



4th Quarter Investment Report
(For the Quarter Ended September 30, 2015)
Fiscal Year 2014-15
City of Richardson, Texas

Investment Report
Overview
Quarter Ending September 30, 2015

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of September 30, 2015 was \$78,480,668.

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 0.24% as of September 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 September 17 meeting decided it was prudent to wait for additional information confirming that the economic outlook had not deteriorated before raising rates for the first time since 2008. The Committee may raise the federal funds rate in the medium term once the labor market improves and inflation moves back to its 2% objective, however, many market participants have concluded that the FOMC is likely not to raise rates until sometime in 2016.

Investment Type	Yield
Total Portfolio	0.24%
Securities and Certificates of Deposit	0.38%
Money Market Mutual Funds and Local Investment Pools	0.12%
<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 \$53,929. 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	\$42,502	\$127,416
Bond Proceeds & Capital Proj.	8,691	9,496	5,891	3,662	27,740
Deposit	2,973	4,600	3,807	6,738	18,118
Debt Service	902	1,675	1,358	1,027	4,962
Total	\$26,122	\$50,946	\$47,239	\$53,929	\$178,236

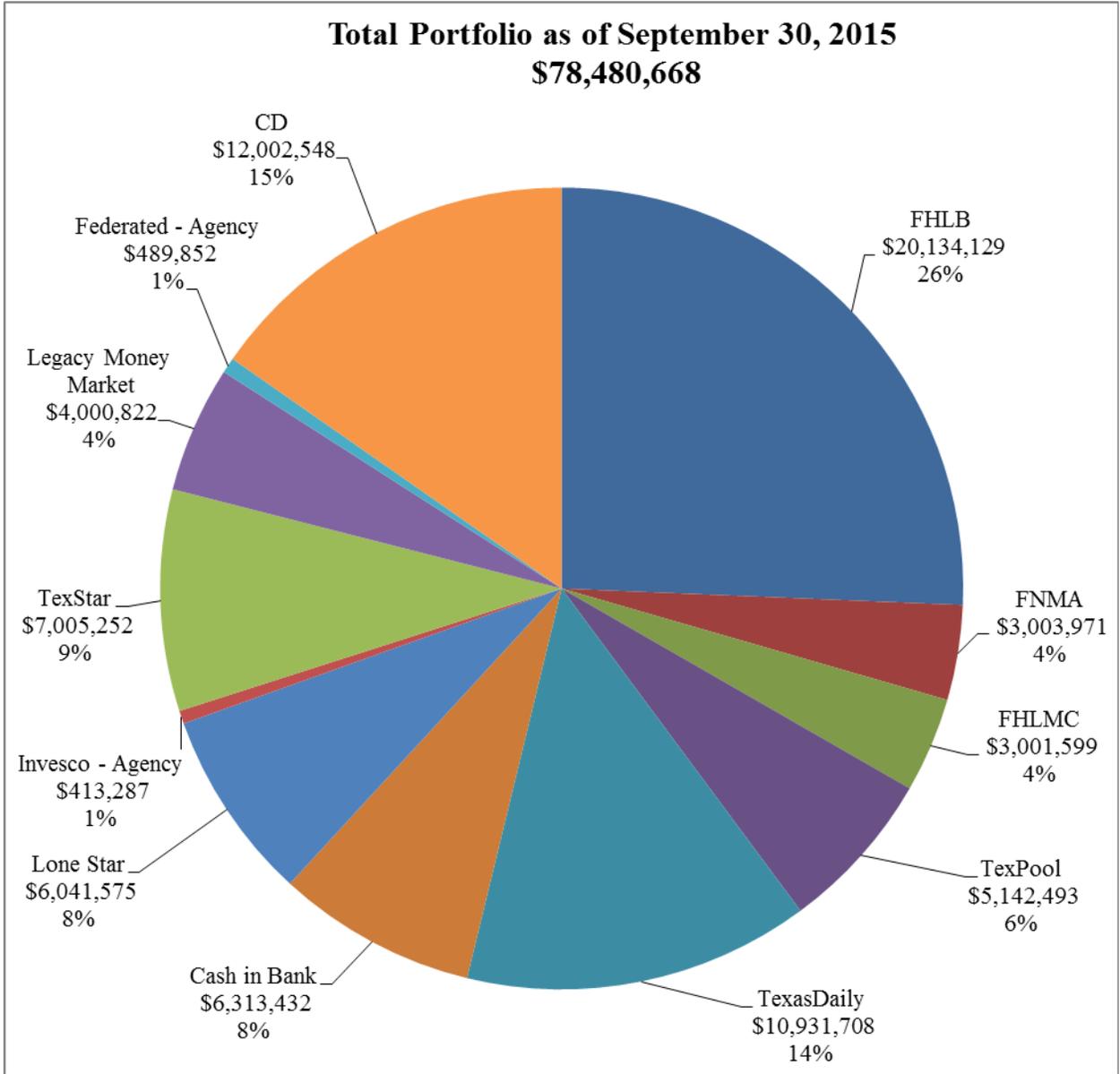
Additional information on interest earned can be found on pages 9-10 of this report.

