

2nd Quarter Investment Report (For the Quarter Ended March 31, 2011) Fiscal Year 2010-11 City of Richardson, Texas

Investment Report Overview Quarter Ending March 31, 2011

Portfolio Balance

The Fair Market Value of the City's Investment Portfolio as of March 31, 2011 was \$164,988,439.

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 January and March meetings. The FOMC has kept the Fed Funds rate unchanged since December 2008. The City's yield on the total portfolio was 0.25% as of March 31, above our benchmark of the 91-day Treasury bill at 0.09%, 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	0.25%
Agencies	0.42%
Money Market Mutual Funds and Local Investment Pools	0.10%
Reference: Benchmark 91-day Treasury Bill	0.09%

Earnings

Total interest earned on the City's investments for the quarter was \$244,288. Investment earnings for the General Fund and the Water and Sewer Operating Fund are shown below. Balances available for investment were higher in the Water and Sewer Fund due to a \$1,355,631 rebate from the North Texas Municipal Water District and strong water sales in the quarter. Interest earnings will be revised during the normal budget process.

Fund		Original Budget	FY 2011 Interest		
			Ea	rnings	
General	\$	50,229	\$	22,790	
Water and Sewer Operating	\$	3,374	\$	8,267	

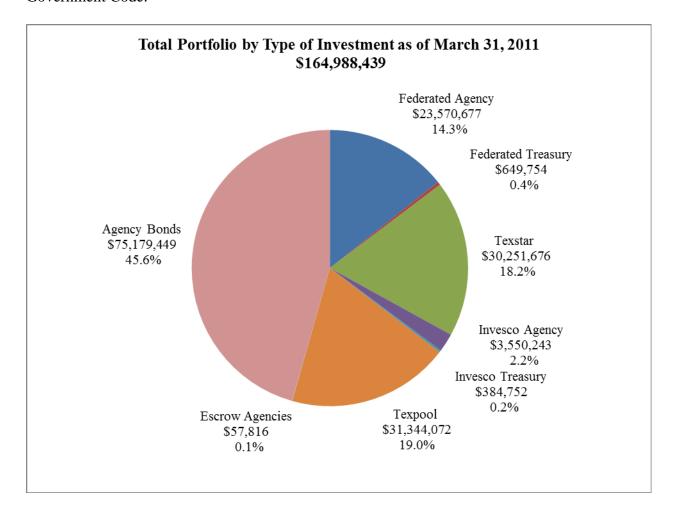
Purchases and Maturities

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

	Agencies/ TB's/Escro w	Federated	Invesco	TexPool	TexStar	Totals
Purchases	\$18,172,772	\$21,600,797	\$ 195	\$16,112,233	\$13,462,132	\$ 69,348,129
Maturities	\$23,061,173	\$17,000,000	\$ 0	\$12,050,000	\$12,700,000	\$ 64,811,173
Int. Ernd (1)	\$ 218,931	\$ 797	\$ 195	\$ 12,233	\$ 12,132	\$ 244,288

⁽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 March 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:

