



3rd Quarter Investment Report
(For the Quarter Ended June 30, 2013)
Fiscal Year 2012-13
City of Richardson, Texas

**Investment Report
Overview
Quarter Ending June 30, 2013**

Portfolio Balance

The Fair Market Value of the City's Investment Portfolio as of June 30, 2013 was \$123,365,391.

Investment and Interest Rate Information

The City's yield on the total portfolio was 0.10% as of June 30, above the benchmark of the 91-day Treasury bill at 0.05% 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, decided at its July 2013 meeting to keep the target range for the federal funds rate unchanged and believes that this exceptionally low range continues to remain appropriate. Although the committee has not indicated when policy accommodation might be removed, projections indicate that this will most likely occur sometime in 2015.

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. Government Agency Securities and 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 U.S. Treasury or Agency Securities. Investments in U.S. Treasury and Agency securities are considered the safest investments under the Public Funds Investment Act due to the backing of the Federal Government. 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 investments in U.S. Government Agency Securities for funds that will be used in the future.

Investment Type	Yield
Total Portfolio	0.10%
Agencies	0.16%
Money Market Mutual Funds and Local Investment Pools	0.06%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.05%

Earnings

Total interest earned on the City's investments for the quarter was \$26,926. During the budget revision process in April staff reevaluated projected interest earnings. The General Fund and the Water and Sewer Operating Fund are shown below with the revised amounts. The increase in the revised amounts are due to higher investable balances as a result of conservative forecasting for the budget process and slightly higher actual rates than used for the budget process.

Fund	Original Budget	Revised Forecast	FY 2013 Actual Interest Earnings
General	\$ 28,588	\$ 32,545	\$ 28,207
Water and Sewer Operating	\$ 8,268	\$ 11,477	\$ 8,816

Purchases and Maturities

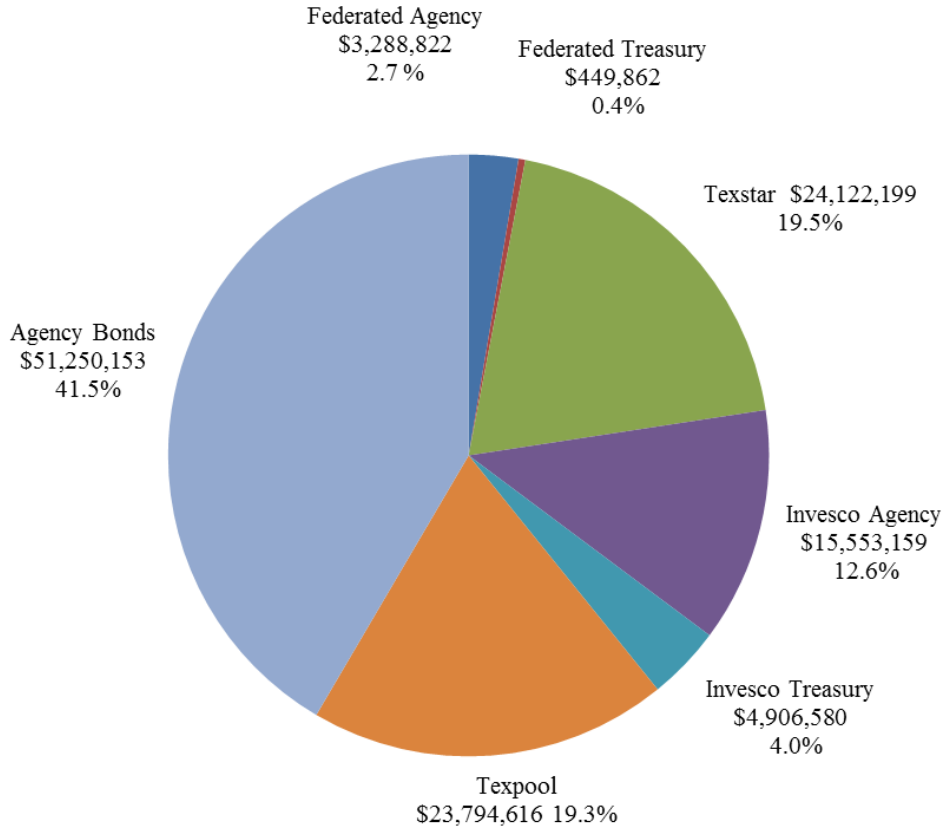
The following are the purchases, maturities, and interest earnings transactions for this quarter:

	Agencies	Federated	Invesco	TexPool	TexStar	Totals
Purchases	\$ 18,121,446	\$ 2,500,153	\$ 5,201,029	\$ 6,704,848	\$ 4,354,976	\$ 36,882,452
Maturities	\$ 18,024,391	\$ 7,700,000	\$ 4,300,000	\$ 9,375,000	\$ 6,700,000	\$ 46,099,391
Int. Ernd (1)	\$ 15,920	\$ 153	\$ 1,029	\$ 4,848	\$ 4,976	\$ 26,926

(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.

Total Portfolio by Type of Investment as of June 30, 2013
\$123,365,391




City of Richardson
Investment Report for Quarter Ending June 30, 2013
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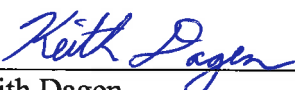
CITY OF RICHARDSON, TEXAS INVESTMENT REPORT QUARTER ENDING June 30, 2013

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: August 5, 2013



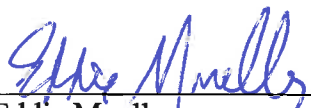
Kent Pfeil
Director of Finance



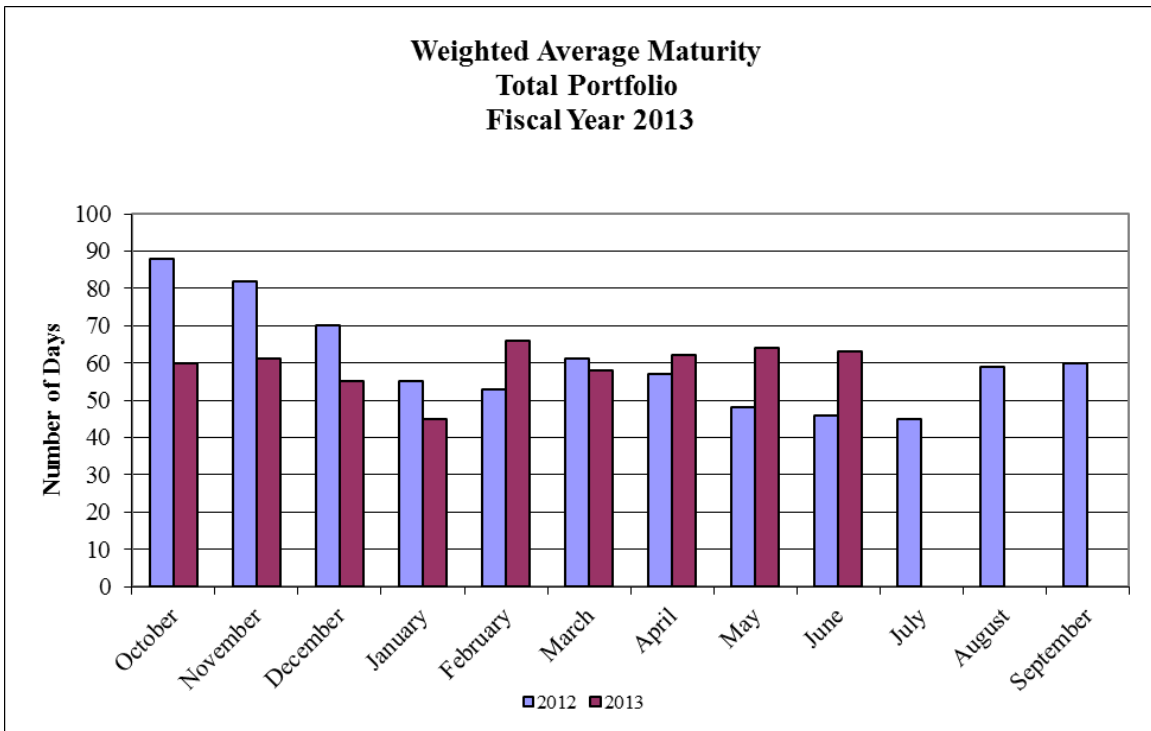
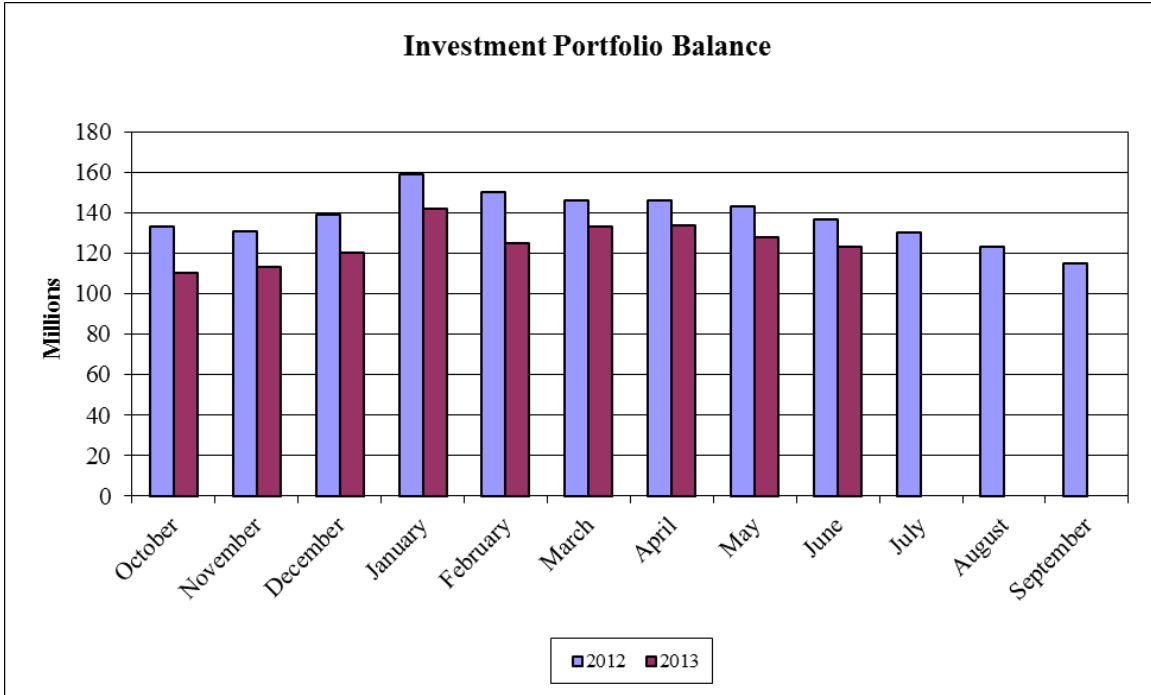
Keith Dagen
Assistant Director of Finance



