

Prince William County, Virginia



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## **INVESTMENT PERFORMANCE REPORT**

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THIRD QUARTER -- FISCAL YEAR 2003

Quarter ended March 31, 2003

April 28, 2003

**This Investment Performance Report was reviewed and accepted by the County's  
Investment Oversight Committee on  
May 1, 2003**

INVESTMENT OVERSIGHT COMMITTEE  
For the Quarter ended March, 2003

*(Original Signatures on file)*

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*Chairman*

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Christopher E. Martino, Director of Finance

*Standing Members*

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William B. Hoffman, Assistant Director of Finance

*Appointed by the County Executive*

\_\_\_\_\_  
Steve Ferlotti, Assistant Director of Finance

\_\_\_\_\_  
Melissa S. Peacor, Assistant County Executive

\_\_\_\_\_  
Dennis L. Gardner, Office of Information Technology

*Citizen Members Appointed by the Board of County Supervisors*

\_\_\_\_\_  
Ms. Patricia Moore

\_\_\_\_\_  
Mr. Todd Hewitt

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## I. INTRODUCTION

This is the FY2003 third quarter report of the County's investment management program. Prince William County's Principles of Sound Financial Management and the Investment Policy adopted by the Board of County Supervisors requires the County's investment program meet four criteria, shown here in order of their importance:

- Legality     *"Investment instruments shall, at a minimum, be limited to security, issuers and maturities in compliance with the Code of Virginia (1950) as amended."*
- Safety       *"The next objective is the preservation of capital and the protection of investment principal. The County will employ mechanisms to control risks and diversify its investments regarding specific security types or individual financial institutions."*
- Liquidity    *"The investment portfolio will remain sufficiently liquid to enable the County to meet operating requirements which might be reasonably anticipated."*
- Yield        *"The County will maximize yield on the portfolio but will avoid unreasonable investment risk to preserve the purchasing power of the portfolio."*

In keeping with these principles, the Finance Department continued to invest the County's funds only in allowable, safe securities and to structure the maturity of the investment portfolio to assure liquidity. Short-term needs (6 months or less) are being met by investments in overnight repurchase agreements, commercial paper, certificates of deposit and money market funds. Funds not required for specific short-term needs are invested primarily in Treasury Notes and US Agency securities. These purchases are made so investments will mature in the future to provide for expected cash flow needs.

The return on investments for the third quarter of FY 2003, were as follows:

	<u>FY 2003</u>	<u>FY 2002</u>
General Portfolio.....	2.07%	3.08%
Restricted Portfolio.....	1.46%	2.27%
Total Investment Portfolio.....	1.96%	2.96%

The FY 2003 return of 2.07% on the general portfolio investments is 33.0% lower than the 3.08% return experienced during the third quarter of FY 2002. The decrease in earnings yield on the general portfolio is the result of the lower interest rates available to purchase new securities, the maturity of securities in the portfolio with higher interest rates and the lower yields provided by the money market funds. The FY 2003 return of 1.46% on the restricted portfolio is 35.8% lower than the return experienced during the third quarter of FY 2002 of 2.27%. The decrease in earnings yield on the restricted portfolio is the result of the lower interest rates available to purchase new securities, the maturity of securities in the portfolio with higher interest rates and the lower yields provided by the money market funds. The FY 2003 return of 1.96% on the total portfolio investments is 33.8% lower than the 2.96% return experienced during the third quarter of FY 2002.

During the current fiscal year, the County has purchased \$329.1 million in Agency securities, repurchase agreements and commercial paper and has maintained an average balance of \$194.7 million in money market funds.

