

**RICHARDSON, TX**

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**FINANCE**

**3<sup>rd</sup> Quarter Investment Report**  
*(For the Quarter Ended June 30, 2020)*  
**Fiscal Year 2019-20**  
**City of Richardson, Texas**

# Investment Report Overview Quarter Ending June 30, 2020

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## Portfolio Balance

The Market Value of the City’s Investment Portfolio as of June 30, 2020 was \$222,538,750.

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 City’s yield on the total portfolio was 1.20% as of June 30, 2020, above the benchmark of the 91-day Treasury bill at 0.16% and above the current Fed Funds rate range of between 0.00% and 0.25%. The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, at their meeting on June 10, 2020, decided to maintain the target range for the federal fund rate of between 0.00% to 0.25%. The FOMC judged that the ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. The committee will continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures. In determining the timing and size of future adjustments to the stance of monetary policy, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective.

Investment Type	Yield
Total Portfolio	1.20%
Securities	1.57%
Money Market Mutual Funds and Local Investment Pools	0.26%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.16%

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 \$760,927. 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	\$391,728	\$441,201	\$412,383		\$1,245,312
Bond Proceeds & Capital Proj.	485,900	469,887	336,904		1,292,691
Debt Service	44,279	81,257	7,827		133,363
Deposit	23,510	21,186	3,813		48,509
Total	\$945,417	\$1,013,531	\$760,927		\$2,719,875

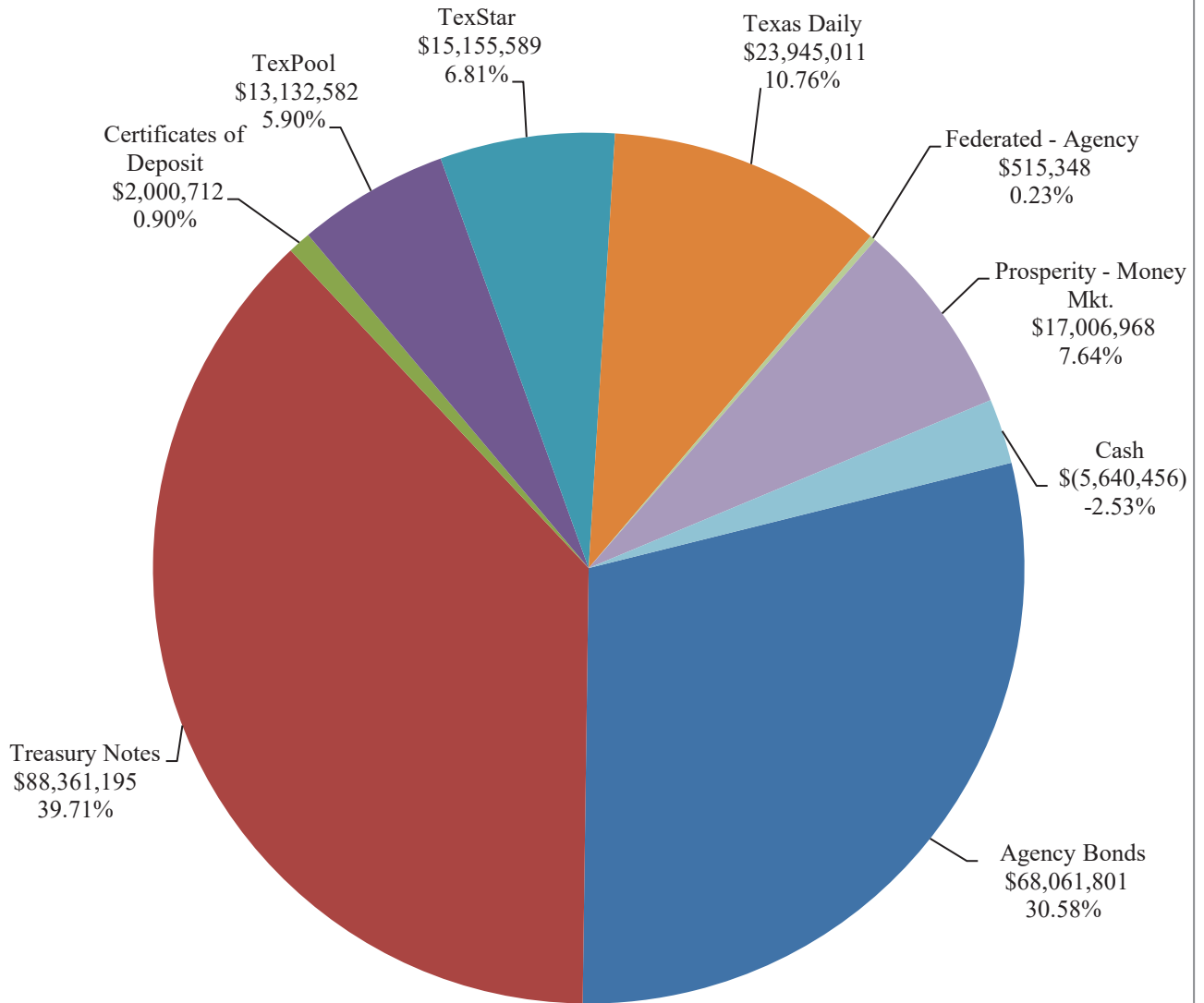
Additional information on interest earned can be found on page 8 of this report.

