

RICHARDSON, TX

FINANCE

2nd Quarter Investment Report
(For the Quarter Ended March 31, 2021)
Fiscal Year 2020-21
City of Richardson, Texas

Investment Report Overview Quarter Ending March 31, 2021

Portfolio Balance

The Market Value of the City's Investment Portfolio as of March 31, 2021 was \$245,615,571

The City of Richardson maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. (Article XIII of the City's Investment Policy) The four portfolios are Operating, Bond Proceeds and Capital Projects, Deposit and Debt Service. More information on the funds and fund groups in each portfolio can be found on page 8 of this report.

Investment and Interest Rate Information

The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, maintained the same economic stance with no significant changes from their last meeting in December 2020. At their April 28, 2021 meeting, the FOMC decided to maintain the target range for the federal fund rate of between 0.00% to 0.25%. The FOMC judged it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The committee's assessment will consider a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

The portfolio yield was 0.15%, which is above the 0.03% 91-day Treasury Bill benchmark. As existing securities in the portfolio mature, the overall yield will be reduced and more closely mirror the benchmark. As required by the City's Investment Policy, the portfolio continues to focus on preserving the safety of the investment portfolio while maintaining adequate liquidity.

Investment Type	Yield
Total Portfolio	0.15%
Securities	0.14%
Money Market Mutual Funds and Local Investment Pools	0.01%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.03%

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. Agency Securities, U.S Treasury Notes, Certificates

of Deposit, 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 Obligations, including letters of credit, of the United States or its agencies and instrumentalities. 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 direct investments in Treasury and Agency Securities or Certificates of Deposit for funds that will be used in the future.

Earnings

Total interest on the City’s investments for the quarter was \$75,724. The interest by Portfolio is listed in the chart below.

Portfolio	Interest 1st Quarter	Interest 2nd Quarter	Interest 3rd Quarter	Interest 4th Quarter	Interest YTD
Operating	\$182,008	\$50,400			\$232,408
Bond Proceeds & Capital Proj.	211,534	24,560			236,094
Debt Service	711	380			1,091
Deposit	1,017	384			1,401
Total	\$395,270	\$75,724			\$470,994

Additional information on interest earned can be found on page 8 of this report.

*Note restatement on page 9.

Abbreviations

Throughout this report, the following common abbreviations are used for securities which are held in the City’s Portfolio.

Abbreviation	Official Name
FHDN	Federal Home Loan Bank Discount Note
FHLB	Federal Home Loan Bank
T-Note	U.S. Treasury Note
CD	Certificate of Deposit

