



2nd Quarter Investment Report
(For the Quarter Ended March 31, 2015)
Fiscal Year 2014-15
City of Richardson, Texas

Investment Report Overview Quarter Ending March 31, 2015

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of March 31, 2015 was \$100,677,758.

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 0.22% as of March 31, 2015, 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 March 18 meeting dropped the word “patient” in assessing when they will start raising rates. The Committee anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term. Although a spring or summer rate increase is seen as unlikely, many investors believe that there could be a 25 basis point increase before the end of 2015.

Investment Type	Yield
Total Portfolio	0.22%
Securities and Certificates of Deposit	0.32%
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 \$50,946. 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	\$35,175			\$48,731
Bond Proceeds	8,691	9,496			18,187
Deposit	2,973	4,600			7,573
Debt Service	902	1,675			2,577
Total	\$26,122	\$50,946			\$77,068

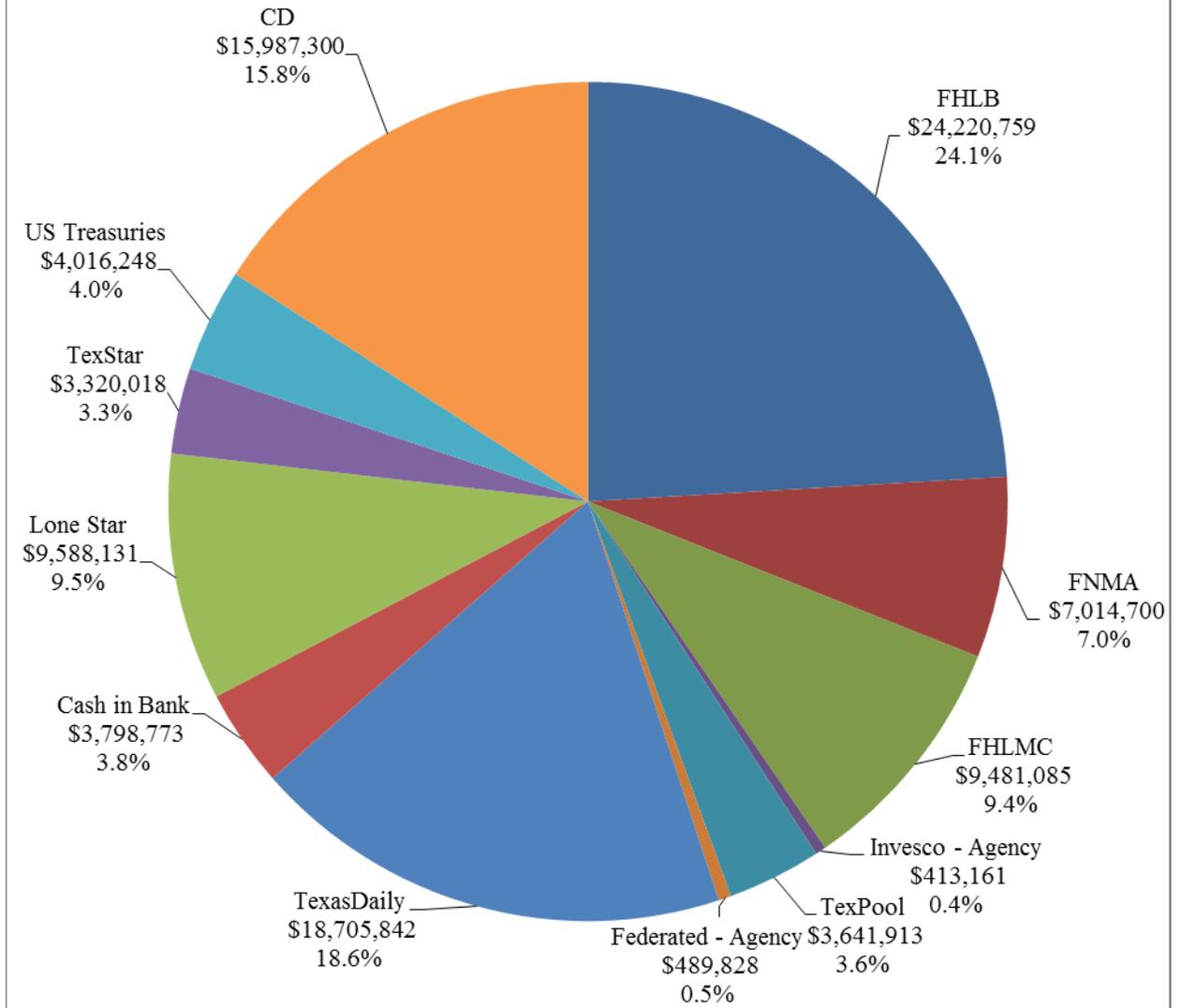
Additional information on interest earned can be found on pages 9-10 of this report.