## II. TOTAL INVESTMENT PORTFOLIO STRUCTURE

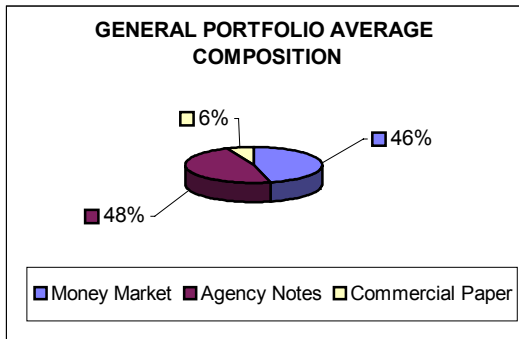
The County's total investment portfolio is divided into two components: (a) the general portfolio and (b) the restricted portfolio. The "**general portfolio**" is all funds with the exception of restricted capital project funds that contain bond proceeds, escrows and certain self-insurance funds. All general fund interest income is earned from securities in this general portfolio. The "**restricted portfolio**" is all other funds; mostly capital project funds that contain not-yet-spent bond proceeds, bond reserve and escrow funds, and the funds of the County's self-insurance pools. The term "**total investment portfolio**" refers to the sum of these two components.

## III. EXCEPTIONS TO INVESTMENT POLICY

In accordance with Section 60-282 of the Investment Policy, specific exceptions to the policy investment guidelines are to be included as part of this report. There were no exceptions during the third quarter of FY 2003.

## IV. INVESTMENT PERFORMANCE

- A. Summary of General Portfolio Average Composition During the Third Quarter of FY 2003** - Investments held by the County are diversified to control the risk of loss resulting from over-concentration of assets in a specific security or class of securities. The portfolio composition chart below shows the percentage of the general portfolio assets by investment type. The table at the right reflects the investment guidelines for each type of security. Securities held in the restricted portfolio are subject to trust agreements and other investment limitations that control the risk of loss and, therefore, are not included within this chart.



Investment Category	Investment Guidelines		Actual
	Lower	Upper	
Treasury Notes	-	100.0%	0.0%
Agency Notes	-	66.0%	47.4%
Total *	33.0%		47.4%
Bankers Acceptance	0.0%	40.0%	
Certificates of Deposit	0.0%	50.0%	
Commercial Paper	0.0%	35.0%	6.4%
Money Market Funds	0.0%	60.0%	46.2%
Total			100.0%

\* For policy purposes US Treasury Notes and Bills, US Agency securities, and Repurchase Agreements are combined to meet the 33% lower limit in the investment guidelines.

- B. Average Invested Cash Balances** – The average invested cash balance of the general portfolio, during the third quarter of FY 2003, increased by approximately \$69.5 million to \$416.2 million in comparison to the average balance over the same period one year ago. The increase of the average cash balances in the general portfolio is attributable to the increase in real estate tax receipts, personal property tax receipts and increased fund balances as well as other increased revenues in the general fund and state shared revenues for schools.

AVERAGE INVESTED CASH BALANCES						
Unamortized Book Value in Millions of Dollars						
General Portfolio	FY2003/Q3	FY2002/Q3	Change	FY2003/YTD	FY2002/YTD	Change
Low	\$403.2	\$332.6	\$70.6	\$342.4	\$284.9	\$57.5
High	434.6	366.8	67.8	440.9	375.5	65.4
Average	416.2	346.7	69.5	387.6	322.4	65.2
Total Portfolio	FY2003/Q3	FY2002/Q3	Change	FY2003/YTD	FY2002/YTD	Change
Low	\$485.0	\$388.1	\$96.9	\$450.8	\$365.1	\$85.7
High	524.6	428.5	96.0	535.4	445.6	89.8
Average	501.5	405.3	96.3	487.6	397.2	90.4

The average cash balance of the total portfolio increased approximately \$96.3 million to \$501.5 million in the third quarter of FY 2003 compared to the average balance over the same period one year ago. The increase in the total portfolio is the result of increases in the general portfolio and the sale of \$85 million in new bonds during the last quarter of FY 2002.