**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending March 31, 2021**

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 6, 2021



Kent Pfeil
Chief Financial Officer



Keith Dagen
Director of Finance

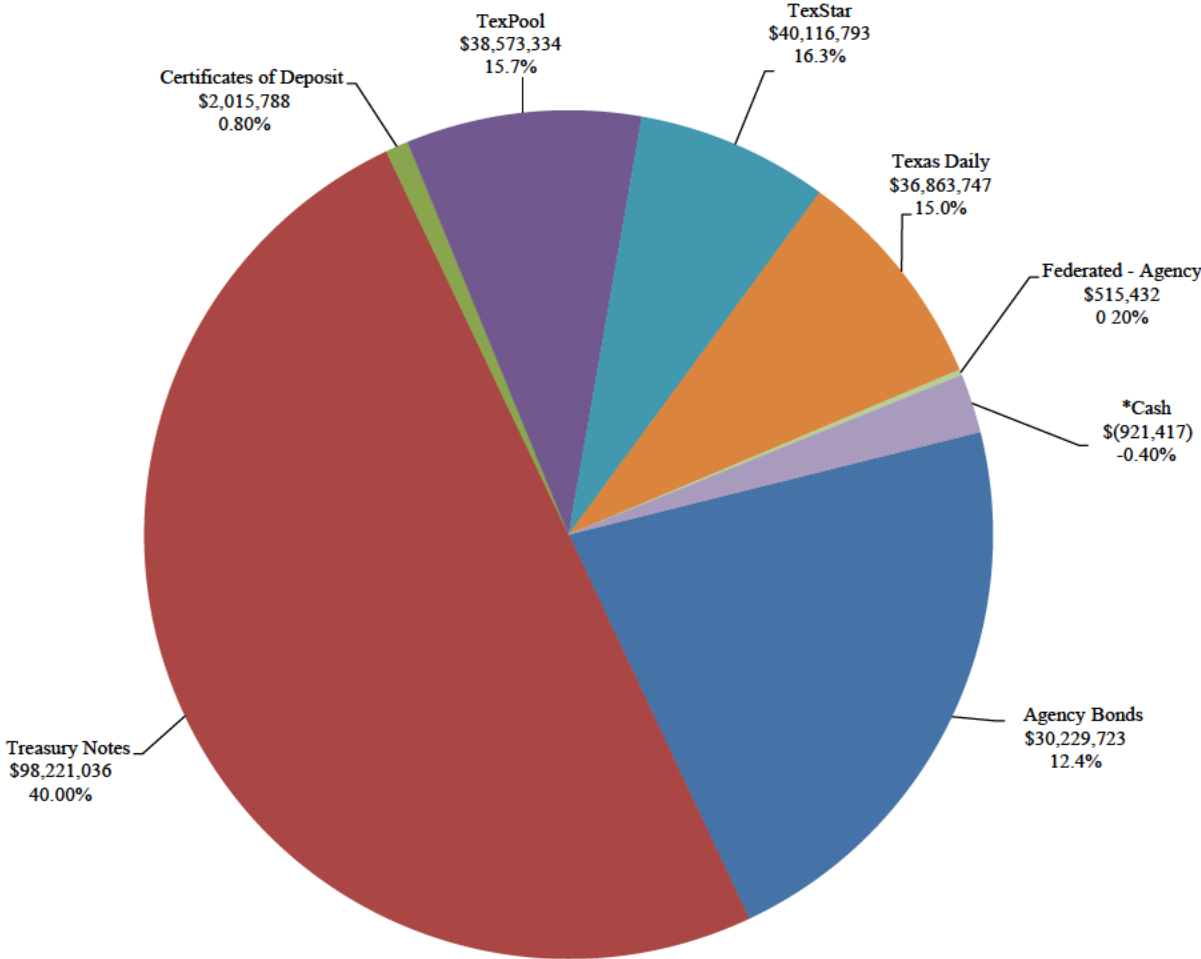


Kevin Ann Mullen
Assistant Director of Finance



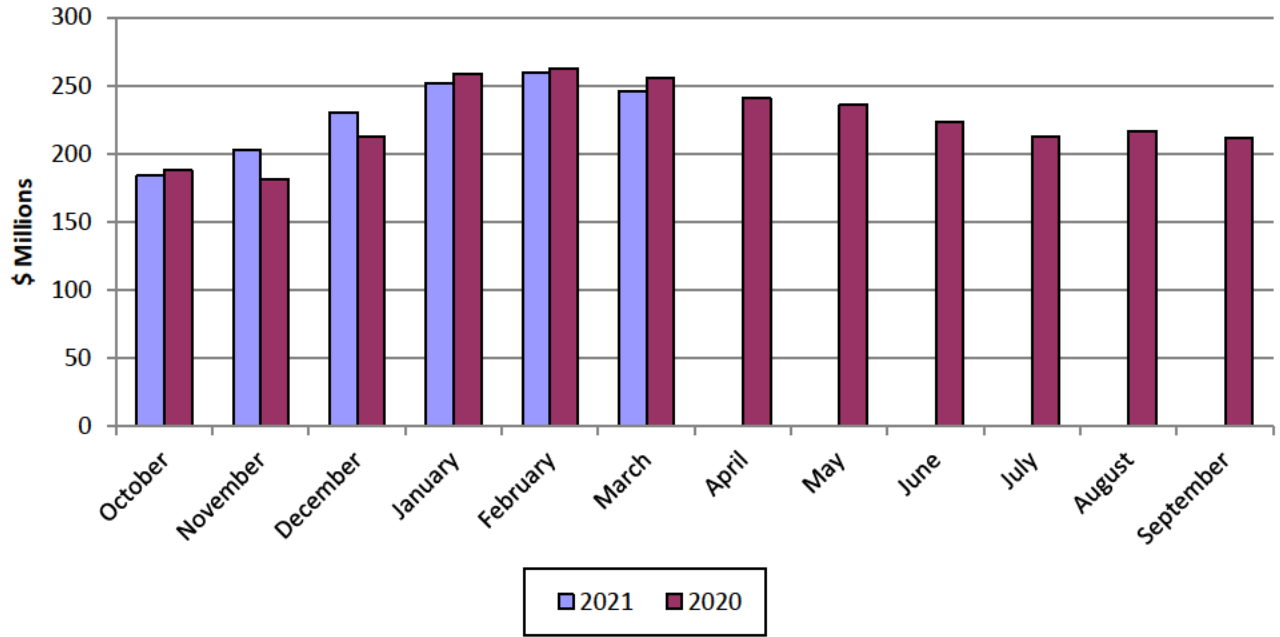
Paulette Overman
