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CITY OF ANN ARBOR

Reports for the period March 1, 2009 – March 31, 2009

Please contact Accounting by calling the number above or email camreports@mbia.com with questions concerning this report.

Fixed Income Market Review

March 31, 2009

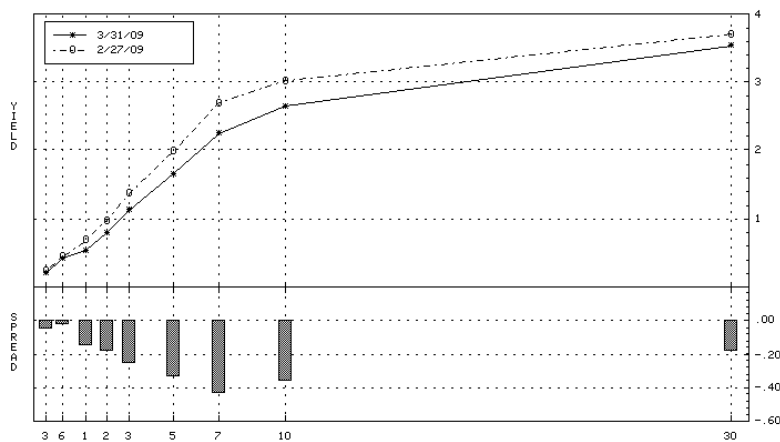
Mortgage Delinquencies 03/31/79 - 12/31/08

Chart 1



Treasury Yield Curves 02/27/09 - 03/31/09

Chart 2



Economic Indicators & Monetary Policy – Households continue to struggle with a rising unemployment rate and declining wealth. This puts pressure on consumers as they try to keep up with monthly loan payments. Mortgage delinquencies climbed to 7.88 percent in the final quarter of 2008, the highest since records began back in 1979. (See Chart 1.) This is the root of the problem in today’s economy by contributing to more than \$1 trillion in global credit write-downs, creating the worst financial crisis to shock the markets since the Great Depression.

The economy shrank at a revised annualized pace of 6.3 percent in the fourth quarter of 2008, and economists don’t expect a quick turnaround. What started off as a housing market slump has turned into a full-blown recession with all sectors of the economy impacted. The government has stepped in with stimulus plans and programs to pickup the slack since both consumers and businesses have cut back spending. Only time will tell how well these plans work in conjunction with actions by the Federal Reserve.

Based on recent data, there have been some positive signs that the economy is stabilizing. Even though consumer confidence remains near all-time lows, households haven’t pared back spending as much as expected. The housing market is showing indications of a bottom with improvement in sales figures and construction starts as affordability improves with depressed home prices and historically low mortgage rates. Liquidity has improved in the financial markets and banks are actually starting to earn profits and lend money. The economy has a long way to go with unemployment still rising, but the overall situation appears to be improving.

At the latest Federal Open Market Committee (FOMC) meeting on March 17th and 18th, the Federal Reserve announced plans to buy \$300 billion in Treasury securities over the next six months and acquire an additional \$750 billion of mortgage and agency debt. With the funds rate essentially at zero, the Fed has entered a period of quantitative easing in a continued effort to stimulate economic growth and help end this recession.

Yield Curve & Spreads – Treasury yields moved lower in March with the Fed’s plan to buy more government securities.

At the end of March, three-month Treasury bills yielded 0.20 percent, six-month Treasury bills yielded 0.42 percent, two-year Treasuries yielded 0.80 percent, five-year Treasuries yielded 1.66 percent, 10-year Treasuries yielded 2.66 percent, and 30-year bonds yielded 3.53. (See Chart 2.)

Additional Information
March 31, 2009

A current version of the investment adviser brochure, for MBIA Municipal Investors Service Corporation, in the form of the Firm's ADV Part II is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

MBIA Municipal Investor Service Corporation
Attention: Client Services
113 King Street
Armonk NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2009 - March 31, 2009

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	219,928,772.24
Additions	
Contributions	0.00
Interest Received	497,323.74
Accrued Interest Sold	483.40
Gain on Sales	0.00
Total Additions	497,807.14
Deductions	
Withdrawals	1,636,447.76
Fees Paid	13,926.05
Accrued Interest Purchased	80,477.78
Loss on Sales	0.00
Total Deductions	(1,730,851.59)
Accretion (Amortization) for the Period	(88,050.51)
Ending Amortized Cost Value	218,607,677.28
Ending Fair Value	224,570,361.94
Unrealized Gain (Loss)	5,962,684.66

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	1,761.24	0.00	0.00	1,761.24
Repurchase Agreement	24.21	0.00	0.00	24.21
U.S. Treasury	176,534.42	(23,715.56)	0.00	152,818.86
U.S. Instrumentality	553,042.42	(72,636.73)	0.00	480,405.69
Sales and Maturities				
Repurchase Agreement	391.69	0.00	0.00	391.69
Commercial Paper	0.00	6,580.00	0.00	6,580.00
U.S. Treasury	14,927.88	1,721.78	0.00	16,649.66
Total	746,681.86	(88,050.51)	0.00	658,631.35

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	1.18%	0.36%	0.19%
Overnight Repo	1.04%	0.19%	0.15%
3 Month T-Bill	0.92%	0.26%	0.21%
6 Month T-Bill	1.22%	0.57%	0.42%
1 Year T-Note	1.44%	0.79%	0.65%
2 Year T-Note	1.73%	1.06%	0.93%
5 Year T-Note	2.56%	1.97%	1.81%

