

RICHARDSON, TX

FINANCE

3rd Quarter Investment Report
(For the Quarter Ended June 30, 2021)
Fiscal Year 2020-21
City of Richardson, Texas

Investment Report Overview Quarter Ending June 30, 2021

Portfolio Balance

The Market Value of the City's Investment Portfolio as of June 30, 2021 was \$271,593,289

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 June 16, 2021 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 0.12%, which is above the 0.04% 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	0.12%
Securities	0.22%
Money Market Mutual Funds and Local Investment Pools	0.02%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.04%

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 \$62,665. 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	\$47,477		\$279,885
Bond Proceeds & Capital Proj.	211,534	24,560	13,798		249,892
Debt Service	711	380	1,213		2,304
Deposit	1,017	384	177		1,578
Total	\$395,270	\$75,724	\$62,665		\$533,659

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
FFCB	Federal Farm Credit Bank
FHLB	Federal Home Loan Bank
T-Note	U.S. Treasury Note

**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending June 30, 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: July 27, 2021



Kent Pfeil
Chief Financial Officer



Keith Dagen
Director of Finance



Kevin Ann Mullen
Assistant Director of Finance

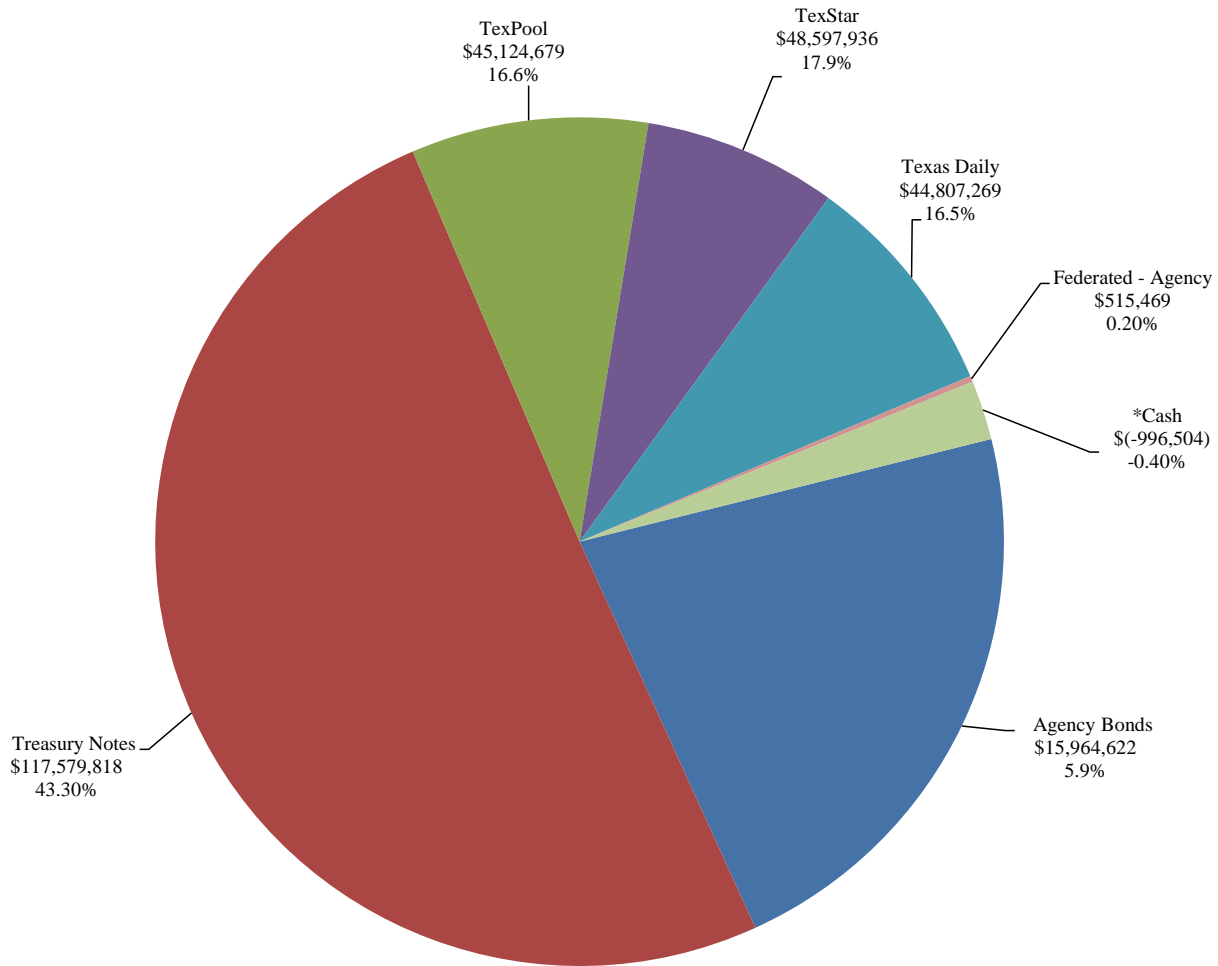


Yesenia Lopez
Controller



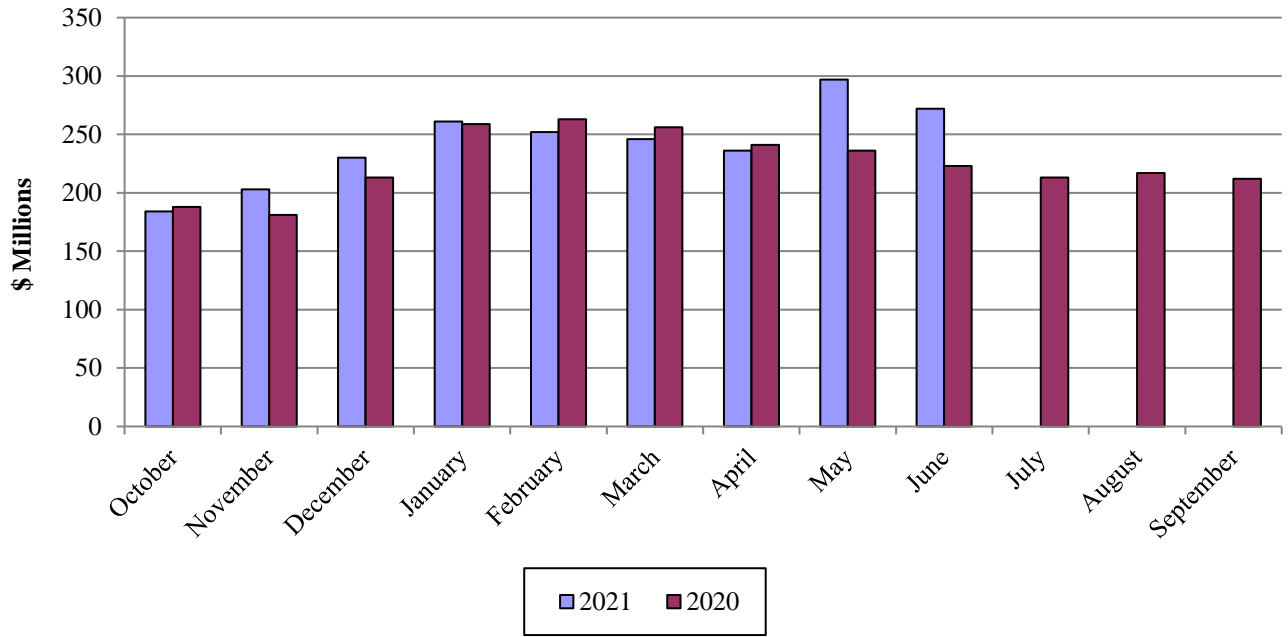
Paulette Overman
Treasury Accountant

Securities by Type As of June 30, 2021 \$271,593,289

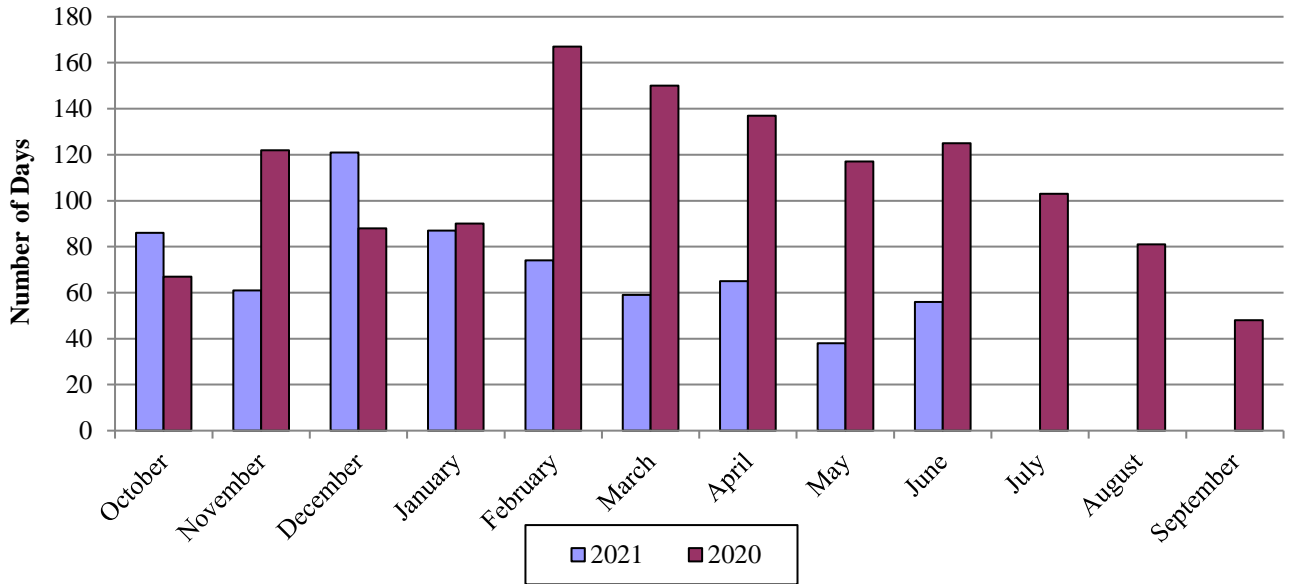


*Negative cash balance represents balance in the City's General Ledger as of June 30, 2021. Due to the timing of checks clearing, the actual bank balance is positive.

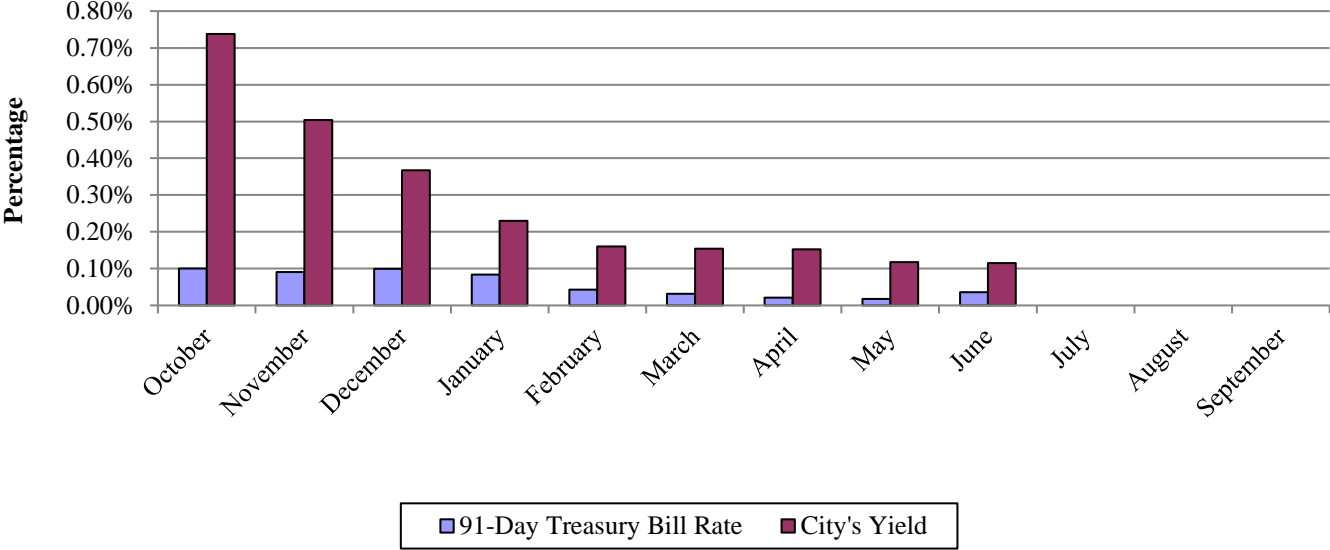
Investment Portfolio Balance Fiscal Year 2021



