



3rd Quarter Investment Report
(For the Quarter Ended June 30, 2015)
Fiscal Year 2014-15
City of Richardson, Texas

**Investment Report
Overview
Quarter Ending June 30, 2015**

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of June 30, 2015 was \$92,025,529.

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 0.23% as of June 30, 2015, above the benchmark of the 91-day Treasury bill at 0.02% 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 June 17 meeting reaffirmed its view that the current 0.00% to 0.25% target range for the federal funds rate remains appropriate. The Committee may raise the federal funds rate later in 2015. They emphasized that unanticipated developments in the economy and inflation could delay or accelerate a rate increase. Expectations on the Chicago Mercantile Exchange are now for the Fed to hold off a hike until January 2016, though many national economists believe a rate increase will occur in 2015.

Investment Type	Yield
Total Portfolio	0.23%
Securities and Certificates of Deposit	0.33%
Money Market Mutual Funds and Local Investment Pools	0.09%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.02%

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. 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 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 \$47,239. 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	\$36,183		\$84,914
Bond Proceeds & Capital Proj.	8,691	9,496	5,891		24,078
Deposit	2,973	4,600	3,807		11,380
Debt Service	902	1,675	1,358		3,935
Total	\$26,122	\$50,946	\$47,239		\$124,307

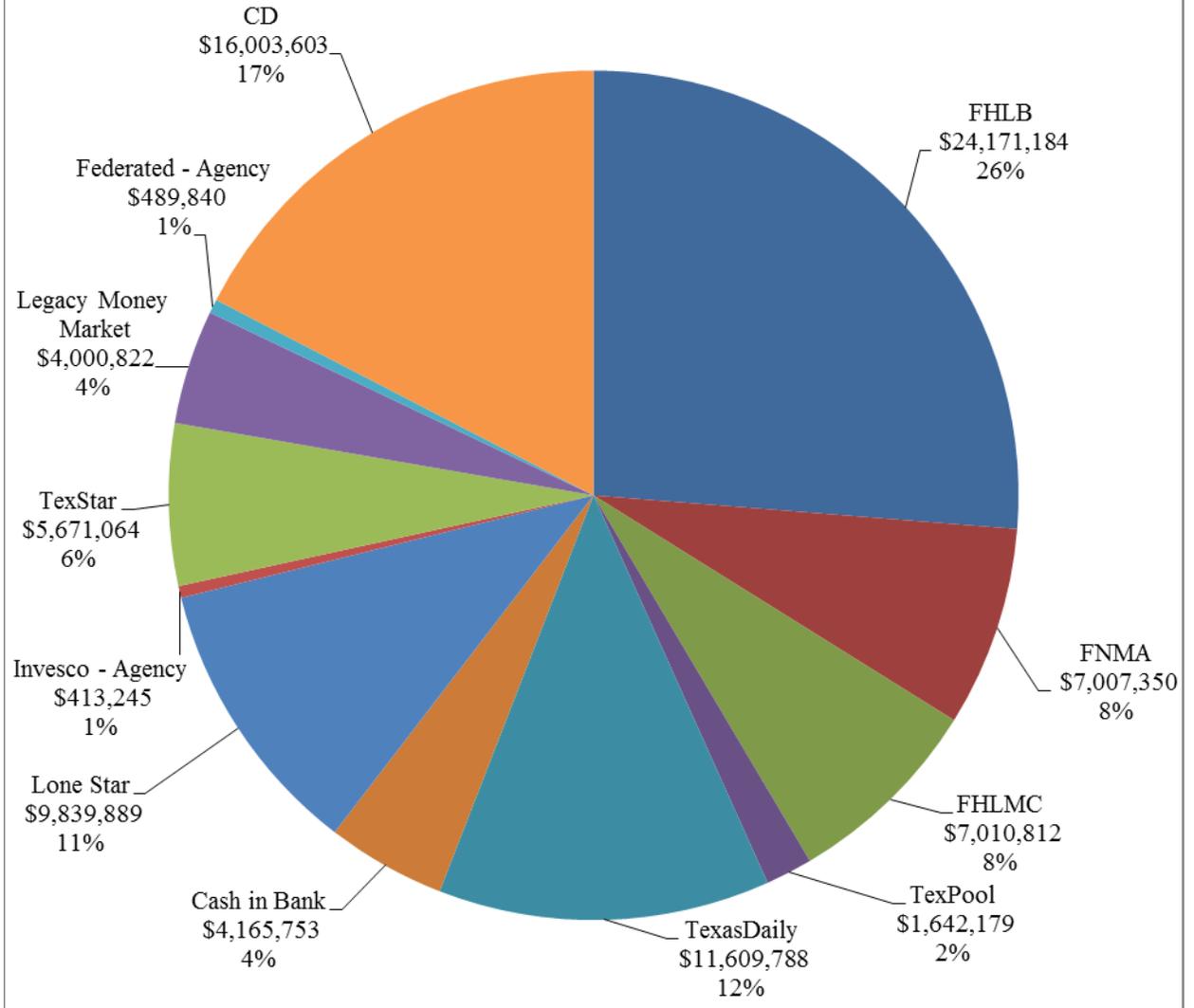
Additional information on interest earned can be found on pages 9-10 of this report.