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	746,681.86	744,920.62
Accretion (Amortization)	(88,050.51)	(88,050.51)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	658,631.35	656,870.11
Average Daily Historical Cost	221,756,994.08	213,297,154.70
Annualized Return	3.50%	3.63%
Annualized Return Net of Fees	3.42%	3.55%
Annualized Return Year to Date Net of Fees	3.58%	3.70%
Weighted Average Effective Maturity in Days	487	500

City of Ann Arbor
Activity and Performance Summary
for the period March 1, 2009 - March 31, 2009

<u>Fair Value Basis Activity Summary</u>		
Beginning Fair Value		225,606,602.29
Additions		
Contributions	0.00	
Interest Received	497,323.74	
Accrued Interest Sold	483.40	
Total Additions		497,807.14
Deductions		
Withdrawals	1,636,447.76	
Fees Paid	13,926.05	
Accrued Interest Purchased	80,477.78	
Total Deductions		(1,730,851.59)
Change in Fair Value for the Period		196,804.10
Ending Fair Value		224,570,361.94

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	1,761.24	0.00	1,761.24
Repurchase Agreement	24.21	0.00	24.21
U.S. Treasury	176,534.42	39,305.25	215,839.67
U.S. Instrumentality	553,042.42	170,290.83	723,333.25
Sales and Maturities			
Repurchase Agreement	391.69	0.00	391.69
Commercial Paper	0.00	728.00	728.00
U.S. Treasury	14,927.88	(13,519.98)	1,407.90
Total	746,681.86	196,804.10	943,485.96

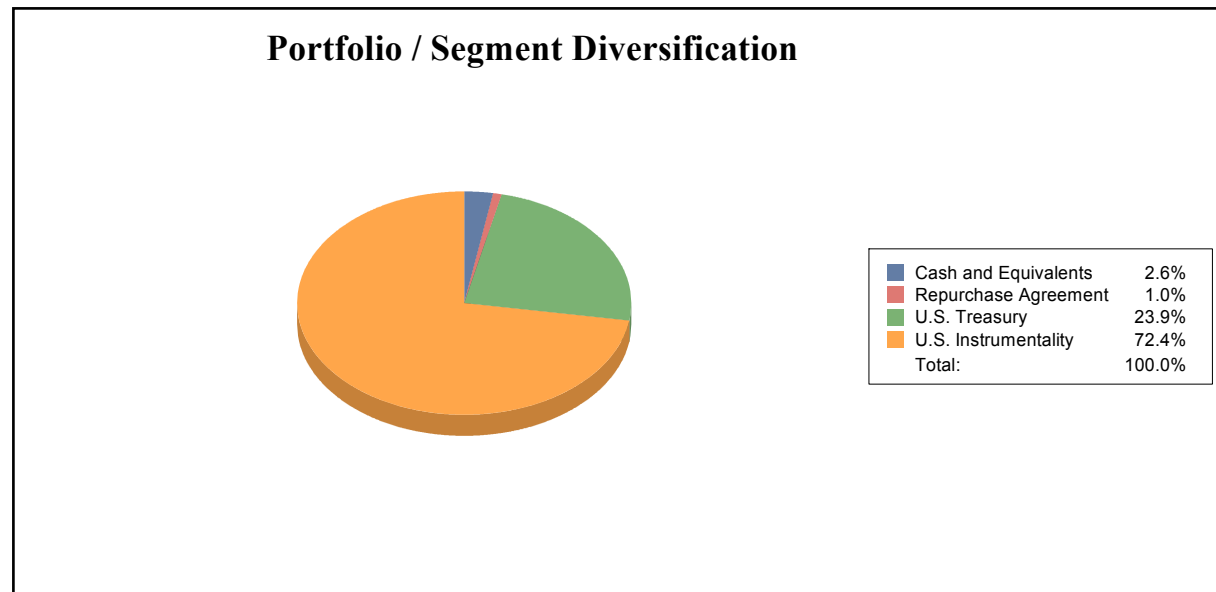
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	1.18%	0.36%	0.19%
Overnight Repo	1.04%	0.19%	0.15%
3 Month T-Bill	1.29%	0.64%	0.35%
6 Month T-Bill	2.41%	2.43%	1.18%
1 Year T-Note	2.61%	3.41%	2.59%
2 Year T-Note	4.48%	7.12%	6.48%
5 Year T-Note	8.40%	17.67%	23.08%

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	746,681.86	744,920.62
Change in Fair Value	<u>196,804.10</u>	<u>196,804.10</u>
Total Income on Portfolio	943,485.96	941,724.72
Average Daily Historical Cost	221,756,994.08	213,297,154.70
Annualized Return	5.01%	5.20%
Annualized Return Net of Fees	4.94%	5.12%
Annualized Return Year to Date Net of Fees	1.55%	1.60%
Weighted Average Effective Maturity in Days	487	500

**City of Ann Arbor
Recap of Securities Held
March 31, 2009**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	5,781,996.95	5,781,996.95	5,781,996.95	0.00	1	1	2.64	0.23	0.00
Repurchase Agreement	2,293,274.38	2,293,274.38	2,293,274.38	0.00	1	1	1.05	0.20	0.00
U.S. Treasury	52,367,410.17	52,559,390.74	54,209,476.38	1,650,085.64	435	435	23.93	3.40	1.14
U.S. Instrumentality	158,390,776.80	157,973,015.21	162,285,614.23	4,312,599.02	1,114	529	72.38	3.72	1.36
TOTAL	218,833,458.30	218,607,677.28	224,570,361.94	5,962,684.66	910	487	100.00	3.51	1.26

