

Memorandum



CITY OF DALLAS

DATE October 23, 2009

TO Members of the Budget, Finance & Audit Committee:
Chair Jerry Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Angela Hunt, Delia Jasso, Ron Natinsky, David Neumann

SUBJECT Quarterly Investment Report as of September 30, 2009

The City of Dallas Investment Policy, in accordance with the Texas Public Funds Investment Act, requires that the City Council and City Manager receive quarterly investment reports. 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 September 30, 2009 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.

Additionally, this memo provides an updated status of distributions to the City from the Reserve Primary Fund. The City's investment in the Reserve Primary Fund was frozen on September 17, 2008, when the Fund suffered losses in the value of some of its investments. As of today, the City has received a total of \$1,907,513 from The Reserve Primary Fund. As reflected on the following table, the remaining balance is now \$167,708.


Distributions from The Reserve Primary Fund

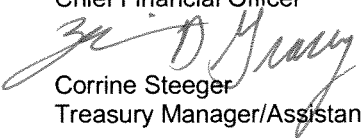
*Balance as of September 17, 2008: \$ 2,075,221

Distribution Date	Amount	Remaining Balance
10/31/08	\$ 1,052,944	\$ 1,022,277
12/03/08	583,243	439,034
02/20/09	137,672	301,362
04/17/09	93,155	208,207
10/02/09	40,499	167,708

* Includes principal and interest accrued from September 1 through September 14, 2008.


David Cook
Chief Financial Officer


Edward R. Scott
City Controller


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
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest E. Turner, Assistant City Manager
Craig Kinton, City Auditor

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City of Dallas, Texas
Investment Summary by Portfolio Type
For the quarter ending September 30, 2009

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	\$ 1,644,267,770	\$ 1,662,806,329	\$ 1,678,394,238	\$ 9,768,872	\$ 1,688,163,109	\$ 15,587,909	272	1.93%
Convention Center Reserve	2	18,299,000	18,442,769	18,627,808	150,511	18,778,319	185,039	218	1.83%
Water Reserve	3	49,552,000	50,293,811	51,035,043	359,471	51,394,514	741,232	433	2.38%
Art Endowment	4	2,500,000	2,545,410	2,558,594	38,958	2,597,552	13,184	227	1.19%
Ida Green Library Fund	5	1,000,000	999,872	1,009,063	625	1,009,688	9,190	351	1.51%
DWU Commercial Paper Program	10	7,103,398	7,103,398	7,103,398	1,227	7,104,625	0	1	0.21%
Sports Arena Reserve 1998A	12	0	0	0	0	0	0	0	0.00%
Sports Arena Reserve 1998B	13	2,739,000	2,757,318	2,846,848	16,738	2,863,586	89,530	320	4.19%
Trinity Parkway Escrow	14	4,127,159	4,127,159	4,127,159	0	4,127,159	0	1	0.10%
Cityplace TIF Reserve	15	2,185,000	2,246,925	2,258,744	17,972	2,276,715	11,819	301	1.25%
Oncor Electric Escrow	16	4,550,366	4,550,366	4,550,366	0	4,550,366	0	1	0.10%
Total Portfolio		\$ 1,736,323,693	\$ 1,755,873,356	\$ 1,772,511,259	\$ 10,354,374	\$ 1,782,865,632	\$ 16,637,902	273	1.92%
Cash in Bank**		\$ 60,957,207	\$ 60,957,207	\$ 60,957,207					
Total Cash & Investments		\$ 1,797,280,900	\$ 1,816,830,563	\$ 1,833,468,465					

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.

** 100% of all non-interest bearing bank deposits are FDIC Insured through December 31, 2009. Balance continue to stay higher than normal due to an earnings credit rate offered by BofA (currently 0.85%), which results in a higher savings on bank fees than interest earned on the City's Money Market Mutual Funds and TexPool.

