

Memorandum



CITY OF DALLAS

DATE May 6, 2005

TO Members of the Finance and Audit Committee:
Chair Donald W. Hill, Vice-Chair Bill Blaydes,
Gary Griffith, Ed Oakley, Mitchell Rasansky, Steve Salazar

SUBJECT Quarterly Investment Report as of March 31, 2005

The City of Dallas Investment Policy, adopted by the City Council on November 10, 2004 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, 2003.

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 MWBE dealers.

Although not an investment, per se, we include in this report information concerning money held by the City in its checking account with JPMorgan Chase Bank (the City's depository bank, Bank One, merged with JPMorgan Chase Bank and, effective November 13, 2004, the merged entity assumed the JPMorgan Chase Bank name). As of the close of business on March 31, 2005 the collected balance in our JPMorgan Chase checking account was \$812,125.32. This account was fully collateralized by U.S. Treasury securities and the Federal Deposit Insurance Corporation (FDIC).

Memorandum

DATE May 6, 2005

TO Chair and Members of the Finance and Audit Committee

SUBJECT Quarterly Investment Report as of March 31, 2005
Page 2

For the quarter ending March 31, 2005 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.

David Cook
Chief Financial Officer/Interim Assistant City
Manager

Nancy Buschmann
Assistant Director/Treasury Manager

c: Honorable Mayor & Members of the City Council
Mary K. Suhm, Acting City Manager
Paul Garner, Assistant City Auditor
Ryan S. Evans, Assistant City Manager
Ramon F. Miguez, Assistant City Manager
Charles W. Daniels, Assistant City Manager
Jill A. Jordan, Assistant City Manager

City of Dallas, Texas
Investment Summary by Portfolio Type
As of March 31, 2005

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	\$ 1,317,947,000.00	\$ 1,317,888,309.81	\$ 1,309,780,127.50	\$ 5,761,684.92	\$ 1,315,541,812.42	\$ (8,108,182.31)	284	2.56%
Convention Center Reserve	2	20,580,000.00	20,293,927.19	19,815,831.26	20,967.08	19,836,798.34	(478,095.93)	600	2.16%
Water Reserve	3	53,989,000.00	53,836,748.64	52,712,245.63	256,673.81	52,968,919.44	(1,124,503.01)	799	2.77%
Art Endowment	4	915,000.00	914,576.79	904,992.19	2,716.41	907,708.60	(9,584.60)	321	2.43%
Ida Green Library Fund	5	1,000,000.00	999,735.62	991,875.00	7,968.75	999,843.75	(7,860.62)	229	2.17%
Library Endowment	6	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00%
TU Electric Reserve	7	13,590,000.00	13,334,447.78	13,855,171.88	92,698.55	13,947,870.43	520,724.10	321	5.80%
Sec 108 - Intown Housing	8	8,702,000.00	8,630,815.18	8,627,345.00	0.00	8,627,345.00	(3,470.18)	109	2.73%
DWU Commercial Paper Program	10	19,682,486.98	19,682,486.98	19,682,486.98	110,788.73	19,793,275.71	0.00	1	1.68%
Sports Arena Reserve 1998A	12	6,000,000.00	6,004,961.19	5,898,750.00	19,531.25	5,918,281.25	(106,211.19)	394	2.09%
Sports Arena Reserve 1998B	13	2,500,000.00	2,498,685.37	2,443,750.00	13,671.88	2,457,421.88	(54,935.37)	441	1.92%
Trinity Parkway Escrow	14	634,673.27	634,673.27	634,673.27	1,302.65	635,975.92	0.00	1	2.05%
Cityplace TIF Reserve	15	2,395,000.00	2,392,373.17	2,389,012.50	9,951.75	2,398,964.25	(3,360.67)	61	1.92%
Total Portfolio		\$ 1,447,935,160.25	\$ 1,447,111,740.99	\$ 1,437,736,261.21	\$ 6,297,955.78	\$ 1,444,034,216.99	\$ (9,375,479.78)	303	2.58%

