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CITY OF ANN ARBOR

Reports for the period June 1, 2009 – June 30, 2009

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

Fixed Income Market Review

June 30, 2009

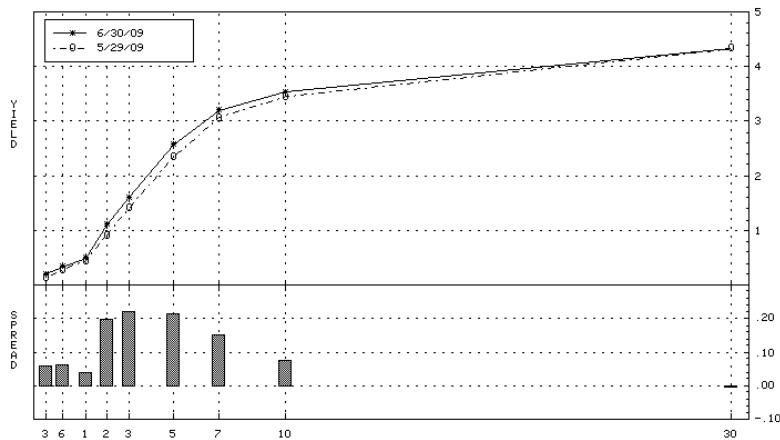
Two-Year Treasury Note Yield
01/01/09 - 07/01/09

Chart 1



Treasury Yield Curves
05/29/09 - 06/30/09

Chart 2



Economic Indicators & Monetary Policy – May’s employment report showed fewer job losses than expected with a decline of 345,000 for the month compared to an expected 525,000. The economy has lost over 6 million jobs since the recession began with more than 4 million jobs lost since last October when job losses averaged around 572,000 per month. The market interpreted May’s employment report as a sign that the Fed would have to shift monetary policy sooner than expected and increase the federal funds target rate before yearend. As such, the yield on the two-year Treasury jumped to 1.40 percent following this report after trading below the one percent level for most of 2009. The market changed this assessment rather quickly, and the two-year Treasury is back to the one percent level once again. (See Chart 1.)

Despite an unemployment rate of nearly 10 percent, the economy appears to be close to finding a bottom in the worst recession to hit the U.S. in over 50 years. There have been positive signs from fewer job losses, improvement in consumer and business sentiment, stabilizing housing market, and better than expected household spending that suggest the worst may be over. In addition, leading indicators show that the economy will recover in the latter half of 2009, consistent with consensus economic forecasts. Things will likely remain challenging with unemployment still rising, but there appears to be a light at the end of the tunnel in what could be a long recovery process.

At the latest Federal Open Market Committee (FOMC) meeting on June 23-24, the Federal Reserve kept its target rate unchanged as well as its planned purchases of government securities. It indicated that the pace of the economic downturn is slowing and noted that financial conditions have improved. Even though commodity prices have risen as of late, the Fed stated that it expects inflation to “remain subdued for some time” considering the amount of economic slack both at home and abroad.

Yield Curve & Spreads – In June, Treasury yields moved higher, primarily in the 2-7 year area of the curve. The market’s concerns about supply and inflation may have been overdone at this time with successful Treasury bond auctions in June and inflation likely to remain low.

At the end of June, three-month Treasury bills yielded 0.19 percent, six-month Treasury bills yielded 0.34 percent, two-year Treasuries yielded 1.11 percent, five-year Treasuries yielded 2.56 percent, 10-year Treasuries yielded 3.53 percent, and 30-year bonds yielded 4.33 percent. (See Chart 2.)

Additional Information
June 30, 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 June 1, 2009 - June 30, 2009

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	212,924,482.19
Additions	
Contributions	0.00
Interest Received	1,233,753.97
Accrued Interest Sold	494.59
Gain on Sales	0.00
Total Additions	1,234,248.56
Deductions	
Withdrawals	20,588,403.33
Fees Paid	13,463.10
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(20,601,866.43)
Accretion (Amortization) for the Period	(108,650.49)
Ending Amortized Cost Value	193,448,213.83
Ending Fair Value	198,675,484.01
Unrealized Gain (Loss)	5,227,270.18

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	387.72	0.00	0.00	387.72
U.S. Treasury	146,260.94	(26,956.94)	0.00	119,304.00
U.S. Instrumentality	504,354.25	(71,582.35)	0.00	432,771.90
Sales and Maturities				
Repurchase Agreement	375.58	0.00	0.00	375.58
U.S. Instrumentality	33,298.61	(10,111.20)	0.00	23,187.41
Total	684,677.10	(108,650.49)	0.00	576,026.61

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.72%	0.18%	0.21%
Overnight Repo	0.58%	0.13%	0.15%
3 Month T-Bill	0.55%	0.19%	0.18%
6 Month T-Bill	0.84%	0.36%	0.32%
1 Year T-Note	1.06%	0.55%	0.51%
2 Year T-Note	1.38%	0.96%	1.18%
5 Year T-Note	2.33%	2.00%	2.70%

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	684,677.10	684,289.38
Accretion (Amortization)	(108,650.49)	(108,650.49)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	576,026.61	575,638.89
Average Daily Historical Cost	204,142,524.46	200,181,715.03
Annualized Return	3.43%	3.50%
Annualized Return Net of Fees	3.36%	3.42%
Annualized Return Year to Date Net of Fees	3.47%	3.57%
Weighted Average Effective Maturity in Days	474	481