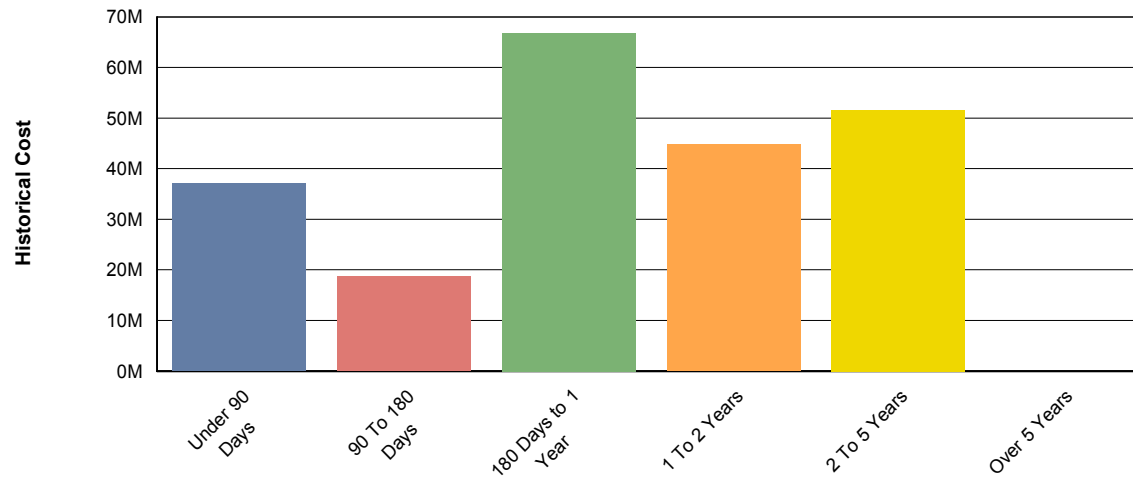
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
March 31, 2009**

Maturity	Historical Cost	Percent
Under 90 Days	37,042,107.58	16.93%
90 To 180 Days	18,677,527.50	8.54%
180 Days to 1 Year	66,821,455.54	30.54%
1 To 2 Years	44,743,025.63	20.45%
2 To 5 Years	51,549,342.05	23.56%
Over 5 Years	0.00	0.00%
	218,833,458.30	100.00%

Maturity Distribution



**City of Ann Arbor
Securities Held
March 31, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<u>Cash and Equivalents</u>													
BankOne	03/31/09	0.230 V		5,781,996.95	5,781,996.95 0.00	5,781,996.95 0.00	5,781,996.95 0.00	0.00	1,761.24	1,761.24	0.00	2.64	0.23
TOTAL				5,781,996.95	5,781,996.95 0.00	5,781,996.95 0.00	5,781,996.95 0.00	0.00	1,761.24	1,761.24	0.00	2.64	
<u>Repurchase Agreement</u>													
Morgan Stanley	03/30/09	0.200 V		2,293,274.38	2,293,274.38 0.00	2,293,274.38 0.00	2,293,274.38 0.00	0.00	0.00	24.21	24.21	1.05	0.20
TOTAL				2,293,274.38	2,293,274.38 0.00	2,293,274.38 0.00	2,293,274.38 0.00	0.00	0.00	24.21	24.21	1.05	
<u>U.S. Treasury</u>													
912828CE8 T-Note	10/31/06	3.125	04/15/09	3,000,000.00	2,891,718.75 0.00	2,998,309.99 3,742.16	3,003,282.00 (7,032.00)	4,972.01	0.00	7,984.20	43,269.23	1.32	4.70
912828FE5 T-Note	05/15/06	4.875	05/15/09	4,000,000.00	3,985,937.50 0.00	3,999,435.45 397.76	4,022,344.00 (14,532.00)	22,908.55	0.00	16,698.89	73,798.34	1.82	5.00
912828CV0 T-Note	10/10/08	3.375	09/15/09	7,000,000.00	7,122,500.00 0.00	7,060,169.12 (11,169.12)	7,095,158.00 (9,842.00)	34,988.88	118,125.00	20,050.46	10,913.72	3.25	1.47
912828CX6 T-Note	02/21/07	3.375	10/15/09	6,000,000.00	5,799,140.63 0.00	5,959,080.36 6,439.14	6,094,218.00 (7,968.00)	135,137.64	0.00	17,245.88	93,461.54	2.65	4.73
912828FX3 T-Note	10/10/08	4.625	11/15/09	7,000,000.00	7,232,968.75 0.00	7,132,461.03 (18,010.06)	7,176,911.00 (15,316.00)	44,449.97	0.00	27,724.45	122,524.17	3.31	1.55
912828DG2 T-Note	09/18/06	3.625	01/15/10	5,000,000.00	4,829,296.88 0.00	4,959,396.54 4,355.39	5,120,510.00 (3,710.00)	161,113.46	0.00	15,521.41	38,052.49	2.21	4.75
912828DL1 T-Note	10/10/08	3.500	02/15/10	5,325,000.00	5,465,613.28 0.00	5,416,270.28 (8,841.81)	5,459,163.38 (2,289.75)	42,893.10	0.00	15,960.29	23,168.16	2.50	1.51
912828EX4 T-Note	09/01/06	4.500	02/28/11	5,000,000.00	4,958,203.13 0.00	4,982,221.68 789.58	5,350,780.00 4,685.00	368,558.32	0.00	18,953.81	19,565.22	2.27	4.71
912828FK1 T-Note	08/15/06	5.125	06/30/11	5,000,000.00	5,046,093.75 0.00	5,021,234.20 (802.76)	5,482,030.00 26,560.00	460,795.80	0.00	21,944.06	64,416.44	2.31	4.91
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,030,812.09 (615.84)	5,405,080.00 68,750.00	374,267.91	0.00	14,450.97	42,420.58	2.30	3.22