May 2, 2011

Kent Pfeil

Director of Finance

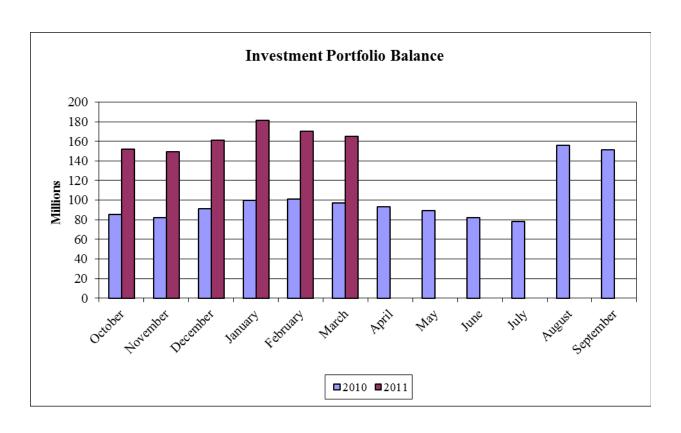
Keith Dagen

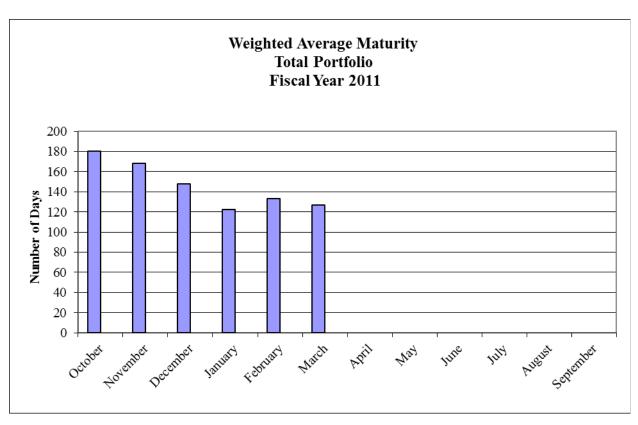
Assistant Director of Finance

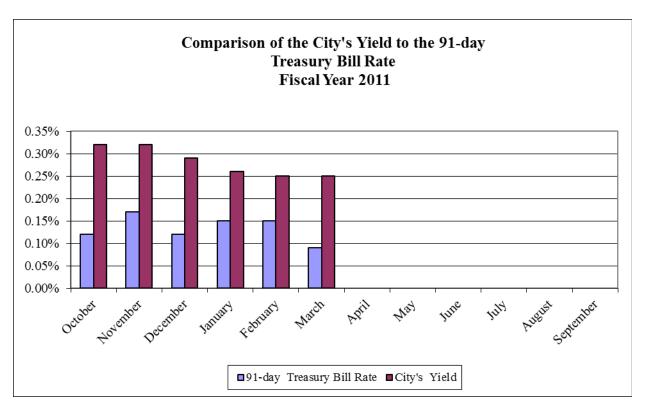
Tricia Loposer

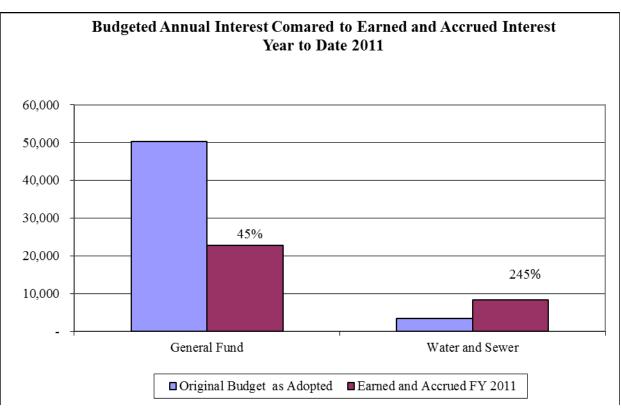
Eddie Mueller

Treasury Accountant









<u>City of Richardson, Texas</u> <u>Schedule of Investments by Source of Funds</u> <u>March 31, 2011</u>

