

Edgar Filing: MFS CALIFORNIA INSURED MUNICIPAL FUND - Form N-Q

MFS CALIFORNIA INSURED MUNICIPAL FUND

Form N-Q

October 29, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-9537

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MFS CALIFORNIA INSURED MUNICIPAL FUND

-----  
(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

-----  
(Address of principal executive offices) (Zip code)

Susan S. Newton  
Massachusetts Financial Services Company  
500 Boylston Street  
Boston, Massachusetts 02116

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(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

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Date of fiscal year end: November 30

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Date of reporting period: August 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) CALIFORNIA INSURED MUNICIPAL FUND

8/31/07

QUARTERLY PORTFOLIO HOLDINGS

[graphic omitted]

M F S(R)  
INVESTMENT MANAGEMENT

MFS California Insured Municipal Fund  
PORTFOLIO OF INVESTMENTS (Unaudited) 8/31/07

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ISSUER

MUNICIPAL BONDS - 156.2%

AIRPORT & PORT REVENUE - 7.4%

Port of Oakland, CA, "K", FGIC, 5.75%, 2029

\$

San Diego County, CA, Regional Airport Authority, AMBAC, 5.25%, 2020

San Diego, CA, Port District Rev., "B", MBIA, 5%, 2029

GENERAL OBLIGATIONS - GENERAL PURPOSE - 5.7%

State of California, 5%, 2022

\$

State of California, AMBAC, 6%, 2017

GENERAL OBLIGATIONS - SCHOOLS - 28.2%

Allan Hancock, CA, Joint Community College (Election of 2006), "A",  
FSA, 4.375%, 2031

\$

Culver City, CA, School Facilities Financing Authority Rev  
(Culver City Unified School District), FSA, 5.50%, 2025

Los Angeles, CA, Unified School District, "A-1", MBIA, 4.5%, 2028 (f)

Newhall, CA, School District, FGIC, 5%, 2020

Pomona, CA, Unified School District, "A", 6.55%, 2029

Rancho Santiago, CA, Community College District, FSA, 5.125%, 2029

Rescue, CA, Union School District (Election 1998), MBIA, 0%, 2026

San Diego, CA, Unified School District (Election of 1998), "B",  
MBIA, 6%, 2019

Temecula Valley, CA, Unified School District, FSA, 5%, 2020

Union, CA, Elementary School District, "A", FGIC, 0%, 2018

Vallejo City, CA, Unified School District, "A", MBIA, 5.9%, 2025

West Contra Costa, CA, Unified School District, "A", MBIA, 5.7%, 2023

West Covina, CA, Unified School District, "A", MBIA, 5.8%, 2021

Yuba City, CA, Unified School District, FGIC, 0%, 2018

HEALTHCARE REVENUE - HOSPITALS - 4.4%

California Statewide Communities Development Authority Rev. (Catholic West),  
6.5%, 2010 (c)

\$

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California Statewide Communities Development Authority Rev  
(Daughters of Charity Health), "A", 5.25%, 2030  
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Oakland, CA, Rev. (Harrison Foundation), "A", AMBAC, 6%, 2010 (c)  
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HEALTHCARE REVENUE - LONG TERM CARE - 6.0%  
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ABAG Finance Authority for Non-Profit Corps. (Odd Fellows Home),  
MBIA, 6%, 2024 \$  
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California Statewide Communities Development Authority Rev  
(Eskaton Properties, Inc.), 8.25%, 2010 (c)  
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MISCELLANEOUS REVENUE - OTHER - 2.6%  
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San Francisco, CA, City & County Redevelopment Agency, Hotel Tax Rev.,  
FSA, 6.75%, 2025 \$  
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SINGLE FAMILY HOUSING - LOCAL - 0.1%  
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California Rural Home Mortgage Finance Authority Rev., Mortgage Backed  
Securities Program, "A", 6.35%, 2029 \$  
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California Rural Home Mortgage Finance Authority Rev., Mortgage  
Backed Securities Program, "B4", GNMA, 6.35%, 2029  
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-----  
SINGLE FAMILY HOUSING - STATE - 2.6%  
-----

