



1st Quarter Investment Report
(For the Quarter Ended December 31, 2014)
Fiscal Year 2014-15
City of Richardson, Texas

**Investment Report
Overview
Quarter Ending December 31, 2014**

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of December 31, 2014 was \$110,279,909.

The City of Richardson maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. (Article XIII of the City’s Investment Policy) The four portfolios are Operating, Bond Proceeds and Capital Projects, Deposit and Debt Service. More information on the funds and fund groups in each portfolio can be found on pages 9-10 of this report.

Investment and Interest Rate Information

The City’s yield on the total portfolio was 0.15% as of December 31, 2014, above the benchmark of the 91-day Treasury bill at 0.03% and in line with the Fed Funds rate of between 0.00% and 0.25%. The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, at its December 17 meeting reaffirmed its view that the current 0.00% to 0.25% target range for the federal funds rate remains appropriate. In determining how long to maintain this target range, the FOMC will assess progress—both realized and expected—toward its objectives of maximum employment and two percent inflation. The FOMC currently anticipates 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 FOMC view as normal in the longer run.

Investment Type	Yield
Total Portfolio	0.15%
Securities and Certificates of Deposit	0.26%
Money Market Mutual Funds and Local Investment Pools	0.08%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.03%

The City has focused on preserving the safety of the investment portfolio while trying to keep a balance between maintaining adequate liquidity for ongoing operations and the ability to earn interest. The City continues to invest in U.S. Treasury and Agency Securities, certificates of deposit, money market funds and local government investment pools which invest only in U.S. Treasuries and Agencies. The City requires that bank deposits are fully collateralized with Obligations, including letters of credit, of the United

States or its agencies and instrumentalities. The portfolio contains a mix of investments in money market funds and local government investment pools for funds that will be used in the short term, and direct investments in U.S. Treasury and Agency Securities or Certificates of Deposit for funds that will be used in the future.

Earnings

Total interest earned on the City’s investments for the quarter was \$26,122. The interest earned by Portfolio is listed in the chart below.

Portfolio	Interest 1st Quarter	Interest 2nd Quarter	Interest 3rd Quarter	Interest 4th Quarter	Interest YTD
Operating	\$13,556				\$13,556
Bond Proceeds	8,691				8,691
Deposit	2,973				2,973
Debt Service	902				902
Total	\$26,122				\$26,122

