



1<sup>st</sup> Quarter Investment Report  
*(For the Quarter Ended December 31, 2010)*  
Fiscal Year 2010-11  
City of Richardson, Texas

## Investment Report Overview Quarter Ending December 31, 2010

---

### Portfolio Balance

The Fair Market Value of the City's Investment Portfolio as of December 31, 2010 was \$160,859,307.

### 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 November and December meetings. The FOMC has kept the Fed Funds rate unchanged since December 2008. The City's yield on the total portfolio was 0.29% as of December 31, above our benchmark of the 91-day Treasury bill at 0.12%, and above 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	0.29%
Agencies	0.43%
Money Market Mutual Funds and Local Investment Pools	0.14%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.12%

### Earnings

Total interest earned on the City's investments for the quarter was \$255,427. 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 Earnings
General	\$ 50,229	\$ 9,652
Water and Sewer Operating	\$ 3,374	\$ 4,772

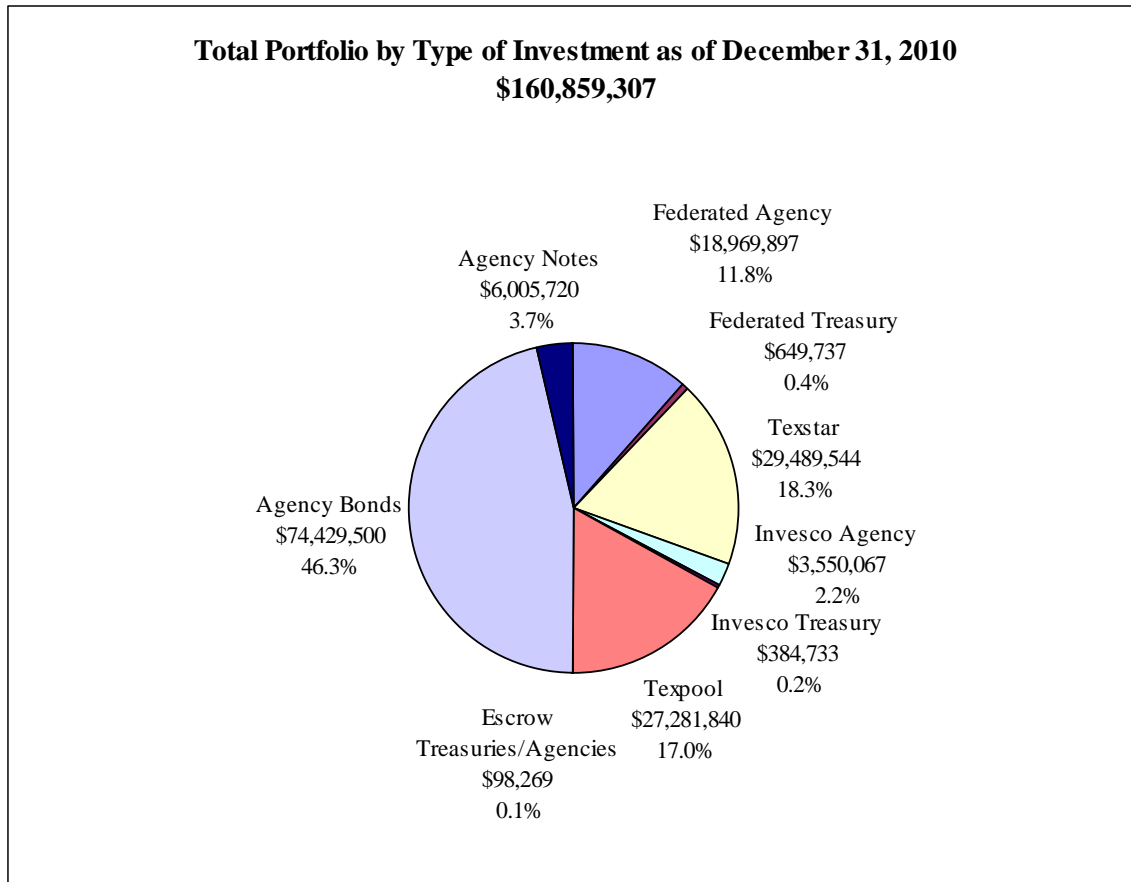
**Purchases and Maturities**

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

	Agencies/ TB's/Escro w	Federated	Invesco	TexPool	TexStar	Totals
Purchases	\$15,161,271	\$13,200,707	\$ 206	\$21,913,023	\$ 8,962,938	\$ 59,238,145
Maturities	\$22,920,988	\$ 0	\$ 0	\$21,915,000	\$ 4,460,000	\$ 49,295,988
Int. Ernd (1)	\$ 228,553	\$ 707	\$ 206	\$ 13,023	\$ 12,938	\$ 255,427

