July 9, 2008

Honorable Debra Bowen, Secretary of State
Office of the Secretary of State
1500 Eleventh Street, Executive Suite, 6th Floor
Sacramento, California 95814

Dear Secretary Bowen:

Enclosed is my affidavit declaring the amount of money or credit that should be under the responsibility of the State Treasurer and the kind and amount of money and credit held by the State Treasurer. As required by the California Government Code, sections 13297 and 13298, the Bureau of State Audits counted the money and credit as of the close of business on December 31, 2007.

The California Government Code, Section 13299, requires the State Auditor to file this affidavit with the Secretary of State.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Enclosure
Elaine M. Howle, State Auditor, declares that the amount of money or credit that should have been under the responsibility of the State Treasurer’s Office was on deposit in financial institutions and is listed below. This statement does not include amounts held by the State Treasurer’s Office for separately invested state accounts, pledges to the State of California, and trust accounts held for safekeeping. The Bureau of State Audits counted the money and credit as of the close of business on December 31, 2007, as required by sections 13297 and 13298 of the California Government Code.

Money and credit held by the State Treasurer’s Office as of December 31, 2007 (Amounts in thousands)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand deposits in banks</td>
<td>$ 923,052</td>
</tr>
<tr>
<td>Cash deposited with fiscal agents</td>
<td>40,405</td>
</tr>
<tr>
<td>Non-negotiable certificates of deposit with banks and savings and loan associations</td>
<td>9,083,995</td>
</tr>
<tr>
<td>Due from banks</td>
<td>128,761</td>
</tr>
<tr>
<td>Securities authorized for purchase by the California Government Code</td>
<td>44,413,609</td>
</tr>
</tbody>
</table>

Total $54,589,822

I declare under penalty of perjury that the foregoing is true and correct.

SACRAMENTO, CALIFORNIA

[Signature]

ELAINE M. HOWLE
State Auditor