Memorandum

DATE May 16, 2014

TO Members of the Budget, Finance & Audit Committee:
  Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Budget, Finance & Audit Committee Meeting

Monday, May 19, 2014, 1:00 p.m.
Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the May 5, 2014 Budget, Finance & Audit Committee meeting

2. Office of the City Auditor Fiscal Year 2014 Third Quarter Update
   Craig D. Kinton
   City Auditor

3. Upcoming Agenda Item: Global Positioning System for City Vehicles
   Kelly High, Director
   Sanitation Services
   Errick Thompson, Director
   Equipment and Building Services

FYI

4. Quarterly Investment Report as of March 31, 2014

Jerry Allen, Chair
Budget, Finance & Audit Committee

C: Honorable Mayor and Members of City Council
  A.C. Gonzalez, City Manager
  Warren M.S. Ernst, City Attorney
  Craig D. Kinton, City Auditor
  Rosa A. Rios, City Secretary
  Daniel F. Sells, Administrative Judge
  Ryan S. Evans, Interim First Assistant City Manager
  Jil A. Jordan, P.E., Assistant City Manager

  Forest E. Turner, Assistant City Manager
  Joey Zapata, Assistant City Manager
  Charles M. Cato, Interim Assistant City Manager
  Theresa O'Donnell, Interim Assistant City Manager
  Jeanne Chipperfield, Chief Financial Officer
  Shawn Williams, Interim Public Information Officer
  Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"
A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
**Budget, Finance & Audit Committee**
**Meeting Record**

**Meeting Date:** 5.05.2014  
**Convened:** 1:05 p.m.  
**Adjourned:** 2:18 p.m.

**Committee Members Present:**
Jerry R. Allen, Chair  
Jennifer S. Gates, Vice-Chair  
Sheffie Kadane  
Philip T. Kingston  
Tennell Atkins

**Committee Members Absent:**
N/A

**Other Council Members Present:**
N/A

**Staff Present:**
Jeanne Chipperfield  
Craig Kinton  
Renee Hayden  
Barbara McAninch  
Jack Ireland  
Edward Scott  
Forest Turner  
Daisy Fast  
Zeronda Smith  
Lance Sehorn  
Nick Fehrenbach  
Don Knight  
Michael Frosch  
Donna Lowe  
Ron King  
La Toya Jackson  
Ileana Fernandez  
Priscylla Bento  
Errick Thompson  
Filicia Hernandez

**Others Present:**
Norman Gordon  
Jack Pous

**AGENDA:**

1. **Approval of the April 21, 2014 Minutes**
   **Presenter(s):**  
   Information Only: ___  
   Action Taken/Committee Recommendation(s):
   
   A motion was made to approve the April 21, 2014 minutes. Motion passed unanimously.

   Motion made by: Philip T. Kingston  
   Motion seconded by: Sheffie Kadane

2. **Atmos Energy Corporation: Dallas Annual Rate Review**
   **Presenter(s):** Jack Ireland, Director, Office of Financial Services  
   Information Only: ___  
   Action Taken/Committee Recommendation(s):
   
   A motion was made to forward to the City Council for consideration on Wednesday, May 14, 2014. Motion passed on a divided vote, with Councilmember Kingston voting in opposition.

   Motion made by: Tennell Atkins  
   Motion seconded by: Sheffie Kadane

3. **FY 2014-15 Budget: Citizen Engagement Survey**
   **Presenter(s):** Jack Ireland, Director, Office of Financial Services  
   Information Only: X  
   Action Taken/Committee Recommendation(s):
   
   N/A
4. **Scrap Upcoming Agenda Item: Bids for Event Set-up and Janitorial Services at the Kay Bailey Hutchison Convention Center Dallas**
   Presenter(s): Ron King, Director, Convention and Event Services
   Information Only: X
   Action Taken/Committee Recommendation(s):

   A motion was made to forward to the City Council for consideration on Wednesday, May 14, 2014. Motion passed unanimously.

   Motion made by: Tennell Atkins  
   Motion seconded by: Sheffie Kadane

**FYI**

5. **Upcoming Agenda Item: Supplemental Agreement No. 1 to the Contract for Service, Parts and Heating, Ventilation and Air Conditioning Equipment**
   Presenter(s):
   Information Only: X
   Action Taken/Committee Recommendation(s):

   A motion was made to forward to the City Council for consideration on Wednesday, May 14, 2014. Motion passed unanimously.

   Motion made by: Tennell Atkins  
   Motion seconded by: Sheffie Kadane

6. **March 2014 Financial Forecast Report**
   Presenter(s):
   Information Only: X
   Action Taken/Committee Recommendation(s):

   __________________________________________

Jerry R. Allen, Chair
Budget, Finance & Audit Committee
Memorandum

DATE: May 15, 2014

TO: Honorable Members of the Budget, Finance & Audit Committee –
Jerry R. Allen (Chair); Jennifer Staubach Gates (Vice Chair);
Tennell Atkins, Mayor Pro Tem; Sheffie Kadane; Philip T. Kingston

SUBJECT: Presentation to the Budget, Finance & Audit Committee:
Office of the City Auditor Fiscal Year 2014 – Third Quarter Update

I will provide a briefing to the members of the Budget, Finance & Audit Committee on
Monday, May 19, 2014 regarding:

- Office of the City Auditor Fiscal Year 2014 – Third Quarter Update

Sincerely,

Craig D. Kinton
City Auditor

"Dallas, the City that Works: Diverse, Vibrant, and Progressive."
Audit and Attestation Services Reports Issued  
Second Quarter, Fiscal Year 2014