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 September 30, 2015
\$78,480,668



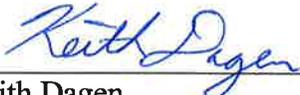
City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending September 30, 2015

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: October 16, 2015



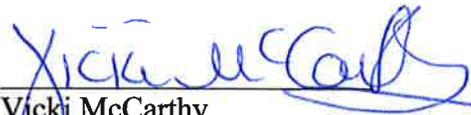
Kent Pfeil
Chief Financial Officer



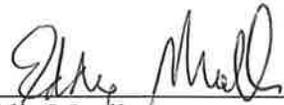
Keith Dagen
Director of Finance



Cara Copley
Treasurer and Revenue Manager

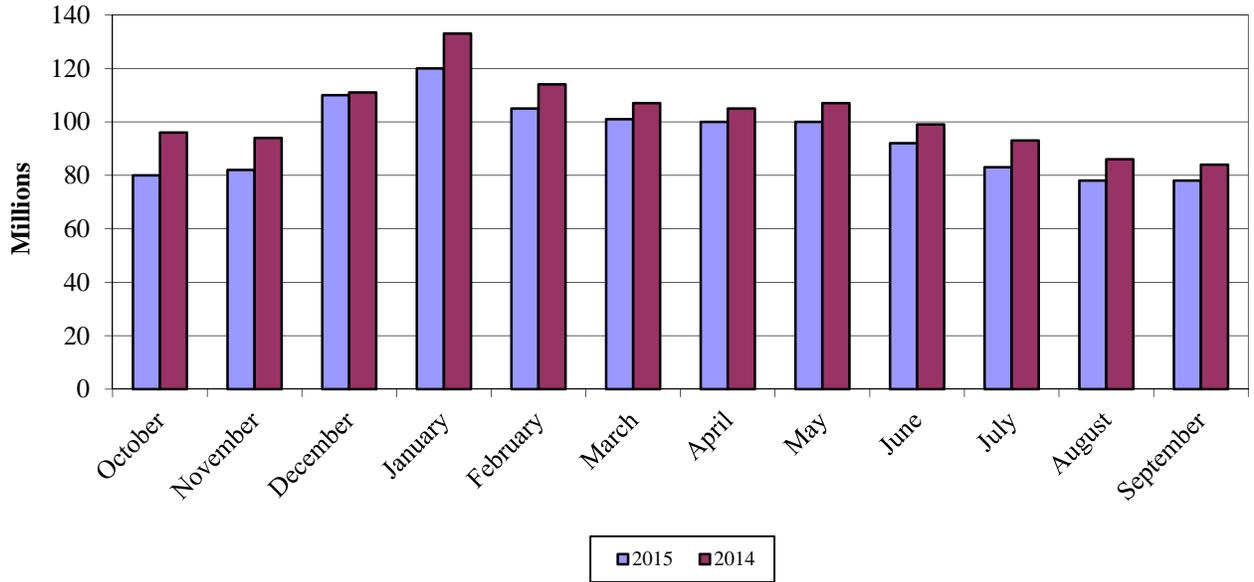


Vicki McCarthy
Controller

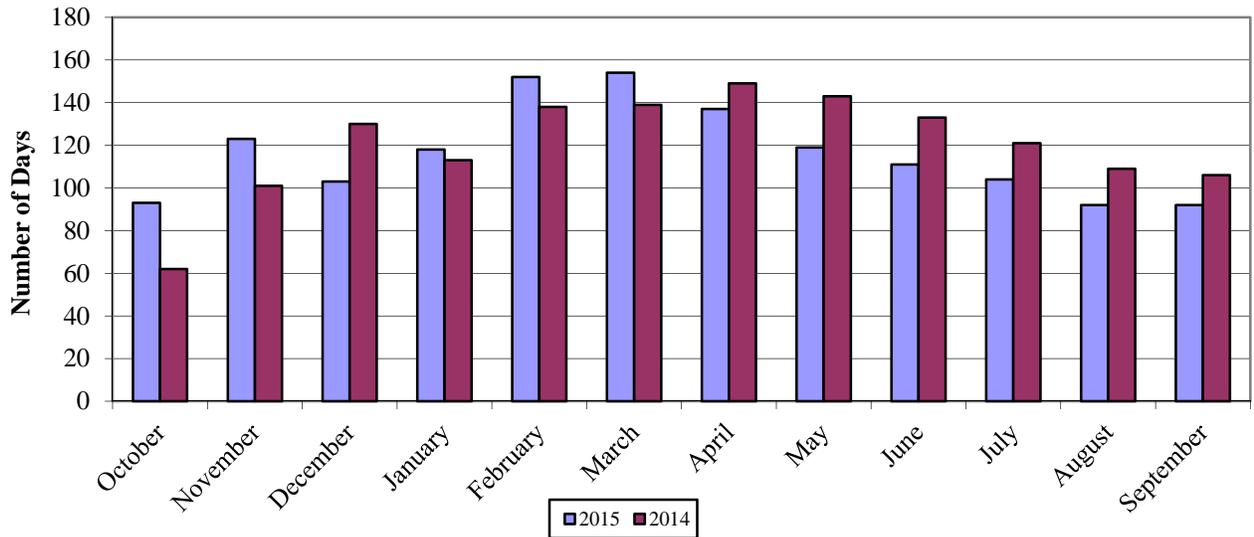


Eddie Mueller
Treasury Accountant

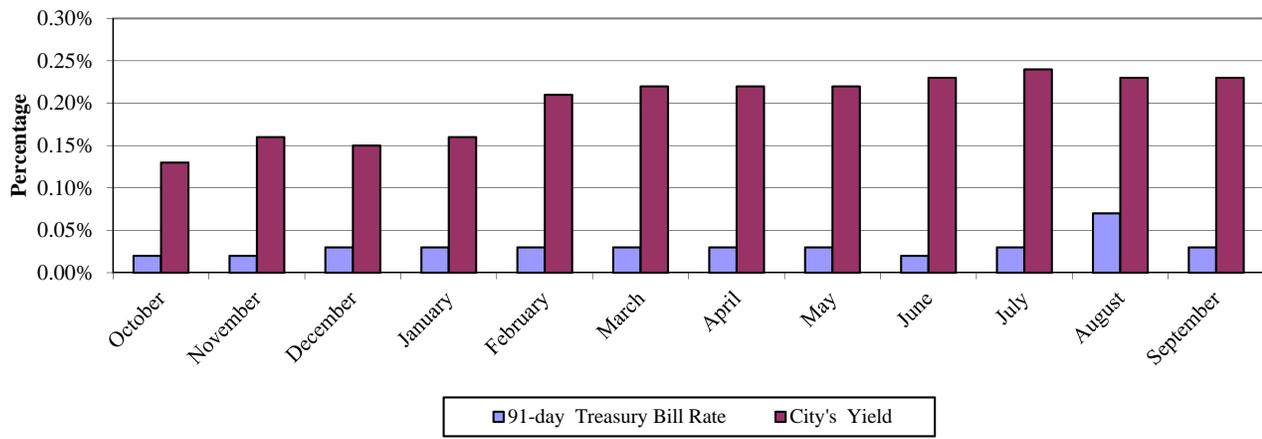
Investment Portfolio Balance



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

September 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	FHLB	12/22/14	11/18/15	331	\$ 3,999,265	\$ 3,999,265	0.3000%	N/A	Duncan-Williams
Operating	Certificate of Dep.	CD	12/22/14	12/22/15	365	4,013,527	4,013,527	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	01/26/15	02/22/16	392	4,002,180	4,002,180	0.2800%	N/A	Wells-Fargo
Operating	Certificate of Dep.	CD	03/10/15	03/10/16	366	4,021,021	4,021,021	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	11/21/14	03/18/16	483	4,003,300	4,003,300	0.3200%	N/A	Coastal
Bonds & Cap Prj	Certificate of Dep.	CD	09/28/15	03/28/16	182	3,968,000	3,968,000	0.3500%	N/A	Texas Term
Bonds & Cap Prj	Agency Bond	FNMA	09/28/15	03/30/16	184	3,003,971	3,003,971	0.2400%	N/A	First Southwest
Operating	Agency Bond	FHLB	01/09/15	05/18/16	495	4,126,908	4,126,908	0.3970%	N/A	First Southwest