- C. **Investment Income** - Investment income on the total portfolio decreased approximately 22.2% to \$8.06 million through the third quarter of FY 2003 from \$10.35 million in the same period last year. This decrease is due to the lower interest rates on agency securities and money market funds during the third quarter of FY 2003, but offset by the increase in the overall cash available for investment. Investment income for the general portfolio decreased 22.1% from \$8.64 million in FY 2002 to \$6.73 million through the third quarter of FY 2003. This decrease is due to the lower interest rates available in the market place during the third quarter of FY 2003.

INVESTMENT INCOME			
Millions of Dollars			
	FY2003/YTD	FY2002/YTD	Change
General Portfolio Interest Earnings	\$ 6.73	\$ 8.64	-22.1%
Restricted Portfolio	1.33	1.71	-22.4%
Total Investment Portfolio	\$ 8.06	\$ 10.35	-22.2%

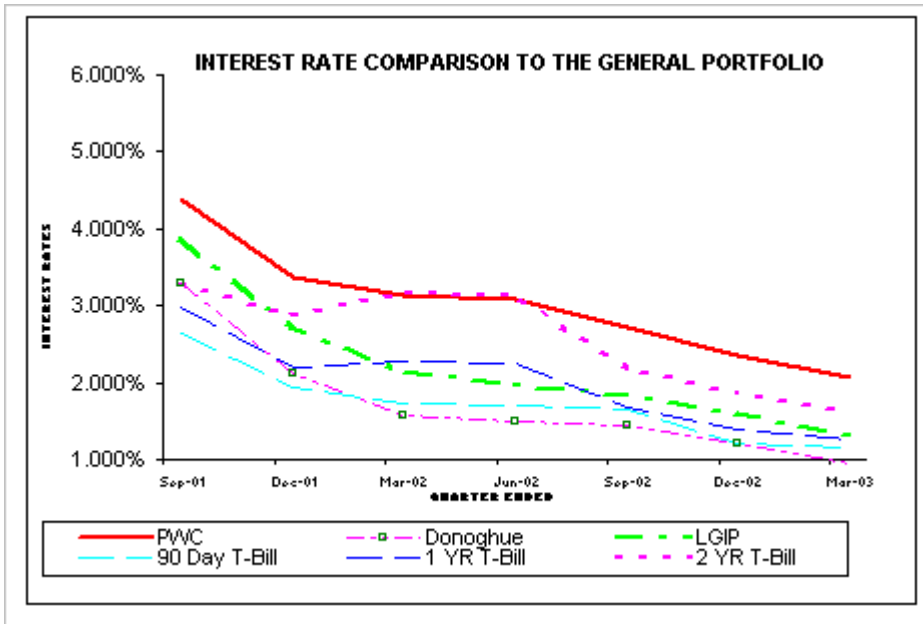
The lower interest earnings in the restricted portfolio are the result of lower interest rates during the third quarter of FY 2003. The average cash balance available in the restricted portfolio increased \$31 million from the same quarter of FY 2002.

**D. Comparative Investment Yields** - Through the third quarter of FY 2003, Prince William County's return on investment for the general portfolio was 2.32%. The average rate of return on Donoghue's Money Market Fund Average and the 90-day T-Bill through the third quarter of FY 2003 were 1.20% and 1.39% respectively. These two indices have been historically used as a basis of comparison for investment performance. The County's general portfolio exceeded both of these performance measures through the third quarter of FY 2003. The rates on these benchmarks are typical of the overall market. Interest rates continue to be very volatile.

<b>COMPARATIVE INVESTMENT YIELDS</b>			
<b>Return on Investment for the General Portfolio</b>			
	<b>FY2003/YTD</b>	<b>FY2002/YTD</b>	<b>Change</b>
Prince William County	2.315%	3.572%	-35.2%
Donoghue's MM Fund Avg.	1.200%	2.320%	-48.3%
Virginia LGIP	1.590%	2.880%	-44.8%
90 Day T-Bills	1.391%	2.233%	-37.7%
1 Year T-Bills	1.471%	2.607%	-43.6%
2 Year T-Notes	1.899%	3.247%	-41.5%

