

3rd Quarter Investment Report (For the Quarter Ended June 30, 2011) Fiscal Year 2010-11 City of Richardson, Texas

Investment Report Overview Quarter Ending June 30, 2011

Portfolio Balance

The Fair Market Value of the City's Investment Portfolio as of June 30, 2011 was \$156,286,213.

Investment and Interest Rate Information

The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, kept the Fed Funds rate from between 0.00% and 0.25% at their April and June meetings. The FOMC has kept the Fed Funds rate unchanged since December 2008. The City's yield on the total portfolio was 0.22% as of June 30, above our benchmark of the 91-day Treasury bill at 0.04%, 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 and 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	0.22%
Agencies	0.42%
Money Market Mutual Funds and Local Investment Pools	0.06%
Reference: Benchmark 91-day Treasury Bill	0.04%

Earnings

Total interest earned on the City's investments for the quarter was \$237,611. During the budget revision process staff reevaluated projected interest earnings. The General Fund and the Water and Sewer Operating Fund are shown below with the revised amounts.

Fund	Original Budget	Revised Forecast		7 2011 iterest
	Daaget	rorceast	Earnings	
General	\$ 50,229	40,659	\$	34,616
Water and Sewer Operating	\$ 3,374	11,547	\$	10,521

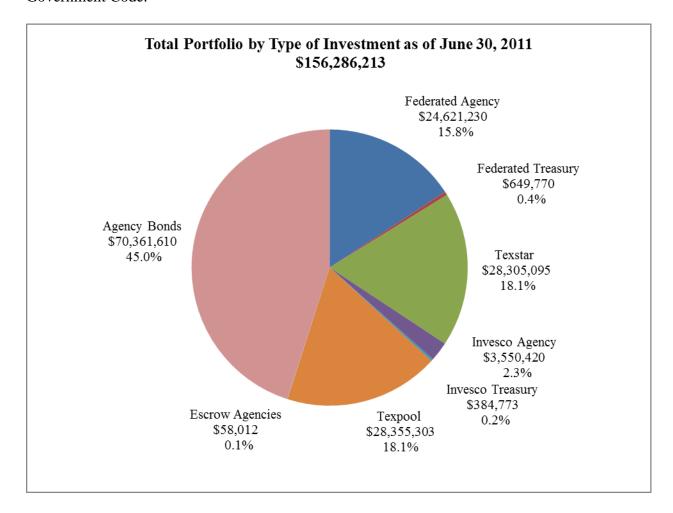
Purchases and Maturities

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

	Agencies/ Escrow	Federated	Invesco	TexPool	TexStar	Totals	
Purchases	\$ 9,233,464	\$11,580,572	\$ 195	\$ 4,332,232	\$ 4,257,419	\$ 29,403,882	
Maturities	\$ 13,753,385	\$10,530,000	\$ 0	\$ 7,321,000	\$ 6,204,000	\$ 37,808,385	
Int. Ernd (1)	\$ 222,193	\$ 572	\$ 195	\$ 7,232	\$ 7,419	\$ 237,611	

⁽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.



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CITY OF RICHARDSON, TEXAS INVESTMENT REPORT QUARTER ENDING June 30, 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:

July 28, 2011

Kent Pfeil

Director of Finance

Keith Dagen

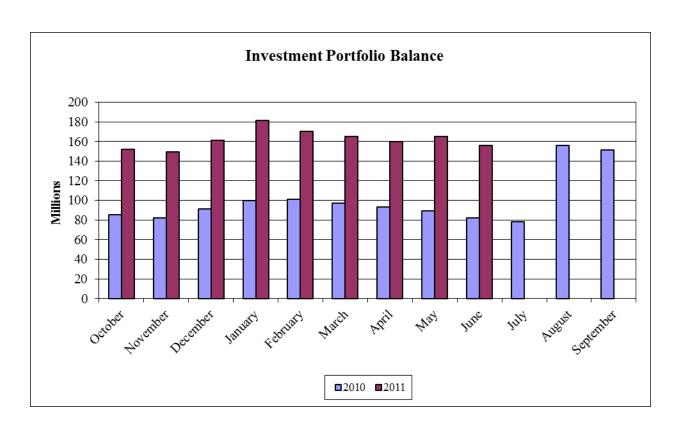
Assistant Director of Finance

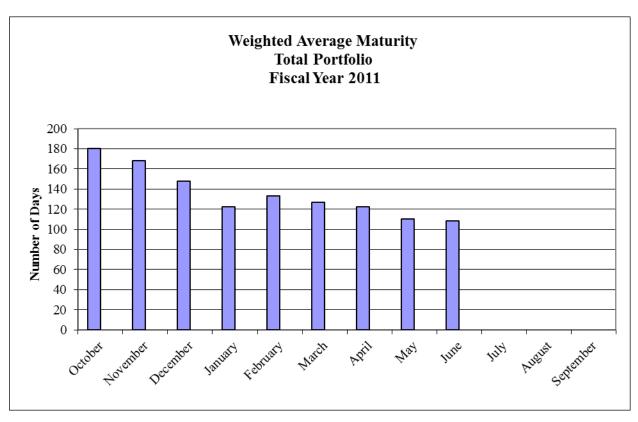
Tricia Loposer

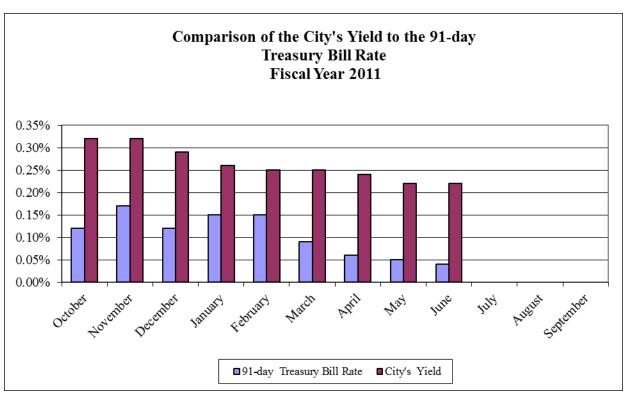
Controller

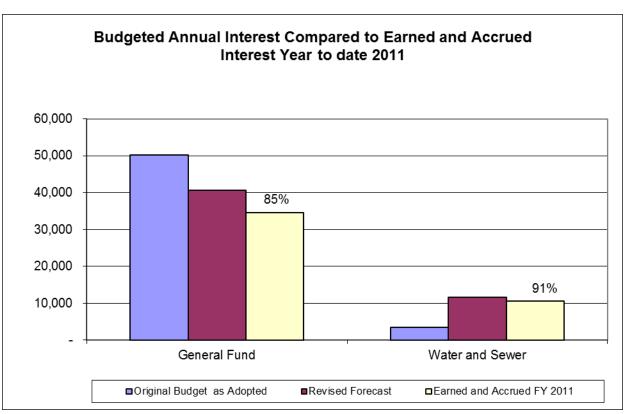
Eddie Mueller

Treasury Accountant









<u>City of Richardson, Texas</u> <u>Schedule of Investments by Source of Funds</u> <u>June 30, 2011</u>