Operating	Agency Bond	FHLB	02/09/15	08/09/16	547	4,002,476	4,002,476	0.4500%	N/A	Coastal
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	3,001,599	3,001,599	0.6000%	11/17/2015	Coastal
Total						\$ 38,142,247	\$ 38,142,247			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 626,828	TexPool
Bond Proceeds & Capital Projects	State Pool	4,515,665	TexPool
Operating	State Pool	2,894,877	TexStar
Deposit	State Pool	752,168	TexStar
Bond Proceeds & Capital Projects	State Pool	2,858,158	TexStar
Debt Service	State Pool	500,049	TexStar
Operating	State Pool	3,588,638	Texas Daily
Debt Service	State Pool	2,201,069	Texas Daily
Bond Proceeds & Capital Projects	State Pool	5,142,001	Texas Daily
Operating	State Pool	4,395,182	Lone Star
Bond Proceeds & Capital Projects	State Pool	1,607,394	Lone Star
Debt Service	State Pool	38,999	Lone Star
Bond Proceeds & Capital Projects	Money Market	489,852	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,287	Invesco - Agency
Operating	Money Market	4,000,822	Legacy Bank
Operating	Cash in Bank	3,949,224	Legacy Bank
Operating	Cash in Bank	112,774	Frost Bank
Deposit	Cash in Bank	127,703	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	1,953,105	Legacy Bank
Debt Service	Cash in Bank	170,626	Legacy Bank
Total		\$ 40,338,421	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 26,139,699	33.3%
CD's	12,002,548	15.3%
TexPool	5,142,493	6.6%
TexStar	7,005,252	8.9%
Texas Daily	10,931,708	13.9%
Lone Star	6,041,575	7.7%
Invesco - Agency	413,287	0.5%
Federated - Agency	489,852	0.6%
Legacy Money Market	4,000,822	5.1%
Cash in Bank	6,313,432	8.0%
Total Investments	\$ 78,480,668	100%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