California Housing Finance Agency Rev., Home Mortgage, "N",  
FGIC, 5.05%, 2026 \$  
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SOLID WASTE REVENUE - 1.3%  
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Salinas Valley, CA, Solid Waste Authority Rev., AMBAC, 5.125%, 2022 \$  
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STATE & LOCAL AGENCIES - 22.3%  
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California Public Works Board Lease Rev., Department of Mental Health  
(Coalinga), "A", 5.5%, 2019 \$  
-----

Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement  
Rev., Enhanced, "A", FGIC, 5%, 2035  
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Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev.,  
Enhanced, "A", FGIC, 5%, 2038  
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Huntington Park, CA, Public Financing Authority Rev., "A", FSA, 5.25%, 2019  
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Los Angeles County, CA, Schools Regionalized Business Service Corp.,  
Capital Appreciation Pooled Financing, "A", AMBAC, 0%, 2018  
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Los Angeles County, CA, Schools Regionalized Business Service Corp., Capital Appreciation  
Pooled Financing, "A", AMBAC, 0%, 2023  
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Pacifica, CA, Certificates of Participation (Street Improvement Project),  
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AMBAC, 5.875%, 2009 (c)

Sacramento, CA, City Financing Authority (Master Lease Program Facilities),  
"E", AMBAC, 5.25%, 2026

TAX - OTHER - 4.8%

Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana  
Redevelopment), "A", N, AMBAC, 5%, 2029

\$

Southern California Logistics Airport Authority (Southern California Authority Project),  
XLCA, 5%, 2043

TAX ASSESSMENT - 12.9%

Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort),  
"2000-1", 6.45%, 2031

\$

Lancaster, CA, Financing Authority, Tax Allocation Rev. (Projects No. 5 & 6 Redevelopment  
Projects), MBIA, 5.25%, 2020

Long Beach, CA, Bond Finance Authority, Tax Allocation Rev., "C", AMBAC, 5.5%, 2031

Oceanside, CA, Community Development Commission, Tax Allocation (Downtown Redevelopment  
Project Escrow Bonds), 5.7%, 2025

Orange County, CA, Community Facilities District, Special Tax (Ladera Ranch),  
"A", 6.7%, 2009 (c)

San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project),  
"C", MBIA, 4.25%, 2030

San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project),  
"D", AMBAC, 5%, 2021

TOBACCO - 4.7%

Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed,  
"A-1", 5%, 2033

\$

Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed,  
"A-1", 5.125%, 2047

TOLL ROADS - 1.4%

California Infrastructure & Economic Development Bank Rev. (Bay Area Toll Bridges - 1st  
Lien), "A", AMBAC, 5.125%, 2026 (c)

\$

TRANSPORTATION - SPECIAL TAX - 4.7%

Puerto Rico Highway & Transportation Authority, Highway Rev., "Y", FSA, 5.5%, 2016 (c)

\$

San Francisco, CA, Bay Area Rapid Transit District, Sales Tax Rev., "A", MBIA, 5%, 2030

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 UNIVERSITIES - COLLEGES - 9.7%

California Educational Facilities Authority Rev. (Pepperdine University), "A",  
 AMBAC, 5%, 2035

\$

California Educational Facilities Authority Rev., Pooled College & University  
 Projects, "B", 6.625%, 2010 (c)

California University Rev., "C", MBIA, 5%, 2029

University Enterprises, Inc. (Auxiliary Organization), "A", FGIC, 4.375%, 2030

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 UTILITIES - INVESTOR OWNED - 8.3%

California Pollution Control Financing Authority, Pollution Control Rev. (Pacific  
 Gas & Electric Co.), MBIA, 5.35%, 2016

\$

California Pollution Control Financing Authority, Pollution Control Rev. (San Diego  
 Gas & Electric Co.), "A", 6.8%, 2015

California Pollution Control Financing Authority, Pollution Control Rev. (Southern  
 CA Edison Co.), "B", MBIA, 5.45%, 2029

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 WATER & SEWER UTILITY REVENUE - 29.1%

Culver City, CA, Wastewater Facilities Rev., "A", FGIC, 5.7%, 2029

\$

El Dorado, CA, Irrigation District, Certificates of Participation, "A", FGIC, 5%, 2021

Elsinore Valley, CA, Municipal Water District, Certificates of Participation, FGIC,  
 5.375%, 2018

