.50
3133XB5Z4	1435	2070	Federal Home Loan Bank	FAIR	10,000,000.00	04/05/2007	98.875	06/30/2006	9,887,500.00	9,993,492.50	9,887,500.00
3133XAMH7	1441	2070	Federal Home Loan Bank	FAIR	3,940,000.00	02/26/2007	98.781	06/30/2006	3,891,981.25	3,932,558.98	3,891,981.25
3133X9WD8	1445	2070	Federal Home Loan Bank	FAIR	5,000,000.00	12/21/2006	98.968	06/30/2006	4,948,437.50	4,989,211.98	4,948,437.50
3133XCBA0	1447	2070	Federal Home Loan Bank	FAIR	5,000,000.00	07/05/2007	98.856	06/30/2006	4,932,812.50	5,000,000.00	4,932,812.50
3133XCG64	1449	2070	Federal Home Loan Bank	FAIR	5,000,000.00	07/07/2006	99.968	06/30/2006	4,998,437.50	4,999,944.51	4,998,437.50
3133XCKF9	1450	2070	Federal Home Loan Bank	FAIR	5,000,000.00	01/23/2007	99.156	06/30/2006	4,957,812.50	4,992,656.30	4,957,812.50
3133XDKU4	1461	2070	Federal Home Loan Bank	FAIR	5,000,000.00	10/24/2007	98.781	06/30/2006	4,939,062.50	4,995,177.96	4,939,062.50
3128X1KH9	1318	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	12/18/2006	98.537	06/30/2006	4,926,850.00	5,000,000.00	4,926,850.00
3128X1UV7	1330	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	01/26/2007	98.468	06/30/2006	4,923,437.50	4,990,615.15	4,923,437.50
3128X2ZZ1	1365	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	03/03/2009	95.843	06/30/2006	4,792,187.50	4,993,476.15	4,792,187.50
3128X2HK4	1379	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	06/29/2007	97.929	06/30/2006	4,896,450.00	5,009,734.28	4,896,450.00
3128X4GX3	1455	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	08/22/2007	98.898	06/30/2006	4,934,900.00	5,000,000.00	4,934,900.00
3128X3WQ2	1488	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	09/29/2006	99.398	06/30/2006	4,969,900.00	4,976,614.00	4,969,900.00
3128X42L4	1499	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	04/17/2008	99.514	06/30/2006	4,975,700.00	4,998,288.15	4,975,700.00
3128X46L0	1504	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	05/15/2008	99.658	06/30/2006	4,982,900.00	4,997,793.73	4,982,900.00
3136F32Y1	1327	2070	Federal National Mortgage	FAIR	5,000,000.00	07/28/2006	99.781	06/30/2006	4,989,062.50	5,000,000.00	4,989,062.50
3136F6B32	1431	2070	Federal National Mortgage	FAIR	5,000,000.00	02/23/2007	98.812	06/30/2006	4,940,625.00	4,991,667.14	4,940,625.00
31359MVK5	1487	2070	Federal National Mortgage	FAIR	5,000,000.00	09/28/2006	99.343	06/30/2006	4,967,187.50	4,974,639.50	4,967,187.50
3136F7TL1	1493	2070	Federal National Mortgage	FAIR	5,000,000.00	02/13/2008	99.187	06/30/2006	4,959,375.00	4,988,144.44	4,959,375.00
3133XBDC6	1437	2070	Federal Home Loan Bank	FAIR	5,000,000.00	04/12/2007	99.437	06/30/2006	4,971,875.00	5,000,000.00	4,971,875.00
3128X2K53	1400	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	09/15/2006	99.461	06/30/2006	4,973,050.00	4,997,153.06	4,973,050.00
				Subtotal	183,040,000.00				180,569,673.75	182,296,532.36	180,568,983.07

MERCED COUNTY TREASURY
Investment Classification
June 30, 2006

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Market Price	Market Date	Market Value	Book Value	Reported Value
ML Institutional Fund											
PREMIER FUND	1001G	2070	Merrill Lynch Institutional Fu	AMO	3,157,864.77		100.000	09/30/2003	3,157,864.77	3,157,864.77	3,157,864.77
				Subtotal	3,157,864.77				3,157,864.77	3,157,864.77	3,157,864.77
Bear Stearns											
0673P1DU5	1509	2070	Barclays Bank	FAIR	5,000,000.00	06/22/2007	99.955	06/30/2006	4,997,792.00	5,001,242.57	4,997,792.00
36962GF41	1479	2070	General Electric Capital Corp	FAIR	5,000,000.00	01/15/2007	98.617	06/30/2006	4,930,850.00	4,947,890.70	4,930,850.00
40428ALS4	1480	2070	Household Finance	FAIR	5,000,000.00	06/07/2007	98.340	06/30/2006	4,917,030.00	4,955,649.38	4,917,030.00
5525V0AH9	1506	2070	Marsh & Ilsley	FAIR	5,000,000.00	02/09/2007	98.231	06/30/2006	4,911,550.00	4,912,466.81	4,911,550.00
94975CAK3	1380	2070	Wells Fargo	FAIR	5,000,000.00	06/12/2007	99.116	06/30/2006	4,955,800.00	5,095,673.58	4,955,800.00
07389BHN4	1478	2070	Bear Stearns	FAIR	10,000,000.00	08/22/2006	99.804	06/30/2006	9,960,482.00	9,933,018.67	9,960,482.00
07389BKA8	1497	2070	Bear Stearns	AMO	5,000,000.00	10/10/2006	99.194	06/30/2006	4,959,712.50	4,830,340.67	4,830,340.67
31331SNU3	1440	2070	Federal Farm Credit Bank	FAIR	5,000,000.00	05/09/2007	98.437	06/30/2006	4,921,875.00	4,988,133.56	4,921,875.00
31331VSZ0	1489	2070	Federal Farm Credit Bank	FAIR	5,000,000.00	09/13/2007	99.375	06/30/2006	4,968,750.00	4,997,500.00	4,968,750.00
31339YCR1	1320	2070	Federal Home Loan Bank	FAIR	5,000,000.00	12/29/2006	98.375	06/30/2006	4,918,750.00	5,000,000.00	4,918,750.00
3128X07F0	1313	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	04/30/2007	98.116	06/30/2006	4,905,800.00	5,000,000.00	4,905,800.00
3128X16T9	1344	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	11/09/2006	99.157	06/30/2006	4,957,850.00	4,998,517.15	4,957,850.00
3128X4H79	1486	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	02/22/2008	99.241	06/30/2006	4,962,050.00	4,994,790.20	4,962,050.00
3128X4R94	1495	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	11/03/2008	99.312	06/30/2006	4,965,625.00	4,992,637.02	4,965,625.00
3134A4GK4	1505	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	07/15/2006	100.000	06/30/2006	5,000,000.00	5,000,425.00	5,000,000.00
3128X45U1	1507	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	05/15/2008	99.612	06/30/2006	4,980,600.00	4,983,186.68	4,980,600.00
3136F33Q7	1329	2070	Federal National Mortgage	FAIR	5,000,000.00	08/04/2006	99.750	06/30/2006	4,987,500.00	5,000,000.00	4,987,500.00
3136F5CX7	1364	2070	Federal National Mortgage	FAIR	4,690,000.00	08/27/2007	97.281	06/30/2006	4,562,490.63	4,690,000.00	4,562,490.63
31359MVP5	1453	2070	Federal National Mortgage	FAIR	5,000,000.00	07/15/2006	99.906	06/30/2006	4,995,312.50	4,998,115.05	4,995,312.50
31359MVP5	1498	2070	Federal National Mortgage	FAIR	5,000,000.00	07/15/2006	99.906	06/30/2006	4,995,312.50	4,996,351.06	4,995,312.50
31359MK36	1500	2070	Federal National Mortgage	FAIR	5,000,000.00	03/29/2011	99.250	06/30/2006	4,962,500.00	4,989,583.02	4,962,500.00
912828DJ6	1474	2070	US Treasury Notes	FAIR	5,000,000.00	01/31/2007	98.762	06/30/2006	4,938,100.00	4,964,672.91	4,938,100.00
3133X4B34	1361	2070	Federal Home Loan Bank	FAIR	5,000,000.00	03/02/2007	98.656	06/30/2006	4,932,812.50	4,998,884.26	4,932,812.50
3133X4XK2	1368	2070	Federal Home Loan Bank	FAIR	5,000,000.00	03/29/2007	98.468	06/30/2006	4,923,437.50	5,000,000.00	4,923,437.50
3136F43Q5	1358	2070	Federal National Mortgage	FAIR	5,000,000.00	02/09/2007	99.093	06/30/2006	4,954,687.50	5,000,000.00	4,954,687.50
				Subtotal	129,890,000.00				128,466,669.63	129,369,078.29	128,437,297.80
Morgan Keegan											
172967BK6	1466	2070	Citigroup Inc	FAIR	5,000,000.00	03/06/2007	99.569	06/30/2006	4,978,450.00	5,007,632.48	4,978,450.00
31331TZC8	1377	2070	Federal Farm Credit Bank	FAIR	5,000,000.00	04/05/2007	97.812	06/30/2006	4,890,625.00	4,993,657.41	4,890,625.00
31331TL82	1393	2070	Federal Farm Credit Bank	FAIR	5,000,000.00	11/29/2006	99.031	06/30/2006	4,951,562.50	4,995,893.45	4,951,562.50

