

M E M O R A N D U M

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

FROM: City Comptroller

RE: Quarterly Investment Report for Quarter Ended June 30, 2003

DATE: August 4, 2003

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, 2003.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The most significant investment activity is the increase in market values of the various U.S. Government bonds reflecting the drop in interest rates during the year (City only adjusts to market value once year on June 30).

Taking into account these market value fluctuations, the total cash and investments are the same approximate amount as of the end of the last quarter.

The City's investment portfolio at June 30, 2003 complies and is in accordance with the City's investment policies that were approved on November 15, 1999.

CITY OF URBANA, QUARTERLY INVESTMENT  
REPORT

AS OF JUNE 30, 2003

| <u>Financial Institution</u> | <u>Type of Investment</u> | <u>Maturity Date</u> | <u>Date Purchased</u> | <u>Yield</u> | <u>06/30/03 \$ Market</u> | <u>% Portfolio</u> | <u>03/31/03 \$ 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                |                    | \$ 100,000                | 0.00%                        |                           |
| Union Planters Bank          | CD                        | 11/03/05             | 12/03/02              | 2.700%       | \$ 101,657                |                    | \$ 100,000                | 1.66%                        |                           |
| Bank Illinois                | CD                        | 12/02/05             | 12/02/02              | 2.750%       | \$ 101,376                |                    | \$ 100,678                | 0.69%                        | Accrued interest          |
| Smith Barney                 | CD                        | 10/11/06             | 10/10/01              | 5.000%       | \$ 100,000                |                    | \$ 100,000                | 0.00%                        |                           |
| First Mid-Illinois Bank      | CD                        | 11/29/04             | 11/19/02              | 3.200%       | \$ 101,876                |                    | \$ 100,000                | 1.88%                        |                           |
| Stifel, Nicolaus             | CD                        | 09/01/04             | 03/23/01              | 6.650%       | \$ 92,076                 |                    | \$ 92,076                 | 0.00%                        |                           |
| Edward Jones                 | CD                        | 11/17/03             | 11/15/00              | 6.650%       | \$ 77,000                 |                    | \$ 77,000                 | 0.00%                        |                           |
| Edward Jones                 | CD                        | 05/23/05             | 05/23/01              | 5.400%       | \$ 78,000                 |                    | \$ 78,000                 | 0.00%                        |                           |
| Edward Jones                 | CD                        | 11/22/04             | 11/20/02              | 2.500%       | \$ 85,000                 |                    | \$ 85,031                 | -0.04%                       |                           |
| Edward Jones                 | CD                        | 05/29/04             | 11/29/02              | 2.050%       | \$ 85,000                 |                    | \$ 85,000                 | 0.00%                        |                           |
| Edward Jones                 | CD                        | 05/27/05             | 11/29/02              | 2.500%       | \$ 86,000                 |                    | \$ 86,000                 | 0.00%                        |                           |
| Edward Jones                 | CD                        | 11/17/03             | 05/15/02              | 3.100%       | \$ 95,000                 |                    | \$ 95,000                 | 0.00%                        |                           |
| Subtotal, CD's               |                           |                      |                       |              | \$ 1,102,985              | 3.80%              | \$ 1,098,785              | 0.38%                        |                           |
| Merrill Lynch                | US Govt, Agency, FICO     | 04/06/04             | 11/03/93              | 6.380%       | \$ 77,174                 |                    | \$ 73,734                 | 4.67%                        | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 05/11/04             | 11/03/93              | 6.380%       | \$ 81,033                 |                    | \$ 77,166                 | 5.01%                        | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 06/06/04             | 11/03/93              | 6.380%       | \$ 68,113                 |                    | \$ 64,745                 | 5.20%                        | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 02/08/05             | 11/03/93              | 6.390%       | \$ 128,845                |                    | \$ 119,734                | 7.61%                        | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 03/26/07             | 11/03/93              | 6.600%       | \$ 232,575                |                    | \$ 205,723                | 13.05%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 09/26/07             | 11/03/93              | 6.640%       | \$ 223,700                |                    | \$ 196,682                | 13.74%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 12/27/07             | 11/03/93              | 6.750%       | \$ 151,432                |                    | \$ 132,088                | 14.64%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 03/07/08             | 11/03/93              | 6.770%       | \$ 115,480                |                    | \$ 99,759                 | 15.76%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 06/27/09             | 11/03/93              | 7.000%       | \$ 144,122                |                    | \$ 122,029                | 18.10%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 11/02/09             | 11/03/93              | 7.010%       | \$ 160,182                |                    | \$ 134,457                | 19.13%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, FICO     | 11/11/09             | 11/03/93              | 7.010%       | \$ 85,680                 |                    | \$ 71,872                 | 19.21%                       | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, TNote    | 11/15/08             | 07/03/02              | 4.250%       | \$ 1,385,550              |                    | \$ 1,292,213              | 7.22%                        | market value fluctuations |
| Merrill Lynch                | US Govt, Agency, TNote    | 05/15/07             | 07/08/02              | 4.375%       | \$ 1,358,200              |                    | \$ 1,278,783              | 6.21%                        | market value fluctuations |
| AG Edwards                   | US Govt, Agency, FHLM     | 02/15/23             | 11/30/93              | 6.200%       | \$ 685,075                |                    | \$ 675,862                | 1.36%                        | market value fluctuations |

