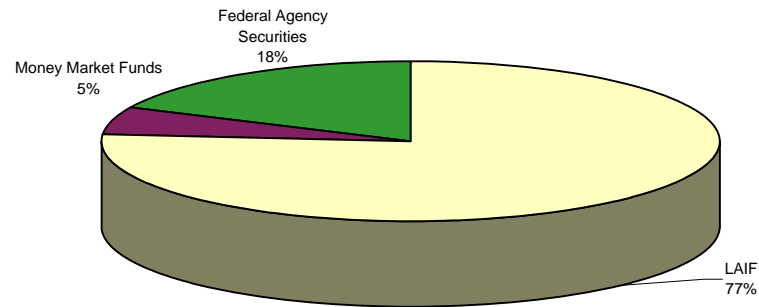


**City of Chico  
Investment Portfolio Report  
August 31, 2010**

| <u>Summary of Investments</u>       | <u>Cost Basis*</u>   | <u>Fair Value**</u>  | <u>Interest Earned</u> | <u>Gain/(Loss) on Investment</u> |
|-------------------------------------|----------------------|----------------------|------------------------|----------------------------------|
| Local Agency Investment Fund (LAIF) | 34,264,445.51        | 34,264,445.51        | 0.00                   | 0.00                             |
| Money Market Mutual Fund            | 2,436,316.38         | 2,436,316.38         | 83.68                  | 0.00                             |
| Federal Agency Securities           | 7,994,375.00         | 8,104,350.00         | 6,875.00               | 0.00                             |
| <b>Total Pooled Investments</b>     | <b>44,695,136.89</b> | <b>44,805,111.89</b> | <b>6,958.68</b>        | <b>0.00</b>                      |
| Investments Held In Trust           | 8,762,534.80         | 8,762,534.80         | 3.21                   | 0.00                             |
| Fiduciary Funds                     | 97,256.26            | 97,256.26            | 0.00                   | 0.00                             |
| <b>Total Investments</b>            | <b>53,554,927.95</b> | <b>53,664,902.95</b> | <b>6,961.89</b>        | <b>0.00</b>                      |

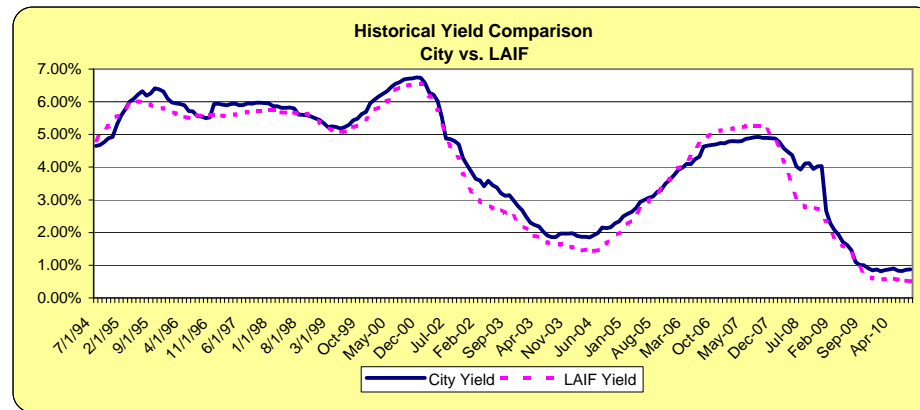
**Distribution of Pooled Investments**

|                                 | <u>Fair Value</u>    | <u>% Split</u> |
|---------------------------------|----------------------|----------------|
| LAIF                            | 34,264,445.51        | 76.5%          |
| Money Market Funds              | 2,436,316.38         | 5.4%           |
| Federal Agency Securities       | 8,104,350.00         | 18.1%          |
| <b>Total Pooled Investments</b> | <b>44,805,111.89</b> |                |



**Weighted Annual Yield**

|                          |       |
|--------------------------|-------|
| Current Month            | 0.87% |
| Prior Month              | 0.86% |
| Average Days to Maturity | 315   |



\* Cost Basis: The value paid on the purchase date of the asset.