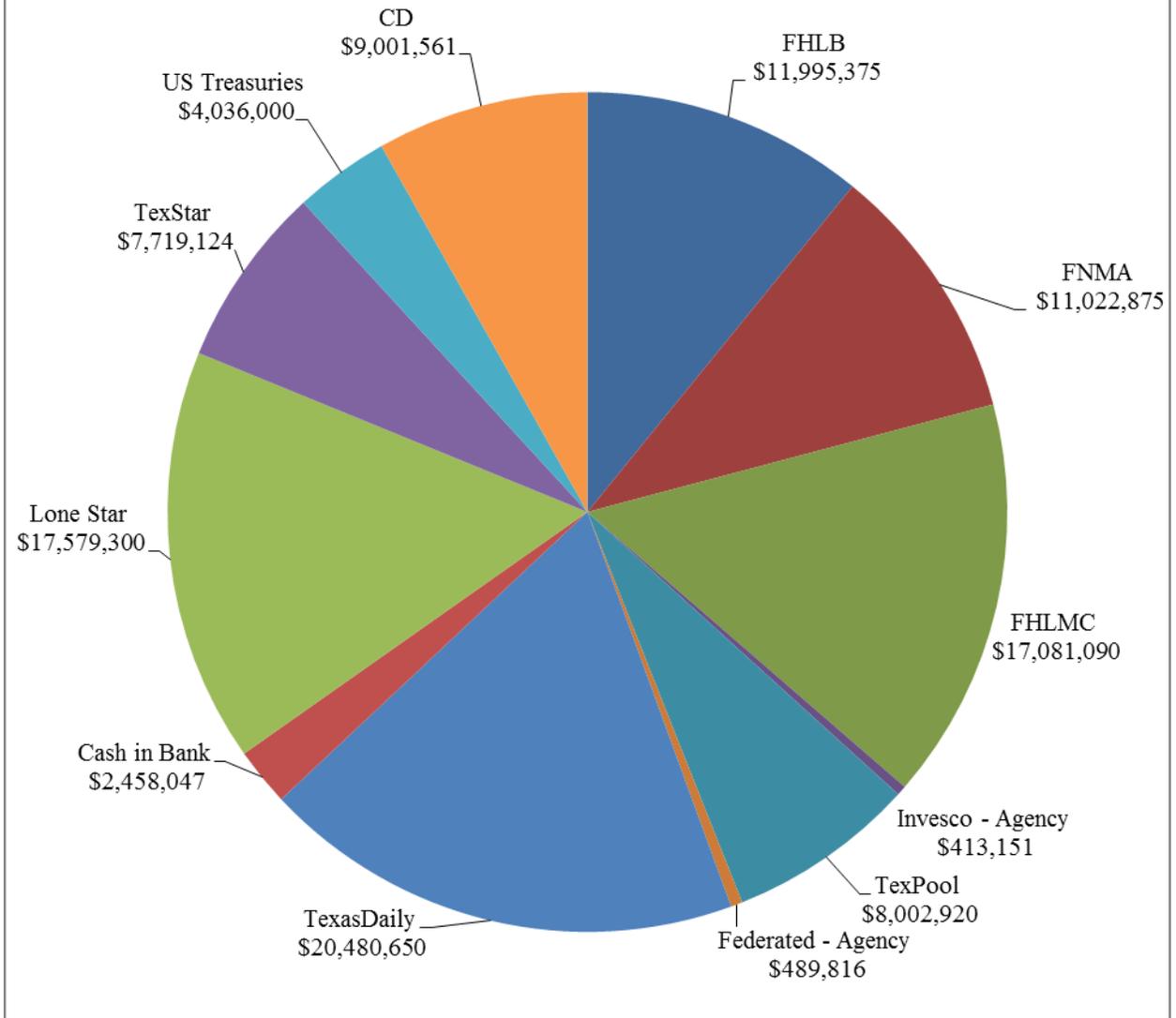
Additional information on interest earned can be found on pages 9-10 of this report.

Abbreviations

Throughout this report, the following common abbreviations are used for securities which are held in the City’s Portfolio.

Abbreviation	Official Name
FNMA	Federal National Mortgage Association
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
T-Note	United States Treasury Note
CD	Certificate of Deposit

Total Portfolio as of December 31, 2014
\$110,279,909



City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending December 31, 2014

This report is in compliance with the investment strategy as established in the City's Investment Policy and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Prepared on: January 20, 2015