The chart below shows the last seven quarters of the County's performance in the general portfolio compared with the Donoghue Money Fund average, Virginia LGIP, the 90 day T-Bill, 1-Year T-Bill and the 2-year Treasury Note. This chart shows the County's general portfolio with a fairly stable performance that starts a steep decline beginning with the change in the market environment at the beginning of 2001. This chart also shows a marked slowing in the rate of decline beginning in the December quarter of 2001 as the market conditions continued to decline and the economy begins the recovery process. The current market environment continues to be very volatile. The yields on all security classes have moved lower through 2002 and 2003. The 1-year and 2-year treasury securities reflect a slight increase in the first and second quarter of 2002 as the signs of economic recovery appears and then further decreases in these rates as the economic recovery appeared to stall. The trend lines in the chart below reflect this volatility.

While interest rates decreased sharply during the last two years, the average yield in the general portfolio has lagged in the decrease over other securities for the same period. As the economic recovery takes hold, the general portfolio rate of return is expected to lag the other benchmarks until some of the lower yielding securities mature and the money market funds begin to reflect the economic recovery.



The County's general portfolio carries an asset mix that is held over a period of time based on yields that were available at the time of purchase. The County's yield does not change rapidly with swings in the market except to reflect maturities and replacement of securities at current market conditions.

**E. Average Maturity of the Portfolio** - The average days to maturity of the total portfolio were 933 days and 854 days as of March 31, 2003, and March 31, 2002 respectively. The average days to maturity of the general portfolio were 1087 days as of March 31, 2003 and 983 days as of March 31, 2002. The days to maturity for the general portfolio and the total portfolio have increased in the days to maturity from one-year ago. With the sharp reduction in interest rates over the past twelve months and the potential for interest rates to remain very low, the County has been purchasing callable securities with short term call dates and higher coupon rates, but longer final maturities (up to 10 years) until market conditions becomes more stable. We expect most of these securities to be called before September, 2003. The general portfolio has average days to maturity of 104 days on a callable life basis and the total portfolio has average days to maturity of 93 on a callable life basis.

**F. Comparison of Market Value to Amortized Cost of Total Investment Portfolio** - The amortized cost of the total investment portfolio on December 31, 2002 was \$480,410,141. The market value of \$480,579,702 is more than the cost by \$169,561 or 0.035%. The higher market value is attributable to a decrease in the interest rate environment. The current interest rate environment is very volatile. The interest rate market has been very volatile during the past twelve months causing these securities to be revalued as interest rates rise and fall. The market value of the portfolio will rise as the interest rates decrease and will fall as interest rates increase.

## V. ECONOMIC AND INTEREST RATE OUTLOOK

The Federal Reserve Board (FRB) maintained the Fed Funds rate at 1.25% on March 18, 2003. The FRB statement accompanying the most recent announcement March 18, 2003 indicated that: "...while incoming economic data since the January meeting have been mixed, recent labor market indicators have proven disappointing. However, the hesitancy of the economic expansion appears to owe importantly to oil price premiums and other aspects of geopolitical uncertainties. The Committee believes that as those uncertainties lift...the monetary policy, coupled with ongoing growth productivity will provide support to an improving economic climate over time." "In light of the unusually large uncertainties clouding the geopolitical situation in the short run...**the Committee does not believe it can characterize the current balance of risks with respect to the prospects for its long-run goals of price stability and sustainable economic growth.**"

The Gross Domestic Product (GDP) was revised to 1.4% for the fourth quarter of 2002 from 1.3% for the third quarter of 2002. The growth rate for the fourth quarter was lower than expected, and less than the FRB's GDP trend growth rate target of (3.5% to 4.0%). The GDP is expected to be in the 1.5 to 2.5% range for the first and second quarters of 2003.

Market analysts believe the U.S. economy will continue its slow recovery through the first half of 2003 but may be hampered by the uncertainties of oil prices and the unknown impacts of the conflict with Iraq. The Federal Reserve Board will closely monitor the economic indicators and growth rates to control domestic growth and inflation on one side and the potential for a recession on the other side.