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
As of March 31, 2005

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	\$ 197,212,160.25	\$ 197,212,160.25	\$ 197,212,160.25	\$ -	1	2.49%	13.63%
Treasury Securities	244,257,000.00	242,762,466.75	241,794,932.51	(967,534.24)	285	2.40%	16.77%
Agency Securities	1,006,466,000.00	1,007,137,113.99	998,729,168.45	(8,407,945.54)	367	2.64%	69.60%
Total Portfolio	\$1,447,935,160.25	#####	\$1,437,736,261.21	\$ (9,375,479.78)	303	2.58%	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)	\$ 241,225,000.00	\$ 241,674,510.91	\$ 239,810,156.25	\$ (1,864,354.66)	16.70%	AAA/Aaa
Federal Home Loan Mortgage Corp. (FHLMC)	230,430,000.00	229,732,985.12	228,160,975.00	(1,572,010.12)	15.88%	AAA/Aaa
Federal Home Loan Bank (FHLB)	405,135,000.00	406,323,024.52	403,082,976.57	(3,240,047.95)	28.08%	AAA/Aaa
Federal Farm Credit Bank (FFCB)	129,676,000.00	129,406,593.44	127,675,060.63	(1,731,532.81)	8.94%	AAA/Aaa
Total Agency Securities	\$1,006,466,000.00	#####	\$ 998,729,168.45	\$ (8,407,945.54)	69.60%	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 March 31, 2005

Trade Activity		Dealer Activity				
	Face Value		Face Value		Percent of Total Awarded	
			Offered	Awarded	2Q FY05	FY to Date
Beginning Balance	\$ 1,317,874,945.34	Primary Dealers (1)	\$ 523,060,000	\$ 154,000,000	44.70%	38.56%
Purchased	670,094,110.28	MWBE Secondary Dealers	342,530,000	111,530,000	32.37%	40.36%
Matured	(530,033,895.37)	Other Secondary Dealers	168,000,000	79,000,000	22.93%	21.08%
Called	(10,000,000.00)		\$ 1,033,590,000 (2)	\$ 344,530,000 (3)	100.00%	100.00%
Sold	0.00					
Ending Balance	<u>\$ 1,447,935,160.25</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 at this time. 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 Section 108 escrow funds, repurchase agreements, money market mutual funds, or local government investment pool activity.

SUMMARY STATEMENT

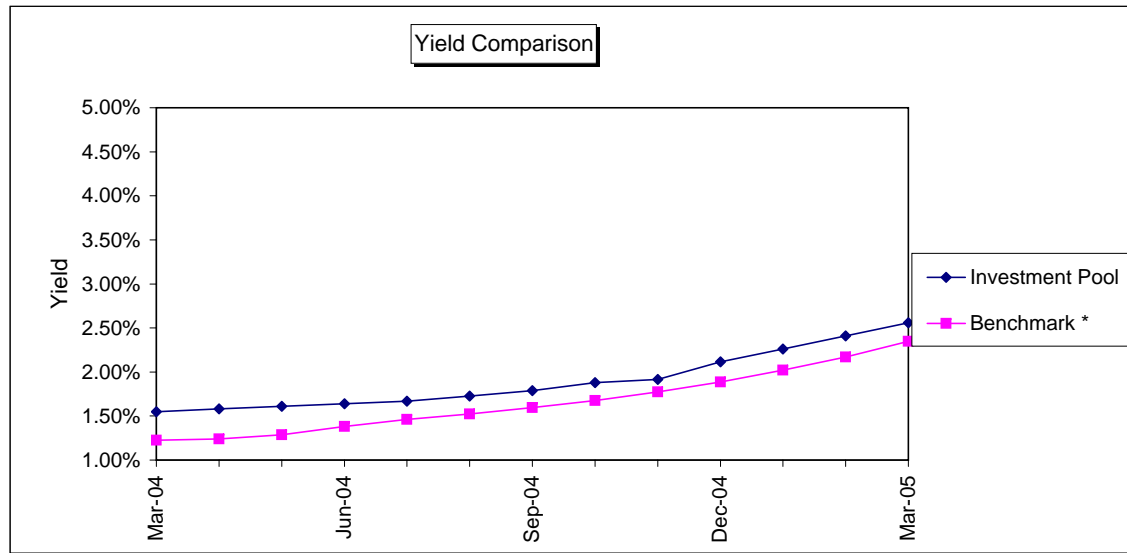
	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Money Market Mutual Funds & Pools	\$ 176,895,000	\$ 121,605,000	\$ 55,290,000
Face Value - Treasuries	209,000,000	231,000,000	(22,000,000)
Face Value - Agencies	932,052,000	755,522,000	176,530,000
Total Face Value	\$ 1,317,947,000	\$ 1,108,127,000	\$ 209,820,000
Money Market Mutual Funds & Pools	\$ 176,895,000	\$ 121,605,000	\$ 55,290,000
Book Value - Treasuries	208,099,263	230,345,026	(22,245,763)
Book Value - Agencies	932,894,046	757,085,416	175,808,630
Total Book Value	\$ 1,317,888,309	\$ 1,109,035,442	\$ 208,852,867
Money Market Mutual Funds & Pools	\$ 176,895,000	\$ 121,605,000	\$ 55,290,000
Market Value - Treasuries	206,870,312	229,504,688	(22,634,376)
Market Value - Agencies	926,014,815	753,238,574	172,776,241
Total Market Value	\$ 1,309,780,127	\$ 1,104,348,262	\$ 205,431,865
Accrued Interest	5,761,685	7,008,147	\$ (1,246,462)
Cash Value (Total Market Value + Accrued Interest)	1,315,541,812	1,111,356,409	\$ 204,185,402
Unrealized Gain(Loss)	(8,108,182)	(4,687,180)	\$ (3,421,002)
Change in Fair Value since 9/30/04 (per GASB 31)	(6,397,345)	(2,712,670)	\$ (3,684,675)
Weighted Average Days to Maturity	284	274	10
Buy Yield	2.56%	2.12%	0.44%
Portfolio Composition - % of Book Value			
Money Market Mutual Funds and Pools	13.42%	10.97%	2.45%
Treasuries	15.79%	20.77%	-4.98%
Agencies	70.79%	68.26%	2.53%