SECURITIES

Source of			Purchase	Maturity	# of	Fair	Book			Purchased
Funds	Type		Date	Date	Days	Value	Value	Yield	Callable	From
GO 2010	Agency Bond	FHLMC	08/02/10	07/18/11	350	\$ 5,516,170	\$ 5,516,170	0.3700%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	12/20/10	07/27/11	219	3,002,170	3,002,170	0.2400%	N/A	Duncan-Williams
Consolidated	Agency Bond	FFCB	01/18/11	08/08/11	202	2,963,173	2,963,173	0.2220%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FHLB	02/22/11	09/16/11	206	6,046,255	6,046,255	0.2034%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	02/25/11	10/21/11	238	3,000,240	3,000,240	0.2045%	N/A	Coastal
GO 2010	Agency Bond	FFCB	08/03/10	10/28/11	451	6,009,162	6,013,422	0.4000%	N/A	Samco
Consolidated	Agency Bond	FNMA	02/28/11	11/23/11	268	3,009,245	3,009,245	0.2250%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLMC	03/28/11	12/15/11	262	3,012,202	3,012,202	0.0235%	N/A	Duncan-Williams
Consolidated	Agency Note	FNMA	04/28/11	01/31/12	278	3,000,324	3,000,324	0.1522%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/16/12	562	6,174,936	6,372,600	0.4830%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	05/19/11	02/28/12	285	3,003,433	3,003,433	0.1465%	N/A	Coastal
Consolidated	Agency Bond	FHLMC	06/10/11	03/05/12	269	3,222,572	3,222,572	0.1840%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	05/30/12	666	6,039,930	6,055,980	0.5750%	N/A	Coastal
GO 2010	Agency Bond	FHLMC	08/03/10	08/28/12	756	6,044,838	6,054,492	0.6800%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	11/21/12	841	4,968,245	4,991,215	0.7370%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/21/13	933	5,348,715	5,474,545	0.8380%	N/A	Duncan-Williams
			•		Total	\$ 70,361,610	\$ 70,738,038		•	_

FUNDS HELD IN ESCROW ACCOUNTS

Source of			Purchase	Maturity	#	Fair	Book			Purchased
Funds	Type		Date	Date	of Days	Value	Value	Yield	Callable	From
Consolidated	Money Market	MMMF	03/01/10	-	1	\$ 8,254	\$ 8,254	0.0100%	N/A	KeyBanc
GO 2004 Escrow	Agency Bond	FNMA	03/02/05	07/15/11	2,326	21,994	21,861	4.3200%	N/A	U.S. Bank
GO 2004 Escrow	Agency Bond	FHLMC	03/02/05	07/15/12	2,692	27,764	27,518	4.4200%	N/A	U.S. Bank
					Total	\$ 58,012	\$ 57,633			

MONEY MARKET FUNDS AND STATE POOLS

Source of Funds	Type	Fair Value	Purchased From
Consolidated	State Pool	\$ 17,627,030	TexPool
GO 2010	State Pool	4,380,083	TexPool
GO 2006 & Prior	State Pool	3,382,493	TexPool
CO 2010 & Prior	State Pool	2,965,697	TexPool
Consolidated	State Pool	12,135,991	TexStar
GO 2010	State Pool	6,279,490	TexStar
GO 2006 & Prior	State Pool	2,545,392	TexStar
CO 2011	State Pool	870,937	TexStar
CO 2010 & Prior	State Pool	6,473,285	TexStar
Consolidated	Money Market	488,489	Federated - Agency
GO 2010	Money Market	11,018,446	Federated - Agency
GO 2006 & Prior	Money Market	2,016,092	Federated - Agency
CO 2011	Money Market	4,373,370	Federated - Agency
CO 2010 & prior	Money Market	6,724,833	Federated - Agency
GO 2006 & Prior	Money Market	649,770	Federated - Treasury
GO 2006 & Prior	Money Market	3,550,420	Invesco - Agency
GO 2006 & Prior	Money Market	384,773	Invesco - Treasury
	T-4-1	¢ 05.000 501	

Total \$ 85,866,591

Туре	Fair Value	Percentage
Agencies:		
Bonds	\$ 70,361,610	45.0%
Escrow Accounts	58,012	0.1%
TexPool	28,355,303	18.1%
TexStar	28,305,095	18.1%
Invesco - Treasury	384,773	0.2%
Invesco - Agency	3,550,420	2.3%
Federated - Treas.	649,770	0.4%
Federated - Agency	24,621,230	15.8%
Total Investments	\$ 156,286,213	100%

City of Richardson Summary of Investment Portfolio Activity As of June 30, 2011

All Portfolios Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 165,300,254	\$ 164,988,439	99.81%
Investment Purchases	29,403,882		
Increase (Decrease) in Book Value	(233,489)		
Investment Maturities	(37,808,385)		
Investments at end of quarter	\$ 156,662,262	\$ 156,286,213	99.76%
	Consolidated Portfolio Activity	y	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 70,670,752	\$ 70,670,752	100.00%
Investment Purchases	17,457,660		
Increase (Decrease) in Book Value	(145,190)		
Investment Maturities	(27,472,098)		
Investments at end of quarter	\$ 60,511,124	\$ 60,511,124	100.00%
	General Obligation 2010		
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 64,620,877	\$ 64,308,879	99.52%
Investment Purchases	5,793,852		
Increase (Decrease) in Book Value	(88,299)		
Investment Maturities	(8,169,987)		
Investments at end of quarter	\$ 62,156,443	\$ 61,780,015	99.39%

