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OFFICE OF THE  
CITY TREASURER

THOMAS P. FRIERY  
TREASURER

January 30, 2002  
B014NWA.DOC

CITY OF SACRAMENTO  
CALIFORNIA

926 J STREET  
SUITE 300  
SACRAMENTO, CA  
95814-2709

PH 916-264-5168  
FAX 916-448-3139

City Council  
City of Sacramento

Honorable Members in Session:

**SUBJECT: INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2001 AND THE MONTHLY TRANSACTIONS FOR DECEMBER 31, 2001 WITH A RESOLUTION REAFFIRMING THE CITY OF SACRAMENTO'S INVESTMENT POLICY AND THE DELEGATION OF AUTHORITY TO THE CITY TREASURER**

**LOCATION/COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:** The City Treasurer recommends that the City Council adopt the attached Resolution which delegates authority to the City Treasurer to invest or reinvest City funds and to sell or exchange securities purchased for a one-year period. The Resolution also affirms that the City Council has reviewed and approved the City of Sacramento's Investment Policy.

**CONTACT PERSON:** Thomas P. Friery, City Treasurer 264-5168

**FOR COUNCIL MEETING OF:** February 19, 2002

**SUMMARY**

Chapter 783, Statutes of 1995 requires the City Treasurer to render a quarterly investment report to the City Manager, the internal auditor and the City Council within 30 days following the end of each quarter. In addition, Chapter 749, Statutes of 1996 requires the City Treasurer to render a monthly investment transaction report and the City Council to delegate investment authority to the City Treasurer for a one-year period. This report fulfills the quarterly investment report and the monthly investment transaction report requirements for the month December 31, 2001. The Resolution fulfills the delegation of authority until such authority is revoked or until the end of the one-year period.

**COMMITTEE/COMMISSION ACTION:** None.

## **BACKGROUND**

Chapter 749, Statutes of 1996 and Chapter 783, Statutes of 1995 were enacted to help avoid a repeat of the December 1994 Orange County investment fiasco which resulted in investment losses exceeding \$1.7 billion for Orange County and other local government entities. The City's first Chapter 783 quarterly investment report in compliance with this legislation was heard by City Council on May 7, 1996. The City's first Chapter 749 monthly transaction report was presented to City Council on March 18, 1997. This report is submitted to City Council which combines both reporting requirements.

## **CHAPTER 783**

Chapter 783 has two main requirements. The first is that the City Council annually consider the City Treasurer's investment policies and any proposed changes or revisions. The City Council first approved the City Treasurer's investment policies in 1978. City Council has approved minor technical modifications in the past; however, for the most part the investment policy remains substantially unchanged. The City Treasurer has included the current City's Investment Policy in this report for your approval (Exhibit I).

This report addresses the second main requirement which focuses on prompt and full reporting of all securities held by the City Treasurer and under management of any outside party. Chapter 783 specifies that the quarterly investment report shall:

"...include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation."

"...State compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance."

"...include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available."

## INVESTMENTS HELD

**City Investment Pool A** is a short-term investment vehicle for the cash balances of all operating funds of the City of Sacramento. Investments purchased for this pool are invested according to the investment guidelines of government code (Sections 53601 & 53635) and may be expanded to include investments deemed prudent by the City Treasurer. Exhibit A is a detailed list of the investments held as of December 31, 2001.

**The Ann Land/Bertha Henschel Public Trust Mutual Fund** was set up to collectively manage the investment of proceeds from two separate donations to the City of Sacramento. In 1914 William Land donated \$271,720 to the City for the poor, indigent, and needy citizens in Sacramento in memory of his mother. In 1953 a similar gift of \$278,000 was given by Bertha Henschel and several others. The original bequests are to remain in perpetuity but all income derived from these funds is to be paid to benefit the indigent and needy citizens of Sacramento. The Ann Land-Bertha Henschel Memorial Funds Commission was created and exists pursuant to the provisions of the Sacramento City Code. The Commission consists of eight members appointed by the Mayor and Council. The Commission is responsible for the disbursement of the income from the funds, while the City Treasurer has the authority and responsibility for the investment of the funds. Exhibit B is a detailed list of the investments held as of December 31, 2001.