**City of Ann Arbor
Securities Held
March 31, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
TOTAL				52,325,000.00	52,367,410.17 0.00	52,559,390.74 (23,715.56)	54,209,476.38 39,305.25	1,650,085.64	118,125.00	176,534.42	531,589.89	23.93	
U.S. Instrumentality													
31331XFS6 FFCB	01/31/07	4.750	12/07/09	5,000,000.00	4,946,750.00 0.00	4,987,211.82 1,585.74	5,129,830.00 (12,120.00)	142,618.18	0.00	19,791.66	75,208.33	2.26	5.15
31398APJ5 FNMA	Call 10/22/08	3.000	03/10/10 03/10/10	6,000,000.00	5,978,220.00 0.00	5,985,177.50 1,339.64	6,105,738.00 7,320.00	120,560.50	90,000.00	15,000.00	10,500.00	2.73	3.27
3133XJUS5 FHLB	03/18/09	5.000	03/12/10	5,340,000.00	5,539,716.00 4,450.00	5,531,927.63 (7,788.37)	5,542,717.08 3,001.08	10,789.45	0.00	9,641.67	14,091.67	2.53	1.16
3137EABG3 FHLMC	03/16/09	2.875	04/30/10	7,000,000.00	7,127,610.00 76,027.78	7,122,630.10 (4,979.90)	7,131,096.00 3,486.00	8,465.90	0.00	8,385.41	84,413.19	3.26	1.23
3133XFLE4 FHLB	09/01/06	5.250	06/11/10	5,000,000.00	5,035,800.00 0.00	5,011,318.93 (804.78)	5,247,660.00 5,735.00	236,341.07	0.00	21,875.00	80,208.33	2.30	5.04
3128X2EV3 FHLMC	Call 08/26/04	4.750	12/08/10 12/08/10	3,000,000.00	3,017,250.00 0.00	3,000,000.00 0.00	3,172,803.00 5,784.00	172,803.00	0.00	11,875.00	44,729.17	1.38	4.75
3136FHAA3 FNMA	Call 02/19/09	2.000	02/11/11 02/11/10	6,000,000.00	6,000,000.00 2,666.67	6,000,000.00 0.00	6,018,198.00 18,798.00	18,198.00	0.00	10,000.00	16,666.67	2.74	2.00
31331TZN4 FFCB	03/28/08	3.750	04/07/11	5,000,000.00	5,131,700.00 0.00	5,087,720.54 (3,694.75)	5,223,775.00 9,100.00	136,054.46	0.00	15,625.00	90,625.00	2.35	2.84
3136F7B48 FNMA	Call 07/25/06	5.625	05/19/11 05/19/09	5,000,000.00	4,989,600.00 0.00	4,995,400.11 183.28	5,023,830.00 (15,425.00)	28,429.89	0.00	23,437.50	103,125.00	2.28	5.67
3133XR4U1 FHLB	05/23/08	3.125	06/10/11	5,000,000.00	4,940,350.00 0.00	4,957,124.89 1,661.41	5,137,940.00 7,935.00	180,815.11	0.00	13,020.83	48,177.08	2.26	3.54
31398ASL7 FNMA	Call 09/18/08	4.250	06/24/11 06/24/09	5,000,000.00	5,045,750.00 0.00	5,013,774.19 (5,083.34)	5,036,275.00 (14,810.00)	22,500.81	0.00	17,708.33	57,256.94	2.31	3.03
3136F9XC2 FNMA	Call 12/16/08	4.250	07/01/11 07/01/10	5,000,000.00	5,169,900.00 0.00	5,137,854.80 (9,371.71)	5,178,875.00 (9,700.00)	41,020.20	0.00	17,708.33	53,125.00	2.36	2.00
31398ASQ6 FNMA	Call 11/21/08	4.000	07/07/11 07/07/09	3,000,000.00	3,000,000.00 0.00	3,000,000.00 0.00	3,022,248.00 (8,208.00)	22,248.00	0.00	10,000.00	28,000.00	1.37	4.00
3133XHB43 FHLB	02/19/09	4.875	10/05/11	6,765,000.00	7,242,676.65 122,756.56	7,222,233.29 (15,457.17)	7,284,450.53 (12,596.43)	62,217.24	0.00	27,482.81	161,232.50	3.31	2.10
31331GHH5 FFCB	Call 12/19/08	3.000	12/19/11 06/19/09	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,006,440.00 10,915.00	6,440.00	0.00	12,500.00	42,500.00	2.28	3.00
3133XKBC8 FHLB	Call 03/26/07	5.000	03/26/12 03/26/10	3,000,000.00	3,000,000.00 0.00	3,000,000.00 0.00	3,104,616.00 (7,821.00)	104,616.00	75,000.00	12,500.00	2,083.33	1.37	5.00