|                                 |                       |          |          |        |               |                       |                                 |
|---------------------------------|-----------------------|----------|----------|--------|---------------|-----------------------|---------------------------------|
| Smith Barney                    | US Govt, Agency, GNMA | 10/20/23 | 11/26/93 | 6.500% | \$ 114,813    | \$ 142,210            | -19.27% Principal payments      |
| Smith Barney                    | US Govt, Agency, GNMA | 11/20/23 | 11/26/93 | 6.500% | \$ 8,198      | \$ 9,821              | -16.53% Principal payments      |
| Smith Barney                    | US Govt, Agency,TNote | 11/15/05 | 07/02/02 | 5.750% | \$ 1,374,225  | \$ 1,347,266          | 2.00% market value fluctuations |
| Edward Jones                    | US Govt, Agency,TNote | 05/15/06 | 07/03/02 | 4.625% | \$ 1,353,125  | \$ 1,304,573          | 3.72% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency, FICO | 12/06/03 | 01/11/02 | 3.000% | \$ 93,485     | \$ 90,572             | 3.22% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency, FHLM | 05/15/12 | 05/23/02 | 4.250% | \$ 102,469    | \$ 100,918            | 1.54% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency,TNote | 11/15/04 | 07/05/02 | 2.980% | \$ 1,314,141  | \$ 1,245,087          | 5.55% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency,FICO  | 06/06/07 | 09/12/02 | 9.000% | \$ 104,940    | \$ 97,553             | 7.57% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency,FICO  | 12/27/05 | 09/19/02 | 9.600% | \$ 119,823    | \$ 114,879            | 4.30% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency,FICO  | 03/07/06 | 09/19/02 | 9.650% | \$ 104,875    | \$ 99,972             | 4.90% market value fluctuations |
| Stifel, Nicolaus                | US Govt, Agency,FICO  | 11/30/08 | 09/19/02 | 9.800% | \$ 171,128    | \$ 159,044            | 7.60% market value fluctuations |
| Subtotal, U.S. Govt.            |                       |          |          |        | \$ 9,758,383  | 33.66% \$ 9,256,741   | 5.42% market value fluctuations |
| Merrill Lynch                   | MM                    | n/a      | n/a      | n/a    | \$ 2          | \$ 2                  | 0.00%                           |
| Edward Jones                    | MM                    | n/a      | n/a      | 0.320% | \$ 40,587     | \$ 3,695              | 998.42% Interest added account  |
| Smith Barney                    | MM                    | n/a      | n/a      | 0.630% | \$ 82,097     | \$ 67,923             | 20.87% Interest added account   |
| Stifel, Nicolaus                | MM                    |          |          | 0.360% | \$ 3,656      | \$ 14,139             | -74.14% Interest added account  |
| Stifel, Nicolaus                | US Govt, Agency Bonds |          |          | 8.460% | \$ 103,324    | \$ 93,222             | 10.84%                          |
| IL Metropolitan Investment Fund | US Govt Pool Fund     |          |          | 5.520% | \$ 2,055,582  | \$ 2,000,000          | 2.78%                           |
| Smith Barney Lord Abbott        | US Govt Pool Fund     |          |          | 3.866% | \$ 1,220,438  | \$ 1,200,000          | 1.70% Interest added account    |
| Illinois Funds-Money Market     | Govt. Pool, IL Funds  | n/a      | n/a      | 1.065% | \$ 3,397,838  | \$ 2,504,900          | 35.65% State Payments, Interest |
| Illinois Funds-Prime Funds      | Govt. Pool, IL Funds  | n/a      | n/a      | 1.108% | \$ 4,027,531  | \$ 4,016,046          | 0.29% Interest                  |
| Bank One                        | Savings               | n/a      | n/a      | 1.050% | \$ 2,228,820  | \$ 2,223,793          | 0.23% \$1M transfer to Busey    |
| Busey Bank                      | Savings               | n/a      | n/a      | 1.050% | \$ 4,968,036  | \$ 3,125,057          | 58.97% Normal bill paying.      |
| Subtotal, MM, IPTIP, & Savings  |                       |          |          |        | \$ 18,127,912 | 62.53% \$ 15,248,777  | 18.88%                          |
| TOTALS                          |                       |          |          |        | \$ 28,989,279 | 100.00% \$ 25,604,302 | 13.22%                          |

Submitted by: Ronald Eldridge, Comptroller