City of Ann Arbor
Activity and Performance Summary
for the period June 1, 2009 - June 30, 2009

<u>Fair Value Basis Activity Summary</u>		
Beginning Fair Value		218,523,174.92
Additions		
Contributions	0.00	
Interest Received	1,233,753.97	
Accrued Interest Sold	494.59	
Total Additions		1,234,248.56
Deductions		
Withdrawals	20,588,403.33	
Fees Paid	13,463.10	
Accrued Interest Purchased	0.00	
Total Deductions		(20,601,866.43)
Change in Fair Value for the Period		(480,073.04)
Ending Fair Value		198,675,484.01

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	387.72	0.00	387.72
U.S. Treasury	146,260.94	(194,020.20)	(47,759.26)
U.S. Instrumentality	504,354.25	(261,312.84)	243,041.41
Sales and Maturities			
Repurchase Agreement	375.58	0.00	375.58
U.S. Instrumentality	33,298.61	(24,740.00)	8,558.61
Total	684,677.10	(480,073.04)	204,604.06

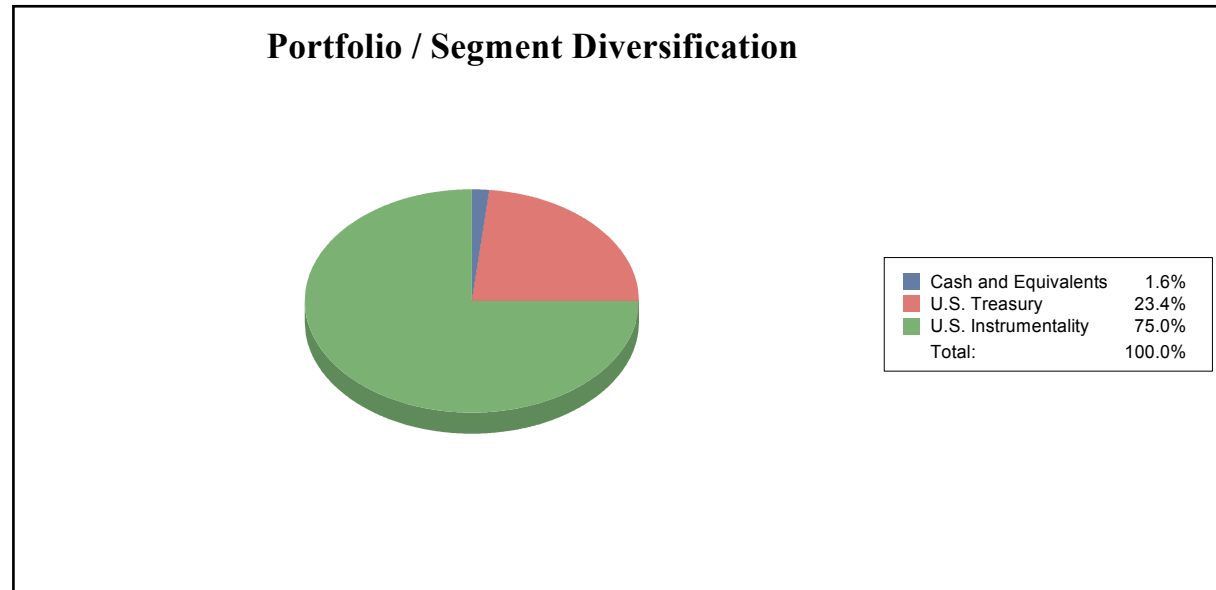
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.72%	0.18%	0.21%
Overnight Repo	0.58%	0.13%	0.15%
3 Month T-Bill	1.03%	0.22%	0.12%
6 Month T-Bill	2.33%	0.63%	0.24%
1 Year T-Note	2.96%	0.73%	0.49%
2 Year T-Note	5.51%	0.58%	(2.31%)
5 Year T-Note	8.23%	(5.55%)	(8.52%)

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	684,677.10	684,289.38
Change in Fair Value	(480,073.04)	(480,073.04)
Total Income on Portfolio	204,604.06	204,216.34
Average Daily Historical Cost	204,142,524.46	200,181,715.03
Annualized Return	1.22%	1.24%
Annualized Return Net of Fees	1.14%	1.16%
Annualized Return Year to Date Net of Fees	1.76%	1.80%
Weighted Average Effective Maturity in Days	474	481

**City of Ann Arbor
Recap of Securities Held
June 30, 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	3,059,126.54	3,059,126.54	3,059,126.54	0.00	1	1	1.58	0.14	0.00
U.S. Treasury	45,489,753.92	45,479,875.98	46,655,831.83	1,175,955.85	405	405	23.44	3.18	1.06
U.S. Instrumentality	145,487,784.80	144,909,211.31	148,960,525.64	4,051,314.33	1,035	505	74.98	3.66	1.31
TOTAL	194,036,665.26	193,448,213.83	198,675,484.01	5,227,270.18	871	474	100.00	3.50	1.23

