



2nd Quarter Investment Report
(For the Quarter Ended March 31, 2016)
Fiscal Year 2015-16
City of Richardson, Texas

Investment Report Overview Quarter Ending March 31, 2016

Portfolio Balance

The Market Value of the City's Investment Portfolio as of March 31, 2016 was \$99,919,964.

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 0.57% as of March 31, 2016, above the benchmark of the 91-day Treasury bill at 0.29% and slightly above 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 their meeting on March 16 decided to leave the target range at 0.25% to 0.50%, saying they expect that economic conditions will evolve in a manner that will warrant only gradual increases in the fed funds rate.

Investment Type	Yield
Total Portfolio	0.57%
Securities and Certificates of Deposit	0.69%
Money Market Mutual Funds and Local Investment Pools	0.36%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.29%

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, U.S. Treasury Notes, 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 Treasury and Agency Securities or Certificates of Deposit for funds that will be used in the future.

Earnings

Total interest on the City's investments for the quarter was \$151,967. The interest 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	\$128,226			\$147,094
Bond Proceeds & Capital Proj.	9,975	12,953			22,928
Deposit	3,434	1,547			4,981
Debt Service	2,441	9,241			11,682
Total	\$34,718	\$151,967			\$186,685

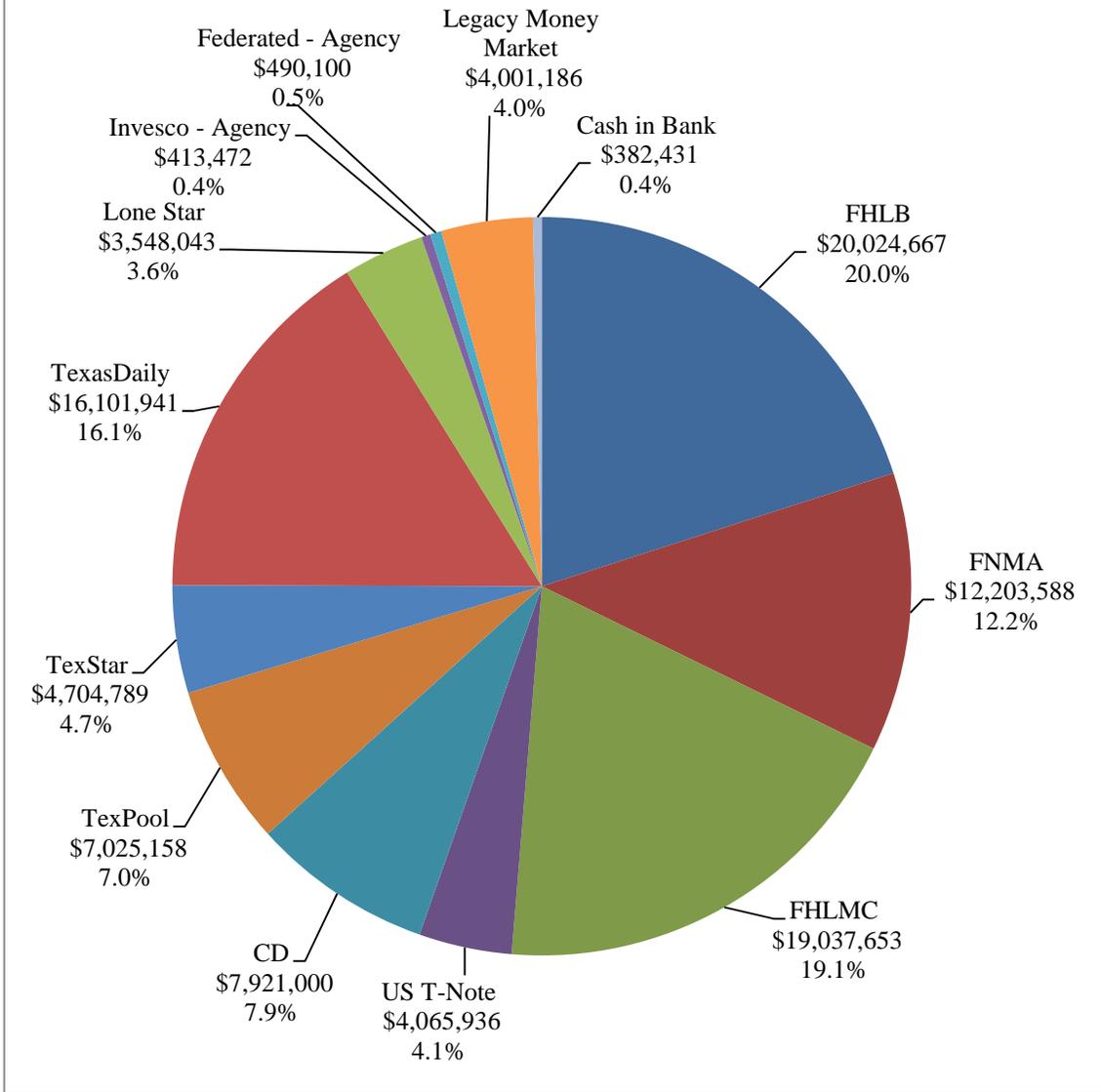
Additional information on interest earned can be found on pages 9-10 of this report.

