

# Memorandum



CITY OF DALLAS

DATE January 23, 2009

TO Members of the Finance, Audit & Accountability Committee:  
Chair Mitchell Rasansky, Vice-Chair Jerry Allen, Mayor Pro-Tem Elba Garcia,  
Vonciel Jones Hill, Angela Hunt, Ron Natinsky, David Neumann

SUBJECT Quarterly Investment Report as of December 31, 2008

The City of Dallas Investment Policy, adopted by the City Council on November 10, 2008 requires that the City Council and City Manager receive quarterly investment reports. The City's Investment Policy provides the general framework for the investment of City funds, both operating and capital. Bond funds, including debt service and reserve funds, are managed by governing bond ordinances as well as the Investment Policy and the Tax Reform Act of 1986. The Policy emphasizes the City's investment objectives of safety, liquidity and yield, in that order, and complies with the Public Funds Investment Act as amended September 1, 2007.

The purpose of this report is to provide a means for Council members, Council committee members and staff to regularly review and monitor the City's investment position and to demonstrate compliance with the City's Investment Policy and the Public Funds Investment Act. Detail and summary reports on each of the City's portfolios are included as well as summary information on the portfolio as a whole. Trade activity for the quarter is shown on page five and includes the percentages of opportunities offered and awarded to M/WBE dealers.

For the quarter ended December 31, 2008 the City's individual portfolios and the combined portfolio are in compliance with the relevant provisions of the City's Investment Policy and the Public Funds Investment Act.

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David Cook  
Chief Financial Officer

Handwritten signature of Edward R. Scott.

Edward R. Scott  
City Controller

Handwritten signature of Corrine Steeger.

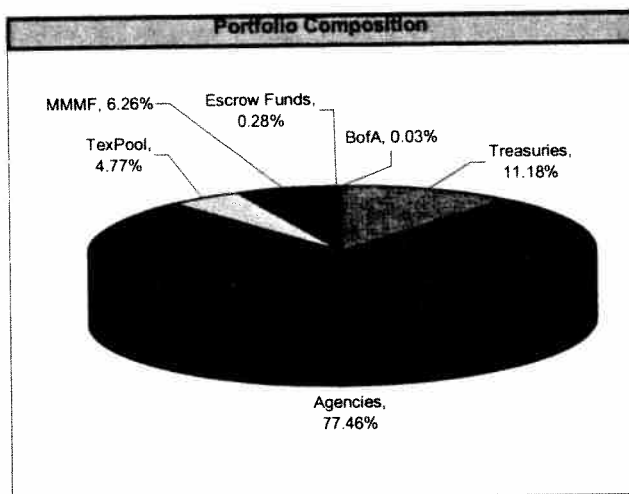
Corrine Steeger  
Treasury Manager/Assistant Director

c: Honorable Mayor & Members of the City Council  
Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Ramon F. Miguez, P.E., Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Forest E. Turner, Interim Assistant City Manager  
Craig Kinton, City Auditor

City of Dallas  
Cash and Investment Summary  
December 31, 2008

Portfolio Summary			
	12/31/08	09/30/08	Net Change
Face Value	\$ 1,913,705,699	\$ 1,845,316,259	\$ 68,389,439
Book Value	1,929,388,792	1,863,378,447	66,010,345
Market Value	1,961,782,220	1,865,317,298	96,464,922
Accrued Interest	21,788,860	13,123,045	8,665,815
Cash Value	1,983,571,080	1,878,440,343	105,130,737
Unrealized Gain (Loss)	32,393,428	1,938,851	30,454,577
Weighted Average Maturity (days)	290	314	-24
Buy Yield	3.10%	3.32%	-0.22%