**City of Ann Arbor
Securities Held
March 31, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
U.S. Instrumentality													
31331XG30 FFCB	11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,993,300.92 (2,852.45)	4,286,444.82 (11,122.76)	293,143.90	0.00	17,644.37	58,814.58	1.85	4.48
3133XLMW0 FHLB	Call 12/07/07	5.510	07/20/12 07/20/10	5,000,000.00	5,191,000.00 0.00	5,094,900.63 (6,193.51)	5,263,910.00 (17,535.00)	169,009.37	0.00	22,958.33	54,334.72	2.37	3.96
31331Y3X6 FFCB	08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,990,091.53 254.06	5,285,810.00 (15,060.00)	295,718.47	0.00	16,458.34	37,305.56	2.28	4.02
31331XU91 FFCB	Call 08/24/07	5.540	08/10/12 08/10/09	3,500,000.00	3,525,340.00 0.00	3,504,629.76 (1,095.60)	3,550,050.00 (16,922.50)	45,420.24	0.00	16,158.34	27,469.17	1.61	5.15
31331X7J5 FFCB	Call 10/30/07	5.050	10/15/12 10/15/09	3,000,000.00	3,015,000.00 0.00	3,004,127.09 (649.45)	3,061,308.00 (12,723.00)	57,180.91	0.00	12,625.00	69,858.33	1.38	4.78
3136F8VL6 FNMA	Call 06/05/08	5.000	11/07/12 05/07/09	2,000,000.00	2,016,080.00 0.00	2,000,000.00 0.00	2,008,196.00 (7,448.00)	8,196.00	0.00	8,333.33	40,000.00	0.92	5.00
31331YGE4 FFCB	12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,029,919.06 (690.61)	5,334,685.00 (2,525.00)	304,765.94	0.00	17,708.33	69,062.50	2.30	4.07
31398AKN1 FNMA	Call 01/07/08	4.550	01/04/13 01/04/10	5,000,000.00	5,014,750.00 0.00	5,005,632.55 (628.10)	5,115,185.00 (3,200.00)	109,552.45	0.00	18,958.34	54,979.17	2.29	4.39
31398ALB6 FNMA	Call 01/18/08	4.000	01/18/13 01/18/11	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,215,090.00 23,310.00	215,090.00	0.00	16,666.67	40,555.56	2.28	4.00
31359MQV8 FNMA	Call 09/18/06	4.750	02/21/13 02/21/13	5,000,000.00	4,902,300.00 0.00	4,940,830.75 1,289.91	5,496,870.00 41,455.00	556,039.25	0.00	19,791.67	26,388.89	2.24	5.11
3128X7R89 FHLMC	Call 09/25/08	4.510	08/06/13 08/06/10	4,080,000.00	4,087,012.50 0.00	4,085,073.75 (319.69)	4,237,528.80 23,023.44	152,455.05	0.00	15,334.00	28,112.33	1.87	4.41
31331GGU7 FFCB	Call 02/12/09	4.000	12/23/13 06/23/09	5,000,000.00	5,037,750.00 27,222.22	5,023,917.94 (8,933.21)	5,020,850.00 5,735.00	(3,067.94)	0.00	16,666.66	54,444.44	2.30	1.90
31331XSR4 FFCB	05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,155,568.13 (2,667.37)	5,479,725.00 (630.00)	324,156.87	121,875.00	20,312.50	11,510.42	2.37	4.16
3133XLWD1 FHLB	Call 12/31/07	5.750	08/27/14 08/27/10	5,000,000.00	5,156,250.00 0.00	5,082,635.31 (4,993.56)	5,273,825.00 43,790.00	191,189.69	0.00	23,958.34	27,152.78	2.36	4.49
3133XNB24 FHLB	Call 12/03/07	5.125	12/03/14 12/03/09	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,115,395.00 42,035.00	115,395.00	0.00	21,354.17	83,993.06	2.28	5.13
3133XNXK0 FHLB	Call 01/14/08	4.600	01/14/15 01/14/10	5,000,000.00	5,000,000.00 0.00	5,000,000.00 0.00	5,111,570.00 72,100.00	111,570.00	0.00	19,166.66	49,194.44	2.28	4.60
3133XRSQ4 FHLB	Call 08/22/08	5.375	07/23/15 07/23/09	5,000,000.00	5,029,687.50 0.00	5,010,013.99 (2,747.20)	5,062,680.00 14,615.00	52,666.01	0.00	22,395.83	50,763.89	2.30	4.70

**City of Ann Arbor
Securities Held
March 31, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
TOTAL				156,570,000.00	158,390,776.80 233,123.23	157,973,015.21 (72,636.73)	162,285,614.23 170,290.83	4,312,599.02	286,875.00	553,042.42	1,695,882.05	72.38	
GRAND TOTAL				216,970,271.33	218,833,458.30 233,123.23	218,607,677.28 (96,352.29)	224,570,361.94 209,596.08	5,962,684.66	406,761.24	731,362.29	2,227,496.15	100.00	