## VI. INVESTMENT STRATEGY

The County's current investment strategy properly addresses the requirements of legality, safety and liquidity by investing in a diversified portfolio with respect to specific security types, financial institutions and sufficient liquidity to meet reasonably anticipated operating requirements. The County seeks to match its cash flow needs to the maturity structure of the portfolio in order to maximize yield. The current investment strategy attempts to:

- (1) avoid the premature sale of investments to meet day-to-day operating requirements;
- (2) avoid holding large sums of cash that earn lower-than-average money market rates in favor of investing in longer term securities when interest rates are higher; and
- (3) maintain higher balances in money market funds and short-term investments when longer-term interest rates are not favorable.

After consideration of the County's cash flow requirements, the investment goals and objectives are to maximize the return on investment within the policy guidelines while minimizing and limiting the impact of market value adjustments.

The County's investment strategy in the near term will remain essentially unchanged until market conditions warrant an adjustment. The strategy will be to purchase investments so

that the securities mature approximately to meet the County's future cash flow needs. These shifts in assets will be made while still maintaining the safety in principal and liquidity in cash flows required to meet the County's operating requirements. The County will shift some available funds to U.S. Government Agency securities to provide additional yield within liquidity and policy constraints. These securities are normally purchased in the 12-month to 24-month maturity range and provide additional diversification in the portfolio asset mix.

The strategy used to maintain portfolio compliance and yield under current market conditions has been to purchase U.S. Government Agency securities with longer final maturities but with short (three to twelve month) call dates and higher coupon rates with the expectation that these securities will be called prior to final maturity. This strategy does two things during a rising interest rate environment. It provides the ability to maintain portfolio compliance requirements and helps to maintain the portfolio yield above rates available in money market funds while interest rates move higher.

The Department of Finance continues to identify funds currently invested in money markets, future tax revenues and other payments received through the end of the fiscal year that will not be needed in the near term for operating expenses and for capital construction for at least 12 to 24 months. Once identified, these funds are invested in Treasury or U.S. Government Agency securities with longer maturities to earn yields higher than the current money market rates or other short term securities. This strategy meets the legal, safety, and liquidity requirements of the Investment Policy and should yield both stable and above average returns over time.