Investment Summary by Type		
Cash and Investments by Type	Book Value	% of Portfolio
<b>U.S. Government Treasury Securities</b>	<b>\$ 215,862,253</b>	<b>11.18%</b>
<b>U.S. Government &amp; Agency Securities</b>		
Federal Farm Credit Bank (FFCB)	277,640,888	14.39%
Federal Home Loan Bank (FHLB)	568,841,367	29.47%
Federal Home Loan Mortgage Corporation (FHLMC)	381,686,815	19.78%
Federal National Mortgage Association (FNMA)	266,887,771	13.83%
<b>Total U.S. Government &amp; Agency Securities</b>	<b>\$ 1,495,056,841</b>	<b>77.46%</b>
<b>Local Government Investment Pool (TexPool)</b>	<b>\$ 92,092,837</b>	<b>4.77%</b>
<b>Money Market Mutual Funds</b>	<b>\$ 120,881,005</b>	<b>6.26%</b>
<b>Escrow Funds (BONY Mellon)</b>	<b>\$ 5,495,856</b>	<b>0.28%</b>
<b>Total Investments</b>	<b>\$ 1,929,388,792</b>	
<b>Closing Available Cash</b>	<b>\$ 648,897</b>	<b>0.03%</b>
<b>Total Cash and Investments</b>	<b>\$ 1,930,037,688</b>	<b>100.00%</b>



Maturity Schedule	
Mths to Maturity	%
0 - 3	26.5%
3 - 6	10.0%
6 - 9	20.3%
9 - 12	4.7%
12 - 24	34.8%
24 - 60	3.7%

City of Dallas, Texas  
Investment Summary by Portfolio Type  
For the quarter ending December 31, 2008

By Portfolio	ID #	Face Value	Book Value	Market Value	Accrued Interest	Cash Value (Mkt Val + Acc Int)	*Unrealized Gain(Loss)	Weighted Average Maturity (days)	Buy Yield
Investment Pool	1	\$ 1,747,997,166	\$ 1,763,853,553	\$ 1,794,296,023	\$ 20,199,199	\$ 1,814,495,222	\$ 30,442,469	304	3.14%
Convention Center Reserve	2	18,613,000	18,658,834	18,907,574	373,574	19,281,148	248,740	137	3.70%
Water Reserve	3	73,267,000	72,915,070	74,448,955	920,170	75,369,125	1,533,885	242	3.54%
Art Endowment	4	2,500,000	2,599,657	2,597,656	13,177	2,610,833	(2,001)	500	1.19%
Ida Green Library Fund	5	1,000,000	999,620	1,007,500	13,378	1,020,878	7,880	68	4.50%
**TU Electric Reserve	7	0	0	0	0	0	0	0	0.00%
DWU Commercial Paper Program	10	52,993,676	52,993,676	52,993,676	71,406	53,065,082	0	1	1.49%
Sports Arena Reserve 1998A	12	6,700,000	6,699,630	6,719,656	103,353	6,823,010	20,026	50	2.43%
Sports Arena Reserve 1998B	13	2,739,000	2,772,981	2,915,323	50,976	2,966,299	142,342	593	4.19%
Trinity Parkway Escrow	14	945,523	945,523	945,523	0	945,523	0	1	0.10%
Cityplace TIF Reserve	15	2,400,000	2,399,913	2,400,000	39,516	2,439,516	87	2	2.31%
Oncor Electric Escrow	16	4,550,333	4,550,333	4,550,333	4,110	4,554,443	0	1	0.10%
<b>Total Portfolio</b>		<b>\$ 1,913,705,699</b>	<b>\$ 1,929,388,792</b>	<b>\$ 1,961,782,220</b>	<b>\$ 21,788,860</b>	<b>\$ 1,983,571,080</b>	<b>\$ 32,393,428</b>	<b>290</b>	<b>3.10%</b>

Note: For all non-pooled portfolios, these values do not exactly correspond to the accounting balances for the respective funds. This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool (see individual portfolio summary pages for Investment Pool balances).

\* Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses shown above are unlikely to be realized.

\*\* See page 13 for detailed explanation of terms of final maturity.