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2009

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
T-Note												
912828CE8	U.S. Treasury	3.125	04/15/2009		AAA	Aaa	3,000,000.00	2,891,718.75	1.32	3,003,282.00	1.34	0.04
912828FE5	U.S. Treasury	4.875	05/15/2009		AAA	Aaa	4,000,000.00	3,985,937.50	1.82	4,022,344.00	1.79	0.12
912828CV0	U.S. Treasury	3.375	09/15/2009		AAA	Aaa	7,000,000.00	7,122,500.00	3.25	7,095,158.00	3.16	0.46
912828CX6	U.S. Treasury	3.375	10/15/2009		AAA	Aaa	6,000,000.00	5,799,140.63	2.65	6,094,218.00	2.71	0.53
912828FX3	U.S. Treasury	4.625	11/15/2009		AAA	Aaa	7,000,000.00	7,232,968.75	3.31	7,176,911.00	3.20	0.61
912828DG2	U.S. Treasury	3.625	01/15/2010		AAA	Aaa	5,000,000.00	4,829,296.88	2.21	5,120,510.00	2.28	0.78
912828DL1	U.S. Treasury	3.500	02/15/2010		AAA	Aaa	5,325,000.00	5,465,613.28	2.50	5,459,163.38	2.43	0.87
912828EX4	U.S. Treasury	4.500	02/28/2011		AAA	Aaa	5,000,000.00	4,958,203.13	2.27	5,350,780.00	2.38	1.85
912828FK1	U.S. Treasury	5.125	06/30/2011		AAA	Aaa	5,000,000.00	5,046,093.75	2.31	5,482,030.00	2.44	2.13
912828JD3	U.S. Treasury	3.375	06/30/2013		AAA	Aaa	5,000,000.00	5,035,937.50	2.30	5,405,080.00	2.41	3.95
ISSUER TOTAL							52,325,000.00	52,367,410.17	23.93	54,209,476.38	24.14	1.16
FHLB												
3133XRSQ4	U.S. Instrumentality	5.375	07/23/2015	07/23/2009	AAA	Aaa	5,000,000.00	5,029,687.50	2.30	5,062,680.00	2.25	0.31
3133XNB24	U.S. Instrumentality	5.125	12/03/2014	12/03/2009	AAA	Aaa	5,000,000.00	5,000,000.00	2.28	5,115,395.00	2.28	0.65
3133XNXK0	U.S. Instrumentality	4.600	01/14/2015	01/14/2010	AAA	Aaa	5,000,000.00	5,000,000.00	2.28	5,111,570.00	2.28	0.77
3133XJUS5	U.S. Instrumentality	5.000	03/12/2010		AAA	Aaa	5,340,000.00	5,539,716.00	2.53	5,542,717.08	2.47	0.93
3133XKBC8	U.S. Instrumentality	5.000	03/26/2012	03/26/2010	AAA	Aaa	3,000,000.00	3,000,000.00	1.37	3,104,616.00	1.38	0.97
3133XFLE4	U.S. Instrumentality	5.250	06/11/2010		AAA	Aaa	5,000,000.00	5,035,800.00	2.30	5,247,660.00	2.34	1.15
3133XLMW0	U.S. Instrumentality	5.510	07/20/2012	07/20/2010	AAA	Aaa	5,000,000.00	5,191,000.00	2.37	5,263,910.00	2.34	1.26
3133XLWD1	U.S. Instrumentality	5.750	08/27/2014	08/27/2010	AAA	Aaa	5,000,000.00	5,156,250.00	2.36	5,273,825.00	2.35	1.35
3133XR4U1	U.S. Instrumentality	3.125	06/10/2011		AAA	Aaa	5,000,000.00	4,940,350.00	2.26	5,137,940.00	2.29	2.10
3133XHB43	U.S. Instrumentality	4.875	10/05/2011		AAA	Aaa	6,765,000.00	7,242,676.65	3.31	7,284,450.53	3.24	2.33
ISSUER TOTAL							50,105,000.00	51,135,480.15	23.37	52,144,763.61	23.22	1.24
FNMA												
3136F8VL6	U.S. Instrumentality	5.000	11/07/2012	05/07/2009	AAA	Aaa	2,000,000.00	2,016,080.00	0.92	2,008,196.00	0.89	0.10
3136F7B48	U.S. Instrumentality	5.625	05/19/2011	05/19/2009	AAA	Aaa	5,000,000.00	4,989,600.00	2.28	5,023,830.00	2.24	0.13
31398ASL7	U.S. Instrumentality	4.250	06/24/2011	06/24/2009	AAA	Aaa	5,000,000.00	5,045,750.00	2.31	5,036,275.00	2.24	0.23
31398ASQ6	U.S. Instrumentality	4.000	07/07/2011	07/07/2009	AAA	Aaa	3,000,000.00	3,000,000.00	1.37	3,022,248.00	1.35	0.27
31398AKN1	U.S. Instrumentality	4.550	01/04/2013	01/04/2010	AAA	Aaa	5,000,000.00	5,014,750.00	2.29	5,115,185.00	2.28	0.74
3136FHAA3	U.S. Instrumentality	2.000	02/11/2011	02/11/2010	AAA	Aaa	6,000,000.00	6,000,000.00	2.74	6,018,198.00	2.68	0.85
31398APJ5	U.S. Instrumentality	3.000	03/10/2010	03/10/2010	AAA	Aaa	6,000,000.00	5,978,220.00	2.73	6,105,738.00	2.72	0.93
3136F9XC2	U.S. Instrumentality	4.250	07/01/2011	07/01/2010	AAA	Aaa	5,000,000.00	5,169,900.00	2.36	5,178,875.00	2.31	1.21
31398ALB6	U.S. Instrumentality	4.000	01/18/2013	01/18/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.28	5,215,090.00	2.32	1.73
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AAA	Aaa	5,000,000.00	4,902,300.00	2.24	5,496,870.00	2.45	3.56

