



1<sup>st</sup> Quarter Investment Report  
*(For the Quarter Ended December 31, 2015)*  
Fiscal Year 2015-16  
City of Richardson, Texas

**Investment Report  
Overview  
Quarter Ending December 31, 2015**

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**Portfolio Balance**

The Market Value of the City’s Investment Portfolio as of December 31, 2015 was \$100,284,576.

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 0.36% as of December 31, 2015, above the benchmark of the 91-day Treasury bill at 0.16% and in line with the Fed Funds rate of between 0.25% and 0.50%. The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, at its December 16 meeting unanimously voted to increase the Fed Funds rate by 25 basis points, to a range of 0.25% to 0.50%. At their meeting on January 27 the FOMC decided to leave the target range at 0.25% to 0.50%, saying that recent information “suggests that labor market conditions improved further even as economic growth slowed last year” and “expects that economic conditions will evolve in a manner that will warrant only gradual increases in the Federal Funds rate.”

<b>Investment Type</b>	<b>Yield</b>
Total Portfolio	0.36%
Securities and Certificates of Deposit	0.56%
Money Market Mutual Funds and Local Investment Pools	0.20%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.16%

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 \$34,718. 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	\$18,868				\$18,868
Bond Proceeds & Capital Proj.	9,975				9,975
Deposit	3,434				3,434
Debt Service	2,441				2,441
Total	\$34,718				\$34,718

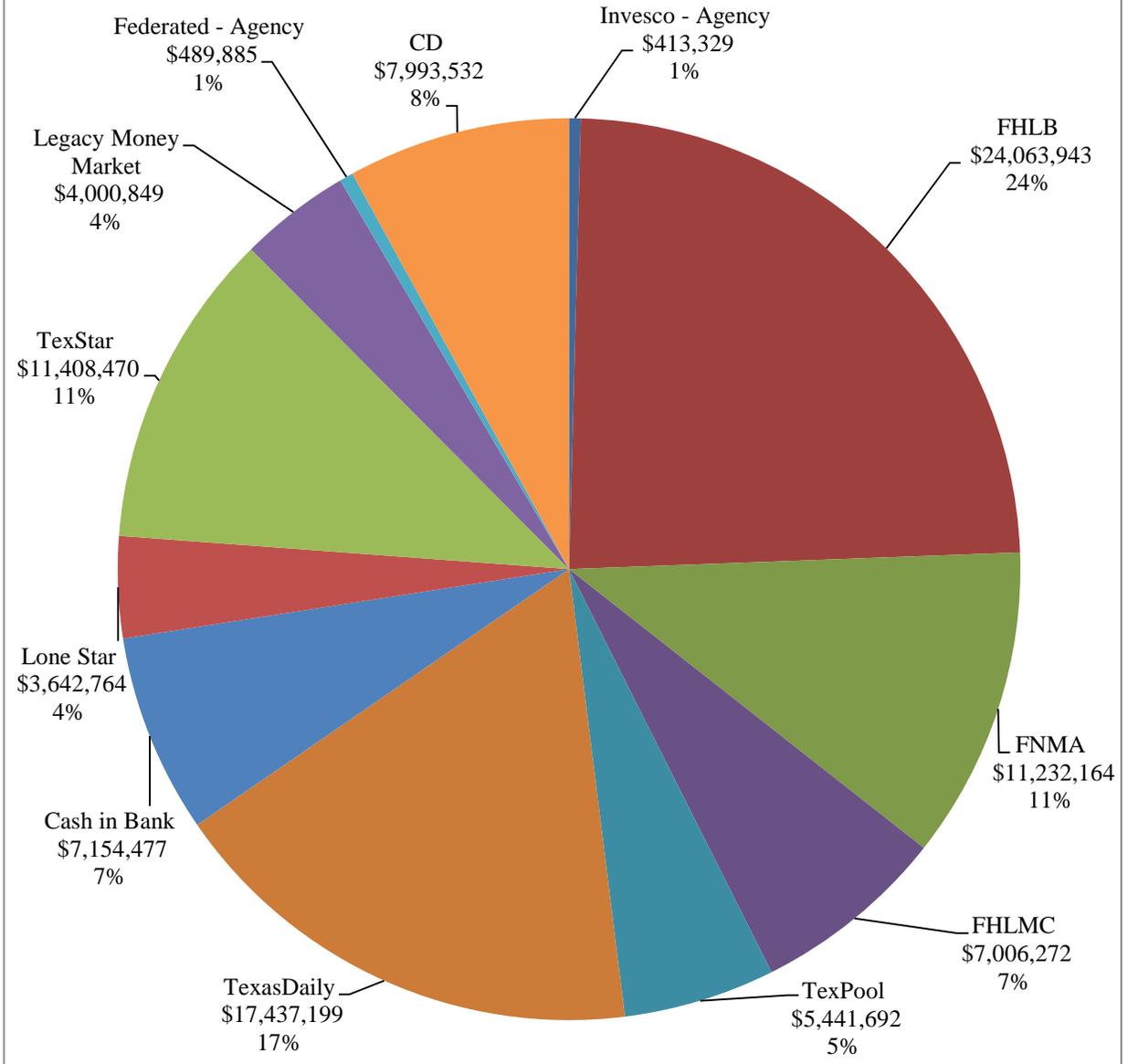
Additional information on interest earned can be found on pages 9-10 of this report.