City of Dallas, Texas  
Investment Summary by Security Type & Agency Issuer  
For the quarter ending December 31, 2008

All Portfolios Combined							
By Security Type	Face Value	Book Value	Market Value	*Unrealized Gain(Loss)	Weighted Average Maturity (days)	Buy Yield	% of Total Portfolio
Money Market Mutual Funds and Pools <sup>1</sup>	\$ 218,469,699	\$ 218,469,699	\$ 218,469,699	\$ -	1	1.30%	11.32%
Treasury Securities	214,000,000	215,862,253	219,216,875	3,354,622	245	2.99%	11.19%
Agency Securities	1,481,236,000	1,495,056,841	1,524,095,646	29,038,806	339	3.38%	77.49%
<b>Total Portfolio</b>	<b>\$ 1,913,705,699</b>	<b>\$ 1,929,388,792</b>	<b>\$ 1,961,782,220</b>	<b>\$ 32,393,428</b>	<b>290</b>	<b>3.10%</b>	<b>100.00%</b>

Agency Securities By Issuer	Face Value	Book Value	Market Value	*Unrealized Gain(Loss)	% of Total Portfolio	S&P/Moody's Ratings
Federal National Mortgage Assoc. (FNMA)	\$ 266,710,000	\$ 266,887,771	\$ 271,975,177	\$ 5,087,405	13.84%	AAA/Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	379,623,000	381,686,815	387,003,054	5,316,240	19.78%	AAA/Aaa
Federal Home Loan Bank (FHLB)	559,195,000	568,841,367	581,212,230	12,370,863	29.47%	AAA/Aaa
Federal Farm Credit Bank (FFCB)	275,708,000	277,640,888	283,905,185	6,264,297	14.40%	AAA/Aaa
<b>Total Agency Securities</b>	<b>\$ 1,481,236,000</b>	<b>\$ 1,495,056,841</b>	<b>\$ 1,524,095,646</b>	<b>\$ 29,038,806</b>	<b>77.49%</b>	<b>AAA/Aaa</b>

1) The Money Market total includes a \$436,813 currently being held by The Reserve Primary.

\* Unrealized gain/loss is the difference between the market value and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

City of Dallas, Texas  
 Activity Summary - All Portfolios Combined  
 For the quarter ending December 31, 2008

Trade Activity		Dealer Activity				
	Face Value		Face Value		Percent of Total Awarded	
			Offered	Awarded	1Q FY09	FY to Date
Beginning Balance	\$ 1,845,316,259	Primary Dealers (1)	\$ 426,872,000	\$ 156,516,000	69.23%	69.23%
Purchased/Deposited	708,131,966	MWBE Secondary Dealers	210,958,000	44,170,000	19.54%	19.54%
Matured/Withdrawn	(599,742,527)	Other Secondary Dealers	40,386,000	25,386,000	11.23%	11.23%
Called	(40,000,000)		\$ 678,216,000 (2)	\$ 226,072,000 (3)	100.00%	100.00%
Sold	-					
Ending Balance	<u>\$ 1,913,705,699</u>					

(1) Primary dealers report directly to the Market Reports Division of the New York Federal Reserve Bank and must meet minimum volume and capital guidelines. Primary dealers are generally able to offer the best price because they have access to the inside market and are able to inventory securities. There are no MWBE primary dealers. Secondary dealers are smaller, regional firms that generally do not hold securities in inventory and must purchase them from primary dealers or other clients.

(2) The amount of trades exceeds the actual amount awarded because three or more competitive bids/offers are sought on each trade.

(3) Dealer Activity summary includes only those trades (purchases and sales) shown to dealers by our Investment Advisor, First Southwest Asset Management, Inc.; it does not include repurchase agreements, money market mutual funds, or local government investment pool activity.

City of Dallas, Texas  
Investment Pool  
For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Money Market Mutual Funds & Pools*	\$ 159,980,166	\$ 249,054,516	\$ (89,074,350)
Face Value - Treasuries	214,000,000	214,000,000	-
Face Value - Agencies	1,374,017,000	1,232,005,000	142,012,000
<b>Total Face Value</b>	<b>\$ 1,747,997,166</b>	<b>\$ 1,695,059,516</b>	<b>\$ 52,937,650</b>
Money Market Mutual Funds & Pools	\$ 159,980,166	\$ 249,054,516	\$ (89,074,350)
Book Value - Treasuries	215,862,253	216,368,751	(506,498)
Book Value - Agencies	1,388,011,134	1,247,925,558	140,085,577
<b>Total Book Value</b>	<b>\$ 1,763,853,553</b>	<b>\$ 1,713,348,825</b>	<b>\$ 50,504,729</b>
Money Market Mutual Funds & Pools	\$ 159,980,166	\$ 249,054,516	\$ (89,074,350)
Market Value - Treasuries	219,216,875	218,171,875	1,045,000
Market Value - Agencies	1,415,098,981	1,247,518,967	167,580,014
<b>Total Market Value</b>	<b>\$ 1,794,296,023</b>	<b>\$ 1,714,745,359</b>	<b>\$ 79,550,664</b>
Accrued Interest	20,199,199	11,984,616	\$ 8,214,583
Cash Value (Total Market Value + Accrued Interest)	1,814,495,222	1,726,729,975	\$ 87,765,247
Unrealized Gain(Loss)	30,442,469	1,396,534	\$ 29,045,935
Change in Fair Value since 12/31/08 (per GASB 31)	25,684,759	(8,256,715)	\$ 33,941,474
Weighted Average Days to Maturity	304	323	(19)
Buy Yield	3.14%	3.32%	-0.18%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds and Pools	9.07%	14.54%	-5.48%
Treasuries	12.24%	12.63%	-0.40%
Agencies	78.69%	72.84%	5.86%