**PRINCE WILLIAM COUNTY  
GENERAL INVESTMENT PORTFOLIO**

**AS OF  
March 31, 2003**

	<b>PAR</b>	<b>MATURITY</b>	<b>YIELD</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>DATE</b>	<b>TO MATURITY</b>	<b>VALUE</b>
<b>SUNTRUST (SWEEP)</b>	10,657,000	31-Mar-03	0.650%	10,657,000
<b>WELLS FARGO (SWEEP)</b>	0	31-Mar-03	1.100%	0
<b>AIM</b>	45,039,353	31-Mar-03	1.240%	45,039,353
<b>DREYFUS GOVERNMENT CASH</b>	22,822,209	31-Mar-03	1.150%	22,822,209
<b>FEDERATED SHORT TERM BOND FUND</b>	28,487,375	31-Mar-03	1.310%	28,332,400
<b>JP MORGAN</b>	11,726,428	31-Mar-03	1.180%	11,726,428
<b>LGIP</b>	73,377,378	31-Mar-03	1.310%	73,377,378
<b>COMMERCIAL PAPER</b>				
ZCM MATCHED FUNDING	10,000,000	8-May-03	1.346%	9,987,010
CIT GROUP	6,215,000	16-May-03	1.572%	6,205,522
CIT GROUP	5,000,000	7-Aug-03	1.421%	4,978,855
<b>TREASURIES AND AGENCIES</b>				
FFCB	5,000,000	27-Dec-04	2.350%	5,012,500
FNMA	5,000,000	15-Aug-05	1.751%	5,029,700
FHLMC	5,000,000	26-Sep-05	1.500%	5,026,550
FHLMC	5,000,000	26-Sep-05	2.000%	5,026,550
FHLMC	5,000,000	17-Jan-06	1.850%	5,087,800
FHLMC	3,500,000	30-Jan-06	1.850%	3,515,330
FNMA	1,000,000	15-May-06	1.353%	1,001,880
FHLMC/step 6.0%	5,000,000	22-May-06	3.000%	5,007,800
FHLMC	8,000,000	30-May-06	3.250%	8,050,480
FHLMC	5,000,000	28-Aug-06	2.150%	5,045,300
FFCB	5,000,000	19-Jan-07	1.806%	5,015,625
FHLB	3,675,000	6-Feb-07	1.525%	3,680,733
FHLMC	3,500,000	11-Apr-07	3.302%	3,504,375
FNMA	2,000,000	30-Apr-07	1.503%	2,006,880
FHLB	3,000,000	15-Aug-07	2.700%	3,035,640
FFCB	5,000,000	24-Dec-07	3.550%	5,087,500
FHLB	790,000	17-Apr-08	2.751%	791,730
FHLB	500,000	19-Jun-08	2.001%	505,315
FHLB	1,000,000	19-Jun-08	1.515%	1,010,630
FHLMC	250,000	24-Jun-08	4.000%	252,813
FHLMC	500,000	21-Jul-08	1.600%	500,670
FHLB	800,000	14-Aug-08	1.700%	813,248
FFCB	4,000,000	20-Aug-08	2.500%	4,067,520
FNMA	1,250,000	21-Aug-08	1.550%	1,271,363
FNMA	500,000	2-Sep-08	1.650%	509,170
FHLB	1,000,000	25-Nov-08	2.750%	1,028,130
FFCB	8,000,000	17-Dec-08	2.250%	8,517,520
FHLB	2,355,000	13-Feb-09	2.100%	2,441,852
FHLB	5,000,000	4-Jun-09	1.905%	5,034,400
FHLB	5,000,000	12-Jun-09	2.001%	5,037,500
FNMA	7,000,000	30-Dec-09	3.850%	7,131,250
FHLMC	3,000,000	11-Jan-10	2.880%	3,025,080
FHLB	2,300,000	1-Jun-11	2.700%	2,422,199
FHLB	3,925,000	7-Jun-11	2.451%	4,135,969
FNMA	3,500,000	27-Jun-11	5.000%	3,538,290
FNMA	4,000,000	17-Nov-11	3.601%	4,130,000
FNMA	5,000,000	21-Dec-11	2.800%	5,300,000
FNMA	1,500,000	27-Feb-12	2.500%	1,561,410
FNMA	2,000,000	22-Mar-12	3.000%	2,145,620
FNMA	3,310,000	25-Apr-12	5.001%	3,320,360
FHLMC	5,000,000	25-May-12	3.200%	5,203,150
FNMA	8,000,000	11-Jun-12	3.050%	8,072,480
FHLMC	2,000,000	3-Jul-12	1.643%	2,021,254
FHLB	5,760,000	10-Jul-12	4.606%	5,826,586
FHLB	5,000,000	10-Jul-12	3.300%	5,057,800
FHLB	3,355,000	11-Jul-12	2.400%	3,393,784
FHLB	5,500,000	24-Jul-12	2.251%	5,572,215
FNMA	7,000,000	26-Jul-12	5.001%	7,091,910
FHLMC	4,000,000	27-Sep-12	3.100%	4,114,496
FHLB	5,000,000	21-Feb-13	3.251%	5,020,300
				<u>403,126,810</u>