Portfolio POOL
AP

MERCED COUNTY TREASURY
Investment Classification
June 30, 2006

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Market Price	Market Date	Market Value	Book Value	Reported Value
Morgan Keegan											
3133X64R4	1384	2070	Federal Home Loan Bank	FAIR	5,000,000.00	10/30/2006	99.125	06/30/2006	4,956,250.00	5,000,000.00	4,966,250.00
31339XUS1	1385	2070	Federal Home Loan Bank	FAIR	5,000,000.00	07/24/2006	99.781	06/30/2006	4,989,062.50	4,998,188.57	4,989,062.50
3133X8N73	1415	2070	Federal Home Loan Bank	FAIR	5,000,000.00	09/14/2006	99.500	06/30/2006	4,975,000.00	4,997,773.68	4,975,000.00
3133XAAV9	1421	2070	Federal Home Loan Bank	FAIR	5,000,000.00	01/26/2007	98.875	06/30/2006	4,943,750.00	4,999,110.24	4,943,750.00
3133XARN9	1429	2070	Federal Home Loan Bank	FAIR	5,000,000.00	09/08/2006	99.625	06/30/2006	4,981,250.00	4,998,449.07	4,981,250.00
3133XAPD3	1438	2070	Federal Home Loan Bank	FAIR	5,000,000.00	02/16/2007	98.843	06/30/2006	4,942,187.50	4,993,914.22	4,942,187.50
3133XEUE7	1490	2070	Federal Home Loan Bank	FAIR	5,000,000.00	12/22/2006	99.690	06/30/2006	4,984,500.00	5,000,000.00	4,984,500.00
3133XC4D2	1502	2070	Federal Home Loan Bank	FAIR	5,000,000.00	06/13/2008	97.500	06/30/2006	4,875,000.00	4,894,928.43	4,875,000.00
3128X2WN1	1369	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	02/23/2007	98.312	06/30/2006	4,915,625.00	5,010,441.10	4,915,625.00
3128X36R9	1448	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	09/24/2007	98.140	06/30/2006	4,907,031.25	5,000,000.00	4,907,031.25
3128X4W64	1501	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	04/07/2010	98.790	06/30/2006	4,939,500.00	4,962,103.27	4,939,500.00
3128X5DX3	1508	2070	Federal Home Loan Mtg Corp	FAIR	5,000,000.00	07/11/2007	99.903	06/30/2006	4,995,150.00	4,997,272.73	4,995,150.00
3136F6EP0	1404	2070	Federal National Mortgage	FAIR	5,000,000.00	10/12/2006	99.343	06/30/2006	4,967,187.50	4,997,147.27	4,967,187.50
31359MVK5	1454	2070	Federal National Mortgage	FAIR	5,000,000.00	09/28/2006	99.343	06/30/2006	4,967,187.50	4,984,915.10	4,967,187.50
912828CU2	1457	2070	US Treasury Notes	FAIR	5,000,000.00	08/31/2006	99.574	06/30/2006	4,978,700.00	4,988,329.08	4,978,700.00
912828CG3	1475	2070	US Treasury Notes	FAIR	5,000,000.00	05/15/2007	98.164	06/30/2006	4,908,200.00	4,947,311.76	4,908,200.00
3133X6MF0	1388	2070	Federal Home Loan Bank	FAIR	5,000,000.00	10/30/2006	99.718	06/30/2006	4,985,937.50	4,999,834.72	4,985,937.50
3133X9RS1	1409	2070	Federal Home Loan Bank	FAIR	5,000,000.00	12/22/2006	99.281	06/30/2006	4,964,062.50	5,000,000.00	4,964,062.50
					Subtotal	105,000,000.00			103,996,218.75	104,766,900.58	103,996,218.75
Bank of New York Money Market											
S87599610	1001E	2070	Bank of New York Money Market	AMO	0.00				0.00	0.00	0.00
					Subtotal	0.00			0.00	0.00	0.00
California Asset Mgt Program											
CAMP	1001C	2070	California Asset Mgt Program	AMO	3,697,473.99		100.000	09/30/2003	3,697,473.99	3,697,473.99	3,697,473.99
					Subtotal	3,697,473.99			3,697,473.99	3,697,473.99	3,697,473.99
Local Agency Investment Fund											
LAIF	1001A	2070	Local Agency Investment Fund	AMO	5,000,000.00		100.000	09/30/2003	5,000,000.00	5,000,000.00	5,000,000.00
					Subtotal	5,000,000.00			5,000,000.00	5,000,000.00	5,000,000.00
Paine Webber Money Mkt											
BRINSON	1001H	2070	Paine Webber Money Mkt	AMO	2,900,981.11		100.000	09/30/2003	2,900,981.11	2,900,981.11	2,900,981.11
					Subtotal	2,900,981.11			2,900,981.11	2,900,981.11	2,900,981.11

Portfolio POOL

AP

MERCED COUNTY TREASURY
Investment Classification
June 30, 2006

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Market Price	Market Date	Market Value	Book Value	Reported Value
BofA Sweep Acct											
FUND SWEEP	1001F	2070	BofA Fund Sweep	AMO	21,544,884.46		100.000	09/30/2003	21,544,884.46	21,544,884.46	21,544,884.46
				Subtotal	21,544,884.46				21,544,884.46	21,544,884.46	21,544,884.46
				Total	566,781,204.33				560,891,522.46	565,037,663.61	560,861,459.95

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MERCED COUNTY TREASURY

Summary by Type

March 31, 2006

SECURITY TYPE	NUMBER OF INVESTMENTS	PAR VALUE	BOOK VALUE	Percent of Portfolio	COMPLIANCE % ALLOWED	MEET Compliance
Medium Term Notes	22	108,850,000.00	107,948,304.69	19.10%	30.00%	YES
Negotiable CDs	1	5,000,000.00	5,001,242.57	0.89%	30.00%	YES
Step-Up/Variable Rates	9	45,000,000.00	44,998,379.02	7.96%		YES
Federal Agency Coupon Securities	62	316,630,000.00	316,152,596.10	55.95%	75.00%	YES
Commercial Paper Disc. -Amortizing	6	35,000,000.00	34,742,540.38	6.15%	30.00%	YES
Treasury Coupon Securities	4	20,000,000.00	19,893,396.52	3.52%	50.00%	YES
Managed Pool Accounts	5	31,301,204.33	31,301,204.33	5.54%	100.00%	YES
LAIF	1	5,000,000.00	5,000,000.00	0.88%	25.00%	YES
	110	566,781,204.33	565,037,663.61	100.00%		



