



# **RICHARDSON, TX**

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## **FINANCE**

**1st Quarter Investment Report**  
*(For the Quarter Ended December 31, 2020)*  
**Fiscal Year 2020-21**  
**City of Richardson, Texas**

# Investment Report Overview Quarter Ending December 31, 2020

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## Portfolio Balance

The Market Value of the City’s Investment Portfolio as of December 31, 2020 was \$229,454,846.

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

At their December 16, 2020 meeting, the Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board 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 0.36%, which is above the 0.10% 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	0.36%
Securities	0.34%
Money Market Mutual Funds and Local Investment Pools	0.02%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.10%

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 \$395,270. 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				\$182,008
Bond Proceeds & Capital Proj.	211,534				211,534
Debt Service	711				711
Deposit	1,017				1,017
Total	\$395,270				\$395,270

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
FFCB	Federal Farm Credit Bank
T-Note	U.S. Treasury Note
CD	Certificate of Deposit

**City of Richardson, Texas**  
**Investment Report**  
**Investment Officers Signature Page**  
**Quarter Ending December 31, 2020**

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: January 29, 2021

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Kent Pfeil  
Chief Financial Officer

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Keith Dagen  
Director of Finance

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Cara Copley  
Assistant Director of Finance

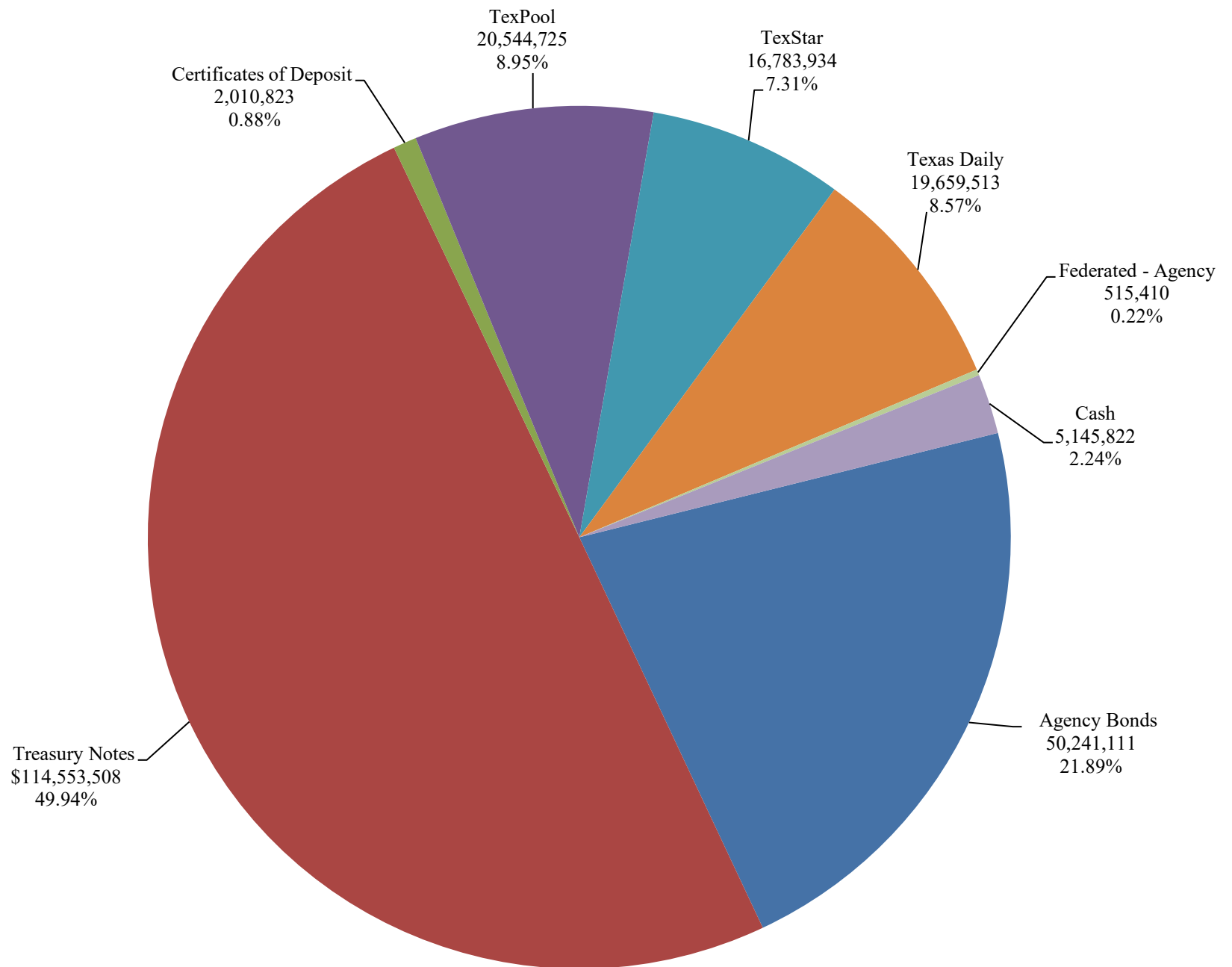
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Vicki McCarthy  
Controller