City of Dallas, Texas
Investment Summary by Security Type & Agency Issuer
For the quarter ending September 30, 2009

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	\$ 247,731,693	\$ 247,731,693	\$ 247,731,693	\$ -	1	0.25%	13.64%
Treasury Securities	50,000,000	50,254,371	50,609,376	355,005	138	2.11%	2.77%
Agency Securities	1,438,592,000	1,457,887,292	1,474,170,189	16,282,897	325	2.20%	80.24%
Total Portfolio	\$ 1,736,323,693	\$ 1,755,873,356	\$ 1,772,511,259	\$ 16,637,903	273	1.92%	96.64%
Cash In Bank**	\$ 60,957,207	\$ 60,957,207	\$ 60,957,207				3.36%
Total Cash and Investments	\$ 1,797,280,900	\$ 1,816,830,563	\$ 1,833,468,465				100.00%

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)	\$ 317,506,000	\$ 320,591,709	\$ 323,895,379	\$ 3,303,670	17.65%	AAA/Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	321,483,000	326,132,518	329,357,223	3,224,705	17.95%	AAA/Aaa
Federal Home Loan Bank (FHLB)	470,645,000	477,796,756	483,993,434	6,196,679	26.30%	AAA/Aaa
Federal Farm Credit Bank (FFCB)	328,958,000	333,366,309	336,924,153	3,557,843	18.35%	AAA/Aaa
Total Agency Securities	\$ 1,438,592,000	\$ 1,457,887,292	\$ 1,474,170,189	\$ 16,282,897	80.24%	AAA/Aaa

* 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.

** See Note on page 3.

City of Dallas, Texas
 Activity Summary - All Portfolios Combined
 For the quarter ending September 30, 2009

	Trade Activity		Dealer Activity		Percent of Total Awarded		
		Face Value	Offered	Awarded	4Q FY09	FY to Date	
Beginning Balance	\$	1,940,018,519					
Purchased/Deposited		354,234,615	Primary Dealers (1)	\$ 35,370,000	\$ 19,790,000	66.43%	40.70%
Matured/Withdrew		(555,139,440)	MWBE Secondary Dealers	44,000,000	10,000,000	33.57%	49.28%
Called		-	Other Secondary Dealers	12,790,000	-	0.00%	10.02%
Sold		(2,790,000.00)		\$ 92,160,000 (2)	\$ 29,790,000 (3)	100.00%	100.00%
Ending Balance	\$	<u>1,736,323,693</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 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Money Market Mutual Funds & Pools*	\$ 231,950,770	\$ 47,384,410	\$ 184,566,360
Face Value - Treasuries	50,000,000	174,000,000	(124,000,000)
Face Value - Agencies	1,362,317,000	1,613,317,000	(251,000,000)
Total Face Value	\$ 1,644,267,770	\$ 1,834,701,410	\$ (190,433,640)
Money Market Mutual Funds & Pools	\$ 231,950,770	\$ 47,384,410	\$ 184,566,360
Book Value - Treasuries	50,254,371	174,677,057	(124,422,686)
Book Value - Agencies	1,380,601,188	1,636,883,719	(256,282,532)
Total Book Value	\$ 1,662,806,329	\$ 1,858,945,186	\$ (196,138,857)
Money Market Mutual Funds & Pools	\$ 231,950,770	\$ 47,384,410	\$ 184,566,360
Market Value - Treasuries	50,609,376	175,771,874	(125,162,498)
Market Value - Agencies	1,395,834,091	1,656,533,456	(260,699,365)
Total Market Value	\$ 1,678,394,238	\$ 1,879,689,740	\$ (201,295,502)
Accrued Interest	9,768,872	21,434,401	\$ (11,665,529)
Cash Value (Total Market Value + Accrued Interest)	1,688,163,109	1,901,124,141	\$ (212,961,031)
Unrealized Gain(Loss)	15,587,909	20,744,554	\$ (5,156,645)
Change in Fair Value since 06/30/09 (per GASB 31)	(6,112,547)	4,799,825	\$ (10,912,372)
Weighted Average Days to Maturity	272	321	(49)
Buy Yield	1.93%	2.37%	-0.44%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds and Pools	13.95%	2.85%	11.09%
Treasuries	3.02%	10.50%	-7.49%
Agencies	83.03%	98.44%	-15.41%