September 30, 2015

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
Operating Portfolio				
General Fund	\$ 29,849,121	\$ 21,448,118	\$ 21,885	\$ 74,820
Special Police Funds	394,072	393,951	324	739
Municipal Court Building Security Fund	245,845	245,591	249	605
Technology Fund	99,896	108,772	106	235
Wireless 911 Fund	308,729	222,777	280	700
Judicial Efficiency Fund	21,482	22,598	23	52
Traffic Safety Fund	578,464	708,416	654	1,399
Hotel/ Motel Tax Fund	2,026,619	2,489,545	2,346	5,125
Tax Increment Financing Fund #1	2,311,090	2,259,170	2,328	5,448
Tax Increment Financing Fund #2	815,927	50,345	163	1,063
Tax Increment Financing Fund #3	10,777	10,788	11	33
Franchise PEG Fund	607,165	676,259	659	1,426
Drainage Fee Fund	3,405,676	3,097,112	3,363	8,030
State Grants Fund (1)	4,523	(1,823)	-	-
Federal Grant Funds (1)	(45,092)	(26,724)	-	-
Economic Development	407,133	993,222	492	831
Water and Sewer Operating Fund	2,793,139	9,152,508	3,714	11,161
Water and Sewer Rate Stabilization Fund	2,156,422	2,158,614	2,192	5,317
Golf Fund	61,052	181,518	11	149
Solid Waste Services Fund	2,669,761	3,206,756	2,997	6,814
Central Services Fund	254,794	138,352	186	687
Insurance and Flexible Spending Fund	1,104,974	201,157	519	2,782
Payroll Liability Fund	1,843,453	-	-	-
Total Operating Portfolio	\$ 51,925,022	\$ 47,737,022	\$ 42,502	\$ 127,416

(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

September 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	\$ 5,017,234	\$ 4,100,969	\$ 861	\$ 4,296
Capital Projects - Major Projects Funds	10,818,685	8,419,162	1,655	13,410
Water and Sewer - Capital Project Funds	3,267,524	2,466,959	549	3,053
Solid Waste - Capital Projects Funds	601,663	347,382	99	311
Non-Bond Capital Projects:				
Special Projects Fund	9,629,006	6,879,550	202	4,786
Eisemann Center Capital Fund	199,115	210,144	38	135
Street Rehabilitaion Fund	53,338	196,125	-	233
Water Sewer Special Projects Fund	5,817	5,818	1	36
Solid Waste Special Projects Fund	1,360,464	1,325,324	257	1,480
Total Bond Proceeds & Capital Projects Portfolio	\$ 30,952,846	\$ 23,951,433	\$ 3,662	\$ 27,740

Debt Service Portfolio				
General Debt Service Fund	\$ 5,369,521	\$ 2,266,975	\$ 951	\$ 4,560
Water and Sewer Debt Service Fund	-	470,634	58	309
Solid Waste Debt Service Fund	-	173,134	18	93
Total Debt Service Portfolio	\$ 5,369,521	\$ 2,910,743	\$ 1,027	\$ 4,962

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 3,778,140	\$ 3,881,470	\$ 6,738	\$ 18,118
Total Deposit Portfolio	\$ 3,778,140	\$ 3,881,470	\$ 6,738	\$ 18,118

Total All Portfolios	\$ 92,025,529	\$ 78,480,668	\$ 53,929	\$ 178,236
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