

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 June 30, 2006

DATE: September 7, 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 June 30, 2006.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested increased approximately \$2.6 million. An additional \$90,000 was invested in U.S. Treasury securities in maturities and purchases. The average yield is 4.6% on fixed investments (CD's and U.S. Treasury) and 4.8% on short-term money market and savings investments. The average outstanding length of maturity time for the fixed investments is 4.4 years. The main reason for the increase in cash was the receipt of a large property tax payment in June. This additional amount will be reduced over the coming months as expenses will be greater than cash receipts during this time.

The City's investment portfolio at June 30, 2006 complies and is in accordance with State laws and 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>06/30/06 \$ Market</u>	<u>% Portfolio</u>	<u>03/31/06 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/06	12/06/05	4.300%	\$ 100,000		\$ 100,000	0.00%	
Regions Bank	CD	12/03/06	11/03/05	4.140%	\$ 96,000		\$ 96,000	0.00%	
National City	CD	01/06/07	12/06/05	4.400%	\$ 95,000		\$ 95,000	0.00%	
Centrue Bank	CD	11/24/07	11/23/04	3.230%	\$ 105,292		\$ 101,959	3.27%	Accrued interest
Main St. Bank and Trust	CD	11/23/07	11/23/04	3.090%	\$ 104,712		\$ 103,929	0.75%	Accrued interest
Chase Bank	CD	11/23/07	11/23/04	2.760%	\$ 99,714		\$ 97,000	2.80%	Accrued interest
Smith Barney	CD	10/11/06	10/03/01	5.000%	\$ 100,000		\$ 100,000	0.00%	
Smith Barney	CD	06/16/06	06/10/04	3.000%	\$ -		\$ 86,000	-100.00%	Maturity
Smith Barney	CD	06/23/06	06/10/04	3.050%	\$ -		\$ 94,000	-100.00%	Maturity
Smith Barney	CD	11/21/07	11/16/05	4.600%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	11/23/10	11/16/05	4.850%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	08/25/06	11/16/05	4.350%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	11/29/06	11/16/05	4.400%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	05/30/06	11/16/05	4.200%	\$ -		\$ 96,000	-100.00%	Maturity
Smith Barney	CD	06/06/08	06/07/06	5.250%	\$ 96,000		\$ -	100.00%	Purchase
Smith Barney	CD	07/05/07	06/23/06	5.400%	\$ 94,000		\$ -	100.00%	Purchase
Smith Barney	CD	06/20/08	06/14/06	5.250%	\$ 96,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	08/31/09	09/01/04	3.855%	\$ 85,040		\$ 85,302	-0.31%	Change in Market
Stifel, Nicolaus	CD	12/12/18	12/12/03	3.500%	\$ 94,000		\$ 94,000	0.00%	
Stifel, Nicolaus	CD	03/10/08	03/06/06	5.000%	\$ 95,000		\$ 95,013	-0.01%	Change in Market
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					\$ 2,735,759	7.87%	\$ 2,719,203	0.61%	

