



4th Quarter Investment Report
(For the Quarter Ended September 30, 2016)
Fiscal Year 2015-16
City of Richardson, Texas

**Investment Report
Overview
Quarter Ending September 30, 2016**

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of September 30, 2016 was \$89,388,512.

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 0.59% as of September 30, 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 September 21, 2016 decided to maintain the federal funds rate at 0.25% to 0.50%. The FOMC stated the case for an increase in the federal funds rate has strengthened but decided to wait for further evidence of continued progress toward its objectives of a return to a 2% inflation rate and further improvements in the labor market.

Investment Type	Yield
Total Portfolio	0.59%
Securities and Certificates of Deposit	0.72%
Money Market Mutual Funds and Local Investment Pools	0.40%
<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 \$107,955. 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	\$163,118	\$72,456	\$382,668
Bond Proceeds & Capital Proj.	9,975	12,953	19,751	29,403	72,082
Deposit	3,434	1,547	13,658	2,160	20,799
Debt Service	2,441	9,241	7,208	3,936	22,826
Total	\$34,718	\$151,967	\$203,735	\$107,955	\$498,375

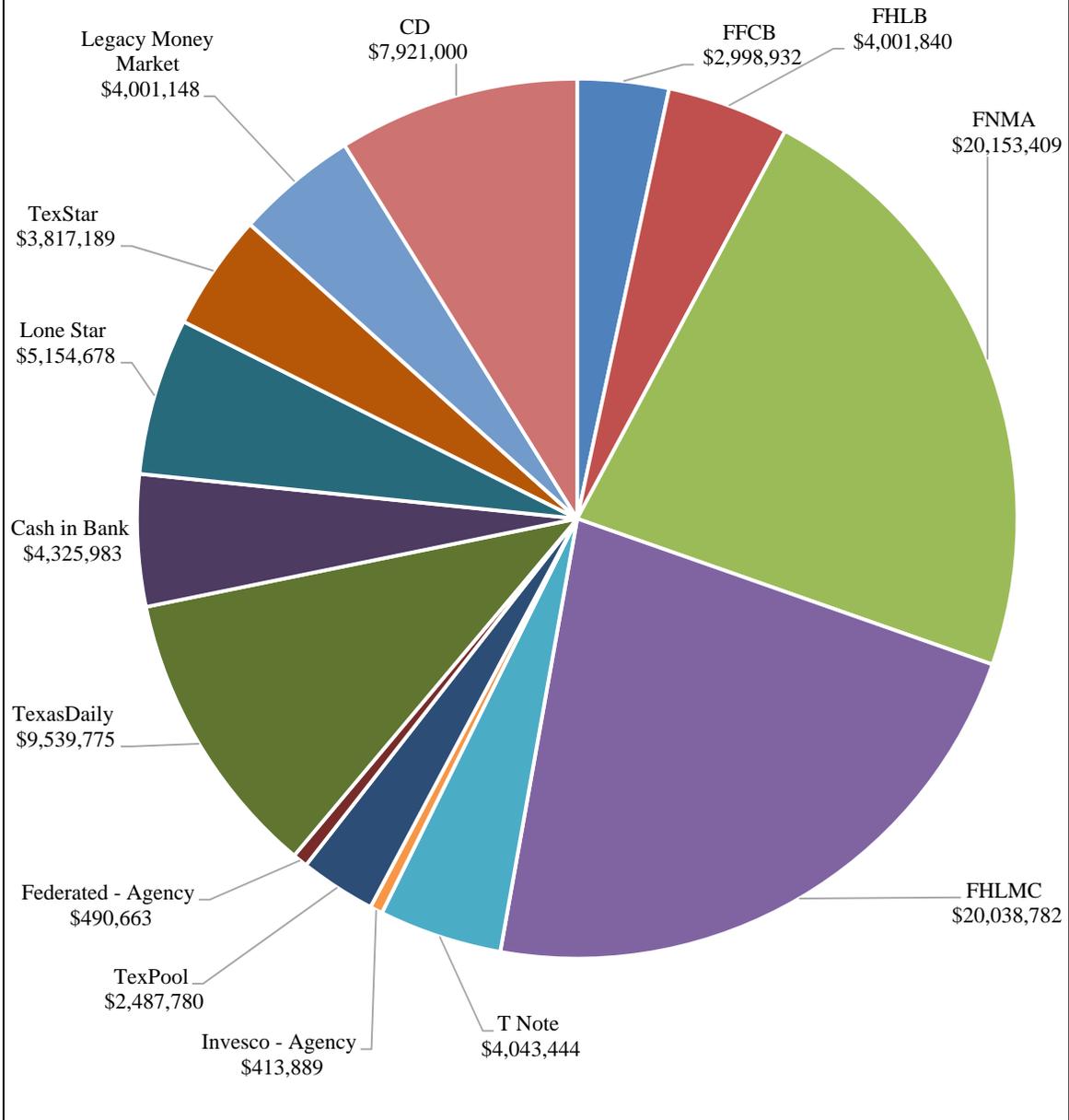
Additional information on interest earned can be found on pages 9-10 of this report.

