



1st Quarter Investment Report
(For the Quarter Ended December 31, 2011)
Fiscal Year 2011-12
City of Richardson, Texas

Investment Report Overview Quarter Ending December 31, 2011

Portfolio Balance

The Fair Market Value of the City's Investment Portfolio as of December 31, 2011 was \$138,532,233.

Investment and Interest Rate Information

The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board has kept the Fed Funds rate unchanged from between 0.00% and 0.25% since December 2008. Additionally, the FOMC released interest rate forecasts indicating that the Fed Funds rate is likely to be kept at exceptionally low levels until at least late 2014. The City's yield on the total portfolio was 0.19% as of December 31, above our benchmark of the 91-day Treasury bill at 0.01%, and in line with the Fed Funds rate of between 0.00% and 0.25%.

The City continues to invest in what is considered the safest investments, U.S. Government Agency Securities. The money market funds and the local government investment pools the City utilizes invest only in U.S. Treasuries and Agencies. The City's bank deposits are fully collateralized with U.S. Treasuries.

Investment Type	Yield
Total Portfolio	0.19%
Agencies	0.41%
Money Market Mutual Funds and Local Investment Pools	0.04%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.01%

Earnings

Total interest earned on the City's investments for the quarter was \$210,795. The General Fund and the Water and Sewer Operating Fund are shown below.

Fund	Original Budget	FY 2012 Interest Earnings
General	\$ 70,246	\$ 5,734
Water and Sewer Operating	\$ 14,101	\$ 3,550

