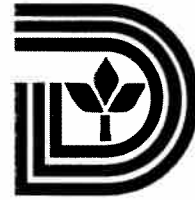


Memorandum



CITY OF DALLAS

DATE October 20, 2010

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

SUBJECT Quarterly Investment Report as of September 30, 2010

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. Summary reports on each of the City's portfolios are included as well as summary information on the portfolio as a whole.

For the quarter ended September 30, 2010 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.

Handwritten signature of Jeanne Chipperfield in cursive.

Jeanne Chipperfield
Chief Financial Officer

Handwritten signature of Edward R. Scott in cursive.

Edward R. Scott
City Controller

Handwritten signature of Corrine Steeger in cursive.

Corrine Steeger
Treasury Manager

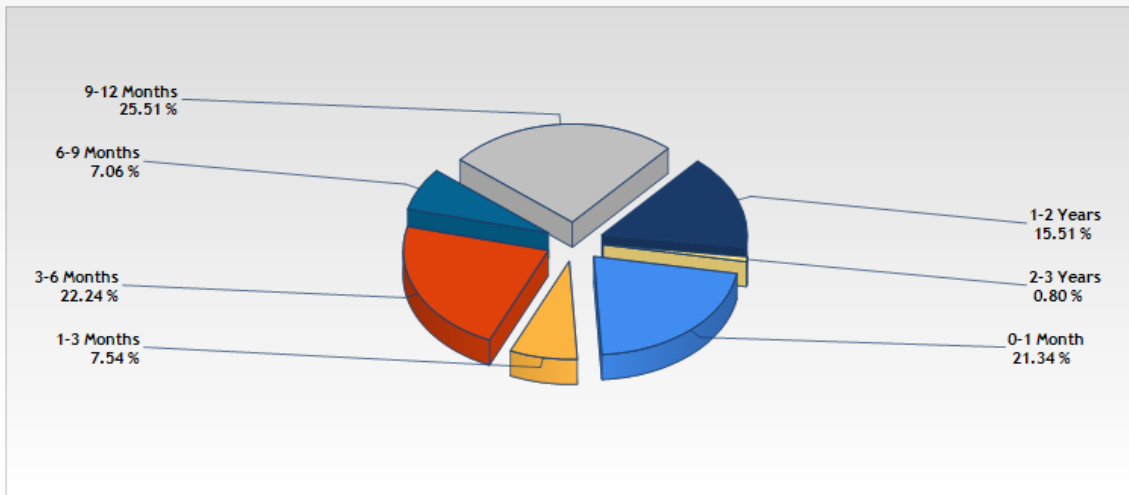
C: Honorable Mayor & Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Tom P. Perkins, City Attorney
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest E. Turner, Assistant City Manager
Craig Kinton, City Auditor

City of Dallas
Cash and Investment Summary
September 30, 2010

Portfolio Summary			
	09/30/10	06/30/10	Net Change
Face Value	\$ 1,505,246,454	\$ 1,606,414,677	\$ (101,168,223)
Book Value	1,519,946,090	1,626,301,915	(106,355,825)
Market Value	1,523,879,340	1,631,986,186	(108,106,846)
Accrued Interest	8,486,447	14,420,090	(5,933,643)
Cash Value	1,532,365,787	1,646,406,276	(114,040,489)
Unrealized Gain (Loss)	3,933,250	5,684,271	(1,751,021)
Weighted Average Maturity (days)	211	236	-25
Buy Yield	0.84%	1.28%	-0.44%

Investment Summary by Type		
Cash and Investments by Type	Book Value	% of Portfolio
U.S. Government Treasury Securities	\$ 75,960,083	5.00%
U.S. Government & Agency Securities		
Federal Farm Credit Bank (FFCB)	188,278,548	12.39%
Federal Home Loan Bank (FHLB)	353,853,682	23.28%
Federal Home Loan Mortgage Corporation (FHLMC)	326,829,048	21.50%
Federal National Mortgage Association (FNMA)	320,539,276	21.09%
Total U.S. Government & Agency Securities	\$ 1,189,500,554	78.26%
Local Government Investment Pool (TexPool)	\$ 187,424,534	12.33%
Money Market Mutual Funds	\$ 67,060,920	4.41%
Total Investments	\$ 1,519,946,090	100.00%

Portfolio Holdings Distribution by Maturity Range



City of Dallas, Texas
Investment Summary by Portfolio Type
For the quarter ending September 30, 2010