**The Ethel MacLeod Hart Fund for Senior Citizens** (the Fund) is a bequest to the City of Sacramento to be used for constructing and maintaining a facility available to senior citizens for their use, enjoyment and comfort. The Ethel MacLeod Hart Advisory Committee (the Committee) was appointed by the Mayor to provide advice to City staff and the City Council on the appropriate use of the Fund consistent with the terms of the bequest and intent of the donor. The Committee is composed of seven members including individual senior citizens and representatives from senior citizen advocacy and advisory organizations. The Committee advises the City Council on the appropriate use of the Funds; City Council authorized the City Treasurer to prudently invest the monies. Exhibit C is a detailed list of the investments held as of December 31, 2001.

**Funds with a Third Party Trustee** consists of proceeds from debt financing and monies for the City's deferred compensation program. Debt financing is generally for specific purposes and has various restrictions imposed by bond covenants. To protect the interests of the concerned parties, the proceeds are held by a third party trustee in various distinct accounts. Bank of New York and U.S. Bank are the trustees currently used by the City of Sacramento. Exhibit D is a detailed list of the investments held as of December 31, 2001.

The City has a **Deferred Compensation program** established under the guidelines of the Internal Revenue Code Section 457. Currently the funds are held in a Trust exclusively for the benefit of the contributing employees. The program is administered and the investments managed under the guidance of the International City Management Association Retirement Corporation (ICMA-RC). As of December 31, 2001, City assets held in a trust for the exclusive use of City employees by ICMA-RC total \$160,837,305.65.

**The Sacramento City Employees' Retirement System (SCERS)** is a closed-end fund for employees who worked for the City of Sacramento prior to 1977. As set by City Charter, a five-member Administration, Investment and Fiscal Management Board (Board) oversees the investments of SCERS. Monthly and quarterly investment reports are presented to this Board by the City Treasurer. These reports are available in the Office of the City Treasurer for review.

**Securities Lending** is a program wherein investments that we currently own are lent to other parties. This enables us to earn additional income for City Pool A and SCERS. This program is managed by the Bank of New York, which also performs the custody services for the City of Sacramento. Exhibit E is a summary of the collateral held as of December 31, 2001.

**Non-City Funds** are either trust funds or non-City entities whose accounting records are maintained by the City. These funds have their operating cash invested in the City's Pool A. Therefore, their investments outstanding as of December 31, 2001 would be their pro-rata share of the investments as shown in Exhibit A. These funds and the amount that they have invested in Pool A as of December 31, 2001 are listed in Exhibit F.

**SHRA Funds** are federal, local operating or bond proceeds managed by the City Treasurer at the request of SHRA. These funds, and the security lending activity associated with these funds, as well as SHRA Funds held with a third party trustee, are reported to City Council for informational purposes only (Exhibit G & H, respectively). SHRA will report separately to the appropriate SHRA oversight entity pursuant to Chapter 783, Statutes of 1995. By reporting these funds in this report, the City Treasurer does not warrant or represent compliance with the investment policy adopted by SHRA or that sufficient monies are available to meet SHRA's cash flow needs for the next six months.

#### COMPLIANCE WITH INVESTMENT POLICY

The City investments held are in compliance with the City Treasurer's previously reviewed and the current Investment Policy (Exhibit I) except for the following:

No exceptions

#### ABILITY TO MEET EXPENDITURES REQUIREMENT

Based on the City Council's adopted City budget, past revenue and expenditure trends and economic forecasts, the City Treasurer projects that the City has sufficient monies on hand, anticipated revenues, and/or investments maturing to meet the City's expenditure requirements through December 31, 2001.