STRATEGY STATEMENT

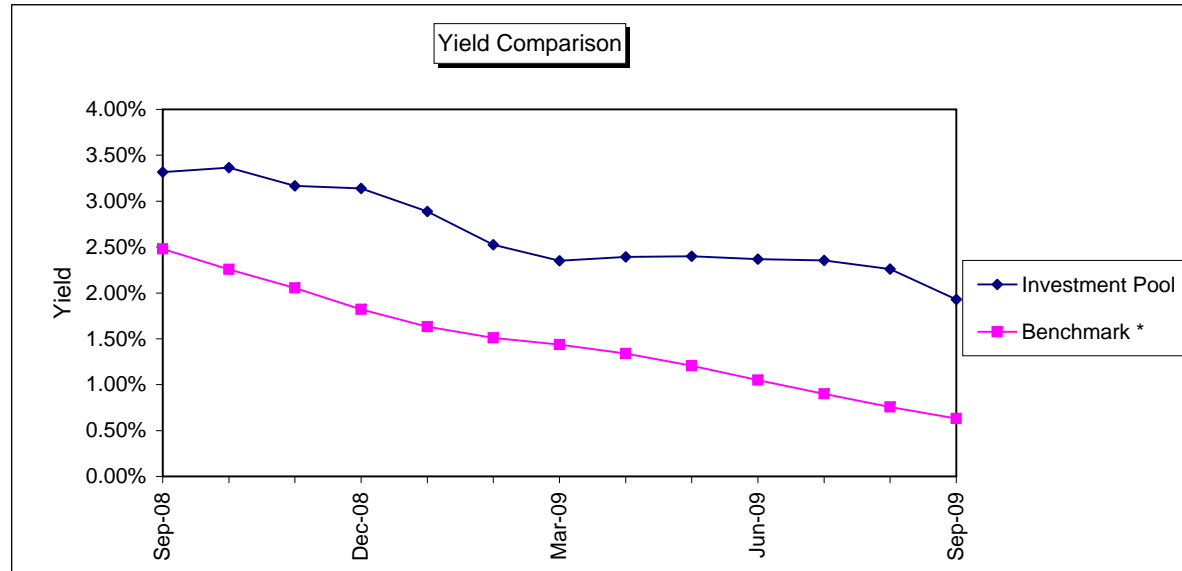
The City's Investment Pool is an aggregation of the majority of City funds that includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for City 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 September 30, 2009 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.

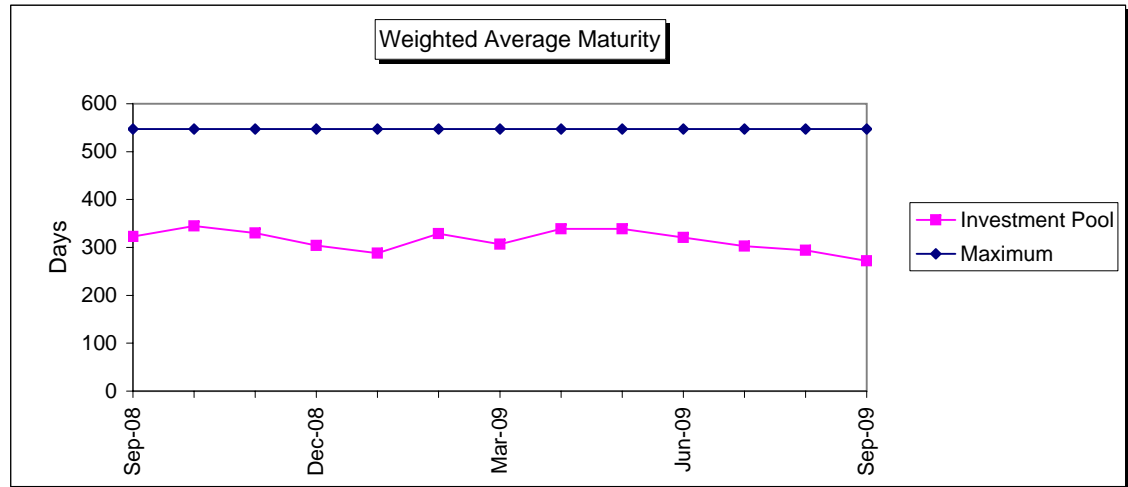
*See note 1 on page 1.

City of Dallas, Texas
Yield Comparison - Investment Pool
For the quarter ending September 30, 2009



* 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 September 30, 2009



Investment Maturity Schedule - % of Total Pool					
Mnths/Yrs to Maturity	Current 9/30/2009	3rd Qtr 6/30/2009	3 Months Net Change	1 Year Ago 9/30/2008	1 Year Net Change
Less than 3 months:	19.4%	23.8%	-4.4%	19.3%	0.1%
3 months to 6 months:	21.5%	4.9%	16.6%	14.1%	7.4%
6 months to 9 months:	6.3%	19.3%	-13.0%	10.0%	-3.7%
9 months to 1 year:	22.3%	5.6%	16.7%	20.5%	1.8%
1 year to 2 years:	29.3%	45.3%	-16.0%	35.2%	-5.9%
2 years to 5 years:	1.2%	1.1%	0.1%	0.9%	0.3%
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 September 30, 2009