Treasury Accountant

Securities by Type As of March 31, 2021 \$245,614,436

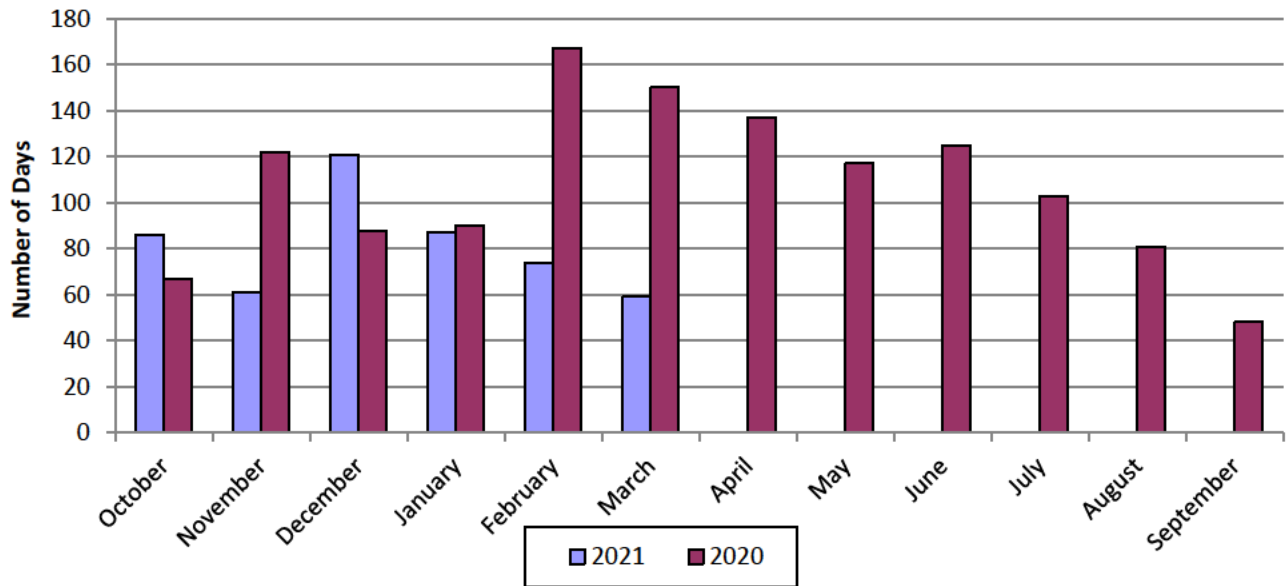


*Negative cash balance represents balance in the City's General Ledger as of March 31, 2021. Due to the timing of checks clearing, the actual bank balance is positive.

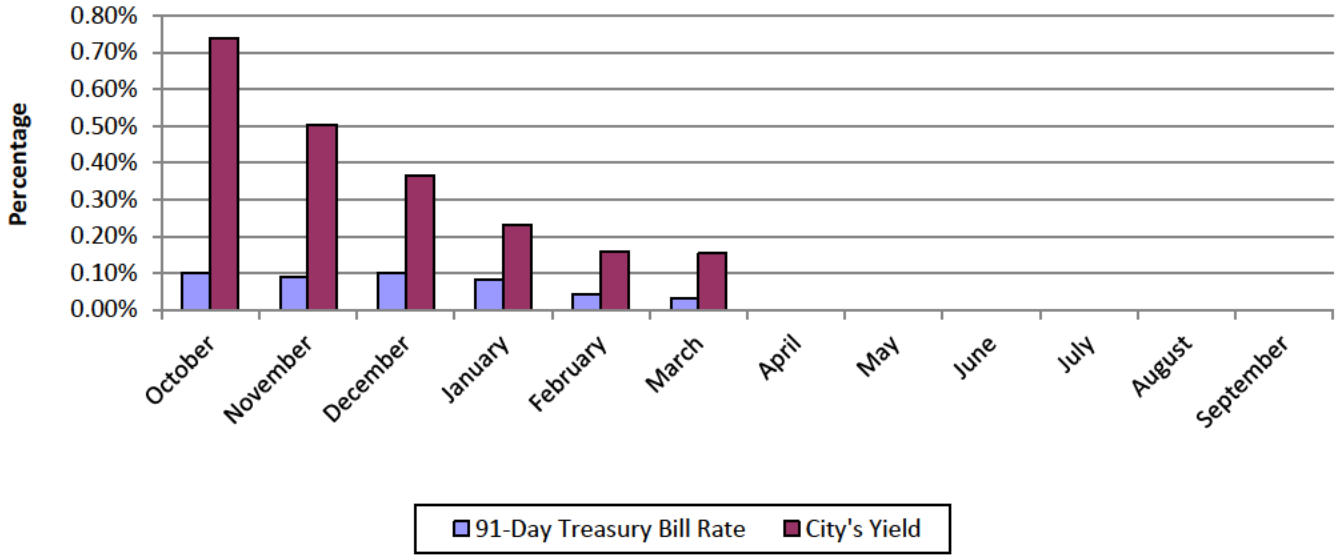
Investment Portfolio Balance Fiscal Year 2021



