

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 Sep. 30, 2007

DATE: October 15, 2007

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 September 30, 2007.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested increased approximately \$2.1 million to a total of \$37,819,233. This increase is due to the receipt of property tax payments in this first quarter. At this time of the year, the timing of revenues are normally greater than expenses. I expect expenses to be greater than revenues over the next 3 quarters. The average yield is 4.6% on fixed investments (CD's and U.S. Treasury) and 4.7% on short-term money market and savings investments (last quarter returns were 4.6 and 5.1% respectively). The average outstanding length of maturity time for the fixed investments is 3.5 years.

The City's investment portfolio at Sep. 30, 2007 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>09/30/07 \$ Market</u>	<u>% Portfolio</u>	<u>06/30/07 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/08	12/06/06	4.720%	\$ 103,585		\$ 102,367	1.19%	Accrued interest
Regions Bank	CD	10/04/07	12/04/06	5.118%	\$ 96,000		\$ 96,000	0.00%	
National City	CD	01/08/08	01/08/07	4.880%	\$ 96,000		\$ 96,000	0.00%	
Centrue Bank	CD	11/24/07	11/23/04	3.230%	\$ 108,735		\$ 108,735	0.00%	
Main St. Bank and Trust	CD	11/23/07	11/23/04	3.090%	\$ 108,827		\$ 107,986	0.78%	Accrued interest
Chase Bank	CD	11/23/07	11/23/04	2.760%	\$ 99,714		\$ 99,714	0.00%	
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	06/06/08	05/30/06	5.250%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	07/05/07	06/23/06	5.400%	\$ -		\$ 94,000	-100.00%	Maturity
Smith Barney	CD	06/20/08	06/14/06	5.250%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	09/06/07	08/25/06	5.150%	\$ -		\$ 96,000	-100.00%	Maturity
Smith Barney	CD	10/25/07	10/11/06	5.050%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	12/07/09	11/29/06	4.750%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	07/13/10	07/06/07	5.300%	\$ 50,000		\$ -	100.00%	Purchase
Smith Barney	CD	07/13/10	07/06/07	5.300%	\$ 50,000		\$ -	100.00%	Purchase
Smith Barney	CD	04/01/09	09/17/07	4.900%	\$ 96,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	08/31/09	09/01/04	3.855%	\$ 88,478		\$ 88,478	0.00%	
Stifel, Nicolaus	CD	03/10/08	03/06/06	5.000%	\$ 95,000		\$ 95,000	0.00%	
Stifel, Nicolaus	CD	06/22/09	12/22/06	4.900%	\$ 100,000		\$ 100,000	0.00%	
Stifel, Nicolaus	CD	12/14/09	06/05/07	5.150%	\$ 100,000		\$ 100,000	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%	
Edward Jones	CD	07/06/07	07/06/06	5.500%	\$ -		\$ 94,000	-100.00%	Maturity
Edward Jones	CD	07/13/09	07/11/07	5.200%	\$ 94,000		\$ -	100.00%	Purchase
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	02/19/08	02/07/05	3.550%	\$ 66,000		\$ 66,000	0.00%	
Merrill Lynch	CD	12/22/08	12/11/06	4.800%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/22/08	12/11/06	4.800%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	02/28/08	02/20/07	5.000%	\$ 66,000		\$ 66,000	0.00%	
Merrill Lynch	CD	06/20/08	06/11/07	5.000%	\$ 69,000		\$ 69,000	0.00%	Purchase
Subtotal, CD's					\$ 2,953,339	7.81%	\$ 2,945,280	0.27%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	US Govt, Agency, FICO	9/26/07	11/03/93	6.640%	-		247,170	-100.00%	Maturity
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	166,911		166,911	0.00%	
Merrill Lynch	US Govt, Agency, FICO	3/7/08	11/03/93	6.770%	127,530		127,530	0.00%	
Merrill Lynch	US Govt, Agency, FICO	6/27/09	11/03/93	7.000%	159,113		159,113	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/2/09	11/03/93	7.010%	175,877		175,877	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	94,041		94,041	0.00%	
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	1,246,000		1,246,000	0.00%	
Merrill Lynch	US Govt, Agency, Tstrip	5/15/09	05/26/04	3.800%	550,613		550,613	0.00%	
Merrill Lynch	US Govt, Agency, Tstrip	5/15/11	05/26/04	4.310%	562,498		562,498	0.00%	
Merrill Lynch	US Govt, Agency, FHLM	5/28/13	11/23/04	4.250%	470,705		470,705	0.00%	
Merrill Lynch	US Govt, Agency, FHLM	7/6/10	11/22/06	4.500%	156,914		156,914	0.00%	
Merrill Lynch	US Govt, Agency, FHLM	10/15/08	05/14/07	5.125%	619,808		619,808	0.00%	
Merrill Lynch	US Govt, Agency, FHLM	11/3/09	05/14/07	4.750%	618,944		618,944	0.00%	
Merrill Lynch	US Govt, Agency, FHLB	8/14/08	03/28/07	5.250%	249,923		249,923	0.00%	
Merrill Lynch	US Govt, Agency, FHLB	10/22/10	09/25/07	4.450%	249,564			100.00%	
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	19,439		21,538	-9.75%	Principal Payments
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	1,474		1,491	-1.14%	Principal Payments
Smith Barney	US Govt, Agency, FHLM	3/15/13	05/24/04	5.750%	596,288		596,288	0.00%	
Smith Barney	US Govt, Agency, FHLM	7/15/10	05/24/04	4.480%	599,921		599,921	0.00%	
Smith Barney	US Govt, Agency, FICO	6/27/11	05/25/04	4.680%	574,154		574,154	0.00%	
Smith Barney	US Govt, Agency, FICO	5/30/12	05/25/04	4.900%	588,405		588,405	0.00%	
Smith Barney	US Govt, Agency, Tstrip	11/15/09	11/16/05	4.046%	848,227		848,227	0.00%	
Edward Jones	US Govt, Agency, FHLM	5/15/30	05/28/04	5.000%	959,190		959,190	0.00%	
Edward Jones	US Govt, Agency, FNMA	12/15/09	12/15/04	4.500%	1,606,451		1,606,451	0.00%	
Edward Jones	US Govt, Agency, FHLM	11/15/09	05/27/05	4.000%	-		996,510	-100.00%	Called Early
Edward Jones	US Govt, Agency, Tstrip	8/15/09	12/05/05	4.200%	737,939		737,939	0.00%	
Edward Jones	US Govt, Agency, TNote	4/30/11	05/19/06	4.875%	415,384		415,384	0.00%	
Edward Jones	US Govt, Agency, Tnote	4/30/08	05/19/06	4.875%	415,447		415,447	0.00%	
Edward Jones	US Govt, Agency, FHLMC	5/15/26	05/19/06	6.000%	405,698		405,698	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	186,006		186,006	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	5/11/09	06/06/07	5.030%	113,770		113,770	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLM	5/15/14	05/14/04	5.000%	212,592		212,592	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLB	11/2/07	11/18/04	3.375%	446,985		446,985	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLB	6/6/08	11/19/04	3.750%	443,700		443,700	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	5/28/09	11/19/04	4.290%	442,530		442,530	0.00%	
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/07	11/29/04	3.000%	496,450		496,450	0.00%	
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/09	12/07/04	3.050%	-		1,138,320	-100.00%	Called Early
Stifel, Nicolaus	US Govt, Agency, FHLB	8/22/08	12/23/05	4.650%	168,793		168,793	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLMC	8/15/18	05/11/06	6.125%	-		114,323	-100.00%	Called Early
Stifel, Nicolaus	US Govt, Agency, FHLB	11/9/09	11/29/06	5.370%	498,700		498,700	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	12/28/09	07/30/07	5.250%	1,150,515			100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, FNMA	8/14/23	09/26/07	6.000%	125,984			100.00%	Purchase
Subtotal, U.S. Govt.					\$ 17,502,483	46.28%	\$ 18,474,859	-5.26%	