- Audit of City of Dallas’ Self-Insured Medical Program
- Audit of Arts and Cultural Program Funding
- Special Audit of the Accounts of Former City Attorney, Thomas P. Perkins, Jr.
- Audit of Contract Compliance – Office Depot
- Independent Auditor’s Reports on Applying Agreed-Upon Procedures: Fiscal Year 2013 # 3 Weapons Destruction
Audit and Attestation Services Reports Issued
Third Quarter to date, Fiscal Year 2014

- Audit of the Department of Dallas Water Utilities’ Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies
- Confidential Limited Use Report: Audit of the Department of Dallas Water Utilities’ Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies
- Audit of Software License Compliance
- Special Audit of the Accounts of Former City Manager, Mary K. Suhm
- Fiscal Year 2013 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2010 to 2012
Audit and Attestation Services Reports Issued
Third Quarter to date, Fiscal Year 2014

- Independent Auditor’s Reports on Applying Agreed-Upon Procedures
  - Sole Source Procurement: AirIT Content Management Application – Renewals for Software License, Hardware Warranty and Support
Investigative Services Reports Issued
Third Quarter to date, Fiscal Year 2014

- Department of Sustainable Development and Construction – Harassment of Citizen
Audit and Attestation Services
Anticipated Report Releases
Third Quarter, Fiscal Year 2014

- May 11, 2013 Election Costs Invoiced by Dallas County Elections Department
- Patriot’s Crossing Development
Audit and Attestation Services
Projects In-Progress
Third Quarter, Fiscal Year 2014

- Franchise Fees Review Through MuniServices (Ongoing)
- Sales/Use Tax Compliance Review Through MuniServices (Ongoing)
- Convention and Event Services – Controls over Cash Receipts and Collections
- South Dallas Fair Park Trust Fund
- Water Customer Billings
- Contract Monitoring
- Employees’ Retirement Fund / Dallas Police Fire Pension System
- Parking Management Contract Oversight
- Payroll Audit
- Purchasing / Contracting Processes
- Tracking Firearms and Equipment
- Building Permits
- Fleet Maintenance
- Maintenance of Infrastructure
- Paving and Maintenance Program / Capital Program Streets and Thoroughfares
Audit and Attestation Services
Anticipated Project Starts
Third Quarter, Fiscal Year 2014

- Revenue Estimates – Budgeted Revenues for Fiscal Year 2014-2015
- Agreed-Upon Procedures for Single Bid and Sole Source Engagements (as requested)
Audit City of Dallas’ Self-Insured Medical Program (February 14, 2014)

The City of Dallas’ (City) Department of Human Resources (HR) has opportunities to improve administration and internal controls over the Self-Insured Medical Program (Program). Specifically:

- Independent audits are not completed timely to verify Third Party Administrators (TPA) processed and paid medical and pharmacy claims in accordance with Program guidelines.
- The HR does not have written procedures to ensure administrative fee payments are processed accurately and consistently.
- Checks received in the benefits area are not routinely deposited by the next business day as required by Administrative Directive 4-13, Cash and Debt Management Policies and Procedures.
- The HR does not always receive and review the TPAs’ performance guarantee reports timely.
- The City has not performed ongoing compliance monitoring activities and cannot ensure Protected Health Information (PHI) is properly protected as required by law.
Audit of Arts and Cultural Program Funding (February 21, 2014)

- The Office of Cultural Affairs (OCA) has designed a process to demonstrate applications for funding are evaluated objectively and available funds are distributed fairly for the two main Cultural Contracts Programs: the Cultural Organization Program and the Cultural Projects Program.

- The process includes: (1) application submission; (2) eligibility determination; (3) funding recommendations; (4) contracting; and, (4) expenditure reimbursement.

- Monitoring controls, segregation of duties, and documentation for the Cultural Programs funding processes, however, can be improved to maximize efficiency and effectiveness.
Special Audit of the Accounts of Former City Attorney, Thomas P. Perkins, Jr. (February 28, 2014)

- Accounts were in order
- Access to the City of Dallas (City) systems was timely removed
- No debt was owed to the City
- All City items assigned were substantiated
- Management Letter was issued that included certain compliance issues noted during the Special Audit; no formal response to these issues was requested of management and the Office will follow-up on these issues during subsequent audits to determine whether corrective actions were taken
Audit of Contract Compliance – Office Depot (February 28, 2014)

- Between January 2006 and August 2010, the City of Dallas (City) incurred financial losses estimated to be between $1.3 million to $3.6 million resulting from Office Depot’s non-compliance with certain terms of Master Agreement Number 42595 (contract). (Note: Office Depot disagreed with this conclusion.)

- The Department of Business Development and Procurement Services (BDPS) did not have formal contract monitoring policies and procedures in place to guide BDPS personnel in establishing monitoring oversight responsibilities and conducting routine monitoring activities to verify that Office Depot and City departments complied with the contract.

- Between June 2009 and August 2010, BDPS increased the Office Depot contract by approximately $900,000 (14 percent of the original $6.5 million contract) by processing 35 individual change orders. While allowable under Administrative Directive 4-5, Contracting Policy, the total result was a significant increase in purchasing authority under the contract without additional oversight or approval by the City Council.

- The City also paid $272,373 for 941 office products which each exceeded the authorized limit of $150 per Council Resolutions.
Independent Auditor Reports on Applying Agreed-Upon Procedures

Fiscal Year 2013 # 3 Weapons Destruction (January 15, 2014)

- 1,024 weapons were destroyed according to Agreed-Upon Procedures to assist the Dallas Police Department.