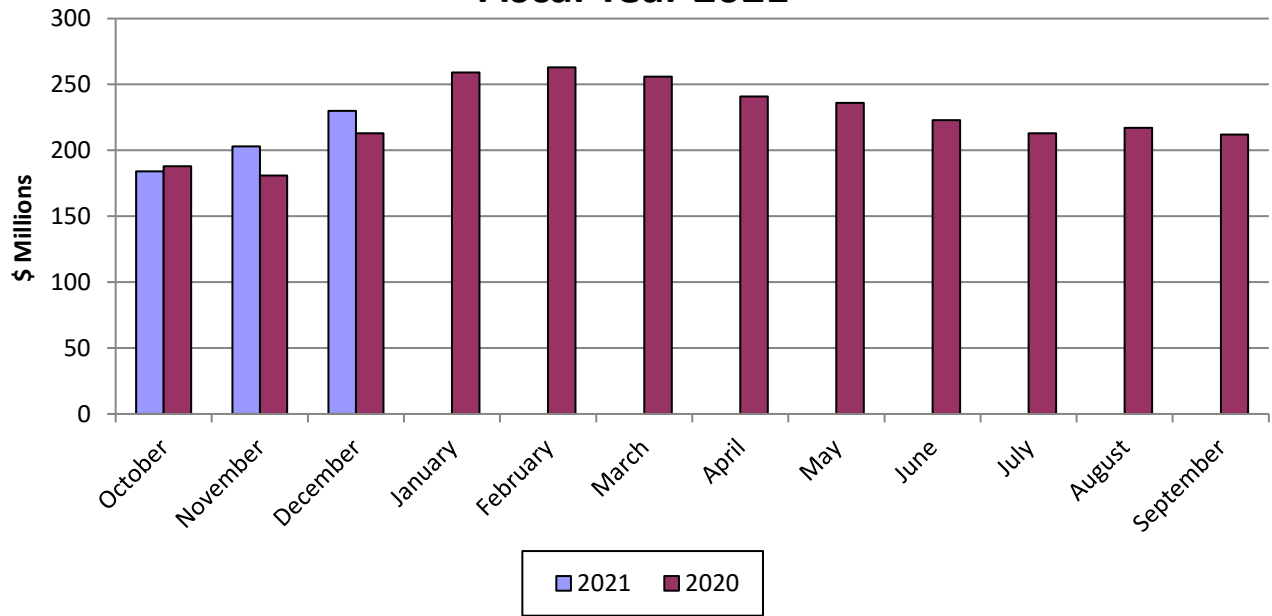
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Paulette Overman  
Treasury Accountant