#### CHAPTER 749

Chapter 749 has two main points. The first point states that the City Council is authorized to annually delegate authority to the City Treasurer to invest or reinvest City funds and to sell or exchange securities purchased for a period of one year. After the delegation, the City Treasurer shall assume full responsibility for the transactions until delegation of authority is revoked or the one-year period expires. The attached Resolution delegates this authority.

The second point requires the City Treasurer to submit a monthly report of the transactions to the City Council. The transactions for the month ended December 31, 2001 are attached as follows:

- Attachment A: City Investment Pool A
- Attachment B: The Ann Land / Bertha Henschel Public Trust Mutual Fund
- Attachment C: The Ethel MacLeod Hart Fund for Senior Citizens
- Attachment D: Sacramento Housing and Redevelopment Agency

**FINANCIAL CONSIDERATIONS**                      None.

**POLICY CONSIDERATIONS**

The City Council has previously reviewed and approved the City's Investment Policy. The last revision was June 4, 2001. This report and the Resolution does not alter the City Investment Policy.

**ENVIRONMENTAL REVIEW**

Ongoing administrative and maintenance activities which are not for purposes of a public works construction project do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

**ESBD CONSIDERATIONS**

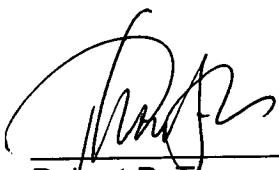
Not Applicable.

Respectfully submitted,



Thomas P. Friery  
City Treasurer

Recommendation Approved:



Robert P. Thomas, City Manager

Attachments:                      Exhibits A-I  
   Attachments A-D

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City of Sacramento  
**Asset Listing**  
**CITY GENERAL POOL**  
**POOL A**  
*As of December 31, 2001*

Cusip	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
<b>CASH AND EQUIVALENTS</b>								
	B Of A Cash			1,255,401	1,255,401	6.46	0.00	n
	Fidelity Fund For Pool A			5,437,983	5,437,983	5.00	0.00	n
laifa	Local Agency Investment Fund,			30,000,000	30,000,000	4.50	0.00	n
SWEEP	Overnight Sweep			3,622,202	3,622,202	3.50	0.00	n
				40,315,586	40,315,586	4.54	0.00	
<b>COMMERCIAL PAPER</b>								
36157HA31	General Electric Finance Agenc	01-03-02	9,200,000	9,185,253	9,200,000	2.04	0.01	I
36959JA45	General Electric Capital Corp	01-04-02	4,145,000	4,143,278	4,145,000	1.87	0.01	I
59018KA43	Merrill Lynch & Co	01-04-02	6,000,000	5,994,933	6,000,000	1.90	0.01	I