(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, 2010  
Table of Contents

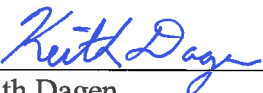
Page 1	Investment Official Sign-Off
Page 2	Investment Portfolio Balance
Page 2	Weighted Average Maturity Total Portfolio
Page 3	Comparison of the City's Yield to the 91-Day Treasury Bill Rate
Page 3	Budgeted Annual Interest Compared to Earned and Accrued Interest
Page 4	Schedule of Investments by Source 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, 2010**


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.

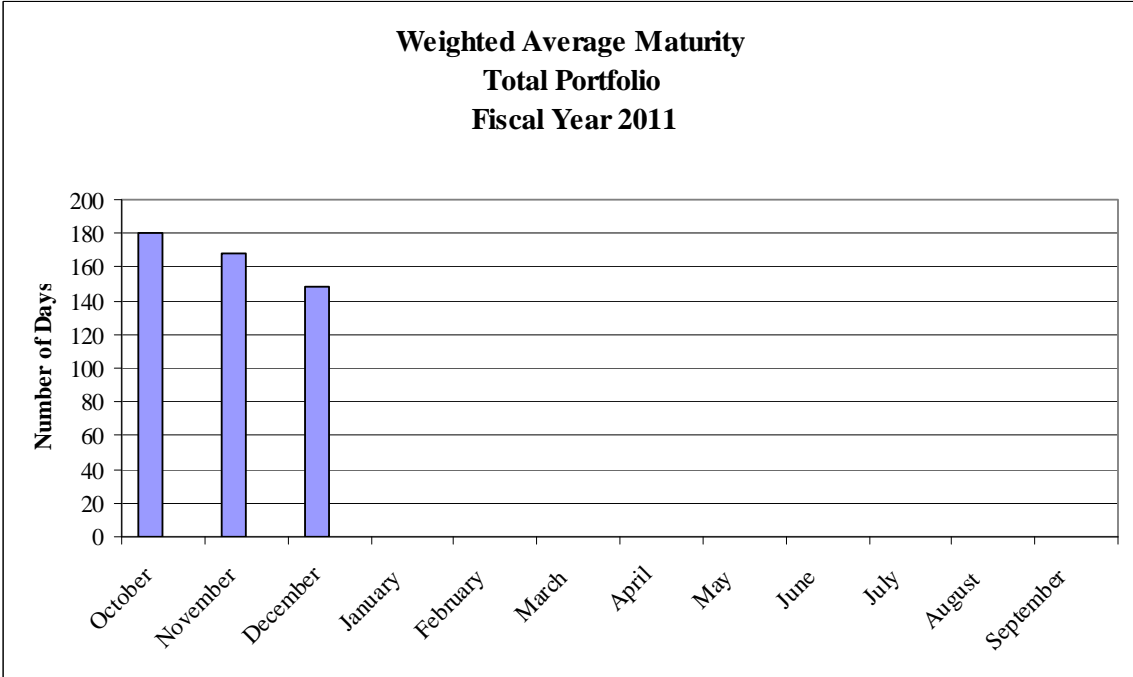
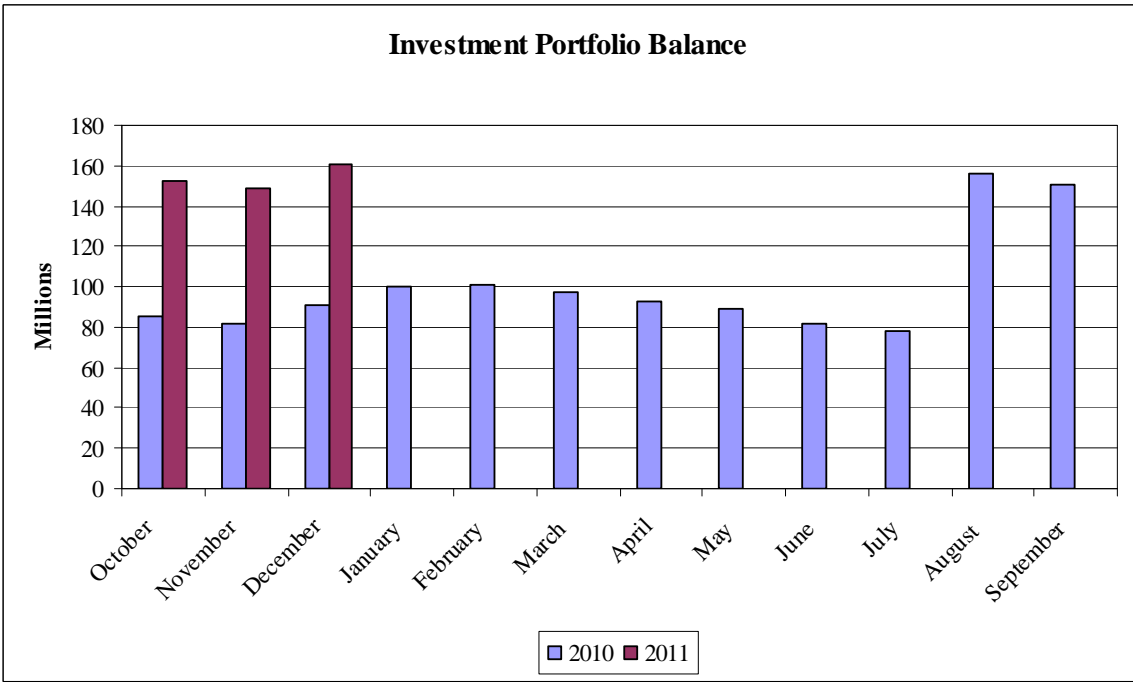
Prepared on: February 2, 2011