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
T-Note	U. S. Treasury Note

Total Portfolio as of March 31, 2016
\$99,919,964

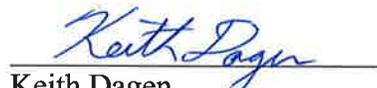


**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending March 31, 2016**

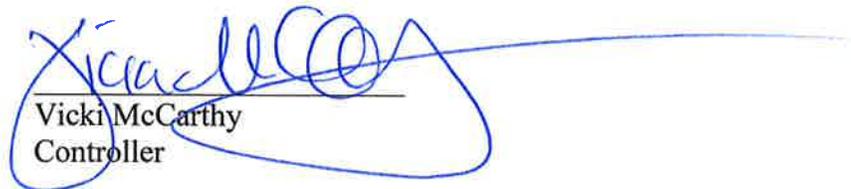
This report is in compliance with the investment strategy as established in the City's Investment Policy and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Prepared on: April 21, 2016


Kent Pfeil
Chief Financial Officer

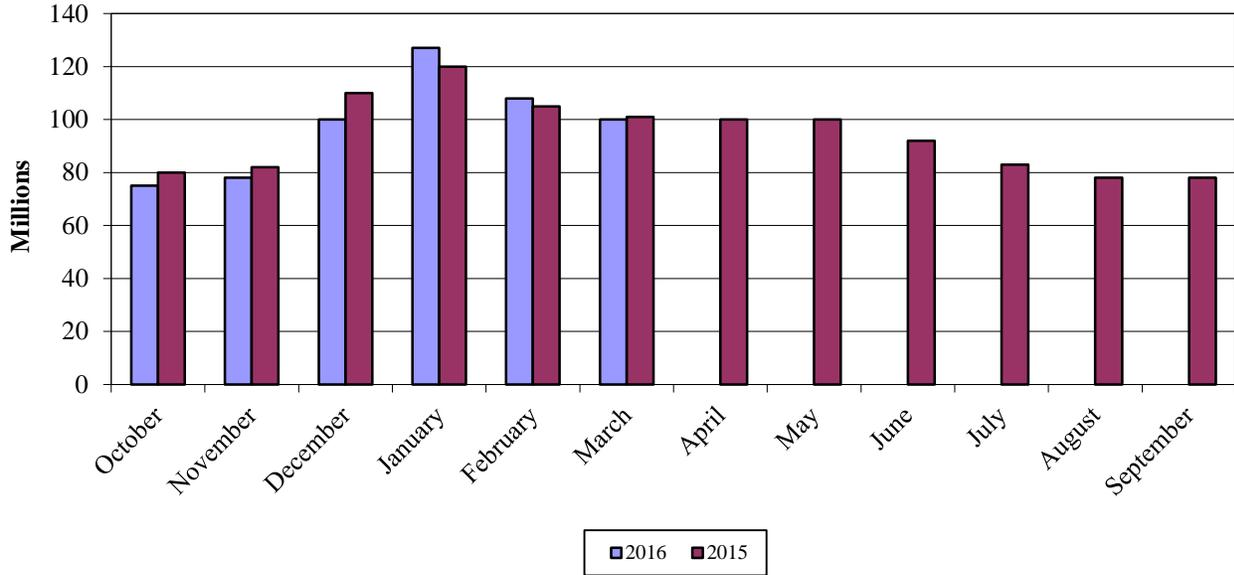

Keith Dagen
Director of Finance


Cara Copley
Treasurer and Revenue Manager

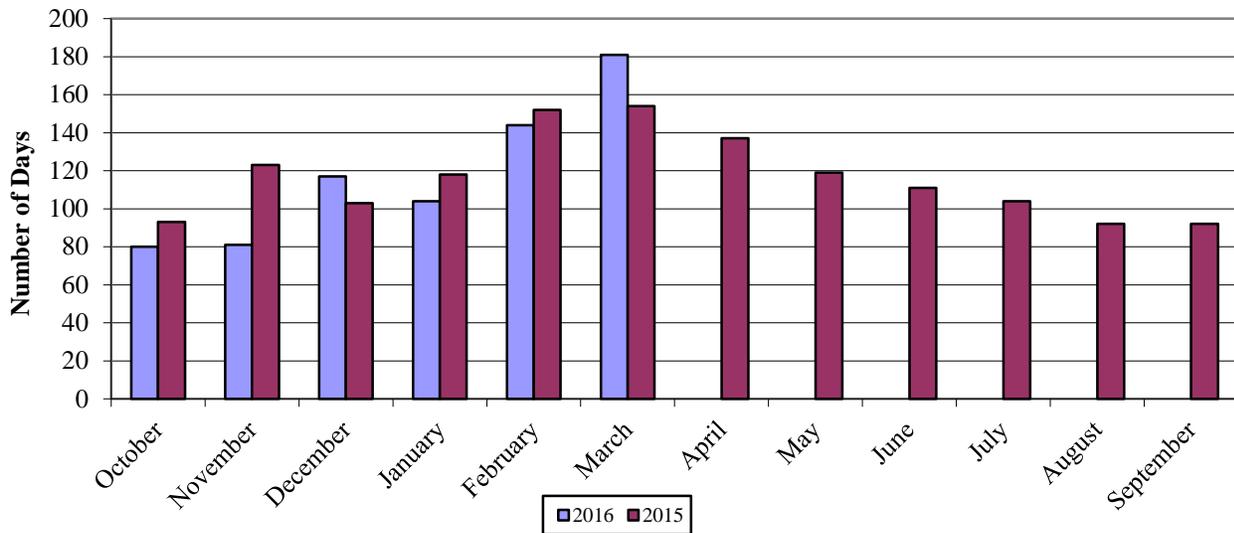

Vicki McCarthy
Controller


Eddie Mueller
Treasury Accountant

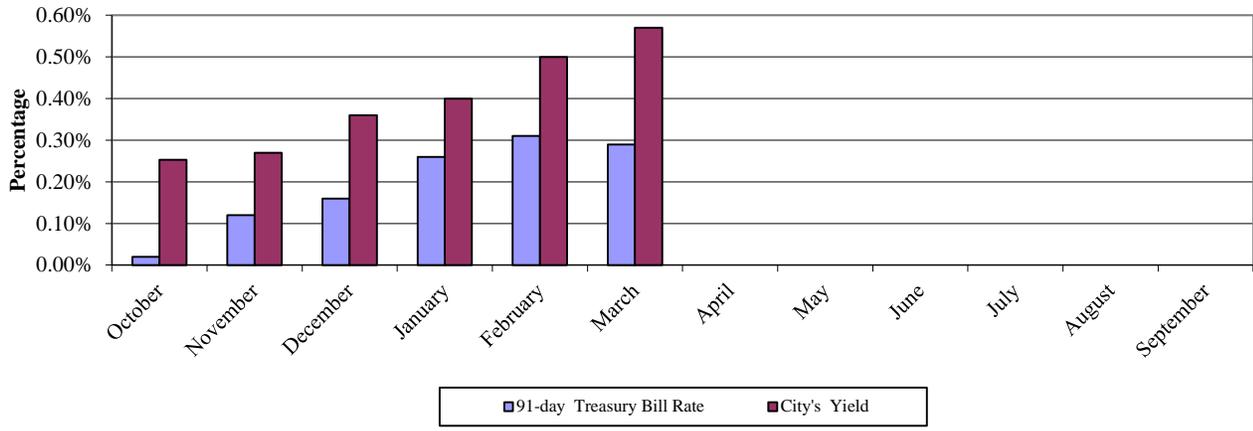
Investment Portfolio Balance



Weighted Average Maturity Total Portfolio Fiscal Year 2016



**Comparison of the City's Yield to the 91-day
Treasury Bill Rate
Fiscal Year 2016**



City of Richardson Investment Report

Schedule of Investments by Source of Funds

March 31, 2016

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	01/09/15	05/18/16	495	\$ 4,026,184	\$ 4,126,908	0.3970%	N/A	First Southwest
Operating	Agency Bond	FHLB	02/09/15	08/09/16	547	4,001,360	4,002,476	0.4500%	N/A	Coastal
Operating	Agency Bond	FHLB	02/05/16	08/19/16	196	4,000,000	4,000,000	0.5000%	N/A	Cantella