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
March 31, 2009

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
ISSUER TOTAL							47,000,000.00	47,116,600.00	21.53	48,220,505.00	21.47	1.08
<u>FFCB</u>												
31331GHH5	U.S. Instrumentality	3.000	12/19/2011	06/19/2009	AAA	Aaa	5,000,000.00	5,000,000.00	2.28	5,006,440.00	2.23	0.22
31331GGU7	U.S. Instrumentality	4.000	12/23/2013	06/23/2009	AAA	Aaa	5,000,000.00	5,037,750.00	2.30	5,020,850.00	2.24	0.23
31331XU91	U.S. Instrumentality	5.540	08/10/2012	08/10/2009	AAA	Aaa	3,500,000.00	3,525,340.00	1.61	3,550,050.00	1.58	0.36
31331X7J5	U.S. Instrumentality	5.050	10/15/2012	10/15/2009	AAA	Aaa	3,000,000.00	3,015,000.00	1.38	3,061,308.00	1.36	0.52
31331XFS6	U.S. Instrumentality	4.750	12/07/2009		AAA	Aaa	5,000,000.00	4,946,750.00	2.26	5,129,830.00	2.28	0.67
31331TZN4	U.S. Instrumentality	3.750	04/07/2011		AAA	Aaa	5,000,000.00	5,131,700.00	2.35	5,223,775.00	2.33	1.92
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AAA	Aaa	3,885,000.00	4,039,584.15	1.85	4,286,444.82	1.91	2.94
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AAA	Aaa	5,000,000.00	4,988,100.00	2.28	5,285,810.00	2.35	3.09
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AAA	Aaa	5,000,000.00	5,040,100.00	2.30	5,334,685.00	2.38	3.37
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AAA	Aaa	5,000,000.00	5,182,500.00	2.37	5,479,725.00	2.44	4.42
ISSUER TOTAL							45,385,000.00	45,906,824.15	20.98	47,378,917.82	21.10	1.89
<u>FHLMC</u>												
3137EABG3	U.S. Instrumentality	2.875	04/30/2010		AAA	Aaa	7,000,000.00	7,127,610.00	3.26	7,131,096.00	3.18	1.06
3128X7R89	U.S. Instrumentality	4.510	08/06/2013	08/06/2010	AAA	Aaa	4,080,000.00	4,087,012.50	1.87	4,237,528.80	1.89	1.30
3128X2EV3	U.S. Instrumentality	4.750	12/08/2010	12/08/2010	AAA	Aaa	3,000,000.00	3,017,250.00	1.38	3,172,803.00	1.41	1.61
ISSUER TOTAL							14,080,000.00	14,231,872.50	6.50	14,541,427.80	6.48	1.25
<u>BankOne</u>												
	Cash and Equivalents	0.230					5,781,996.95	5,781,996.95	2.64	5,781,996.95	2.57	0.00
ISSUER TOTAL							5,781,996.95	5,781,996.95	2.64	5,781,996.95	2.57	0.00
<u>Morgan Stanley</u>												
	Repurchase Agreement	0.200			NR	P-1	2,293,274.38	2,293,274.38	1.05	2,293,274.38	1.02	0.00
ISSUER TOTAL							2,293,274.38	2,293,274.38	1.05	2,293,274.38	1.02	0.00
GRAND TOTAL							216,970,271.33	218,833,458.30	100.00	224,570,361.94	100.00	1.28

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value.

**City of Ann Arbor
Securities Purchased
for the period March 1, 2009 - March 31, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
BankOne	03/31/2009	0.230 V		1,761.24	100.000	1,761.24	0.00	0.23
TOTAL				1,761.24		1,761.24	0.00	
<u>Repurchase Agreement</u>								
Morgan Stanley	03/30/2009	0.180 V		2,293,274.38	100.000	2,293,274.38	0.00	0.18
TOTAL				2,293,274.38		2,293,274.38	0.00	
<u>U.S. Instrumentality</u>								
3137EABG3 FHLMC	03/16/2009	2.875	04/30/2010	7,000,000.00	101.823	7,127,610.00	76,027.78	1.23
3133XJUSS FHLB	03/18/2009	5.000	03/12/2010	5,340,000.00	103.740	5,539,716.00	4,450.00	1.16
TOTAL				12,340,000.00		12,667,326.00	80,477.78	
GRAND TOTAL				14,635,035.62		14,962,361.62	80,477.78	

V = variable rate, opening rate shown, average rate for Cash & Equivalents

City of Ann Arbor
Securities Sold and Matured
for the period March 1, 2009 - March 31, 2009

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Accr / (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg. In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<u>Cash and Equivalents</u>													
BankOne	03/31/09	0.230 V		2,765,115.09	2,765,115.09	2,765,115.09 0.00	100.00	2,765,115.09 0.00	0.00	0.00	0.00	0.00	0.23
TOTAL				2,765,115.09	2,765,115.09	2,765,115.09 0.00		2,765,115.09 0.00	0.00	0.00	0.00	0.00	
<u>Repurchase Agreement</u>													
Morgan Stanley	03/30/09	0.240 V		2,292,790.98	2,292,790.98	2,292,790.98 0.00	100.00	2,292,790.98 0.00	0.00	483.40	0.00	391.69	0.24
TOTAL				2,292,790.98	2,292,790.98	2,292,790.98 0.00		2,292,790.98 0.00	0.00	483.40	0.00	391.69	
<u>Commercial Paper</u>													
36959HQD2 GE Capital	03/13/09	0.000	03/13/09	7,000,000.00	6,888,688.33	7,000,000.00 6,580.00	100.00	7,000,000.00 728.00	0.00	0.00	0.00	0.00	2.90
TOTAL				7,000,000.00	6,888,688.33	7,000,000.00 6,580.00		7,000,000.00 728.00	0.00	0.00	0.00	0.00	
<u>U.S. Treasury</u>													
912828GL8 T-Note	03/31/09	4.500	03/31/09	4,025,000.00	3,987,580.08	4,025,000.00 1,721.78	100.00	4,025,000.00 (13,519.98)	0.00	0.00	90,562.50	14,927.88	5.05
TOTAL				4,025,000.00	3,987,580.08	4,025,000.00 1,721.78		4,025,000.00 (13,519.98)	0.00	0.00	90,562.50	14,927.88	
GRAND TOTAL				16,082,906.07	15,934,174.48	16,082,906.07 8,301.78		16,082,906.07 (12,791.98)	0.00	483.40	90,562.50	15,319.57	