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	18,299,000	18,299,000	-
Total Face Value	\$ 18,299,000	\$ 18,299,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	18,442,769	18,496,293	(53,524)
Total Book Value	\$ 18,442,769	\$ 18,496,293	\$ (53,524)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	\$ 18,627,808	\$ 18,726,347	(98,539)
Total Market Value	\$ 18,627,808	\$ 18,726,347	\$ (98,539)
Accrued Interest	\$ 150,511	\$ 190,110	\$ (39,599)
Cash Value (Market Value + Accrued Interest)	\$ 18,778,319	\$ 18,916,457	\$ (138,139)
Unrealized Gain(Loss)	\$ 185,039	\$ 230,054	\$ (45,014)
Change in Fair Value since 06/30/09 (per GASB 31)	\$ (88,852)	\$ 9,688	\$ (98,540)
Weighted Average Days to Maturity	218	310	(92)
Buy Yield	1.83%	1.83%	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 September 30, 2009 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 September 30, 2009

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	49,552,000	59,447,000	(9,895,000)
Total Face Value	\$ 49,552,000	\$ 59,447,000	\$ (9,895,000)
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	50,293,811	59,433,625	(9,139,814)
Total Book Value	\$ 50,293,811	\$ 59,433,625	\$ (9,139,814)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	51,035,043	60,568,366	(9,533,324)
Total Market Value	\$ 51,035,043	\$ 60,568,366	\$ (9,533,324)
Accrued Interest	\$ 359,471	\$ 509,961	\$ (150,490)
Cash Value (Market Value + Accrued Interest)	\$ 51,394,514	\$ 61,078,327	\$ (9,683,813)
Unrealized Gain(Loss)	\$ 741,232	\$ 1,134,741	\$ (393,509)
Change in Fair Value since 06/30/09 (per GASB 31)	\$ 340,456	\$ 591,140	\$ (250,684)
Weighted Average Days to Maturity	433	364	69
Buy Yield	2.38%	2.86%	-0.48%
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 September 30, 2009 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.

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	2,500,000	2,500,000	-
Total Face Value	\$ 2,500,000	\$ 2,500,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	2,545,410	2,563,745	(18,335)
Total Book Value	\$ 2,545,410	\$ 2,563,745	\$ (18,335)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	2,558,594	2,578,906	(20,312.25)
Total Market Value	2,558,594	2,578,906	\$ (20,312)
Accrued Interest	\$ 38,958	\$ 13,177	\$ 25,781
Cash Value (Market Value + Accrued Interest)	\$ 2,597,552	\$ 2,592,083	\$ 5,469
Unrealized Gain(Loss)	\$ 13,184	\$ 15,161	\$ (1,977)
Change in Fair Value since 06/30/09 (per GASB 31)	\$ (48,525)	\$ (28,212)	\$ (20,313)
Weighted Average Days to Maturity	227	319	(92.00)
Buy Yield	1.19%	1.19%	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 September 30, 2009 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.

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	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	999,872	999,838	34
Total Book Value	\$ 999,872	\$ 999,838	\$ 34
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	1,009,063	1,010,000	(938)
Total Market Value	\$ 1,009,063	\$ 1,010,000	\$ (938)
Accrued Interest	\$ 625	\$ 4,375	\$ (3,750)
Cash Value (Market Value + Accrued Interest)	\$ 1,009,688	\$ 1,014,375	\$ (4,689)
Unrealized Gain(Loss)	\$ 9,190	\$ 10,162	\$ (973)
Change in Fair Value since 06/30/09 (per GASB 31)	\$ 4,888	\$ 5,825	\$ (938)
Weighted Average Days to Maturity	351	443	(92)
Buy Yield	1.51%	1.51%	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 September 30, 2009 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.