Kent Pfeil
Director of Finance



Keith Dagen
Assistant Director of Finance

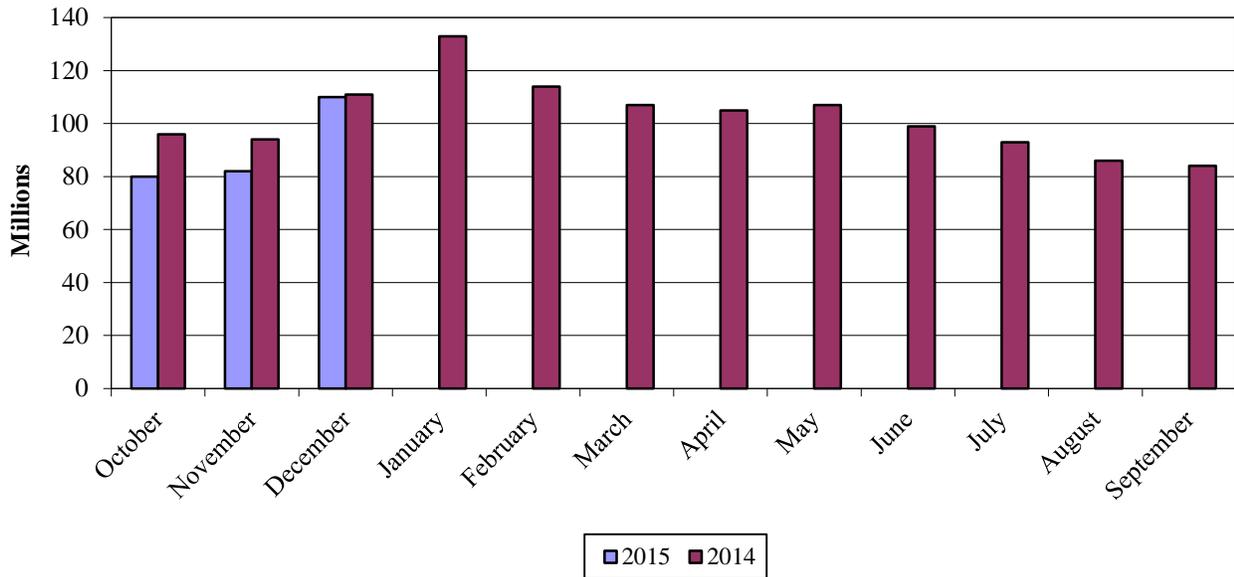


Vicki McCarthy
Controller

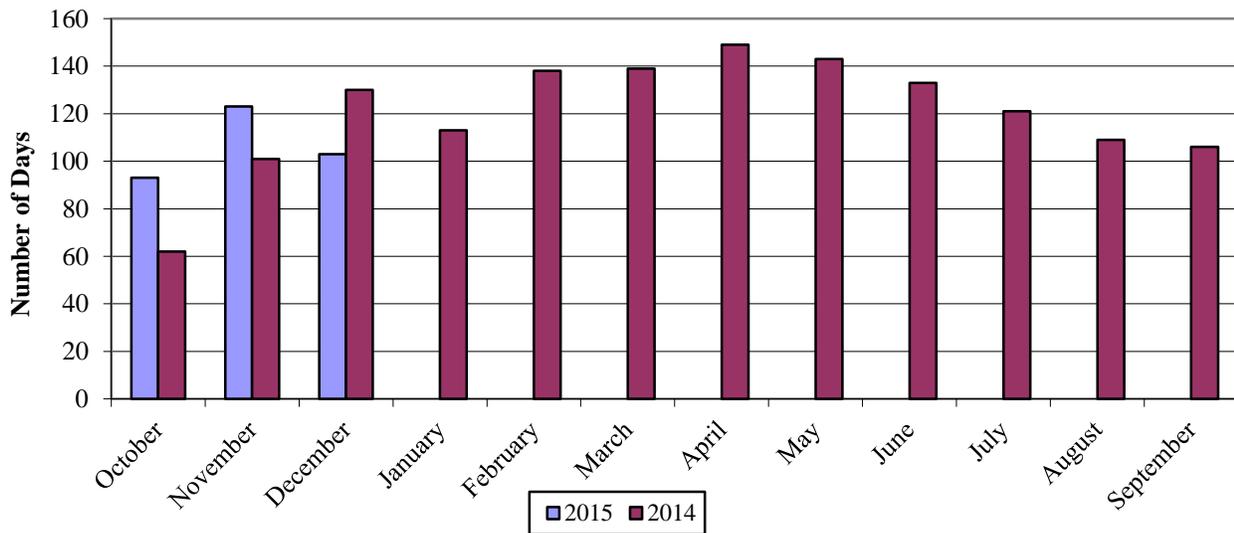


Eddie Mueller
Treasury Accountant

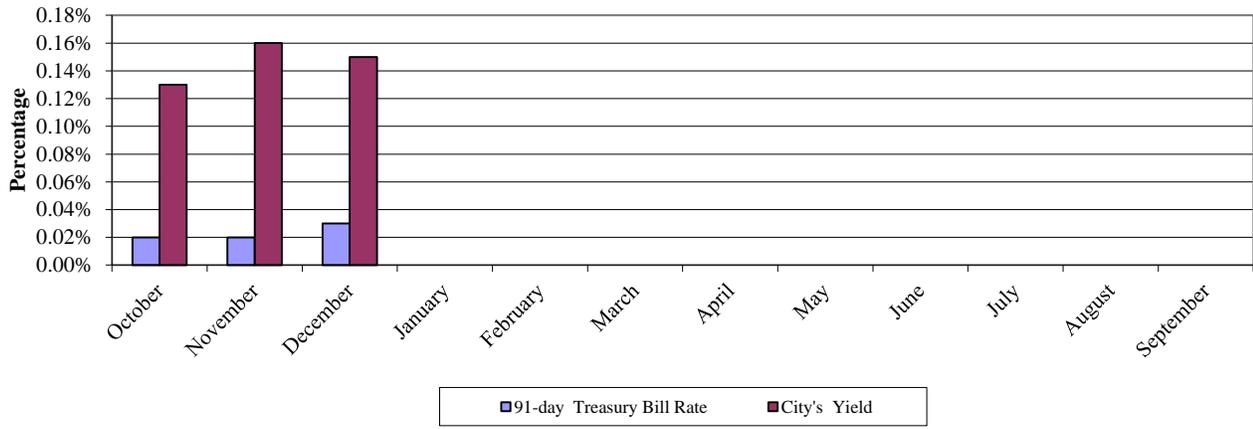
Investment Portfolio Balance



Weighted Average Maturity Total Portfolio Fiscal Year 2015



**Comparison of the City's Yield to the 91-day
Treasury Bill Rate
Fiscal Year 2015**



City of Richardson Investment Report

Schedule of Investments by Source of Funds

December 31, 2014

Securities & CD's										
Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From
Debt Service	Certificate of Dep.	CD	10/16/14	01/14/15	90	\$ 992,612	\$ 992,612	0.1400%	N/A	Texas Term
Operating	Agency Bond	FHLMC	11/22/13	01/26/15	430	3,556,693	3,603,200	0.1860%	N/A	Duncan-Williams
Bond & Cap Prj	Agency Bond	FHLB	01/30/14	02/18/15	384	4,000,400	4,001,092	0.1700%	N/A	Coastal
Bond & Cap Prj	Agency Bond	FNMA	05/16/14	02/27/15	287	4,001,525	4,001,525	0.0700%	N/A	Cantor-Fitzgerald
Operating	Certificate of Dep.	CD	03/13/14	03/13/15	365	4,008,949	4,008,949	0.3000%	N/A	Independent Bank
Bond & Cap Prj	Agency Bond	FHLMC	12/05/13	03/18/15	468	4,001,060	4,005,436	0.2190%	N/A	Cantor-Fitzgerald
Operating	Agency Bond	FHLMC	01/02/14	04/17/15	470	2,433,645	2,435,271	0.2460%	N/A	Coastal
Operating	Treasury Note	T- Note	12/12/13	05/31/15	535	4,036,000	4,054,532	0.2190%	N/A	Duncan-Williams
Operating	Agency Bond	FHLMC	02/25/14	07/17/15	507	4,089,392	4,132,384	0.1970%	N/A	Cantor-Fitzgerald
Bond & Cap Prj	Agency Bond	FNMA	04/23/14	09/28/15	523	4,012,200	4,011,924	0.2040%	N/A	Wells-Fargo
Bond & Cap Prj	Agency Bond	FNMA	09/26/14	09/28/15	367	3,009,150	3,008,943	0.1940%	N/A	Cantor-Fitzgerald
Operating	Agency Bond	FHLB	12/22/14	11/18/15	331	3,994,175	3,994,175	0.3000%	N/A	Duncan-Williams