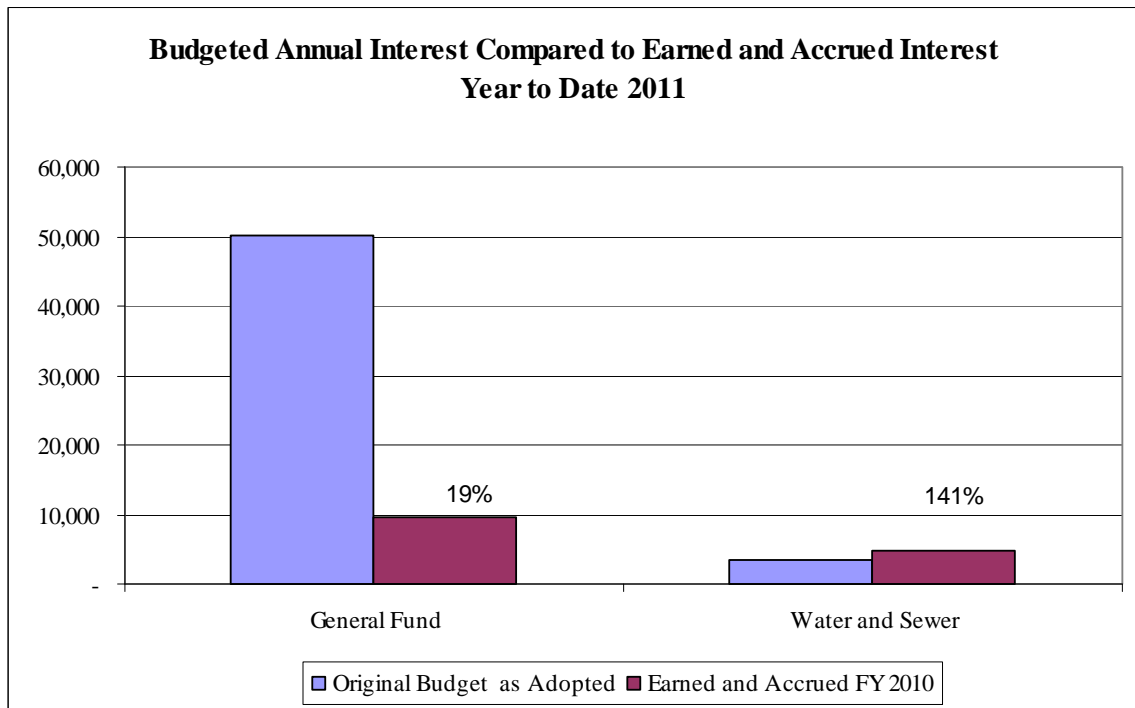
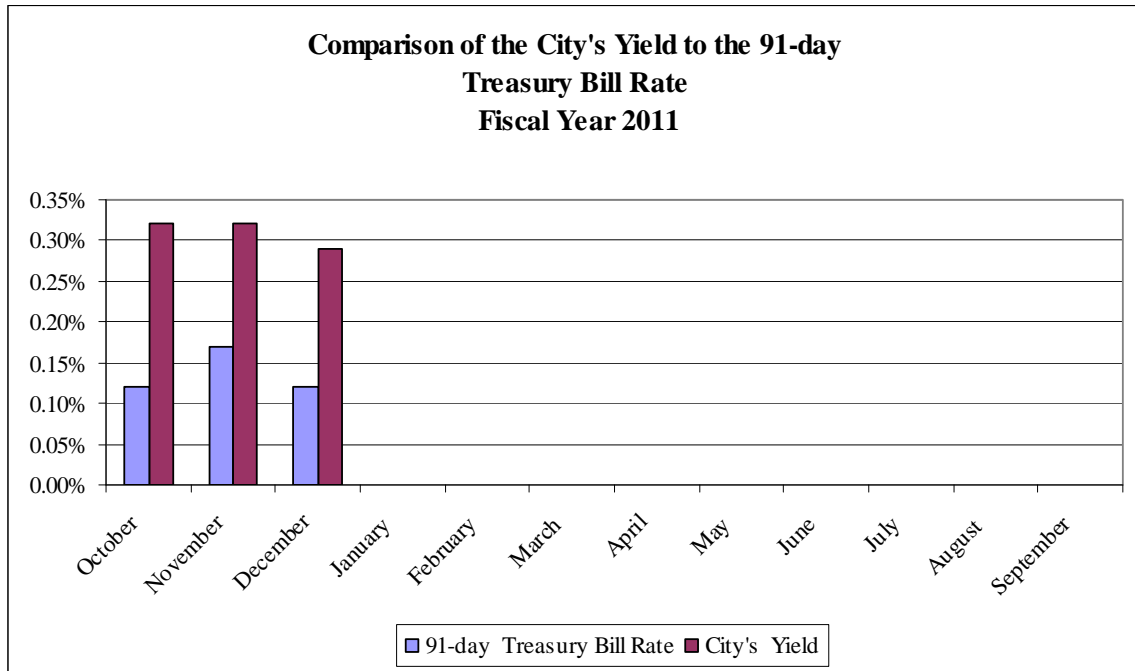
  