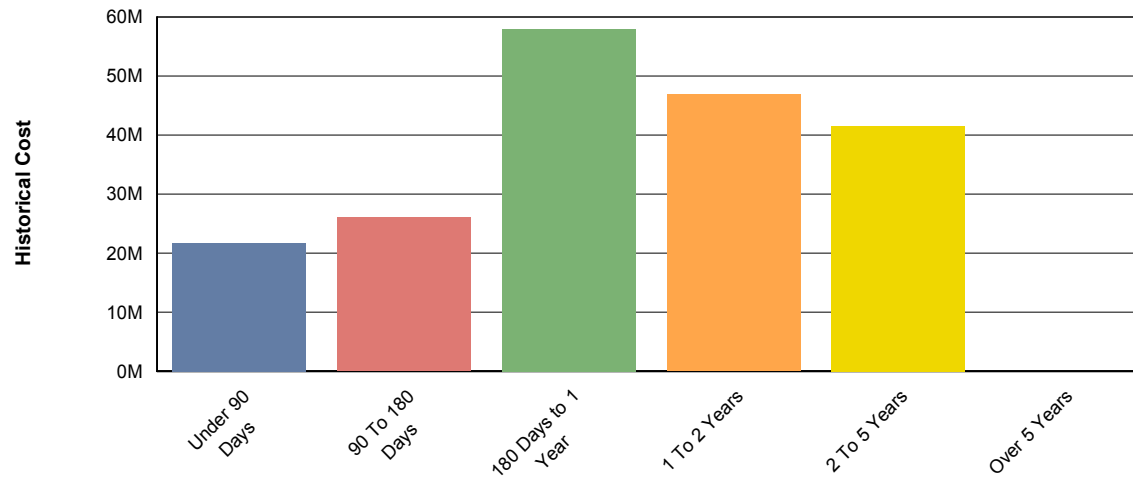
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Ann Arbor
Maturity Distribution of Securities Held
June 30, 2009**

Maturity	Historical Cost	Percent
Under 90 Days	21,736,654.04	11.20%
90 To 180 Days	25,993,859.38	13.40%
180 Days to 1 Year	57,956,656.16	29.87%
1 To 2 Years	46,872,203.63	24.16%
2 To 5 Years	41,477,292.05	21.38%
Over 5 Years	0.00	0.00%
	194,036,665.26	100.00%

Maturity Distribution



**City of Ann Arbor
Securities Held
June 30, 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
Cash and Equivalents													
BankOne	06/30/09	0.140 V		3,059,126.54	3,059,126.54 0.00	3,059,126.54 0.00	3,059,126.54 0.00	0.00	387.72	387.72	0.00	1.58	0.14
TOTAL				3,059,126.54	3,059,126.54 0.00	3,059,126.54 0.00	3,059,126.54 0.00	0.00	387.72	387.72	0.00	1.58	
U.S. Treasury													
912828CV0 T-Note	10/10/08	3.375	09/15/09	7,000,000.00	7,122,500.00 0.00	7,027,382.35 (10,808.83)	7,045,115.00 (18,046.00)	17,732.65	0.00	19,259.51	69,334.24	3.67	1.47
912828CX6 T-Note	02/21/07	3.375	10/15/09	6,000,000.00	5,799,140.63 0.00	5,977,982.32 6,231.41	6,053,670.00 (15,234.00)	75,687.68	0.00	16,598.36	42,602.46	2.99	4.73
912828FX3 T-Note	10/10/08	4.625	11/15/09	7,000,000.00	7,232,968.75 0.00	7,079,592.81 (17,429.09)	7,111,566.00 (24,332.00)	31,973.19	0.00	26,392.67	41,348.51	3.73	1.55
912828DG2 T-Note	09/18/06	3.625	01/15/10	5,000,000.00	4,829,296.88 0.00	4,972,181.71 4,214.89	5,087,110.00 (13,865.00)	114,928.29	0.00	15,020.72	83,615.33	2.49	4.75
912828DL1 T-Note	10/10/08	3.500	02/15/10	5,325,000.00	5,465,613.28 0.00	5,390,315.30 (8,556.59)	5,426,925.83 (14,143.20)	36,610.53	0.00	15,445.44	70,019.34	2.82	1.51
912828EX4 T-Note	09/01/06	4.500	02/28/11	5,000,000.00	4,958,203.13 0.00	4,984,539.49 764.11	5,300,585.00 (18,165.00)	316,045.51	0.00	18,342.39	75,203.80	2.56	4.71
912828FK1 T-Note	08/15/06	5.125	06/30/11	5,000,000.00	5,046,093.75 0.00	5,018,877.72 (776.86)	5,393,360.00 (36,720.00)	374,482.28	128,125.00	21,224.64	696.33	2.60	4.91
912828JD3 T-Note	07/17/08	3.375	06/30/13	5,000,000.00	5,035,937.50 0.00	5,029,004.28 (595.98)	5,237,500.00 (53,515.00)	208,495.72	84,375.00	13,977.21	458.56	2.60	3.22
TOTAL				45,325,000.00	45,489,753.92 0.00	45,479,875.98 (26,956.94)	46,655,831.83 (194,020.20)	1,175,955.85	212,500.00	146,260.94	383,278.57	23.44	
U.S. Instrumentality													
31331XFS6 FFCB	01/31/07	4.750	12/07/09	5,000,000.00	4,946,750.00 0.00	4,991,866.71 1,534.58	5,096,805.00 (10,960.00)	104,938.29	118,750.00	19,791.66	15,833.33	2.55	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	5,989,110.00 1,296.43	6,099,792.00 (3,480.00)	110,682.00	0.00	15,000.00	55,500.00	3.08	3.27
3133XJUS5 FHLB	03/18/09	5.000	03/12/10	5,340,000.00	5,539,716.00 4,450.00	5,481,303.24 (16,689.36)	5,509,390.14 (12,463.56)	28,086.90	0.00	22,250.00	80,841.67	2.85	1.16
3137EABG3 FHLMC	03/16/09	2.875	04/30/10	7,000,000.00	7,127,610.00 0.00	7,094,306.90 (9,337.32)	7,132,307.00 (1,596.00)	38,000.10	0.00	16,770.83	34,100.69	3.67	1.23
3133XFLE4 FHLB	09/01/06	5.250	06/11/10	5,000,000.00	5,035,800.00 0.00	5,008,956.49 (778.83)	5,223,610.00 (10,750.00)	214,653.51	131,250.00	21,875.00	14,583.33	2.60	5.04