Operating	Certificate of Dep.	CD	12/30/14	12/30/15	365	4,000,000	4,000,000	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	11/21/14	03/18/16	483	4,000,800	4,000,000	0.3200%	N/A	Coastal
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	3,000,300	3,000,000	0.6000%	2/17/2015	Coastal
Total						\$ 53,136,901	\$ 53,250,043			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 6,993,154	TexPool
Bond Proceeds & Capital Projects	State Pool	1,009,766	TexPool
Operating	State Pool	3,020,364	TexStar
Deposit	State Pool	584,822	TexStar
Bond Proceeds & Capital Projects	State Pool	3,357,846	TexStar
Debt Service	State Pool	756,092	TexStar
Operating	State Pool	1,775,763	Texas Daily
Debt Service	State Pool	1,765,151	Texas Daily
Bond Proceeds & Capital Projects	State Pool	16,939,736	Texas Daily
Operating	State Pool	3,994,791	Lone Star
Bond Proceeds & Capital Projects	State Pool	3,271,017	Lone Star
Debt Service	State Pool	10,313,492	Lone Star
Bond Proceeds & Capital Projects	Money Market	489,816	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,151	Invesco - Agency
Operating	Cash in Bank	343,686	Legacy Bank
Operating	Cash in Bank	106,010	Frost Bank
Deposit	Cash in Bank	47,514	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	405,148	Legacy Bank
Debt Service	Cash in Bank	1,555,689	Legacy Bank
Total		\$ 57,143,008	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 40,099,340	36.4%
Treasury Note	4,036,000	3.7%
CD's	9,001,561	8.2%
TexPool	8,002,920	7.2%
TexStar	7,719,124	7.0%
Texas Daily	20,480,650	18.6%
Lone Star	17,579,300	15.9%
Invesco - Agency	413,151	0.4%
Federated - Agency	489,816	0.4%
Cash in Bank	2,458,047	2.2%
Total Investments	\$ 110,279,909	100%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