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	\$ 1,341,205,766	\$ 1,355,252,657	\$ 1,358,567,495	\$ 7,939,677	\$ 1,366,507,172	\$ 3,314,837	204	0.84%
Convention Center Reserve	2	22,900,000	22,935,676	23,018,582	42,181	23,060,763	82,906	411	0.74%
Water Reserve	3	82,542,000	83,154,916	83,686,095	493,415	84,179,510	531,180	401	1.28%
Art Endowment	4	2,540,000	2,541,858	2,546,391	4,869	2,551,260	4,533	260	0.57%
Ida Green Library Fund	5	1,000,000	1,002,296	1,002,090	-	1,002,090	(206)	365	0.32%
DWU Commercial Paper Program	10	52,497,332	52,497,332	52,497,332	6,039	52,503,371	-	1	0.14%
Trinity Parkway Escrow	14	2,021,480	2,021,480	2,021,480	211	2,021,691	-	1	0.12%
Cityplace TIF Reserve	15	-	-	-	-	-	-	0	0.00%
Oncor Electric Escrow	16	539,876	539,876	539,876	55	539,930	-	1	0.13%
Total Portfolio		\$ 1,505,246,454	\$ 1,519,946,090	\$ 1,523,879,340	\$ 8,486,447	\$ 1,532,365,787	\$ 3,933,250	211	0.84%

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 September 30, 2010

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	\$ 67,060,920	\$ 67,060,920	\$ 67,060,920	\$ -	1	0.13%	4.41%	
Local Government Investment Pools	187,424,534	187,424,534	187,424,534	-	1	0.24%	12.33%	
Treasury Securities	75,000,000	75,960,083	76,293,175	333,092	353	0.74%	5.00%	
Agency Securities	1,175,761,000	1,189,500,554	1,193,100,711	3,600,158	248	0.98%	78.26%	
Total Portfolio	\$ 1,505,246,454	\$ 1,519,946,090	\$ 1,523,879,340	\$ 3,933,250	211	0.84%	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)	\$ 316,370,000	\$ 320,539,276	\$ 321,654,596	\$ 1,115,320	21.09%	AAA/Aaa		
Federal Home Loan Mortgage Corp. (FHLMC)	321,401,000	326,829,048	327,791,350	962,302	21.50%	AAA/Aaa		
Federal Home Loan Bank (FHLB)	351,140,000	353,853,682	354,879,390	1,025,709	23.28%	AAA/Aaa		
Federal Farm Credit Bank (FFCB)	186,850,000	188,278,548	188,775,376	496,828	12.39%	AAA/Aaa		
Total Agency Securities	\$ 1,175,761,000	\$ 1,189,500,554	\$ 1,193,100,711	\$ 3,600,158	78.26%	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.

City of Dallas, Texas
 Activity Summary - All Portfolios Combined
 For the quarter ending September 30, 2010

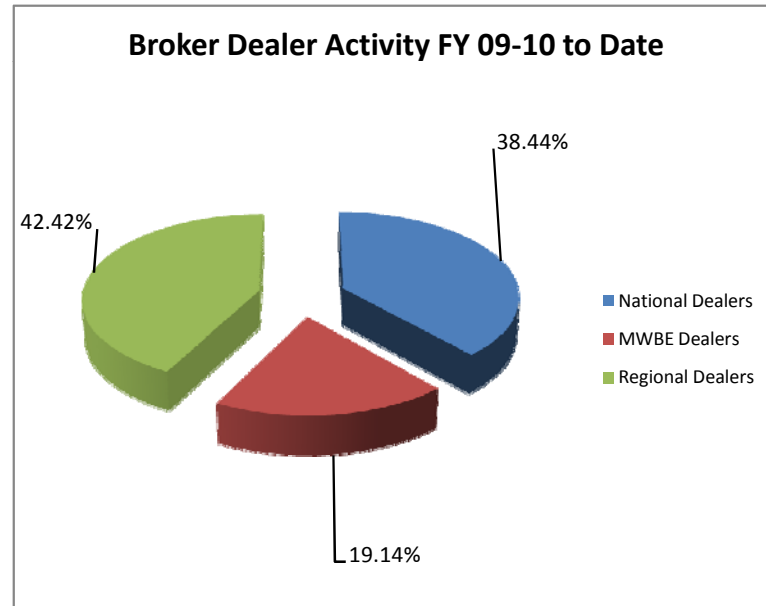
Trade Activity						
Description	Beginning Face Amount/Shares	Beginning YTM	Purchased	Matured/Called	Ending Face Amount/Shares	Ending YTM
FFCB Bond	326,394,000	1.45	11,000,000	150,544,000	186,850,000	1.02
FHLB Bond	373,820,000	1.84	147,885,000	170,565,000	351,140,000	0.89
FHLMC Bond	445,227,000	1.10	-	123,826,000	321,401,000	1.08
FNMA Bond	311,370,000	1.09	16,000,000	11,000,000	316,370,000	0.96
Local Government Investment Pool	43,346,534	0.15	519,578,000	375,500,000	187,424,534	0.24
Money Market	31,257,143	0.10	42,079,625	6,275,848	67,060,920	0.13
Treasury Bond	75,000,000	0.74	-	-	75,000,000	0.74
Total / Average	1,606,414,677	1.28	736,542,625	837,710,848	1,505,246,454	0.84