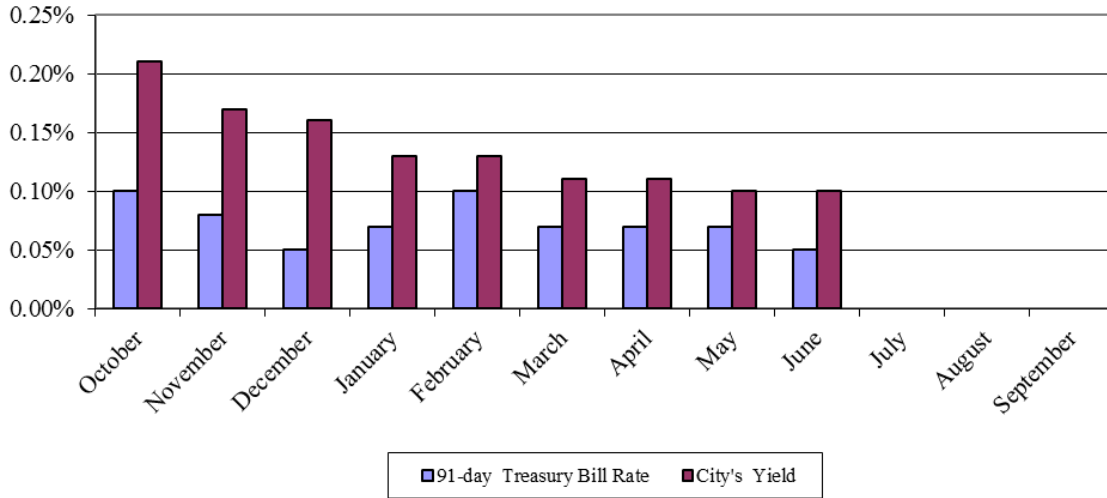
Tricia Lopper
Controller



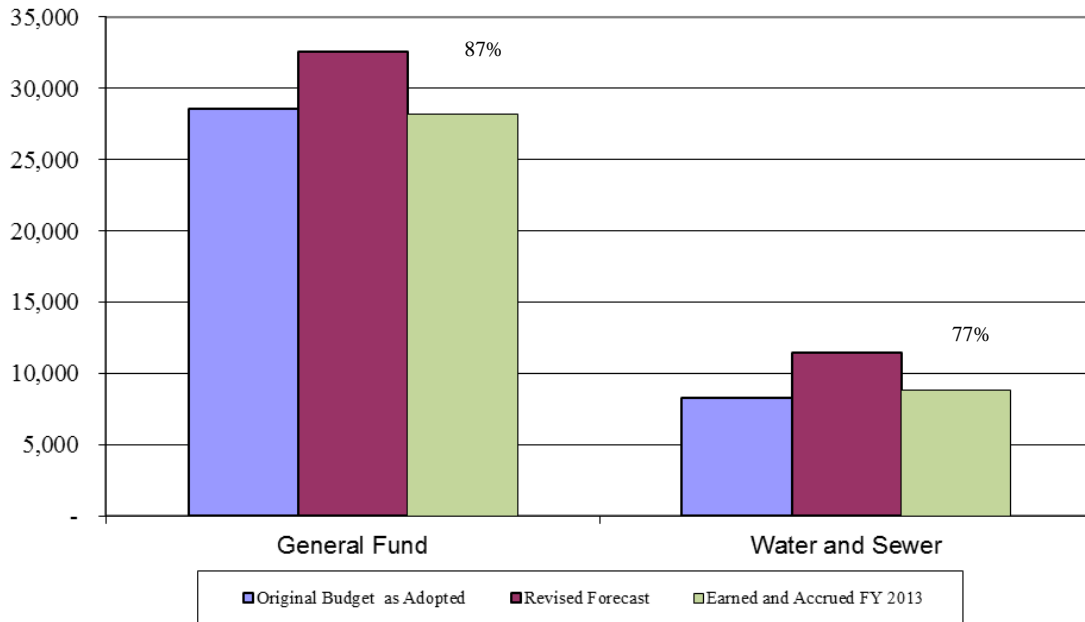
Eddie Mueller
Treasury Accountant



**Comparison of the City's Yield to the 91-day Treasury Bill Rate
Fiscal Year 2013**



**Budgeted Annual Interest Compared to Earned and Accrued Interest
Year to Date 2013**



City of Richardson, Texas
Schedule of Investments by Source of Funds
June 30, 2013