SECURITIES

Source of			Purchase	Maturity	# of	Fair	Book			Purchased
Funds	Type		Date	Date	Days	Value	Value	Yield	Callable	From
Consolidated	Agency Bond	FNMA	10/29/10	04/28/11	181	\$ 3,002,800	\$ 3,002,800	0.2020%	N/A	1st Southwest
GO 2010	Agency Bond	FNMA	08/02/10	05/15/11	286	4,762,795	4,762,795	0.3240%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	11/16/10	05/19/11	184	3,013,177	3,013,177	0.1920%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLB	12/20/10	06/10/11	172	3,030,105	3,030,105	0.2210%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FHLMC	08/02/10	07/18/11	350	5,582,322	5,582,322	0.3700%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	12/20/10	07/27/11	219	3,012,447	3,012,447	0.2400%	N/A	Duncan-Williams
Consolidated	Agency Bond	FFCB	01/18/11	08/08/11	202	2,994,371	2,994,371	0.2220%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FHLB	02/22/11	09/16/11	206	6,097,023	6,097,023	0.2034%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	02/25/11	10/21/11	238	3,000,430	3,000,430	0.2045%	N/A	Coastal
GO 2010	Agency Bond	FFCB	08/03/10	10/28/11	451	6,010,224	6,013,422	0.4000%	N/A	Samco
Consolidated	Agency Bond	FNMA	02/28/11	11/23/11	268	3,014,984	3,014,984	0.2250%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLMC	03/28/11	12/15/11	262	3,018,739	3,018,739	0.0235%	N/A	Duncan-Williams
GO 2010	Agency Bond	FNMA	08/03/10	02/16/12	562	6,241,806	6,372,600	0.4830%	N/A	1st Southwest
GO 2010	Agency Bond	FHLB	08/03/10	05/30/12	666	6,041,052	6,055,980	0.5750%	N/A	Coastal
GO 2010	Agency Bond	FHLMC	08/03/10	08/28/12	756	6,034,896	6,054,492	0.6800%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	11/21/12	841	4,958,168	4,991,215	0.7370%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/21/13	933	5,364,110	5,474,545	0.8380%	N/A	Duncan-Williams
		•		·	Total	\$ 75,179,449	\$ 75,491,447		•	_

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	21,952	21,861	4.3200%	N/A	U.S. Bank
GO 2004 Escrow	Agency Bond	FHLMC	03/02/05	07/15/12	2,692	27,610	27,518	4.4200%	N/A	U.S. Bank
					Total	\$ 57,816	\$ 57.633			

MONEY MARKET FUNDS AND STATE POOLS

MONE	I MARKET FUNDS	ANDSTATETO	JES
Source of Funds	Type	Fair Value	Purchased From
Consolidated	State Pool	\$ 21,833,418	TexPool
GO 2010	State Pool	2,655,562	TexPool
GO 2006 & Prior	State Pool	3,675,582	TexPool
CO 2010	State Pool	1,538,947	TexPool
CO 2009 & Prior	State Pool	1,640,563	TexPool
Consolidated	State Pool	18,653,258	TexStar
GO 2010	State Pool	1,136,289	TexStar
GO 2006 & Prior	State Pool	2,776,326	TexStar
CO 2010	State Pool	5,301,446	TexStar
CO 2009 & Prior	State Pool	2,384,357	TexStar
G0 2010	Money Market	15,521,655	Federated - Agency
GO 2006 & Prior	Money Market	2,087,565	Federated - Agency
CO 2010	Money Market	5,498,884	Federated - Agency
CO 2009 & prior	Money Market	462,573	Federated - Agency
GO 2006 & Prior	Money Market	649,754	Federated - Treasury
GO 2006 & Prior	Money Market	3,550,243	Invesco - Agency
GO 2006 & Prior	Money Market	384,752	Invesco - Treasury

Total \$ 89,751,174

Type	Fair Value	Percentage
Agencies:		
Bonds	\$ 75,179,449	45.6%
Escrow Accounts	57,816	0.1%
TexPool	31,344,072	19.0%
TexStar	30,251,676	18.2%
Invesco - Treasury	384,752	0.2%
Invesco - Agency	3,550,243	2.2%
Federated - Treas.	649,754	0.4%
Federated - Agency	23,570,677	14.3%
Total Investments	\$ 164,988,439	100%

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

All Portfolios Activity

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 161,034,944	\$ 160,859,407	99.89%
Investment Purchases	69,348,129		
Increase (Decrease) in Book Value	(271,646)		
Investment Maturities	(64,811,173)		
Investments at end of quarter	\$ 165,300,254	\$ 164,988,439	99.81%
	Consolidated Portfolio Activity	7	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 63,836,756	\$ 63,836,756	100.00%
Investment Purchases	63,337,537		
Increase (Decrease) in Book Value	(126,861)		
Investment Maturities	(56,376,680)		
Investments at end of quarter	\$ 70,670,752	\$ 70,670,752	100.00%
	General Obligation 2010		
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 64,822,822	\$ 64,647,120	100.00%
Investment Purchases	6,003,741		
Increase (Decrease) in Book Value	(144,785)		
Investment Maturities	(6,060,901)		
Investments at end of quarter	\$ 64,620,877	\$ 64,308,879	99.52%

