

**CITY OF TEXAS CITY  
INVESTMENT REPORT  
FOR THE QUARTER ENDING JUNE 30, 2008**

The City's Investment Policy requires the Director of Finance to submit quarterly reports to the City Commission.

A summary of the transactions in the portfolio for the quarter ending June 30, 2008 are as follows:

	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
INVESTMENTS-BEG. OF PERIOD	\$47,120,221	\$47,346,675
INVESTMENT PURCHASES/ADDITIONS	21,918,194	21,918,194
INVESTMENT MATURITIES/DELETIONS	(24,925,751)	(24,925,751)
AMORTIZATION(PREMIUM/DISCOUNT)	29,200	-
CHANGE IN FAIR MARKET VALUE	-	(124,570)
INVESTMENTS-END OF PERIOD	<u>\$44,141,863</u>	<u>\$44,214,548</u>
ACCRUED INTEREST 06-30-08	<u>190,096</u>	<u>190,096</u>
INVESTMENTS-END OF PERIOD PLUS ACCRUED INTEREST	<u>\$44,331,959</u>	<u>\$44,404,644</u>

**Portfolio Composition:**

Agency Securities	63.47%
Certificates of Deposit	2.49%
Bank Deposits	34.04%

**Benchmark Rate of Return:**

1 Year T-Note	2.3555
6 Month T-Bill	2.1520
3 Month T-Bill	1.7410
City's Portfolio	3.0826 (73 bp over 1 Year T-Note)

**Weighted Average Maturity of Portfolio:**

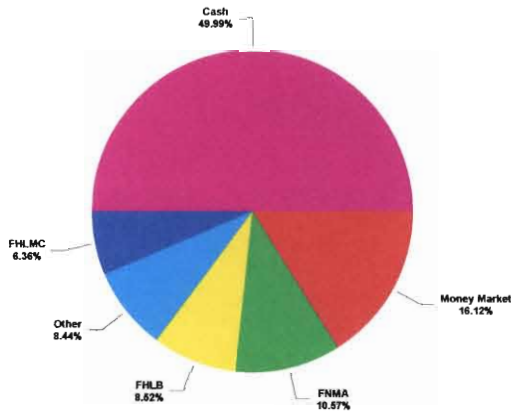
229 days

# Investment Report

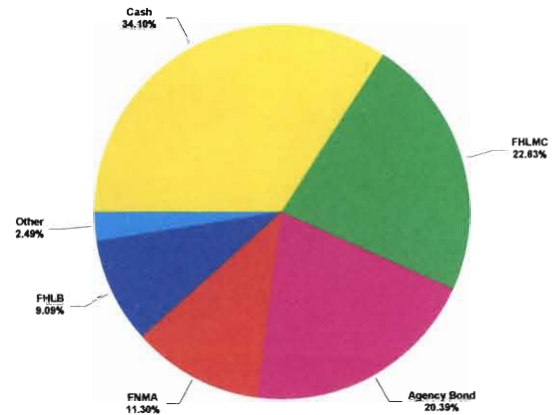
## City of Texas City

04/01/08 - 06/30/08

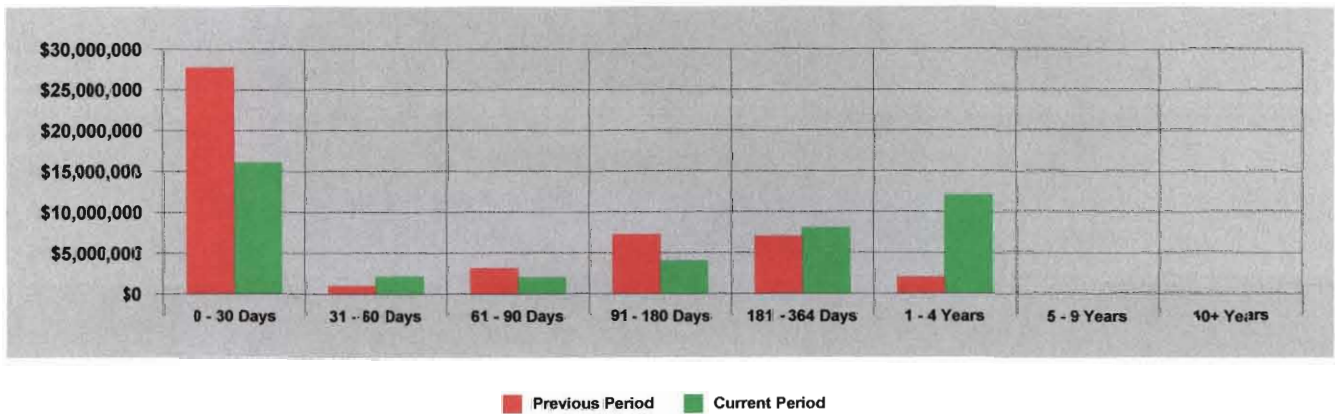