### 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 December 31, 2015**  
**\$100,284,576**



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

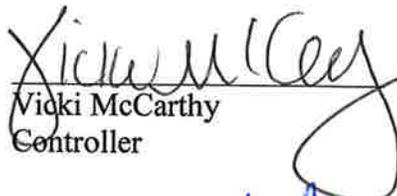
This report is in compliance with the investment strategy as established in the City's Investment Policy and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Prepared on: January 27, 2016

  
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Kent Pfeil  
Chief Financial Officer

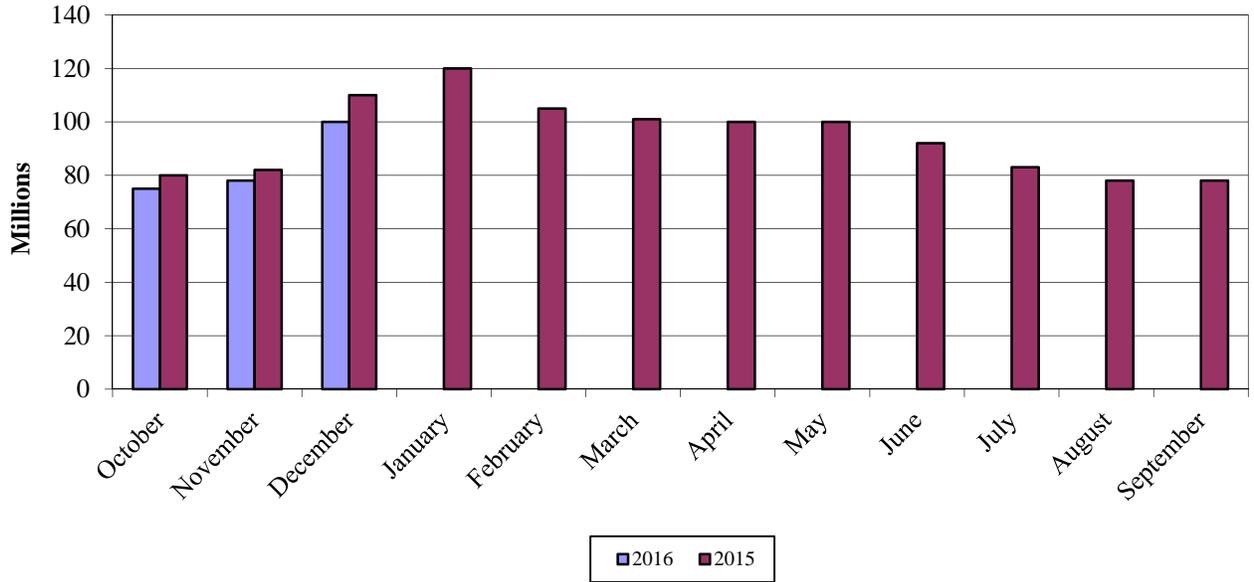
  
\_\_\_\_\_  
Keith Dagen  
Director of Finance

  
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Cara Copley  
Treasurer and Revenue Manager