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

General Obligation 2006 & Prior

			
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 13,999,594	\$ 13,999,594	100.00%
Investment Purchases	2,693		
Increase (Decrease) in Book Value	-		
Investment Maturities	(878,065)		
Investments at end of quarter	\$ 13,124,222	\$ 13,124,222	100.00%
Cert	ificates of Obligation 20	10	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 13,560,624	\$ 13,560,624	100.00%
Investment Purchases	2,713		
Increase (Decrease) in Book Value	-		
Investment Maturities	(1,224,060)		
Investments at end of quarter	\$ 12,339,277	\$ 12,339,277	100.00%
Certificates of Obl	ligation 2009 & Prior Po	ortfolio Activity	
	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 4,716,944	\$ 4,716,944	100.00%
Investment Purchases	1,445		
Increase (Decrease) in Book Value	-		
Investment Maturities	(230,896)		
Investments at end of quarter	\$ 4,487,493	\$ 4,487,493	100.00%

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

Funds Held in Escrow Accounts

	Book Value		Fair	Value	Ratio
Investments at beginning of quarter	\$	98,204	\$	98,369	100.00%
Investment Purchases		-			
Increase (Decrease) in Book Value		-			
Investment Maturities		(40,571)			
Investments at end of quarter	\$	57,633	\$	57,816	100.32%

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

Consolidated Portfolio

Fund Name	Actual Amount
General	\$ 22,790
General Debt Service	6,204
Water and Sewer Operating	8,267
Water and Sewer - Debt Service	705
Hotel Motel	825
Golf Operating	17
Golf Debt Service	89
Solid Waste Operating	1,548
Solid Waste Debt Service	100
COR Plan	1,517
Technology Fund	354
Wireless 911 Fund	346
General Special Projects	7,953
Street Rehabilitation	1,196
Water and Sewer - Others	1,578
Water & Sewer Special Projects	2,077
Water and Sewer - Deposit	4,941
Other Funds	2,601
Total - Consolidated Portfolio	\$ 63,108

General Obligation 2010

Fund Name	Act	ual Amount
G.O. 2010	\$	415,389
Total - G.O. 2010	\$	415,389

General Obligation 2006 Portfolio & Prior

Fund Name	Actual Amount	
G.O. 2006 & Prior	\$	8,783
Total - G.O. 2006 & Prior	\$	8,783

Certificates of Obligation 2010 Portfolio

Fund Name	Actual Amount	
General Government CO 2010	\$ 3,066	
Utility Projects CO 2010	3,787	
Solid Waste CO 2010	1,825	
Total - C.O. 2010 Portfolio	\$ 8,678	

Certificates of Obligation 2009 Portfolio & Prior

Fund Name	Actual Amount
General Government CO 2009 & Pr	\$ 931
Utility Projects CO 2009 & Prior	2,577
Solid Waste CO 2009 & Prior	46
Golf Capital Projects & Prior	19
Total - C.O. 2009 Portfolio	\$ 3,573

General Capital Equipment

	Actual Amount		
Escrow		\$	184
	Total - Escrow Portfolio	\$	184

Interest Earned - All Portfolios

Interest Earned per Quarter	Actual	Amount
1st Quarter	\$	255,427
2nd Quarter		244,288
3rd Quarter		
4th Quarter		
Total Interest Earned All Portfolios	\$	499,715

