

# Memorandum



DATE August 8, 2008

CITY OF DALLAS

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

SUBJECT Quarterly Investment Report as of June 30, 2008

The City of Dallas Investment Policy, adopted by the City Council on November 12, 2007 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 three and includes the percentages of opportunities offered and awarded to M/WBE dealers.

For the quarter ending June 30, 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  
David O. Brown, Interim Assistant City Manager  
Craig Kinton, City Auditor

City of Dallas, Texas  
Investment Summary by Portfolio Type  
For the quarter ending June 30, 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	\$ 1,872,441,000.00	\$ 1,893,236,887.89	\$ 1,899,538,561.88	\$ 24,334,316.90	\$ 1,923,872,878.78	\$ 6,301,673.99	369	3.77%
Convention Center Reserve	2	19,695,000.00	19,608,926.86	19,770,953.75	218,743.61	19,989,697.36	162,026.89	270	4.02%
Water Reserve	3	77,768,000.00	77,581,716.28	78,154,942.51	773,774.14	78,928,716.65	573,226.23	359	3.55%
Art Endowment	4	1,811,000.00	1,820,304.30	1,827,412.19	2,559.30	1,829,971.49	7,107.89	172	3.50%
Ida Green Library Fund	5	1,000,000.00	998,619.75	1,010,000.00	13,377.78	1,023,377.78	11,380.25	252	4.50%
Library Endowment	6	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00%
TU Electric Reserve	7	13,430,000.00	13,408,463.64	13,484,559.38	141,994.27	13,626,553.65	76,095.74	95	5.04%
DWU Commercial Paper Program	10	68,885,820.18	68,885,820.18	68,885,820.18	173,104.42	69,058,924.60	0.00	1	1.72%
Sports Arena Reserve 1998A	12	6,700,000.00	6,697,860.16	6,682,312.50	23,803.33	6,706,115.83	(15,547.66)	234	2.43%
Sports Arena Reserve 1998B	13	2,739,000.00	2,783,236.44	2,834,009.06	50,975.83	2,884,984.89	50,772.62	777	4.19%
Trinity Parkway Escrow	14	1,242,292.05	1,242,292.05	1,242,292.05	1,451.53	1,243,743.58	0.00	1	1.42%
Cityplace TIF Reserve	15	2,400,000.00	2,398,886.83	2,393,250.00	12,876.00	2,406,126.00	(5,636.83)	186	2.31%
Oncor Electric Escrow	16	4,536,139.04	4,536,139.04	4,536,139.04	7,990.10	4,544,129.14	0.00	1	1.05%
<b>Total Portfolio</b>		<b>\$ 2,072,548,251.27</b>	<b>\$ 2,093,199,153.42</b>	<b>\$ 2,100,360,252.54</b>	<b>\$ 25,754,967.21</b>	<b>\$ 2,126,115,219.75</b>	<b>\$ 7,161,099.12</b>	<b>353</b>	<b>3.69%</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.

City of Dallas, Texas  
Investment Summary by Security Type & Agency Issuer  
For the quarter ending June 30, 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	\$ 235,378,251.27	\$ 235,378,251.27	\$ 235,378,251.27	\$ -	1	3.32%	11.24%
Treasury Securities	264,000,000.00	266,336,017.82	267,950,000.00	1,613,982.18	343	3.52%	12.72%
Agency Securities	1,573,170,000.00	1,591,484,884.33	1,597,032,001.27	5,547,116.94	406	3.94%	76.03%
<b>Total Portfolio</b>	<b>\$2,072,548,251.27</b>	<b>\$ 2,093,199,153.42</b>	<b>\$ 2,100,360,252.54</b>	<b>\$ 7,161,099.12</b>	<b>353</b>	<b>3.69%</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)	236,781,000.00	237,552,143.01	238,653,919.38	1,101,776.37	11.35%	AAA/Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	350,626,000.00	351,816,114.90	354,276,244.38	2,460,129.48	16.81%	AAA/Aaa
Federal Home Loan Bank (FHLB)	670,495,000.00	683,439,097.48	684,044,303.14	605,205.66	32.65%	AAA/Aaa
Federal Farm Credit Bank (FFCB)	315,268,000.00	318,138,870.70	320,057,534.37	1,918,663.67	15.20%	AAA/Aaa
<b>Total Agency Securities</b>	<b>\$1,573,170,000.00</b>	<b>\$ 1,590,946,226.09</b>	<b>\$ 1,597,032,001.27</b>	<b>\$ 6,085,775.18</b>	<b>76.01%</b>	<b>AAA/Aaa</b>