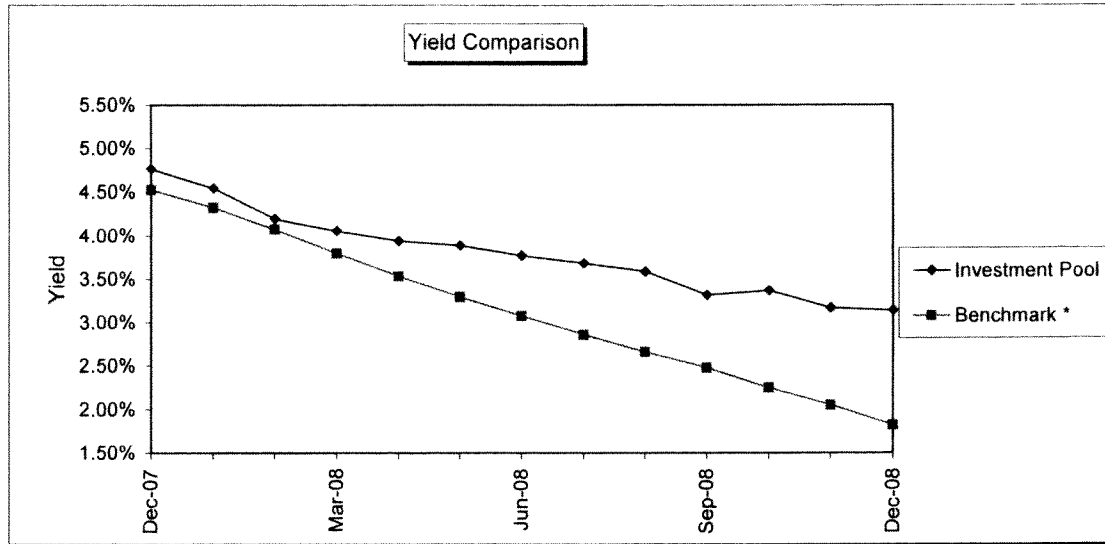
**STRATEGY STATEMENT**

The City's Investment Pool is an aggregation of the majority of City funds that includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) limit market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and restrictions set forth in the Investment Policy by actively managing the portfolio to meet or exceed the 12 month moving average yield on treasury one-year constant maturities as reported by Federal Reserve Statistical Release H.15.