Exceptions Noted:

- Seven weapons had incorrect serial numbers recorded in Evidence Manager. The serial numbers were re-run through the National Crime Information Center (NCIC) with no match.
- Two weapons had incorrect blue tag seal numbers.
- One weapon had an incorrect description.
- One weapon had an incorrect service number.

All discrepancies were corrected in Evidence Manager and verified by City Auditor personnel prior to the date of destruction.
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

Audit of the Department of Dallas Water Utilities’ Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies (April 11, 2014)

- The Department of Dallas Water Utilities (DWU) Wastewater Collection and Treatment facilities have established certain controls over chemical supplies used in the wastewater treatment process.

- Central and Southside facilities personnel do not have a formal receiving process to independently determine the reasonableness of the amount of chemical supplies received. As a result, DWU cannot readily determine that the City only pays for amounts received.

- In Fiscal Year (FY) 2013, Budget versus Actual Reports showed expenditures for chemical supplies totaled $4,024,442, or 27 percent, of the $14,770,335 total supply expenditures at the wastewater facilities.
Confidential Limited Use Report: Audit of the Department of Dallas Water Utilities’ Wastewater Collection and Treatment Operations – Internal Controls over Chemical Supplies (April 11, 2014)

- The report issues and associated recommendations related to security over chemical supplies are omitted from the publicly released report based upon:
  - Government Auditing Standards, December 2011, Revision, Section 7.39 – 7.43, Reporting Confidential and Sensitive Information
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

- Audit of Software License Compliance (April 11, 2014)
  - The City of Dallas (City) does not have an effective software asset management plan for the acquisition, use, and disposal of software. The City also cannot properly track software and assess software license compliance. Specifically:
    - Software licenses’ usage and compliance cannot be readily identified
    - Administrative Directives are not consistently followed or clear
    - Annual software licenses’ costs are not readily identifiable
    - Software license policy is not communicated effectively
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

- Special Audit of the Accounts of Former City Manager, Mary K. Suhm (May 2, 2014)
  - Accounts were in order except for the following payroll software application calculation errors:
    - The employee’s contribution amount to the Employees’ Retirement Fund (ERF) (13.06 percent of the employee’s final regular payroll and applicable lump sum payment) was incorrectly calculated. As a result, Ms. Suhm’s ERF contribution was $4,823.90 less than required.
    - The City of Dallas’ (City) ERF contribution amount (12.94 percent of the employee’s final regular payroll and applicable lump sum payment) was also incorrectly calculated. As a result, the City’s ERF contribution was $1,516.83 more than required.
  - Access to City systems was timely removed
  - All City items assigned were substantiated
  - Management Letter was issued that included an issue noted related to compliance with an Administrative Directive; no formal was requested of management and the Office will follow-up during subsequent audits to determine whether corrective actions were taken
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

- Fiscal Year 2013 Audit Follow-Up of Prior Audit Recommendations for Fiscal Years 2010 to 2012 (May 9, 2014)
  - The City of Dallas (City) does not have adequate internal controls in place to ensure that audit recommendations (recommendations) are timely implemented and that identified financial, compliance, and operational risks are appropriately mitigated.
  - The 38 percent implementation rate for the recommendations evaluated during the Fiscal Year (FY) 2013 follow-up audit was consistent with the two previous years’ implementation rates of 35 percent (FY 2011) and 19 percent (FY 2012).
  - The City is not adequately improving: (1) accountability through stronger financial controls; (2) compliance with laws and regulations; and, (3) service delivery by becoming more efficient and effective.
  - While overall implementation rates were low, certain departments demonstrated commendable efforts to implement recommendations:
    - Equipment and Building Services
    - Aviation
    - Business Development and Procurement Services
    - Public Works
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

Control Environment
1. Demonstrates commitment to integrity and ethical values
2. Exercises oversight responsibility
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment
6. Specifies suitable objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Identifies and analyzes significant change

Control Activities
10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys through policies and procedures

Information & Communication
13. Uses relevant information
14. Communicates internally
15. Communicates externally

Monitoring Activities
16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies
Audit and Attestation Services Highlights
Third Quarter to date, Fiscal Year 2014

- Independent Auditor Reports on Applying Agreed-Upon Procedures
  - Sole Source Procurement: AirIT Content Management Application – Renewals for Software License, Hardware Warranty and Support, $286,751 (April 10, 2014)
    - The procurement met the exemptions from competitive bidding as specified in the State of Texas Local Government Code, Chapter 252.022, General Exemptions (a) (7) – a procurement of items that are available from only one source.
    - No exceptions were noted.
Investigative Services Highlights
Third Quarter to date, Fiscal Year 2014

- Department of Sustainable Development and Construction – Harassment of Citizen (April 2, 2014)

  - Summarizes the results of an investigation of an allegation involving a Department of Sustainable Development and Construction (SDC) Senior Inspector harassing a City of Dallas (City) citizen.

  - Allegations were investigated by the Dallas Police Department – Public Integrity Unit (DPD-PIU); however, the citizen did not want to press charges. The Office of the City Auditor began its investigation and concluded that the Senior Inspector’s conduct violated numerous City Personnel Rules.

  - The SDC: (1) reviewed the allegations and evidence; (2) considered the seriousness of the allegations along with other concerns about the Senior Inspector’s job performance; and, (3) determined the appropriate disciplinary action was termination of employment.

  - The SDC and the Department of Human Resources initiated the termination procedure and, upon receiving the pre-termination hearing letter, the employee decided to retire as of March 18, 2014.
QUESTIONS?