MERCED COUNTY TREASURY
Aging Report
By Maturity Date
As of July 1, 2006

Merced County

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	(07/01/2006 - 07/01/2006)	6 Maturities	0 Payments	36,301,204.33	6.40%	36,301,204.33	36,301,204.33
Aging Interval:	1 - 15 days	(07/02/2006 - 07/16/2006)	5 Maturities	0 Payments	25,000,000.00	4.41%	24,991,233.44	24,986,161.00
Aging Interval:	16 - 60 days	(07/17/2006 - 08/30/2006)	7 Maturities	0 Payments	38,950,000.00	6.87%	38,844,261.12	38,832,992.00
Aging Interval:	61 - 90 days	(08/31/2006 - 09/29/2006)	9 Maturities	0 Payments	45,000,000.00	7.94%	44,835,317.14	44,762,683.50
Aging Interval:	91 - 180 days	(09/30/2006 - 12/28/2006)	12 Maturities	0 Payments	60,000,000.00	10.59%	59,913,452.22	59,466,260.00
Aging Interval:	181 - 365 days	(12/29/2006 - 07/01/2007)	39 Maturities	0 Payments	198,690,000.00	35.06%	198,336,193.94	196,346,895.75
Aging Interval:	366 - 730 days	(07/02/2007 - 06/30/2008)	22 Maturities	0 Payments	112,840,000.00	19.91%	112,102,376.90	111,119,258.38
Aging Interval:	731 - 1095 days	(07/01/2008 - 06/30/2009)	4 Maturities	0 Payments	20,000,000.00	3.53%	19,777,627.06	19,314,637.50
Aging Interval:	1096 - 1460 days	(07/01/2009 - 06/30/2010)	1 Maturities	0 Payments	5,000,000.00	0.88%	4,962,103.27	4,939,500.00
Aging Interval:	1461 - 1825 days	(07/01/2010 - 06/30/2011)	5 Maturities	0 Payments	25,000,000.00	4.41%	24,973,894.19	24,821,950.00
Aging Interval:	1826 days and after	(07/01/2011 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			110 Investment	0 Payments		100.00	565,037,663.61	560,891,522.46

Portfolio POOL

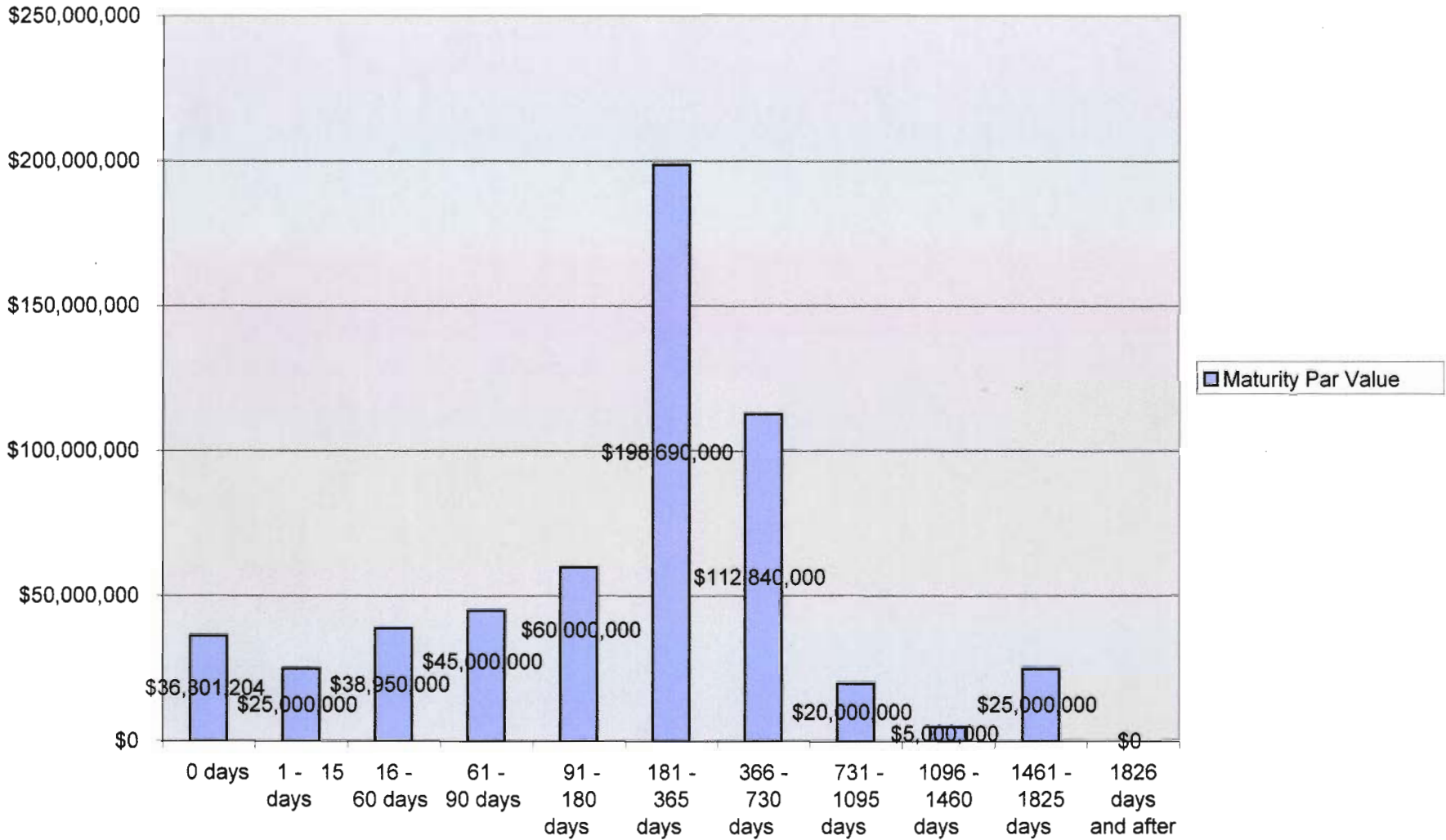
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MERCED COUNTY TREASURY
 Aging Report
 By Maturity Date

Merced County

Investments within the Aging Period



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**MERCED COUNTY TREASURY
Purchases Report
Sorted by Purchase Date - Dealer
April 1, 2006 - June 30, 2006**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 360	Endin Book Valu
3136F7VT1	1496	2070	FAC FNMA	8,000,000.00	04/13/2006 09/20 - 03/20	7,973,750.00	25,555.56	5.000	03/20/2008	5.107	7,976,687.5
3128X42L4	1499	2070	FAC FHLMC	5,000,000.00	04/20/2006 10/17 - 04/17	4,998,100.00	2,208.33	5.300	04/17/2008	5.247	4,998,288.1
31359MVP5	1498	2070	FAC FNMA	5,000,000.00	04/11/2006 07/15 - Final Pmt.	4,975,500.00	37,326.39	3.125	07/15/2006	4.950	4,996,351.0
07389BKA8	1497	2070	ACP BEAR	5,000,000.00	04/13/2006 10/10 - At Maturity	4,874,500.00		5.020	10/10/2006	5.149	4,930,340.6
31359MK36	1500	2070	FAC FNMA	5,000,000.00	04/20/2006 09/29 - 03/29	4,989,150.00	16,333.33	5.600	03/29/2011	5.573	4,989,583.0
931142BU6	1503	2070	MTN WALMRT	5,000,000.00	05/11/2006 10/02 - 04/02	4,785,400.00	18,308.33	3.380	10/01/2008	5.240	4,797,876.7
3128X46L0	1504	2070	FAC FHLMC	5,000,000.00	05/19/2006 11/15 - 05/15	4,997,656.25	2,986.11	5.375	05/15/2008	5.326	4,997,793.7
3134A4GK4	1505	2070	FAC FHLMC	5,000,000.00	05/19/2006 07/15 - Final Pmt.	5,001,700.00	94,722.22	5.500	07/15/2006	5.158	5,000,425.0
3133XC4D2	1502	2070	FAC FHLB	5,000,000.00	05/09/2006 06/13 - 12/13	4,887,143.20	Received	4.100	06/13/2008	5.150	4,894,926.4
3128X4W64	1501	2070	FAC FHLMC	5,000,000.00	05/09/2006 10/07 - 04/07	4,960,650.00	23,422.22	5.270	04/07/2010	5.420	4,962,103.2
3133XDN72	1511	2070	FAC FHLB	5,000,000.00	06/23/2006 11/11 - 05/11	4,952,550.00	32,500.00	4.500	05/11/2007	5.533	4,953,743.7
3128X5EH7	1510	2070	FAC FHLMC	5,000,000.00	06/27/2006 12/27 - 06/27	5,000,000.00		6.000	06/27/2011	5.918	5,000,000.0
89233PYR1	1512	2070	MTN TOYOTA	5,000,000.00	06/30/2006 12/30 - 06/30	5,000,000.00		6.020	06/30/2011	5.938	5,000,000.0
3128X45U1	1507	2070	FAC FHLMC	5,000,000.00	06/16/2006 11/15 - 05/15	4,982,812.50	23,163.89	5.380	05/15/2008	5.493	4,983,186.6
5525V0AH9	1506	2070	MTN M & I	5,000,000.00	06/20/2006 08/06 - 02/06	4,908,050.00	48,947.22	2.630	02/09/2007	5.525	4,912,466.8
0673P1DU5	1509	2070	NCB BARC	5,000,000.00	06/26/2006 06/22 - At Maturity	5,001,260.02	3,111.11	5.600	06/22/2007	5.573	5,001,242.5
3128X5DX3	1508	2070	FAC FHLMC	5,000,000.00	06/21/2006 07/11 - At Maturity	4,997,200.00	5,395.83	5.550	07/11/2007	5.589	4,997,272.7
Total Purchases				88,000,000.00		87,285,421.97	333,980.54				87,392,288.1