**STRATEGY COMPLIANCE STATEMENT**

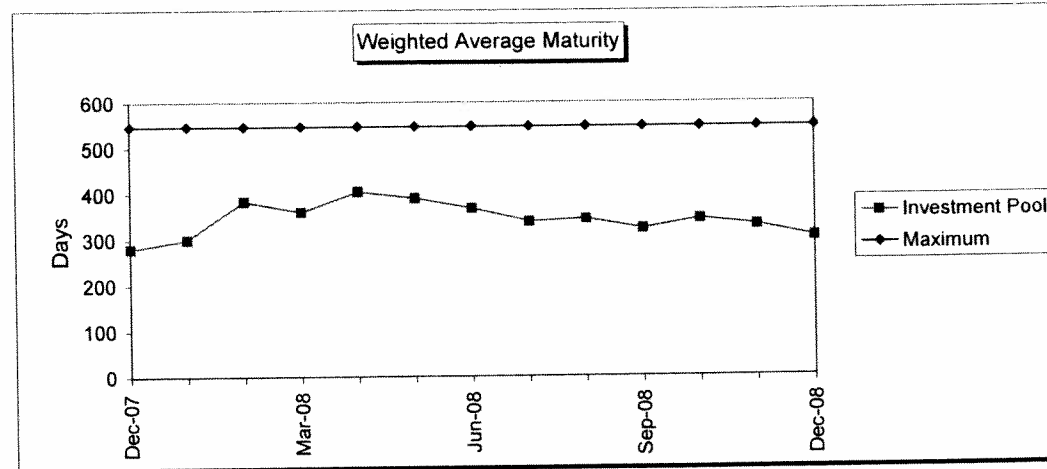
For the quarter ending December 31, 2008 the Investment Pool is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.1 of the City's Investment Policy.

City of Dallas, Texas  
Yield Comparison - Investment Pool  
For the quarter ending December 31, 2008



\* As per Section 17.1 of the City's Investment Policy, the benchmark for the Investment Pool is the 12-month moving average yield on treasury 1 - year constant maturities as reported by Federal Reserve Statistical Release H.15.

City of Dallas, Texas  
Maturity Analysis - Investment Pool  
For the quarter ending December 31, 2008



Investment Maturity Schedule - % of Total Pool					
Mnths/Yrs to Maturity	Current 12/31/2008	4th Qtr 9/30/2008	3 Months Net Change	1 Year Ago 12/31/2007	1 Year Net Change
Less than 3 months:	22.7%	19.3%	3.4%	29.4%	-6.7%
3 months to 6 months:	10.3%	14.1%	-3.8%	10.7%	-0.4%
6 months to 9 months:	21.3%	10.0%	11.3%	18.2%	3.1%
9 months to 1 year:	5.1%	20.5%	-15.4%	4.5%	0.6%
1 year to 2 years:	36.6%	35.2%	1.4%	36.1%	0.5%
2 years to 5 years:	4.0%	0.9%	3.1%	1.1%	2.9%
5 years to 10 years:	0.0%	0.0%	0.0%	0.0%	0.0%
More than 10 years:	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total:</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	



City of Dallas, Texas  
Convention Center Reserve  
For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	18,613,000	18,613,000	-
Total Face Value	<u>\$ 18,613,000</u>	<u>\$ 18,613,000</u>	<u>\$ -</u>
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	18,658,834	18,676,422	(17,588)
Total Book Value	<u>\$ 18,658,834</u>	<u>\$ 18,676,422</u>	<u>\$ (17,588)</u>
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	18,907,574	18,777,734	129,841
Total Market Value	<u>\$ 18,907,574</u>	<u>\$ 18,777,734</u>	<u>\$ 129,841</u>
Accrued Interest	\$ 373,574	\$ 183,333	\$ 190,241
Cash Value (Market Value + Accrued Interest)	\$ 19,281,148	\$ 18,961,068	\$ 320,080
Unrealized Gain(Loss)	\$ 248,740	\$ 101,312	\$ 147,429
Change in Fair Value since 12/31/08 (per GASB 31)	\$ 129,840	\$ 262,306	\$ (132,466)
Weighted Average Days to Maturity	137	229	(92)
Buy Yield	3.70%	3.70%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

Non-pooled reserve funds for outstanding revenue bonds are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest if required to prevent a default. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and the bond ordinance by actively managing the portfolio to meet or exceed the bond yield.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Convention Center Reserve portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.3 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 Water Reserve  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	73,267,000	73,267,000	-
<b>Total Face Value</b>	<b>\$ 73,267,000</b>	<b>\$ 73,267,000</b>	<b>\$ -</b>
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	72,915,070	72,935,793	(20,722)
<b>Total Book Value</b>	<b>\$ 72,915,070</b>	<b>\$ 72,935,793</b>	<b>\$ (20,722)</b>
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	74,448,955	73,349,499	1,099,456
<b>Total Market Value</b>	<b>\$ 74,448,955</b>	<b>\$ 73,349,499</b>	<b>\$ 1,099,456</b>
Accrued Interest	\$ 920,170	\$ 450,866	\$ 469,304
Cash Value (Market Value + Accrued Interest)	\$ 75,369,125	\$ 73,800,365	\$ 1,568,760
Unrealized Gain(Loss)	\$ 1,533,885	\$ 413,706	\$ 1,120,179
Change in Fair Value since 12/31/08 (per GASB 31)	\$ 1,099,456	\$ 642,967	\$ 456,490
Weighted Average Days to Maturity	242	334	(92)
Buy Yield	3.54%	3.54%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