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
FFCB	Federal Farm Credit Bank
FHLMC	Federal Home Loan Mortgage Corporation
CD	Certificate of Deposit
T-Note	U. S. Treasury Note

Total Portfolio as of September 30, 2016
\$89,388,512



City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending September 30, 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: November 1, 2016



Kent Pfeil
Chief Financial Officer



Keith Dagen
Director of Finance



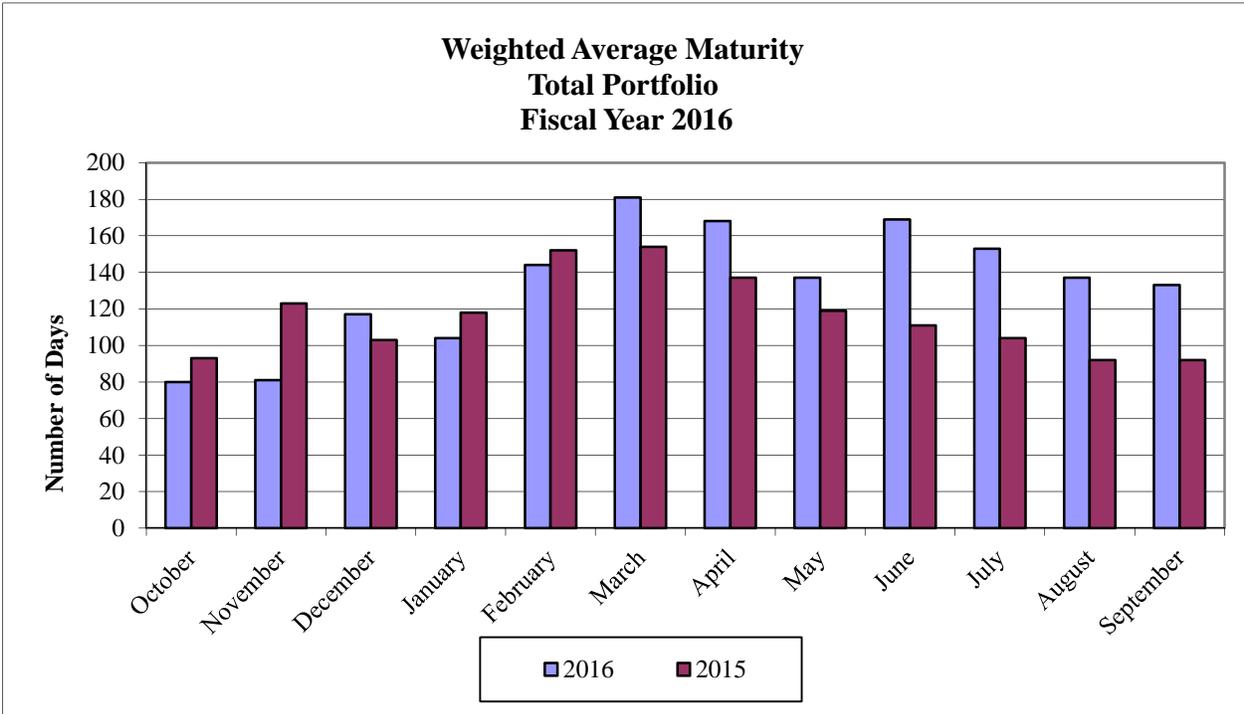
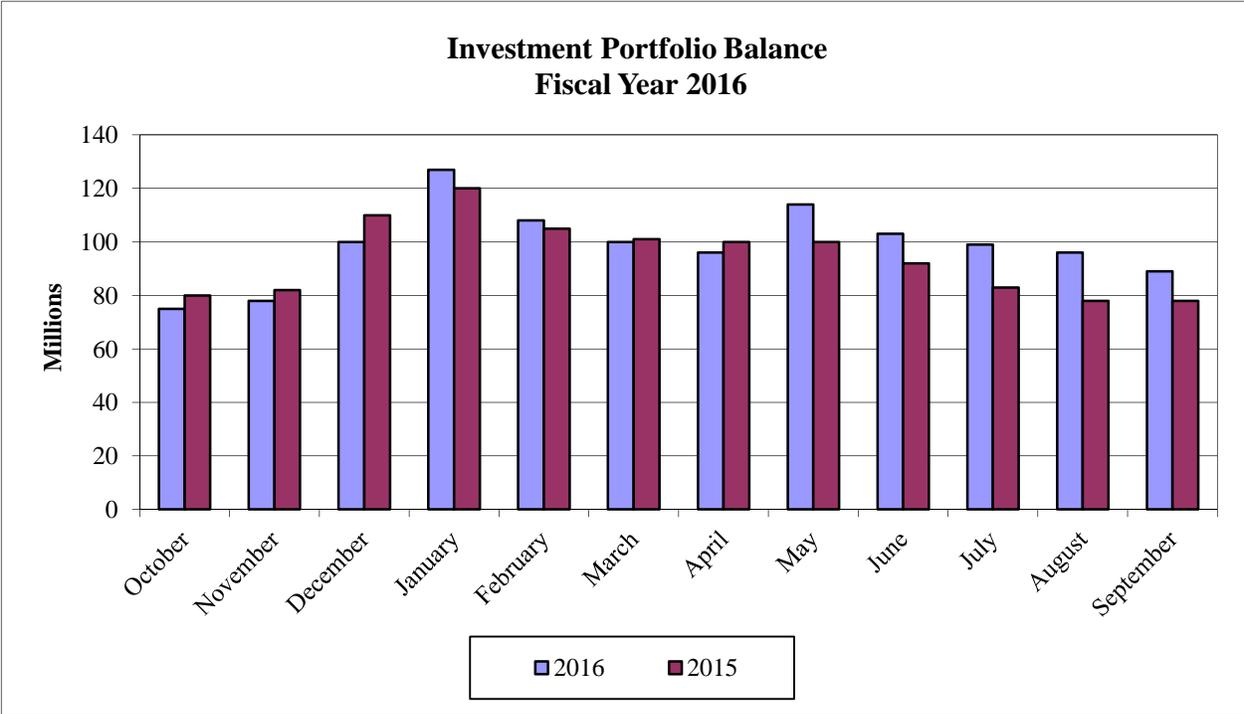
Cara Copley
Treasurer and Revenue Manager