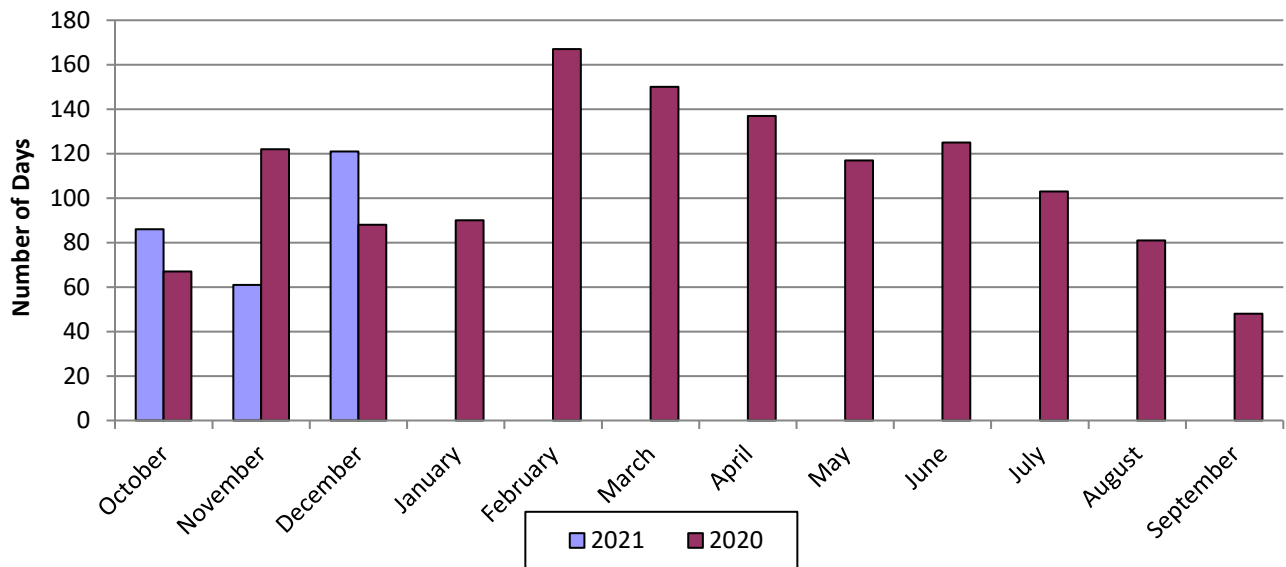
# Securities by Type As of December 31, 2020 \$229,454,846



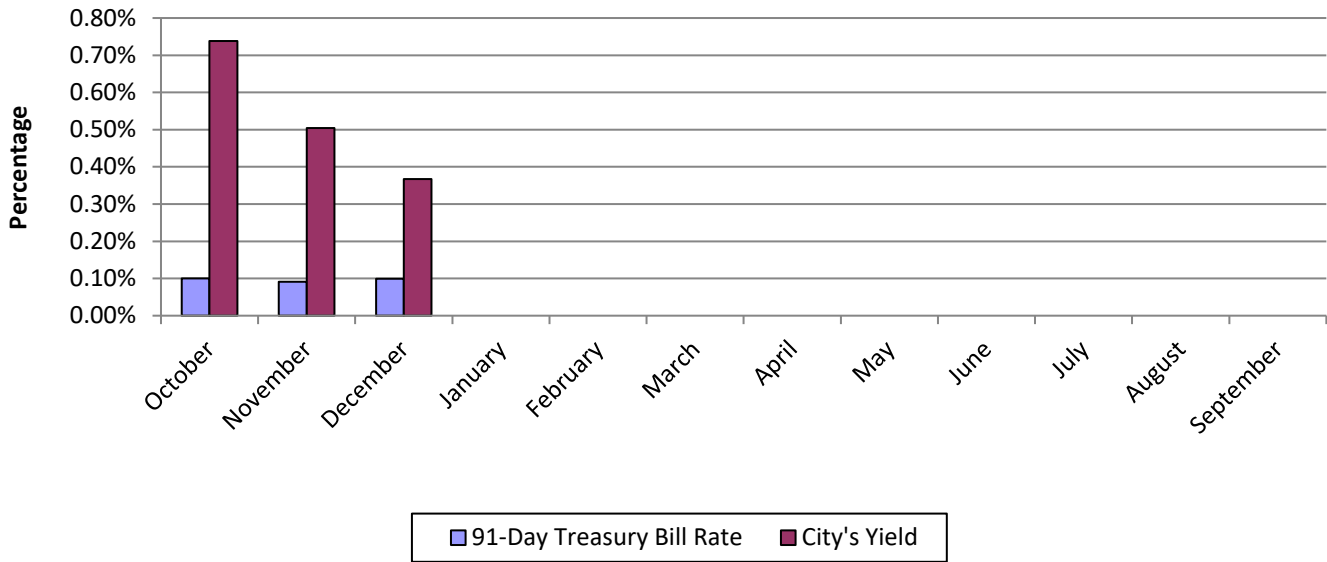
## Investment Portfolio Balance Fiscal Year 2021