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

June 30, 2021

Securities & CD's										
Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From
Bond & Cap Proj.	US Treas Bond	T-Note	12/18/20	07/15/21	209 days	12,012,583	12,012,583	0.08%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,003,600	4,033,440	1.49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,005,640	4,053,920	1.47%	N/A	Ladenburg
Operating	Agency Bond	FHLB	12/30/20	08/06/21	219 days	3,999,795	3,999,795	0.05%	N/A	V Sparks
Operating	US Treas Bond	T-Note	12/22/20	08/12/21	233 days	7,999,381	7,999,381	0.07%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,013,440	4,091,560	1.48%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	12/18/20	08/15/21	240 days	8,009,098	8,009,098	0.07%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	12/22/20	09/09/21	261 days	11,998,302	11,998,302	0.07%	N/A	FHN
Operating	Agency Bond	FHLB	12/30/20	09/10/21	254 days	2,205,748	2,205,748	0.08%	N/A	Samco
Operating	US Treas Bond	T-Note	12/30/20	09/15/21	259 days	5,820,180	5,820,180	0.08%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	12/30/20	10/07/21	281 days	11,997,040	11,997,040	0.09%	N/A	V Sparks
Operating	Agency Bond	FHLB	04/08/21	10/12/21	187 days	1,426,867	1,426,867	0.03%	N/A	V Sparks
Operating	US Treas Bond	T-Note	04/08/21	10/15/21	190 days	5,343,841	5,343,841	0.03%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	12/30/20	11/04/21	309 days	3,998,699	3,998,699	0.09%	N/A	Samco
Operating	US Treas Bond	T-Note	04/09/21	11/15/21	220 days	8,085,079	8,085,079	0.03%	N/A	Samco
Operating	Agency Bond	FHLB	04/22/21	12/10/21	232 days	4,399,786	4,399,786	0.04%	N/A	Oppenheimer
Bond & Cap Proj.	US Treas Bond	T-Note	06/17/21	12/16/21	182 days	9,998,366	9,998,366	0.04%	N/A	Samco
Operating	Agency Bond	FFCB	04/22/21	12/17/21	239 days	3,932,426	3,932,426	0.05%	N/A	Oppenheimer
Operating	US Treas Bond	T-Note	06/11/21	01/15/22	218 days	10,133,107	10,133,107	0.03%	N/A	V Sparks
Operating	US Treas Bond	T-Note	06/02/21	06/15/22	378 days	10,161,462	10,161,462	0.06%	N/A	V Sparks
Total						\$ 133,544,440	\$ 133,700,680			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 36,099,157	TexPool
Bond Proceeds & Capital Projects	State Pool	9,025,522	TexPool
Operating	State Pool	12,974,745	TexStar
Bond Proceeds & Capital Projects	State Pool	29,518,372	TexStar
Debt Service	State Pool	2,376,198	TexStar
Deposit	State Pool	3,728,621	TexStar
Operating	State Pool	22,062,419	Texas Daily
Bond Proceeds & Capital Projects	State Pool	11,243,390	Texas Daily
Debt Service	State Pool	10,614,130	Texas Daily
Deposit	State Pool	887,330	Texas Daily
Operating	Money Market	515,469	Federated - Agency
Operating	Cash in Bank	(9,104,994)	Bank of America
Operating	Cash in Bank	27,496	Frost
Deposit	Cash in Bank	360,230	Bank of America
Debt Service	Cash in Bank	331,740	Bank of America
Bond Proceeds & Capital Projects	Cash in Bank	7,389,024	Bank of America
Total		\$ 138,048,849	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 15,964,622	5.9%
Treasury Bonds	117,579,818	43.3%
TexPool	45,124,679	16.6%
TexStar	48,597,936	17.9%
Texas Daily	44,807,269	16.5%
Federated - Agency	515,469	0.2%
Cash in Bank	(996,504)	-0.4%
Total Investments	\$ 271,593,289	100.0%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