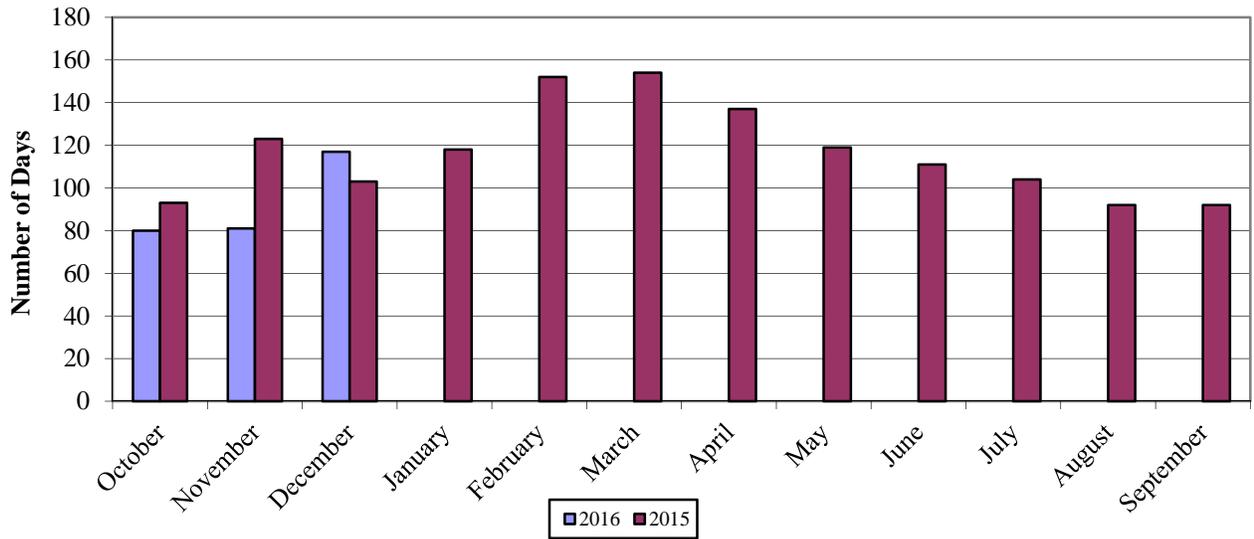
  
\_\_\_\_\_  
Vicki McCarthy  
Controller

  
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Eddie Mueller  
Treasury Accountant