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 March 31, 2005 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.

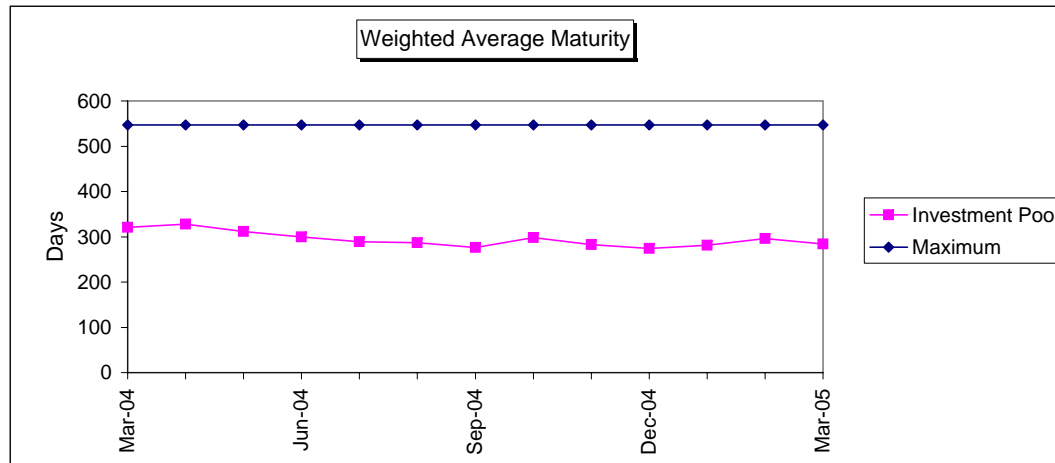


The consensus interest rate forecasts of over 40 economists polled by Blue Chip Financial Forecasts during the months of December and March are summarized below and reflect the change in expectations between the two surveys. The Federal Reserve raised its target overnight Federal Funds rate by 25 basis points at both its February and March meetings bringing it to 2.75%. The consensus forecast continues to expect the FOMC to boost rates at a "measured" pace in 2005 producing a year end funds rate target of between 3.75% to 4.00%. Real GDP growth over the next 12 months is expected to average 3.6% and the annual rate of change for inflation, as measured by the Consumer Price Index, is anticipated to be 2.5%. The yield on the Investment Pool is reflecting a slightly higher yield environment and continued gradual improvement should occur into 2005.

Blue Chip Interest Rate Forecast

Forecast Survey	2Q-05		3Q-05		4Q-05		1Q-06	
	Mar-05	Dec-04	Mar-05	Dec-04	Mar-05	Dec-04	Mar-05	Dec-04
3 mo T-Bill	3.0	2.8	3.4	3.2	3.7	3.5	3.9	3.7
6 mo T-Bill	3.3	3.1	3.6	3.4	3.9	3.7	4.1	3.8
1 yr T-Bill	3.5	3.3	3.8	3.6	4.1	3.9	4.3	4.0
2 yr T-Note	3.8	3.6	4.1	3.9	4.4	4.1	4.5	4.3
5 yr T-Note	4.3	4.2	4.5	4.4	4.7	4.6	4.9	4.8
10 yr T-Note	4.6	4.7	4.9	4.9	5.0	5.1	5.2	5.2
20 yr T-Note	5.1	5.3	5.3	5.5	5.5	5.6	5.6	5.7

* 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.