\* 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 June 30, 2008

	Trade Activity		Dealer Activity			
	Face Value		Face Value		Percent of Total Awarded	
			Offered	Awarded	3Q FY08	FY to Date
Beginning Balance	\$ 2,253,974,469.15					
Purchased/Deposited	475,996,265.35	Primary Dealers (1)	\$ 421,000,000	\$ 144,800,000	61.83%	60.83%
Matured/Withdrew	(626,992,483.23)	MWBE Secondary Dealers	269,200,000	89,400,000	38.17%	34.53%
Called	(30,430,000.00)	Other Secondary Dealers	12,400,000	-	0.00%	4.64%
Sold	0.00		\$ 702,600,000 (2)	\$ 234,200,000 (3)	100.00%	100.00%
Ending Balance	<u>\$ 2,072,548,251.27</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.

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Money Market Mutual Funds & Pools	\$ 160,714,000	\$ 295,816,000	\$ (135,102,000)
Face Value -Treasuries	264,000,000	290,000,000	(26,000,000)
Face Value - Agencies	1,447,727,000	1,411,237,000	36,490,000
Total Face Value	\$ 1,872,441,000	\$ 1,997,053,000	\$ (124,612,000)
Money Market Mutual Funds & Pools	\$ 160,714,000	\$ 295,816,000	\$ (135,102,000)
Book Value - Treasuries	266,336,018	292,111,140	(25,775,122)
Book Value - Agencies	1,466,186,870	1,426,696,573	39,490,297
Total Book Value	\$ 1,893,236,888	\$ 2,014,623,713	\$ (121,386,825)
Money Market Mutual Funds & Pools	\$ 160,714,000	\$ 295,816,000	\$ (135,102,000)
Market Value - Treasuries	267,950,000	296,974,062.50	(29,024,063)
Market Value - Agencies	1,470,874,562	1,446,550,987	24,323,575
Total Market Value	\$ 1,899,538,562	\$ 2,039,341,050	\$ (139,802,488)
Accrued Interest	24,334,317	15,203,401	\$ 9,130,916
Cash Value (Total Market Value + Accrued Interest)	1,923,872,879	2,054,544,450	\$ (130,671,572)
Unrealized Gain(Loss)	6,301,674	24,717,336	\$ (18,415,662)
Change in Fair Value since 9/30/07 (per GASB 31)	(354,375)	20,509,445	\$ (20,863,821)
Weighted Average Days to Maturity	369	361	8
Buy Yield	3.77%	4.06%	-0.29%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds and Pools	8.49%	15.62%	-7.15%
Treasuries	14.07%	15.43%	-1.37%
Agencies	77.44%	75.36%	2.09%