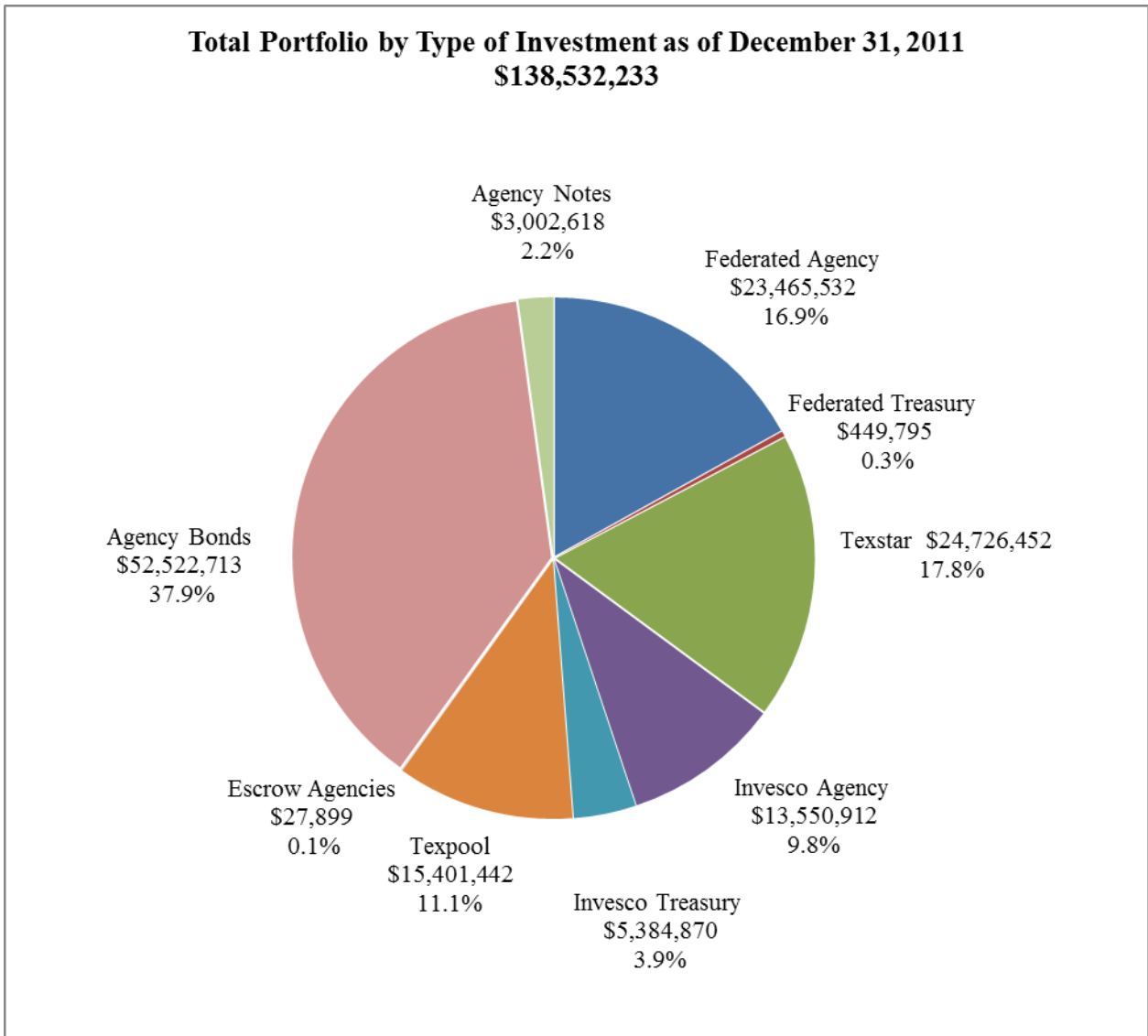
Purchases and Maturities

The following are the purchases, maturities, and interest earnings transactions for this quarter:

	Agencies/ Escrow	Federated	Invesco	TexPool	TexStar	Totals
Purchases	\$ 9,048,720	\$12,250,624	\$15,000,391	\$10,455,534	\$ 3,005,473	\$ 49,760,742
Maturities	\$ 15,004,866	\$14,400,000	\$ 0	\$17,300,000	\$ 4,000,000	\$ 50,704,866
Int. Ernd (1)	\$ 198,773	\$ 624	\$ 391	\$ 5,534	\$ 5,473	\$ 210,795

(1) The Interest Earned is interest that has been received and/or accrued as revenue.

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.



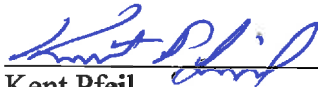
City of Richardson
Investment Report for Quarter Ending December 31, 2011
Table of Contents

Page 1	Investment Official Sign-Off
Page 2	Investment Portfolio Balance
Page 2	Weighted Average Maturity Total Portfolio
Page 3	Comparison of the City's Yield to the 91-Day Treasury Bill Rate
Page 3	Budgeted Annual Interest Compared to Earned and Accrued Interest
Page 4	Schedule of Investments by Source of Funds
Page 5-7	Summary of Investment Portfolio Activity
Page 8	Schedule of Interest Income by Portfolios and Funds
Page 9	Schedule of Market Value of Investments by Maturity Date
Page 10	Schedule of Maturities
Page 11	Schedule of Investment Purchases

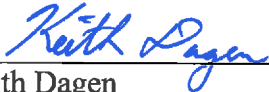
**CITY OF RICHARDSON, TEXAS
INVESTMENT REPORT
QUARTER ENDING December 31, 2011**