Investment Maturity Schedule - % of Total Pool					
Mnths/Yrs to Maturity	Current 3/31/2005	3 Months Ago 12/31/2004	3 Months Net Change	1 Year Ago 3/31/2004	1 Year Net Change
Less than 3 months:	22.2%	27.2%	-5.0%	24.3%	-2.1%
3 months to 6 months:	17.9%	10.5%	7.4%	18.2%	-0.3%
6 months to 9 months:	9.8%	19.6%	-9.8%	10.0%	-0.2%
9 months to 1 year:	14.5%	11.6%	2.9%	6.8%	7.7%
1 year to 2 years:	35.6%	30.2%	5.4%	28.8%	6.8%
2 years to 5 years:	0.0%	0.9%	-0.9%	11.9%	-11.9%
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%	

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Treasuries	\$ 10,570,000	\$ 10,570,000	\$ -
Face Value - Agencies	10,010,000	10,010,000	-
Total Face Value	\$ 20,580,000	\$ 20,580,000	\$ -
Book Value - Treasuries	\$ 10,305,567	\$ 10,262,897	\$ 42,670
Book Value - Agencies	9,988,360	9,986,176	2,184
Total Book Value	\$ 20,293,927	\$ 20,249,073	\$ 44,854
Market Value - Treasuries	\$ 10,053,091	\$ 10,065,766	\$ (12,675)
Market Value - Agencies	\$ 9,762,740	\$ 9,858,209	(95,469)
Total Market Value	\$ 19,815,831	\$ 19,923,975	\$ (108,144)
Accrued Interest	\$ 20,967	\$ 85,098	\$ (64,131)
Cash Value (Market Value + Accrued Interest)	\$ 19,836,798	\$ 20,009,073	\$ (172,276)
Unrealized Gain(Loss)	\$ (478,096)	\$ (325,098)	\$ (152,998)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (151,734)	\$ (43,591)	\$ (108,143)
Weighted Average Days to Maturity	600	690	(90)
Buy Yield	2.16%	2.16%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	50.78%	50.68%	0.10%
Agencies	49.22%	49.32%	-0.10%

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 March 31, 2005 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.

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	53,989,000	53,989,000	-
Total Face Value	\$ 53,989,000	\$ 53,989,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	53,836,749	53,824,749	12,000
Total Book Value	\$ 53,836,749	\$ 53,824,749	\$ 12,000
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	52,712,246	53,318,309	(606,063)
Total Market Value	\$ 52,712,246	\$ 53,318,309	\$ (606,063)
Accrued Interest	\$ 256,674	\$ 421,806	\$ (165,132)
Cash Value (Market Value + Accrued Interest)	\$ 52,968,920	\$ 53,740,115	\$ (771,195)
Unrealized Gain(Loss)	\$ (1,124,503)	\$ (506,440)	\$ (618,063)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (773,611)	\$ (167,547)	\$ (606,064)
Weighted Average Days to Maturity	799	889	(90)
Buy Yield	2.77%	2.77%	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 March 31, 2005 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 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -
Face Value - Agencies	915,000	915,000	-
Total Face Value	\$ 915,000	\$ 915,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -
Book Value - Agencies	914,577	914,460	117
Total Book Value	\$ 914,577	\$ 914,460	\$ 117
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	904,992	908,138	(3,146)
Total Market Value	\$ 904,992	\$ 908,138	\$ (3,145)
Accrued Interest	\$ 2,716	\$ 8,149	\$ (5,433)
Cash Value (Market Value + Accrued Interest)	\$ 907,708	\$ 916,287	\$ (8,579)
Unrealized Gain(Loss)	\$ (9,585)	\$ (6,322)	\$ (3,263)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (7,434)	\$ (4,289)	\$ (3,145)
Weighted Average Days to Maturity	321	411	(90)
Buy Yield	2.43%	2.43%	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 March 31, 2005 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 3/31/2005	3 Months Ago 12/31/2004	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	999,736	999,638	98
Total Book Value	\$ 999,736	\$ 999,638	\$ 98
Market Value - Treasuries	\$ -	\$ -	\$ -
Market Value - Agencies	991,875	992,813	(938)
Total Market Value	\$ 991,875	\$ 992,813	\$ (938)
Accrued Interest	\$ 7,969	\$ 2,656	\$ 5,313
Cash Value (Market Value + Accrued Interest)	\$ 999,844	\$ 995,469	\$ 4,375
Unrealized Gain(Loss)	\$ (7,861)	\$ (6,825)	\$ (1,036)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (5,000)	\$ (4,063)	\$ (937)
Weighted Average Days to Maturity	229	319	(90)
Buy Yield	2.17%	2.17%	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 March 31, 2005 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 * 3/31/2005	3 Months Ago 12/31/2004	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 9/30/04 (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 March 31, 2005 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.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its equity in the Investment Pool.
 * As of 3/31/05 all of the Library Endowment Fund was invested in the Investment Pool.