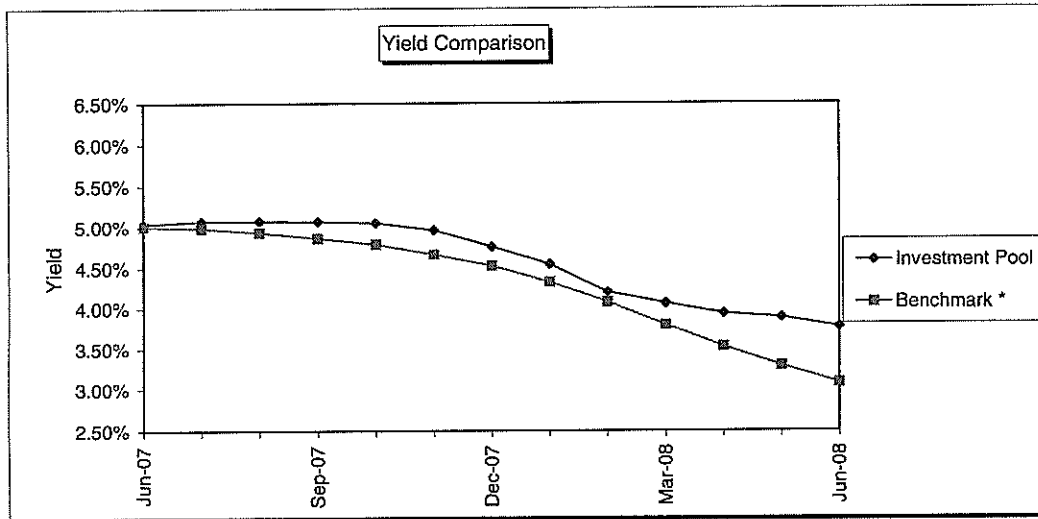
**STRATEGY STATEMENT**

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**

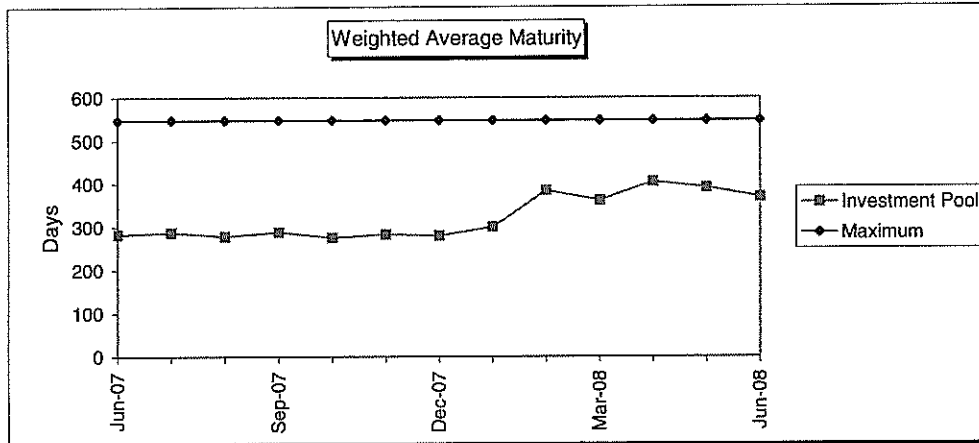
For the quarter ending June 30, 2008 the Investment Pool is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.1 of the City's Investment Policy.

City of Dallas, Texas  
 Yield Comparison - Investment Pool  
 For the quarter ending June 30, 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 June 30, 2008



Investment Maturity Schedule - % of Total Pool					
Mnths/Yrs to Maturity	Current 6/30/2008	3 Months Ago 3/31/2008	3 Months Net Change	1 Year Ago 6/30/2007	1 Year Net Change
Less than 3 months:	25.9%	23.9%	2.0%	33.0%	-7.1%
3 months to 6 months:	4.3%	16.3%	-12.0%	5.6%	-1.3%
6 months to 9 months:	12.3%	4.0%	8.3%	13.6%	-1.3%
9 months to 1 year:	7.0%	11.6%	-4.6%	10.6%	-3.6%
1 year to 2 years:	35.8%	29.3%	6.5%	32.4%	3.4%
2 years to 5 years:	14.7%	14.9%	-0.2%	4.8%	9.9%
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%
Total:	100.0%	100.0%		100.0%	

City of Dallas, Texas  
Convention Center Reserve  
For the quarter ending June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	19,595,000	14,695,000	4,900,000
Total Face Value	\$ 19,595,000	\$ 14,695,000	\$ 4,900,000
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	19,608,927	14,651,847	4,957,080
Total Book Value	\$ 19,608,927	\$ 14,651,847	\$ 4,957,080
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	19,770,954	15,000,033	4,770,922
Total Market Value	\$ 19,770,954	\$ 15,000,033	\$ 4,770,922
Accrued Interest	\$ 218,744	\$ 233,022	\$ (14,279)
Cash Value (Market Value + Accrued Interest)	\$ 19,989,697	\$ 15,233,055	\$ 4,756,641
Unrealized Gain(Loss)	\$ 162,027	\$ 348,186	\$ (186,158)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ 320,118	\$ 446,404	\$ (126,286)
Weighted Average Days to Maturity	270	391	(121)
Buy Yield	4.02%	4.59%	-0.57%
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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	77,768,000	68,853,000	8,915,000
Total Face Value	\$ 77,768,000	\$ 68,853,000	\$ 8,915,000
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	77,581,716	68,629,345	8,952,371
Total Book Value	\$ 77,581,716	\$ 68,629,345	\$ 8,952,371
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	78,154,943	69,996,305	8,158,638
Total Market Value	\$ 78,154,943	\$ 69,996,305	\$ 8,158,638
Accrued Interest	\$ 773,774	\$ 590,779	\$ 182,995
Cash Value (Market Value + Accrued Interest)	\$ 78,928,717	\$ 70,587,084	\$ 8,341,633
Unrealized Gain(Loss)	\$ 573,226	\$ 1,366,960	\$ (793,734)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ 852,444	\$ 1,592,884	\$ (740,440)
Weighted Average Days to Maturity	359	438	(79)
Buy Yield	3.55%	4.28%	-0.73%
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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	1,811,000	1,811,000	-
Total Face Value	\$ 1,811,000	\$ 1,811,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	1,820,304	1,825,240	(4,936)
Total Book Value	\$ 1,820,304	\$ 1,825,240	\$ (4,936)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	1,827,412	1,840,429	(13,017)
Total Market Value	1,827,412	1,840,429	\$ (13,017)
Accrued Interest	\$ 2,559	\$ 23,499	\$ (20,940)
Cash Value (Market Value + Accrued Interest)	\$ 1,829,971	\$ 1,863,928	\$ (33,956)
Unrealized Gain(Loss)	\$ 7,108	\$ 15,189	\$ (8,081)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ (1,559)	\$ 11,458	\$ (13,017)
Weighted Average Days to Maturity	172	263	(91)
Buy Yield	3.50%	3.50%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