Weighted Average Maturity Total Portfolio Fiscal Year 2021



Comparison of the City's Yield to the 91-day Treasury Bill Rate Fiscal Year 2021



City of Richardson Investment Report

Schedule of Investments by Source of Funds

March 31, 2021

Securities & CD's										
Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From	
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	\$ 3,999,910	\$ 3,999,910	0 09%	N/A	FHN
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	3,999,910	3,999,910	0 09%	N/A	V Sparks
Bond & Cap Proj	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,999,756	3,999,756	0 10%	N/A	Samco
Bond & Cap Proj	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,999,756	3,999,756	0 10%	N/A	FHN
Operating	Agency Bond	FHDN	09/25/20	05/07/21	224 days	7,999,342	7,999,342	0 08%	N/A	V Sparks
Bond & Cap Proj	US Treas Bond	T-Note	09/25/20	05/15/21	232 days	8,025,034	8,025,034	0 10%	N/A	FHN
Bond & Cap Proj	US Treas Bond	T-Note	09/25/20	06/15/21	263 days	4,020,996	4,020,996	0 11%	N/A	FHN
Operating	Agency Bond	FHLB	12/18/20	06/16/21	180 days	7,998,690	7,998,690	0 08%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	12/22/20	06/17/21	177 days	3,999,267	3,999,267	0 09%	N/A	V Sparks
Bond & Cap Proj	CDs	CDARS	06/18/20	06/17/21	364 days	2,015,788	2,015,788	1 00%	N/A	BTH
Bond & Cap Proj	US Treas Bond	T-Note	12/18/20	07/15/21	209 days	12,088,919	12,088,919	0 08%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,014,080	4,033,440	1 49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,022,640	4,053,920	1 47%	N/A	Ladenburg
Operating	Agency Bond	FHLB	12/30/20	08/06/21	219 days	3,999,292	3,999,292	0 05%	N/A	V Sparks
Operating	US Treas Bond	T-Note	12/22/20	08/12/21	233 days	7,998,073	7,998,073	0 07%	N/A	FHN
Bond & Cap Proj	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,040,640	4,091,560	1 48%	N/A	FHN
Bond & Cap Proj	US Treas Bond	T-Note	12/18/20	08/15/21	240 days	8,122,776	8,122,776	0 07%	N/A	Samco
Bond & Cap Proj	US Treas Bond	T-Note	12/18/20	09/09/21	265 days	11,996,127	11,996,127	0 07%	N/A	FHN
Operating	Agency Bond	FHLB	12/30/20	09/10/21	254 days	2,232,579	2,232,579	0 08%	N/A	Samco
Operating	US Treas Bond	T-Note	12/30/20	09/15/21	259 days	5,900,886	5,900,886	0 08%	N/A	V Sparks
Bond & Cap Proj	US Treas Bond	T-Note	12/30/20	10/07/21	281 days	11,994,320	11,994,320	0 09%	N/A	V Sparks
Bond & Cap Proj	US Treas Bond	T-Note	12/30/20	11/04/21	309 days	3,997,767	3,997,767	0 09%	N/A	Samco
Total						\$ 130,466,547	\$ 130,568,106			