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 30, 2012



Kent Pfeil
Director of Finance



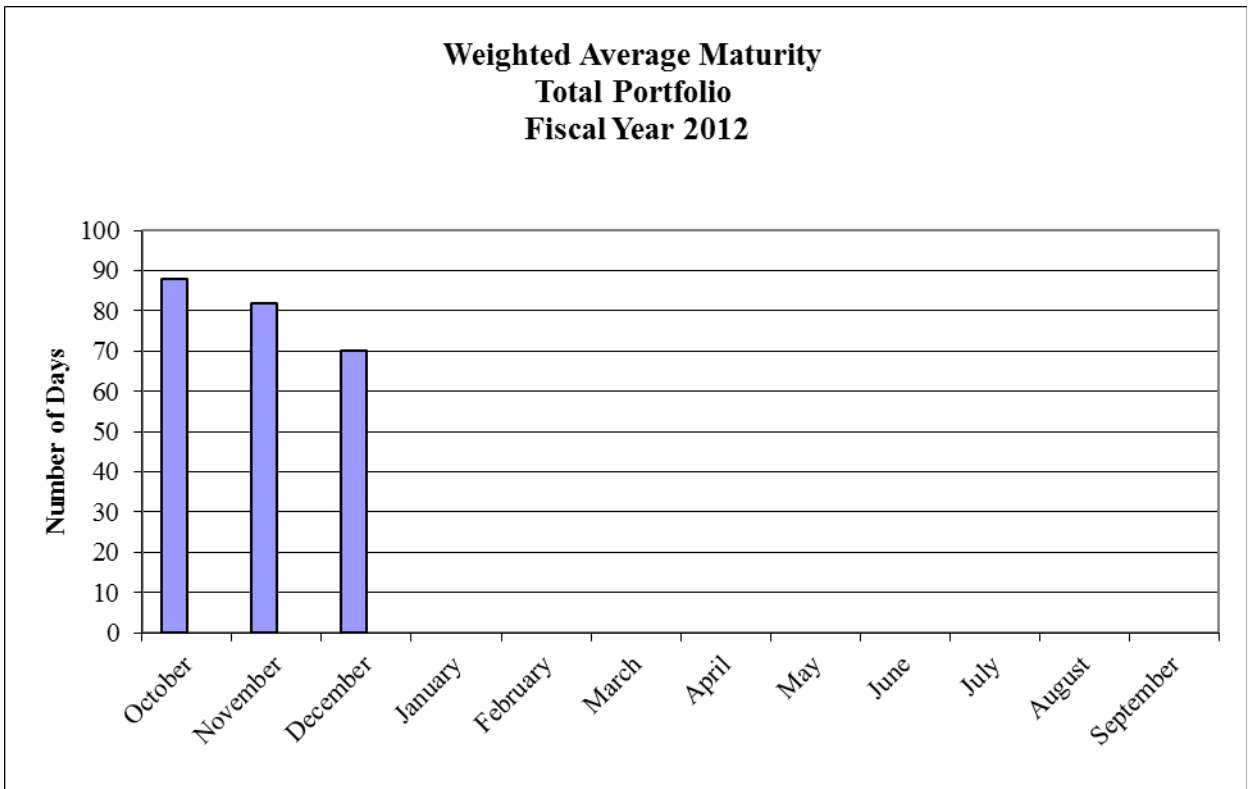
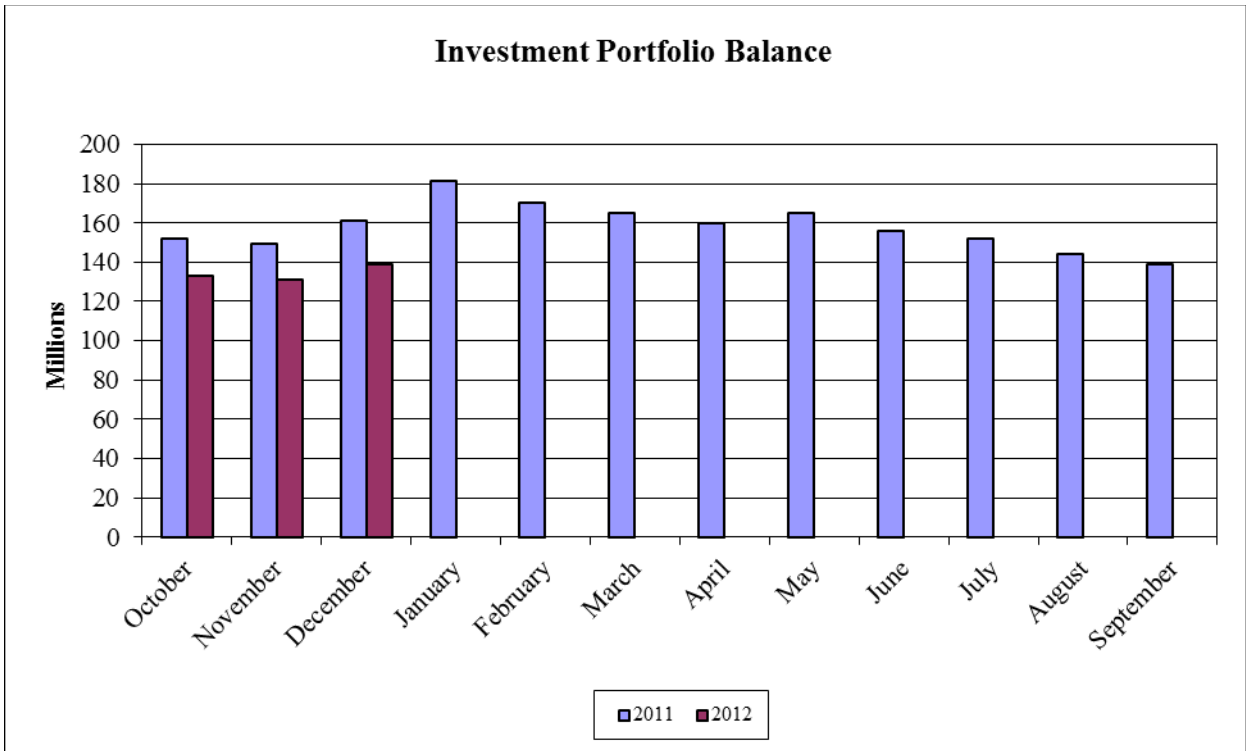
Keith Dagen
Assistant Director of Finance