The 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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	1,000,000	1,000,000	-
Total Face Value	1,000,000	1,000,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	998,620	998,133	486
Total Book Value	\$ 998,620	\$ 998,133	\$ 486
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	1,010,000	1,018,750	(8,750)
Total Market Value	\$ 1,010,000	\$ 1,018,750	\$ (8,750)
Accrued Interest	\$ 13,378	\$ 2,628	\$ 10,750
Cash Value (Market Value + Accrued Interest)	\$ 1,023,378	\$ 1,021,378	\$ 1,999
Unrealized Gain(Loss)	\$ 11,380	\$ 20,617	\$ (9,237)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ 12,188	\$ 20,938	\$ (8,750)
Weighted Average Days to Maturity	252	343	(91)
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 June 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  
 Library Endowment  
 For the quarter ending June 30, 2008

**SUMMARY STATEMENT**

	Current * 6/30/2008	Current 3/31/2008	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	-	-	-
Total Face Value	\$ -	\$ -	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	-	-	-
Total Book Value	\$ -	\$ -	\$ -
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	-	-	-
Total Market Value	\$ -	\$ -	\$ -
Accrued Interest	\$ -	\$ -	\$ -
Cash Value (Market Value + Accrued Interest)	\$ -	\$ -	\$ -
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/07 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	0	0	0
Buy Yield	0.00%	0.00%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	0.00%	0.00%	0.00%

**STRATEGY STATEMENT**

The Library Endowment Fund was created from the sale of the former downtown public library pursuant to Resolution No. 81-2936. Its purpose, as amended by Resolution No. 95-1568, is to provide a permanent and perpetual source of revenue to be dedicated to equipment acquisition, maintenance and enhancement of the library automation system. 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 June 30, 2008 the Library 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.

City of Dallas, Texas  
 TU Electric Reserve  
 For the quarter ending June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value -Treasuries			\$ -
Face Value - Agencies	13,430,000	13,430,000	-
Total Face Value	\$ 13,430,000	\$ 13,430,000	\$ -
Book Value - Treasuries			\$ -
Book Value - Agencies	13,408,464	13,379,476	28,987
Total Book Value	\$ 13,408,464	\$ 13,379,476	\$ 28,987
Market Value - Treasuries			\$ -
Market Value - Agencies	13,484,559	13,551,709	(67,149)
Total Market Value	\$ 13,484,559	\$ 13,551,709	\$ (67,149)
Accrued Interest	\$ 141,994	\$ 288,885	\$ (146,891)
Cash Value (Market Value + Accrued Interest)	\$ 13,626,554	\$ 13,840,594	\$ (214,042)
Unrealized Gain(Loss)	\$ 76,096	\$ 172,233	\$ (96,137)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ 104,922	\$ 172,072	\$ (67,150)
Weighted Average Days to Maturity	95	186	(91)
Buy Yield	5.04%	5.04%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	100.00%	0.00%