City of Dallas
Office of the City Auditor
May 19, 2014
Memorandum

DATE: May 16, 2014

TO: Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT: Upcoming Agenda Item: Global Positioning System for City Vehicles

The May 28, 2014 Council Agenda includes an item for your consideration authorizing Supplemental Agreement Number 4 with Telogis, Inc. for support of the GPS system deployed in Sanitation Services’ fleet for a five month term; not to exceed $45,661 from $821,715 to $867,376. Staff is working on a new, Multi-Year GPS master agreement that would replace Sanitation Services’ existing contract and make GPS services, and associated benefits, available to other departments and services at a lower, volume-based cost. This extension will ensure that the existing GPS services used by Sanitation Services remain active until a new GPS system is in place.

Multiple work groups have expressed interest in utilizing GPS services in order to realize safety and operational benefits just as Sanitation Services has since 2009 and private sector operation based entities have for several years. Sanitation Services’ expiring contract provides an opportunity to seek a single, citywide agreement for GPS services; providing the City with increased buying power and reduced costs. Such an agreement offer numerous safety benefits and operational efficiencies, such as

- Theft deterrence;
- Solo driver emergency notification buttons;
- Data to enhance driver safety programs that recognize and reinforce desired driver behavior;
- Daily route progress monitoring, to allow supervisors to reallocate resources when needed;
- Route auditing capabilities (planned vs. actual) to allow management to identify areas of improvement;
- Enhanced dispatching to aid in sending the closest available vehicle to service calls; and
- Force multiplying by enabling staff in the field to capture and record specific locations of issues (i.e., code compliance issues, recycling participation rate, instances of blocked access, etc.).

A future master agreement would not encumber funds, but would establish firm pricing for equipment and services over a multi-year term. Implementation (equipment and services) would be ordered using the master agreement on an as needed basis for those services and vehicles where GPS could result in more efficient and effective service delivery. Pending
Council feedback, staff would anticipate having a proposed master agreement for Council consideration later this spring or in August.

Please let me know if you need additional information.

Forest E. Turner
Assistant City Manager

CC:  A.C. Gonzalez, City Manager
     Warren M.S. Ernst, City Attorney
     Craig D. Kinton, City Auditor
     Rosa A. Rios, City Secretary
     Daniel F. Solis, Administrative Judge
     Ryan S. Evans, Interim First Assistant City Manager
     Jill A. Jordan, P.E., Assistant City Manager
     Joey Zapata, Assistant City Manager
     Charles M. Cato, Interim Assistant City Manager
     Theresa O'Donnell, Interim Assistant City Manager
     Jeanne Chipperfield, Chief Financial Officer
     Shawn Williams, Interim Public Information Officer
     Elsa Cantu, Assistant to the City Manager – Mayor and Council
DATE May 16, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Quarterly Investment Report as of March 31, 2014

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 March 31, 2014 the City's individual portfolios and the combined portfolio are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City's Investment Policy.

The agenda for the Monday, May 19, 2014 Budget Finance and Audit committee meeting includes the March 31, 2014 quarterly investment report. The executed quarterly investment report is attached.

Jeanne Chipperfield
Chief Financial Officer

Attachment

c:  Honorable Mayor and Members of City Council, A.C. Gonzalez, City Manager, Warren M.S. Ernst, City Attorney, Craig D. Kinton, City Auditor, Rosa A. Rios, City Secretary, Daniel F. Solis, Administrative Judge, Ryan S. Evans, Interim First Assistant City Manager, Jill A. Jordan, P.E., Assistant City Manager, Forest E. Turner, Assistant City Manager, Joey Zapata, Assistant City Manager, Charles M. Cato, Interim Assistant City Manager, Theresa O'Donnell, Interim Assistant City Manager, Shawn Williams, Interim Public Information Officer, Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"
Quarterly National Economic and Market Update
Quarter Ended March 31, 2014

- Growth in economic activity slowed during the winter months, in part reflecting adverse weather conditions.
- With appropriate policy accommodation, economic activity will expand at a moderate pace and labor market conditions will continue to improve gradually.
- The Federal Open Market Committee (FOMC) affirmed its view that a highly accommodative stance of monetary policy remains appropriate.
- The FOMC anticipated that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

Source: FOMC Statement March 19, 2014

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Fed Funds Rate</td>
<td>0.00% - 0.25%</td>
<td>0.00% - 0.25%</td>
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<tr>
<td>2 Years Treasury Note</td>
<td>0.244%</td>
<td>0.420%</td>
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<tr>
<td>10 Years Treasury Note</td>
<td>1.849%</td>
<td>2.719%</td>
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<tr>
<td>Monthly Unemployment Rate</td>
<td>7.50%</td>
<td>6.70%</td>
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<tr>
<td>Weekly Initial Jobless Claims</td>
<td>388,000</td>
<td>332,000</td>
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<tr>
<td>Monthly Change in Nonfarm Payrolls</td>
<td>141,000</td>
<td>192,000</td>
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<tr>
<td>Monthly New Housing Starts</td>
<td>1,005,000</td>
<td>946,000</td>
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</table>

Source: Bloomberg

Treasury Yield Curve

<table>
<thead>
<tr>
<th></th>
<th>3 Month</th>
<th>1 Year</th>
<th>2 Years</th>
<th>5 years</th>
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<tbody>
<tr>
<td>3/31/2014</td>
<td>0.033%</td>
<td>0.114%</td>
<td>0.420%</td>
<td>1.719%</td>
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<td>12/31/2013</td>
<td>0.068%</td>
<td>0.114%</td>
<td>0.382%</td>
<td>1.743%</td>
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<tr>
<td>3/31/2013</td>
<td>0.074%</td>
<td>0.124%</td>
<td>0.244%</td>
<td>0.765%</td>
</tr>
</tbody>
</table>