December 31, 2014

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
Operating Portfolio				
General Fund	\$ 18,874,331	\$ 20,746,992	\$ 6,231	\$ 6,231
Special Police Funds	305,633	316,651	86	86
Municipal Court Building Security Fund	247,313	243,875	77	77
Technology Fund	111,775	79,553	27	27
Wireless 911 Fund	271,960	278,949	86	86
Judicial Efficiency Fund	19,462	19,093	6	6
Traffic Safety Fund	578,755	363,338	136	136
Hotel/ Motel Tax Fund	2,015,657	1,981,437	639	639
Tax Increment Financing Fund #1	1,187,261	1,177,958	375	375
Tax Increment Financing Fund #2	50,084	421,160	45	45
Tax Increment Financing Fund #3	4	67,842	2	2
Franchise PEG Fund	463,348	501,923	153	153
Drainage Fee Fund	2,779,326	3,113,547	933	933
State Grants Fund	(3,784)	(9,736)	-	-
Federal Grant Funds (1)	(52,459)	(5,763)	-	-
Economic Development	-	135,621	23	23
Water and Sewer Operating Fund	7,649,074	7,835,772	2,386	2,386
Water and Sewer Rate Stabilization Fund	2,153,297	2,153,972	675	675
Golf Fund	-	57,346	18	18
Solid Waste Services Fund	2,316,924	2,681,316	876	876
Central Services Fund	160,513	434,713	121	121
Insurance and Flexible Spending Fund	1,759,010	1,915,877	661	661
Payroll Liability Fund	-	1,841,986	-	-
Total Operating Portfolio	\$ 40,887,484	\$ 46,353,422	\$ 13,556	\$ 13,556

(1) These Federal Grants are reimbursement grants. The City expends the funds first and then bills the appropriate Federal Agency for reimbursements.

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

December 31, 2014

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
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Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 4,585,995	\$ 3,483,519	\$ 1,216	\$ 1,216
Capital Projects - Major Projects Funds	14,192,503	23,367,002	4,404	4,404
Water and Sewer - Capital Project Funds	3,265,785	2,771,596	941	941
Solid Waste - Capital Projects Funds	255,996	39,550	25	25
Non-Bond Capital Projects:				
Special Projects Fund	11,804,550	13,019,168	1,459	1,459
Eisemann Center Capital Fund	41,248	99,845	18	18
Street Rehabilitation Fund	911,799	584,417	177	177
Water Sewer Special Projects Fund	132,302	69,402	24	24
Solid Waste Special Projects Fund	1,573,392	1,476,316	427	427
Total Bond Proceeds Portfolio	\$ 36,763,570	\$ 44,910,815	\$ 8,691	\$ 8,691

Debt Service Portfolio				
General Debt Service Fund	\$ 2,289,722	\$ 13,083,495	\$ 703	\$ 703
Water and Sewer Debt Service Fund	447,067	1,777,944	152	152
Solid Waste Debt Service Fund	171,103	521,597	47	47
Total Debt Service Portfolio	\$ 2,907,892	\$ 15,383,036	\$ 902	\$ 902

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 3,597,300	\$ 3,632,636	\$ 2,973	\$ 2,973
Total Deposit Portfolio	\$ 3,597,300	\$ 3,632,636	\$ 2,973	\$ 2,973

Total All Portfolios	\$ 84,156,246	\$ 110,279,909	\$ 26,122	\$ 26,122
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