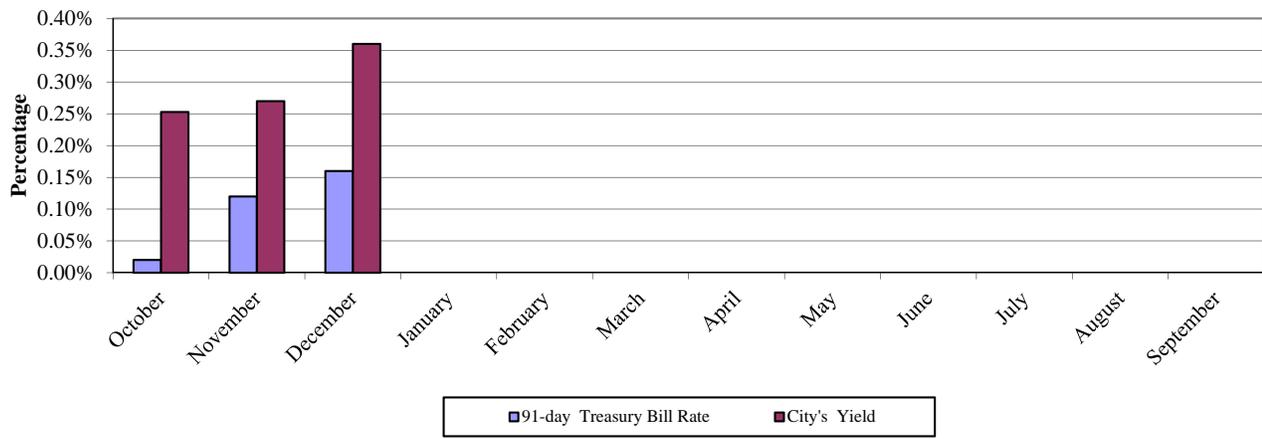
### Investment Portfolio Balance



### Weighted Average Maturity Total Portfolio Fiscal Year 2016



**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, 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	01/26/15	02/22/16	392	4,000,264	4,002,180	0.2800%	N/A	Wells-Fargo
Operating	Certificate of Dep.	CD	03/10/15	03/10/16	366	4,025,532	4,025,532	0.4500%	N/A	Independent Bank
Operating	Agency Bond	FHLB	11/21/14	03/18/16	483	3,999,404	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	3,001,996	3,001,996	0.2400%	N/A	First Southwest
Operating	Agency Bond	FHLB	01/09/15	05/18/16	495	4,075,000	4,126,908	0.3970%	N/A	First Southwest
Operating	Agency Bond	FHLB	02/09/15	08/09/16	547	3,997,312	4,002,476	0.4500%	N/A	Coastal
Operating	Agency Bond	FHLB	12/16/15	09/28/16	287	3,992,815	3,992,815	0.7440%	N/A	Duncan-Williams
Operating	Agency Bond	FHLB	11/18/15	11/23/16	371	3,999,148	3,999,394	0.6400%	N/A	Wells-Fargo
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	3,000,288	3,001,599	0.6000%	2/17/2016	Coastal
Operating	Agency Bond	FNMA	12/16/15	01/30/17	411	4,015,000	4,017,463	0.8570%	N/A	First Southwest
Operating	Agency Bond	FHLMC	12/31/15	03/08/17	433	4,005,984	4,006,254	0.8670%	N/A	Coastal
Operating	Agency Bond	FNMA	12/31/15	05/11/17	497	4,215,168	4,217,789	0.9630%	N/A	Coastal
<b>Total</b>						<b>\$ 50,295,911</b>	<b>\$ 50,365,706</b>			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 3,938,034	TexPool
Bond Proceeds & Capital Projects	State Pool	816,494	TexPool
Debt Service	State Pool	687,164	TexPool
Operating	State Pool	3,296,252	TexStar
Deposit	State Pool	752,414	TexStar
Bond Proceeds & Capital Projects	State Pool	2,859,091	TexStar
Debt Service	State Pool	4,500,713	TexStar
Operating	State Pool	39,631	Texas Daily
Debt Service	State Pool	9,552,667	Texas Daily
Bond Proceeds & Capital Projects	State Pool	7,844,901	Texas Daily
Operating	State Pool	2,495,996	Lone Star
Bond Proceeds & Capital Projects	State Pool	1,107,756	Lone Star
Debt Service	State Pool	39,012	Lone Star
Bond Proceeds & Capital Projects	Money Market	489,885	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,329	Invesco - Agency
Operating	Money Market	4,000,849	Legacy Bank
Operating	Cash in Bank	2,550,393	Legacy Bank
Operating	Cash in Bank	96,777	Frost Bank
Deposit	Cash in Bank	145,666	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	2,025,118	Legacy Bank
Debt Service	Cash in Bank	2,336,523	Legacy Bank
<b>Total</b>		<b>\$ 49,988,665</b>	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 42,302,379	42.2%
CD's	7,993,532	8.0%
TexPool	5,441,692	5.4%
TexStar	11,408,470	11.4%
Texas Daily	17,437,199	17.4%
Lone Star	3,642,764	3.6%
Invesco - Agency	413,329	0.4%
Federated - Agency	489,885	0.5%
Legacy Money Market	4,000,849	4.0%
Cash in Bank	7,154,477	7.1%
<b>Total Investments</b>	<b>\$ 100,284,576</b>	<b>100%</b>