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

Purchase	Description	Yield	Maturity	Book	Par	Market
Date	(1)		Date	Value	Value	Value (2)
10/29/10	FNMA	0.2020%	04/28/11	\$ 3,002,800	\$ 3,000,000	\$ 3,002,800
08/02/10	FNMA	0.3240%	05/15/11	4,762,795	4,728,000	4,762,795
11/16/10	FNMA	0.1920%	05/19/11	3,013,177	3,000,000	3,013,177
12/20/10	FHLB	0.2210%	06/10/11	3,030,105	3,000,000	3,030,105
03/02/05	FNMA	4.3200%	07/15/11	21,861	22,000	21,952
08/02/10	FHLMC	0.3700%	07/18/11	5,582,322	5,500,000	5,582,322
12/20/10	FHLB	0.2400%	07/27/11	3,012,447	3,000,000	3,012,447
01/18/11	FFCB	0.2220%	08/08/11	2,994,371	3,000,000	2,994,371
02/22/11	FHLB	0.2034%	09/16/11	6,097,023	6,000,000	6,097,023
02/25/11	FHLB	0.2045%	10/21/11	3,000,430	3,000,000	3,000,430
08/03/10	FFCB	0.4000%	10/28/11	6,013,422	6,000,000	6,010,224
02/28/11	FNMA	0.2250%	11/23/11	3,014,984	3,000,000	3,014,984
03/28/11	FHLNC	0.2350%	12/15/11	3,018,739	3,000,000	3,018,739
08/03/10	FNMA	0.4830%	02/16/12	6,372,600	6,000,000	6,241,806
08/03/10	FHLB	0.5750%	05/30/12	6,055,980	6,000,000	6,041,052
03/02/05	FHLMC	4.4200%	07/15/12	27,518	28,000	27,610
08/03/10	FHLMC	0.6800%	08/28/12	6,054,492	6,000,000	6,034,896
08/03/10	FHLB	0.7370%	11/21/12	4,991,215	4,885,000	4,958,168
08/03/10	FNMA	0.8380%	02/21/13	5,474,545	5,000,000	5,364,110
-	Victory - Federal	Varies	-	8,254	8,254	8,254
-	Federated - Trea.	Varies	-	649,754	649,754	649,754
-	Federated - Agen.	Varies	-	23,570,677	23,570,677	23,570,677
-	Invesco - Treas.	Varies	-	384,752	384,752	384,752
-	Invesco - Agen.	Varies	-	3,550,243	3,550,243	3,550,243
-	TexStar	Varies	-	31,344,072	31,344,072	31,344,072
	TexPool	Varies		30,251,676	30,251,676	30,251,676
				\$165,300,254	\$ 163,922,428	\$ 164,988,439

(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 March 31, 2011

Purchase	Description	Yield	Maturity	Par	Book
Date			Date	Value	Value
04/07/10	FHLB	0.4200%	01/18/11	\$ 3,000,000	\$ 3,000,620
09/15/10	FHLMC	0.2000%	02/22/11	6,000,000	6,000,939
08/02/10	FNMA	0.2610%	02/25/11	5,000,000	5,011,790
05/04/10	FHLMC	0.4150%	02/25/11	3,000,000	2,999,597
05/13/10	FHLB	0.3910%	02/28/11	3,009,000	3,008,099
10/12/10	FHLB	0.1928%	03/28/11	3,000,000	2,999,557
-	ESCROW	-	02/24/11	40,571	40,571
-	FEDERATED	-	01/18/11	1,600,000	1,600,000
-	FEDERATED	-	01/19/11	200,000	200,000
-	FEDERATED	-	02/14/11	8,000,000	8,000,000
-	FEDERATED	-	02/15/11	1,700,000	1,700,000
-	FEDERATED	-	02/16/11	400,000	400,000
-	FEDERATED	-	02/28/11	1,000,000	1,000,000
-	FEDERATED	-	03/01/11	500,000	500,000
-	FEDERATED	-	03/22/11	400,000	400,000
-	FEDERATED	-	03/29/11	3,200,000	3,200,000
-	TEXPOOL	-	02/14/11	8,000,000	8,000,000
-	TEXPOOL	-	03/07/11	700,000	700,000
-	TEXPOOL	-	03/08/11	700,000	700,000
-	TEXPOOL	-	03/15/11	2,250,000	2,250,000
-	TEXPOOL	-	03/31/11	400,000	400,000
-	TEXSTAR	-	02/14/11	9,000,000	9,000,000
-	TEXSTAR	-	03/08/11	800,000	800,000
-	TEXSTAR	-	03/14/11	1,300,000	1,300,000
-	TEXSTAR	-	03/16/11	600,000	600,000
	TEXSTAR	-	03/31/11	1,000,000	1,000,000
		<u> </u>	Total	\$ 64,799,571	\$ 64,811,173