**Portfolio Composition - 03/31/08**



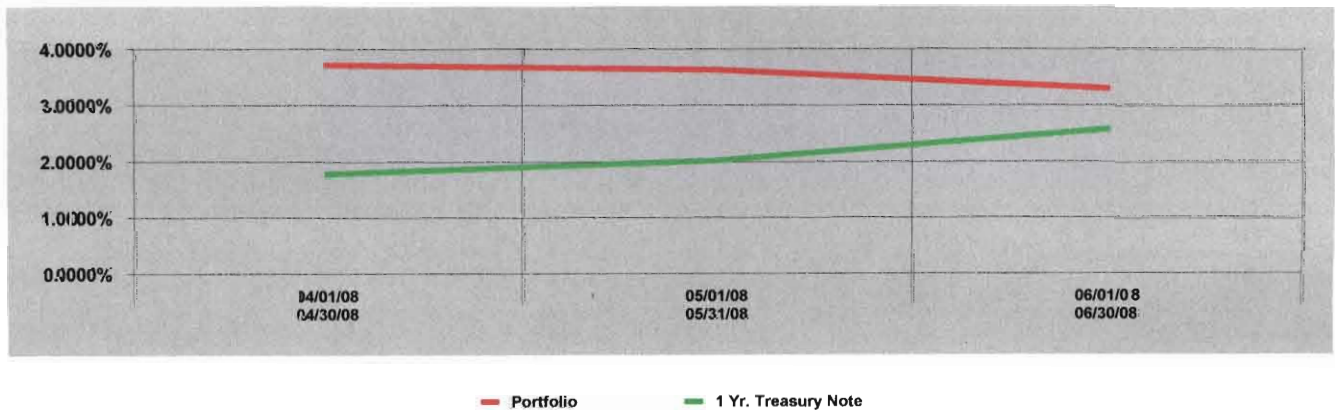
**Portfolio Composition - 06/30/08**



**Maturity Aging - 03/31/08 vs 06/30/08**



**Portfolio Performance - 04/01/08 to 06/30/08**



**CITY OF TEXAS CITY**  
*Investment Report*  
*All Funds Combined*

*Portfolio Summary*  
*Activity for Quarter Ending*  
*June 30, 2008*

**CITY OF TEXAS CITY**  
**Investment Report**  
**All Funds Combined**

*Portfolio Summary*  
*Activity for Quarter Ending*  
*June 30, 2008*

	<u>Book Value</u>	<u>Market Value</u>	<u>Ratio</u>
Investments at Beginning of Period	\$47,120,221	\$47,346,675	1.0048
Investment Purchases/Deposits	21,918,194	21,918,194	
Investment Maturities/Withdrawals	(24,925,751)	(24,925,751)	
Amortization of Premium/Discount or Change in Fair Market Value	29,200	(124,570)	
Investments at End of Period	<u>\$44,141,863</u>	<u>\$44,214,548</u>	<u>1.0018</u>
Accrued Interest 06-30-08	190,096	190,096	
Investments at End of Period Plus Accrued Interest	<u>\$ 44,331,959</u>	<u>\$ 44,404,644</u>	

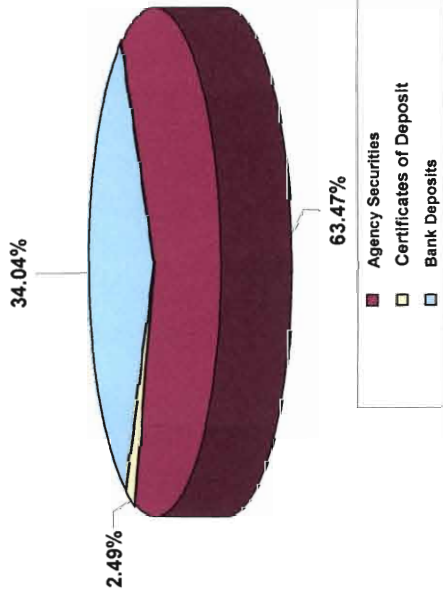
I, Cheryl T. Hunter, hereby certify that, to the best of my knowledge and belief, all investments have been made in compliance with the investment strategy of the City of Texas City, Texas, and the requirements of the Texas Public Funds Investment Act (TPFIA).