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 March 31, 2015
\$100,677,758



**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending March 31, 2015**

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: April 22, 2015



Kent Pfeil
Director of Finance



Keith Dagen
Assistant Director of Finance

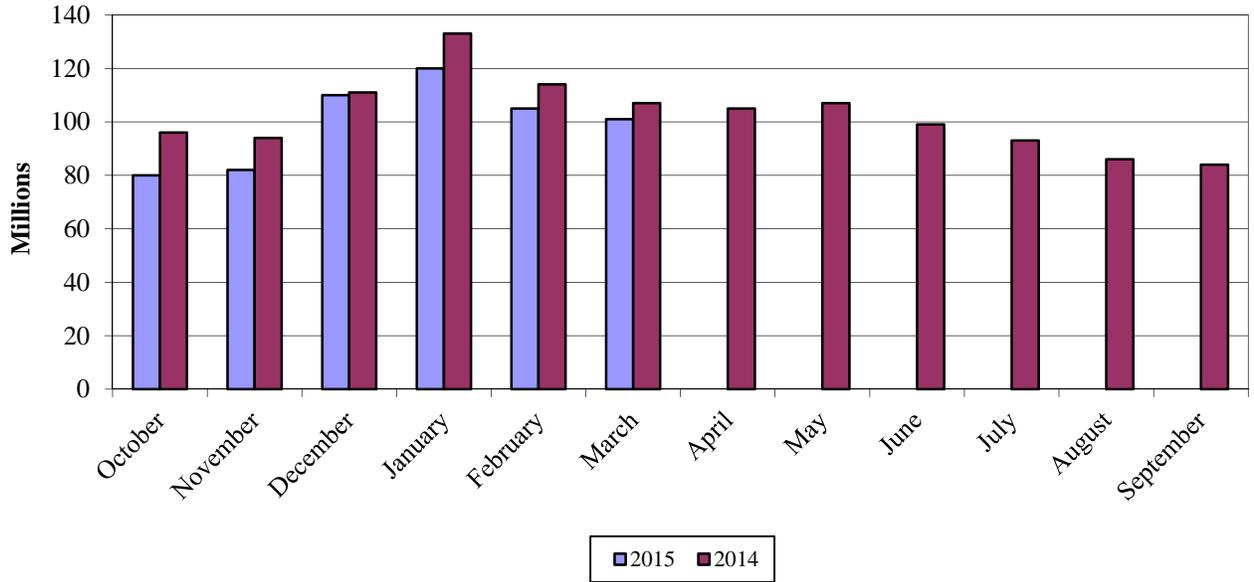


Vicki McCarthy
Controller

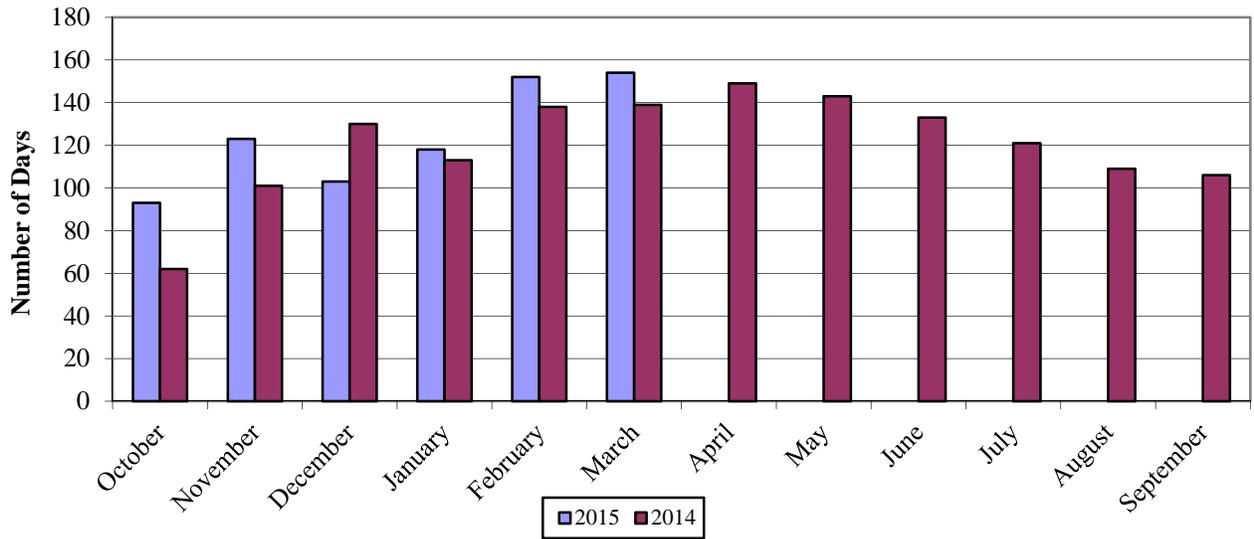


Eddie Mueller
Treasury Accountant

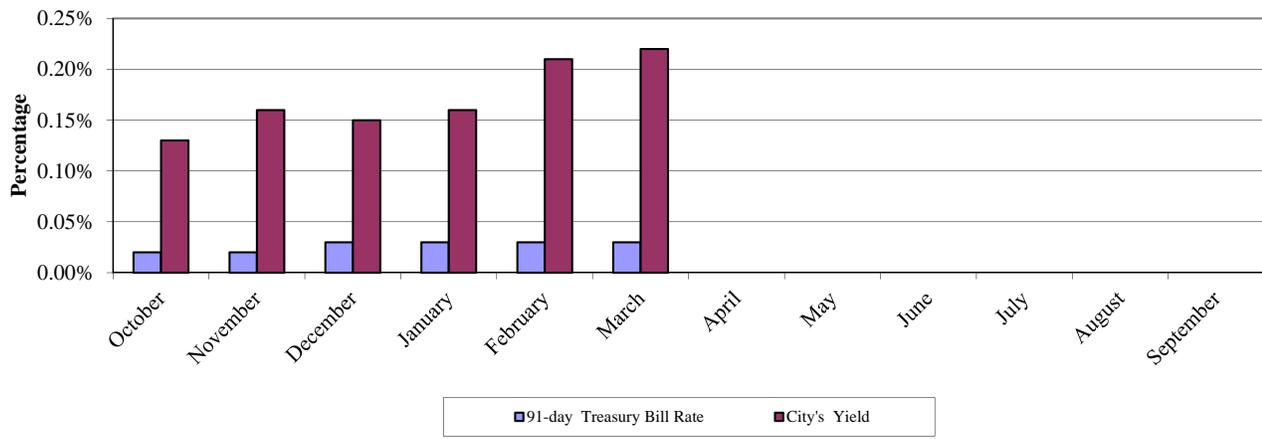
Investment Portfolio Balance



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

March 31, 2015

Securities & CD's										
Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From
Operating	Agency Bond	FHLMC	01/02/14	04/17/15	470	\$ 2,430,785	\$ 2,435,271	0.2460%	N/A	Coastal
Operating	Treasury Note	T- Note	12/12/13	05/31/15	535	4,016,248	4,054,532	0.2190%	N/A	Duncan-Williams
Operating	Agency Bond	FHLMC	02/25/14	07/17/15	507	4,050,000	4,132,384	0.1970%	N/A	Cantor-Fitzgerald
Operating	Certificate of Dep.	CD	02/18/15	08/17/15	180	4,000,986	4,000,986	0.3800%	N/A	Independent Bank
Bond & Cap Prj	Certificate of Dep.	CD	02/18/15	08/17/15	180	3,969,961	3,969,961	0.2800%	N/A	Texas Term
Operating	Agency Bond	FHLB	01/13/15	09/10/15	240	4,000,000	4,000,000	0.1900%	N/A	Wells-Fargo
Bond & Cap Prj	Agency Bond	FNMA	04/23/14	09/28/15	523	4,008,400	4,011,924	0.2040%	N/A	Wells-Fargo
Bond & Cap Prj	Agency Bond	FNMA	09/26/14	09/28/15	367	3,006,300	3,008,943	0.1940%	N/A	Cantor-Fitzgerald
Operating	Agency Bond	FHLB	12/22/14	11/18/15	331	3,995,871	3,995,871	0.3000%	N/A	Duncan-Williams
Operating	Certificate of Dep.	CD	12/30/14	12/30/15	365	4,004,438	4,004,438	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	01/26/15	02/22/16	392	3,998,420	3,999,573	0.2800%	N/A	Wells-Fargo