<u>City of Richardson</u> <u>Schedule of Investment Purchases</u> <u>for Quarter Ending March 31, 2011</u>

Purchase	Description	Yield	Maturity	Par	Total
Date	1		Date	Value	Cost
01/18/11	FFCB	0.2220%	08/08/11	\$ 2,950,000	\$ 3,020,024
	FHLB	0.2034%	09/16/11	6,000,000	6,116,202
	FHLB	0.2045%	10/21/11	3,000,000	3,000,501
	FNMA	0.2250%	11/23/11	3,000,000	3,017,088
	FHLMC	0.2350%	12/15/11	3,000,000	3,018,957
	FEDERATED AGENCY	-	-	1,600,000	1,600,000
	FEDERATED AGENCY	_	_	2,000,000	2,000,000
	FEDERATED AGENCY	_	_	1,100,000	1,100,000
	FEDERATED AGENCY	_	_	1,900,000	1,900,000
	FEDERATED AGENCY	_	_	3,000,000	3,000,000
	FEDERATED AGENCY	_	_	295	295
02/02/11	FEDERATED AGENCY	_	_	5,200,000	5,200,000
02/10/11	FEDERATED AGENCY	_	_	3,000,000	3,000,000
02/28/11	FEDERATED AGENCY	_	_	271	271
03/10/11	FEDERATED AGENCY	_	_	800,000	800,000
03/28/11	FEDERATED AGENCY	_	_	3,000,000	3,000,000
03/31/11	FEDERATED AGENCY	_	_	214	214
	FEDERATED TREASURY	_	_	6	6
	FEDERATED TREASURY	_	_	5	5
	FEDERATED TREASURY	_	_	6	6
	INVESCO AGENCY	_	_	60	60
	INVESCO AGENCY	_	_	55	55
	INVESCO AGENCY	-	-	60	60
	INVESCO AGENC I	_	_	7	7
	INVESCO TREASURY	-	-	5	5
	INVESCO TREASURY	-	-	8	8
03/31/11	TEXPOOL	-	_	_	
01/05/11	TEXPOOL	-	_	1,500,000	1,500,000
01/05/11	TEXPOOL	-	_	900,000	900,000
	TEXPOOL	-	_	3,600,000	3,600,000
01/20/11	TEXPOOL	-	_	1,150,000	1,150,000
01/27/11 01/31/11		-	_	1,000,000	1,000,000
	TEXPOOL	-	_	4,450	4,450
02/07/11	TEXPOOL	=	-	3,250,000	3,250,000
	TEXPOOL	=	-	1,100,000	1,100,000
02/25/11	TEXPOOL	-	-	1,200,000	1,200,000
02/28/11	TEXPOOL	-	-	3,834	3,834
03/04/11	TEXPOOL	-	-	800,000	800,000
03/21/11	TEXPOOL	-	-	700,000	700,000
03/24/11	TEXPOOL	-	-	900,000	900,000
03/31/11	TEXPOOL	-	-	3,949	3,949
01/07/11	TEXSTAR	=	-	3,000,000	3,000,000
01/11/11	TEXSTAR	=	-	1,400,000	1,400,000
01/31/11	TEXSTAR	-	-	4,562	4,562
02/01/11	TEXSTAR	-	-	1,000,000	1,000,000
02/07/11	TEXSTAR	-	-	3,250,000	3,250,000
02/25/11	TEXSTAR	-	-	3,800,000	3,800,000
02/28/11	TEXSTAR	-	-	3,754	3,754
03/11/11	TEXSTAR	-	-	1,000,000	1,000,000
03/31/11	TEXSTAR	-	-	3,816	3,816
			Total	\$ 69,125,357	\$ 69,348,129