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value -Treasuries	\$ 13,590,000	\$ 13,590,000	\$ -
Face Value - Agencies	-	-	-
Total Face Value	\$ 13,590,000	\$ 13,590,000	\$ -
Book Value - Treasuries	\$ 13,334,448	\$ 13,265,589	\$ 68,859
Book Value - Agencies	-	-	-
Total Book Value	\$ 13,334,448	\$ 13,265,589	\$ 68,859
Market Value - Treasuries	\$ 13,855,172	\$ 14,011,053	\$ (155,881)
Market Value - Agencies	-	-	-
Total Market Value	\$ 13,855,172	\$ 14,011,053	\$ (155,881)
Accrued Interest	\$ 92,699	\$ 285,996	\$ (193,297)
Cash Value (Market Value + Accrued Interest)	\$ 13,947,871	\$ 14,297,049	\$ (349,178)
Unrealized Gain(Loss)	\$ 520,724	\$ 745,464	\$ (224,740)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (334,642)	\$ (178,761)	\$ (155,881)
Weighted Average Days to Maturity	321	411	(90)
Buy Yield	5.80%	5.79%	0.01%
Portfolio Composition - % of Book Value			
Treasuries	100.00%	100.00%	0.00%
Agencies	0.00%	0.00%	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 March 31, 2005 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.

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value -Treasuries	\$ 8,702,000	\$ 3,910,000	\$ 4,792,000
Face Value - Agencies	-	-	-
Total Face Value	\$ 8,702,000	\$ 3,910,000	\$ 4,792,000
Book Value - Treasuries	\$ 8,630,815	\$ 3,901,720	\$ 4,729,095
Book Value - Agencies	-	-	-
Total Book Value	\$ 8,630,815	\$ 3,901,720	\$ 4,729,095
Market Value - Treasuries	\$ 8,627,345	\$ 3,901,413	\$ 4,725,932
Market Value - Agencies	-	-	-
Total Market Value	\$ 8,627,345	\$ 3,901,413	\$ 4,725,932
Accrued Interest	\$ -	\$ -	\$ -
Cash Value (Market Value + Accrued Interest)	\$ 8,627,345	\$ 3,901,413	\$ 4,725,932
Unrealized Gain(Loss)	\$ (3,470)	\$ (307)	\$ (3,163)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ 44,013	\$ 16,396	\$ 27,617
Weighted Average Days to Maturity	109	42	67
Buy Yield	2.73%	1.73%	1.00%
Portfolio Composition - % of Book Value			
Treasuries	100.00%	100.00%	0.00%
Agencies	0.00%	0.00%	0.00%

STRATEGY STATEMENT

The Section 108 Loan Guarantee portfolios were established in compliance with the agreement between the City of Dallas and HUD regarding the safekeeping of Section 108 Loan funds. Funds received under Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act are required to be held in trust for the benefit of the Secretary of Housing and Urban Development and may only be invested in direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America with maturities of one year or less. The objectives of these portfolios 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 City's agreement with HUD.

STRATEGY COMPLIANCE STATEMENT

For the quarter ending March 31, 2005 the Section 108 Loan Guarantee-In Town Housing portfolio is in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategy adopted in Sec. 17.5 of the City's Investment Policy.

NOTE: This report summarizes direct investments only; a fund's accounting balance also includes its cash balance in the escrow account.

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Money Market Mutual Funds	\$ 19,682,487	\$ 104,038,838	\$ (84,356,351)
Book Value - Money Market Mutual Funds	\$ 19,682,487	\$ 104,038,838	\$ (84,356,351)
Market Value - Money Market Mutual Funds	\$ 19,682,487	\$ 104,038,838	\$ (84,356,351)
Accrued Interest	\$ 110,789	\$ 139,342	\$ (28,553)
Cash Value (Market Value + Accrued Interest)	\$ 19,793,276	\$ 104,178,180	\$ (84,384,904)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/04 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	1.68%	1.50%	0.18%
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 March 31, 2005 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.