\_\_\_\_\_  
Kent Pfeil  
Director of Finance

  
\_\_\_\_\_  
Keith Dagen  
Assistant Director of Finance

  
\_\_\_\_\_  
Tricia Lopper  
Controller

  
\_\_\_\_\_  
Eddie Mueller  
Treasury Accountant





**City of Richardson, Texas**  
**Schedule of Investments by Source of Funds**  
**December 31, 2010**

**SECURITIES**

Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Fair Value	Book Value	Yield	Callable	Purchased From
Consolidated	Agency Bond	FHLB	04/07/10	01/18/11	286	\$ 3,000,620	\$ 3,000,620	0.4200%	N/A	1st Southwest
Consolidated	Agency Bond	FLHB	09/15/10	02/22/11	160	6,002,067	6,002,067	0.2000%	N/A	1st Southwest
GO 2010	Agency Bond	FHLMC	08/02/10	02/25/11	207	5,023,987	5,023,987	0.2610%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLB	05/04/10	02/25/11	297	2,999,193	2,999,193	0.4150%	N/A	Duncan-Williams
Consolidated	Agency Note	FNMA	05/13/10	02/28/11	291	3,007,113	3,007,113	0.3910%	N/A	Cantor-Fitzgerald
Consolidated	Agency Note	FHLMC	10/12/10	03/28/11	167	2,998,607	2,998,607	0.1928%	N/A	Duncan-Williams
Consolidated	Agency Bond	FNMA	10/29/10	04/28/11	181	3,011,491	3,011,491	0.2020%	N/A	1st Southwest
GO 2010	Agency Bond	FNMA	08/02/10	05/15/11	286	4,829,230	4,829,230	0.3240%	N/A	Cantor-Fitzgerald
Consolidated	Agency Bond	FNMA	11/16/10	05/19/11	184	3,036,896	3,036,896	0.1920%	N/A	Duncan-Williams
Consolidated	Agency Bond	FHLB	12/20/10	06/10/11	172	3,068,266	3,068,266	0.2210%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FHLMC	08/02/10	07/18/11	350	5,648,474	5,648,474	0.3700%	N/A	1st Southwest
Consolidated	Agency Bond	FHLB	12/20/10	07/27/11	219	3,022,724	3,022,724	0.2400%	N/A	Duncan-Williams
GO 2010	Agency Bond	FFCB	08/03/10	10/28/11	451	6,009,828	6,013,422	0.4000%	N/A	Samco
GO 2010	Agency Bond	FNMA	08/03/10	02/16/12	562	6,301,926	6,372,600	0.4830%	N/A	1st Southwest
GO 2010	Agency Bond	FHLB	08/03/10	05/30/12	666	6,046,236	6,055,980	0.5750%	N/A	Coastal
GO 2010	Agency Bond	FHLMC	08/03/10	08/28/12	756	6,039,642	6,054,492	0.6800%	N/A	Duncan-Williams
GO 2010	Agency Bond	FHLB	08/03/10	11/21/12	841	4,973,570	4,991,215	0.7370%	N/A	Cantor-Fitzgerald
GO 2010	Agency Bond	FNMA	08/03/10	02/21/13	933	5,415,350	5,474,545	0.8380%	N/A	Duncan-Williams
					Total	\$ 80,435,220	\$ 80,610,922			