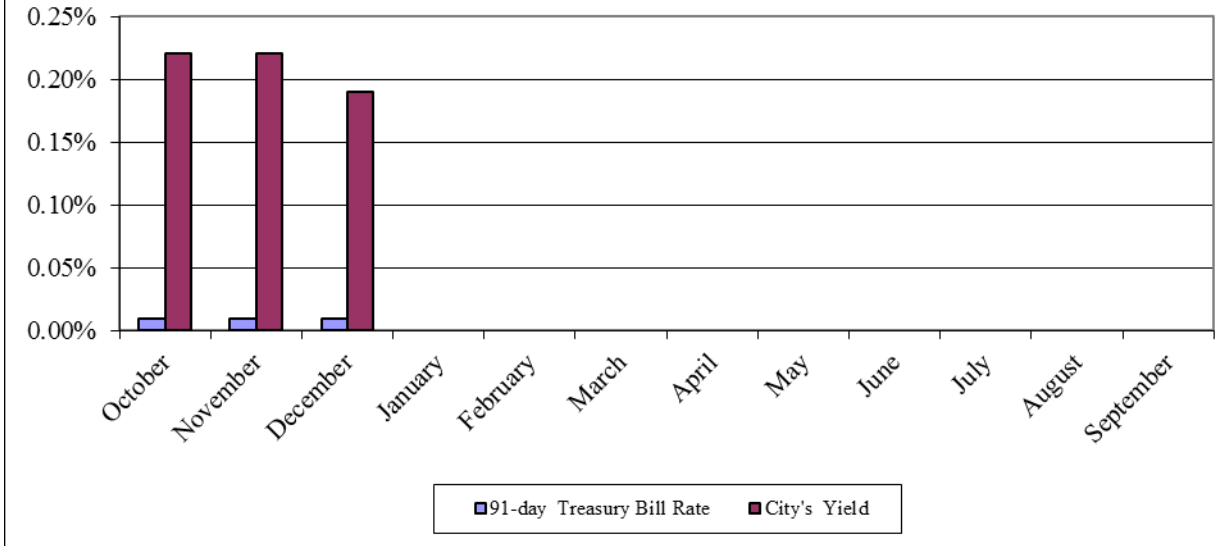
Tricia Lopusser
Controller



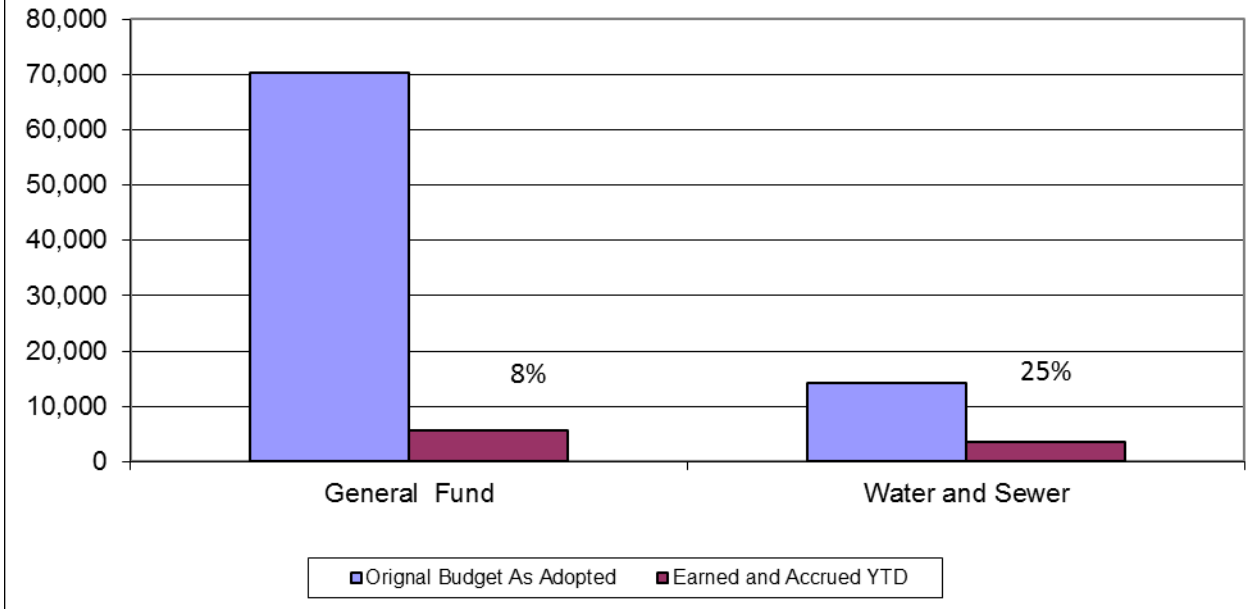
Eddie Mueller
Treasury Accountant



**Comparison of the City's Yield to the 91-day Treasury Bill Rate
Fiscal Year 2012**



**Budgeted Annual Interest Compared to Earned and Accrued Interest
Year to Date 2012**



City of Richardson, Texas
Schedule of Investments by Source of Funds
December 31, 2011