Bonds & Cap Prj.	CD	CD	03/28/16	09/26/16	182	3,968,000	3,968,000	0.5200%	N/A	Texas Term
Operating	Agency Bond	FHLB	12/16/15	09/28/16	287	3,995,243	3,995,243	0.7440%	N/A	Duncan-Williams
Operating	Agency Bond	FHLMC	01/22/16	10/14/16	266	4,006,654	4,006,654	0.5650%	N/A	Samco
Operating	Agency Bond	FHLB	11/18/15	11/23/16	371	4,001,880	3,999,394	0.6400%	N/A	Wells-Fargo
Deposit	Agency Bond	FHLMC	11/17/14	11/17/16	731	2,996,523	3,001,599	0.6000%	5/17/2016	Coastal
Operating	Agency Bond	FNMA	12/16/15	01/30/17	411	4,018,768	4,017,463	0.8570%	N/A	First Southwest
Operating	CD	CD	02/05/16	02/06/17	367	3,953,000	3,953,000	0.7700%	N/A	Texas Term
Operating	Agency Bond	FHLMC	12/31/15	03/08/17	433	4,012,220	4,006,254	0.8670%	N/A	Coastal
Operating	Agency Bond	FNMA	03/10/16	04/27/17	413	4,018,740	4,015,760	0.7741%	N/A	Duncan-Williams
Operating	Agency Bond	FNMA	12/31/15	05/11/17	497	4,166,080	4,217,789	0.9630%	N/A	Coastal
Operating	Agency Bond	FHLMC	01/22/16	06/16/17	511	4,007,804	4,001,660	0.8450%	N/A	Duncan-Williams
Operating	Agency Bond	FHLMC	02/22/16	07/28/17	522	4,014,452	4,013,655	0.7600%	N/A	Coastal
Operating	US Treasury Note	T-Note	03/22/16	08/31/17	527	4,065,936	4,063,466	0.7650%	N/A	Coastal
Total						\$ 63,252,844	\$ 63,389,321			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 2,199,081	TexPool
Bond Proceeds & Capital Projects	State Pool	4,826,077	TexPool
