

M E M O R A N D U M

TO: Chief Administrative Officer
Mayor Prussing
Members, Urbana City Council

FROM: City Comptroller

RE: Quarterly Investment Report for Quarter Ended December 31, 2005

DATE: January 26, 2006

The City's investment policy requires that a quarterly investment report be submitted to the City Council. Attached please find the city's investment report as of December 31, 2005.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested decreased approximately \$826,000 (2.5%). This decrease was due to normal bills exceeding revenues during this quarter. An additional \$710,000 was also invested in CD's and Treasury Securities. The average yield is 4.4% on fixed investments (CD's and U.S. Treasury) and 4.0% on short-term money market and savings investments for total yield of 4.2%. The average outstanding length of maturity time for the fixed investments is 4.4 years.

The City's investment portfolio at December 31, 2005 complies and is in accordance with the City's investment policies that were approved on November 15, 1999.

<u>Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>12/31/05 \$ Market</u>	<u>% Portfolio</u>	<u>09/30/05 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/05	12/06/02	3.460%	\$ -		\$ 100,000	-100.00%	Maturity
Central IL Bank	CD	12/06/06	12/06/05	4.300%	\$ 100,000		\$ -	100.00%	Purchase
Union Planters Bank	CD	11/03/05	12/03/02	2.700%	\$ -		\$ 102,700	-100.00%	Maturity
Regions Bank	CD	12/03/06	11/03/05	4.150%	\$ 96,000		\$ -	100.00%	Purchase
Bank Illinois	CD	12/02/05	12/02/02	2.750%	\$ -		\$ 102,803	-100.00%	Maturity
National City	CD	01/06/07	12/06/05	4.400%	\$ 95,000		\$ -	100.00%	Purchase
Centrue Bank	CD	11/24/07	11/23/04	3.230%	\$ 101,959		\$ 101,959	0.00%	
Main St. Bank and Trust	CD	11/23/07	11/23/04	3.090%	\$ 103,126		\$ 102,329	0.78%	Accrued interest
Bank One	CD	11/23/07	11/23/04	2.760%	\$ 97,000		\$ 97,000	0.00%	
Smith Barney	CD	10/11/06	10/10/01	5.000%	\$ 100,000		\$ 100,000	0.00%	
Smith Barney	CD	06/16/06	06/10/04	3.000%	\$ 86,000		\$ 86,000	0.00%	
Smith Barney	CD	06/23/06	06/10/04	3.050%	\$ 94,000		\$ 94,000	0.00%	
Smith Barney	CD	11/21/07	11/16/05	4.600%	\$ 96,000		\$ -	100.00%	Purchase
Smith Barney	CD	11/23/10	11/16/05	4.850%	\$ 96,000		\$ -	100.00%	Purchase
Smith Barney	CD	08/25/06	11/16/05	4.350%	\$ 96,000		\$ -	100.00%	Purchase
Smith Barney	CD	11/29/06	11/16/05	4.400%	\$ 96,000		\$ -	100.00%	Purchase
Smith Barney	CD	05/30/06	11/16/05	4.200%	\$ 96,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	08/31/09	09/01/04	3.855%	\$ 85,302		\$ 85,302	0.00%	
Stifel, Nicolaus	CD	12/18/18	12/12/03	3.500%	\$ 94,000		\$ 94,000	0.00%	
Edward Jones	CD	12/24/08	12/24/03	3.750%	\$ 98,000		\$ 98,000	0.00%	
Edward Jones	CD	12/26/08	12/26/03	3.750%	\$ 98,000		\$ 98,000	0.00%	
Edward Jones	CD	11/28/07	05/28/04	3.850%	\$ 95,000		\$ 95,000	0.00%	
Edward Jones	CD	12/03/07	12/03/04	3.500%	\$ 99,000		\$ 99,000	0.00%	
Merrill Lynch	CD	06/11/07	06/07/04	3.350%	\$ 69,000		\$ 69,000	0.00%	
Merrill Lynch	CD	12/17/07	11/29/04	3.350%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/10/07	11/29/04	3.300%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/10/07	11/29/04	3.400%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/15/06	12/06/04	3.050%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/18/06	12/06/04	3.000%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	02/20/07	02/08/05	3.350%	\$ 66,000		\$ 66,000	0.00%	
Merrill Lynch	CD	02/19/08	02/07/05	3.550%	\$ 66,000		\$ 66,000	0.00%	
Subtotal, CD's					\$ 2,623,387	8.17%	\$ 2,157,093	21.62%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	US Govt, Agency, FICO	3/26/07	11/03/93	6.600%	238,687		238,687	0.00%	
Merrill Lynch	US Govt, Agency, FICO	9/26/07	11/03/93	6.640%	229,507		229,507	0.00%	
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	155,483		155,483	0.00%	
Merrill Lynch	US Govt, Agency, FICO	3/7/08	11/03/93	6.770%	119,116		119,116	0.00%	
Merrill Lynch	US Govt, Agency, FICO	6/27/09	11/03/93	7.000%	150,645		150,645	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/2/09	11/03/93	7.010%	167,203		167,203	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	89,429		89,429	0.00%	