**City of Ann Arbor
Securities Held
June 30, 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													
3133XTCW4 FHLB	04/15/09	1.450	09/30/10	4,200,000.00	4,220,538.00 2,368.33	4,217,570.97 (1,155.99)	4,199,664.00 5,523.00	(17,906.97)	0.00	5,075.00	15,225.00	2.18	1.11
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	3,166,488.00 (8,673.00)	166,488.00	71,250.00	11,875.00	9,104.17	1.55	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	6,041,796.00 (2,826.00)	41,796.00	0.00	10,000.00	46,666.67	3.09	2.00
31331TZN4 FFCB	03/28/08	3.750	04/07/11	5,000,000.00	5,131,700.00 0.00	5,076,874.66 (3,575.57)	5,227,990.00 (16,550.00)	151,115.34	0.00	15,625.00	43,750.00	2.64	2.84
3133XR4U1 FHLB	05/23/08	3.125	06/10/11	5,000,000.00	4,940,350.00 0.00	4,962,001.93 1,607.81	5,151,580.00 (15,750.00)	189,578.07	78,125.00	13,020.83	9,114.58	2.55	3.54
3136F9XC2 FNMA	Call 12/16/08	4.250	07/01/11 07/01/10	5,000,000.00	5,169,900.00 0.00	5,110,344.31 (9,069.39)	5,173,750.00 (12,430.00)	63,405.69	0.00	17,708.33	106,250.00	2.66	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	3,000,456.00 (9,588.00)	456.00	0.00	10,000.00	58,000.00	1.55	4.00
3133XHB43 FHLB	02/19/09	4.875	10/05/11	6,765,000.00	7,242,676.65 0.00	7,176,858.99 (14,958.56)	7,274,688.63 (31,132.53)	97,829.64	0.00	27,482.81	78,784.06	3.73	2.10
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	3,093,126.00 (8,436.00)	93,126.00	0.00	12,500.00	39,583.33	1.55	5.00
31331XG30 FFCB	11/15/07	5.450	06/21/12	3,885,000.00	4,039,584.15 0.00	3,984,927.61 (2,760.43)	4,277,544.29 (23,088.55)	292,616.68	105,866.25	17,644.38	5,881.46	2.08	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	5,076,719.67 (5,993.72)	5,243,420.00 (16,630.00)	166,700.33	0.00	22,958.33	123,209.72	2.68	3.96
31331Y3X6 FFCB	08/01/08	3.950	07/23/12	5,000,000.00	4,988,100.00 0.00	4,990,837.33 245.87	5,289,500.00 (21,385.00)	298,662.67	0.00	16,458.34	86,680.56	2.57	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	3,501,413.67 (1,060.25)	3,517,566.50 (13,559.00)	16,152.83	0.00	16,158.34	75,944.17	1.82	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	3,002,220.67 (628.49)	3,039,342.00 (11,007.00)	37,121.33	0.00	12,625.00	31,983.33	1.55	4.78
31331YGE4 FFCB	12/31/07	4.250	12/04/12	5,000,000.00	5,040,100.00 0.00	5,027,891.78 (668.33)	5,343,710.00 (10,560.00)	315,818.22	106,250.00	17,708.33	15,937.50	2.60	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	5,003,788.80 (607.83)	5,093,160.00 (14,540.00)	89,371.20	0.00	18,958.34	111,854.17	2.58	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	5,204,080.00 (16,500.00)	204,080.00	0.00	16,666.67	90,555.56	2.58	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	4,944,617.25 1,248.30	5,375,490.00 (23,895.00)	430,872.75	0.00	19,791.67	85,763.89	2.53	5.11

**City of Ann Arbor
Securities Held
June 30, 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														
3128X7R89 FHLMC	Call	09/25/08	4.510	08/06/13 08/06/10	4,080,000.00	4,087,012.50 0.00	4,084,135.31 (309.38)	4,235,860.08 (7,711.20)	151,724.77	0.00	15,334.00	74,114.33	2.11	4.41
31331XSR4 FFCB		05/23/08	4.875	03/14/14	5,000,000.00	5,182,500.00 0.00	5,147,738.10 (2,581.32)	5,460,735.00 16,920.00	312,996.90	0.00	20,312.50	72,447.92	2.67	4.16
31331GZF9 FFCB	Call	06/23/09	3.500	06/23/14 06/23/10	5,000,000.00	4,965,650.00 0.00	4,965,800.49 150.49	5,039,710.00 74,060.00	73,909.51	0.00	3,888.89	3,888.89	2.56	3.65
3133XLWD1 FHLB	Call	12/31/07	5.750	08/27/14 08/27/10	5,000,000.00	5,156,250.00 0.00	5,067,976.80 (4,832.48)	5,255,915.00 (11,905.00)	187,938.20	0.00	23,958.34	99,027.78	2.66	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	5,086,820.00 (13,635.00)	86,820.00	128,125.00	21,354.17	19,930.56	2.58	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	5,092,120.00 (10,275.00)	92,120.00	0.00	19,166.66	106,694.44	2.58	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	5,001,949.63 (2,658.58)	5,014,110.00 (18,490.00)	12,160.37	0.00	22,395.83	117,951.39	2.59	4.70
TOTAL					143,770,000.00	145,487,784.80 9,485.00	144,909,211.31 (71,582.35)	148,960,525.64 (261,312.84)	4,051,314.33	739,616.25	504,354.25	1,729,202.50	74.98	
GRAND TOTAL					192,154,126.54	194,036,665.26 9,485.00	193,448,213.83 (98,539.29)	198,675,484.01 (455,333.04)	5,227,270.18	952,503.97	651,002.91	2,112,481.07	100.00	