**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 June 30, 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.

City of Dallas, Texas  
 Water Commercial Paper Program  
 For the quarter ending June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 68,885,820	\$ 145,086,303	\$ (76,200,483)
Book Value - Money Market Mutual Funds	\$ 68,885,820	\$ 145,086,303	\$ (76,200,483)
Market Value - Money Market Mutual Funds	\$ 68,885,820	\$ 145,086,303	\$ (76,200,483)
Accrued Interest	\$ 173,104	\$ 334,686	\$ (161,582)
Cash Value (Market Value + Accrued Interest)	\$ 69,058,925	\$ 145,420,990	\$ (76,362,065)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/07 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	1.72%	2.83%	-1.11%
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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Sports Arena Reserve 1998A			Sports Arena Reserve 1998B - Taxable		
	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Face Value - Agencies	6,700,000	3,545,000	3,155,000	2,739,000	2,739,000	-
Total Face Value	\$ 6,700,000	\$ 3,545,000	\$ 3,155,000	\$ 2,739,000	\$ 2,739,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Book Value - Agencies	6,697,860	3,539,197	3,158,663	2,783,236	2,788,229	(4,993)
Total Book Value	\$ 6,697,860	\$ 3,539,197	\$ 3,158,663	\$ 2,783,236	\$ 2,788,229	\$ (4,993)
Market Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Value - Agencies	6,682,313	3,563,833	3,118,480	2,834,009	2,901,628	(67,619)
Total Market Value	\$ 6,682,313	\$ 3,563,833	\$ 3,118,480	\$ 2,834,009	\$ 2,901,628	\$ (67,619)
Accrued Interest	\$ 23,803	\$ 60,487	\$ (36,682)	\$ 50,976	\$ 16,738	\$ 34,238
Cash Value (Market Value + Accrued Interest)	\$ 6,706,116	\$ 3,624,319	\$ 3,081,796	\$ 2,884,985	\$ 2,918,366	\$ (33,382)
Unrealized Gain(Loss)	\$ (15,548)	\$ 24,636	\$ (40,185)	\$ 50,773	\$ 113,399	\$ (62,626)
Change in Fair Value since 9/30/07 (per GASB 31	\$ (22,203)	\$ 11,794	\$ (33,996)	\$ 40,102	\$ 107,721	\$ (67,620)
Weighted Average Days to Maturity	234	430	-196	777	866	-91
Buy Yield	2.43%	5.39%	-2.97%	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.

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 1,242,292	\$ 1,237,939	\$ 4,354
Book Value - Money Market Mutual Funds	\$ 1,242,292	\$ 1,237,939	\$ 4,354
Market Value - Money Market Mutual Funds	\$ 1,242,292	\$ 1,237,939	\$ 4,354
Accrued Interest	\$ 1,452	\$ 1,363	\$ 88
Cash Value (Market Value + Accrued Interest)	\$ 1,243,744	\$ 1,239,302	\$ 4,441
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/07 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	1.42%	1.30%	0.12%
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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	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	2,398,887	-	2,398,887
Total Book Value	\$ 2,398,887	\$ -	\$ 2,398,887
Market Value - Treasuries	-	-	\$ -
Market Value - Agencies	2,393,250	-	2,393,250
Total Market Value	\$ 2,393,250	\$ -	\$ 2,393,250
Accrued Interest	\$ 12,876	\$ -	\$ 12,876
Cash Value (Market Value + Accrued Interest)	\$ 2,406,126	\$ -	\$ 2,406,126
Unrealized Gain(Loss)	\$ (5,637)	\$ -	\$ (5,636)
Change in Fair Value since 9/30/07 (per GASB 31)	\$ (10,555)	\$ (5,173)	\$ (5,382)
Weighted Average Days to Maturity	186	0	186
Buy Yield	2.31%	0.00%	2.31%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	100.00%	0.00%	100.00%

**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 June 30, 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 June 30, 2008

**SUMMARY STATEMENT**

	Current 6/30/2008	3 Months Ago 3/31/2008	Period Net Change
Face Value - Money Market Mutual Funds	\$ 4,536,139	\$ 4,524,227	\$ 11,913
Book Value - Money Market Mutual Funds	\$ 4,536,139	\$ 4,524,227	\$ 11,913
Market Value - Money Market Mutual Funds	\$ 4,536,139	\$ 4,524,227	\$ 11,913
Accrued Interest	\$ 7,990	\$ 4,191	\$ 3,799
Cash Value (Market Value + Accrued Interest)	\$ 4,544,129	\$ 4,528,418	\$ 15,711
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/07 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	1.05%	0.99%	0.06%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

**STRATEGY STATEMENT**

**STRATEGY COMPLIANCE STATEMENT**

For the quarter ending June 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.