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%	245,254		238,687	2.75%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	9/26/07	11/03/93	6.640%	234,090		229,507	2.00%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	157,992		155,483	1.61%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	3/7/08	11/03/93	6.770%	120,686		119,116	1.32%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	6/27/09	11/03/93	7.000%	150,063		150,645	-0.39%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	11/2/09	11/03/93	7.010%	165,758		167,203	-0.86%	Change in Market
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	88,617		89,429	-0.91%	Change in Market
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	1,238,813		1,291,412	-4.07%	Change in Market
Merrill Lynch	US Govt, Agency, TNote	5/15/07	07/08/02	4.375%	1,240,425		1,266,650	-2.07%	Change in Market
Merrill Lynch	US Govt, Agency, FNMA	11/18/11	05/13/04	4.000%	158,550		160,000	-0.91%	Change in Market
Merrill Lynch	US Govt, Agency, Tstrip	5/15/09	05/26/04	3.800%	520,345		522,722	-0.45%	Change in Market
Merrill Lynch	US Govt, Agency, Tstrip	5/15/11	05/26/04	4.310%	530,443		539,347	-1.65%	Change in Market
Merrill Lynch	US Govt, Agency, FHLM	5/28/13	11/23/04	4.250%	462,095		491,745	-6.03%	Change in Market
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	26,068		27,639	-5.68%	Principal Payments
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	1,712		1,864	-8.14%	Principal Payments
Smith Barney	US Govt, Agency, FHLM	3/15/13	05/24/04	5.750%	559,784		575,656	-2.76%	Change in Market
Smith Barney	US Govt, Agency, FHLM	7/15/10	05/24/04	4.480%	566,405		574,385	-1.39%	Change in Market
Smith Barney	US Govt, Agency, FICO	6/27/11	05/25/04	4.680%	540,155		549,843	-1.76%	Change in Market
Smith Barney	US Govt, Agency, FICO	5/30/12	05/25/04	4.900%	550,185		564,195	-2.48%	Change in Market
Smith Barney	US Govt, Agency, Tstrip	11/15/09	11/16/05	4.046%	801,059		809,533	-1.05%	Change in Market
Edward Jones	US Govt, Agency, TNote	5/15/06	07/03/02	4.625%	-		1,262,888	-100.00%	Maturity
Edward Jones	US Govt, Agency, FHLM	5/15/30	05/28/04	5.000%	935,000		1,001,250	-6.62%	Change in Market
Edward Jones	US Govt, Agency, FNMA	12/15/09	12/15/04	4.500%	1,576,708		1,594,854	-1.14%	Change in Market
Edward Jones	US Govt, Agency, FHLM	11/15/09	05/27/05	4.000%	978,790		997,230	-1.85%	Change in Market
Edward Jones	US Govt, Agency, Tstrip	8/15/09	12/05/05	4.204%	697,898		700,566	-0.38%	Change in Market
Edward Jones	US Govt, Agency, TNote	4/30/11	05/19/06	4.875%	411,757			100.00%	Purchase
Edward Jones	US Govt, Agency, Tnote	4/30/08	05/19/06	4.875%	413,741			100.00%	Purchase
Edward Jones	US Govt, Agency, FLMMC	5/15/26	05/19/06	6.000%	404,992			100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, FICO	6/6/07	09/12/02	9.000%	109,435		106,851	2.42%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	175,762		175,024	0.42%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FHLM	5/15/14	05/14/04	4.500%	210,315		211,860	-0.73%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FHLB	11/2/07	11/18/04	3.375%	437,760		444,960	-1.62%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FHLB	6/6/08	11/19/04	3.750%	435,960		447,840	-2.65%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FNMA	5/28/09	11/19/04	4.290%	435,780		450,045	-3.17%	Change in Market
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/07	11/29/04	3.000%	485,400		492,700	-1.48%	Change in Market
Stifel, Nicolaus	US Govt, Agency, Tnote	11/30/06	11/29/04	2.8750%	495,150		494,900	0.05%	Change in Market
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/09	12/07/04	3.050%	1,075,080		1,087,065	-1.10%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FHLB	8/22/08	12/23/05	4.650%	167,093		172,794	-3.30%	Change in Market
Stifel, Nicolaus	US Govt, Agency, FHLMC	8/15/18	05/11/06	5.125%	112,363				
Subtotal, U.S. Govt.					\$ 17,917,483	51.54%	\$ 18,165,887	-1.37%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	MM	n/a	n/a	n/a	\$ 9,181		\$ -	100.00%	Investment Interest
Edward Jones	MM	n/a	n/a	3.900%	\$ 96,500		\$ 48,678	98.24%	Investment Maturity
Smith Barney	MM	n/a	n/a	4.170%	\$ 1,785		\$ 22,901	-92.21%	Interest
Stifel, Nicolaus	MM			3.650%	\$ -		\$ 19,920	-100.00%	Check Issued
IL Metropolitan Investment Fund	US Govt Pool Fund			5.000%	\$ 2,156,212		\$ 2,130,674	1.20%	Interest
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	4.834%	\$ 1,702,985		\$ 2,056,007	-17.17%	State Payments, Interest,\$4M to Busey
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	5.008%	\$ 13,071		\$ 12,914	1.22%	Interest
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	4.834%	\$ 8,911		\$ 169,090	100.00%	Revenue Payments, Transfer to IL Funds MM
Chase Bank	Savings	n/a	n/a	4.840%	\$ 1,386,612		\$ 1,370,866	1.15%	Interest
Busey Bank	Savings	n/a	n/a	4.730%	\$ 8,738,672		\$ 5,465,515	59.89%	Normal Bill Paying, \$4M from IL Funds, Real Estate Tax Receipt
Subtotal, MM, IPTIP, & Savings					\$ 14,113,930	40.60%	\$ 11,296,565	24.94%	
TOTALS					\$ 34,767,171	100.00%	\$ 32,181,655	8.03%	