## 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

December 31, 2020

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	01/28/20	01/27/21	365 days	3,999,855	3,999,855	1.55%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	01/31/21	443 days	4,006,920	4,031,560	1.62%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/19/20	01/31/21	347 days	3,999,595	3,999,595	1.50%	N/A	Samco
Operating	US Treas Bond	T-Note	02/18/20	01/31/21	348 days	4,003,219	4,003,219	1.51%	N/A	Samco
Operating	Agency Bond	FHLB	02/18/20	02/18/21	366 days	7,999,793	7,999,793	1.52%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FFCB	02/24/20	02/24/21	366 days	3,999,959	3,999,959	1.51%	N/A	Hilltop
Operating	Agency Bond	FHDN	09/17/20	03/12/21	176 days	3,999,183	3,999,183	0.11%	N/A	Oppenheimer
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	03/25/21	189 days	3,999,124	3,999,124	0.10%	N/A	Samco
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	3,999,020	3,999,020	0.09%	N/A	FHN
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	3,999,020	3,999,020	0.09%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,998,767	3,998,767	0.10%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,998,767	3,998,767	0.10%	N/A	FHN
Operating	Agency Bond	FHDN	09/25/20	05/07/21	224 days	7,997,760	7,997,760	0.08%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	09/25/20	05/15/21	232 days	8,074,545	8,074,545	0.10%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	09/25/20	06/15/21	263 days	4,045,583	4,045,583	0.11%	N/A	FHN
Operating	Agency Bond	FHLB	12/18/20	06/16/21	180 days	7,997,158	7,997,158	0.08%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	12/22/20	06/17/21	177 days	3,998,422	3,998,422	0.09%	N/A	V Sparks
Bond & Cap Proj.	CDs	CDARS	06/18/20	06/17/21	364 days	2,010,823	2,010,823	1.00%	N/A	BTH
Bond & Cap Proj.	US Treas Bond	T-Note	12/18/20	07/15/21	209 days	12,164,416	12,164,416	0.08%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,023,440	4,033,440	1.49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,037,800	4,053,920	1.47%	N/A	Ladenburg
Operating	Agency Bond	FHLB	12/30/20	08/06/21	219 days	3,998,794	3,998,794	0.05%	N/A	V Sparks
Operating	US Treas Bond	T-Note	12/22/20	08/12/21	233 days	7,996,778	7,996,778	0.07%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,065,320	4,091,560	1.48%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	12/18/20	08/15/21	240 days	8,203,432	8,203,432	0.07%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	12/18/20	09/09/21	265 days	11,993,974	11,993,974	0.07%	N/A	FHN
Operating	Agency Bond	FHLB	12/30/20	09/10/21	254 days	2,250,568	2,250,568	0.08%	N/A	Samco
Operating	US Treas Bond	T-Note	12/30/20	09/15/21	259 days	5,954,932	5,954,932	0.08%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	12/30/20	10/07/21	281 days	11,991,630	11,991,630	0.09%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	12/30/20	11/04/21	309 days	3,996,845	3,996,845	0.09%	N/A	Samco
<b>Total</b>					<b>\$ 166,805,442</b>	<b>\$ 166,882,441</b>				