## Portfolio Composition - March 31, 2003

### GENERAL PORTFOLIO

Security Type	----- Amortized Cost Basis-----		-----Mkt. Value Basis-----		-----Difference-----	
<b>Direct Gov't Obligations</b>						
Repurchase	\$0	0.00%	\$0	0.00%	\$0	0.00%
Treasury Notes	0	0.00%	0	0.00%	0	0.00%
Subtotal	0	0.00%	0	0.00%	0	0.00%
<b>U.S. Gov't Agency Securities</b>						
Agency Securities	189,274,086	46.97%	190,000,656	47.13%	726,570	0.38%
Subtotal	189,274,086	46.97%	190,000,656	47.13%	726,570	0.38%
<b>Bankers Acceptances</b>						
BA's	0	0.00%	0	0.00%	0	0.00%
Subtotal	0	0.00%	0	0.00%	0	0.00%
<b>Commercial Paper</b>						
Commercial Paper	21,163,971	5.25%	21,171,387	5.25%	7,416	0.04%
Subtotal	21,163,971	5.25%	21,171,387	5.25%	7,416	0.04%
<b>Money Market Funds</b>						
JP Morgan	11,726,428	2.91%	11,726,428	2.91%	0	0.00%
Dreyfus Gov't Fund	22,822,209	5.66%	22,822,209	5.66%	0	0.00%
Wells Fargo Sweep	0	0.00%	0	0.00%	0	0.00%
Commonwealth Cash	45,039,353	11.18%	45,039,353	11.17%	0	0.00%
Federated Investors	28,487,375	7.07%	28,332,400	7.03%	(154,975)	-0.54%
Suntrust Government	10,657,000	2.64%	10,657,000	2.64%	0	0.00%
Virginia LGIP	73,377,378	18.21%	73,377,378	18.20%	0	0.00%
Subtotal	192,109,742	47.67%	191,954,767	47.62%	(154,975)	-0.08%
Net Realized Adjustment to Cost	462,026				(462,026)	
<b>TOTAL GENERAL PORTFOLIO</b>	<b><u>\$403,009,824</u></b>	<b><u>99.89%</u></b>	<b><u>\$403,126,810</u></b>	<b><u>100.00%</u></b>	<b><u>\$116,986</u></b>	<b><u>0.03%</u></b>

### RESTRICTED PORTFOLIO

Security Type	---- Amortized Cost Basis----		-----Mkt. Value Basis-----		-----Difference-----	
<b>Direct Gov't Obligations</b>						
Repurchase	\$0	0.00%	\$0	0.00%	\$0	0.00%
Treasury Notes	0	0.00%	0	0.00%	0	0.00%
Subtotal	0	0.00%	0	0.00%	0	0.00%
<b>U.S. Gov't Agency Securities</b>						
Agency Securities	9,895,791	12.79%	9,948,366	12.84%	52,575	0.53%
Subtotal	9,895,791	12.79%	9,948,366	12.84%	52,575	0.53%
<b>Commercial Paper</b>						
Commercial Paper	0	0.00%	0	0.00%	0	0.00%
Subtotal	0	0.00%	0	0.00%	0	0.00%
<b>Money Market Funds</b>						
SNAP	34,686,151	44.81%	34,686,151	44.78%	0	0.00%
All Others	32,818,375	42.40%	32,818,375	42.37%	0	0.00%
Subtotal	67,504,526	87.21%	67,504,526	87.16%	0	0.00%
<b>TOTAL RESTRICTED PORTFOLIC</b>	<b><u>\$77,400,317</u></b>	<b><u>100.00%</u></b>	<b><u>\$77,452,892</u></b>	<b><u>100.00%</u></b>	<b><u>\$52,575</u></b>	<b><u>0.07%</u></b>

### TOTAL PORTFOLIO

	---- Amortized Cost Basis----		-----Mkt. Value Basis-----		-----Difference-----
<b>TOTAL PORTFOLIO</b>	<b><u>\$480,410,141</u></b>		<b><u>\$480,579,702</u></b>		<b><u>\$169,561</u></b> <b><u>0.035%</u></b>