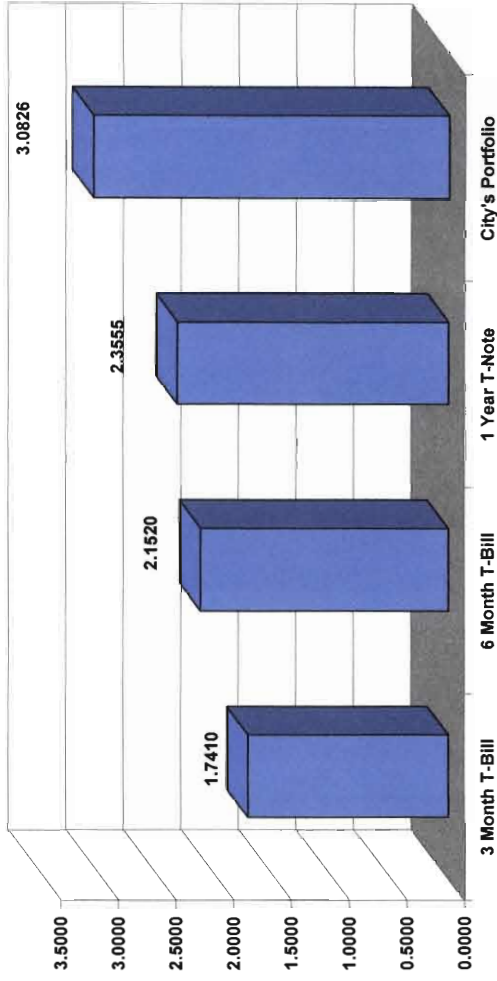
**CITY OF TEXAS CITY**  
*Investment Report*  
*All Funds Combined*