Source: Bloomberg
# City of Dallas

## Portfolio Holdings

### Combined Investment Summary

As of 03/31/2014

<table>
<thead>
<tr>
<th>Portfolio Description</th>
<th>Face Amount</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Accrued Interest</th>
<th>Market Value + Accrued Interest</th>
<th>*Unrealized Gain/(Loss)</th>
<th>Yield To Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 The City's Investment Pool</td>
<td>1,338,071,604</td>
<td>1,341,507,916</td>
<td>1,341,658,917</td>
<td>1,475,871</td>
<td>1,343,134,788</td>
<td>151,002</td>
<td>0.40%</td>
</tr>
<tr>
<td>02 Convention Center Reserve</td>
<td>18,900,000</td>
<td>18,901,577</td>
<td>18,943,788</td>
<td>9,060</td>
<td>18,952,848</td>
<td>42,211</td>
<td>0.39%</td>
</tr>
<tr>
<td>03 Water Reserve</td>
<td>90,000,000</td>
<td>89,900,265</td>
<td>89,910,680</td>
<td>86,153</td>
<td>89,996,833</td>
<td>10,415</td>
<td>0.58%</td>
</tr>
<tr>
<td>04 Art Endowment</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,237,470</td>
<td>1,304</td>
<td>2,238,773</td>
<td>2,470</td>
<td>0.35%</td>
</tr>
<tr>
<td>05 Ida Green Library Fund</td>
<td>1,000,000</td>
<td>998,956</td>
<td>999,545</td>
<td>0</td>
<td>999,545</td>
<td>589</td>
<td>0.16%</td>
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<tr>
<td>10 DWU Commercial Paper Program</td>
<td>1,240,196</td>
<td>1,240,196</td>
<td>1,240,196</td>
<td>0</td>
<td>1,240,196</td>
<td>-</td>
<td>0.02%</td>
</tr>
<tr>
<td>14 Trinity Parkway Escrow</td>
<td>546,373</td>
<td>546,373</td>
<td>546,373</td>
<td>0</td>
<td>546,373</td>
<td>-</td>
<td>0.01%</td>
</tr>
<tr>
<td>16 Oncor Electric Escrow</td>
<td>54,595</td>
<td>54,595</td>
<td>54,595</td>
<td>0</td>
<td>54,595</td>
<td>-</td>
<td>0.01%</td>
</tr>
<tr>
<td>17 GO Commercial Paper Program</td>
<td>853,347</td>
<td>853,347</td>
<td>853,347</td>
<td>0</td>
<td>853,347</td>
<td>-</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

*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.
## Trade Activity by Portfolio

### As of: 12/31/13 - 03/31/14

<table>
<thead>
<tr>
<th>Portfolio Description</th>
<th>Beginning Face Amount</th>
<th>Beginning Yield To Maturity</th>
<th>Purchased/Deposited</th>
<th>Matured/Called/Redeemed</th>
<th>Ending Face Amount</th>
<th>Ending Yield To Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City's Investment Pool</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Agricultural Mortgage Corp.</td>
<td>70,000,000</td>
<td>0.56%</td>
<td>12,000,000</td>
<td>-</td>
<td>82,000,000</td>
<td>0.60%</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>252,768,000</td>
<td>0.38%</td>
<td>5,000,000</td>
<td>30,000,000</td>
<td>227,768,000</td>
<td>0.39%</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>226,000,000</td>
<td>0.34%</td>
<td>80,000,000</td>
<td>61,000,000</td>
<td>245,000,000</td>
<td>0.38%</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corp.</td>
<td>266,853,000</td>
<td>0.38%</td>
<td>142,000,000</td>
<td>85,000,000</td>
<td>323,853,000</td>
<td>0.57%</td>
</tr>
<tr>
<td>Federal National Mortgage Assoc.</td>
<td>169,340,000</td>
<td>0.27%</td>
<td>100,000,000</td>
<td>45,000,000</td>
<td>224,340,000</td>
<td>0.45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>984,961,000</strong></td>
<td><strong>0.36%</strong></td>
<td><strong>339,000,000</strong></td>
<td><strong>221,000,000</strong></td>
<td><strong>1,102,961,000</strong></td>
<td><strong>0.47%</strong></td>
</tr>
</tbody>
</table>

*Trade activity excludes local government investment pools and money market mutual funds.

| Convention Center Reserve |                       |                            |                     |                         |                   |                          |
|---------------------------|-----------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Federal National Mortgage Assoc. | 18,900,000 | 0.39% | - | - | 18,900,000 | 0.39% |
| **Total** | **18,900,000** | **0.39%** | **-** | **-** | **18,900,000** | **0.39%** |

| Water Reserve |                   |                            |                     |                         |                   |                          |
|---------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Federal Farm Credit Bank | 5,000,000 | - | - | - | 5,000,000 | 0.30% |
| Federal Home Loan Bank | 40,000,000 | 0.28% | - | 20,000,000 | 20,000,000 | 0.37% |
| Federal Home Loan Mortgage Corp. | 45,000,000 | 0.46% | 20,000,000 | - | 65,000,000 | 0.67% |
| **Total** | **90,000,000** | **0.36%** | **20,000,000** | **20,000,000** | **90,000,000** | **0.58%** |

| Art Endowment |                   |                            |                     |                         |                   |                          |
|---------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Federal Farm Credit Bank | 2,235,000 | 0.35% | - | - | 2,235,000 | 0.35% |
| **Total** | **2,235,000** | **0.35%** | **-** | **-** | **2,235,000** | **0.35%** |