Non-pooled reserve funds for outstanding revenue bonds are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest if required to prevent a default. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and the bond ordinance by actively managing the portfolio to meet or exceed the bond yield.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Water Reserve portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.3 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 Art Endowment  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	2,500,000	1,811,000	689,000
<b>Total Face Value</b>	<b>\$ 2,500,000</b>	<b>\$ 1,811,000</b>	<b>\$ 689,000</b>
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	2,599,657	1,815,270	784,387
<b>Total Book Value</b>	<b>\$ 2,599,657</b>	<b>\$ 1,815,270</b>	<b>\$ 784,387</b>
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	2,597,656	1,816,093	781,562.81
<b>Total Market Value</b>	<b>2,597,656</b>	<b>1,816,093</b>	<b>\$ 781,563</b>
Accrued Interest	\$ 13,177	\$ 23,499	\$ (10,322)
Cash Value (Market Value + Accrued Interest)	\$ 2,610,833	\$ 1,839,592	\$ 771,241
Unrealized Gain(Loss)	\$ (2,001)	\$ 823	\$ (2,824)
Change in Fair Value since 12/31/08 (per GASB 31)	\$ (9,462)	\$ (12,878)	\$ 3,416
Weighted Average Days to Maturity	500	80	420.00
Buy Yield	1.19%	3.50%	-2.32%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

The Art Endowment Fund was created from a repayment to the General Fund from the Convention Center pursuant to Resolution No. 84-311. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Art Endowment portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.4 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 Ida Green Library Fund  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	1,000,000	1,000,000	-
<b>Total Face Value</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>\$ -</b>
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	999,620	999,117	503
<b>Total Book Value</b>	<b>\$ 999,620</b>	<b>\$ 999,117</b>	<b>\$ 503</b>
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	1,007,500	1,004,375	3,125
<b>Total Market Value</b>	<b>\$ 1,007,500</b>	<b>\$ 1,004,375</b>	<b>\$ 3,125</b>
Accrued Interest	\$ 13,378	\$ 2,628	\$ 10,750
Cash Value (Market Value + Accrued Interest)	\$ 1,020,878	\$ 1,007,003	\$ 13,874
Unrealized Gain(Loss)	\$ 7,880	\$ 5,258	\$ 2,621
Change in Fair Value since 12/31/08 (per GASB 31)	\$ 3,125	\$ 6,563	\$ (3,438)
Weighted Average Days to Maturity	68	160	(92)
Buy Yield	4.50%	4.50%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

The Ida M. Green Endowment Fund was created with the proceeds from the sale of stock from the estate of Ms. Green pursuant to Resolution No. 87-0836. Its purpose is to provide funds for the operating and capital expenses of the library's Texas Center for the Book and Children's Center. Funds received as gifts to the City with instructions that the income generated by the investment of said funds be used for specified purposes are invested as separate non-pooled portfolios in order to maximize return. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 30, 2008 the Ida Green Library Fund portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.4 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 TU Electric Reserve  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008 <sup>1</sup>	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries			\$ -
Face Value - Agencies	-	13,430,000	(13,430,000)
<b>Total Face Value</b>	<b>\$ -</b>	<b>\$ 13,430,000</b>	<b>\$ (13,430,000)</b>
Book Value - Treasuries			\$ -
Book Value - Agencies	-	13,430,000	(13,430,000)
<b>Total Book Value</b>	<b>\$ -</b>	<b>\$ 13,430,000</b>	<b>\$ (13,430,000)</b>
Market Value - Treasuries			\$ -
Market Value - Agencies	-	13,430,000	(13,429,999)
<b>Total Market Value</b>	<b>\$ -</b>	<b>\$ 13,430,000</b>	<b>\$ (13,429,999)</b>
Accrued Interest	\$ -	\$ 288,885	\$ (288,885)
Cash Value (Market Value + Accrued Interest)	\$ -	\$ 13,718,885	\$ (13,718,886)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 12/31/08 (per GASB 31)	\$ -	\$ 50,363	\$ (50,363)
Weighted Average Days to Maturity	0	3	(3)
Buy Yield	0.00%	5.04%	-5.04%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	0.00%	100.00%	-100.00%

1) Final maturity was 10/03/08.