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



MERCED COUNTY TREASURY
Maturity Report
Sorted by Maturity Date
 Received or due during April 1, 2006 - June 30, 2006

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3128X3BU6	1386	2070	FAC	FHLMC	5,000,000.00	04/28/2006	04/28/2004	2.270	5,000,000.00	56,750.00	5,056,750.00	56,750.00
3136F44B7	1360	2070	FAC	FNMA	5,000,000.00	05/05/2006	02/12/2004	2.210	5,000,000.00	27,625.00	5,027,625.00	27,625.00
3133X7DG6	1443	2070	FAC	FHLB	5,000,000.00	05/15/2006	05/10/2005	2.750	5,000,000.00	68,750.00	5,068,750.00	68,750.00
3133X9KN9	1428	2070	FAC	FHLB	5,000,000.00	05/22/2006	03/04/2005	2.875	5,000,000.00	71,875.00	5,071,875.00	71,875.00
3133X9KN9	1439	2070	FAC	FHLB	5,000,000.00	05/22/2006	04/29/2005	2.875	5,000,000.00	71,875.00	5,071,875.00	71,875.00
3136F3XA9	1444	2070	FAC	FNMA	5,000,000.00	06/02/2006	05/10/2005	2.500	5,000,000.00	31,250.00	5,031,250.00	31,250.00
31331QP43	1412	2070	FAC	FFCB	5,000,000.00	06/05/2006	12/08/2004	2.210	5,000,000.00	55,250.00	5,055,250.00	55,250.00
31331QP43	1419	2070	FAC	FFCB	4,800,000.00	06/05/2006	12/21/2004	2.210	4,800,000.00	53,040.00	4,853,040.00	53,040.00
4497W1F50	1464	2070	ACP	ING FU	5,000,000.00	06/05/2006	12/01/2005	4.400	5,000,000.00	0.00	5,000,000.00	0.00
36959JFC2	1460	2070	ACP	GEN EL	5,000,000.00	06/12/2006	10/13/2005	4.200	5,000,000.00	0.00	5,000,000.00	0.00
31339XAZ7	1366	2070	FAC	FHLB	5,000,000.00	06/15/2006	03/04/2004	1.875	5,000,000.00	46,875.00	5,046,875.00	46,875.00
31331SKN2	1418	2070	FAC	FFCB	5,000,000.00	06/27/2006	12/27/2004	3.000	5,000,000.00	75,000.00	5,075,000.00	75,000.00
3133X5KX5	1373	2070	FAC	FHLB	5,000,000.00	06/30/2006	03/30/2004	2.070	5,000,000.00	51,750.00	5,051,750.00	51,750.00
Total Maturities					64,800,000.00				64,800,000.00	610,040.00	65,410,040.00	610,040.00

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MERCED COUNTY TREASURY
Inventory by Maturity Report
June 30, 2006

Merced County

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	
LAIF	1001A	2070	LA1	Local Agency Investment	07/01/2005	5,000,000.00	4.700		5,000,000.00	1	5,000,000.00	4.636	4.700	1
CAMP	1001C	2070	LA1	California Asset Mgt	07/01/2005	3,697,473.99	4.950		3,697,473.99	1	3,697,473.99	4.882	4.950	1
S87599610	1001E	2070	PA1	Bank of New York Money	07/01/2005	0.00			0.00	1	0.00			1
FUND SWEEP	1001F	2070	LA1	BofA Fund Sweep	07/01/2005	21,544,884.46	4.529		21,544,884.46	1	21,544,884.46	4.467	4.529	1
PREMIER FUND	1001G	2070	LA1	Merrill Lynch Institutional Fu	07/01/2005	3,157,864.77	4.850		3,157,864.77	1	3,157,864.77	4.784	4.850	1
BRINSON	1001H	2070	LA1	Paine Webber Money Mkt	07/01/2005	2,900,981.11	4.930		2,900,981.11	1	2,900,981.11	4.862	4.930	1
3133XCG64	1449	2070	FAC	Federal Home Loan Bank	07/21/2005	4,999,944.51	3.875	07/07/2006	5,096,875.00	351	5,000,000.00	3.888	3.942	6
90262DG74	1459	2070	ACP	UBS Finance	10/12/2005	4,996,397.82	4.225	07/07/2006	5,000,000.00	268	5,000,000.00	4.396	4.457	6
31359MVP5	1453	2070	FAC	Federal National Mortgage	08/26/2005	4,998,115.05	3.125	07/15/2006	5,000,000.00	323	5,000,000.00	4.062	4.119	14
31359MVP5	1498	2070	FAC	Federal National Mortgage	04/11/2006	4,996,351.06	3.125	07/15/2006	5,000,000.00	95	5,000,000.00	4.950	5.019	14
3134A4GK4	1505	2070	FAC	Federal Home Loan Mtg	05/19/2006	5,000,425.00	5.500	07/15/2006	5,000,000.00	57	5,000,000.00	5.158	5.229	14
31339XUS1	1385	2070	FAC	Federal Home Loan Bank	04/29/2004	4,998,188.57	1.820	07/24/2006	5,000,000.00	816	5,000,000.00	2.372	2.405	23
36962GJ96	1442	2070	MTN	General Electric Capital	05/03/2005	3,948,051.75	2.970	07/26/2006	3,950,000.00	449	3,950,000.00	3.650	3.700	25
3136F32Y1	1327	2070	FAC	Federal National Mortgage	07/28/2003	5,000,000.00	2.350	07/28/2006	5,000,000.00	1,096	5,000,000.00	2.318	2.350	27
3136F33Q7	1329	2070	FAC	Federal National Mortgage	08/04/2003	5,000,000.00	2.410	08/04/2006	5,000,000.00	1,096	5,000,000.00	2.377	2.410	34
3136F44N1	1378	2070	FAC	Federal National Mortgage	04/05/2004	4,999,662.56	2.550	08/17/2006	5,000,000.00	864	5,000,000.00	2.568	2.604	47
07389BHN4	1478	2070	ACP	Bear Stearns	01/24/2006	9,933,018.67	4.580	08/22/2006	10,000,000.00	210	10,000,000.00	4.734	4.800	52
90262DHR9	1463	2070	ACP	UBS Finance	11/30/2005	4,965,339.57	4.445	08/25/2006	5,000,000.00	268	5,000,000.00	4.631	4.696	55
912828CU2	1457	2070	TRC	US Treasury Notes	09/22/2005	4,988,329.08	2.375	08/31/2006	5,000,000.00	343	5,000,000.00	3.757	3.810	61
45974NJ15	1468	2070	ACP	Int'l Lease Finance	12/05/2005	4,960,916.82	4.520	09/01/2006	5,000,000.00	270	5,000,000.00	4.712	4.778	62
3133XARN9	1429	2070	FAC	Federal Home Loan Bank	03/08/2005	4,998,449.07	3.390	09/08/2006	5,000,000.00	549	5,000,000.00	3.514	3.563	69
90262DJ89	1469	2070	ACP	UBS Finance	12/13/2005	4,956,526.83	4.520	09/08/2006	5,000,000.00	269	5,000,000.00	4.712	4.778	68
3133X8N73	1415	2070	FAC	Federal Home Loan Bank	12/21/2004	4,997,773.68	2.950	09/14/2006	5,000,000.00	632	5,000,000.00	3.132	3.176	75
3128X2K53	1400	2070	MC2	Federal Home Loan Mtg	09/15/2004	4,997,153.06	2.750V	09/15/2006	5,000,000.00	730	5,000,000.00	2.941	2.982	76
31359MWK5	1454	2070	FAC	Federal National Mortgage	08/26/2005	4,984,915.10	2.810	09/28/2006	5,000,000.00	398	5,000,000.00	4.041	4.097	88
31359MWK5	1487	2070	FAC	Federal National Mortgage	03/08/2006	4,974,639.50	2.810	09/28/2006	5,000,000.00	204	5,000,000.00	4.893	4.961	89
3128X3WQ2	1488	2070	FAC	Federal Home Loan Mtg	03/09/2006	4,976,614.00	3.000	09/29/2006	5,000,000.00	204	5,000,000.00	4.892	4.960	90
07389BKA8	1497	2070	ACP	Bear Stearns	04/13/2006	4,930,340.67	5.020	10/10/2006	5,000,000.00	180	5,000,000.00	5.149	5.221	101
3136F6EP0	1404	2070	FAC	Federal National Mortgage	11/24/2004	4,997,147.27	3.010	10/12/2006	5,000,000.00	687	5,000,000.00	3.176	3.220	103
3133X64R4	1384	2070	FAC	Federal Home Loan Bank	04/30/2004	5,000,000.00	2.720	10/30/2006	5,000,000.00	913	5,000,000.00	2.683	2.720	121
3133X6MF0	1388	2070	MC2	Federal Home Loan Bank	04/30/2004	4,999,834.72	4.600V	10/30/2006	5,000,000.00	913	5,000,000.00	2.693	2.730	121
3128X16T9	1344	2070	FAC	Federal Home Loan Mtg	11/10/2003	4,998,517.15	3.000	11/09/2006	5,000,000.00	1,095	5,000,000.00	3.046	3.088	131
31331TL82	1393	2070	FAC	Federal Farm Credit Bank	05/28/2004	4,995,893.45	3.040	11/29/2006	5,000,000.00	915	5,000,000.00	3.205	3.250	151
3128X1KH9	1318	2070	FAC	Federal Home Loan Mtg	06/18/2003	5,000,000.00	2.250	12/18/2006	5,000,000.00	1,279	5,000,000.00	2.219	2.250	170
3128X1HX8	1319	2070	MC2	Federal Home Loan Mtg	06/19/2003	5,001,041.67	2.500V	12/19/2006	5,000,000.00	1,279	5,000,000.00	2.349	2.382	171