| Ida Green Library Endowment |                   |                            |                     |                         |                   |                          |
|-----------------------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Federal National Mortgage Assoc. | 1,000,000 | 0.16% | - | - | 1,000,000 | 0.16% |
| **Total** | **1,000,000** | **0.16%** | **-** | **-** | **1,000,000** | **0.16%** |

| DWU Commercial Paper |                   |                            |                     |                         |                   |                          |
|---------------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Money Market - Tax Exempt | 4,354,929 | 0.04% | 129,185 | 3,243,917 | 1,240,196 | 0.02% |
| **Total** | **4,354,929** | **0.04%** | **129,185** | **3,243,917** | **1,240,196** | **0.02%** |

| GO Commercial Paper |                   |                            |                     |                         |                   |                          |
|---------------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Money Market - Tax Exempt | 1 | 0.02% | 853,347 | 1 | 853,347 | 0.02% |
| **Total** | **1** | **0.02%** | **853,347** | **1** | **853,347** | **0.02%** |

| Trinity Parkway Escrow |                   |                            |                     |                         |                   |                          |
|-----------------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Money Market | 546,359 | 0.01% | 14 | - | 546,373 | 0.01% |
| **Total** | **546,359** | **0.01%** | **14** | **-** | **546,373** | **0.01%** |

| Oncor Electric Escrow |                   |                            |                     |                         |                   |                          |
|-----------------------|-------------------|----------------------------|---------------------|-------------------------|                   |                          |
| Money Market | 54,594 | 0.01% | 1 | - | 54,595 | 0.01% |
| **Total** | **54,594** | **0.01%** | **1** | **-** | **54,595** | **0.01%** |
## City of Dallas
### Summary Statement by Portfolio
As of: 12/31/13 - 03/31/14

<table>
<thead>
<tr>
<th>Portfolio Description</th>
<th>Beginning Face Amount</th>
<th>Ending Face Amount</th>
<th>Beginning Book Value</th>
<th>Ending Book Value</th>
<th>Beginning Market Value</th>
<th>Ending Market Value</th>
<th>Deposits/ (Redemptions)</th>
<th>Change in Market Value</th>
<th>Accrued Interest</th>
<th>Ending Yield To Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>City's Investment Pool</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Govt. Investment Pool</td>
<td>132,106,533</td>
<td>184,106,533</td>
<td>132,106,533</td>
<td>184,106,533</td>
<td>132,106,533</td>
<td>184,106,533</td>
<td>52,000,000</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>US Agency</td>
<td>984,961,000</td>
<td>1,102,961,000</td>
<td>988,166,855</td>
<td>1,106,397,312</td>
<td>988,852,827</td>
<td>1,106,548,313</td>
<td>118,000,000</td>
<td>-</td>
<td>1,678,854</td>
<td>1,475,871</td>
</tr>
<tr>
<td>*Total</td>
<td>1,172,051,604</td>
<td>1,338,071,604</td>
<td>1,175,257,459</td>
<td>1,341,507,916</td>
<td>1,175,943,431</td>
<td>1,341,658,917</td>
<td>166,020,000</td>
<td>-</td>
<td>1,678,854</td>
<td>1,475,871</td>
</tr>
<tr>
<td>Convention Center Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Agency</td>
<td>18,900,000</td>
<td>18,900,000</td>
<td>18,901,982</td>
<td>18,901,577</td>
<td>18,934,440</td>
<td>18,943,788</td>
<td>-</td>
<td>9,348</td>
<td>9,060</td>
<td>0.39%</td>
</tr>
<tr>
<td>Total</td>
<td>18,900,000</td>
<td>18,900,000</td>
<td>18,901,982</td>
<td>18,901,577</td>
<td>18,934,440</td>
<td>18,943,788</td>
<td>-</td>
<td>9,348</td>
<td>9,060</td>
<td>0.39%</td>
</tr>
<tr>
<td>Water Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Agency</td>
<td>90,000,000</td>
<td>90,000,000</td>
<td>90,052,436</td>
<td>89,900,265</td>
<td>90,101,500</td>
<td>89,910,680</td>
<td>-</td>
<td>(48,420)</td>
<td>-</td>
<td>0.58%</td>
</tr>
<tr>
<td>Total</td>
<td>90,000,000</td>
<td>90,000,000</td>
<td>90,052,436</td>
<td>89,900,265</td>
<td>90,101,500</td>
<td>89,910,680</td>
<td>-</td>
<td>(48,420)</td>
<td>-</td>
<td>0.58%</td>
</tr>
<tr>
<td>Art Endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Agency</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,234,676</td>
<td>2,237,470</td>
<td>-</td>
<td>2,794</td>
<td>1,304</td>
<td>0.35%</td>
</tr>
<tr>
<td>Total</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,235,000</td>
<td>2,234,676</td>
<td>2,237,470</td>
<td>-</td>
<td>2,794</td>
<td>1,304</td>
<td>0.35%</td>
</tr>
<tr>
<td>Ida Green Library Endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Agency</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>998,556</td>
<td>998,956</td>
<td>998,835</td>
<td>999,545</td>
<td>-</td>
<td>710</td>
<td>-</td>
<td>0.16%</td>
</tr>
<tr>
<td>Total</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>998,556</td>
<td>998,956</td>
<td>998,835</td>
<td>999,545</td>
<td>-</td>
<td>710</td>
<td>-</td>
<td>0.16%</td>
</tr>
<tr>
<td>DWU Commercial Paper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market - Tax Exempt</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>1,240,196</td>
<td>(3,114,732)</td>
<td>-</td>
<td>-</td>
<td>0.02%</td>
</tr>
<tr>
<td>Total</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>4,354,929</td>
<td>1,240,196</td>
<td>(3,114,732)</td>
<td>-</td>
<td>-</td>
<td>0.02%</td>
</tr>
<tr>
<td>GO Commercial Paper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market - Tax Exempt</td>
<td>1</td>
<td>853,347</td>
<td>1</td>
<td>853,347</td>
<td>1</td>
<td>853,347</td>
<td>-</td>
<td>853,347</td>
<td>-</td>
<td>0.02%</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>853,347</td>
<td>1</td>
<td>853,347</td>
<td>1</td>
<td>853,347</td>
<td>-</td>
<td>853,347</td>
<td>-</td>
<td>0.02%</td>
</tr>
<tr>
<td>Trinity Parkway Escrow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>14</td>
<td>-</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>546,359</td>
<td>14</td>
<td>-</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>Oncor Electric Escrow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market</td>
<td>54,594</td>
<td>54,595</td>
<td>54,594</td>
<td>54,595</td>
<td>54,594</td>
<td>54,595</td>
<td>1</td>
<td>-</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>54,594</td>
<td>54,595</td>
<td>54,594</td>
<td>54,595</td>
<td>54,594</td>
<td>54,595</td>
<td>1</td>
<td>-</td>
<td>0.01%</td>
<td></td>
</tr>
</tbody>
</table>