Operating	State Pool	3,265,182	TexStar
Deposit	State Pool	753,191	TexStar
Bond Proceeds & Capital Projects	State Pool	686,416	TexStar
Operating	State Pool	5,247,917	Texas Daily
Debt Service	State Pool	4,796,044	Texas Daily
Bond Proceeds & Capital Projects	State Pool	5,957,946	Texas Daily
Deposit	State Pool	100,034	Texas Daily
Operating	State Pool	220,763	Lone Star
Bond Proceeds & Capital Projects	State Pool	537,957	Lone Star
Debt Service	State Pool	2,789,323	Lone Star
Bond Proceeds & Capital Projects	Money Market	490,100	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	413,472	Invesco - Agency
Operating	Money Market	4,001,186	Legacy Bank
Operating	Cash in Bank	122,571	Legacy Bank
Operating	Cash in Bank	111,932	Frost Bank
Deposit	Cash in Bank	90,217	Legacy Bank
Bond Proceeds & Capital Projects	Cash in Bank	3,939	Legacy Bank
Debt Service	Cash in Bank	53,772	Legacy Bank
Total		\$ 36,667,120	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 51,265,908	51.3%
Treasury Note	4,065,936	4.1%
CD's	7,921,000	7.9%
TexPool	7,025,158	7.0%
TexStar	4,704,789	4.7%
Texas Daily	16,101,941	16.1%
Lone Star	3,548,043	3.6%
Invesco - Agency	413,472	0.4%
Federated - Agency	490,100	0.5%
Legacy Money Market	4,001,186	4.0%
Cash in Bank	382,431	0.4%
Total Investments	\$ 99,919,964	100%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