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	\$ 3,408		\$ 2,972	14.66%	Interest, Check Issued
Edward Jones	MM	n/a	n/a	4.280%	\$ 1,041,451		\$ 249,539	317.35%	Investment Interest and Maturity
Smith Barney	MM	n/a	n/a	4.890%	\$ 7,700		\$ 18,383	-58.11%	Investment Interest, Principal Payments, Investment Purchase
Stifel, Nicolaus	MM			4.360%	\$ 2,123		\$ 13,687	-84.49%	Investment Interest, Purchases
IL Metropolitan Investment Fund	US Govt Pool Fund			4.750%	\$ 2,311,493		\$ 2,281,546	1.31%	Interest
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	4.761%	\$ 2,262,398		\$ 3,379,132	-33.05%	State Payments, Interest. Transfer from E Pay, \$4.5 M Tfr to Busey MM
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	5.100%	\$ 13,949		\$ 13,770	1.31%	Interest
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	4.761%	\$ 28,403		\$ 11,697	142.82%	Revenue Payments, Transfer to IL Funds MM
Chase Bank	Savings	n/a	n/a	5.000%	\$ 1,475,267		\$ 1,457,165	1.24%	Interest
Busey Bank	Savings	n/a	n/a	4.760%	\$ 10,217,219		\$ 6,837,609	49.43%	Normal Bill Paying, \$4.5 M Tfr from IL Funds MM
Subtotal, MM, IPTIP, & Savings					\$ 17,363,411	45.91%	\$ 14,265,499	21.72%	
TOTALS					\$ 37,819,233	100.00%	\$ 35,685,638	5.98%	