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 19,966,786	TexPool
Bond Proceeds & Capital Projects	State Pool	477,341	TexPool
Debt Service	State Pool	100,598	TexPool
Operating	State Pool	2,055,040	TexStar
Bond Proceeds & Capital Projects	State Pool	8,624,647	TexStar
Debt Service	State Pool	2,375,975	TexStar
Deposit	State Pool	3,728,272	TexStar
Operating	State Pool	17,878,393	Texas Daily
Bond Proceeds & Capital Projects	State Pool	280,965	Texas Daily
Debt Service	State Pool	613,037	Texas Daily
Deposit	State Pool	887,118	Texas Daily
Bond Proceeds & Capital Projects	Money Market	515,410	Federated - Agency
Operating	Cash in Bank	60,508	Legacy Bank
Operating	Cash in Bank	2,983,854	Bank of America
Operating	Cash in Bank	45,646	Frost
Deposit	Cash in Bank	303,603	Bank of America
Debt Service	Cash in Bank	1,007,700	Bank of America
Bond Proceeds & Capital Projects	Cash in Bank	744,511	Bank of America
<b>Total</b>		<b>\$ 62,649,404</b>	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 50,241,111	21.9%
Treasury Bonds	114,553,508	49.9%
CDs	2,010,823	0.9%
TexPool	20,544,725	9.0%
TexStar	16,783,934	7.3%
Texas Daily	19,659,513	8.6%
Federated - Agency	515,410	0.2%
Cash in Bank	5,145,822	2.2%
<b>Total Investments</b>	<b>\$ 229,454,846</b>	<b>100.0%</b>



# City of Richardson Investment Report

## Schedule of Beginning and Ending Market Value and Interest Earned

December 31, 2020

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
<b>Operating Portfolio</b>				
General Fund	\$ 59,184,251	\$ 52,688,032	\$ 65,482	\$ 65,482
Special Police Funds	352,038	547,131	863	863
Municipal Court Building Security Fund	61,695	76,999	124	124
Technology Fund	229,926	250,545	430	430
Wireless 911 Fund	558,314	549,831	1,003	1,003
Municipal Jury Fund	1,087	1,572	2	2
Juvenile Case Manager Fund	54,375	78,647	119	119
Judicial Efficiency Fund	31,888	38,154	61	61
Hotel/ Motel Tax Fund	3,071,154	2,615,777	5,016	5,016
Tax Increment Financing Fund #1	9,191,764	8,842,867	16,238	16,238
Tax Increment Financing Fund #2	898,641	893,831	1,607	1,607
Tax Increment Financing Fund #3	208,258	208,595	374	374
Franchise PEG Fund	591,384	635,196	1,103	1,103
Drainage Fee Fund	4,268,018	4,604,964	7,966	7,966
Economic Development	4,120,542	4,586,396	8,011	8,011
Eisemann Endowment Fund	234,782	235,412	422	422
Water and Sewer Operating Fund	3,386,026	19,122,889	34,966	34,966
Water and Sewer Rate Stabilization Fund	2,421,705	2,385,025	4,324	4,324
Golf Fund	898,393	1,059,313	1,779	1,779
Solid Waste Services Fund	2,702,370	2,023,636	4,376	4,376
Central Services Fund	321,863	660,405	580	580
Insurance and Flexible Spending Fund	13,631,186	13,779,940	24,265	24,265
Tech Replacement Fund	1,439,393	3,360,814	2,897	2,897
<b>Total Operating Portfolio</b>	<b>\$ 107,859,054</b>	<b>\$ 119,245,971</b>	<b>\$ 182,008</b>	<b>\$ 182,008</b>