\*\* Fair Value: The value at which a financial instrument could be exchanged in a current transaction.

**City of Chico**  
**Investment Portfolio Report**  
**August 31, 2010**

| Type of Investment /<br>Financial Institution                         | Yield to<br>Maturity | Cost<br>Basis*       | Fair<br>Value**      | Interest<br>Earned | Gain/(Loss)<br>On Investment | Maturity<br>Date |
|---|----------------------|----------------------|----------------------|--------------------|------------------------------|------------------|
| <b><i>City Investment Portfolio - Pooled Investments</i></b>          |                      |                      |                      |                    |                              |                  |
| <b><i>State of California Local Agency Investment Fund (LAIF)</i></b> |                      |                      |                      |                    |                              |                  |
| City of Chico   | 0.513%               | 9,126,713.32         | 9,126,713.32         |                    |                              | N/A              |
| Chico Redevelopment Agency  | 0.513%               | 19,308,224.03        | 19,308,224.03        |                    |                              | N/A              |
| Chico Urban Area JPFA   | 0.513%               | 5,829,508.16         | 5,829,508.16         |                    |                              | N/A              |
| <b>Total Local Agency Investment Fund</b>                             |                      | <b>34,264,445.51</b> | <b>34,264,445.51</b> | <b>0.00</b>        | <b>0.00</b>                  |                  |
| <b><i>Money Market Mutual Fund</i></b>                                |                      |                      |                      |                    |                              |                  |
| Union Bank of California  | 0.050%               | 1,983,827.27         | 1,983,827.27         | 83.68              |                              | N/A              |
| Bank of America   | 0.000%               | 452,489.11           | 452,489.11           |                    |                              | N/A              |
| <b>Total Money Market Fund</b>  |                      | <b>2,436,316.38</b>  | <b>2,436,316.38</b>  | <b>83.68</b>       | <b>0.00</b>                  |                  |
| <b><i>Federal Agency Securities</i></b>                               |                      |                      |                      |                    |                              |                  |
| Federal Home Loan Bank  | 1.450%               | 500,000.00           | 501,720.00           |                    |                              | 6/29/2012        |
| Federal Home Loan Bank  | 3.010%               | 500,000.00           | 515,000.00           |                    |                              | 9/15/2014        |
| Federal National Mortgage Assn  | 2.870%               | 994,375.00           | 1,001,560.00         |                    |                              | 9/22/2014        |
| Federal National Mortgage Assn  | 1.970%               | 1,000,000.00         | 1,013,130.00         |                    |                              | 9/23/2014        |
| Federal National Mortgage Assn  | 2.990%               | 1,000,000.00         | 1,004,060.00         |                    |                              | 10/29/2014       |
| Federal Home Loan Mortgage Corp.                                      | 2.970%               | 500,000.00           | 504,585.00           |                    |                              | 12/30/2014       |
| Federal Home Loan Mortgage Corp.                                      | 2.970%               | 500,000.00           | 504,765.00           |                    |                              | 1/28/2015        |
| Federal Home Loan Bank  | 2.630%               | 500,000.00           | 523,125.00           | 6,875.00           |                              | 2/11/2015        |
| Federal Home Loan Bank  | 2.960%               | 500,000.00           | 507,030.00           |                    |                              | 3/10/2015        |
| Federal Farm Credit Bank  | 2.800%               | 500,000.00           | 518,125.00           |                    |                              | 4/9/2015         |
| Federal Home Loan Mortgage Corp.                                      | 2.980%               | 500,000.00           | 502,655.00           |                    |                              | 5/18/2015        |
| Federal Farm Credit Bank  | 2.580%               | 500,000.00           | 507,970.00           |                    |                              | 6/15/2015        |
| Federal Home Loan Bank  | 2.800%               | 500,000.00           | 500,625.00           |                    |                              | 6/24/2015        |
| <b>Total Federal Agency Securities</b>                                |                      | <b>7,994,375.00</b>  | <b>8,104,350.00</b>  | <b>6,875.00</b>    | <b>0.00</b>                  |                  |
| <b>Total City Pooled Investments</b>                                  |                      | <b>44,695,136.89</b> | <b>44,805,111.89</b> | <b>6,958.68</b>    | <b>0.00</b>                  |                  |

\* Cost Basis: The value paid on the purchase date of the asset.