SECURITIES

Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Fair Value	Book Value	Yield	Callable	Purchased From	
Consolidated	Agency Note	FNMA	04/28/11	01/31/12	278	\$ 3,002,618	\$ 3,002,618	0.1522%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/16/12	562	6,034,878	6,107,430	0.4830%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	05/19/11	02/28/12	285	3,000,890	3,000,890	0.1465%	N/A	Coastal
Consolidated	Agency Bond	FHLMC	06/10/11	03/05/12	269	3,153,327	3,153,327	0.1840%	N/A	Duncan-Williams
Consolidated	Agency Note	FHLMC	09/23/11	03/23/12	182	6,027,808	6,027,808	0.1160%	N/A	Samco
Consolidated	Agency Bond	FFCB	07/27/11	04/24/12	272	3,019,264	3,019,264	0.2340%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	05/30/12	666	6,022,770	6,030,762	0.5750%	N/A	Coastal
Consolidated	Agency Bond	FNMA	10/21/11	06/22/12	245	3,015,981	3,015,981	0.1350%	N/A	Coastal
Consolidated	Agency Bond	FHLMC	11/23/11	07/27/12	247	2,985,729	2,985,729	0.1420%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	12/15/11	08/17/12	246	3,035,284	3,035,284	0.1352%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLMC	08/03/10	08/28/12	756	6,031,314	6,038,922	0.6800%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	11/21/12	841	4,943,903	4,957,601	0.7370%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/21/13	933	5,251,565	5,299,630	0.8380%	N/A	Duncan-Williams
Total						\$ 55,525,331	\$ 55,675,246			

FUNDS HELD IN ESCROW ACCOUNTS

Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Fair Value	Book Value	Yield	Callable	Purchased From	
GO 2004 Escrow	Agency Bond	FHLMC	03/02/05	07/15/12	2,692	27,899	27,838	4.4200%	N/A	U.S. Bank
Total						\$ 27,899	\$ 27,838			

MONEY MARKET FUNDS AND STATE POOLS

Source of Funds	Type	Fair Value	Purchased From
Consolidated	State Pool	\$ 14,335,615	TexPool
GO 2010	State Pool	616,220	TexPool
GO 2006 & Prior	State Pool	138,415	TexPool
CO 2011	State Pool	103,564	TexPool
CO 2010 & Prior	State Pool	207,628	TexPool
Consolidated	State Pool	15,579,224	TexStar
GO 2010	State Pool	1,558,946	TexStar
GO 2006 & Prior	State Pool	95,075	TexStar
CO 2011	State Pool	902,947	TexStar
CO 2010 & Prior	State Pool	6,590,260	TexStar
GO 2010	Money Market	19,027,452	Federated - Agency
GO 2006 & Prior	Money Market	285,858	Federated - Agency
CO 2011	Money Market	2,537,474	Federated - Agency
CO 2010 & Prior	Money Market	1,614,748	Federated - Agency
GO 2006 & Prior	Money Market	449,795	Federated - Treasury
GO 2010	Money Market	7,511,109	Invesco - Agency
GO 2006 & Prior	Money Market	5,939,802	Invesco - Agency
CO 2010 & Prior	Money Market	100,001	Invesco - Agency
GO 2010	Money Market	2,000,022	Invesco - Treasury
GO 2006 & Prior	Money Market	1,684,829	Invesco - Treasury
CO 2011	Money Market	250,003	Invesco - Treasury
CO 2010 & Prior	Money Market	1,450,016	Invesco - Treasury
Total		\$ 82,979,003	

Type	Fair Value	Percentage
Agencies:		
Bonds	\$ 52,522,713	37.9%
Notes	3,002,618	2.2%
Escrow Accounts	27,899	0.1%
TexPool	15,401,442	11.1%
TexStar	24,726,452	17.8%
Invesco - Treasury	5,384,870	3.9%
Invesco - Agency	13,550,912	9.8%
Federated - Treas.	449,795	0.3%
Federated - Agency	23,465,532	16.9%
Total Investments	\$ 138,532,233	100%