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
CD	Certificate of Deposit

Total Portfolio as of June 30, 2015
\$92,025,529



**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending June 30, 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: July 27, 2015



Kent Pfeil
Chief Financial Officer



Keith Dagen
Director of Finance

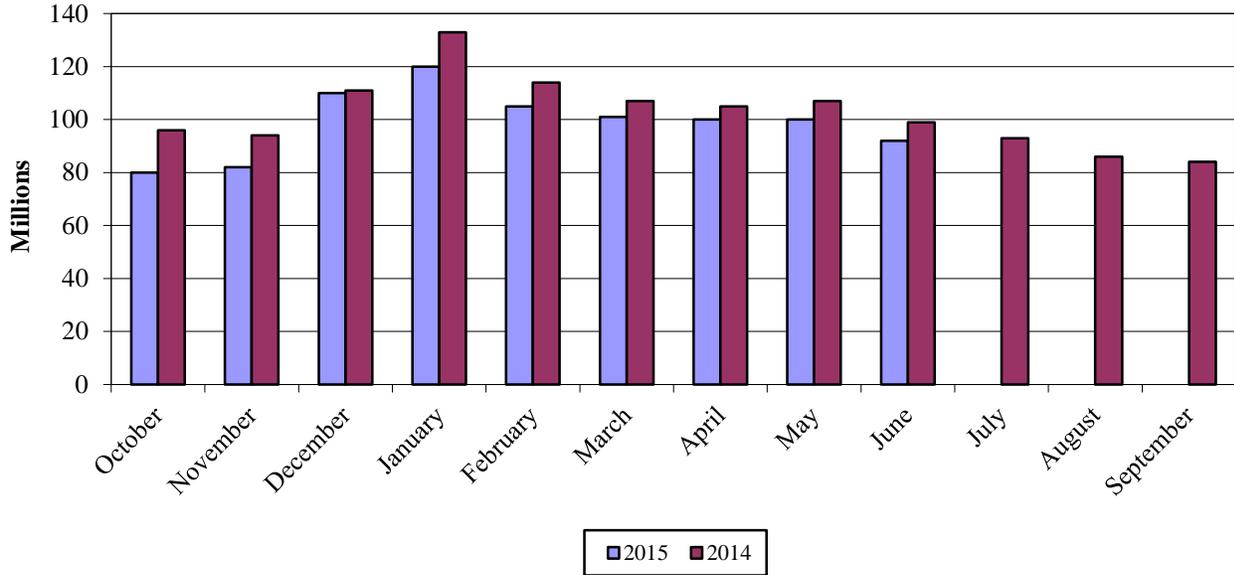


Vicki McCarthy
Controller

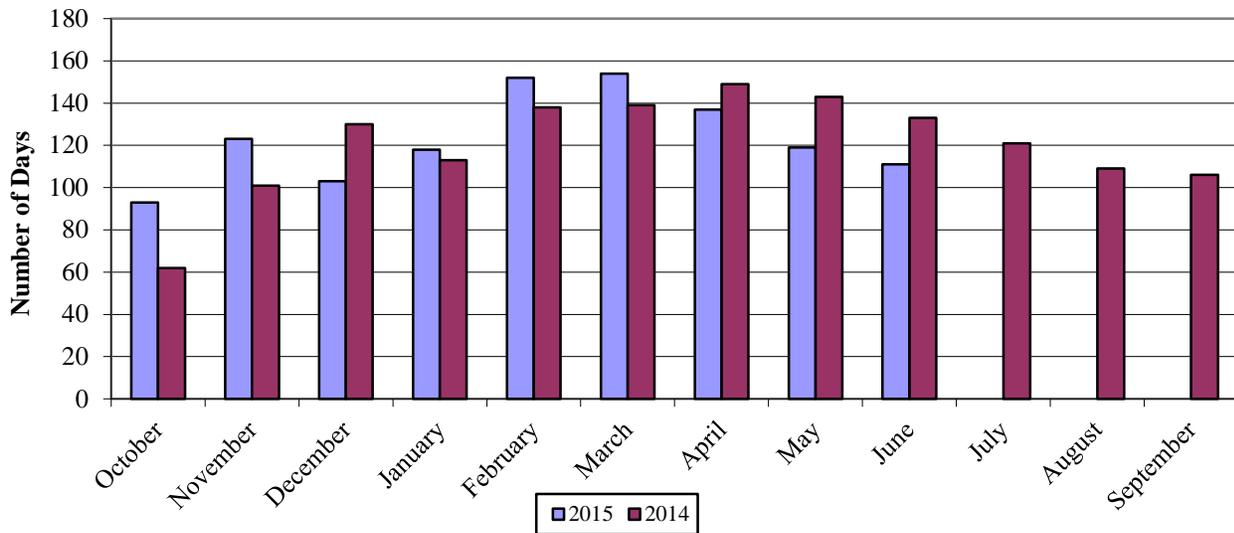


Eddie Mueller
Treasury Accountant

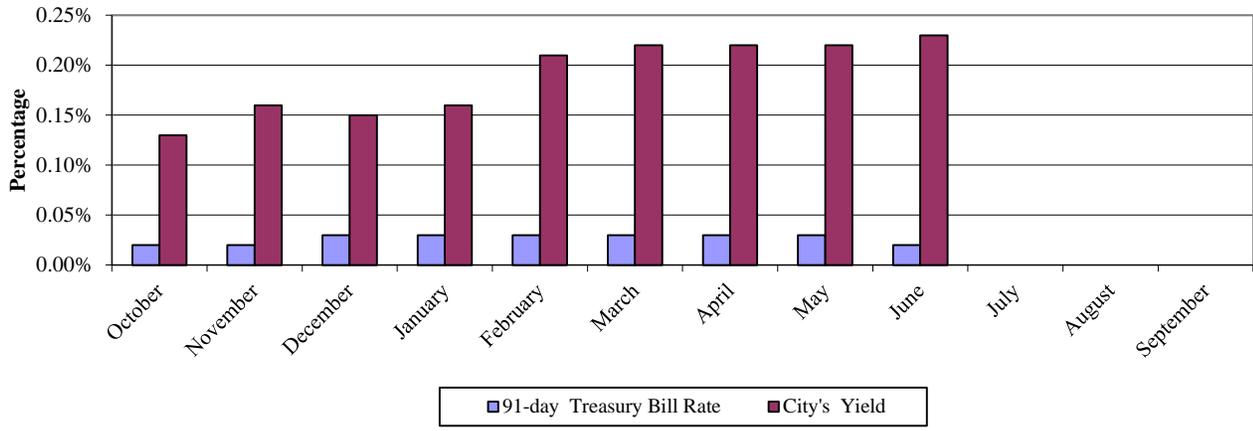
Investment Portfolio Balance



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

June 30, 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	02/25/14	07/17/15	507	\$ 4,011,292	\$ 4,132,384	0.1970%	N/A	Cantor-Fitzgerald
Operating	Certificate of Dep.	CD	02/18/15	08/17/15	180	4,003,947	4,003,947	0.3000%	N/A	Independent Bank
Bond & Cap Prj	Certificate of Dep.	CD	02/18/15	08/17/15	180	3,974,208	3,974,208	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	4,004,200	4,011,924	0.2040%	N/A	Wells-Fargo
Bond & Cap Prj	Agency Bond	FNMA	09/26/14	09/28/15	367	3,003,150	3,008,943	0.1940%	N/A	Cantor-Fitzgerald
Operating	Agency Bond	FHLB	12/22/14	11/18/15	331	3,997,568	3,997,568	0.3000%	N/A	Duncan-Williams
Operating	Certificate of Dep.	CD	12/30/14	12/30/15	365	4,008,980	4,008,980	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	01/26/15	02/22/16	392	4,000,700	3,999,573	0.2800%	N/A	Wells-Fargo
Operating	Certificate of Dep.	CD	03/10/15	03/10/16	366	4,016,468	4,016,468	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	11/21/14	03/18/16	483	4,000,160	4,000,000	0.3200%	N/A	Coastal
Operating	Agency Bond	FHLB	01/09/15	05/18/16	495	4,170,000	4,269,415	0.3970%	N/A	First Southwest