# City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

December 31, 2015

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
<b>Operating Portfolio</b>				
General Fund	\$ 21,448,118	\$ 25,397,206	\$ 6,592	\$ 6,592
Special Police Funds	393,951	385,733	123	123
Municipal Court Building Security Fund	245,591	241,470	104	104
Technology Fund	108,772	81,474	39	39
Wireless 911 Fund	222,777	234,783	96	96
Judicial Efficiency Fund	22,598	22,253	10	10
Traffic Safety Fund	708,416	347,013	168	168
Hotel/ Motel Tax Fund	2,489,545	2,293,691	992	992
Tax Increment Financing Fund #1	2,259,170	2,221,222	952	952
Tax Increment Financing Fund #2	50,345	44,145	20	20
Tax Increment Financing Fund #3	10,788	5,842	5	5
Franchise PEG Fund	676,259	706,392	292	292
Drainage Fee Fund	3,097,112	3,142,015	1,318	1,318
State Grants Fund (1)	(1,823)	(5,553)	-	-
Federal Grant Funds (1)	(26,724)	(11,833)	-	-
Economic Development	993,222	717,746	303	303
Water and Sewer Operating Fund	9,152,508	10,301,129	4,276	4,276
Water and Sewer Rate Stabilization Fund	2,158,614	2,159,532	918	918
Golf Fund	181,518	32,138	42	42
Solid Waste Services Fund	3,206,756	2,348,017	1,171	1,171
Central Services Fund	138,352	429,213	48	48
Insurance and Flexible Spending Fund	201,157	3,853,300	1,399	1,399
Payroll Liability Fund	-	1,796,631	-	-
<b>Total Operating Portfolio</b>	<b>\$ 47,737,022</b>	<b>\$ 56,743,559</b>	<b>\$ 18,868</b>	<b>\$ 18,868</b>

(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

December 31, 2015

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Earned Quarter	Interest Income Earned YTD
<b>Bond Proceeds and Capital Projects Portfolio</b>				
Capital Projects - Equipment Funds	\$ 4,100,969	\$ 3,279,907	\$ 2,019	\$ 2,019
Capital Projects - Major Projects Funds	8,419,162	6,922,971	3,651	3,651
Water and Sewer - Capital Project Funds	2,466,959	1,938,645	1,081	1,081
Solid Waste - Capital Projects Funds	347,382	316,196	176	176
Non-Bond Capital Projects:				
Special Projects Fund	6,879,550	7,296,445	1,760	1,760
Eisemann Center Capital Fund	210,144	263,971	119	119
Street Rehabilitaion Fund	196,125	179,211	71	71
Water Sewer Special Projects Fund	5,818	1,005,503	425	425
Solid Waste Special Projects Fund	1,325,324	1,323,721	673	673
<b>Total Bond Proceeds &amp; Capital Projects Portfolio</b>	<b>\$ 23,951,433</b>	<b>\$ 22,526,570</b>	<b>\$ 9,975</b>	<b>\$ 9,975</b>
<b>Debt Service Portfolio</b>				
General Debt Service Fund	\$ 2,266,975	\$ 14,786,597	\$ 1,942	\$ 1,942
Water and Sewer Debt Service Fund	470,634	1,838,675	388	388
Solid Waste Debt Service Fund	173,134	490,807	111	111
<b>Total Debt Service Portfolio</b>	<b>\$ 2,910,743</b>	<b>\$ 17,116,079</b>	<b>\$ 2,441</b>	<b>\$ 2,441</b>
<b>Deposit Portfolio</b>				
Water and Sewer Deposit Fund	\$ 3,881,470	\$ 3,898,368	\$ 3,434	\$ 3,434
<b>Total Deposit Portfolio</b>	<b>\$ 3,881,470</b>	<b>\$ 3,898,368</b>	<b>\$ 3,434</b>	<b>\$ 3,434</b>
<b>Total All Portfolios</b>	<b>\$ 78,480,668</b>	<b>\$ 100,284,576</b>	<b>\$ 34,718</b>	<b>\$ 34,718</b>