City of Richardson
Summary of Investment Portfolio Activity
As of December 31, 2011

All Portfolios Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 139,723,568	\$ 139,723,568	100.00%
Investment Purchases	49,760,742		
Increase (Decrease) in Book Value	(97,357)		
Investment Maturities	(50,704,866)		
Investments at end of quarter	<u><u>\$ 138,682,087</u></u>	\$ 138,532,233	99.89%

Consolidated Portfolio Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 49,346,997	\$ 49,346,997	100.00%
Investment Purchases	42,643,769		
Increase (Decrease) in Book Value	(97,357)		
Investment Maturities	(34,737,669)		
Investments at end of quarter	<u><u>\$ 57,155,740</u></u>	\$ 57,155,740	100.00%

General Obligation 2010

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 60,023,606	\$ 60,023,606	100.00%
Investment Purchases	7,113,753		
Increase (Decrease) in Book Value	-		
Investment Maturities	(7,989,265)		
Investments at end of quarter	<u><u>\$ 59,148,094</u></u>	\$ 58,998,179	99.75%

City of Richardson
Summary of Investment Portfolio Activity
As of December 31, 2011

General Obligation 2006 & Prior

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 10,253,517	\$ 10,253,517	100.00%
Investment Purchases	1,092		
Increase (Decrease) in Book Value	-		
Investment Maturities	(1,660,835)		
Investments at end of quarter	<u>\$ 8,593,774</u>	\$ 8,593,774	100.00%

Certificates of Obligation 2011

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 4,324,352	\$ 4,324,352	100.00%
Investment Purchases	346		
Increase (Decrease) in Book Value	-		
Investment Maturities	(530,710)		
Investments at end of quarter	<u>\$ 3,793,988</u>	\$ 3,793,988	100.00%

Certificates of Obligation 2010 & Prior Portfolio Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 15,747,258	\$ 15,747,258	100.00%
Investment Purchases	1,782		
Increase (Decrease) in Book Value	-		
Investment Maturities	(5,786,387)		
Investments at end of quarter	<u>\$ 9,962,653</u>	\$ 9,962,653	100.00%

City of Richardson
Summary of Investment Portfolio Activity
As of December 31, 2011

Funds Held in Escrow Accounts

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 27,838	\$ 27,838	100.00%
Investment Purchases	-		
Increase (Decrease) in Book Value	-		
Investment Maturities	-		
Investments at end of quarter	<u>\$ 27,838</u>	\$ 27,899	100.22%

City of Richardson
Schedule of Interest Income by Portfolios and Funds
December 31, 2011

Consolidated Portfolio

Fund Name	Actual Amount
General	\$ 5,734
General Debt Service	703
Water and Sewer Operating	3,550
Water and Sewer - Debt Service	254
Hotel Motel	276
Golf Operating	20
Golf Debt Service	29
Solid Waste Operating	1,135
Solid Waste Debt Service	56
COR Plan	1,028
Technology Fund	71
Wireless 911 Fund	70
General Special Projects	2,103
Street Rehabilitation	206
Water and Sewer - Others	443
Water & Sewer Special Projects	1,323
Water and Sewer - Deposit	1,007
Other Funds	952
Total - Consolidated Portfolio	\$ 18,960

General Obligation 2010

Fund Name	Actual Amount
G.O. 2010	\$ 188,555
Total - G.O. 2010	\$ 188,555

General Obligation 2006 Portfolio & Prior

Fund Name	Actual Amount
G.O. 2006 & Prior	\$ 1,092
Total - G.O. 2006 & Prior	\$ 1,092

Certificates of Obligation 2011 Portfolio

Fund Name	Actual Amount
General Government CO 2011	\$ 32
Utility Projects CO 2011	303
Solid Waste CO 2011	11
Total - C.O. 2011 Portfolio	\$ 346

Certificates of Obligation 2010 Portfolio & Prior

Fund Name	Actual Amount
General Government CO 2010 & Pr	\$ 514
Utility Projects CO 2010 & Prior	1,084
Solid Waste CO 2010 & Prior	179
Golf Capital Projects & Prior	5
Total - C.O. 2010 & Prior Portfolio	\$ 1,782

General Capital Equipment

Fund Name	Actual Amount
Escrow	\$ 60
Total - Escrow Portfolio	\$ 60

Interest Earned - All Portfolios

Interest Earned per Quarter	Actual Amount
1st Quarter	\$ 210,795
2nd Quarter	
3rd Quarter	
4th Quarter	
Total Interest Earned All Portfolios	\$ 210,795

(1) Interest income is earned through two methods - direct payments and changes in investment value:

Direct Payments - Investment pools and money market mutual funds pay dividends at the end of each monthly reporting period. Certificates of Deposit pay interest at agreed-upon intervals, usually quarterly. Bonds issued by the U.S. Government and U.S. Agencies pay interest every six months.