V = variable rate, current rate shown, average rate for Cash & Cash Equivalents

**City of Ann Arbor
Transaction Report
for the period March 1, 2009 - March 31, 2009**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance	
03/02/2009		Maturity	CE	Int Receivable	03/02/2009	112,500.00	112,500.00	0.00	112,500.00	112,500.00	
03/10/2009	31398APJ5	Interest	INS	FNMA	03/10/2010	6,000,000.00	0.00	90,000.00	90,000.00	202,500.00	
03/13/2009	36959HQD2	Maturity	CP	GE Capital	03/13/2009	7,000,000.00	7,000,000.00	0.00	7,000,000.00	7,202,500.00	
03/14/2009	31331XSR4	Interest	INS	FFCB	03/14/2014	5,000,000.00	0.00	121,875.00	121,875.00	7,324,375.00	
03/15/2009	912828CV0	Interest	TSY	T-Note	09/15/2009	7,000,000.00	0.00	118,125.00	118,125.00	7,442,500.00	
03/16/2009	3137EABG3	Bought	INS	FHLMC	04/30/2010	7,000,000.00	7,127,610.00	76,027.78	(7,203,637.78)	238,862.22	
03/18/2009	3133XJUS5	Bought	INS	FHLB	03/12/2010	5,340,000.00	5,539,716.00	4,450.00	(5,544,166.00)	(5,305,303.78)	
03/26/2009	3133XKBC8	Interest	INS	FHLB	03/26/2012	3,000,000.00	0.00	75,000.00	75,000.00	(5,230,303.78)	
03/30/2009		Maturity Repo Lend	RP	Morgan Stanley		2,292,790.98	2,292,790.98	483.40	2,293,274.38	(2,937,029.40)	
		Repo Bought	RP	Morgan Stanley		2,293,274.38	2,293,274.38	0.00	(2,293,274.38)	(5,230,303.78)	
03/31/2009	912828GL8	Maturity	TSY	T-Note	03/31/2009	4,025,000.00	4,025,000.00	0.00	4,025,000.00	(1,205,303.78)	
	912828GL8	Interest	TSY	T-Note	03/31/2009	4,025,000.00	0.00	90,562.50	90,562.50	(1,114,741.28)	
		Interest	CE	BankOne		8,545,350.80	0.00	1,761.24	1,761.24	(1,112,980.04)	
		Bought	CE	BankOne		1,761.24	1,761.24	0.00	(1,761.24)	(1,114,741.28)	
		Sold	CE	BankOne		2,765,115.09	2,765,115.09	0.00	2,765,115.09	1,650,373.81	
Portfolio Activity Total										1,650,373.81	
Net Contributions		0.00	Net Withdrawals		1,636,447.76	Fees Charged		13,859.81	Fees Paid		13,926.05

**City of Ann Arbor
Repurchase Agreement Bid and Offer
for the period March 1, 2009 - March 31, 2009**

Date	Description	Rate	Maturity	Par Value/Shares	Broker	Bid/Offer	*Accepted	Comments
Purchases								
03/30/09	Repo	var	open	2,293,274.38	Morgan Stanley	0.18	*Accepted	Ann Arbor 99
					Mizuho Securities	0.14		
					Banc of America	0.14		

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City of Ann Arbor
Securities Sold Bid and Offer
for the period March 1, 2009 – March 31, 2009

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
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No Sale Activity

**City of Ann Arbor
Upcoming Cash Activity
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
04/05/2009	Interest	3133XHB43	FHLB	4.875	10/05/2011		6,765,000.00	0.00	164,896.88	164,896.88
04/07/2009	Interest	31331TZN4	FFCB	3.750	04/07/2011		5,000,000.00	0.00	93,750.00	93,750.00
04/15/2009	Interest	31331X7J5	FFCB	5.050	10/15/2012	10/15/2009	3,000,000.00	0.00	75,750.00	75,750.00
04/15/2009	Maturity	912828CE8	T-Note	3.125	04/15/2009		3,000,000.00	3,000,000.00	46,875.00	3,046,875.00
04/15/2009	Interest	912828CX6	T-Note	3.375	10/15/2009		6,000,000.00	0.00	101,250.00	101,250.00
04/30/2009	Interest	3137EABG3	FHLMC	2.875	04/30/2010		7,000,000.00	0.00	100,625.00	100,625.00
05/07/2009	Interest	3136F8VL6	FNMA	5.000	11/07/2012	05/07/2009	2,000,000.00	0.00	50,000.00	50,000.00
05/15/2009	Maturity	912828FE5	T-Note	4.875	05/15/2009		4,000,000.00	4,000,000.00	97,500.00	4,097,500.00
05/15/2009	Interest	912828FX3	T-Note	4.625	11/15/2009		7,000,000.00	0.00	161,875.00	161,875.00