**FUNDS HELD IN ESCROW ACCOUNTS**

Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Fair Value	Book Value	Yield	Callable	Purchased From
Consolidated	Money Market	MMMF	03/01/10	-	1	\$ 48,825	\$ 48,825	0.0100%	N/A	KeyBanc
GO 2004 Escrow	Agency Bond	FNMA	03/02/05	07/15/11	2,326	21,905	21,861	4.3200%	N/A	U.S. Bank
GO 2004 Escrow	Agency Bond	FHLMC	03/02/05	07/15/12	2,692	27,539	27,518	4.4200%	N/A	U.S. Bank
					Total	\$ 98,269	\$ 98,204			

**MONEY MARKET FUNDS AND STATE POOLS**

Source of Funds	Type	Fair Value	Purchased From
Consolidated	State Pool	\$ 19,279,643	TexPool
GO 2010	State Pool	1,760,922	TexPool
GO 2006 & Prior	State Pool	3,739,525	TexPool
CO 2010	State Pool	1,213,968	TexPool
CO 2009 & Prior	State Pool	1,287,782	TexPool
Consolidated	State Pool	9,533,626	TexStar
GO 2010	State Pool	7,097,907	TexStar
GO 2006 & Prior	State Pool	3,268,348	TexStar
CO 2010	State Pool	6,646,607	TexStar
CO 2009 & Prior	State Pool	2,943,056	TexStar
Consolidated	Money Market	4,676,327	Federated - Agency
GO 2010	Money Market	5,500,047	Federated - Agency
GO 2006 & Prior	Money Market	2,607,368	Federated - Agency
CO 2010	Money Market	5,700,049	Federated - Agency
CO 2009 & prior	Money Market	486,106	Federated - Agency
GO 2006 & Prior	Money Market	649,737	Federated - Treasury
Consolidated	Money Market	200,184	Invesco - Agency
GO 2006 & Prior	Money Market	3,349,883	Invesco - Agency
GO 2006 & Prior	Money Market	384,733	Invesco - Treasury
		Total	\$ 80,325,818

Type	Fair Value	Percentage
Agencies:		
Bonds	\$ 74,429,500	46.3%
Notes	6,005,720	3.7%
Escrow Accounts	98,269	0.1%
TexPool	27,281,840	17.0%
TexStar	29,489,544	18.3%
Invesco - Treasury	384,733	0.2%
Invesco - Agency	3,550,067	2.2%
Federated - Treas.	649,737	0.4%
Federated - Agency	18,969,897	11.8%
Total Investments	\$ 160,859,307	100%



**City of Richardson**  
**Summary of Investment Portfolio Activity**  
**As of December 31, 2010**

**All Portfolios Activity**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 151,313,834	\$ 151,313,834	100.00%
Investment Purchases	59,238,145		
Increase (Decrease) in Book Value	(221,047)		
Investment Maturities	(49,295,988)		
Investments at end of quarter	<u><u>\$ 161,034,944</u></u>	\$ 160,859,307	99.89%