City of Dallas, Texas
 Activity Summary - All Portfolios Combined
 For the quarter ending September 30, 2010

Dealer Activity FY10		
Broker/Dealer	Awarded	%
Bank of America - National	145,000,000	16.08%
Coastal Securities - Regional	147,405,000	16.35%
First Southwest - Regional	143,990,000	15.97%
Jefferies & Co. - National	110,000,000	12.20%
JPMorgan - National	91,570,000	10.16%
Loop Capital - MWBE	107,000,000	11.87%
Morgan Keegan & Co. - Regional	50,000,000	5.55%
Rice Financial - MWBE	48,140,000	5.34%
Wells Fargo - Regional	41,000,000	4.55%
Williams Capital - MWBE	17,410,000	1.93%
Total	\$ 901,515,000	100.00%

Description	Awarded	%
National Dealers	346,570,000	38.44%
MWBE Dealers	172,550,000	19.14%
Regional Dealers	382,395,000	42.42%
Total	\$ 901,515,000	100.00%

Q4 FY10		
Broker/Dealer	Awarded	%
Bank of America - National	15,000,000	8.58%
Coastal Securities - Regional	55,575,000	31.78%
First Southwest - Regional	55,000,000	31.45%
Jefferies & Co. - National	10,000,000	5.72%
JPMorgan - National	10,000,000	5.72%
Loop Capital - MWBE	-	0.00%
Morgan Keegan & Co. - Regional	-	0.00%
Rice Financial - MWBE	20,000,000	11.44%
Wells Fargo - Regional	1,000,000	0.57%
Williams Capital - MWBE	8,310,000	4.75%
Total	\$174,885,000	100.00%



Section 9 of the City's investment Policy requires the annual review and adoption of a list of qualified broker/dealers. These firms represent the broker dealer firms that are currently approved by the Investment Committee as of October 16, 2009.

It is the City's Practice to solicit three or more competitive bids/offers each trade.

SUMMARY STATEMENT

	Current 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Money Market Mutual Funds & Pools	\$ 199,426,766	\$ 55,357,160	\$ 144,069,606
Face Value - Treasuries	75,000,000	75,000,000	-
Face Value - Agencies	1,066,779,000	1,346,100,000	(279,321,000)
Total Face Value	\$ 1,341,205,766	\$ 1,476,457,160	\$ (135,251,394)
Money Market Mutual Funds & Pools	\$ 199,426,766	\$ 55,357,160	\$ 144,069,606
Book Value - Treasuries	75,960,083	76,190,303	(230,220)
Book Value - Agencies	1,079,865,809	1,364,002,079	(284,136,270)
Total Book Value	\$ 1,355,252,657	\$ 1,495,549,542	\$ (140,296,885)
Money Market Mutual Funds & Pools	\$ 199,426,766	\$ 55,357,160	\$ 144,069,606
Market Value - Treasuries	76,293,175	76,478,120	(184,945)
Market Value - Agencies	1,082,847,554	1,368,793,216	(285,945,662)
Total Market Value	\$ 1,358,567,495	\$ 1,500,628,496	\$ (142,061,001)
Accrued Interest	7,939,677	13,606,284	\$ (5,666,607)
Cash Value (Total Market Value + Accrued Interest)	1,366,507,172	1,514,234,780	\$ (147,727,608)
Unrealized Gain(Loss)	3,314,837	5,078,954	\$ (1,764,117)
Weighted Average Days to Maturity	204	230	(26)
Buy Yield	0.84%	1.27%	-0.43%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds and Pools	14.72%	3.70%	11.00%
Treasuries	5.60%	5.09%	0.50%
Agencies	79.68%	91.20%	-11.52%
	100.00%	100.00%	

