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ERIE COUNTY LEGISLATURE

1998 DEC 21 A 10:48

County of Erie

NANCY A. NAPLES
COMPTROLLER

December 18, 1998

Hon. Erie County Legislature
25 Delaware Avenue
Buffalo, New York 14202

Re: Quarterly Investment Report July 1, 1998 through September 30, 1998

Dear Honorable Members:

In accordance with the Comptroller's Investment Guidelines, the third quarter Investment Report for 1998 is hereby submitted. Interest earnings realized during the third quarter exceeded budgetary projections by \$622,073. The investment program of this Office and budgeted projections are dependent on two key factors, an aggressive, competitive investment program and timely billing of state and federal agencies for reimbursement of expenditures. A total of 546 investments were made during the quarter, resulting in \$4,205,571 in total interest earnings for all funds. The weighted average yield for the third quarter was 5.52%.

SUMMARY OF INVESTMENTS PURCHASED

| | Number of Investments | | | Average Investment (in millions) | | | Average Length of Investments (days) | | |
|-----------------|-----------------------|------------|------------|----------------------------------|----------|----------|--------------------------------------|-----------|----------|
| | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 1st Qtr. | 2nd. Qtr. | 3rd Qtr. |
| Bear Stearns | 3 | 28 | 2 | 52.0 | 16.5 | 44.0 | 7.0 | 6.0 | 7.0 |
| Chase | 272 | 294 | 268 | 4.7 | 4.0 | 4.4 | 1.7 | 1.4 | 1.4 |
| Dean Witter | 18 | 0 | 3 | 4.1 | 0.0 | 31.0 | 6.0 | 0.0 | 6.6 |
| First Boston | 21 | 38 | 12 | 23.2 | 12.3 | 42.8 | 6.9 | 7.0 | 5.0 |
| Fleet | 0 | 1 | 0 | 0.0 | 5.3 | 0.0 | 0.0 | 31.0 | 0.0 |
| Lehman Brothers | 5 | 33 | 22 | 44.8 | 9.5 | 13.7 | 5.2 | 7.0 | 6.7 |
| M&T Trust Co. | 22 | 7 | 5 | 3.1 | 1.3 | 0.4 | 20.9 | 27.3 | 72.6 |
| Marine Midland | 15 | 16 | 16 | 0.4 | 0.4 | 0.5 | 20.3 | 29.1 | 23.8 |
| Repos | 0 | 2 | 0 | 0.0 | 2.5 | 0.0 | 0.0 | 221.0 | 0.0 |
| Merrill Lynch | 2 | 17 | 15 | 34.0 | 5.1 | 5.3 | 7.0 | 6.9 | 7.0 |
| Paine Webber | 65 | 22 | 107 | 12.9 | 49.1 | 9.5 | 6.9 | 11.5 | 7.6 |
| Prudential | 125 | 92 | 61 | 6.4 | 11.2 | 14.1 | 7.8 | 7.5 | 7.0 |
| Smith Barney | 23 | 41 | 35 | 18.1 | 18.4 | 9.2 | 7.0 | 6.8 | 7.0 |
| TOTAL | 571 | 591 | 546 | | | | | | |

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SUMMARY OF INTEREST EARNINGS BY FUND

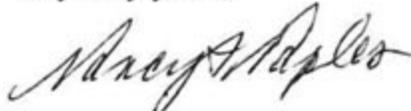
| | General Fund | Trust Fund | Capital Fund | Sewer Fund | Other | Total |
|-------------|--------------|------------|--------------|------------|-----------|-------------|
| 1st Quarter | \$2,422,787 | \$656,460 | \$758,658 | \$164,965 | \$241,070 | \$4,243,940 |
| 2nd Quarter | 3,426,572 | 531,636 | 731,304 | 284,883 | 213,206 | 5,187,601 |
| 3rd Quarter | 2,608,225 | 599,378 | 675,522 | 247,700 | 74,747 | 4,205,571 |
| Totals | 8,457,584 | 1,787,474 | 2,105,483 | 697,547 | 529,023 | 13,637,112 |

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

| Month | Weighted Average Yield | Month | Weighted Average Yield | Month | Weighted Average Yield |
|------------------------------|------------------------|-------|------------------------|-----------|------------------------|
| January | 5.66% | April | 5.50% | July | 5.52% |
| February | 5.50% | May | 5.49% | August | 5.54% |
| March | 5.50% | June | 5.49% | September | 5.51% |
| Weighted Average for Quarter | 5.55% | | 5.49% | | 5.52% |

General Fund interest earnings reflected in the accounting General Ledger at month end and the Budget Monitoring Report is the total of the amounts reflected above for General Fund and Trust Fund. Please feel free to contact this Office if you have any questions or comments concerning this report.

Very truly yours,



NANCY A. NAPLES
 County Comptroller

jr
 c: Kenneth C. Kruly, Director
 Div. of Budget, Management and Finance