1730E1A78	Citigroup Inc	01-07-02	5,000,000	4,995,039	5,000,000	1.88	0.02	I
36959JA78	General Electric Capital Corp	01-07-02	5,300,000	5,294,909	5,300,000	1.82	0.02	I
1730E1A86	Citigroup Inc	01-08-02	5,625,000	5,618,606	5,625,000	1.86	0.02	I
36959JA86	General Electric	01-08-02	6,000,000	5,991,638	6,000,000	1.73	0.02	I
1730E1A94	Citigroup Inc	01-09-02	5,000,000	4,992,583	5,000,000	1.78	0.02	I
36959JA94	General Electric Capital Corp	01-09-02	5,000,000	4,996,624	5,000,000	1.87	0.02	I
36157HAB3	General Electric Capital Corp	01-11-02	5,500,000	5,493,070	5,500,000	1.89	0.03	I
64105HAB8	Nestle Capital Corp	01-11-02	5,000,000	4,995,875	5,000,000	1.98	0.03	I
64105HAE2	Nestle Capital Corp	01-14-02	5,000,000	4,995,275	5,000,000	1.89	0.04	I
36959JAF0	General Electric Capital Corp	01-15-02	5,000,000	4,995,197	5,000,000	1.82	0.04	I
1730E1AN3	Citigroup Inc	01-22-02	5,000,000	4,991,406	5,000,000	1.82	0.06	I
36157HAN7	General Electric Capital Corp	01-22-02	8,000,000	7,986,287	8,000,000	1.87	0.06	I
				84,669,973	84,770,000	1.88	0.03	
<b>CORPORATE BONDS</b>								
36962GRM8	General Electric Capital Corp	01-14-02	5,000,000	5,000,000	5,005,054	5.43	0.04	I
045906JZ8	Associates Corp North American	09-27-02	5,000,000	5,112,500	5,162,624	6.50	0.72	I
458182CM2	Inter-American Dev. Bank	10-04-02	5,000,000	4,992,300	5,148,437	5.95	0.74	I
17303LSU6	Citigroup - MTN	11-12-02	8,000,000	8,081,680	8,260,176	6.18	0.84	I
40975K9A2	John Hancock	12-18-02	4,000,000	4,024,040	4,144,960	6.04	0.93	I
345397RT2	Ford Motor Credit Co	01-14-03	6,000,000	6,047,850	6,115,452	5.89	0.98	I
37042WZM6	General Motors Accept Corp	02-28-03	5,000,000	5,063,700	5,194,205	7.22	1.09	I
37042RR95	General Motors Accept Corp - M	05-05-03	2,000,000	2,118,780	2,083,314	7.32	1.26	I
617446AQ2	Morgan Stanley Group	10-01-03	4,000,000	4,031,880	4,195,988	5.84	1.64	I
47804A9E8	John Hancock Cap Corp - MTN	10-14-03	5,000,000	5,000,000	5,000,000	5.43	1.67	I
88319WAT7	Textron NC	10-15-03	3,000,000	3,000,000	3,139,320	7.04	1.64	I
786514BD0	Safeway Inc	11-05-03	10,000,000	9,999,000	9,943,939	3.65	1.76	I
79549BAU1	Travelers Group - NC	12-15-03	5,000,000	5,051,850	5,332,480	6.45	1.83	I
06606NAH7	Bank of America - NC	03-01-04	3,000,000	2,904,090	3,113,091	5.54	2.00	I
59018SF41	Merrill Lynch & Co Inc	04-20-04	4,000,000	4,014,720	4,187,740	5.90	2.12	I
441812GB4	Household Finance Corp	09-25-04	5,000,000	5,020,600	5,136,324	5.72	2.47	I
05916LAK1	Baltimore Gas & Electric - NC	11-15-04	5,000,000	4,933,700	5,251,745	6.46	2.58	I