City of Richardson Summary of Investment Portfolio Activity As of June 30, 2011

General Obligation 2006 & Prior

	S		
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 13,124,222	\$ 13,124,222	100.00%
Investment Purchases	1,494		
Increase (Decrease) in Book Value	-		
Investment Maturities	(596,776)		
Investments at end of quarter	\$ 12,528,940	\$ 12,528,940	100.00%
Cert	ificates of Obligation 201	1	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ -	\$ -	100.00%
Investment Purchases	6,147,809		
Increase (Decrease) in Book Value	-		
Investment Maturities	(903,502)		
Investments at end of quarter	\$ 5,244,307	\$ 5,244,307	100.00%
Certificates of Ob	ligation 2010 & Prior Por	tfolio Activity	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 16,826,770	\$ 16,826,770	100.00%
Investment Purchases	3,067		
Increase (Decrease) in Book Value	-		
Investment Maturities	(666,022)		
Investments at end of quarter	\$ 16,163,815	\$ 16,163,815	100.00%

City of Richardson Summary of Investment Portfolio Activity As of June 30, 2011

Funds Held in Escrow Accounts

	Book Value		Fair	Value	Ratio
Investments at beginning of quarter	\$	57,633	\$	57,816	100.32%
Investment Purchases		-			
Increase (Decrease) in Book Value		-			
Investment Maturities		-			
Investments at end of quarter	\$	57,633	\$	58,012	100.66%

City of Richardson Schedule of Interest Income by Portfolios and Funds June 30, 2011

Consolidated Portfolio

Fund Name	Actual Amount
General	\$ 34,616
General Debt Service	8,176
Water and Sewer Operating	10,521
Water and Sewer - Debt Service	705
Hotel Motel	1,084
Golf Operating	17
Golf Debt Service	89
Solid Waste Operating	2,621
Solid Waste Debt Service	100
COR Plan	2,584
Technology Fund	458
Wireless 911 Fund	464
General Special Projects	10,365
Street Rehabilitation	1,526
Water and Sewer - Others	2,668
Water & Sewer Special Projects	3,264
Water and Sewer - Deposit	6,890
Other Funds	3,822
Total - Consolidated Portfolio	\$ 89,970

General Obligation 2010

Fund Name	Actual Amount	
G.O. 2010	\$	621,345
Total - G.O. 2010	\$	621,345

General Obligation 2006 Portfolio & Prior

Fund Name	Actu	ual Amount
G.O. 2006 & Prior	\$	10,528
Total - G.O. 2006 & Prior	\$	10,528

Certificates of Obligation 2011 Portfolio

Fund Name	Actual Amount
General Government CO 2010	\$ 44
Utility Projects CO 2010	109
Solid Waste CO 2010	12
Total - C.O. 2011 Portfolio	\$ 165

Certificates of Obligation 2010 Portfolio & Prior

Fund Name	Actual Amount	
General Government CO 2009 & Pr	\$ 4,825	
Utility Projects CO 2009 & Prior	7,786	
Solid Waste CO 2009 & Prior	2,304	
Golf Capital Projects & Prior	24	
Total - C.O. 2010 & Prior Portfolio	\$ 14,939	

General Capital Equipment

Fund Name			Actual Amount	
Escrow	\$	379		
	Total - Escrow	Portfolio	\$	379

Interest Earned - All Portfolios

Interest Earned per Quarter	Actual Amount	
1st Quarter	\$	255,427
2nd Quarter		244,288
3rd Quarter		237,611
4th Quarter		
Total Interest Earned All Portfolios	\$	737,326

City of Richardson Schedule of Market Value of Investments by Maturity Date June 30, 2011