March 31, 2016

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 25,397,206	\$ 42,332,120	\$ 74,370	\$ 80,962
Special Police Funds	385,733	390,111	491	614
Municipal Court Building Security Fund	241,470	242,266	437	541
Technology Fund	81,474	107,216	169	208
Wireless 911 Fund	234,783	253,876	406	502
Judicial Efficiency Fund	22,253	22,857	41	51
Traffic Safety Fund	347,013	652,562	889	1,057
Hotel/ Motel Tax Fund	2,293,691	2,460,439	4,284	5,276
Tax Increment Financing Fund #1	2,221,222	3,568,685	5,237	6,189
Tax Increment Financing Fund #2	44,145	1,981,335	2,276	2,296
Tax Increment Financing Fund #3	5,842	53,938	684	689
Franchise PEG Fund	706,392	786,477	1,336	1,628
Drainage Fee Fund	3,142,015	2,986,446	5,338	6,656
State Grants Fund	(5,553)	17,039	-	-
Federal Grant Funds (1)	(11,833)	(254,510)	-	-
Economic Development	717,746	893,423	1,456	1,759
Water and Sewer Operating Fund	10,301,129	4,757,906	15,156	19,432
Water and Sewer Rate Stabilization Fund	2,159,532	2,163,451	3,919	4,837
Golf Fund	32,138	-	1	43
Solid Waste Services Fund	2,348,017	1,955,540	3,994	5,165
Central Services Fund	429,213	322,392	590	638
Insurance and Flexible Spending Fund	3,853,300	3,969,044	7,152	8,551
Payroll Liability Fund	1,796,631	1,794,340	-	-
Total Operating Portfolio	\$ 56,743,559	\$ 71,456,953	\$ 128,226	\$ 147,094

(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

March 31, 2016

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 3,279,907	\$ 1,431,838	\$ 2,001	\$ 4,020
Capital Projects - Major Projects Funds	6,922,971	4,564,215	4,639	8,290
Water and Sewer - Capital Project Funds	1,938,645	1,189,587	1,275	2,356
Solid Waste - Capital Projects Funds	316,196	206,597	258	434
Non-Bond Capital Projects:				
Special Projects Fund	7,296,445	5,904,123	2,186	3,946
Eisemann Center Capital Fund	263,971	269,454	210	329
Street Rehabilitaion Fund	179,211	1,055,622	622	693
Water Sewer Special Projects Fund	1,005,503	950,648	754	1,179
Solid Waste Special Projects Fund	1,323,721	1,311,823	1,008	1,681
Total Bond Proceeds & Capital Projects Portfolio	\$ 22,526,570	\$ 16,883,907	\$ 12,953	\$ 22,928
Debt Service Portfolio				
General Debt Service Fund	\$ 14,786,597	\$ 7,639,139	\$ 8,614	\$ 10,556
Water and Sewer Debt Service Fund	1,838,675	-	496	884
Solid Waste Debt Service Fund	490,807	-	131	242
Total Debt Service Portfolio	\$ 17,116,079	\$ 7,639,139	\$ 9,241	\$ 11,682
Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 3,898,368	\$ 3,939,965	\$ 1,547	\$ 4,981
Total Deposit Portfolio	\$ 3,898,368	\$ 3,939,965	\$ 1,547	\$ 4,981
Total All Portfolios	\$ 100,284,576	\$ 99,919,964	\$ 151,967	\$ 186,685