Money Market Funds, State Pools and Uninvested Balances				
Source of Funds	Type	Market Value	Purchased From	
Operating	State Pool	\$ 29,070,276	TexPool	
Bond Proceeds & Capital Projects	State Pool	9,503,058	TexPool	
Operating	State Pool	34,012,126	TexStar	
Debt Service	State Pool	2,376,139	TexStar	
Deposit	State Pool	3,728,528	TexStar	
Operating	State Pool	25,363,376	Texas Daily	
Debt Service	State Pool	10,613,125	Texas Daily	
Deposit	State Pool	887,246	Texas Daily	
Bond Proceeds & Capital Projects	Money Market	515,432	Federated - Agency	
Operating	Cash in Bank	(4,643,611)	Bank of America	
Operating	Cash in Bank	22,702	Frost	
Deposit	Cash in Bank	278,348	Bank of America	
Debt Service	Cash in Bank	3,100,234	Bank of America	
Bond Proceeds & Capital Projects	Cash in Bank	320,910	Bank of America	
Total		\$ 115,147,889		

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 30,229,723	12.4%
Treasury Bonds	98,221,036	40.0%
CDs	2,015,788	0.8%
TexPool	38,573,334	15.7%
TexStar	40,116,793	16.3%
Texas Daily	36,863,747	15.0%
Federated - Agency	515,432	0.2%
Cash in Bank	(921,417)	-0.4%
Total Investments	\$ 245,614,436	100.0%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

March 31, 2021

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 52,688,032	\$ 71,533,416	\$ 23,962	\$ 89,445
Special Police Funds	547,131	571,315	219	1,082
Municipal Court Building Security Fund	76,999	93,732	35	159
Technology Fund	250,545	228,942	97	527
Wireless 911 Fund	549,831	543,938	222	1,226
Municipal Jury Fund	1,572	2,076	1	3
Juvenile Case Manager Fund	78,647	103,827	37	155
Judicial Efficiency Fund	38,154	51,909	18	79
Hotel/ Motel Tax Fund	2,615,777	2,423,471	525	5,540
Tax Increment Financing Fund #1	8,842,867	13,207,225	2,726	18,964
Tax Increment Financing Fund #2	893,831	6,309,300	1,605	3,212
Tax Increment Financing Fund #3	208,595	1,199,799	931	1,304
Franchise PEG Fund	635,196	683,839	2,390	3,493
Drainage Fee Fund	4,604,964	4,801,865	1,124	9,091
Economic Development	4,586,396	4,744,103	1,084	9,095
Eisemann Endowment Fund	235,412	235,650	238	659
Water and Sewer Operating Fund	19,122,889	10,034,264	3,004	37,971
Water and Sewer Rate Stabilization Fund	2,385,025	3,020,731	4,190	8,514
Golf Fund	1,059,313	1,160,361	1,272	3,050
Solid Waste Services Fund	2,023,636	1,460,570	893	5,269
Central Services Fund	660,405	512,832	526	1,106
Insurance and Flexible Spending Fund	13,779,940	14,500,302	2,209	26,474
Tech Replacement Fund	3,360,814	3,113,266	3,092	5,990
Total Operating Portfolio	\$ 119,245,971	\$ 140,536,733	\$ 50,400	\$ 232,408

Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 3,494,902	\$ 2,610,895	\$ 1,596	\$ 8,835
Capital Projects - Major Projects Funds	60,743,462	40,084,839	7,730	164,651
Water and Sewer - Capital Project Funds	10,471,937	8,498,060	4,621	23,353
Solid Waste - Capital Projects Funds	760,584	541,747	283	1,437
Non-Bond Capital Projects:				
Special Projects Fund	7,602,339	10,136,514	2,370	10,836
Eisemann Center Capital Fund	390,953	368,834	245	988
Street Rehabilitation Fund	6,538,274	6,570,215	2,884	10,877
Capital Equipment Replacement Fund	8,540,351	7,544,185	1,816	8,153
Water Sewer Special Projects Fund	42,345	4,844,077	1,732	1,796
Solid Waste Special Projects Fund	2,607,425	2,852,309	1,283	5,168
Total Bond Proceeds & Capital Projects Portfolio	\$ 101,192,572	\$ 84,051,675	\$ 24,560	\$ 236,094

Debt Service Portfolio				
General Debt Service Fund	\$ 3,438,537	\$ 16,089,337	\$ 344	\$ 924
Water and Sewer Debt Service Fund	204,028	6	25	133
Solid Waste Debt Service Fund	454,745	1	11	34
Total Debt Service Portfolio	\$ 4,097,310	\$ 16,089,344	\$ 380	\$ 1,091

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 4,918,993	\$ 4,936,684	\$ 384	\$ 1,401
Total Deposit Portfolio	\$ 4,918,993	\$ 4,936,684	\$ 384	\$ 1,401

Total All Portfolios	\$ 229,454,846	\$ 245,614,436	\$ 75,724	\$ 470,994
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*Note restatement on page 9.