Purchase	Description	Yield	Maturity	Book	Par	Market
Date	(1)		Date	Value	Value	Value (2)
03/02/05	FNMA	4.3200%	07/15/11	21,861	22,000	21,994
08/02/10	FHLMC	0.3700%	07/18/11	5,516,170	5,500,000	5,516,170
12/20/10	FHLB	0.2400%	07/27/11	3,002,170	3,000,000	3,002,170
01/18/11	FFCB	0.2220%	08/08/11	2,963,173	3,000,000	2,963,173
02/22/11	FHLB	0.2034%	09/16/11	6,046,255	6,000,000	6,046,255
02/25/11	FHLB	0.2045%	10/21/11	3,000,240	3,000,000	3,000,240
08/03/10	FFCB	0.4000%	10/28/11	6,013,422	6,000,000	6,009,162
02/28/11	FNMA	0.2250%	11/23/11	3,009,245	3,000,000	3,009,245
03/28/11	FHLNC	0.2350%	12/15/11	3,012,202	3,000,000	3,012,202
04/28/11	FNMA	0.1522%	01/31/12	3,000,324	3,003,000	3,000,324
08/03/10	FNMA	0.4830%	02/16/12	6,372,600	6,000,000	6,174,936
05/19/11	FHLB	0.1465%	02/28/12	3,003,433	3,000,000	3,003,433
06/10/11	FHLMC	0.1840%	03/05/12	3,222,572	3,125,000	3,222,572
08/03/10	FHLB	0.5750%	05/30/12	6,055,980	6,000,000	6,039,930
03/02/05	FHLMC	4.4200%	07/15/12	27,518	28,000	27,764
08/03/10	FHLMC	0.6800%	08/28/12	6,054,492	6,000,000	6,044,838
08/03/10	FHLB	0.7370%	11/21/12	4,991,215	4,885,000	4,968,245
08/03/10	FNMA	0.8380%	02/21/13	5,474,545	5,000,000	5,348,715
-	Victory - Federal	Varies	-	8,254	8,254	8,254
-	Federated - Trea.	Varies	-	649,770	649,770	649,770
-	Federated - Agen.	Varies	-	24,621,230	24,621,230	24,621,230
-	Invesco - Treas.	Varies	-	384,773	384,773	384,773
-	Invesco - Agen.	Varies	-	3,550,420	3,550,420	3,550,420
-	TexStar	Varies	-	28,355,303	28,355,303	28,355,303
-	TexPool	Varies	-	28,305,095	28,305,095	28,305,095
				\$156,662,262	\$ 155,437,845	\$ 156,286,213

(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 June 30, 2011

Purchase	Description	Yield	Maturity	Par	Book
Date	Bestription	11010	Date	Value	Value
10/29/10	FNMA	0.2020%	04/28/11	\$ 3,000,000	\$ 3,002,800
08/02/10	FNMA	0.3240%	05/15/11	4,728,000	4,740,650
11/16/10	FNMA	0.1920%	05/19/11	3,000,000	3,005,271
12/20/10	FHLB	0.2210%	06/10/11	3,000,000	3,004,664
-	FEDERATED	-	04/01/11	400,000	400,000
-	FEDERATED	_	04/11/11	200,000	200,000
-	FEDERATED	-	04/12/11	500,000	500,000
-	FEDERATED	-	04/15/11	1,500,000	1,500,000
-	FEDERATED	-	04/18/11	2,800,000	2,800,000
-	FEDERATED	-	04/19/11	30,000	30,000
-	FEDERATED	-	04/26/11	300,000	300,000
-	FEDERATED	-	05/02/11	1,200,000	1,200,000
-	FEDERATED	-	05/05/11	700,000	700,000
-	FEDERATED	-	05/10/11	200,000	200,000
-	FEDERATED	-	06/01/11	1,100,000	1,100,000
-	FEDERATED	-	06/06/11	1,000,000	1,000,000
-	FEDERATED	-	06/30/11	600,000	600,000
-	TEXPOOL	-	04/29/11	500,000	500,000
-	TEXPOOL	-	05/17/11	300,000	300,000
-	TEXPOOL	-	05/20/11	500,000	500,000
-	TEXPOOL	-	05/31/11	796,000	796,000
-	TEXPOOL	-	06/13/11	1,250,000	1,250,000
-	TEXPOOL	-	06/14/11	1,050,000	1,050,000
-	TEXPOOL	-	06/15/11	1,660,000	1,660,000
-	TEXPOOL	-	06/16/11	402,000	402,000
-	TEXPOOL	-	06/20/11	230,000	230,000
-	TEXPOOL	-	06/21/11	448,000	448,000
-	TEXPOOL	-	06/29/11	185,000	185,000
-	TEXSTAR	-	04/29/11	500,000	500,000
-	TEXSTAR	-	05/17/11	300,000	300,000
-	TEXSTAR	-	05/20/11	500,000	500,000
-	TEXSTAR	-	05/31/11	804,000	804,000
-	TEXSTAR	-	06/13/11	1,250,000	1,250,000
-	TEXSTAR	-	06/14/11	1,050,000	1,050,000
-	TEXSTAR	-	06/27/11	300,000	300,000
-	TEXSTAR	-	06/28/11	400,000	400,000
-	TEXSTAR	-	06/30/11	1,100,000	1,100,000
			Total	\$ 37,783,000	\$ 37,808,385