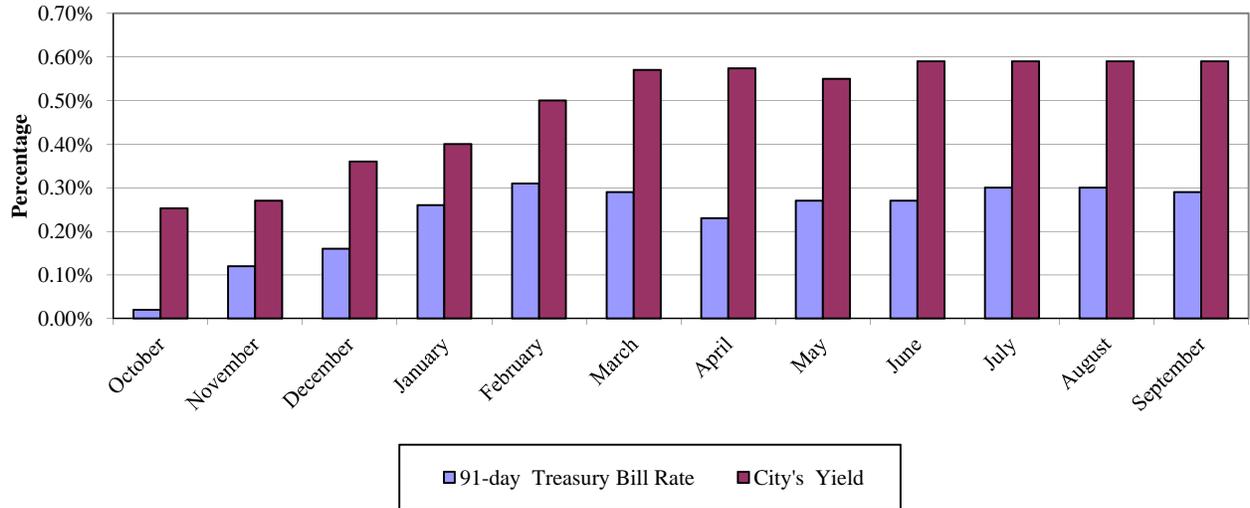
Vicki McCarthy
Controller



Michael Spanos
Treasury Accountant



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



City of Richardson Monthly Investment Report

Schedule of Investments by Source of Funds

September 30, 2016

Securities & CD's										
Source of Funds	Type	Purchase Date	Maturity Date	Purchase to Maturity	Fair Value	Book Value	Yield	Callable	Purchased From	
Operating	Agency Bond	FHLMC	01/22/16	10/14/16	266 days	4,000,574	4,000,574	0.5650%	N/A	Samco
Operating	Agency Bond	FHLB	11/18/15	11/23/16	371 days	4,001,840	4,001,840	0.6400%	N/A	Wells Fargo
Operating	Agency Bond	FNMA	12/16/15	01/30/17	411 days	4,010,384	4,010,384	0.8600%	N/A	Hilltop Securities
Bonds & Cap Proj.	Agency Bond	FNMA	06/30/16	01/30/17	214 days	4,010,333	4,010,333	0.4690%	N/A	Hilltop Securities
Operating	CD	CD	02/05/16	02/06/17	367 days	3,953,000	3,953,000	0.7700%	N/A	Texas Term
Operating	Agency Bond	FHLMC	12/31/15	03/08/17	433 days	4,009,184	4,009,184	0.8670%	N/A	Coastal
Bonds & Cap Proj.	CD	CD	09/26/16	03/27/17	182 days	3,968,000	3,968,000	0.5178%	N/A	Texas Term
Bonds & Cap Proj.	Agency Bond	FNMA	06/22/16	04/27/17	309 days	4,012,336	4,012,336	0.5870%	N/A	Wells Fargo
Operating	Agency Bond	FNMA	03/10/16	04/27/17	413 days	4,012,460	4,012,460	0.7741%	N/A	Duncan Williams
Operating	Agency Bond	FNMA	12/31/15	05/11/17	497 days	4,107,896	4,107,896	0.9630%	N/A	Coastal
Operating	Agency Bond	FHLMC	01/22/16	06/16/17	511 days	4,005,340	4,005,340	0.8450%	N/A	Duncan Williams
Bonds & Cap Proj.	Agency Bond	FHLMC	06/22/16	06/29/17	372 days	4,011,268	4,011,268	0.6415%	N/A	Coastal
Operating	Agency Bond	FHLMC	02/22/16	07/28/17	522 days	4,012,416	4,012,416	0.7600%	N/A	Coastal
Operating	US Treas Note	T-Note	03/22/16	08/31/17	527 days	4,043,444	4,043,444	0.7650%	N/A	Coastal
Deposit	Agency Bond	FFCB	05/16/16	02/16/18	641 days	2,998,932	2,998,932	0.7500%	N/A	Coastal
Total						\$ 59,157,407	\$ 59,157,407			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Fair Value	Purchased From
Operating	State Pool	\$ 1,070,720	TexPool
Bonds & Cap. Proj.	State Pool	1,417,060	TexPool
Operating	State Pool	1,049,861	TexStar
Deposit	State Pool	754,872	TexStar
Bonds & Cap. Proj.	State Pool	2,012,456	TexStar
Operating	State Pool	5,561,685	Texas Daily
Bonds & Cap. Proj.	State Pool	3,775,448	Texas Daily
Debt Service	State Pool	102,367	Texas Daily
Deposit	State Pool	100,275	Texas Daily
Operating	State Pool	2,576,942	Lone Star
Bonds & Cap. Proj.	State Pool	283,744	Lone Star
Debt Service	State Pool	2,293,992	Lone Star
Bonds & Cap. Proj.	Money Market	490,663	Federated - Agency
Bonds & Cap. Proj.	Money Market	413,889	Invesco - Agency
Operating	Money Market	4,001,148	Legacy Bank
Operating	Cash in Bank	2,116,349	Legacy
Operating	Cash in Bank	107,948	Frost
Deposit	Cash in Bank	215,229	Legacy
Debt Service	Cash in Bank	1,004,623	Legacy
Bonds & Cap. Proj.	Cash in Bank	881,834	Legacy
Total		\$ 30,231,105	