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

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 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)
FHLB												
3133XRSQ4	U.S. Instrumentality	5.375	07/23/2015	07/23/2009	AAA	Aaa	5,000,000.00	5,029,687.50	2.59	5,014,110.00	2.52	0.06
3133XNB24	U.S. Instrumentality	5.125	12/03/2014	12/03/2009	AAA	Aaa	5,000,000.00	5,000,000.00	2.58	5,086,820.00	2.56	0.42
3133XNKK0	U.S. Instrumentality	4.600	01/14/2015	01/14/2010	AAA	Aaa	5,000,000.00	5,000,000.00	2.58	5,092,120.00	2.56	0.52
3133XJUS5	U.S. Instrumentality	5.000	03/12/2010		AAA	Aaa	5,340,000.00	5,539,716.00	2.85	5,509,390.14	2.77	0.69
3133XKBC8	U.S. Instrumentality	5.000	03/26/2012	03/26/2010	AAA	Aaa	3,000,000.00	3,000,000.00	1.55	3,093,126.00	1.56	0.72
3133XFLE4	U.S. Instrumentality	5.250	06/11/2010		AAA	Aaa	5,000,000.00	5,035,800.00	2.60	5,223,610.00	2.63	0.93
3133XLMW0	U.S. Instrumentality	5.510	07/20/2012	07/20/2010	AAA	Aaa	5,000,000.00	5,191,000.00	2.68	5,243,420.00	2.64	1.01
3133XLWD1	U.S. Instrumentality	5.750	08/27/2014	08/27/2010	AAA	Aaa	5,000,000.00	5,156,250.00	2.66	5,255,915.00	2.65	1.11
3133XTCW4	U.S. Instrumentality	1.450	09/30/2010		AAA	Aaa	4,200,000.00	4,220,538.00	2.18	4,199,664.00	2.11	1.23
3133XR4U1	U.S. Instrumentality	3.125	06/10/2011		AAA	Aaa	5,000,000.00	4,940,350.00	2.55	5,151,580.00	2.59	1.89
3133XHB43	U.S. Instrumentality	4.875	10/05/2011		AAA	Aaa	6,765,000.00	7,242,676.65	3.73	7,274,688.63	3.66	2.14
ISSUER TOTAL							54,305,000.00	55,356,018.15	28.53	56,144,443.77	28.26	1.03
T-Note												
912828CV0	U.S. Treasury	3.375	09/15/2009		AAA	Aaa	7,000,000.00	7,122,500.00	3.67	7,045,115.00	3.55	0.21
912828CX6	U.S. Treasury	3.375	10/15/2009		AAA	Aaa	6,000,000.00	5,799,140.63	2.99	6,053,670.00	3.05	0.29
912828FX3	U.S. Treasury	4.625	11/15/2009		AAA	Aaa	7,000,000.00	7,232,968.75	3.73	7,111,566.00	3.58	0.37
912828DG2	U.S. Treasury	3.625	01/15/2010		AAA	Aaa	5,000,000.00	4,829,296.88	2.49	5,087,110.00	2.56	0.53
912828DL1	U.S. Treasury	3.500	02/15/2010		AAA	Aaa	5,325,000.00	5,465,613.28	2.82	5,426,925.83	2.73	0.62
912828EX4	U.S. Treasury	4.500	02/28/2011		AAA	Aaa	5,000,000.00	4,958,203.13	2.56	5,300,585.00	2.67	1.60
912828FK1	U.S. Treasury	5.125	06/30/2011		AAA	Aaa	5,000,000.00	5,046,093.75	2.60	5,393,360.00	2.71	1.92
912828JD3	U.S. Treasury	3.375	06/30/2013		AAA	Aaa	5,000,000.00	5,035,937.50	2.60	5,237,500.00	2.64	3.74
ISSUER TOTAL							45,325,000.00	45,489,753.92	23.44	46,655,831.83	23.48	1.08
FFCB												
31331XU91	U.S. Instrumentality	5.540	08/10/2012	08/10/2009	AAA	Aaa	3,500,000.00	3,525,340.00	1.82	3,517,566.50	1.77	0.11
31331X7J5	U.S. Instrumentality	5.050	10/15/2012	10/15/2009	AAA	Aaa	3,000,000.00	3,015,000.00	1.55	3,039,342.00	1.53	0.29
31331XFS6	U.S. Instrumentality	4.750	12/07/2009		AAA	Aaa	5,000,000.00	4,946,750.00	2.55	5,096,805.00	2.57	0.44
31331GZF9	U.S. Instrumentality	3.500	06/23/2014	06/23/2010	AAA	Aaa	5,000,000.00	4,965,650.00	2.56	5,039,710.00	2.54	0.96
31331TZN4	U.S. Instrumentality	3.750	04/07/2011		AAA	Aaa	5,000,000.00	5,131,700.00	2.64	5,227,990.00	2.63	1.71
31331XG30	U.S. Instrumentality	5.450	06/21/2012		AAA	Aaa	3,885,000.00	4,039,584.15	2.08	4,277,544.29	2.15	2.77
31331Y3X6	U.S. Instrumentality	3.950	07/23/2012		AAA	Aaa	5,000,000.00	4,988,100.00	2.57	5,289,500.00	2.66	2.85
31331YGE4	U.S. Instrumentality	4.250	12/04/2012		AAA	Aaa	5,000,000.00	5,040,100.00	2.60	5,343,710.00	2.69	3.19
31331XSR4	U.S. Instrumentality	4.875	03/14/2014		AAA	Aaa	5,000,000.00	5,182,500.00	2.67	5,460,735.00	2.75	4.17
ISSUER TOTAL							40,385,000.00	40,834,724.15	21.04	42,292,902.79	21.29	1.99