Changes in Investment Value - Under generally accepted accounting principles, the difference between the purchase price of a security and its redemption value at any point in time is considered an addition to ("gain") or reduction of ("loss") interest income. For securities with a maturity date of less than a year at the time of purchase, the difference between the purchase price and redemption value is recorded as an increase or decrease to interest income each month. For securities with a maturity date of greater than a year at the time of purchase, the book value is adjusted to the market value of the security at September 30th, and interest income is adjusted by the increase or decrease, which is classified as an unrealized gain/(loss). This is not a monetary gain or loss, only a book entry which reflects the estimated gain or loss if the security were sold early. If the security is held to maturity, there is no recognized gain or loss on the transaction. The City purchases all securities with the intent to hold them until maturity.

As reported above, interest earned for each quarter includes an accrual for each direct payment that the City will be entitled to, as well as the net effect of monthly changes in investment value for securities with a maturity date of less than a year at the time of purchase. Any unrealized gain or loss recorded at year-end is added to these amounts to reflect the interest earned for the full year.

City of Richardson
Schedule of Market Value of Investments by Maturity Date
December 31, 2011

Purchase Date	Description (1)	Yield	Maturity Date	Book Value	Par Value	Market Value (2)
04/28/11	FNMA	0.1522%	01/31/12	\$ 3,002,618	\$ 3,003,000	\$ 3,002,618
08/03/10	FNMA	0.4830%	02/16/12	6,107,430	6,000,000	6,034,878
05/19/11	FHLB	0.1465%	02/28/12	3,000,890	3,000,000	3,000,890
06/10/11	FHLMC	0.1840%	03/05/12	3,153,327	3,125,000	3,153,327
09/23/11	FHLMC	0.1160%	03/23/12	6,027,808	6,000,000	6,027,808
07/27/11	FFCB	0.2340%	04/24/12	3,019,264	3,000,000	3,019,264
08/03/10	FHLB	0.5750%	05/30/12	6,030,762	6,000,000	6,022,770
10/21/11	FNMA	0.1350%	06/22/12	3,015,981	3,000,000	3,015,981
03/02/05	FHLMC	4.4200%	07/15/12	27,838	28,000	27,899
11/23/11	FHLMC	0.1420%	07/27/12	2,985,729	2,969,000	2,985,729
12/15/11	FNMA	0.1352%	08/17/12	3,035,284	3,000,000	3,035,284
08/03/10	FHLMC	0.6800%	08/28/12	6,038,922	6,000,000	6,031,314
08/03/10	FHLB	0.7370%	11/21/12	4,957,601	4,885,000	4,943,903
08/03/10	FNMA	0.8380%	02/21/13	5,299,630	5,000,000	5,251,565
-	Federated - Trea.	Varies	-	449,795	449,795	449,795
-	Federated - Agen.	Varies	-	23,465,532	23,465,532	23,465,532
-	Invesco - Treas.	Varies	-	5,384,870	5,384,870	5,384,870
-	Invesco - Agen.	Varies	-	13,550,912	13,550,912	13,550,912
-	TexStar	Varies	-	24,726,452	24,726,452	24,726,452
-	TexPool	Varies	-	15,401,442	15,401,442	15,401,442
				\$138,682,087	\$ 137,989,003	\$ 138,532,233

(1) The following table shows the abbreviation and the full name of the Federal Agencies whose securities are currently 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

(2) Following the guidelines of the Governmental Accounting Standards Board Statement No. 31, the City reports investments, which have a remaining maturity at time of purchase of one year or less, at amortized cost (book value). For securities with a remaining maturity at time of purchase of greater than one year, the book value is adjusted to the market value at September 30th of each year.