SUMMARY STATEMENT

	Sports Arena Reserve 1998A			Sports Arena Reserve 1998B - Taxable		
	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Face Value - Agencies	6,000,000	6,000,000	-	2,500,000	2,500,000	-
Total Face Value	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -
Book Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Book Value - Agencies	6,004,961	6,006,340	(1,379)	2,498,685	2,498,421	264
Total Book Value	\$ 6,004,961	\$ 6,006,340	\$ (1,379)	\$ 2,498,685	\$ 2,498,421	\$ 264
Market Value - Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Value - Agencies	5,898,750	5,927,813	(29,063)	2,443,750	2,456,250	(12,500)
Total Market Value	\$ 5,898,750	\$ 5,927,813	\$ (29,063)	\$ 2,443,750	\$ 2,456,250	\$ (12,500)
Accrued Interest	\$ 19,531	\$ 24,219	\$ (4,688)	\$ 13,672	\$ 1,953	\$ 11,719
Cash Value (Market Value + Accrued Interest)	\$ 5,918,281	\$ 5,952,032	\$ (33,751)	\$ 2,457,422	\$ 2,458,203	\$ (781)
Unrealized Gain(Loss)	\$ (106,211)	\$ (78,527)	\$ (27,684)	\$ (54,935)	\$ (42,171)	\$ (12,764)
Change in Fair Value since 9/30/04 (per GASB 31)	\$ (57,188)	\$ (28,125)	\$ (29,063)	\$ (23,438)	\$ (10,938)	\$ (12,500)
Weighted Average Days to Maturity	394	484	-90	441	531	-90
Buy Yield	2.09%	2.09%	0.00%	1.92%	1.92%	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 March 31, 2005 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 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Money Market Mutual Funds	\$ 634,673	\$ 830,108	\$ (195,435)
Book Value - Money Market Mutual Funds	\$ 634,673	\$ 830,108	\$ (195,435)
Market Value - Money Market Mutual Funds	\$ 634,673	\$ 830,108	\$ (195,435)
Accrued Interest	\$ 1,303	\$ 1,048	\$ 255
Cash Value (Market Value + Accrued Interest)	\$ 635,976	\$ 831,156	\$ (195,180)
Unrealized Gain(Loss)	\$ -	\$ -	\$ -
Change in Fair Value since 9/30/04 (per GASB 31)	\$ -	\$ -	\$ -
Weighted Average Days to Maturity	1	1	0
Buy Yield	2.05%	1.49%	0.56%
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 March 31, 2005 the Trinity Parkway Escrow portfolio is in compliance with the provisions of the Public Funds Investment Act and the investment strategy

For the quarter ending March 31, 2000 the Family Partnership portfolio is in compliance with the provisions of the Fund's asset investment plan and the investment strategy adopted in Sec. 17.8 of the City's Investment Policy.

SUMMARY STATEMENT

	Current 3/31/2005	3 Months Ago 12/31/2004	Period Net Change
Face Value - Treasuries	\$ 2,395,000	2,395,000	\$ -
Face Value - Agencies	-	-	-
Total Face Value	\$ 2,395,000	\$ 2,395,000	\$ -
Book Value - Treasuries	2,392,373	\$ 2,388,463	\$ 3,910
Book Value - Agencies	-	-	-
Total Book Value	\$ 2,392,373	\$ 2,388,463	\$ 3,910
Market Value - Treasuries	2,389,012	\$ 2,383,773	\$ 5,240
Market Value - Agencies	-	-	-
Total Market Value	\$ 2,389,012	\$ 2,383,773	\$ 5,240
Accrued Interest	\$ 9,952	\$ 2,550	\$ 7,402
Cash Value (Market Value + Accrued Interest)	\$ 2,398,964	\$ 2,386,323	\$ 12,641
Unrealized Gain(Loss)	\$ (3,361)	\$ (4,690)	\$ 1,328
Change in Fair Value since 9/30/04 (per GASB 31)	\$ 6,736	\$ 1,497	\$ 5,239
Weighted Average Days to Maturity	61	151	-90
Buy Yield	1.92%	1.92%	0.00%
Portfolio Composition - % of Book Value			
Treasuries	100.00%	100.00%	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 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 March 31, 2005 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.