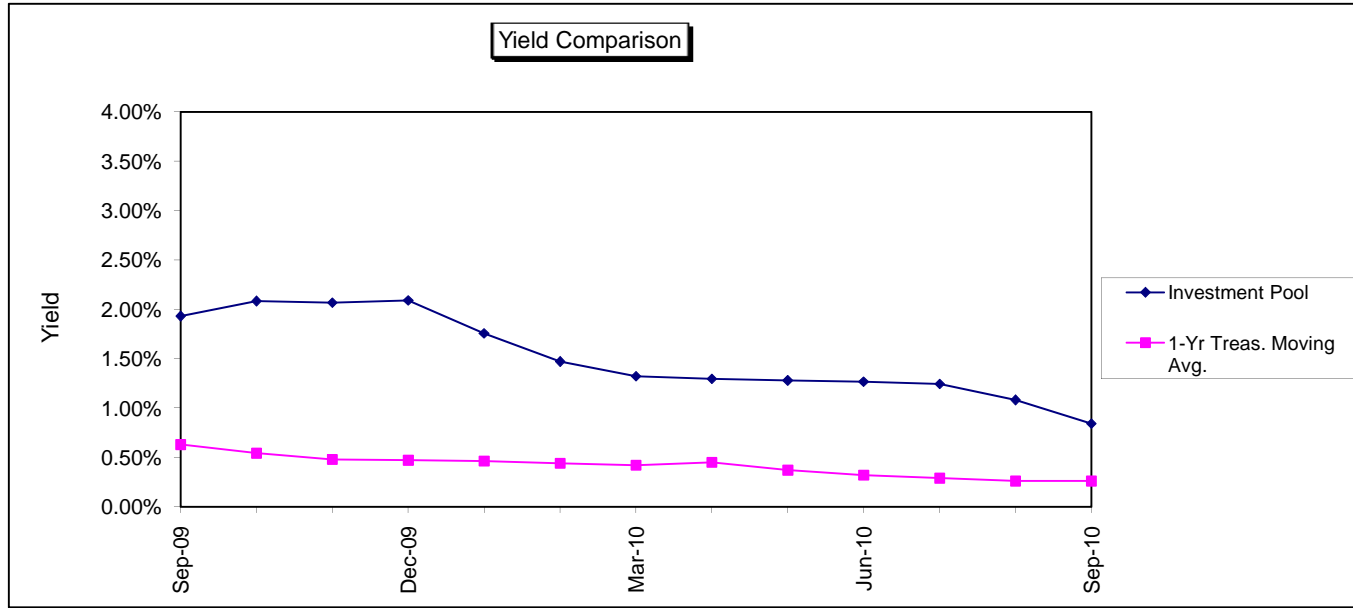
STRATEGY STATEMENT

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 a market rate of return commensurate with the objectives and restrictions set forth in the Investment Policy by 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

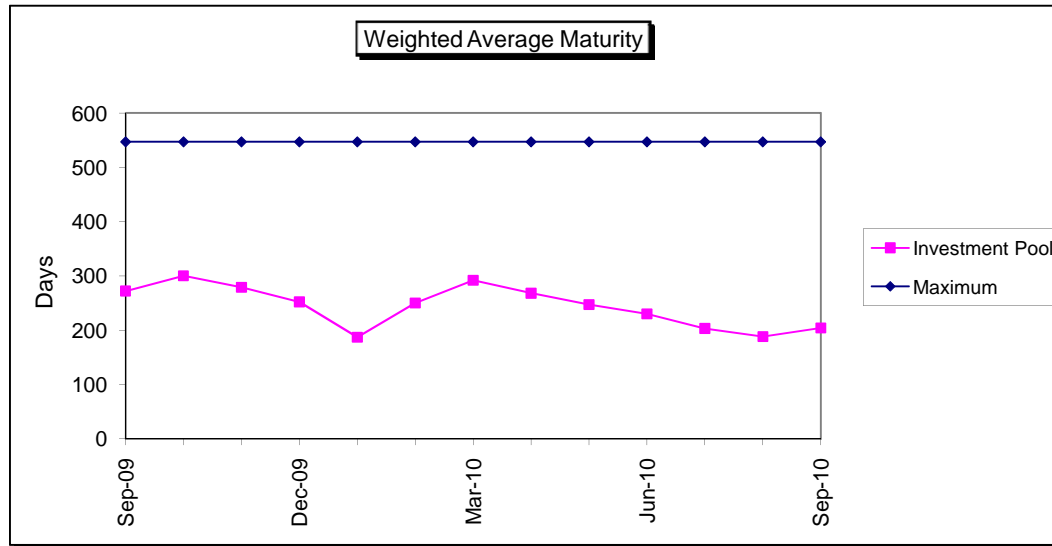
For the quarter ending September 30, 2010, the Investment Pool is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.1 of the City's Investment Policy.