All Investments		
Type	Fair Value	Percentage
Securities & CD's	\$ 59,157,407	66.2%
TexPool	2,487,780	2.8%
TexStar	3,817,189	4.3%
Texas Daily	9,539,775	10.6%
Lone Star	5,154,678	5.8%
Federated - Agency	490,663	0.5%
Invesco - Agency	413,889	0.5%
Legacy - Money Mkt.	4,001,148	4.5%
Cash in Bank	4,325,983	4.8%
TOTAL	\$ 89,388,512	100.0%

	Agencies & CD's	Pools, MMF & Cash	Total
Operating	\$ 40,156,538	\$ 16,484,653	\$ 56,641,191
Deposit	2,998,932	1,070,376	4,069,308
Bonds & Cap. Proj.	16,001,937	9,275,094	25,277,031
Debt Service	-	3,400,982	3,400,982
	\$ 59,157,407	\$ 30,231,105	\$ 89,388,512

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

September 30, 2016

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 33,409,324	\$ 22,149,737	\$ 37,000	\$ 210,808
Special Police Funds	400,889	297,311	347	1,674
Municipal Court Building Security Fund	237,348	222,428	271	1,377
Technology Fund	122,148	137,525	152	640
Wireless 911 Fund	266,321	286,888	314	1,437
Judicial Efficiency Fund	18,106	18,029	21	122
Traffic Safety Fund	861,881	1,021,884	1,111	4,071
Hotel/ Motel Tax Fund	2,794,118	2,686,534	3,520	15,020
Tax Increment Financing Fund #1	3,418,412	3,361,363	3,369	18,584
Tax Increment Financing Fund #2	58,089	51,811	63	6,470
Tax Increment Financing Fund #3	89,041	54,991	71	912
Franchise PEG Fund	824,436	893,208	1,033	4,616
Drainage Fee Fund	2,869,216	2,731,515	3,339	16,922
State Grants Fund	4,504	69,301	-	-
Federal Grant Funds (1)	(85,016)	-	-	-
Economic Development	1,070,017	1,545,602	1,364	5,496
Water and Sewer Operating Fund	6,723,863	11,715,565	10,049	44,260
Water and Sewer Rate Stabilization Fund	2,138,531	2,118,177	2,492	12,409
Golf Fund	53,654	123,737	118	198
Solid Waste Services Fund	2,264,415	2,799,695	3,016	13,389
Central Services Fund	242,579	282,215	222	1,494
Insurance and Flexible Spending Fund	4,055,941	4,073,675	4,584	22,769
Payroll Liability Fund	1,975,268	-	-	-
Total Operating Portfolio	\$ 63,813,085	\$ 56,641,191	\$ 72,456	\$ 382,668

(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, 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	\$ 4,341,156	\$ 3,686,580	\$ 4,634	\$ 11,545
Capital Projects - Major Projects Funds	9,665,023	6,890,579	10,069	25,858
Water and Sewer - Capital Project Funds	2,835,361	2,300,756	2,907	7,201
Solid Waste - Capital Projects Funds	1,105,071	1,592,656	1,179	2,379
Non-Bond Capital Projects:				
Special Projects Fund	7,140,671	7,597,697	5,828	12,880
Eisemann Center Capital Fund	303,493	324,997	362	972
Street Rehabilitation Fund	1,546,660	1,358,027	1,890	3,749
Water Sewer Special Projects Fund	915,881	892,385	1,051	3,110
Solid Waste Special Projects Fund	1,287,619	633,354	1,483	4,388
Total Bond Proceeds & Capital Projects Portfolio	\$ 29,140,935	\$ 25,277,031	\$ 29,403	\$ 72,082
Debt Service Portfolio				
General Debt Service Fund	\$ 6,126,478	\$ 2,766,372	\$ 3,785	\$ 21,549
Water and Sewer Debt Service Fund	-	519,757	136	1,020
Solid Waste Debt Service Fund	-	114,853	15	257
Total Debt Service Portfolio	\$ 6,126,478	\$ 3,400,982	\$ 3,936	\$ 22,826
Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 4,034,378	\$ 4,069,308	\$ 2,160	\$ 20,799
Total Deposit Portfolio	\$ 4,034,378	\$ 4,069,308	\$ 2,160	\$ 20,799
Total All Portfolios	\$ 103,114,876	\$ 89,388,512	\$ 107,955	\$ 498,375