V - Security with variable rate change.

Portfolio POOL

AP

MERCED COUNTY TREASURY
Inventory by Maturity Report

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	
3128X1HX8	1321	2070	MC2	Federal Home Loan Mtg	06/25/2003	5,001,465.31	2.500V	12/19/2006	5,000,000.00	1,273	5,000,000.00	2.330	2.362	171
3133X9WD8	1445	2070	FAC	Federal Home Loan Bank	06/07/2005	4,989,211.98	3.250	12/21/2006	5,000,000.00	562	5,000,000.00	3.673	3.724	173
3133X9RS1	1409	2070	MC2	Federal Home Loan Bank	12/22/2004	5,000,000.00	4.000V	12/22/2006	5,000,000.00	730	5,000,000.00	3.452	3.500	174
3133XEUE7	1490	2070	FAC	Federal Home Loan Bank	03/22/2006	5,000,000.00	5.000	12/22/2006	5,000,000.00	275	5,000,000.00	4.932	5.000	174
31339YCR1	1320	2070	FAC	Federal Home Loan Bank	06/30/2003	5,000,000.00	2.210	12/29/2006	5,000,000.00	1,278	5,000,000.00	2.180	2.210	181
3133X5GK8	1391	2070	FAC	Federal Home Loan Bank	03/29/2004	5,000,000.00	2.420	12/29/2006	5,000,000.00	1,005	5,000,000.00	2.387	2.421	181
36982GF41	1477	2070	MTN	General Electric Capital	01/23/2006	4,951,775.57	2.800	01/15/2007	5,000,000.00	357	5,000,000.00	4.587	4.651	198
36982GF41	1479	2070	MTN	General Electric Capital	01/31/2006	4,947,890.70	2.800	01/15/2007	5,000,000.00	349	5,000,000.00	4.735	4.800	198
001388AA5	1467	2070	MTN	AIG Sunamer Glob Fin	12/05/2005	4,006,806.37	5.100	01/17/2007	4,000,000.00	408	4,000,000.00	4.705	4.770	200
3133XAFD4	1436	2070	FAC	Federal Home Loan Bank	04/05/2005	4,987,314.10	3.500	01/18/2007	5,000,000.00	853	5,000,000.00	3.928	3.982	201
3133XCEK5	1456	2070	FAC	Federal Home Loan Bank	08/25/2005	4,996,147.16	4.250V	01/19/2007	5,000,000.00	512	5,000,000.00	4.119	4.176	202
3133XCKF9	1450	2070	FAC	Federal Home Loan Bank	08/09/2005	4,992,656.30	4.000	01/23/2007	5,000,000.00	532	5,000,000.00	4.148	4.206	208
3128X1UV7	1330	2070	FAC	Federal Home Loan Mtg	06/12/2003	4,990,815.15	2.800	01/26/2007	5,000,000.00	1,263	5,000,000.00	3.107	3.150	209
3133XAAV9	1421	2070	FAC	Federal Home Loan Bank	01/26/2005	4,999,110.24	3.500	01/26/2007	5,000,000.00	730	5,000,000.00	3.484	3.533	209
912828DJ6	1474	2070	TRC	US Treasury Notes	12/20/2005	4,964,872.91	3.125	01/31/2007	5,000,000.00	407	5,000,000.00	4.305	4.365	214
59018YLN9	1472	2070	MTN	Merrill Lynch & Co	12/14/2005	5,014,801.97	5.360	02/01/2007	5,000,000.00	414	5,000,000.00	4.768	4.834	215
060505AL8	1483	2070	MTN	Bank of America	02/17/2006	5,006,593.02	5.250	02/01/2007	5,000,000.00	349	5,000,000.00	4.944	5.013	215
3138F43Q5	1358	2070	MC2	Federal National Mortgage	02/09/2004	5,000,000.00	4.000V	02/09/2007	5,000,000.00	1,098	5,000,000.00	2.959	3.000	223
5525V0AH9	1506	2070	MTN	Marsh & Ilsley	06/20/2006	4,912,466.81	2.630	02/09/2007	5,000,000.00	234	5,000,000.00	5.525	5.602	223
949746CH2	1462	2070	MTN	Wells Fargo	11/07/2005	5,013,400.87	5.125	02/15/2007	5,000,000.00	465	5,000,000.00	4.554	4.618	229
3133XAPD3	1438	2070	FAC	Federal Home Loan Bank	04/29/2005	4,993,914.22	3.625	02/16/2007	5,000,000.00	658	5,000,000.00	3.774	3.828	230
3128X2WN1	1389	2070	FAC	Federal Home Loan Mtg	03/23/2004	5,010,441.10	2.850	02/23/2007	5,000,000.00	1,067	5,000,000.00	2.477	2.511	237
3138F6B32	1431	2070	FAC	Federal National Mortgage	03/10/2005	4,991,667.14	3.650	02/23/2007	5,000,000.00	715	5,000,000.00	3.867	3.920	237
3133XAMH7	1441	2070	FAC	Federal Home Loan Bank	04/29/2005	3,932,558.98	3.625	02/26/2007	3,940,000.00	868	3,940,000.00	3.810	3.863	240
3133X4B34	1361	2070	MC2	Federal Home Loan Bank	03/02/2004	4,998,884.26	3.500V	03/02/2007	5,000,000.00	1,095	5,000,000.00	2.994	3.035	244
172967BK6	1466	2070	MTN	Citigroup Inc	12/05/2005	5,007,632.48	5.000	03/06/2007	5,000,000.00	456	5,000,000.00	4.695	4.760	248
717081AK9	1446	2070	MTN	PFIZER INC	06/13/2005	4,955,850.47	2.500	03/15/2007	5,000,000.00	840	5,000,000.00	3.758	3.810	257
438506AR8	1470	2070	MTN	Honeywell Inc	12/15/2005	5,074,508.67	7.000	03/15/2007	5,000,000.00	455	5,000,000.00	4.725	4.790	257
3136F5GU9	1367	2070	FAC	Federal National Mortgage	03/29/2004	5,000,000.00	3.000	03/29/2007	5,000,000.00	1,095	5,000,000.00	2.959	3.000	271
3133X4XK2	1368	2070	MC2	Federal Home Loan Bank	03/29/2004	5,000,000.00	3.400V	03/29/2007	5,000,000.00	1,095	5,000,000.00	2.811	2.850	271
589331AJ6	1471	2070	MTN	Merck & Co Inc	12/15/2005	5,655,165.93	2.500	03/30/2007	5,750,000.00	470	5,750,000.00	4.734	4.800	272
912828DQ0	1458	2070	TRC	US Treasury Notes	09/22/2005	4,993,082.77	3.750	03/31/2007	5,000,000.00	555	5,000,000.00	3.868	3.921	273
31331TZC8	1377	2070	FAC	Federal Farm Credit Bank	04/05/2004	4,993,657.41	2.580	04/05/2007	5,000,000.00	1,095	5,000,000.00	2.717	2.755	278
3133XB5Z4	1435	2070	FAC	Federal Home Loan Bank	04/05/2005	9,993,492.50	4.000	04/05/2007	10,000,000.00	730	10,000,000.00	4.034	4.090	278
3133XBDC6	1437	2070	MC2	Federal Home Loan Bank	04/20/2005	5,000,000.00	4.500V	04/12/2007	5,000,000.00	722	5,000,000.00	4.075	4.132	285
3128X07F0	1313	2070	FAC	Federal Home Loan Mtg	04/30/2003	5,000,000.00	3.200	04/30/2007	5,000,000.00	1,461	5,000,000.00	3.156	3.200	303
31331SNU3	1440	2070	FAC	Federal Farm Credit Bank	04/29/2005	4,988,133.56	3.650	05/09/2007	5,000,000.00	740	5,000,000.00	3.855	3.908	312
3133XDN72	1511	2070	FAC	Federal Home Loan Bank	06/23/2006	4,953,743.71	4.500	05/11/2007	5,000,000.00	322	5,000,000.00	5.533	5.610	314
912828CG3	1475	2070	TRC	US Treasury Notes	12/21/2005	4,947,311.76	3.125	05/15/2007	5,000,000.00	510	5,000,000.00	4.320	4.380	318
40428ALS4	1480	2070	MTN	Household Finance	01/31/2006	4,955,849.38	3.870	06/07/2007	5,000,000.00	492	5,000,000.00	4.793	4.860	341