**Portfolio Composition**

A portfolio breakdown based on security types



**Rate of Return**



**CITY OF TEXAS CITY**  
**Investment Report**  
**All Funds Combined**

Description	03/31/08		Face Amount	06/30/08		Book Value	Market Value	Retirements	Amortization Prem./Dis.	Change in Market Value	Accrued Interest	Accrued Interest	Yield to Maturity	Weighted Average Maturity	
	Buy	Dates		Maturity	Book Value										Market Value
<b>Treasury Bills</b>															
			0	0	0	0	0	0	0	0	0	0	0.00%	0	
			0	0	0	0	0	0	0	0	0	0	0.00%	0	
<b>Treasury Notes</b>															
			0	0	0	0	0	0	0	0	0	0	0.00%	0	
			0	0	0	0	0	0	0	0	0	0	0.00%	0	
<b>Agency Discount Notes</b>															
FHLMC Discount	06/27/07	04/28/08	1,000,000	986,121	988,700	986,121	988,700	0	3,879	1,300	0	0	0.000%	0	
FNMA Discount	06/27/07	05/30/08	1,000,000	991,799	997,100	991,799	997,100	0	8,201	2,900	0	0	0.000%	0	
FMCDN Discount	06/27/07	06/23/08	1,000,000	988,448	995,300	988,448	995,300	0	11,552	4,700	0	0	0.000%	0	
				2,976,367	2,991,100	2,976,367	2,991,100	0	23,633	8,900	0	0	0.00%	0	
<b>Agency Coupon Notes</b>															
FNMA Notes	06/27/07	07/28/08	1,000,000	993,396	1,001,880	993,396	1,001,880	5,425	5,083	(1,570)	0	0	5.210%	28	
FHLM Notes	09/27/07	08/14/08	1,000,000	1,002,526	1,010,310	1,002,526	1,010,310	6,854	(1,712)	(7,180)	0	0	4.541%	44	
FNMA Notes	06/27/07	09/02/08	1,000,000	999,664	1,011,250	999,664	1,011,250	4,128	201	(6,870)	0	0	5.201%	62	
FHLMC Notes	06/27/07	09/19/08	1,000,000	996,740	1,009,690	996,740	1,009,690	1,493	1,755	(5,690)	0	0	5.200%	79	
FHLMC Notes	06/27/07	11/03/08	1,000,000	998,409	1,015,290	998,409	1,015,290	20,144	680	(7,360)	0	0	5.180%	123	
FHLMC Notes	06/27/07	11/17/08	1,000,000	999,014	1,016,560	999,014	1,016,560	18,611	395	(7,500)	0	0	5.160%	137	
FHLM Notes	06/27/07	12/12/08	1,000,000	997,460	1,016,880	997,460	1,016,880	14,382	915	(7,500)	0	0	5.130%	162	
FHLM Notes	09/27/07	12/29/08	1,000,000	1,004,580	1,020,940	1,004,580	1,020,940	13,097	(1,541)	(9,060)	0	0	4.480%	179	
FHLM Notes	09/27/07	01/14/09	1,000,000	1,005,858	1,022,810	1,005,858	1,022,810	11,229	(1,871)	(9,680)	0	0	4.471%	194	
FHLM Notes	09/27/07	02/13/09	1,000,000	1,006,889	1,025,310	1,006,889	1,025,310	7,000	(1,998)	(10,310)	0	0	4.420%	223	
FNMA Notes	09/27/07	03/16/09	1,000,000	987,839	1,008,130	987,839	1,008,130	1,302	3,167	(6,250)	0	0	4.450%	256	
FNMA Notes	09/27/07	04/14/09	1,000,000	994,137	1,015,940	994,137	1,015,940	17,860	1,414	(8,440)	0	0	4.441%	284	
FNMA Notes	09/27/07	05/05/09	1,000,000	1,006,136	1,029,380	1,006,136	1,029,380	20,278	(1,400)	(11,570)	0	0	4.410%	305	
FFCB Bonds	06/17/08	06/17/09	3,000,000	0	0	0	0	0	0	2,850	0	0	3.125%	347	
FFCB Bonds	04/07/08	10/07/09	5,000,000	0	0	0	0	0	0	(31,250)	0	0	2.750%	457	
FHLMC Notes	04/28/08	04/28/10	3,500,000	0	0	0	0	0	0	(7,420)	0	0	3.050%	658	
FHLMC Notes	05/23/08	04/28/10	3,500,000	0	0	0	0	0	478	1,330	0	0	3.184%	658	
				12,992,648	13,204,370	12,992,648	13,204,370	141,804	5,567	(133,470)	0	0	1.150%	1	
				2,169,651	2,169,651	2,169,651	2,169,651	19,385	0	34,734	0	0	0.000%	0	
				2,169,007	2,169,007	2,169,007	2,169,007	9,976	0	45,393	0	0	0.000%	0	
				2,169,651	2,169,651	2,169,651	2,169,651	25,200	0	54,764	0	0	0.000%	0	
				1,085,147	1,085,147	1,085,147	1,085,147	9,731	0	14,799	0	0	5.470%	31	
				7,593,456	7,593,456	7,593,456	7,593,456	64,291	0	149,691	0	0	12.658	1	
				23,557,750	23,557,750	23,557,750	23,557,750	0	0	6,777,253	0	0	15,052,452	1	
				23,557,750	23,557,750	23,557,750	23,557,750	0	0	6,777,253	0	0	15,052,452	1	
<b>Bank Deposits</b>															
Savings Account	05/15/06	01/01/07	9,000,000	23,557,750	23,557,750	23,557,750	23,557,750	0	0	6,777,253	0	0	15,052,452	1	
				23,557,750	23,557,750	23,557,750	23,557,750	0	0	6,777,253	0	0	15,052,452	1	
<b>Summary:</b>															
Treasury Securities				0	0	0	0	0	0	0	0	0	0	0	
Agency Securities				15,969,015	16,195,470	15,969,015	16,195,470	141,804	29,200	(124,570)	0	0	27,989,465	1	
Certificates of Deposit				7,593,456	7,593,456	7,593,456	7,593,456	64,291	0	0	0	0	1,099,946	12,658	
Bank Deposits				23,557,750	23,557,750	23,557,750	23,557,750	0	0	6,777,253	0	0	15,052,452	0	
				\$47,120,221	\$47,346,675	\$47,120,221	\$47,346,675	\$206,095	\$29,200	(\$124,570)	\$21,918,194	\$44,141,863	\$44,214,548	\$190,096	229

# Investment Report

## City of Texas City

### 04/01/08 - 06/30/08

This report summarizes the investment position of City of Texas City for the period 04/01/08 to 06/30/08.

	03/31/08	06/30/08
Book Value	47,120,607.63	44,141,863.15
Market Value	47,346,675.46	44,214,547.93
Par Value	47,151,205.46	44,152,397.93
Change in Market Value		-124,570.00
Weighted Average Maturity (in Days)	83	229
Weighted Average Yield-to-Maturity of Portfolio	3.7956%	3.0826%
Yield-to-Maturity of 1 Yr. Treasury Note	1.4900%	2.3555%
Accrued Interest		190,096.27

This report is presented in accordance with the Texas Government Code Title 10 Section 2256.023. The below signed hereby certify that, to the best of their knowledge on the date this report was created, City of Texas City is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of City of Texas City.

Cheryl Hunter

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7-30-08

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