*CITY OF DESOTO*
*211 E. PLEASANT RUN RD.*
*DESOTO, TEXAS 75115-3939*

## *Investment Portfolio Summary - As of June 30, 2011*

| Investment Types | % of Total Investments | Amount |
|---|---|---|
| *Investment Pools (TexPool and MBIA)* | *76.93%* | *$ 35,126,097.55* |
| *Wells Fargo Investment Account* | *23.07%* | *10,533,345.10* |
| **Total Market Value at 6/30/2011** | *100.00%* | *$ 45,659,442.65* |

***COMPLIANCE STATEMENT***

The investment portfolio presented in these reports conforms in all respects to the investment policies of the City of DeSoto and is being managed under the investment strategy developed and approved by the DeSoto City Council.

Edena J. Atmore, Managing Director, Financial Services — Date 10/11/11

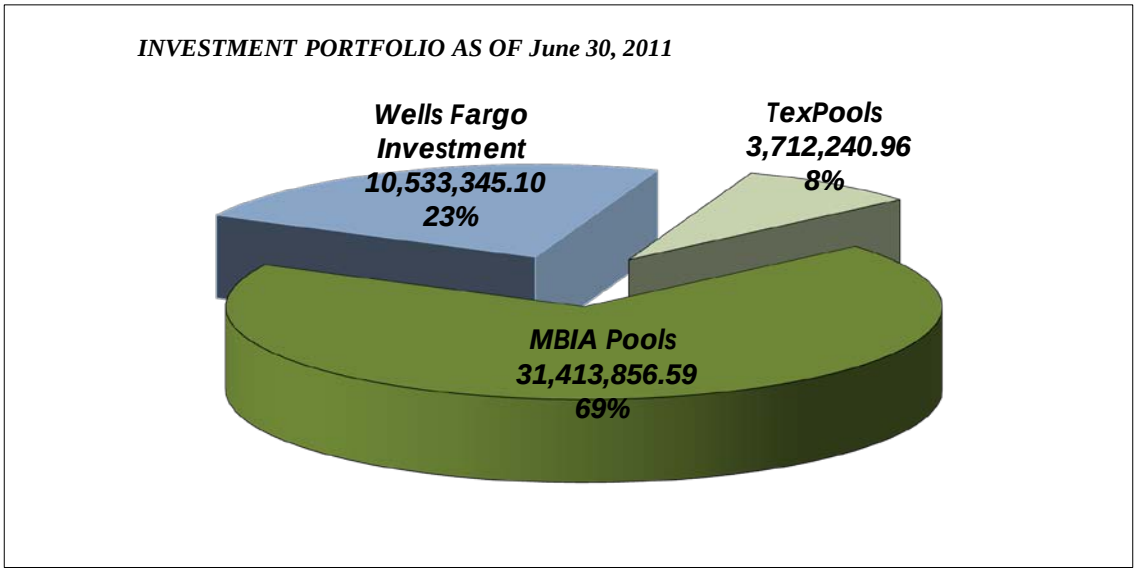
Tarron J. Richardson, Ph.D., City Manager — Date 10/11/11

**INVESTMENT COMMITTEE MEETING**
**As Of June 30, 2011**
**3rd Qtr of Fiscal Year 2010-11**

*Dr. Tarron Richardson, City Manager*
*Edena Atmore, Assistant Finance Director*

**Maturities this Quarter**
None this quarter.

**Next Quarter**
No Maturities Due. All funds in TexPools, MBIA Pools and Wells Fargo Investment Account




***The City's investment program pursues maximum interest income revenues while maintaining safety and liquidity using the following strategy:***

- ***-immediately deposit all receipts, utilizing wire transfers and ACH;***
- ***-slow down disbursement of funds using ACH, wire transfers, etc.;***
- ***-to minimize cash at bank;***
- ***-purchase diversified investments and hold to maturity.***

## *Market Information*

*Total City of DeSoto Average Portfolio Investment Yield as of 6/30/2011 is* *0.18%*

| **Average Yields** | **Current Qtr.** | ***Prior Qtr.*** |
|---|---|---|
| *Tex Pool Yield:* | **0.09%** | 0.15% |
| *MBIA Texas CLASS Yield:* | **0.16%** | 0.19% |
| *Wells Fargo Investment Account:* | **0.26%** | 0.34% |

***Money Rates***
(6/30/2011)

3-month Treasury Bill: 0.04%
3-month Agency yield.: 0.07%
1-year Agency yield: 0.25%
WAM (weighted average maturity): 1 day