\*\* Fair Value: The value at which a financial instrument could be exchanged in a current transaction.

**City of Chico**  
**Investment Portfolio Report**  
**August 31, 2010**

| Type of Investment /<br>Financial Institution                       | Yield to<br>Maturity | Cost<br>Basis*       | Fair<br>Value**      | Interest<br>Earned | Gain/(Loss)<br>On Investment | Maturity<br>Date |
|---|----------------------|----------------------|----------------------|--------------------|------------------------------|------------------|
| <b><i>City Investment Portfolio - Investments held in Trust</i></b> |                      |                      |                      |                    |                              |                  |
| <b>2001 Tax Allocation Revenue Bonds</b>                            |                      |                      |                      |                    |                              |                  |
| Blackrock Provident Institutional Funds                             | 0.040%               | 44,433.67            | 44,433.67            | 0.98               |                              | N/A              |
| FSA Capital Management Services                                     | 5.250%               | 1,684,941.25         | 1,684,941.25         |                    |                              | 03/28/24         |
| <b>2005 Tax Allocation Bonds</b>                                    |                      |                      |                      |                    |                              |                  |
| Blackrock Provident Institutional Funds                             | 0.040%               | 101,550.85           | 101,550.85           | 2.23               |                              | N/A              |
| FSA Capital Management Services                                     | 4.940%               | 4,092,746.27         | 4,092,746.27         |                    |                              | 04/01/32         |
| <b>2007 Tax Allocation Refunding Bonds</b>                          |                      |                      |                      |                    |                              |                  |
| Blackrock Provident Institutional Funds                             | 0.000%               | 70,710.26            | 70,710.26            |                    |                              | N/A              |
| FSA Capital Management Services                                     | 5.250%               | 2,678,152.50         | 2,678,152.50         |                    |                              | 03/28/25         |
| <b>General Liability Insurance Reserve</b>                          |                      |                      |                      |                    |                              |                  |
| Umpqua Bank   | N/A                  | 20,000.00            | 20,000.00            |                    |                              | N/A              |
| <b>Workers' Compensation Insurance Reserve</b>                      |                      |                      |                      |                    |                              |                  |
| Tri Counties Bank   | N/A                  | 70,000.00            | 70,000.00            |                    |                              | N/A              |
| <b>Total Investments Held In Trust</b>                              |                      | <b>8,762,534.80</b>  | <b>8,762,534.80</b>  | <b>3.21</b>        | <b>0.00</b>                  |                  |
| <b><i>City Investment Portfolio - Fiduciary Funds</i></b>           |                      |                      |                      |                    |                              |                  |
| <b>Mission Ranch Assessment District</b>                            |                      |                      |                      |                    |                              |                  |
| Principal Cash  | 0.000%               | 97,256.26            | 97,256.26            |                    |                              | N/A              |
| <b>Total Fiduciary Funds</b>  |                      | <b>97,256.26</b>     | <b>97,256.26</b>     | <b>0.00</b>        | <b>0.00</b>                  |                  |
| <b>TOTAL INVESTMENTS</b>  |                      | <b>53,554,927.95</b> | <b>53,664,902.95</b> | <b>6,961.89</b>    | <b>0.00</b>                  |                  |

\* Cost Basis: The value paid on the purchase date of the asset.

\*\* Fair Value: The value at which a financial instrument could be exchanged in a current transaction.