SECURITIES

Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Fair Value	Book Value	Yield	Callable	Purchased From	
Consolidated	Agency Bond	FHLB	08/28/12	07/18/13	324	\$ 3,000,066	\$ 3,000,066	0.2120%	N/A	Duncan-Williams
GO2010	Agency Bond	FHLMC	02/21/13	07/26/13	155	2,999,735	2,999,735	0.1319%	N/A	Coastal
GO2010	Agency Bond	FNMA	02/22/13	08/20/13	179	3,004,592	3,004,592	0.1410%	N/A	Samco
Consolidated	Agency Bond	FHLB	09/24/12	08/28/13	338	3,001,438	3,001,438	0.1985%	N/A	Coastal
GO2010	Agency Bond	FHLMC	02/21/13	09/27/13	218	2,998,888	2,998,888	0.1522%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	10/24/12	09/30/13	341	3,006,848	3,006,848	0.2080%	N/A	Cantor-Fitzgerald
GO2010	Agency Bond	FHLB	04/24/13	10/23/13	182	2,999,153	2,999,153	0.0913%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FHLMC	11/19/12	10/28/13	343	3,006,267	3,006,267	0.2065%	N/A	Coastal
CO2011&2013	Agency Bond	FHLMC	04/25/13	11/27/13	216	3,003,307	3,003,307	0.1070%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FHLB	12/21/12	11/29/13	343	3,003,329	3,003,329	0.1775%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	01/18/13	12/11/13	327	3,035,279	3,035,279	0.1760%	N/A	Duncan-Williams
GO2010	Agency Bond	FHLB	05/22/13	12/13/13	205	3,039,884	3,039,884	0.1100%	N/A	Wells-Fargo
Consolidated	Agency Bond	FNMA	02/21/13	01/02/14	315	3,074,663	3,074,663	0.1931%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLMC	03/27/13	02/25/14	335	3,023,393	3,023,393	0.1740%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	04/23/13	03/13/14	324	3,054,898	3,054,898	0.1520%	N/A	Wells-Fargo
Consolidated	Agency Bond	FHLB	05/22/13	04/23/14	336	3,000,069	3,000,069	0.1470%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FHLB	06/26/13	06/20/14	359	2,998,344	2,998,344	0.1820%	N/A	Coastal
Total						\$ 51,250,153	\$ 51,250,153			

MONEY MARKET FUNDS AND STATE POOLS

Source of Funds	Type	Fair Value	Purchased From
Consolidated	State Pool	\$ 22,159,478	TexPool
GO 2010	State Pool	1,635,138	TexPool
Consolidated	State Pool	22,080,215	TexStar
GO 2010	State Pool	1,575,824	TexStar
CO 2013	State Pool	466,160	TexStar
GO 2010	Money Market	1,552,039	Federated - Agency
CO 2013	Money Market	1,082,099	Federated - Agency
CO 2012 & Prior	Money Market	654,684	Federated - Agency
GO 2006	Money Market	449,862	Federated - Treasury
GO 2010	Money Market	8,348,060	Invesco - Agency
CO 2013	Money Market	1,805,508	Invesco - Agency
CO 2012 & Prior	Money Market	5,399,591	Invesco - Agency
GO 2010	Money Market	2,257,792	Invesco - Treasury
GO 2006	Money Market	1,132,588	Invesco - Treasury
CO 2012 & Prior	Money Market	1,516,200	Invesco - Treasury
Total		\$ 72,115,238	

Type	Fair Value	Percentage
Agencies:		
Bonds	\$ 51,250,153	41.5%
TexPool	23,794,616	19.3%
TexStar	24,122,199	19.5%
Invesco - Treasury	4,906,580	4.0%
Invesco - Agency	15,553,159	12.6%
Federated - Treas.	449,862	0.4%
Federated - Agency	3,288,822	2.7%
Total Investments	\$ 123,365,391	100%

City of Richardson
Summary of Investment Portfolio Activity
As of June 30, 2013

All Portfolios Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 132,721,362	\$ 132,721,362	100.00%
Investment Purchases	36,882,452		
Increase (Decrease) in Book Value	(139,032)		
Investment Maturities	(46,099,391)		
Investments at end of quarter	<u><u>\$ 123,365,391</u></u>	\$ 123,365,391	100.00%

Consolidated Portfolio Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 82,399,265	\$ 82,399,265	100.00%
Investment Purchases	20,306,400		
Increase (Decrease) in Book Value	(112,781)		
Investment Maturities	(25,155,267)		
Investments at end of quarter	<u><u>\$ 77,437,617</u></u>	\$ 77,437,617	100.00%