\* I=IDC, n=no price.

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EXHIBIT A

City of Sacramento  
**Asset Listing**  
**CITY GENERAL POOL**  
**POOL A**  
*As of December 31, 2001*

Cusip	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
25468PBJ4	Walt Disney - NC	02-08-05	3,000,000	2,975,370	3,151,299	6.95	2.69	I
66586GBY2	Northern Trust Corp - NC	02-12-05	5,000,000	4,997,850	5,432,625	6.90	2.72	I
79549BCM7	Salomon SB Hldgs Inc	06-15-05	3,000,000	2,991,810	3,135,522	5.98	3.09	I
046003JQ3	Associates (AFS) Corp.	07-15-05	5,000,000	4,785,500	5,180,655	5.79	3.09	I
665772BK4	No. States Power - NC	12-01-05	5,000,000	4,817,533	5,082,725	6.03	3.43	I
U00916AA1	AIG Sunamerica Glob	02-01-06	5,000,000	4,997,350	5,162,050	5.67	3.53	I
EC3414967	Ford Motor Credit Co	02-01-06	2,000,000	1,996,500	2,002,880	6.87	3.42	I
872287AE7	TCI Communication - NC	02-15-06	5,000,000	4,904,050	5,104,044	6.73	3.47	I
24422ENL9	John Deere Capital Corp	07-17-06	3,000,000	2,992,320	3,016,158	5.91	3.84	I
23383FAA3	Daimler Chrysler - NC	09-15-06	3,000,000	3,049,890	3,034,626	7.29	3.85	I
22237LEG3	Country Wide Home Loan	10-30-06	5,000,000	4,938,800	5,330,424	6.75	3.95	I
U30228AG2	Exxon Capital Corp	09-08-08	5,000,000	4,606,050	5,084,500	6.02	5.29	I
36233RAG8	GTE Northwest Inc OEB	10-15-08	5,000,000	5,000,000	4,893,250	5.67	5.51	I
93884PCW8	Washington Gas & Light	10-21-08	5,000,000	4,647,450	4,826,265	5.69	5.49	I
066050cv5	Bankamerica	02-15-09	3,000,000	2,989,860	2,984,799	5.90	5.63	I
345397TS2	Ford Motor Credit Co	02-01-11	2,000,000	2,026,160	1,965,710	7.50	6.31	I
				147,113,183	151,802,379	6.04	2.54	
<b>GOVT AGENCY DISCOUNT PAPER</b>								
76116EBB5	Refco Strip	10-15-02	23,000	19,333	22,619	0.00	0.78	I
76116EBD1	Refco Strip	10-15-03	23,000	18,125	21,799	0.00	1.70	I
76116EBF6	Refco Strip	10-15-04	87,000	64,214	77,955	0.00	2.50	I
76116EBH2	Refco Strip	10-15-05	87,000	60,050	74,047	0.00	3.22	I
76116EBK5	Refco Strip	10-15-06	90,000	58,253	72,150	0.00	3.84	I
				219,975	268,570	0.00	2.85	
<b>FEDERAL HOME LOAN MORTGAGE COMPANY - FHLMC</b>								
3133M55A4	Federal Home Loan Bank	08-13-03	5,000,000	4,929,950	5,234,375	5.69	1.51	I
312902MK2	Freddie Mac - C	06-16-05	5,000,000	4,920,500	5,193,945	6.64	0.93	I
3134A33L8	Freddie Mac	03-15-10	5,000,000	4,961,300	5,437,500	6.44	6.18	I
312924XS7	Freddie Mac	12-12-16	10,000,000	10,000,000	10,051,779	6.96	7.37	I
				24,811,750	25,917,599	6.53	4.65	
<b>FEDERAL HOME LOAN BANK - FHLB</b>								
3133MBXZ5	Federal Home Loan Bank - NC	08-15-02	5,000,000	5,014,550	5,142,187	6.56	0.60	I
3133MBHK6	Federal Home Loan Bank - NC	05-15-03	5,000,000	5,069,000	5,304,687	6.83	1.31	I
3133M53C2	Federal Home Loan Bank	08-06-03	2,235,000	2,234,039	2,340,464	5.73	1.50	I
3133M5FW5	Federal Home Loan Bank - NC	08-25-03	3,000,000	2,949,570	3,130,312	5.48	1.55	I
3133M5JW1	Federal Home Loan Bank - NC	09-02-03	5,000,000	4,821,850	5,206,250	5.35	1.57	I
3133M6X45	Federal Home Loan Bank - 1XC	12-22-03	2,500,000	2,492,325	2,599,219	5.21	1.87	I
3133MCMC6	Federal Home Loan Bank	12-27-05	5,000,000	5,000,000	5,203,125	6.25	3.49	I
3133MCSV1	Federal Home Loan Bank	01-24-06	5,000,000	5,000,000	5,159,375	5.62	3.51	I

\* I=IDC, n=no price.

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**EXHIBIT A**



City of Sacramento  
 Asset Listing  
**CITY GENERAL POOL**  
**POOL A**  
 As of December 31, 2001

