Exhibit Item J-4

PALOMAR COMMUNITY COLLEGE DISTRICT

FISCAL SERVICES

February 4, 2008

TO: Robert Deegan
Superintendent/President

FROM: Phyllis Laderman
Director of Fiscal Services

SUBJECT: Quarterly Investment Report

OVERVIEW

In direct response to the investment practices of school districts, county offices of education and community colleges revealed by the bankruptcy investigation of Orange County, Senator Patrick Johnston (D-Stockton) authored Senate Bill 564, Chapter 783, which repealed the previous Section 53646 of the Government Code and added an amended Section 53646. The bill requires quarterly disclosures of all investments and annual disclosure of investment policy to the President of the District, the Internal Auditor and the Governing Board.

DISCUSSION

The attached "Quarterly Report of Chief Financial Officer Regarding Disclosure of District Investments" contains a listing of all cash, bank accounts, funds in County Treasury and investments of Palomar Community College District as of December 31, 2007. The last page of the report contains the District's Investment Policy.

Prior to July 1, 2004, this report was a mandated reimbursable activity. The state commission on mandates has pronounced this claim as discontinued. Although they have repealed the mandate, the report is still considered worthwhile information for the Governing Board and administration.

We did not issue Tax and Revenue Anticipation Notes (TRANs) this fiscal year since we do not have any projected monthly cash flow deficits.

Supporting documentation is on file in the Fiscal Services department.

BUDGET IMPLICATIONS

This is a financial report and there are no budget implications.

RECOMMENDATION

The staff recommends approval of this report.