June 30, 2021

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 71,533,416	\$ 66,670,783	\$ 27,292	\$ 116,737
Special Police Funds	571,315	575,977	93	1,175
Municipal Court Building Security Fund	93,732	109,508	16	175
Technology Fund	228,942	247,969	44	571
Wireless 911 Fund	543,938	539,359	105	1,331
Municipal Jury Fund	2,076	2,599	0	3
Juvenile Case Manager Fund	103,827	120,971	17	172
Judicial Efficiency Fund	51,909	62,731	9	88
Federal Grants - American Recovery Plan Act	-	7,183,306	528	528
Hotel/ Motel Tax Fund	2,423,471	2,790,164	581	6,122
Tax Increment Financing Fund #1	13,207,225	10,920,143	1,169	20,133
Tax Increment Financing Fund #2	6,309,300	1,894,541	1,367	4,578
Tax Increment Financing Fund #3	1,199,799	387,285	1,042	2,346
Franchise PEG Fund	683,839	712,039	2,210	5,703
Drainage Fee Fund	4,801,865	4,488,488	816	9,907
Economic Development	4,744,103	4,568,156	803	9,898
Eisemann Endowment Fund	235,650	235,919	269	929
Water and Sewer Operating Fund	10,034,264	9,350,372	3,154	41,124
Water and Sewer Rate Stabilization Fund	3,020,731	3,023,228	2,725	11,240
Golf Fund	1,160,361	913,706	1,117	4,167
Solid Waste Services Fund	1,460,570	1,450,490	231	5,500
Central Services Fund	512,832	383,409	400	1,506
Insurance and Flexible Spending Fund	14,500,302	14,642,550	1,924	28,398
Tech Replacement Fund	3,113,266	2,817,510	1,565	7,555
Total Operating Portfolio	\$ 140,536,733	\$ 134,091,203	\$ 47,477	\$ 279,885

Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 2,610,895	\$ 4,716,681	\$ 1,472	\$ 10,307
Capital Projects - Major Projects Funds	40,084,839	61,920,131	2,043	166,694
Water and Sewer - Capital Project Funds	8,498,060	21,062,431	5,802	29,155
Solid Waste - Capital Projects Funds	541,747	1,382,572	334	1,771
Non-Bond Capital Projects:				
Special Projects Fund	10,136,514	10,315,284	717	11,553
Eisemann Center Capital Fund	368,834	300,252	192	1,180
Capital Equipment Replacement Fund	6,570,215	6,608,527	1,893	12,770
Golf Special Projects Fund	-	425,214	62	62
Street Rehabilitation Fund	7,544,185	4,917,534	807	8,960
Water Sewer Special Projects Fund	4,844,077	4,843,792	(285)	1,511
Solid Waste Special Projects Fund	2,852,309	2,711,419	761	5,929
Total Bond Proceeds & Capital Projects Portfolio	\$ 84,051,675	\$ 119,203,837	\$ 13,798	\$ 249,892

Debt Service Portfolio				
General Debt Service Fund	\$ 16,089,337	\$ 11,357,742	\$ 1,088	\$ 2,012
Water and Sewer Debt Service Fund	6	1,629,686	112	245
Solid Waste Debt Service Fund	1	334,640	13	47
Total Debt Service Portfolio	\$ 16,089,344	\$ 13,322,068	\$ 1,213	\$ 2,304

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 4,936,684	\$ 4,976,181	\$ 177	\$ 1,578
Total Deposit Portfolio	\$ 4,936,684	\$ 4,976,181	\$ 177	\$ 1,578

Total All Portfolios	\$ 245,614,436	\$ 271,593,289	\$ 62,665	\$ 533,659
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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.