City of Dallas, Texas
Yield Comparison - Investment Pool
For the quarter ending September 30, 2010



* 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, 2010



Investment Maturity Schedule - % of Total Pool					
Mnths/Yrs to Maturity	Current 9/30/2010	3rd Qtr 6/30/2010	3 Months Net Change	1 Year Ago 9/30/2009	1 Year Net Change
Less than 3 months:	27.1%	27.0%	0.1%	19.4%	7.7%
3 months to 6 months:	24.7%	14.3%	10.3%	21.5%	3.2%
6 months to 9 months:	7.1%	22.4%	-15.4%	6.3%	0.7%
9 months to 1 year:	28.0%	9.5%	18.6%	22.3%	5.7%
1 year to 2 years:	13.2%	26.8%	-13.7%	29.3%	-16.1%
2 years to 5 years:	0.0%	0.0%	0.0%	1.2%	-1.2%
Total:	100.0%	100.0%		100.0%	

City of Dallas, Texas
Convention Center Reserve
For the quarter ending September 30, 2010

SUMMARY STATEMENT

	Current 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	22,900,000	22,734,000	166,000
Total Face Value	\$ 22,900,000	\$ 22,734,000	\$ 166,000
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	22,935,676	22,765,542	170,134
Total Book Value	\$ 22,935,676	\$ 22,765,542	\$ 170,134
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	23,018,582	22,835,299	183,282
Total Market Value	\$ 23,018,582	\$ 22,835,299	\$ 183,283
Accrued Interest	\$ 42,181	\$ 183,799	\$ (141,618)
Cash Value (Market Value + Accrued Interest)	23,060,763	23,019,098	41,664
Unrealized Gain(Loss)	82,906	69,758	13,149
Weighted Average Days to Maturity	411	304	107
Buy Yield	0.74%	1.57%	-0.83%
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 at final maturity or if called prior to final maturity. 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 managing the portfolio to meet or exceed the bond yield.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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, 2010