City of Ann Arbor
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 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)
<u>FNMA</u>												
31398ASQ6	U.S. Instrumentality	4.000	07/07/2011	07/07/2009	AAA	Aaa	3,000,000.00	3,000,000.00	1.55	3,000,456.00	1.51	0.02
31398AKN1	U.S. Instrumentality	4.550	01/04/2013	01/04/2010	AAA	Aaa	5,000,000.00	5,014,750.00	2.58	5,093,160.00	2.56	0.50
3136FHAA3	U.S. Instrumentality	2.000	02/11/2011	02/11/2010	AAA	Aaa	6,000,000.00	6,000,000.00	3.09	6,041,796.00	3.04	0.61
31398APJ5	U.S. Instrumentality	3.000	03/10/2010	03/10/2010	AAA	Aaa	6,000,000.00	5,978,220.00	3.08	6,099,792.00	3.07	0.69
3136F9XC2	U.S. Instrumentality	4.250	07/01/2011	07/01/2010	AAA	Aaa	5,000,000.00	5,169,900.00	2.66	5,173,750.00	2.60	0.97
31398ALB6	U.S. Instrumentality	4.000	01/18/2013	01/18/2011	AAA	Aaa	5,000,000.00	5,000,000.00	2.58	5,204,080.00	2.62	1.48
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AAA	Aaa	5,000,000.00	4,902,300.00	2.53	5,375,490.00	2.71	3.30
ISSUER TOTAL							35,000,000.00	35,065,170.00	18.07	35,988,524.00	18.11	1.14
<u>FHLMC</u>												
3137EABG3	U.S. Instrumentality	2.875	04/30/2010		AAA	Aaa	7,000,000.00	7,127,610.00	3.67	7,132,307.00	3.59	0.82
3128X7R89	U.S. Instrumentality	4.510	08/06/2013	08/06/2010	AAA	Aaa	4,080,000.00	4,087,012.50	2.11	4,235,860.08	2.13	1.06
3128X2EV3	U.S. Instrumentality	4.750	12/08/2010	12/08/2010	AAA	Aaa	3,000,000.00	3,017,250.00	1.55	3,166,488.00	1.59	1.40
ISSUER TOTAL							14,080,000.00	14,231,872.50	7.33	14,534,655.08	7.32	1.02
<u>BankOne</u>												
	Cash and Equivalents	0.140					3,059,126.54	3,059,126.54	1.58	3,059,126.54	1.54	0.00
ISSUER TOTAL							3,059,126.54	3,059,126.54	1.58	3,059,126.54	1.54	0.00
GRAND TOTAL							192,154,126.54	194,036,665.26	100.00	198,675,484.01	100.00	1.25

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

**City of Ann Arbor
Securities Purchased
for the period June 1, 2009 - June 30, 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	06/30/2009	0.140 V		387.72	100.000	387.72	0.00	0.14
TOTAL				387.72		387.72	0.00	
<u>Repurchase Agreement</u>								
Morgan 99	06/01/2009	0.200 V		6,400,611.48	100.000	6,400,611.48	0.00	0.20
Morgan 99	06/05/2009	0.220 V		2,000,000.00	100.000	2,000,000.00	0.00	0.22
Morgan 99	06/09/2009	0.160 V		2,000,047.78	100.000	2,000,047.78	0.00	0.16
Morgan 99	06/10/2009	0.180 V		2,000,056.67	100.000	2,000,056.67	0.00	0.18
TOTAL				12,400,715.93		12,400,715.93	0.00	
<u>U.S. Instrumentality</u>								
31331GZF9 FFCB	Call 06/23/2009	3.500	06/23/2014 06/23/2010	5,000,000.00	99.313	4,965,650.00	0.00	3.65
TOTAL				5,000,000.00		4,965,650.00	0.00	
GRAND TOTAL				17,401,103.65		17,366,753.65	0.00	