<b>Bond Proceeds and Capital Projects Portfolio</b>				
Capital Projects - Equipment Funds	\$ 5,636,663	\$ 3,494,902	\$ 7,239	\$ 7,239
Capital Projects - Major Projects Funds	51,943,106	60,743,462	156,921	156,921
Water and Sewer - Capital Project Funds	13,872,862	10,471,937	18,732	18,732
Solid Waste - Capital Projects Funds	759,770	760,584	1,154	1,154
Non-Bond Capital Projects:			-	-
Special Projects Fund	8,789,728	7,602,339	8,466	8,466
Eisemann Center Capital Fund	393,081	390,953	743	743
Street Rehabilitation Fund	4,178,801	6,538,274	7,993	7,993
Capital Equipment Replacement Fund	3,568,668	8,540,351	6,337	6,337
Water Sewer Special Projects Fund	42,281	42,345	64	64
Solid Waste Special Projects Fund	2,511,039	2,607,425	3,885	3,885
<b>Total Bond Proceeds &amp; Capital Projects Portfolio</b>	<b>\$ 91,695,997</b>	<b>\$ 101,192,572</b>	<b>\$ 211,534</b>	<b>\$ 211,534</b>

<b>Debt Service Portfolio</b>				
General Debt Service Fund	\$ 3,237,128	\$ 3,438,537	\$ 581	\$ 581
Water and Sewer Debt Service Fund	527,671	204,028	107	107
Solid Waste Debt Service Fund	119,723	454,745	23	23
<b>Total Debt Service Portfolio</b>	<b>\$ 3,884,522</b>	<b>\$ 4,097,310</b>	<b>\$ 711</b>	<b>\$ 711</b>

<b>Deposit Portfolio</b>				
Water and Sewer Deposit Fund	\$ 4,883,531	\$ 4,918,993	\$ 1,017	\$ 1,017
<b>Total Deposit Portfolio</b>	<b>\$ 4,883,531</b>	<b>\$ 4,918,993</b>	<b>\$ 1,017</b>	<b>\$ 1,017</b>

<b>Total All Portfolios</b>	<b>\$ 208,323,104</b>	<b>\$ 229,454,846</b>	<b>\$ 395,270</b>	<b>\$ 395,270</b>
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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
<b>Operating Portfolio</b>					
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
<b>Total Operating Portfolio</b>	<b>\$ 102,447</b>	<b>\$ 43,947</b>	<b>\$ 14,534</b>	<b>\$ 16,436</b>	<b>\$ 177,364</b>
<b>Bond Proceeds and Capital Projects Portfolio</b>					
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
<b>Non-Bond Capital Projects:</b>					
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
<b>Total Bond Proceeds &amp; Capital Projects Portfolio</b>	<b>\$ 110,653</b>	<b>\$ 42,151</b>	<b>\$ 12,930</b>	<b>\$ 9,772</b>	<b>\$ 175,505</b>
<b>Debt Service Portfolio</b>					
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
<b>Total Debt Service Portfolio</b>	<b>\$ 1,705</b>	<b>\$ 2,346</b>	<b>\$ 1,020</b>	<b>\$ 436</b>	<b>\$ 5,506</b>
<b>Deposit Portfolio</b>					
Water and Sewer Deposit Fund	\$ 2,047	\$ 720	\$ 412	\$ 235	\$ 3,414
<b>Total Deposit Portfolio</b>	<b>\$ 2,047</b>	<b>\$ 720</b>	<b>\$ 412</b>	<b>\$ 235</b>	<b>\$ 3,414</b>
<b>Total All Portfolios</b>	<b>\$ 216,852</b>	<b>\$ 89,164</b>	<b>\$ 28,895</b>	<b>\$ 26,879</b>	<b>\$ 361,790</b>

### 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.