**Consolidated Portfolio Activity**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 52,815,635	\$ 52,815,635	100.00%
Investment Purchases	36,154,789		
Increase (Decrease) in Book Value	(25,341)		
Investment Maturities	(25,108,327)		
Investments at end of quarter	<u><u>\$ 63,836,756</u></u>	\$ 63,836,756	100.00%

**General Obligation 2010**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 65,642,493	\$ 65,642,493	100.00%
Investment Purchases	9,717,080		
Increase (Decrease) in Book Value	(194,526)		
Investment Maturities	(10,342,225)		
Investments at end of quarter	<u><u>\$ 64,822,822</u></u>	\$ 64,647,120	99.73%

**City of Richardson**  
**Summary of Investment Portfolio Activity**  
**As of December 31, 2010**

**General Obligation 2006 & Prior**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 14,724,809	\$ 14,724,809	100.00%
Investment Purchases	6,082,441		
Increase (Decrease) in Book Value	(1,180)		
Investment Maturities	(6,806,476)		
Investments at end of quarter	<u>\$ 13,999,594</u>	\$ 13,999,594	100.00%

**Certificates of Obligation 2010**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 12,719,166	\$ 12,719,166	100.00%
Investment Purchases	7,265,762		
Increase (Decrease) in Book Value	-		
Investment Maturities	(6,424,304)		
Investments at end of quarter	<u>\$ 13,560,624</u>	\$ 13,560,624	100.00%

**Certificates of Obligation 2009 & Prior Portfolio Activity**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 5,252,505	\$ 5,252,505	100.00%
Investment Purchases	18,066		
Increase (Decrease) in Book Value	-		
Investment Maturities	(553,627)		
Investments at end of quarter	<u>\$ 4,716,944</u>	\$ 4,716,944	100.00%

**City of Richardson**  
**Summary of Investment Portfolio Activity**  
**As of December 31, 2010**

**Funds Held in Escrow Accounts**

	Book Value	Fair Value	Ratio
Investments at beginning of quarter	\$ 159,226	\$ 159,226	100.00%
Investment Purchases	7		
Increase (Decrease) in Book Value	-		
Investment Maturities	(61,029)		
Investments at end of quarter	<u><u>\$ 98,204</u></u>	\$ 98,269	100.07%

**City of Richardson**  
**Schedule of Interest Income by Portfolios and Funds**  
**December 31, 2010**

**Consolidated Portfolio**

Fund Name	Actual Amount
General	\$ 9,652
General Debt Service	1,843
Water and Sewer Operating	4,772
Water and Sewer - Debt Service	449
Hotel Motel	462
Golf Operating	17
Golf Debt Service	58
Solid Waste Operating	396
Solid Waste Debt Service	54
COR Plan	243
Technology Fund	220
Wireless 911 Fund	213
General Special Projects	3,996
Street Rehabilitation	633
Water and Sewer - Others	878
Water & Sewer Special Projects	817
Water and Sewer - Deposit	2,925
Other Funds	1,477
<b>Total - Consolidated Portfolio</b>	<b>\$ 29,105</b>

**General Obligation 2010**

Fund Name	Actual Amount
G.O. 2010	\$ 212,070
<b>Total - G.O. 2010</b>	<b>\$ 212,070</b>

**General Obligation 2006 Portfolio & Prior**

Fund Name	Actual Amount
G.O. 2006 & Prior	\$ 6,093
<b>Total - G.O. 2006 &amp; Prior</b>	<b>\$ 6,093</b>

**Certificates of Obligation 2010 Portfolio**

Fund Name	Actual Amount
General Government CO 2010	\$ 2,034
Utility Projects CO 2010	2,709
Solid Waste CO 2010	1,222
<b>Total - C.O. 2010 Portfolio</b>	<b>\$ 5,965</b>

**Certificates of Obligation 2009 Portfolio & Prior**

Fund Name	Actual Amount
General Government CO 2009 & Pr	\$ 536
Utility Projects CO 2009 & Prior	1,552
Solid Waste CO 2009 & Prior	31
Golf Capital Projects & Prior	10
<b>Total - C.O. 2009 Portfolio</b>	<b>\$ 2,129</b>