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value - Money Market Mutual Funds	\$ 7,103,398	\$ 7,101,145	\$ 2,253
Book Value - Money Market Mutual Funds	\$ 7,103,398	\$ 7,101,145	\$ 2,253
Market Value - Money Market Mutual Funds	\$ 7,103,398	\$ 7,101,145	\$ 2,253
Accrued Interest	\$ 1,227	\$ 2,921	\$ (1,694)
Cash Value (Market Value + Accrued Interest)	\$ 7,104,625	\$ 7,104,066	\$ 559
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 06/30/09 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.21%	0.50%	-0.29%
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 September 30, 2009 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 September 30, 2009

SUMMARY STATEMENT

	Sports Arena Reserve 1998A			Sports Arena Reserve 1998B - Taxable		
	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Face Value - Agencies	-	2,790,000	(2,790,000)	2,739,000	2,739,000	-
Total Face Value	\$ -	\$ 2,790,000	\$ (2,790,000)	\$ 2,739,000	\$ 2,739,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Book Value - Agencies	-	2,893,057	(2,893,057)	2,757,318	2,762,651	(5,333)
Total Book Value	\$ -	\$ 2,893,057	\$ (2,893,057)	\$ 2,757,318	\$ 2,762,651	\$ (5,333)
Market Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Value - Agencies	-	2,910,319	(2,910,319)	2,846,848	2,872,526	(25,678)
Total Market Value	\$ -	\$ 2,910,319	\$ (2,910,319)	\$ 2,846,848	\$ 2,872,526	\$ (25,678)
Accrued Interest	\$ -	\$ 55,730	\$ (55,729)	\$ 16,738	\$ 50,976	\$ (34,238)
Cash Value (Market Value + Accrued Interest)	\$ -	\$ 2,966,049	\$ (2,966,049)	\$ 2,863,586	\$ 2,923,502	\$ (59,916)
Unrealized Gain(Loss)	\$ -	\$ 17,262	\$ (17,263)	\$ 89,530	\$ 109,875	\$ (20,345)
Change in Fair Value since 06/30/09 (per GASB 31	\$ (22,290)	\$ (9,135)	\$ (13,155)	\$ 24,822	\$ 50,500	\$ (25,678)
Weighted Average Days to Maturity	0	393	-393	320	412	-92
Buy Yield	0.00%	1.25%	-1.25%	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	0.00%	100.00%	-100.00%	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 September 30, 2009 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.

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value - Money Market Mutual Funds	\$ 4,127,159	\$ 4,705,597	\$ (578,438)
Book Value - Money Market Mutual Funds	\$ 4,127,159	\$ 4,705,597	\$ (578,438)
Market Value - Money Market Mutual Funds	\$ 4,127,159	\$ 4,705,597	\$ (578,438)
Accrued Interest	\$ -	\$ -	\$ -
Cash Value (Market Value + Accrued Interest)	\$ 4,127,159	\$ 4,705,597	\$ (578,438)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 06/30/09 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.10%	0.10%	0.00%
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 September 30, 2009 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.

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	2,185,000	2,185,000	-
Total Face Value	\$ 2,185,000	\$ 2,185,000	\$ -
Book Value - Treasuries	-	-	\$ -
Book Value - Agencies	2,246,925	2,265,710	(18,785)
Total Book Value	\$ 2,246,925	\$ 2,265,710	\$ (18,785)
Market Value - Treasuries	-	-	\$ -
Market Value - Agencies	2,258,744	2,279,228	(20,484)
Total Market Value	\$ 2,258,744	\$ 2,279,228	\$ (20,484)
Accrued Interest	\$ 17,972	\$ 43,645	\$ (25,673)
Cash Value (Market Value + Accrued Interest)	\$ 2,276,715	\$ 2,322,873	\$ (46,158)
Unrealized Gain(Loss)	\$ 11,819	\$ 13,518	\$ (1,698)
Change in Fair Value since 06/30/09 (per GASB 31)	\$ (37,489)	\$ (17,004)	\$ (20,485)
Weighted Average Days to Maturity	301	393	-92
Buy Yield	1.25%	1.25%	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 September 30, 2009 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 September 30, 2009

SUMMARY STATEMENT

	Current 9/30/2009	Prior Qtr 6/30/2009	Period Net Change
Face Value - Money Market Mutual Funds	\$ 4,550,366	\$ 4,550,366	\$ 0
Book Value - Money Market Mutual Funds	\$ 4,550,366	\$ 4,550,366	\$ 0
Market Value - Money Market Mutual Funds	\$ 4,550,366	\$ 4,550,366	\$ 0
Accrued Interest	\$ -	\$ -	\$ -
Cash Value (Market Value + Accrued Interest)	\$ 4,550,366	\$ 4,550,366	\$ 0
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 06/30/09 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.10%	0.10%	0.00%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2009 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.