General Obligation 2010

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 36,817,774	\$ 36,817,774	100.00%
Investment Purchases	9,110,940		
Increase (Decrease) in Book Value	(24,827)		
Investment Maturities	(15,645,912)		
Investments at end of quarter	<u><u>\$ 30,257,975</u></u>	\$ 30,257,975	100.00%

City of Richardson
Summary of Investment Portfolio Activity
As of June 30, 2013

General Obligation 2006

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 3,528,726	\$ 3,528,726	100.00%
Investment Purchases	111		
Increase (Decrease) in Book Value	-		
Investment Maturities	(1,986,588)		
Investments at end of quarter	<u>\$ 1,542,249</u>	\$ 1,542,249	100.00%

Certificates of Obligation 2013

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ -	\$ -	100.00%
Investment Purchases	5,959,423		
Increase (Decrease) in Book Value	(712)		
Investment Maturities	(912,485)		
Investments at end of quarter	<u>\$ 5,046,226</u>	\$ 5,046,226	100.00%

Certificates of Obligation 2012 & Prior Portfolio Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 9,975,597	\$ 9,975,597	100.00%
Investment Purchases	1,505,578		
Increase (Decrease) in Book Value	(712)		
Investment Maturities	(2,399,139)		
Investments at end of quarter	<u>\$ 9,081,324</u>	\$ 9,081,324	100.00%

City of Richardson
Schedule of Interest Income by Portfolios and Funds (1)
June 30, 2013

Consolidated Portfolio

Fund Name	Actual Amount
General	\$ 28,207
General Debt Service	5,645
Water and Sewer Operating	8,816
Water and Sewer - Debt Service	673
Hotel Motel	746
Golf Operating	74
Golf Debt Service	73
Solid Waste Operating	1,987
Solid Waste Debt Service	105
COR Plan	1,900
Technology Fund	154
Wireless 911 Fund	253
General Special Projects	2,708
Street Rehabilitation	875
Water and Sewer - Others	2,440
Water & Sewer Special Projects	1,335
Water and Sewer - Deposit	4,648
Other Funds	3,684
Total - Consolidated Portfolio	\$ 64,323

General Obligation 2010

Fund Name	Actual Amount
G.O. 2010	\$ 25,973 (2)
Total - G.O. 2010	\$ 25,973

General Obligation 2006 Portfolio

Fund Name	Actual Amount
G.O. 2006	\$ 940
Total - G.O. 2006	\$ 940

Certificates of Obligation 2013 Portfolio

Fund Name	Actual Amount
General Government C.O. 2013	\$ 298
Utility Projects C.O. 2013	402
Total - C.O. 2013 Portfolio	\$ 700

Certificates of Obligation 2012 Portfolio & Prior

Fund Name	Actual Amount
General Government C.O. 2012 & Prior	\$ 1,310
Utility Projects C.O. 2012 & Prior	1,499
Solid Waste C.O. 2012 & Prior	293
Total - C.O. 2012 & Prior Portfolio	\$ 3,102

Interest Earned - All Portfolios

Interest Earned per Quarter	Actual Amount
1st Quarter	\$ 92,162
2nd Quarter	(24,050) (2)
3rd Quarter	26,926
4th Quarter	
Total Interest Earned All Portfolios	\$ 95,038

(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.

(2) Interest earned for the General Obligation 2010 Portfolio was adjusted due to mark-to-market calculations on a security that matured in February. Additional details of this transaction can be found in the March 31, 2013 Quarterly Investment Report.