V - Security with variable rate change.

Portfolio POOL

AP

MERCED COUNTY TREASURY
Inventory by Maturity Report

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	
94975CAK3	1380	2070	MTN	Wells Fargo	04/07/2004	5,095,673.58	4.875	06/12/2007	5,000,000.00	1,161	5,000,000.00	2.712	2.750	346
0673P1DU5	1509	2070	NCB	Barclays Bank	06/26/2006	5,001,242.57	5.600	06/22/2007	5,000,000.00	361	5,000,000.00	5.573	5.650	356
3128X2HK4	1379	2070	FAC	Federal Home Loan Mtg	04/05/2004	5,009,734.28	3.350	06/29/2007	5,000,000.00	1,180	5,000,000.00	3.098	3.142	363
3133XCBA0	1447	2070	FAC	Federal Home Loan Bank	07/05/2005	5,000,000.00	4.150	07/05/2007	5,000,000.00	730	5,000,000.00	4.093	4.150	369
3128X5DX3	1508	2070	FAC	Federal Home Loan Mtg	06/21/2006	4,997,272.73	5.550	07/11/2007	5,000,000.00	385	5,000,000.00	5.589	5.667	375
31359MG98	1481	2070	FAC	Federal National Mortgage	02/09/2006	4,998,848.38	5.050	08/09/2007	5,000,000.00	546	5,000,000.00	5.001	5.070	404
3128X4GX3	1455	2070	FAC	Federal Home Loan Mtg	08/25/2005	5,000,000.00	4.400	08/22/2007	5,000,000.00	727	5,000,000.00	4.340	4.400	417
3136F5CX7	1364	2070	FAC	Federal National Mortgage	02/27/2004	4,690,000.00	3.050	08/27/2007	4,690,000.00	1,277	4,690,000.00	3.008	3.050	422
31331VSZ0	1489	2070	FAC	Federal Farm Credit Bank	03/13/2006	4,997,500.00	5.000	09/13/2007	5,000,000.00	549	5,000,000.00	4.975	5.044	439
3128X3BR9	1448	2070	FAC	Federal Home Loan Mtg	06/29/2005	5,000,000.00	4.050	09/24/2007	5,000,000.00	817	5,000,000.00	3.988	4.043	450
3133XDKU4	1461	2070	FAC	Federal Home Loan Bank	10/27/2005	4,995,177.96	4.625	10/24/2007	5,000,000.00	727	5,000,000.00	4.685	4.750	480
06423EPM1	1465	2070	MTN	Bank One Na Illinois	12/02/2005	4,925,104.72	3.700	01/15/2008	5,000,000.00	774	5,000,000.00	4.668	4.732	563
524908FD7	1476	2070	MTN	Lehman Brothers	01/23/2006	4,946,318.78	4.000	01/22/2008	5,000,000.00	729	5,000,000.00	4.665	4.730	570
172967BS9	1473	2070	MTN	Citigroup Inc	12/22/2005	4,905,262.85	3.500	02/01/2008	5,000,000.00	771	5,000,000.00	4.705	4.770	580
3136F7TB3	1494	2070	FAC	Federal National Mortgage	03/28/2006	4,985,198.23	4.960	02/08/2008	5,000,000.00	682	5,000,000.00	5.082	5.152	587
3136F7TL1	1493	2070	FAC	Federal National Mortgage	03/28/2006	4,988,144.44	5.000	02/13/2008	5,000,000.00	687	5,000,000.00	5.082	5.152	592
064057BE1	1482	2070	MTN	Bank of New York Company	02/15/2006	5,050,999.83	3.750	02/15/2008	5,150,000.00	730	5,150,000.00	4.941	5.010	594
3128X4H79	1486	2070	FAC	Federal Home Loan Mtg	03/03/2006	4,994,790.20	5.056	02/22/2008	5,000,000.00	721	5,000,000.00	5.052	5.123	601
49306BNW9	1485	2070	MTN	Key Bank	02/27/2006	4,950,165.38	4.412	03/18/2008	5,000,000.00	750	5,000,000.00	4.961	5.030	626
3136F7VT1	1496	2070	FAC	Federal National Mortgage	04/13/2006	7,976,687.59	5.000	03/20/2008	8,000,000.00	707	8,000,000.00	5.107	5.178	628
3128X42L4	1499	2070	FAC	Federal Home Loan Mtg	04/20/2006	4,998,288.15	5.300	04/17/2008	5,000,000.00	728	5,000,000.00	5.247	5.320	656
8447HACE2	1492	2070	MTN	Southtrust Bank	03/28/2006	4,826,710.82	3.125	05/15/2008	5,000,000.00	779	5,000,000.00	5.030	5.100	684
3128X46L0	1504	2070	FAC	Federal Home Loan Mtg	05/19/2006	4,997,793.73	5.375	05/15/2008	5,000,000.00	727	5,000,000.00	5.326	5.400	684
3128X45U1	1507	2070	FAC	Federal Home Loan Mtg	06/16/2006	4,983,186.68	5.380	05/15/2008	5,000,000.00	699	5,000,000.00	5.493	5.569	684
3133XC4D2	1502	2070	FAC	Federal Home Loan Bank	05/09/2006	4,894,926.43	4.100	06/13/2008	5,000,000.00	766	5,000,000.00	5.150	5.221	713
31339YJR4	1326	2070	FAC	Federal Home Loan Bank	07/14/2003	4,993,637.15	3.190	07/14/2008	5,000,000.00	1,827	5,000,000.00	3.214	3.258	744
931142BU6	1503	2070	MTN	Wall-Mart	05/11/2006	4,797,876.74	3.380	10/01/2008	5,000,000.00	874	5,000,000.00	5.240	5.313	823
3128X4R94	1495	2070	FAC	Federal Home Loan Mtg	03/31/2006	4,992,637.02	5.200	11/03/2008	5,000,000.00	948	5,000,000.00	5.187	5.259	856
3128X2ZZ1	1365	2070	FAC	Federal Home Loan Mtg	03/04/2004	4,993,476.15	3.750	03/03/2009	5,000,000.00	1,825	5,000,000.00	3.752	3.804	976
3128X4W64	1501	2070	FAC	Federal Home Loan Mtg	05/09/2006	4,962,103.27	5.270	04/07/2010	5,000,000.00	1,429	5,000,000.00	5.420	5.495	1,376
31359MH48	1484	2070	FAC	Federal National Mortgage	02/22/2006	4,984,311.17	5.300	02/22/2011	5,000,000.00	1,826	5,000,000.00	5.304	5.378	1,697
3133XEXM6	1491	2070	FAC	Federal Home Loan Bank	03/23/2006	5,000,000.00	5.625	03/23/2011	5,000,000.00	1,826	5,000,000.00	5.548	5.625	1,726
31359MK36	1500	2070	FAC	Federal National Mortgage	04/20/2006	4,989,583.02	5.600	03/29/2011	5,000,000.00	1,804	5,000,000.00	5.573	5.650	1,732
3128X5EH7	1510	2070	FAC	Federal Home Loan Mtg	06/27/2006	5,000,000.00	6.000	06/27/2011	5,000,000.00	1,826	5,000,000.00	5.918	6.000	1,822
89233PYR1	1512	2070	MTN	Toyota Mtr Credit	06/30/2006	5,000,000.00	6.020	06/30/2011	5,000,000.00	1,826	5,000,000.00	5.938	6.020	1,825
Subtotal and Average						565,037,863.61			566,878,079.33		566,781,204.33	4.179	4.237	343
Net Maturities and Average						565,037,863.61			566,878,079.33		566,781,204.33	4.179	4.237	343