Operating	Agency Bond	FHLB	02/09/15	08/09/16	547	4,002,756	4,000,000	0.4500%	N/A	Coastal
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	2,999,520	3,000,000	0.6000%	8/17/2015	Coastal
Total						\$ 54,192,949	\$ 54,423,410			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 1,115,192	TexPool
Bond Proceeds & Capital Projects	State Pool	526,987	TexPool
Operating	State Pool	1,657,430	TexStar
Deposit	State Pool	585,009	TexStar
Bond Proceeds & Capital Projects	State Pool	3,428,625	TexStar
Operating	State Pool	2,487,935	Texas Daily
Debt Service	State Pool	3,565,299	Texas Daily
Bond Proceeds & Capital Projects	State Pool	5,556,554	Texas Daily
Operating	State Pool	424,394	Lone Star
Bond Proceeds & Capital Projects	State Pool	7,676,631	Lone Star
Debt Service	State Pool	1,738,864	Lone Star
Bond Proceeds & Capital Projects	Money Market	489,840	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,245	Invesco - Agency
Operating	Money Market	4,000,822	Legacy Bank
Operating	Cash in Bank	1,912,465	Legacy Bank
Operating	Cash in Bank	114,913	Frost Bank
Deposit	Cash in Bank	193,611	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	1,879,406	Legacy Bank
Debt Service	Cash in Bank	65,358	Legacy Bank
Total		\$ 37,832,580	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 38,189,346	41.5%
CD's	16,003,603	17.4%
TexPool	1,642,179	1.8%
TexStar	5,671,064	6.2%
Texas Daily	11,609,788	12.6%
Lone Star	9,839,889	10.8%
Invesco - Agency	413,245	0.4%
Federated - Agency	489,840	0.5%
Legacy Money Market	4,000,822	4.3%
Cash in Bank	4,165,753	4.5%
Total Investments	\$ 92,025,529	100%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