**STRATEGY STATEMENT**

The TU Electric Reserve portfolio was established by City Ordinance for the deposit of Texas Utilities Electric Company prepaid franchise fees. Interest earnings on this portfolio will be used to fund future ratemaking expenses pursuant to the TUEC franchise ordinance and to provide an additional source of funds for the General Fund during the 15-year franchise term. In order to maximize the interest income generated by this portfolio, City Council adopted Ordinance 21665 on May 12, 1993 authorizing investments in securities purchased for this portfolio to have maturities up to 15 years. The TUEC franchise term ends in October 2008 and therefore investment maturities should not exceed that date. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and Ordinance 21665.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the TU Electric Reserve portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.6 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool. Final Maturity 10/3/08.

City of Dallas, Texas  
 Water Commercial Paper Program  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 52,993,676	\$ 23,859,315	\$ 29,134,361
Book Value - Money Market Mutual Funds	\$ 52,993,676	\$ 23,859,315	\$ 29,134,361
Market Value - Money Market Mutual Funds	\$ 52,993,676	\$ 23,859,315	\$ 29,134,361
Accrued Interest	\$ 71,406	\$ 75,750	\$ (4,344)
Cash Value (Market Value + Accrued Interest)	\$ 53,065,082	\$ 23,935,065	\$ 29,130,017
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 12/31/08 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	1.49%	2.94%	-1.45%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

Water Utilities issues tax-exempt commercial paper notes as an interim financing tool for construction projects. Proceeds from the issuance of commercial paper debt must be liquid in order to fund periodic payments to contractors and must be invested in tax-exempt securities in order to avoid costly and complex arbitrage rebate computations. In order to meet these requirements, commercial paper proceeds will be invested in tax-exempt money market mutual funds. The objectives of this portfolio are to: a) ensure safety of principal by investing only in AAA-rated tax-exempt money market mutual funds; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and governing bond ordinances.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Water Commercial Paper Program Portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.7 of the City's Investment Policy.

City of Dallas, Texas  
Sports Arena Reserve  
For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Sports Arena Reserve 1998A			Sports Arena Reserve 1998B - Taxable		
	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change	Current 12/31/2008	Prior Qtr 6/30/2008	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Face Value - Agencies	6,700,000	6,700,000	-	2,739,000	2,739,000	-
Total Face Value	\$ 6,700,000	\$ 6,700,000	\$ -	\$ 2,739,000	\$ 2,739,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Book Value - Agencies	6,699,630	6,698,742	887	2,772,981	2,783,236	(10,255)
Total Book Value	\$ 6,699,630	\$ 6,698,742	\$ 887	\$ 2,772,981	\$ 2,783,236	\$ (10,255)
Market Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Value - Agencies	6,719,656	6,680,719	38,938	2,915,323	2,834,009	81,314
Total Market Value	\$ 6,719,656	\$ 6,680,719	\$ 38,938	\$ 2,915,323	\$ 2,834,009	\$ 81,314
Accrued Interest	\$ 103,353	\$ 63,578	\$ 39,776	\$ 142,342	\$ 50,976	\$ 91,366
Cash Value (Market Value + Accrued Interest)	\$ 6,823,010	\$ 6,744,297	\$ 78,713	\$ 3,057,665	\$ 2,884,985	\$ 172,680
Unrealized Gain(Loss)	\$ 20,026	\$ (18,024)	\$ 38,049	\$ 142,342	\$ 50,773	\$ 91,570
Change in Fair Value since 12/31/08 (per GASB 31)	\$ 38,938	\$ (23,796)	\$ 62,734	\$ 93,297	\$ 40,102	\$ 53,195
Weighted Average Days to Maturity	50	142	-92	685	777	-92
Buy Yield	2.43%	2.43%	0.00%	4.19%	4.19%	0.00%
Portfolio Composition - % of Book Value						
Treasuries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

Non-pooled reserve funds for outstanding revenue bonds are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest if required to prevent a default. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and the bond ordinance by actively managing the portfolio to meet or exceed the bond yield.