City of Richardson
Schedule of Market Value of Investments by Maturity Date
June 30, 2013

Purchase Date	Description (1)	Yield	Maturity Date	Book Value	Par Value	Market Value (2)
08/28/12	FHLB	0.2120%	07/18/13	\$ 3,000,066	\$ 3,000,000	\$ 3,000,066
02/21/13	FHLMC	0.1319%	07/23/13	2,999,735	3,000,000	2,999,735
02/22/13	FNMA	0.1410%	08/20/13	3,004,592	3,000,000	3,004,592
09/24/12	FHLB	0.1985%	08/28/13	3,001,438	3,000,000	3,001,438
02/21/13	FHLMC	0.1522%	09/27/13	2,998,888	3,000,000	2,998,888
10/12/12	FNMA	0.2080%	09/30/13	3,006,848	3,000,000	3,006,848
04/24/13	FHLB	0.0913%	10/23/13	2,999,153	3,000,000	2,999,153
11/19/12	FHLMC	0.2065%	10/28/13	3,006,267	3,000,000	3,006,267
04/25/13	FHLMC	0.1070%	11/27/13	3,003,307	3,000,000	3,003,307
12/21/12	FHLB	0.1775%	11/29/13	3,003,329	3,000,000	3,003,329
01/18/13	FNMA	0.1760%	12/11/13	3,035,279	3,000,000	3,035,279
05/22/13	FHLB	0.1100%	12/13/13	3,039,884	3,000,000	3,039,884
02/21/13	FNMA	0.1931%	01/02/14	3,074,663	3,000,000	3,074,663
03/27/13	FHLMC	0.1740%	02/25/14	3,023,393	3,000,000	3,023,393
04/23/13	FNMA	0.1520%	03/13/14	3,054,898	3,000,000	3,054,898
05/22/13	FHLB	0.1470%	04/23/14	3,000,069	3,000,000	3,000,069
06/26/13	FHLB	0.1820%	06/20/14	2,998,344	3,000,000	2,998,344
-	Federated - Trea.	Varies	-	449,862	449,862	449,862
-	Federated - Agen.	Varies	-	3,288,822	3,288,822	3,288,822
-	Invesco - Treas.	Varies	-	4,906,580	4,906,580	4,906,580
-	Invesco - Agen.	Varies	-	15,553,159	15,553,159	15,553,159
-	TexStar	Varies	-	24,122,199	24,122,199	24,122,199
-	TexPool	Varies	-	23,794,616	23,794,616	23,794,616
				\$123,365,391	\$ 123,115,238	\$ 123,365,391

(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
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 June 30, 2013

Purchase Date	Description	Yield	Maturity Date	Par Value	Book Value
07/27/12	FHLB	0.1900%	04/23/13	\$ 3,000,000	\$ 3,002,260
02/22/13	FHLMC	0.1220%	04/24/13	3,000,000	2,999,770
08/17/12	FHLMC	0.1950%	05/22/13	3,000,000	3,008,012
11/21/12	FHLB	0.1709%	05/29/13	3,000,000	3,008,582
02/22/13	FHLB	0.1340%	06/17/13	3,000,000	3,000,006
08/28/12	FNMA	0.2080%	06/26/13	3,003,000	3,005,761
-	FEDERATED AGENCY	-	04/05/13	1,300,000	1,300,000
-	FEDERATED AGENCY	-	04/26/13	1,100,000	1,100,000
-	FEDERATED AGENCY	-	04/30/13	1,100,000	1,100,000
-	FEDERATED AGENCY	-	05/02/13	500,000	500,000
-	FEDERATED AGENCY	-	06/03/13	200,000	200,000
-	FEDERATED AGENCY	-	06/12/13	1,000,000	1,000,000
-	FEDERATED AGENCY	-	06/14/13	2,500,000	2,500,000
-	INVESCO AGENCY	-	04/19/13	600,000	600,000
-	INVESCO AGENCY	-	05/17/13	1,670,000	1,670,000
-	INVESCO AGENCY	-	06/28/13	2,000,000	2,000,000
-	INVESCO TREASURY	-	05/17/13	30,000	30,000
-	TEXPOOL	-	04/10/13	200,000	200,000
-	TEXPOOL	-	04/12/13	750,000	750,000
-	TEXPOOL	-	04/26/13	300,000	300,000
-	TEXPOOL	-	04/29/13	300,000	300,000
-	TEXPOOL	-	05/01/13	200,000	200,000
-	TEXPOOL	-	05/07/13	350,000	350,000
-	TEXPOOL	-	05/15/13	1,200,000	1,200,000
-	TEXPOOL	-	05/22/13	2,000,000	2,000,000
-	TEXPOOL	-	05/23/13	1,000,000	1,000,000
-	TEXPOOL	-	05/31/13	2,200,000	2,200,000
-	TEXPOOL	-	06/21/13	875,000	875,000
-	TEXSTAR	-	04/10/13	200,000	200,000
-	TEXSTAR	-	04/12/13	750,000	750,000
-	TEXSTAR	-	04/15/13	1,000,000	1,000,000
-	TEXSTAR	-	04/16/13	900,000	900,000
-	TEXSTAR	-	04/26/13	300,000	300,000
-	TEXSTAR	-	04/29/13	300,000	300,000
-	TEXSTAR	-	05/01/13	200,000	200,000
-	TEXSTAR	-	05/06/13	350,000	350,000
-	TEXSTAR	-	05/15/13	1,200,000	1,200,000
-	TEXSTAR	-	05/22/13	1,500,000	1,500,000
			Total	\$ 46,078,000	\$ 46,099,391