**Escrow**

Fund Name	Actual Amount
G.O. 2004 Escrow	\$ 65
<b>Total - Escrow Portfolio</b>	<b>\$ 65</b>

**Interest Earned - All Portfolios**

Interest Earned per Quarter	Actual Amount
1st Quarter	\$ 255,427
2nd Quarter	
3rd Quarter	
4th Quarter	
<b>Total Interest Earned All Portfolios</b>	<b>\$ 255,427</b>

City of Richardson  
Schedule of Market Value of Investments by Maturity Date  
December 31, 2010

Purchase Date	Description (1)	Yield	Maturity Date	Book Value	Par Value	Market Value (2)
04/07/10	FHLB	0.4200%	01/18/11	3,000,620	3,000,000	3,000,620
09/15/10	FHLB	0.2000%	02/22/11	6,002,067	6,000,000	6,002,067
08/02/10	FHLMC	0.2610%	02/25/11	5,023,987	5,000,000	5,023,987
05/04/10	FHLB	0.4150%	02/25/11	2,999,193	3,000,000	2,999,193
05/13/10	FNMA	0.3910%	02/28/11	3,007,113	3,009,000	3,007,113
10/12/10	FHLMC	0.1928%	03/28/11	2,998,607	3,000,000	2,998,607
10/29/10	FNMA	0.2020%	04/28/11	3,011,491	3,000,000	3,011,491
08/02/10	FNMA	0.3240%	05/15/11	4,829,230	4,728,000	4,829,230
11/16/10	FNMA	0.1920%	05/19/11	3,036,896	3,000,000	3,036,896
12/20/10	FHLB	0.2210%	06/10/11	3,068,266	3,000,000	3,068,266
03/02/05	FNMA	4.3200%	07/15/11	21,861	22,000	21,905
08/02/10	FHLMC	0.3700%	07/18/11	5,648,474	5,500,000	5,648,474
12/20/10	FHLB	0.2400%	07/27/11	3,022,724	3,000,000	3,022,724
08/03/10	FFCB	0.4000%	10/28/11	6,013,422	6,000,000	6,009,828
08/03/10	FNMA	0.4830%	02/16/12	6,372,600	6,000,000	6,301,926
08/03/10	FHLB	0.5750%	05/30/12	6,055,980	6,000,000	6,046,236
03/02/05	FHLMC	4.4200%	07/15/12	27,518	28,000	27,539
08/03/10	FHLMC	0.6800%	08/28/12	6,054,492	6,000,000	6,039,642
08/03/10	FHLB	0.7370%	11/21/12	4,991,215	4,885,000	4,973,570
08/03/10	FNMA	0.8380%	02/21/13	5,474,545	5,000,000	5,415,350
-	Victory - Federal	Varies	-	48,825	48,825	48,825
-	Federated - Trea.	Varies	-	649,737	649,737	649,737
-	Federated - Agen.	Varies	-	18,969,897	18,969,897	18,969,897
-	Invesco - Treas.	Varies	-	384,733	384,733	384,733
-	Invesco - Agen.	Varies	-	3,550,067	3,550,067	3,550,067
-	TexStar	Varies	-	29,489,544	29,489,544	29,489,544
-	TexPool	Varies	-	27,281,840	27,281,840	27,281,840
				\$161,034,944	\$159,546,643	\$160,859,307