*Numbers may not sum due to rounding

Notes 1-7: See Page 6 for Strategy Statement by Portfolio.
City of Dallas

Strategy Statement and Compliance by Portfolio

As of: 12/31/13 - 03/31/14

STRATEGY COMPLIANCE STATEMENT

For the quarter ended March 31, 2014 the portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City’s Investment Policy.

STRATEGY STATEMENT BY PORTFOLIO

1) City’s Investment Pool
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.

2) Convention Center Bond Reserve and Water Bond Reserve
Non-pooled reserve funds for outstanding revenue bonds (Convention Center and Water) 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.

3) Art Endowment
The Art Endowment Fund was created by the City from a $1,285,026 repayment to the General Fund from the Convention Center. Pursuant to Resolution No. 84-311 dated September 26, 1984, this endowment fund was created to provide additional monies for the arts, not to replace the current level of support. 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.

4) Ida Green Library Endowment
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.

5) DWU Commercial Paper Program and GO Commercial Paper Program
The City issues tax-exempt commercial paper notes as an interim financing tool for construction and capital 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.

6) Trinity Parkway Escrow
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. A subsequent deposit of $4,500,000 was made in June 2009. These funds will be used to reimburse NTTA for specified payment 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.

7) Oncor Electric Escrow
The Oncor Electric Escrow portfolio was created with the deposit of $4,500,000 in December 2007 in an escrow account in accordance with an agreement dated as of July 13, 2007 between the City and the Oncor Electric Delivery Company LLC pertaining to the development of the West Levee to Norwood Transmission Line. These funds will be used to reimburse Oncor 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.
City of Dallas
City's Investment Pool Portfolio Allocation
Investment Summary
As of 03/31/2014

City's Investment Pool Portfolio Allocation

<table>
<thead>
<tr>
<th>Description</th>
<th>Face Amount</th>
<th>Book Value</th>
<th>Market Value</th>
<th>*Unrealized Gain/(Loss)</th>
<th>Weighted Average Days To Maturity</th>
<th>Yield To Maturity</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Agricultural Mortgage Corp.</td>
<td>82,000,000</td>
<td>81,972,387</td>
<td>82,102,684</td>
<td>130,297</td>
<td>520</td>
<td>0.60%</td>
<td>6.11%</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>227,768,000</td>
<td>227,901,832</td>
<td>228,115,551</td>
<td>213,719</td>
<td>299</td>
<td>0.39%</td>
<td>16.99%</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>245,000,000</td>
<td>245,855,869</td>
<td>245,909,350</td>
<td>53,481</td>
<td>422</td>
<td>0.38%</td>
<td>18.33%</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corp.</td>
<td>323,853,000</td>
<td>324,737,372</td>
<td>324,669,457</td>
<td>(67,915)</td>
<td>601</td>
<td>0.57%</td>
<td>24.21%</td>
</tr>
<tr>
<td>Federal National Mortgage Assoc.</td>
<td>224,340,000</td>
<td>225,929,852</td>
<td>225,751,272</td>
<td>(178,580)</td>
<td>559</td>
<td>0.45%</td>
<td>16.84%</td>
</tr>
<tr>
<td>Local Government Investment Pool</td>
<td>184,106,533</td>
<td>184,106,533</td>
<td>184,106,533</td>
<td>-</td>
<td>1</td>
<td>0.09%</td>
<td>13.72%</td>
</tr>
<tr>
<td>Money Market</td>
<td>51,004,071</td>
<td>51,004,071</td>
<td>51,004,071</td>
<td>-</td>
<td>1</td>
<td>0.05%</td>
<td>3.80%</td>
</tr>
<tr>
<td>**Total</td>
<td>1,338,071,604</td>
<td>1,341,507,916</td>
<td>1,341,658,917</td>
<td>151,002</td>
<td>400</td>
<td>0.40%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

* 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 strategy to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