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

**City of Ann Arbor
Securities Sold and Matured
for the period June 1, 2009 - June 30, 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	06/30/09	0.140 V		933,163.12	933,163.12	933,163.12 0.00	100.00	933,163.12 0.00	0.00	0.00	0.00	0.00	0.14
TOTAL				933,163.12	933,163.12	933,163.12 0.00		933,163.12 0.00	0.00	0.00	0.00	0.00	
<u>Repurchase Agreement</u>													
Mizuho 99	06/01/09	0.170 V		8,400,492.47	8,400,492.47	8,400,492.47 0.00	100.00	8,400,492.47 0.00	0.00	119.01	0.00	0.00	0.17
Morgan 99	06/05/09	0.200 V		6,400,611.48	6,400,611.48	6,400,611.48 0.00	100.00	6,400,611.48 0.00	0.00	142.24	0.00	142.24	0.20
Morgan 99	06/09/09	0.220 V		2,000,000.00	2,000,000.00	2,000,000.00 0.00	100.00	2,000,000.00 0.00	0.00	47.78	0.00	47.78	0.22
Morgan 99	06/10/09	0.160 V		2,000,047.78	2,000,047.78	2,000,047.78 0.00	100.00	2,000,047.78 0.00	0.00	8.89	0.00	8.89	0.16
Morgan 99	06/26/09	0.180 V		2,000,056.67	2,000,056.67	2,000,056.67 0.00	100.00	2,000,056.67 0.00	0.00	176.67	0.00	176.67	0.18
TOTAL				20,801,208.40	20,801,208.40	20,801,208.40 0.00		20,801,208.40 0.00	0.00	494.59	0.00	375.58	
<u>U.S. Instrumentality</u>													
31331GHH5 FFCB	06/19/09	3.000	12/19/11	5,000,000.00	5,000,000.00	5,000,000.00 0.00	100.00	5,000,000.00 (3,650.00)	0.00	0.00	75,000.00	7,500.00	3.00
31331GGU7 FFCB	Call 06/23/09	4.000	12/23/13 07/23/09	5,000,000.00	5,037,750.00	5,000,000.00 (6,339.69)	100.00	5,000,000.00 (9,215.00)	0.00	0.00	100,000.00	12,222.22	1.90
31398ASL7 FNMA	06/24/09	4.250	06/24/11	5,000,000.00	5,045,750.00	5,000,000.00 (3,771.51)	100.00	5,000,000.00 (11,875.00)	0.00	0.00	106,250.00	13,576.39	3.03
TOTAL				15,000,000.00	15,083,500.00	15,000,000.00 (10,111.20)		15,000,000.00 (24,740.00)	0.00	0.00	281,250.00	33,298.61	
GRAND TOTAL				36,734,371.52	36,817,871.52	36,734,371.52 (10,111.20)		36,734,371.52 (24,740.00)	0.00	494.59	281,250.00	33,674.19	

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

**City of Ann Arbor
Transaction Report
for the period June 1, 2009 - June 30, 2009**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/01/2009		Repo Bought	RP	Morgan 99		6,400,611.48	6,400,611.48	0.00	(6,400,611.48)	(6,400,611.48)
		Maturity Repo Lend	RP	Mizuho 99		8,400,492.47	8,400,492.47	119.01	8,400,611.48	2,000,000.00
06/03/2009	3133XNB24	Interest	INS	FHLB	12/03/2014	5,000,000.00	0.00	128,125.00	128,125.00	2,128,125.00
06/04/2009	31331YGE4	Interest	INS	FFCB	12/04/2012	5,000,000.00	0.00	106,250.00	106,250.00	2,234,375.00
06/05/2009		Maturity Repo Lend	RP	Morgan 99		6,400,611.48	6,400,611.48	142.24	6,400,753.72	8,635,128.72
		Repo Bought	RP	Morgan 99		2,000,000.00	2,000,000.00	0.00	(2,000,000.00)	6,635,128.72
06/07/2009	31331XFS6	Interest	INS	FFCB	12/07/2009	5,000,000.00	0.00	118,750.00	118,750.00	6,753,878.72
06/08/2009	3128X2EV3	Interest	INS	FHLMC	12/08/2010	3,000,000.00	0.00	71,250.00	71,250.00	6,825,128.72
06/09/2009		Maturity Repo Lend	RP	Morgan 99		2,000,000.00	2,000,000.00	47.78	2,000,047.78	8,825,176.50
		Repo Bought	RP	Morgan 99		2,000,047.78	2,000,047.78	0.00	(2,000,047.78)	6,825,128.72
06/10/2009	3133XR4U1	Interest	INS	FHLB	06/10/2011	5,000,000.00	0.00	78,125.00	78,125.00	6,903,253.72
		Maturity Repo Lend	RP	Morgan 99		2,000,047.78	2,000,047.78	8.89	2,000,056.67	8,903,310.39
		Repo Bought	RP	Morgan 99		2,000,056.67	2,000,056.67	0.00	(2,000,056.67)	6,903,253.72
06/11/2009	3133XFLE4	Interest	INS	FHLB	06/11/2010	5,000,000.00	0.00	131,250.00	131,250.00	7,034,503.72
06/19/2009	31331GHH5	Interest	INS	FFCB	12/19/2011	5,000,000.00	0.00	75,000.00	75,000.00	7,109,503.72
	31331GHH5	Call	INS	FFCB	12/19/2011	5,000,000.00	5,000,000.00	0.00	5,000,000.00	12,109,503.72
06/21/2009	31331XG30	Interest	INS	FFCB	06/21/2012	3,885,000.00	0.00	105,866.25	105,866.25	12,215,369.97
06/23/2009	31331GGU7	Interest	INS	FFCB	12/23/2013	5,000,000.00	0.00	100,000.00	100,000.00	12,315,369.97
	31331GGU7	Call	INS	FFCB	12/23/2013	5,000,000.00	5,000,000.00	0.00	5,000,000.00	17,315,369.97
	31331GZF9	Bought	INS	FFCB	06/23/2014	5,000,000.00	4,965,650.00	0.00	(4,965,650.00)	12,349,719.97
06/24/2009	31398ASL7	Interest	INS	FNMA	06/24/2011	5,000,000.00	0.00	106,250.00	106,250.00	12,455,969.97
	31398ASL7	Call	INS	FNMA	06/24/2011	5,000,000.00	5,000,000.00	0.00	5,000,000.00	17,455,969.97
06/26/2009		Maturity Repo Lend	RP	Morgan 99		2,000,056.67	2,000,056.67	176.67	2,000,233.34	19,456,203.31
06/30/2009	912828FK1	Interest	TSY	T-Note	06/30/2011	5,000,000.00	0.00	128,125.00	128,125.00	19,584,328.31
	912828JD3	Interest	TSY	T-Note	06/30/2013	5,000,000.00	0.00	84,375.00	84,375.00	19,668,703.31
		Interest	CE	BankOne		3,991,901.94	0.00	387.72	387.72	19,669,091.03
		Bought	CE	BankOne		387.72	387.72	0.00	(387.72)	19,668,703.31
		Sold	CE	BankOne		933,163.12	933,163.12	0.00	933,163.12	20,601,866.43
Portfolio Activity Total										20,601,866.43