(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, 2010

Purchase Date	Description	Yield	Maturity Date	Par Value	Book Value
02/05/10	FNMA	0.2742%	10/12/10	\$ 3,000,000	\$ 3,003,437
01/20/10	FHLMC	0.2640%	10/29/10	3,000,000	2,999,372
08/02/10	FNMA	0.2140%	11/15/10	4,842,000	4,856,364
02/18/10	FHLMC	0.3149%	11/16/10	3,000,000	2,999,457
01/22/10	FHLB	0.2830%	11/16/10	3,000,000	3,000,143
03/31/10	FHLB	0.3750%	12/29/10	3,000,000	3,000,508
03/09/10	FHLB	0.3260%	12/29/10	3,000,000	3,000,678
-	ESCROW	-	10/13/10	61,029	61,029
-	TEXPOOL	-	10/05/10	300,000	300,000
-	TEXPOOL	-	10/12/10	800,000	800,000
-	TEXPOOL	-	10/15/10	850,000	850,000
-	TEXPOOL	-	10/19/10	800,000	800,000
-	TEXPOOL	-	10/26/10	600,000	600,000
-	TEXPOOL	-	10/29/10	1,000,000	1,000,000
-	TEXPOOL	-	11/01/10	1,000,000	1,000,000
-	TEXPOOL	-	11/30/10	340,000	340,000
-	TEXPOOL	-	12/20/10	6,000,000	6,000,000
-	TEXPOOL	-	12/21/10	5,000,000	5,000,000
-	TEXPOOL	-	12/22/10	5,000,000	5,000,000
-	TEXPOOL	-	12/28/10	225,000	225,000
-	TEXSTAR	-	10/04/10	300,000	300,000
-	TEXSTAR	-	10/18/10	2,200,000	2,200,000
-	TEXSTAR	-	11/02/10	800,000	800,000
-	TEXSTAR	-	11/22/10	500,000	500,000
-	TEXSTAR	-	11/30/10	660,000	660,000
Total				\$ 49,278,029	\$ 49,295,988

City of Richardson  
Schedule of Investment Purchases  
for Quarter Ending December 31, 2010

Purchase Date	Description	Yield	Maturity Date	Par Value	Total Cost
10/12/10	FHLMC	0.1928%	03/28/11	\$ 3,000,000	\$ 2,997,356
10/29/10	FNMA	0.2020%	04/28/11	3,000,000	3,017,478
11/16/10	FNMA	0.1920%	05/19/11	3,000,000	3,048,492
12/20/10	FHLB	0.2210%	06/10/10	3,000,000	3,072,930
12/20/10	FHLB	0.2400%	07/27/10	3,000,000	3,025,008
12/31/10	ESCROW	-	-	7	7
10/31/10	FEDERATED AGENCY	-	-	264	264
11/30/10	FEDERATED AGENCY	-	-	201	201
12/15/10	FEDERATED AGENCY	-	-	2,000,000	2,000,000
12/17/10	FEDERATED AGENCY	-	-	1,200,000	1,200,000
12/21/10	FEDERATED AGENCY	-	-	5,000,000	5,000,000
12/22/10	FEDERATED AGENCY	-	-	5,000,000	5,000,000
12/31/10	FEDERATED AGENCY	-	-	210	210
10/31/10	FEDERATED TREASURY	-	-	13	13
11/30/10	FEDERATED TREASURY	-	-	12	12
12/31/10	FEDERATED TREASURY	-	-	7	7
10/31/10	INVESCO AGENCY	-	-	67	67
11/30/10	INVESCO AGENCY	-	-	59	59
12/31/10	INVESCO AGENCY	-	-	60	60
10/31/10	INVESCO TREASURY	-	-	7	7
11/30/10	INVESCO TREASURY	-	-	6	6
12/31/10	INVESCO TREASURY	-	-	7	7
10/01/10	TEXPOOL	-	-	900,000	900,000
10/08/10	TEXPOOL	-	-	2,000,000	2,000,000
10/21/10	TEXPOOL	-	-	400,000	400,000
10/27/10	TEXPOOL	-	-	1,600,000	1,600,000
10/31/10	TEXPOOL	-	-	4,898	4,898
11/15/10	TEXPOOL	-	-	3,000,000	3,000,000
11/30/10	TEXPOOL	-	-	4,485	4,485
12/27/10	TEXPOOL	-	-	2,700,000	2,700,000
12/29/10	TEXPOOL	-	-	7,000,000	7,000,000
12/30/10	TEXPOOL	-	-	4,300,000	4,300,000
12/31/10	TEXPOOL	-	-	3,640	3,640
10/01/10	TEXSTAR	-	-	900,000	900,000
10/07/10	TEXSTAR	-	-	750,000	750,000
10/20/10	TEXSTAR	-	-	800,000	800,000
10/31/10	TEXSTAR	-	-	4,344	4,344
11/04/10	TEXSTAR	-	-	500,000	500,000
11/12/10	TEXSTAR	-	-	2,000,000	2,000,000
11/15/10	TEXSTAR	-	-	3,000,000	3,000,000
11/19/10	TEXSTAR	-	-	1,000,000	1,000,000
11/30/10	TEXSTAR	-	-	4,305	4,305
12/31/10	TEXSTAR	-	-	4,289	4,289
			Total	\$ 59,076,881	\$ 59,238,145