City of Richardson
Schedule of Maturities
for Quarter Ending December 31, 2011

Purchase Date	Description	Yield	Maturity Date	Par Value	Book Value
02/25/11	FHLB	0.2045%	10/21/11	\$ 3,000,000	\$ 3,000,051
08/03/10	FHLB	0.4000%	10/28/11	6,000,000	6,001,914
02/28/11	FNMA	0.2250%	11/23/11	3,000,000	3,001,594
03/28/11	FHLMC	0.2350%	12/15/11	3,000,000	3,001,307
-	FEDERATED AGENCY	-	10/17/11	2,600,000	2,600,000
-	FEDERATED AGENCY	-	10/24/11	1,200,000	1,200,000
-	FEDERATED AGENCY	-	10/25/11	3,300,000	3,300,000
-	FEDERATED AGENCY	-	11/15/11	3,400,000	3,400,000
-	FEDERATED AGENCY	-	11/30/11	1,500,000	1,500,000
-	FEDERATED AGENCY	-	12/01/11	200,000	200,000
-	FEDERATED AGENCY	-	12/08/11	1,000,000	1,000,000
-	FEDERATED AGENCY	-	12/15/11	1,200,000	1,200,000
-	TEXPOOL	-	10/05/11	100,000	100,000
-	TEXPOOL	-	10/26/11	300,000	300,000
-	TEXPOOL	-	11/01/11	500,000	500,000
-	TEXPOOL	-	11/07/11	200,000	200,000
-	TEXPOOL	-	11/08/11	200,000	200,000
-	TEXPOOL	-	11/27/11	500,000	500,000
-	TEXPOOL	-	12/19/11	5,000,000	5,000,000
-	TEXPOOL	-	12/20/11	5,000,000	5,000,000
-	TEXPOOL	-	12/21/11	5,000,000	5,000,000
-	TEXPOOL	-	12/30/11	500,000	500,000
-	TEXSTAR	-	10/25/11	1,200,000	1,200,000
-	TEXSTAR	-	10/31/11	2,300,000	2,300,000
-	TEXSTAR	-	11/16/11	500,000	500,000
Total				\$ 50,700,000	\$ 50,704,866

City of Richardson
Schedule of Investment Purchases
for Quarter Ending December 31, 2011

Purchase Date	Description	Yield	Maturity Date	Par Value	Total Cost
10/21/01	FNMA	0.1350%	06/22/12	\$ 3,000,000	\$ 3,022,374
11/23/01	FHLMC	0.1420%	07/27/12	2,969,000	2,988,771
12/15/11	FNMA	0.1352%	08/17/12	3,000,000	3,037,575
10/28/11	FEDERATED AGENCY	-	-	3,000,000	3,000,000
10/31/11	FEDERATED AGENCY	-	-	238	238
11/16/11	FEDERATED AGENCY	-	-	4,000,000	4,000,000
11/30/11	FEDERATED AGENCY	-	-	180	180
12/05/11	FEDERATED AGENCY	-	-	1,400,000	1,400,000
12/09/11	FEDERATED AGENCY	-	-	3,100,000	3,100,000
12/16/11	FEDERATED AGENCY	-	-	750,000	750,000
12/31/11	FEDERATED AGENCY	-	-	194	194
10/31/11	FEDERATED TREASURY	-	-	4	4
11/30/11	FEDERATED TREASURY	-	-	4	4
12/31/11	FEDERATED TREASURY	-	-	4	4
10/31/11	INVESCO AGENCY	-	-	60	60
11/30/11	INVESCO AGENCY	-	-	59	59
12/20/11	INVESCO AGENCY	-	-	5,000,000	5,000,000
12/21/11	INVESCO AGENCY	-	-	5,000,000	5,000,000
12/31/11	INVESCO AGENCY	-	-	194	194
10/31/11	INVESCO TREASURY	-	-	7	7
11/30/11	INVESCO TREASURY	-	-	7	7
12/20/11	INVESCO TREASURY	-	-	5,000,000	5,000,000
12/31/11	INVESCO TREASURY	-	-	64	64
10/03/11	TEXPOOL	-	-	2,000,000	2,000,000
10/14/11	TEXPOOL	-	-	1,500,000	1,500,000
10/20/11	TEXPOOL	-	-	800,000	800,000
10/31/11	TEXPOOL	-	-	1,793	1,793
11/27/11	TEXPOOL	-	-	1,000,000	1,000,000
11/30/11	TEXPOOL	-	-	2,254	2,254
12/27/11	TEXPOOL	-	-	2,000,000	2,000,000
12/29/11	TEXPOOL	-	-	3,150,000	3,150,000
12/31/11	TEXPOOL	-	-	1,487	1,487
10/28/11	TEXSTAR	-	-	3,000,000	3,000,000
10/31/11	TEXSTAR	-	-	1,766	1,766
11/30/11	TEXSTAR	-	-	1,995	1,995
12/31/11	TEXSTAR	-	-	1,712	1,712
Total				\$ 49,681,022	\$ 49,760,742