***PORTFOLIO YIELD TREND***

| **Fiscal Year** | **1st Qtr** | **2nd Qtr** | **3rd Qtr** | **4th Qtr** |
|---|---|---|---|---|
| **2011** | **0.26%** | **0.22%** | **0.18%** | |
| 2010 | 0.27% | 0.26% | 0.23% | 0.28% |
| 2009 | 1.79% | 0.79% | 0.46% | 0.34% |
| 2008 | 4.84% | 3.82% | 2.90% | 2.77% |
| 2007 | 5.24% | 5.29% | 5.27% | 5.28% |
| 2006 | 4.08% | 4.54% | 4.87% | 5.12% |
| 2005 | | 2.69% | 3.01% | 3.67% |

***COMPARISON OF BENCHMARK CITIES***

| | *12/31/2010* | *3/31/2011* | *6/30/2011* | |
|---|---|---|---|---|
| | **1st Qtr Avg. Yield (%)** | **2nd Qtr Avg Yield (%)** | **3rd Qtr Avg Yield (%)** | **4th Qtr Avg Yield (%)** |
| ***DeSoto*** | **0.26%** | **0.22%** | **0.18%** | |
| **OTHER CITIES** | | | | |
| ***McKinney*** | 1.46% | *1.15%* | | |
| ***Hewitt*** | | *0.47%* | ***0.40%*** | |
| ***Duncanville*** | *N-A* | *N-A* | ***0.30%*** | |
| ***Flower Mound*** | *0.23%* | *0.24%* | | |
| ***Coppell*** | *0.21%* | *0.19%* | | |
| ***Bedford*** | *0.81%* | N-A | | |

***CITY OF DESOTO***

***Investment Compliance Report - Fund Details***

| Security ID # | Security Name | Maturity | March 31, 2011 Book Value | March 31, 2011 Market Value | Accrued Interest | June 30, 2011 Book Value | June 30, 2011 Market Value |
|---|---|---|---|---|---|---|---|
| TXPL-02 | TexPool GENERAL | OPEN | 4,167,054.98 | 4,167,054.98 | - | 3,712,240.96 | 3,712,240.96 |
| TXPL-08 | TexPool 2002 GO Bonds | OPEN | - | - | - | - | - |
| | **TexPool Totals** | | **4,167,054.98** | **4,167,054.98** | **-** | **3,712,240.96** | **3,712,240.96** |
| | | | | | | | |
| MBIA-01 | TxClass - General | OPEN | 14,228,006.83 | 14,228,006.83 | - | 11,983,933.96 | 11,983,933.96 |
| MBIA-02 | 2004 Street Improvements | OPEN | 612,647.68 | 612,647.68 | - | 512,870.77 | 512,870.77 |
| MBIA-14 | 2007 Street Improvements | OPEN | 1,912,493.08 | 1,912,493.08 | - | 1,913,269.34 | 1,913,269.34 |
| MBIA-16 | 2007 Park & Recreation Improvements | OPEN | 138,495.11 | 138,495.11 | - | 68,547.91 | 68,547.91 |
| MBIA-23 | 2007 SWRCC Radio Replacement | OPEN | 415,757.68 | 415,757.68 | - | 536.55 | 536.55 |
| MBIA-25 | 2008 Town Center Remodel | OPEN | 137,014.05 | 137,014.05 | - | 137,069.72 | 137,069.72 |
| MBIA-27 | 2008 Street Improvements | OPEN | 1,303,113.54 | 1,303,113.54 | - | 653,476.27 | 653,476.27 |
| MBIA-28 | 2006 Street/Drainage Improvements | OPEN | 933,077.77 | 933,077.77 | - | 933,456.53 | 933,456.53 |
| MBIA-29 | 2009 Street Improvements-GO | OPEN | 1,004,967.31 | 1,004,967.31 | - | 1,005,375.19 | 1,005,375.19 |
| MBIA-30 | 2009 Street Improvements-CO | OPEN | 4,529,432.96 | 4,529,432.96 | - | 4,531,271.33 | 4,531,271.33 |
| MBIA-31 | 2006 Drainage Improvements | OPEN | 1,046,486.55 | 1,046,486.55 | - | 1,046,911.36 | 1,046,911.36 |
| MBIA-32 | 2009 Water CIP COs | OPEN | 8,623,637.53 | 8,623,637.53 | - | 8,627,137.66 | 8,627,137.66 |
| | **MBIA Pool Totals** | | **34,885,130.09** | **34,885,130.09** | **-** | **31,413,856.59** | **31,413,856.59** |
| | | | | | | | |
| | ***Subtotal - Investment Pools*** | | ***39,052,185.07*** | ***39,052,185.07*** | ***-*** | ***35,126,097.55*** | ***35,126,097.55*** |
| | | | | | | | |
| | ***Wells Fargo Investment Account*** | OPEN | ***9,745,170.70*** | ***9,745,170.70*** | | ***10,533,345.10*** | ***10,533,345.10*** |
| | | | | | | | |
| | | | | | | | |
| | **GRAND TOTALS** | | **$ 48,797,355.77** | **$ 48,797,355.77** | **$ -** | **$ 45,659,442.65** | **$ 45,659,442.65** |