Portfolio POOL

AP

MINUTES
TREASURY OVERSIGHT COMMITTEE MEETING
April 26, 2006
For the Quarter Ending 03/31/2006

Attendees

Terry Bates - County Superintendent of Schools Representative
Ron Kinchloe – Assistant Auditor-Controller
David W. Ness – Member of the Public
Shari Hosemann – Assistant Treasurer-Tax Collector
Pat Fogel – Accountant II

Absent

Allan D. Inman – Special District Representative
M. Stephen Jones, C.P.A. – Auditor-Controller
Kathleen Crookham – Board of Supervisor
Marvin Smith – College Representative

Meeting Called to Order

Karen Adams called the meeting to order at 2:30pm.

Approval of Minutes

Terry Bates made a motion to accept the minutes. David Ness seconded the motion. The motion was approved.

Public Comments

None.

Portfolio Review

Karen reviewed the Quarterly Investment Portfolio Composition figures for the Pooled Investments for the Quarter Ending March 31, 2006. The Book Value of Assets Held was \$566,307,844. The Market Value of Assets Held was \$562,361,933. A category showing Assets Maturing within 90 Days has been added with a quarterly total of \$125,472,282. The line was added at the suggestion of Standard and Poors. The percentage of Market to Book Value was at 99.3032%. The Weighted Average Maturity (WAM) was 308 days.

The Return of Assets figures were also reviewed. Total Earnings for the Quarter were \$5,059,090 and the Total Earnings Fiscal year-to-date were \$13,079,603. The rate of return for the quarter was 3.78% rate for the fiscal year of 3.38%.

Open Discussion

After a brief discussion the treasury oversight members decided they preferred receiving the investment report via e-mail.

Karen reviewed and answered the questions which were asked at the January meeting. Also discussed were the changes in the current market.

Karen explained the purpose of the Bank of New York as the county's third party safe keeper. She discussed how the necessity of a third party safe keeper evolved in the investment market.

Karen asked if there were any questions. A motion was made and seconded to end the meeting. The meeting was adjourned at 3:15p.m...

Submitted by,
Pat Fogel
Pat Fogel, Accountant



STEVE WESTLY
California State Controller

**LOCAL AGENCY INVESTMENT FUND
 REMITTANCE ADVICE**

Agency Name	MERCED COUNTY
Account Number	99-24-000

As of 07/14/2006, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2006.

Earnings Ratio		.00012403658695943
Interest Rate		4.53%
Dollar Day Total	\$	529,379,279.08
Quarter End Principal Balance	\$	5,000,000.00
Quarterly Interest Earned	\$	65,662.40

MERCED COUNTY TREASURER

LISTING OF INVESTMENT TERMINOLOGY

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY: Securities issued by government-sponsored corporations such as Federal Home Loan Banks (FHLB) or Federal Land Banks (FLB.) Agency securities are exempt from Securities and Exchange Commission (SEC) registration requirements.

AMORTIZATION: Accounting procedure that gradually reduces the cost value of a limited life or intangible asset through periodic charges to income. It is a common practice to amortize any premium over par value paid in the purchase of bond investments or any discount under par value recognized in the purchase of bond investments.

ASKED PRICE: The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized with consumer receivables, such as automobile loans, credit card receivables, or home equity loans, which are owned by the issuer, but placed with a trustee for the benefit of the investor.

BANKER'S ACCEPTANCE (BA): Time draft drawn on and accepted by a bank [for up to 6 months], the customary means of effecting payment for merchandise sold in import-export transactions and a source of financing used extensively in international trade. These are time drafts in which a bank "accepts" as its financial responsibility to pay the principal at maturity even if the importer does not. In essence, these are bank obligations collateralized by goods being shipped between an exporter and an importer. With the credit strength of a bank behind it, the banker's acceptance usually qualifies as a MONEY MARKET instrument. The liability assumed by the bank is called its acceptance liability.

BANKER NOTE (BN): Similar to Commercial Paper (debt instrument issued by the Bank's holding company), but the Bank Note is issued directly by the Bank and not the holding company. BNs represent the highest senior debt issued by the bank, second only to Certificate of Deposit holders; highly negotiable and liquid. An allowable and accepted institutional investment form.

BASIS POINT: When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Example: 0.25% is twenty-five basis points. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOND: A long-term debt instrument in which the investor lends money to the bond issuer, who agrees to pay a stated rate of interest over a specified period of time. Very simply, a bond is a promissory note which is traded in the financial markets. The investor's position is that of lender.

BOND RATING: A rating selected from a scale which indicates the relative likelihood of default.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are "delivered" to an investor's custodian bank. The federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together and is compensated for his/her service.