Los Angeles County, CA, Sanitation Districts Financing Authority (Capital Projects  
 District No. 20), "A", AMBAC, 4.5%, 2032

Los Angeles, CA, Department of Water & Power, Waterworks Rev., "A-2", AMBAC, 5%, 2027

Los Angeles, CA, Department of Water & Power, Waterworks Rev., "C", MBIA, 5%, 2022

Metropolitan Water District of Southern California Waterworks Rev., "A", FSA, 5%, 2030

Pico Rivera, CA, Water Authority Rev. (Water Systems Project), "A", MBIA, 5.5%, 2029

Westlands, CA, Water District Rev., Certificates of Participation, "A", MBIA, 5%, 2030

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 TOTAL MUNICIPAL BONDS

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 FLOATING RATE DEMAND NOTES - 5.2%

Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), "B", 3.95%, due 9/04/07

\$

Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), "A", 3.95%, due 9/04/07

Mt. Vernon Industrial Pollution Control Rev. (General Electric Co. Project),

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3.95%, due 9/04/07

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 Sevier County, TN, Public Building Authority, 3.55%, due 9/06/07  
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TOTAL FLOATING RATE DEMAND NOTES

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 TOTAL INVESTMENTS(k)  
 -----

OTHER ASSETS, LESS LIABILITIES - 2.2%

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 PREFERRED SHARES (ISSUED BY THE TRUST) - (63.6)%  
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NET ASSETS APPLICABLE TO COMMON SHARES - 100.0%

(c) Refunded bond.

(f) All or a portion of the security has been segregated as collateral for an open futures contra

(k) As of August 31, 2007, the fund held securities fair valued in accordance with the policies a  
 aggregating \$60,031,276 and 96.78% of market value. All of these security values were provide  
 service using an evaluated bid.

The following abbreviations are used in this report and are defined:

Insurers

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 AMBAC      AMBAC Indemnity Corp.  
 FGIC       Financial Guaranty Insurance Co.  
 FSA        Financial Security Assurance Inc.  
 GNMA       Government National Mortgage Assn.  
 MBIA       MBIA Insurance Corp.  
 XLCA       XL Capital Insurance Co.

See attached supplemental information. For more information see notes to financial statements as  
 semiannual or annual report.

MFS CALIFORNIA INSURED MUNICIPAL FUND

SUPPLEMENTAL INFORMATION (UNAUDITED) 8/31/07

(1) PORTFOLIO SECURITIES

The cost and unrealized appreciation and depreciation in the value of the investments owned by th  
 federal income tax basis, are as follows:

|  |                       |
|--|-----------------------|
| Aggregate Cost                             | \$60,631,242<br>===== |
| Gross unrealized appreciation              | \$2,246,410           |
| Gross unrealized depreciation              | (846,376)<br>-----    |
| Net unrealized appreciation (depreciation) | \$1,400,034<br>=====  |

The aggregate cost above includes prior fiscal year end tax adjustments.

(2) FINANCIAL INSTRUMENTS

FUTURES CONTRACTS OUTSTANDING AT 8/31/07

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| DESCRIPTION                      | CONTRACTS | VALUE        | EXPIRATION DATE |
|----------------------------------|-----------|--------------|-----------------|
| U.S. Treasury Bond (Short)       | 115       | \$12,829,688 | Dec-07          |
| U.S. Treasury Note 10 yr (Short) | 227       | 24,753,641   | Dec-07          |

At August 31, 2007, the fund had sufficient cash and/or other liquid securities to cover any commodity derivative contracts.

ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

NOTICE

A copy of the Agreement and Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: MFS CALIFORNIA INSURED MUNICIPAL FUND

By (Signature and Title)\* MARIA F. DWYER

-----  
 Maria F. Dwyer, President

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Date: October 16, 2007  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* MARIA F. DWYER  
-----

Maria F. Dwyer, President (Principal Executive Officer)

Date: October 16, 2007  
-----

By (Signature and Title)\* TRACY ATKINSON  
-----

Tracy Atkinson, Treasurer (Principal Financial Officer and Accounting Officer)

Date: October 16, 2007  
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\* Print name and title of each signing officer under his or her signature.