FY 2000 through FY 2003

Statistics	Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002		Fiscal Year 2003									
	Amount	Change	Amount	Change	Amount	Change	Q1		Q2		Q3		Q4		YTD	
							Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Earnings (millions) - Total Portfolio	\$17.1	\$2.1	\$21.2	\$4.1	\$13.2	(\$8.0)	\$3.0	n/a	\$2.7	n/a	\$2.4	n/a		n/a	\$8.1	n/a
Earnings (millions) - General Portfolio	\$13.2	\$2.3	\$15.8	\$2.6	\$11.0	(\$4.8)	\$2.4	n/a	\$2.3	n/a	\$2.1	n/a		n/a	\$6.7	n/a
Earnings (millions) - General Fund	\$9.5	\$1.9	\$11.6	\$2.1	\$7.6	(\$4.0)	\$1.6	n/a	\$1.5	n/a	\$1.4	n/a		n/a	\$4.3	n/a
General Fund Participation as a Percent of Total Portfolio Earnings	55.6%	5%	54.6%	-1.0%	57.7%	3.2%	52.8%	n/a	54.7%	n/a	55.8%	n/a		n/a	53.3%	n/a
General Fund Participation as a Percent of General Portfolio Earnings	72.3%	3%	73.1%	0.8%	68.1%	-5.0%	65.6%	n/a	65.0%	n/a	65.2%	n/a		n/a	63.8%	n/a
Average Portfolio Composition (millions)																
Government Securities	\$121.2	\$1.7	\$136.0	\$14.7	\$141.7	\$5.7	\$154.1	n/a	\$181.9	n/a	\$197.6	n/a		n/a	\$177.8	\$36.1
Bankers Acceptance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	\$0.0	\$0.0
Commercial Paper	\$47.8	\$29.1	\$25.6	(\$22.3)	\$9.8	(\$15.8)	11.2	n/a	16.8	n/a	28.7	n/a		n/a	\$18.9	\$9.1
Certificates of Deposit	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	\$0.0	\$0.0
Money Market	\$125.8	\$0.9	\$188.3	\$62.5	\$237.9	\$49.6	306.3	n/a	290.9	n/a	275.3	n/a		n/a	\$290.9	\$53.0
Repurchase Agreements	\$4.5	(\$12.5)	\$4.7	\$0.2	\$5.1	\$0.4		n/a	0.0	n/a		n/a	0.0	n/a	\$0.0	(\$5.1)
Municipal Obligations	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	\$0.0	\$0.0
Average Cash Invested - Total Portfolio	\$299.3	\$19.1	\$354.6	\$55.2	\$394.5	\$39.9	\$471.6	n/a	\$489.5	n/a	\$501.5	n/a	\$0.0	n/a	\$487.6	\$93.0
Portfolio Range (millions)																
High	\$352.0	\$26.3	\$402.7	\$50.7	\$445.6	\$42.9	\$496.2	n/a	\$535.4	n/a	\$524.6	n/a		n/a	\$535.3	\$89.7
Low	\$276.8	\$29.0	\$327.6	\$50.8	\$365.1	\$37.5	\$451.6	n/a	\$455.0	n/a	\$485.0	n/a		n/a	\$450.8	\$85.7
Comparative Investment Yields																
Prince Wm County (General Port	5.7%	0.28%	6.0%	0.3%	3.5%	-2.5%	2.7%	n/a	2.3%	n/a	2.1%	n/a		n/a	2.3%	-1.1%
Donoghues Money Market Fund	5.3%	0.51%	5.5%	0.2%	2.1%	-3.3%	1.4%	n/a	1.3%	n/a	1.0%	n/a		n/a	1.2%	-0.9%
U.S. Treasury Bills (90-Day)	5.4%	0.83%	5.3%	-0.1%	2.2%	-3.1%	1.7%	n/a	1.5%	n/a	1.2%	n/a		n/a	1.4%	-0.8%
U.S. Treasury Notes (2 Year)	6.2%	1.28%	5.2%	-0.9%	3.2%	-2.0%	2.2%	n/a	2.0%	n/a	1.6%	n/a		n/a	1.9%	-1.3%