Net Contributions

0.00

Net Withdrawals

20,588,403.33

Fees Charged

12,758.91

Fees Paid

13,463.10

**City of Ann Arbor
Repurchase Agreement Bid and Offer
for the period June 1, 2009 - June 30, 2009**

Date	Description	Rate	Maturity	Par Value/Shares	Broker	Bid/Offer	*Accepted	Comments
Purchases								
06/01/09	Repo	var	open	6,400,611.48	Morgan Stanley Mizuho Securities Banc of America	0.20 0.17 0.17	*Accepted	Ann Arbor 99
06/05/09	Repo	var	open	2,000,000.00	Morgan Stanley Mizuho Securities Banc of America	0.22 0.22 0.22	*Accepted	Ann Arbor 99
06/09/09	Repo	var	open	2,000,047.78	Mizuho Securities Morgan Stanley Banc of America	0.16 0.15 Pass	*Accepted	Ann Arbor 99
06/10/09	Repo	var	open	2,000,056.67	Mizuho Securities Morgan Stanley Banc of America	0.18 0.16 0.16	*Accepted	Ann Arbor 99

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City of Ann Arbor
Securities Purchased Bid and Offer
for the period September 1, 2008 – September 30, 2008

Date	Description	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Broker	Bid/Offer	Comments	Accepted
9/25/2008	FHLB	0.000	10/1/2008	5,042,000.00	Mizuho Securities	d 2.00	FHLB Disc 10/01/08	x
					Banc of America	d 1.90	FHLB Disc 10/01/08	
					Direct	d 1.25	GE Capital Corp 10/01/08	

City of Ann Arbor
Securities Sold Bid and Offer
for the period June 1, 2009 – June 30, 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
07/01/2009	Interest	3136F9XC2	FNMA	4.250	07/01/2011	07/01/2010	5,000,000.00	0.00	106,250.00	106,250.00
07/01/2009	Bought	31331GZL6	FFCB	2.800	06/03/2013		3,000,000.00	(3,018,360.00)	0.00	(3,018,360.00)
07/04/2009	Interest	31398AKN1	FNMA	4.550	01/04/2013	01/04/2010	5,000,000.00	0.00	113,750.00	113,750.00
07/07/2009	Interest	31398ASQ6	FNMA	4.000	07/07/2011	07/07/2009	3,000,000.00	0.00	60,000.00	60,000.00
07/14/2009	Interest	3133XNXK0	FHLB	4.600	01/14/2015	01/14/2010	5,000,000.00	0.00	115,000.00	115,000.00
07/15/2009	Interest	912828DG2	T-Note	3.625	01/15/2010		5,000,000.00	0.00	90,625.00	90,625.00
07/18/2009	Interest	31398ALB6	FNMA	4.000	01/18/2013	01/18/2011	5,000,000.00	0.00	100,000.00	100,000.00
07/20/2009	Interest	3133XLMW0	FHLB	5.510	07/20/2012	07/20/2010	5,000,000.00	0.00	137,750.00	137,750.00
07/23/2009	Potential Call	3133XRSQ4	FHLB	5.375	07/23/2015	07/23/2009	5,000,000.00	5,000,000.00	134,375.00	5,134,375.00
07/23/2009	Interest	31331Y3X6	FFCB	3.950	07/23/2012		5,000,000.00	0.00	98,750.00	98,750.00
08/06/2009	Interest	3128X7R89	FHLMC	4.510	08/06/2013	08/06/2010	4,080,000.00	0.00	92,004.00	92,004.00
08/10/2009	Potential Call	31331XU91	FFCB	5.540	08/10/2012	08/10/2009	3,500,000.00	3,500,000.00	96,950.00	3,596,950.00
08/11/2009	Interest	3136FHAA3	FNMA	2.000	02/11/2011	02/11/2010	6,000,000.00	0.00	60,000.00	60,000.00