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	1,291,412		1,291,412	0.00%	
Merrill Lynch	US Govt, Agency, TNote	5/15/07	07/08/02	4.375%	1,266,650		1,266,650	0.00%	
Merrill Lynch	US Govt, Agency, FNMA	11/18/11	05/13/04	4.000%	160,000		160,000	0.00%	
Merrill Lynch	US Govt, Agency, Tstrip	5/15/09	05/26/04	3.800%	522,722		522,722	0.00%	
Merrill Lynch	US Govt, Agency, Tstrip	5/15/11	05/26/04	4.310%	539,347		539,347	0.00%	
Merrill Lynch	US Govt, Agency, FHLM	5/28/13	11/23/04	4.250%	491,745		491,745	0.00%	
AG Edwards	US Govt, Agency, FHLM	2/15/23	11/30/93	6.200%	3,676		53,991	-93.19%	Principal Payments
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	31,291		35,374	-11.54%	Principal Payments
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	2,188		2,498	-12.39%	Principal Payments
Smith Barney	US Govt, Agency, TNote	11/15/05	07/01/02	5.750%	-		1,261,088	-100.00%	Maturity
Smith Barney	US Govt, Agency, FHLM	3/15/13	05/24/04	5.750%	575,656		575,656	0.00%	
Smith Barney	US Govt, Agency, FHLM	7/15/10	05/24/04	4.480%	574,385		574,385	0.00%	
Smith Barney	US Govt, Agency, FICO	6/27/11	05/25/04	4.680%	549,843		549,843	0.00%	
Smith Barney	US Govt, Agency, FICO	5/30/12	05/25/04	4.900%	564,195		564,195	0.00%	
Smith Barney	US Govt, Agency, Tstrip	11/15/09	11/16/05	4.046%	809,533			100.00%	Purchase
Edward Jones	US Govt, Agency, TNote	5/15/06	07/03/02	4.625%	1,262,888		1,262,888	0.00%	
Edward Jones	US Govt, Agency, FHLM	5/15/30	05/28/04	5.000%	1,001,250		1,001,250	0.00%	
Edward Jones	US Govt, Agency, FNMA	12/15/09	12/15/04	3.000%	1,594,854		1,594,854	0.00%	
Edward Jones	US Govt, Agency, FHLM	11/15/09	05/27/05	3.500%	997,230		997,230	0.00%	
Edward Jones	US Govt, Agency, Tstrip	8/15/09	12/05/05	4.204%	700,566			100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, FICO	6/6/07	09/12/02	9.000%	106,851		106,851	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	12/27/05	09/19/02	9.600%	-		122,886	-100.00%	Maturity
Stifel, Nicolaus	US Govt, Agency, FICO	3/7/06	09/19/02	9.650%	107,390		107,390	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	175,024		175,024	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLM	5/15/14	05/14/04	4.500%	211,860		211,860	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLB	11/2/07	11/18/04	3.375%	444,960		444,960	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLB	6/6/08	11/19/04	3.750%	447,840		447,840	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	5/28/09	11/19/04	4.290%	450,045		450,045	0.00%	
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/07	11/29/04	3.000%	492,700		492,700	0.00%	
Stifel, Nicolaus	US Govt, Agency, Tnote	11/30/06	11/29/04	2.8750%	494,900		494,900	0.00%	
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/09	12/07/04	3.050%	1,087,065		1,087,065	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLB	8/22/08	12/23/05	4.650%	172,794				
Subtotal, U.S. Govt.					\$ 18,280,931	56.95%	\$ 18,036,719	1.35%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	MM	n/a	n/a	3.500%	\$ 9,231		\$ -	100.00%	Investment Interest
Edward Jones	MM	n/a	n/a	3.460%	\$ 35,002		\$ 47,271	-25.95%	Interest,Investment Purchases
Smith Barney	MM	n/a	n/a	3.770%	\$ 17,007		\$ 11,372	49.55%	Investment Interest
Stifel, Nicolaus	MM			3.280%	\$ 114		\$ 1,113	-89.78%	Interest,Investment Purchases
IL Metropolitan Investment Fund	US Govt Pool Fund			4.150%	\$ 2,115,119		\$ 2,101,295	0.66%	State Payments,
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	4.016%	\$ 3,148,175		\$ 294,793	967.93%	Interest
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	4.124%	\$ 12,776		\$ 12,650	0.99%	Interest
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	4.016%	\$ 128,501		\$ 96,399	100.00%	Revenue Payments
Bank One	Savings	n/a	n/a	3.960%	\$ 1,356,606		\$ 1,344,200	0.92%	Interest
Busey Bank	Savings	n/a	n/a	3.890%	\$ 4,374,674		\$ 8,824,755	-50.43%	Normal Bill Paying, Investment Purchases
Subtotal, MM, IPTIP, & Savings					\$ 11,197,204	34.88%	\$ 12,733,849	-12.07%	
TOTALS					\$ 32,101,521	100.00%	\$ 32,927,660	-2.51%	