** Numbers may not sum due to rounding

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
City’s Investment Pool Allocation by Maturity Range
As of 03/31/2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Face Amount/Shares</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Yield To Maturity</th>
<th>Weighted Average Days To Maturity</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight - 1 Month</td>
<td>270,110,604</td>
<td>270,110,530</td>
<td>270,110,604</td>
<td>0.15%</td>
<td>1</td>
<td>20.13%</td>
</tr>
<tr>
<td>1 Month -1 Year</td>
<td>459,861,000</td>
<td>460,945,748</td>
<td>461,342,855</td>
<td>0.30%</td>
<td>172</td>
<td>34.36%</td>
</tr>
<tr>
<td>1-2 Years</td>
<td>309,100,000</td>
<td>311,043,580</td>
<td>311,311,212</td>
<td>0.38%</td>
<td>507</td>
<td>23.19%</td>
</tr>
<tr>
<td>2-3 Years</td>
<td>252,000,000</td>
<td>252,755,014</td>
<td>252,272,455</td>
<td>0.71%</td>
<td>947</td>
<td>18.84%</td>
</tr>
<tr>
<td>3-4 Years</td>
<td>47,000,000</td>
<td>46,653,043</td>
<td>46,621,791</td>
<td>1.22%</td>
<td>1,278</td>
<td>3.48%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,338,071,604</strong></td>
<td><strong>1,341,507,916</strong></td>
<td><strong>1,341,658,917</strong></td>
<td><strong>0.40%</strong></td>
<td><strong>400</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* Numbers may not sum due to rounding
### Broker/Dealer Activity FY13-14 to Date

#### FY 13-14 to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Awarded</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Dealers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of America</td>
<td>$20,000,000</td>
<td>3.98%</td>
</tr>
<tr>
<td>Jefferies &amp; Co.</td>
<td>20,000,000</td>
<td>3.98%</td>
</tr>
<tr>
<td>Cantor Fitzgerald</td>
<td>15,000,000</td>
<td>2.98%</td>
</tr>
<tr>
<td>JPMorgan*</td>
<td>81,000,000</td>
<td>16.10%</td>
</tr>
<tr>
<td><strong>Secondary Dealers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coastal Securities</td>
<td>30,000,000</td>
<td>5.96%</td>
</tr>
<tr>
<td>First Southwest</td>
<td>75,100,000</td>
<td>14.93%</td>
</tr>
<tr>
<td>Raymond James and Associates</td>
<td>22,000,000</td>
<td>4.37%</td>
</tr>
<tr>
<td>Vining Sparks</td>
<td>5,000,000</td>
<td>0.99%</td>
</tr>
<tr>
<td>Samco Capital Market</td>
<td>25,000,000</td>
<td>4.97%</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>40,000,000</td>
<td>7.95%</td>
</tr>
<tr>
<td><strong>Secondary Dealers - M/WBE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duncan Williams - M/WBE</td>
<td>15,000,000</td>
<td>2.98%</td>
</tr>
<tr>
<td>Loop Capital - M/WBE</td>
<td>30,000,000</td>
<td>5.96%</td>
</tr>
<tr>
<td>Ramirez &amp; Co. - M/WBE</td>
<td>20,000,000</td>
<td>3.98%</td>
</tr>
<tr>
<td>Rice Financial - M/WBE</td>
<td>100,000,000</td>
<td>19.88%</td>
</tr>
<tr>
<td>Williams Capital - M/WBE</td>
<td>5,000,000</td>
<td>0.99%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$503,100,000</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

#### Q2 FY 13-14

<table>
<thead>
<tr>
<th>Description</th>
<th>Awarded</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America</td>
<td>$20,000,000</td>
<td>5.76%</td>
</tr>
<tr>
<td>Cantor Fitzgerald</td>
<td>15,000,000</td>
<td>4.32%</td>
</tr>
<tr>
<td>Coastal Securities</td>
<td>15,000,000</td>
<td>4.32%</td>
</tr>
<tr>
<td>Duncan Williams - M/WBE</td>
<td>5,000,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>First Southwest</td>
<td>50,000,000</td>
<td>14.41%</td>
</tr>
<tr>
<td>Jefferies &amp; Co.</td>
<td>15,000,000</td>
<td>4.32%</td>
</tr>
<tr>
<td>JPMorgan*</td>
<td>35,000,000</td>
<td>10.09%</td>
</tr>
<tr>
<td>Loop Capital - M/WBE</td>
<td>5,000,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>Ramirez &amp; Co. - M/WBE</td>
<td>20,000,000</td>
<td>5.76%</td>
</tr>
<tr>
<td>Raymond James and Associates</td>
<td>22,000,000</td>
<td>6.34%</td>
</tr>
<tr>
<td>Rice Financial - M/WBE</td>
<td>75,000,000</td>
<td>21.61%</td>
</tr>
<tr>
<td>Samco Capital Market</td>
<td>25,000,000</td>
<td>7.20%</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>40,000,000</td>
<td>11.53%</td>
</tr>
<tr>
<td>Williams Capital - M/WBE</td>
<td>5,000,000</td>
<td>1.44%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$347,000,000</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Notes:

- Section 9 of the City's investment Policy requires the investment committee to annually review and adopt a list of qualified broker/dealers. These firms represent the broker dealer firms that are currently approved by the Investment Committee as of February 2014.

- It is the City’s Practice to solicit three or more competitive bids/ offers each trade except for agency securities purchased at issue.

* JPMorgan was removed, at their request, from the City's approved broker-dealer list in February 2014.
CITY OF DALLAS

QUARTERLY INVESTMENT REPORT

March 31, 2014

For the quarter ended March 31, 2014 the portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Sec. 17.0 of the City’s Investment Policy.

Chief Financial Officer:  
[Signature]

City Controller:  
[Signature]

Treasury Manager:  
[Signature]