Cusip	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
3133M9EP3	Federal Home Loan Bank - C	07-20-09	3,000,000	2,955,000	3,191,250	6.56	5.71	I
3133M9SW3	Federal Home Loan Bank - 1XC	09-14-09	2,000,000	2,000,000	2,135,000	6.56	5.86	I
				37,536,334	39,411,870	6.05	2.50	
<b>FEDERAL NATIONAL MORTGAGE ASC. - FNMA</b>								
31359MFZ1	Fannie Mae - NC	08-15-02	5,000,000	4,993,650	5,142,187	6.56	0.60	I
3136F0RT1	Fannie Mae	07-16-03	2,500,000	2,491,406	2,522,995	4.32	1.45	I
31364GAX7	Fannie Mae	09-29-03	3,000,000	2,996,250	3,102,921	5.32	1.64	I
31364GSH3	Fannie Mae	02-05-04	5,000,000	5,000,000	5,193,780	5.25	1.94	I
31359MEM1	Fannie Mae	02-13-04	5,000,000	4,994,250	5,170,312	4.96	1.97	I
31364G2R9	Fannie Mae	07-15-04	5,000,000	4,991,300	5,109,039	6.39	2.25	I
31364KXF2	Fannie Mae	10-20-05	5,000,000	4,996,875	5,323,437	6.42	3.31	I
3136F0M33	Fannie Mae	10-10-06	20,000,000	20,000,000	19,662,219	4.12	4.25	I
31359MLN1	Fannie Mae	11-17-06	5,000,000	4,973,350	4,807,812	4.16	4.34	I
31364GMP1	Fannie Mae	01-02-09	925,000	916,565	927,663	5.98	5.49	I
31359MKF9	Fannie Mae	07-19-11	10,000,000	10,412,500	10,259,375	6.09	6.97	I
31364EBD5	Fannie Mae	10-03-11	5,000,000	4,812,500	4,782,249	4.84	7.63	I
31359MFP3	Fannie Mae - NC	05-15-30	5,000,000	5,173,800	5,646,875	6.42	12.74	I
				76,752,446	77,650,867	5.27	4.52	
<b>FEDERAL FARM CREDIT BANK - FRMMT</b>								
31315MCA2	Federal Farm Credit Bank	10-14-11	5,000,000	5,040,950	4,836,310	5.58	7.39	I
<b>U.S. GOVERNMENT BONDS</b>								
9128274U3	U.S. Treasury Note	11-15-03	2,000,000	1,976,875	2,047,500	4.15	1.79	I
9128277H9	U.S. Treasury Bond	12-31-03	15,000,000	15,014,400	15,056,250	3.24	1.92	I
9128277F3	U. S. Treasury Note Bond	11-15-06	19,000,000	18,479,063	18,317,187	3.63	4.40	I
9128277B2	U.S. Treasury Note	08-15-11	42,500,000	44,414,453	42,393,750	5.01	7.42	I
				79,884,791	77,814,688	4.32	5.50	
<b>MUNICIPAL BONDS</b>								
7860043U3	Sacramento Calif Mun Util Dist	11-15-04	1,000,000	974,300	1,063,950	6.30	2.59	I
88059TAK7	Tennessee Valley Auth	11-15-11	3,000,000	3,000,000	3,000,000	4.87	7.72	I
				3,974,300	4,063,950	5.24	6.38	
<b>MUTUAL FUNDS</b>								
320228109	Franklin Fund		40,000	40,000	40,000	10.00	0.00	I
<b>OTHER GOVERNMENT AGENCY BONDS</b>								
31315MAL0	Federal Farm Credit Mrtg Corp	11-04-03	2,800,000	2,772,000	2,869,140	4.73	1.75	I

\* I=IDC, n=no price.

City of Sacramento  
 Asset Listing  
**CITY GENERAL POOL**  
**POOL A**  
*As of December 31, 2001*

<u>Cusip</u>	<u>Security Name / Issuer</u>	<u>Mature Date</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Yield</u>	<u>Dur</u>	<u>Price Source*</u>
<b>OTHER ASSETS (INCOME)</b>								
S86292540	SBA Ln Group #2616883002 BIR	02-15-07	61,256	61,256	61,256	9.37	3.83	I
<b>MONEY MARKET FUND</b>								
589978105	Merrill Lynch Premier Inst'l F			179,273,828	179,273,828	3.50	0.00	n
<b>TOTAL PORTFOLIO</b>				<b>682,466,372</b>	<b>689,096,042</b>	<b>4.50</b>	<b>2.11</b>	

\* I=IDC, n=no price.