City of Richardson Investment Report

Schedule of Interest Earned as Restated September 30, 2021

Portfolio	1st Quarter Interest Income	2nd Quarter Interest Income	3rd Quarter Interest Income	4th Quarter Interest Income	Interest Income YTD
Operating Portfolio					
General Fund	\$ 43,485	\$ 21,420	\$ 7,262	\$ 7,483	\$ 79,650
Special Police Funds	500	187	58	69	813
Municipal Court Building Security Fund	67	30	11	14	121
Technology Fund	232	83	25	32	372
Wireless 911 Fund	535	190	57	68	849
Municipal Jury Fund	1	1	0	0	2
Juvenile Case Manager Fund	64	32	12	15	123
Judicial Efficiency Fund	34	16	6	8	64
Federal Grants - American Recovery Plan Act	-	-	482	1,147	1,629
Hotel/ Motel Tax Fund	2,757	877	275	368	4,277
Tax Increment Financing Fund #1	8,705	3,827	1,272	1,319	15,123
Tax Increment Financing Fund #2	865	1,250	433	237	2,785
Tax Increment Financing Fund #3	201	244	84	46	575
Franchise PEG Fund	592	229	74	90	985
Drainage Fee Fund	4,283	1,632	490	543	6,948
Economic Development	4,444	1,663	491	550	7,147
Eisemann Endowment Fund	227	82	25	30	363
Water and Sewer Operating Fund	14,559	4,212	1,022	1,544	21,337
Water and Sewer Rate Stabilization Fund	2,320	938	319	378	3,955
Golf Fund	536	238	87	122	983
Solid Waste Services Fund	2,002	562	154	218	2,935
Central Services Fund	477	204	47	44	773
Insurance and Flexible Spending Fund	13,244	4,908	1,537	1,793	21,482
Tech Replacement Fund	2,317	1,124	313	318	4,071
Total Operating Portfolio	\$ 102,447	\$ 43,947	\$ 14,534	\$ 16,436	\$ 177,364
Bond Proceeds and Capital Projects Portfolio					
Capital Projects - Equipment Funds	\$ 1,854	\$ 464	\$ 293	\$ 296	\$ 2,907
Capital Projects - Major Projects Funds	58,112	21,383	6,432	5,103	91,031
Water and Sewer - Capital Project Funds	13,043	4,217	1,896	1,750	20,906
Solid Waste - Capital Projects Funds	815	213	101	94	1,222
Non-Bond Capital Projects:					-
Special Projects Fund	12,318	4,677	1,311	826	19,132
Eisemann Center Capital Fund	420	169	43	25	657
Capital Equipment Replacement Fund	8,452	3,807	1,022	637	13,919
Golf Special Projects Fund	455	189	55	36	735
Street Rehabilitation Fund	6,823	3,577	799	360	11,559
Water Sewer Special Projects Fund	5,189	2,153	621	413	8,376
Solid Waste Special Projects Fund	3,171	1,303	357	231	5,062
Total Bond Proceeds & Capital Projects Portfolio	\$ 110,653	\$ 42,151	\$ 12,930	\$ 9,772	\$ 175,505
Debt Service Portfolio					
General Debt Service Fund	\$ 1,434	\$ 2,269	\$ 949	\$ 335	\$ 4,989
Water and Sewer Debt Service Fund	152	24	59	82	316
Solid Waste Debt Service Fund	119	53	12	18	202
Total Debt Service Portfolio	\$ 1,705	\$ 2,346	\$ 1,020	\$ 436	\$ 5,506
Deposit Portfolio					
Water and Sewer Deposit Fund	\$ 2,047	\$ 720	\$ 412	\$ 235	\$ 3,414
Total Deposit Portfolio	\$ 2,047	\$ 720	\$ 412	\$ 235	\$ 3,414
Total All Portfolios	\$ 216,852	\$ 89,164	\$ 28,895	\$ 26,879	\$ 361,790

Restatement

During the preparation of the fourth quarter report, it was discovered that the amortization of fair market value for securities held more than one year were not previously shown in prior fiscal year 2021 quarterly reports. The amounts in the chart above show interest income as restated for the prior quarters with the appropriate amortization included. This amortization was being recorded in the general ledger but not acknowledged on the report, overstating prior quarters' earnings for the purposes of the quarterly reports. The amounts shown above present the actual interest earned by fund in accordance with generally accepted accounting principles.