June 30, 2015

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
Operating Portfolio				
General Fund	\$ 37,359,096	\$ 29,849,121	\$ 23,957	\$ 52,935
Special Police Funds	375,951	394,072	176	415
Municipal Court Building Security Fund	245,065	245,845	146	356
Technology Fund	88,066	99,896	56	129
Wireless 911 Fund	293,446	308,729	178	420
Judicial Efficiency Fund	20,241	21,482	12	29
Traffic Safety Fund	603,031	578,464	321	745
Hotel/ Motel Tax Fund	1,909,354	2,026,619	1,146	2,779
Tax Increment Financing Fund #1	3,096,486	2,311,090	1,660	3,120
Tax Increment Financing Fund #2	640,173	815,927	462	900
Tax Increment Financing Fund #3	18,487	10,777	10	22
Franchise PEG Fund	535,583	607,165	325	767
Drainage Fee Fund	3,347,662	3,405,676	1,966	4,667
State Grants Fund (1)	(3,865)	4,523	-	-
Federal Grant Funds (1)	(53,748)	(45,092)	-	-
Economic Development	292,961	407,133	202	339
Water and Sewer Operating Fund	4,296,037	2,793,139	1,719	7,447
Water and Sewer Rate Stabilization Fund	2,155,146	2,156,422	1,277	3,125
Golf Fund	222,305	61,052	68	138
Solid Waste Services Fund	2,344,689	2,669,761	1,515	3,817
Central Services Fund	347,912	254,794	173	501
Insurance and Flexible Spending Fund	1,771,947	1,104,974	814	2,263
Payroll Liability Fund	1,814,686	1,843,453	-	-
Total Operating Portfolio	\$ 61,720,711	\$ 51,925,022	\$ 36,183	\$ 84,914

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

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

June 30, 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	\$ 2,098,946	\$ 5,017,234	\$ 1,179	\$ 3,435
Capital Projects - Major Projects Funds	10,888,645	10,818,685	2,687	11,755
Water and Sewer - Capital Project Funds	1,514,563	3,267,524	763	2,504
Solid Waste - Capital Projects Funds	-	601,663	180	212
Non-Bond Capital Projects:			-	
Special Projects Fund	11,788,327	9,629,006	701	4,584
Eisemann Center Capital Fund	135,698	199,115	41	97
Street Rehabilitaion Fund	-	53,338	2	233
Water Sewer Special Projects Fund	13,025	5,817	4	35
Solid Waste Special Projects Fund	1,255,711	1,360,464	334	1,223
Total Bond Proceeds & Capital Projects Portfolio	\$ 27,694,915	\$ 30,952,846	\$ 5,891	\$ 24,078

Debt Service Portfolio				
General Debt Service Fund	\$ 7,569,639	\$ 5,369,521	\$ 1,358	\$ 3,609
Water and Sewer Debt Service Fund	-	-	-	251
Solid Waste Debt Service Fund	-	-	-	75
Total Debt Service Portfolio	\$ 7,569,639	\$ 5,369,521	\$ 1,358	\$ 3,935

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 3,692,493	\$ 3,778,140	\$ 3,807	\$ 11,380
Total Deposit Portfolio	\$ 3,692,493	\$ 3,778,140	\$ 3,807	\$ 11,380

Total All Portfolios	\$ 100,677,758	\$ 92,025,529	\$ 47,239	\$ 124,307
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