SUMMARY STATEMENT

	Current 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	82,542,000	82,252,000	290,000
Total Face Value	\$ 82,542,000	\$ 82,252,000	\$ 290,000
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	83,154,916	83,007,096	147,820
Total Book Value	\$ 83,154,916	\$ 83,007,096	\$ 147,820
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	83,686,095	83,535,678	150,418
Total Market Value	\$ 83,686,095	\$ 83,535,678	\$ 150,418
Accrued Interest	\$ 493,415	\$ 581,699	\$ (88,284)
Cash Value (Market Value + Accrued Interest)	84,179,510	84,117,377	62,134
Unrealized Gain(Loss)	531,180	528,582	2,598
Weighted Average Days to Maturity	401	378	23
Buy Yield	1.28%	1.80%	-0.52%
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 at final maturity or if called prior to final maturity. 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 managing the portfolio to meet or exceed the bond yield.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value -Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	2,540,000	2,540,000	-
Total Face Value	\$ 2,540,000	\$ 2,540,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	2,541,858	2,542,515	(657)
Total Book Value	\$ 2,541,858	\$ 2,542,515	\$ (657)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	2,546,391	2,545,556	834
Total Market Value	\$ 2,546,391	\$ 2,545,556	\$ 834
Accrued Interest	\$ 4,869	\$ 615	\$ 4,254
Cash Value (Market Value + Accrued Interest)	2,551,260	2,546,171	5,088
Unrealized Gain(Loss)	4,533	3,041	1,492
Weighted Average Days to Maturity	260	352	(92.00)
Buy Yield	0.57%	0.57%	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 a market value commensurate with the objectives and the restrictions set forth in the Investment Policy.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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 9/30/2010	Prior Qtr 6/30/2010	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	1,002,296	999,972	2,324
Total Book Value	\$ 1,002,296	\$ 999,972	\$ 2,324
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	1,002,090	1,002,813	(723)
Total Market Value	\$ 1,002,090	\$ 1,002,813	\$ (723)
Accrued Interest	\$ -	\$ 4,333	\$ (4,333)
Cash Value (Market Value + Accrued Interest)	1,002,090	1,007,146	(5,057)
Unrealized Gain(Loss)	(206)	2,841	(3,047)
Weighted Average Days to Maturity	365	78	287
Buy Yield	0.32%	1.51%	-1.19%
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 a market value commensurate with the objectives and the restrictions set forth in the Investment Policy.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value - Money Market Mutual Funds	\$ 52,497,332	\$ 16,518,379	\$ 35,978,953
Book Value - Money Market Mutual Funds	\$ 52,497,332	\$ 16,518,379	\$ 35,978,953
Market Value - Money Market Mutual Funds	\$ 52,497,332	\$ 16,518,379	\$ 35,978,953
Accrued Interest	\$ 6,039	\$ 1,044	\$ 4,995
Cash Value (Market Value + Accrued Interest)	52,503,371	16,519,423	35,983,948
Unrealized Gain(Loss)	-	-	-
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.14%	0.11%	0.03%
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 a market value 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, 2010 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
Trinity Parkway Escrow
For the quarter ending September 30, 2010

SUMMARY STATEMENT

	Current 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value - Money Market Mutual Funds	\$ 2,021,480	\$ 2,188,446	\$ (166,966)
Book Value - Money Market Mutual Funds	\$ 2,021,480	\$ 2,188,446	\$ (166,966)
Market Value - Money Market Mutual Funds	\$ 2,021,480	\$ 2,188,446	\$ (166,966)
Accrued Interest	\$ 211	\$ 302	\$ (91)
Cash Value (Market Value + Accrued Interest)	2,021,691	2,188,748	(167,057)
Unrealized Gain(Loss)	-	-	-
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.12%	0.17%	-0.05%
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 a market rate of return commensurate with the objectives and restrictions set forth in the Agreement.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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 9/30/2010	Prior Qtr 6/30/2010	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	-	2,190,732	(2,190,732)
Total Book Value	\$ -	\$ 2,190,732	\$ (2,190,732)
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	-	2,191,828	(2,191,828)
Total Market Value	\$ -	\$ 2,191,828	\$ (2,191,828)
Accrued Interest	-	43,360	(43,360)
Cash Value (Market Value + Accrued Interest)	-	2,235,188	(2,235,188)
Unrealized Gain(Loss)	-	1,096	(1,095)
Weighted Average Days to Maturity	0	28	-28
Buy Yield	0.00%	1.25%	-1.25%
Portfolio Composition - % of Book Value			
Treasuries	0.00%	0.00%	0.00%
Agencies	0.00%	0.00%	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 at final maturity or if called prior to final maturity. 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 a market rate of return commensurate with the objectives and the restrictions set forth in the Investment Policy and the bond ordinance by managing the portfolio to meet or exceed the bond yield.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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: The CityPlace TIF Bonds were called in August 2010 and the principal and interest from the above security was used in conjunction with additional cash to call the bonds

City of Dallas, Texas
 Oncor Electric Escrow
 For the quarter ending September 30, 2010

SUMMARY STATEMENT

	Current 9/30/2010	Prior Qtr 6/30/2010	Period Net Change
Face Value - Money Market Mutual Funds	\$ 539,876	\$ 539,692	\$ 184
Book Value - Money Market Mutual Funds	\$ 539,876	\$ 539,692	\$ 184
Market Value - Money Market Mutual Funds	\$ 539,876	\$ 539,692	\$ 184
Accrued Interest	\$ 55	\$ 70	\$ (16)
Cash Value (Market Value + Accrued Interest)	539,930	539,762	168
Unrealized Gain(Loss)	-	-	-
Weighted Average Days to Maturity	1	1	0
Buy Yield	0.13%	0.17%	-0.04%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds	100.00%	100.00%	0.00%

STRATEGY COMPLIANCE STATEMENT

For the quarter ending September 30, 2010 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.