City of Richardson Schedule of Investment Purchases for Quarter Ending June 30, 2011

Purchase	Description	Yield	Maturity	Par	Total
Date	r. · · ·		Date	Value	Cost
04/28/11	FNMA	0.1522%	01/31/12	\$ 3,003,000	\$ 2,999,522
05/19/11	FHLB	0.1465%	02/28/12	3,000,000	3,004,026
06/10/11	FHLMC	0.1840%	03/05/12	3,125,000	3,229,916
04/30/11	FEDERATED AGENCY	-	-	170	171
05/11/11	FEDERATED AGENCY	-	-	4,600,000	4,600,000
05/13/11	FEDERATED AGENCY	-	-	2,000,000	2,000,000
05/18/11	FEDERATED AGENCY	-	-	1,000,000	1,000,000
05/19/11	FEDERATED AGENCY	-	-	580,000	580,000
05/20/11	FEDERATED AGENCY	-	-	900,000	900,000
05/31/11	FEDERATED AGENCY	-	-	181	182
06/10/11	FEDERATED AGENCY	-	-	2,500,000	2,500,000
06/30/11	FEDERATED AGENCY	-	-	202	202
04/30/11	FEDERATED TREASURY	-	-	5	5
05/31/11	FEDERATED TREASURY	-	-	6	6
06/30/11	FEDERATED TREASURY	-	-	5	6
04/30/11	INVESCO AGENCY	-	-	60	60
05/31/11	INVESCO AGENCY	-	-	55	55
06/30/11	INVESCO AGENCY	-	-	60	60
04/30/11	INVESCO TREASURY	-	-	7	7
05/31/11	INVESCO TREASURY	-	-	5	5
06/30/11	INVESCO TREASURY	-	-	8	8
04/07/11	TEXPOOL	-	-	600,000	600,000
04/30/11	TEXPOOL	-	-	2,933	2,933
05/11/11	TEXPOOL	-	-	1,600,000	1,600,000
05/16/11	TEXPOOL	-	-	950,000	950,000
05/31/11	TEXPOOL	-	-	2,327	2,327
06/17/11	TEXPOOL	-	-	525,000	525,000
06/24/11	TEXPOOL	-	-	650,000	650,000
06/30/11	TEXPOOL	-	-	1,972	1,972
04/25/11	TEXSTAR	-	-	1,000,000	1,000,000
04/30/11	TEXSTAR	-	-	2,768	2,768
05/03/11	TEXSTAR	-	-	500,000	500,000
05/11/11	TEXSTAR	-	-	1,800,000	1,800,000
05/16/11	TEXSTAR	-	-	950,000	950,000
05/31/11	TEXSTAR	-	-	2,388	2,388
06/30/11	TEXSTAR	-	-	2,263	2,263
			Total	\$ 29,298,415	\$ 29,403,882