CALL OPTION: A contract which allows the holder to buy a specified quantity of an asset at a specified price on or within a specified date.

CALLABLE BONDS: Bonds which may be redeemed by the issuing company prior to the maturity date.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a capital asset.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest-bearing. Investors (actually lenders, since commercial paper is a form of debt) like the flexibility and safety of an instrument that is issued only by top-rated concerns and is nearly always backed by bank lines of credit. Both Moody and Standard & Poor assign ratings to commercial paper.

COUPON OR COUPON RATE: The rate at which a bond pays interest. Stated as a percentage of par and computed out to a dollar amount. Example: A note with a coupon of 6% pays \$30,000 interest per million dollars of par every six months, or \$60,000 annually.

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE: A security whose interest rate of principal amount may vary and is determined by a market index or a combination of market indexes.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment strategy designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the “average maturity” of an investment portfolio using each investment’s maturity weighted by size of that investment.

FED FUNDS: Settlement is to be consummated with funds on deposit at the Federal Reserve Bank and thus available the same day. All government securities are traded on Fed Funds. Also referred to as “same day funds”.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the 12 Federal Reserve banks and about 6,000 member banks.

FIXED-INCOME SECURITIES: Securities which return a fixed income over a specified period.

FLOATING RATE NOTE: A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, LIBOR, ect.).

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage

of the principal amount.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

LOCAL AGENCY: County, city, city and county, including a charter city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

MARKET: Refers to the place, physical or electronic, that investment transactions take place. The New York Stock Exchange (NYSE) is a recognized exchange (stock market) with a physical location in New York. The Chicago Board of Trade (CBT) is a recognized exchange (commodities market) with a physical location in Chicago. The “over-the-counter” market is an electronic and phone system used to trade investments which are not traded on recognized exchanges. Bond and money market investments (fixed income securities) are traded on the “over-the-counter” market.

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARK-TO-MARKET: The market valuation for every security in a portfolio used in determining Net Asset Value (NAV).

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTE (MTN): Debt securities issued by a corporation or depository institution with a maturity ranging from nine months to five years. The term “medium-term notes” refers to the time it takes for an obligation to mature, and includes other corporate debt securities originally issued for maturities longer than five years, but which have now fallen within the five year maturity range. MTNs issued by banks are also called “bank notes.”

MONEY MARKET: The market in which short term debt instruments (Treasury bills, discount notes, commercial paper, bankers acceptances, ect.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments. The Net Asset Value (NAV) of these funds should remain at \$1.00; however, it is not guaranteed.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED RATING SERVICES: Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor’s Corporation, Moody’s Investor

Services, Inc.; Fitch Investors Service; Duff & Phelps Investment Service; Thompson Bank Watch and International Bank Credit Analyst.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): Large-dollar-amount, short-term certificate of deposit. Such certificates are issued by large banks and bought mainly by corporations and institutional investors. They are payable either to the bearer or to the order of the depositor, and, being NEGOTIABLE, they enjoy an active SECONDARY MARKET, where they trade in round lots of \$5 million.

NET ASSET VALUE (NAV): A per-share valuation of a mutual fund based on total assets minus total liabilities.

NON CALLABLE: Bond that is exempt from any kind of redemption for a stated time period. Also known as a Bullet Bond.

OFFER PRICE: The price asked by a seller of securities.

PAR VALUE: The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to “book entry” delivery).

PLAIN VANILLA: Non-derivative investments which are not leveraged and whose interest rates do not change.

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The difference between the par value of a bond and the market value of the bond, when the market value is above par.

PRICE: The percentage of par at which a security is bought and sold. Corporate debt is traded in denominations of 100th of a percent. Government debt is traded in denominations of 32nds of a percent.

PRICE RISK: The risk that the price of a bond sold prior to maturity will be less than the price at which the bond was originally purchased.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

PRIME RATE: The interest rate banks charge the biggest borrowers with the best credit ratings.

PRINCIPAL: The face value or par value of an investment.

PSA MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase agreements that establish each party's rights in the transactions.

RECEIVABLE-BACKED SECURITIES: Securities collateralized with consumer receivables, such as automobile loans, credit card receivables, or home equity loans, which are owned by the issuer, but placed with a trustee for the benefit of the investor.

RECEIVABLE PASS-THROUGH CERTIFICATE: A debt obligation that is backed by a portfolio of receivables, normally issued by a bank or financial institution. The interest and principal of the obligation is paid out of the cash flow generated by the receivables portfolio.

REGISTERED STATE WARRANT: A short-term obligation of a state governmental body issued in anticipation of revenue.

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENT (RP OR REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities at a later date at a specified price that includes interest for the buyer's holding period. In essence, this is a collateralized investment whereby the security "buyer" lends the "seller" money for the period of the agreement.

REVENUE ANTICIPATION NOTES OR RANs: Notes issued for thirteen months or less which are used to finance cashflow in anticipation of future tax revenue. Used by agencies having cashflow gaps between revenues and expenses which require short-term interim financing. Also see Tax Anticipation Notes (TANs) and Tax and Revenue Anticipation Notes (TRANs).

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

SAFEKEEPING: The holding of securities in a segregated account by a custody agent or trustee. Transactions are escrowed through these accounts by the custody agent or trustee. Safekeeping services are typically provided by banks and other financial institutions.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the

buyer in exchange for cash is the settlement date.

TAX ANTICIPATION NOTES OR TANs: Notes issued for thirteen months or less which are used to finance cashflow in anticipation of future tax revenue. Commonly used by California local governments whose primary revenues are property taxes which are collected in December and April. Also see Revenue Anticipation Notes (RANs) and Tax and Revenue Anticipation Notes (TRANs).

TAX AND REVENUE ANTICIPATION NOTES OR TRANs: Notes issued for thirteen months or less. They are a combination of Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (RANs). Also see Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs).

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

TREASURIES: Securities issued by the U.S. Treasury and backed by the FULL FAITH & CREDIT of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds. The income from Treasury securities is exempt from state and local, but not federal taxes.

TREASURY BILLS: Non-interest bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

TREASURY NOTES (USTN): Interest-bearing obligations issued by the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

TREASURY BONDS: Interest-bearing obligations issued by the U.S. Treasury with maturities that range from ten to thirty years from date of issue.

YIELD: The annual rate of return on a debt investment computed as though held to maturity expressed in %.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ZERO-COUPON BONDS/U.S. TREASURY STRIPS: A bond which represents ownership of a single coupon or principal payment due on a U.S. Treasury bond. "Zero" or "strips" mature at face value at a specified date in the future and make no payments until that date. They always sell at a discount from face value.

INVESTMENT OF FUNDS (Government Code Sections)

Sec 27000 Prudence Definition.

Sec 53600. Local Agency Definition.

Sec 53601. Circumstances Authorizing Investments; Authorized Investments.

Sec 53601 INVESTMENT TYPES & RESTRICTIONS*			COUNTY IMPOSED
TYPE	MAXIMUM TERM	MAXIMUM %	RESTRICTIONS
(a) Local Agency Bonds	5 years	No limit	10%, no tax-exempt issues
(b) USTN, Bonds, Bills,...	5 years	No limit	50%
(c) Reg'd State Wts, TN, Bonds	5 years	No limit	10%
(d) Local Agency Bonds, Notes,...	5 years	No limit	75%
(e) Obligations... FLB, FHLB...	5 years	No limit	75%
(f) Bankers Acceptances	180 days	40%; limited to 30% in one specific bank	30%
(g) Commercial Paper	270 days	40%; limited to 10% in one single corp. issuer	30%
(h) Certificates of Deposits	5 years	30%	30% Negotiable Only
(I) Repurchase or Rev Rep Sec	1 years	20	20 Reverses prohibited
(j) Corp. Notes	5 years	30%, must be US	30%
LAIF	not specified	no limit	40MM or 25%

Due to fluctuations in the portfolio's balance, compliance testing is applicable to the day of purchase.
THE COUNTY OF MERCED WILL NOT PURCHASE any derivatives i.e., mortgage backed or asset backed securities, reverse purchase agreement, strips or zero interest accrual investment