City of Sacramento  
 Asset Listing  
**Public Trust Mutual Fund**  
**Ann Land/Bertha Henschel**  
 As of December 31, 2001

Cusip	Security Name / Issuer	Mature Date	Quantity	Total Cost	Market Value	Yield	Dur	Price Source*
<b>CASH AND EQUIVALENTS</b>								
	Nations Treasury Fund			105,535	105,535	4.40	0.00	n
<b>COMMON STOCK</b>								
00184A105	AOL Time Warner Inc		187	8,742	6,003	0.00	0.00	I
002824100	Abbott Laboratories Com		1,000	38,828	55,750	1.51	0.00	I
00846U101	Agilent Technologies		538	29,971	15,338	0.00	0.00	I
025537101	American Elec Power Co		105	4,364	4,571	5.51	0.00	I
025816109	American Express Co Com		1,000	24,703	35,690	0.90	0.00	I
031162100	Amgen Inc		750	49,320	42,330	0.00	0.00	I
038020103	Applera Corp - Applied Biosys		400	24,825	15,708	0.43	0.00	I
039483102	Archer Daniels Midland Com		2,100	28,600	30,135	1.39	0.00	I
05379B107	Avista Corp		1,500	29,934	19,890	3.62	0.00	I
055622104	BP Amoco PLC - Spons ADR		400	21,825	18,604	2.68	0.00	I
084670207	Berkshire Hathaway Inc-CL B		20	45,401	50,500	0.00	0.00	I
097023105	Boeing Co Com		500	24,375	19,390	1.75	0.00	I
110122108	Bristol Myers Squibb Com		400	22,752	20,400	2.16	0.00	I
126830207	Cable & Wireless Plc Sponsored		400	21,404	5,924	4.83	0.00	I
134429109	Campbell Soup Co Com		800	23,700	23,896	3.01	0.00	I
14149Y108	Cardinal Health Inc		600	23,550	38,796	0.15	0.00	I
149123101	Caterpillar Inc Del Com		700	32,311	36,575	2.68	0.00	I
166764100	ChevronTexaco Corp		200	18,087	17,922	0.00	0.00	I
171779101	Ciena Corporation		250	30,141	3,577	0.07	0.00	I
172474108	Cinergy Corp Com		350	10,516	11,700	5.38	0.00	I
17275R102	Cisco Sys Inc Com		1,000	31,904	18,110	0.00	0.00	I
189054109	Clorox Co		650	29,941	25,707	2.12	0.00	I
194162103	Colgate Palmolive Co Com		250	15,141	14,437	1.25	0.00	I
200336105	Comdisco		1,500	27,894	780	0.00	0.00	I
200340107	Comerica		450	23,089	25,785	3.07	0.00	I
205887102	Conagra Inc Com		1,000	22,287	23,770	3.79	0.00	I
210371100	Constellation Energy Group		225	5,850	5,974	1.81	0.00	I
221009103	Corvis Corp		300	18,150	969	0.31	0.00	I
251566105	Deutsche Telekom Ag-Spon ADR		100	9,625	1,690	2.31	0.00	I
263534109	Du Pont E I De Nemours Com		600	39,672	25,506	3.29	0.00	I
293561106	Enron Corp		250	18,812	150	83.33	0.00	I
294821400	Ericsson Tel (adr)		3,000	37,837	15,660	0.66	0.00	I
30231G102	Exxon Mobil Corporation		600	22,946	23,580	4.48	0.00	I
313586109	Federal Natl Mtg Assn Com		500	33,047	39,750	1.51	0.00	I
368710406	Genentech Inc.		400	28,900	21,700	0.00	0.00	I
369604103	General Electrics Co		600	11,873	24,048	1.60	0.00	I
375766102	Gillette Co		1,250	42,550	41,750	1.95	0.00	I
37733W105	Glaxosmithkline		1,024	57,431	51,016	2.71	0.00	I
382550101	Goodyear Tire & Rubber		1,200	30,060	28,572	5.04	0.00	I

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