City of Richardson
Schedule of Investment Purchases
for Quarter Ending June 30, 2013

Purchase Date	Description	Yield	Maturity Date	Par Value	Total Cost
04/23/13	FNMA	0.1520%	03/13/14	\$ 3,000,000	\$ 3,069,210
04/24/13	FHLB	0.0913%	10/23/13	3,000,000	2,998,635
04/25/13	FHLMC	0.1070%	11/27/13	3,000,000	3,004,731
05/22/13	FHLB	0.1100%	12/13/13	3,000,000	3,050,471
05/22/13	FHLB	0.1470%	04/23/14	3,000,000	3,000,078
06/26/13	FHLB	0.1820%	06/24/14	3,000,000	2,998,321
04/30/13	FEDERATED AGENCY	-	-	59	59
05/22/13	FEDERATED AGENCY	-	-	1,000,000	1,000,000
05/23/13	FEDERATED AGENCY	-	-	1,500,000	1,500,000
05/31/13	FEDERATED AGENCY	-	-	44	44
06/30/13	FEDERATED AGENCY	-	-	38	38
04/30/13	FEDERATED TREASURY	-	-	4	4
05/31/13	FEDERATED TREASURY	-	-	4	4
06/30/13	FEDERATED TREASURY	-	-	4	4
04/04/13	INVESCO AGENCY	-	-	1,000,000	1,000,000
04/25/13	INVESCO AGENCY	-	-	500,000	500,000
04/30/13	INVESCO AGENCY	-	-	254	254
05/13/13	INVESCO AGENCY	-	-	1,300,000	1,300,000
05/31/13	INVESCO AGENCY	-	-	264	264
06/17/13	INVESCO AGENCY	-	-	2,400,000	2,400,000
06/30/13	INVESCO AGENCY	-	-	265	265
04/30/13	INVESCO TREASURY	-	-	81	81
05/31/13	INVESCO TREASURY	-	-	84	84
06/30/13	INVESCO TREASURY	-	-	81	81
04/25/13	TEXPOOL	-	-	1,800,000	1,800,000
04/30/13	TEXPOOL	-	-	2,195	2,195
05/14/13	TEXPOOL	-	-	650,000	650,000
05/30/13	TEXPOOL	-	-	2,000,000	2,000,000
05/31/13	TEXPOOL	-	-	1,544	1,544
06/06/13	TEXPOOL	-	-	800,000	800,000
06/10/13	TEXPOOL	-	-	800,000	800,000
06/28/13	TEXPOOL	-	-	650,000	650,000
06/30/13	TEXPOOL	-	-	1,109	1,109
04/25/13	TEXSTAR	-	-	3,700,000	3,700,000
04/30/13	TEXSTAR	-	-	2,179	2,179
05/14/13	TEXSTAR	-	-	650,000	650,000
05/31/13	TEXSTAR	-	-	1,579	1,579
06/30/13	TEXSTAR	-	-	1,218	1,218
			Total	36,761,006	36,882,452