For the quarter ending December 31, 2008 the Sports Arena Reserve portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.3 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 Trinity Parkway Escrow  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 945,523	\$ 1,889,487	\$ (943,964)
Book Value - Money Market Mutual Funds	\$ 945,523	\$ 1,889,487	\$ (943,964)
Market Value - Money Market Mutual Funds	\$ 945,523	\$ 1,889,487	\$ (943,964)
Accrued Interest	\$ -	\$ 492	\$ (492)
Cash Value (Market Value + Accrued Interest)	\$ 945,523	\$ 1,889,979	\$ (944,456)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 12/31/08 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.10%	0.79%	-0.69%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

The Trinity Parkway Escrow portfolio was created with the deposit of \$5,000,000 on November 16, 1999 in an escrow account in accordance with an Agreement dated as of January 1, 1999 between the City and the North Texas Tollway Authority ("NTTA") pertaining to development of the Trinity Parkway. These funds will be used to reimburse NTTA for specified payments related to project feasibility. Permitted investments for this account are defined in the Escrow Agreement as those that are consistent with the Public Funds Investment Act. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and restrictions set forth in the Agreement.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Trinity Parkway Escrow portfolio is in compliance with the provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.8 of the City's Investment Policy.



City of Dallas, Texas  
Cityplace TIF Reserve  
For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 12/31/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	2,400,000	2,400,000	-
Total Face Value	\$ 2,400,000	\$ 2,400,000	\$ -
Book Value - Treasuries	-	-	\$ -
Book Value - Agencies	2,399,913	2,399,399	515
Total Book Value	\$ 2,399,913	\$ 2,399,399	\$ 515
Market Value - Treasuries	-	-	\$ -
Market Value - Agencies	2,400,000	2,394,750	5,250
Total Market Value	\$ 2,400,000	\$ 2,394,750	\$ 5,250
Accrued Interest	\$ 39,516	\$ 12,876	\$ 26,640
Cash Value (Market Value + Accrued Interest)	\$ 2,439,516	\$ 2,407,626	\$ 31,890
Unrealized Gain(Loss)	\$ 87	\$ (4,649)	\$ 4,736
Change in Fair Value since 12/31/08 (per GASB 31)	\$ 5,250	\$ (9,055)	\$ 14,305
Weighted Average Days to Maturity	2	94	-92
Buy Yield	2.31%	2.31%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

Non-pooled reserve funds for outstanding revenue bonds are set at levels required by their respective bond ordinances. These funds will be used to pay principal and/or interest if required to prevent a default. The objectives of this portfolio are to: a) ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists; b) ensure that anticipated cash flows are matched with adequate investment liquidity; c) manage market and credit risk through diversification; and d) attain the best feasible yield commensurate with the objectives and the restrictions set forth in the Investment Policy and the bond ordinance by actively managing the portfolio to meet or exceed the bond yield.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending December 31, 2008 the Cityplace TIF Reserve portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.3 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.

City of Dallas, Texas  
 Oncor Electric Escrow  
 For the quarter ending December 31, 2008

**SUMMARY STATEMENT**

	Current 9/30/2008	Prior Qtr 9/30/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 4,550,333	\$ 4,547,941	\$ 2,393
Book Value - Money Market Mutual Funds	\$ 4,550,333	\$ 4,547,941	\$ 2,393
Market Value - Money Market Mutual Funds	\$ 4,550,333	\$ 4,547,941	\$ 2,393
Accrued Interest	\$ 4,110	\$ 6,463	\$ (2,352)
Cash Value (Market Value + Accrued Interest)	\$ 4,554,443	\$ 4,554,404	\$ 39
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 12/31/08 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.10%	0.64%	-0.54%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending September 30, 2008 the Oncor Electric Escrow portfolio is in compliance with the provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.8 of the City's Investment Policy.