Operating	Certificate of Dep.	CD	03/10/15	03/10/16	366	4,011,915	4,011,915	0.3500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	11/21/14	03/18/16	483	3,998,388	4,000,000	0.3200%	N/A	Coastal
Operating	Agency Bond	FHLB	01/09/15	05/18/16	495	4,228,372	4,269,415	0.3970%	N/A	First Southwest
Operating	Agency Bond	FHLB	02/09/15	08/09/16	547	3,999,708	4,000,000	0.4500%	N/A	Coastal
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	3,000,300	3,000,000	0.6000%	5/17/2015	Coastal
Total						\$ 60,720,092	\$ 60,895,213			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 1,915,011	TexPool
Bond Proceeds & Capital Projects	State Pool	1,726,902	TexPool
Operating	State Pool	1,457,218	TexStar
Deposit	State Pool	584,922	TexStar
Bond Proceeds & Capital Projects	State Pool	1,277,878	TexStar
Operating	State Pool	7,406,653	Texas Daily
Debt Service	State Pool	4,764,232	Texas Daily
Bond Proceeds & Capital Projects	State Pool	6,534,957	Texas Daily
Operating	State Pool	2,028,307	Lone Star
Bond Proceeds & Capital Projects	State Pool	5,835,400	Lone Star
Debt Service	State Pool	1,724,424	Lone Star
Bond Proceeds & Capital Projects	Money Market	489,828	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,161	Invesco - Agency
Operating	Cash in Bank	2,259,283	Legacy Bank
Operating	Cash in Bank	137,278	Frost Bank
Deposit	Cash in Bank	107,271	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	213,958	Legacy Bank
Debt Service	Cash in Bank	1,080,983	Legacy Bank
Total		\$ 39,957,666	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 40,716,544	40.4%
Treasury Note	4,016,248	4.0%
CD's	15,987,300	15.9%
TexPool	3,641,913	3.5%
TexStar	3,320,018	3.3%
Texas Daily	18,705,842	18.6%
Lone Star	9,588,131	9.5%
Invesco - Agency	413,161	0.4%
Federated - Agency	489,828	0.5%
Cash in Bank	3,798,773	3.8%
Total Investments	\$ 100,677,758	100%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

March 31, 2015

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
Operating Portfolio				
General Fund	\$ 20,746,992	\$ 37,359,096	\$ 22,747	\$ 28,978
Special Police Funds	316,651	375,951	153	239
Municipal Court Building Security Fund	243,875	245,065	133	210
Technology Fund	79,553	88,066	46	73
Wireless 911 Fund	278,949	293,446	156	242
Judicial Efficiency Fund	19,093	20,241	11	17
Traffic Safety Fund	363,338	603,031	288	424
Hotel/ Motel Tax Fund	1,981,437	1,909,354	994	1,633
Tax Increment Financing Fund #1	1,177,958	3,096,486	1,085	1,460
Tax Increment Financing Fund #2	421,160	640,173	393	438
Tax Increment Financing Fund #3	67,842	18,487	10	12
Franchise PEG Fund	501,923	535,583	289	442
Drainage Fee Fund	3,113,547	3,347,662	1,768	2,701
State Grants Fund	(9,736)	(3,865)	-	-
Federal Grant Funds (1)	(5,763)	(53,748)	-	-
Economic Development	135,621	292,961	114	137
Water and Sewer Operating Fund	7,835,772	4,296,037	3,342	5,728
Water and Sewer Rate Stabilization Fund	2,153,972	2,155,146	1,173	1,848
Golf Fund	57,346	222,305	52	70
Solid Waste Services Fund	2,681,316	2,344,689	1,426	2,302
Central Services Fund	434,713	347,912	207	328
Insurance and Flexible Spending Fund	1,915,877	1,771,947	788	1,449
Payroll Liability Fund	1,841,986	1,814,686	-	-
Total Operating Portfolio	\$ 46,353,422	\$ 61,720,711	\$ 35,175	\$ 48,731

(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

March 31, 2015

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	\$ 3,483,519	\$ 2,098,946	\$ 1,040	\$ 2,256
Capital Projects - Major Projects Funds	23,367,002	10,888,645	4,664	9,068
Water and Sewer - Capital Project Funds	2,771,596	1,514,563	800	1,741
Solid Waste - Capital Projects Funds	39,550	-	7	32
Non-Bond Capital Projects:				
Special Projects Fund	13,019,168	11,788,327	2,424	3,883
Eisemann Center Capital Fund	99,845	135,698	38	56
Street Rehabilitation Fund	584,417	-	54	231
Water Sewer Special Projects Fund	69,402	13,025	7	31
Solid Waste Special Projects Fund	1,476,316	1,255,711	462	889
Total Bond Proceeds Portfolio	\$ 44,910,815	\$ 27,694,915	\$ 9,496	\$ 18,187

Debt Service Portfolio				
General Debt Service Fund	\$ 13,083,495	\$ 7,569,639	\$ 1,548	\$ 2,251
Water and Sewer Debt Service Fund	1,777,944	-	99	251
Solid Waste Debt Service Fund	521,597	-	28	75
Total Debt Service Portfolio	\$ 15,383,036	\$ 7,569,639	\$ 1,675	\$ 2,577

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 3,632,636	\$ 3,692,493	\$ 4,600	\$ 7,573
Total Deposit Portfolio	\$ 3,632,636	\$ 3,692,493	\$ 4,600	\$ 7,573

Total All Portfolios	\$ 110,279,909	\$ 100,677,758	\$ 50,946	\$ 77,068
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