### Abbreviations

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

Abbreviation	Official Name
FNMA	Federal National Mortgage Association
FHDN	Federal Home Loan Bank Discount Note
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FMCDN	Federal Home Loan Mortgage Corp. Discount Note
FFCB	Federal Farm Credit Bank
T-Note	U.S. Treasury Note
CD	Certificate of Deposit

# Securities by Type As of June 30, 2020 \$222,538,750



(1) Actual cash balances in Prosperity Bank and Frost Bank on June 30, 2020 were \$596,249.71. Due to outstanding checks that had been written the cash book balance is negative. The City funds these checks when they are presented for payment to the bank.

**City of Richardson, Texas**  
**Investment Report**  
**Investment Officers Signature Page**  
**Quarter Ending June 30, 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: July 15, 2020

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Kent Pfeil  
Chief Financial Officer

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Keith Dagen  
Director of Finance

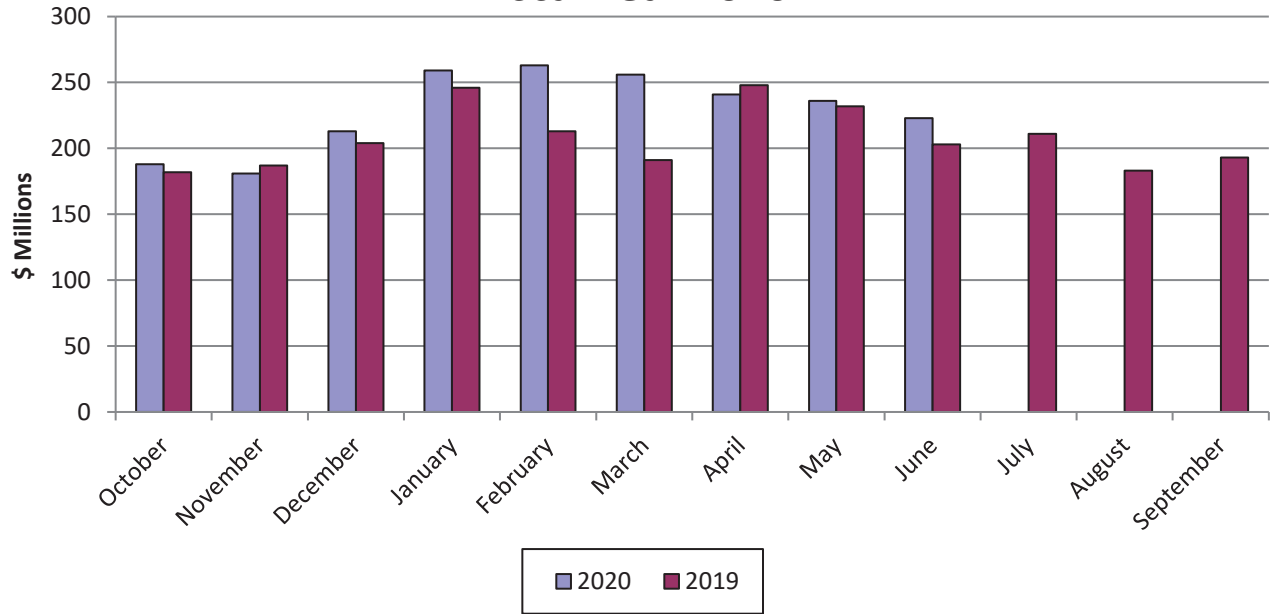
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Cara Copley  
Assistant Finance Director

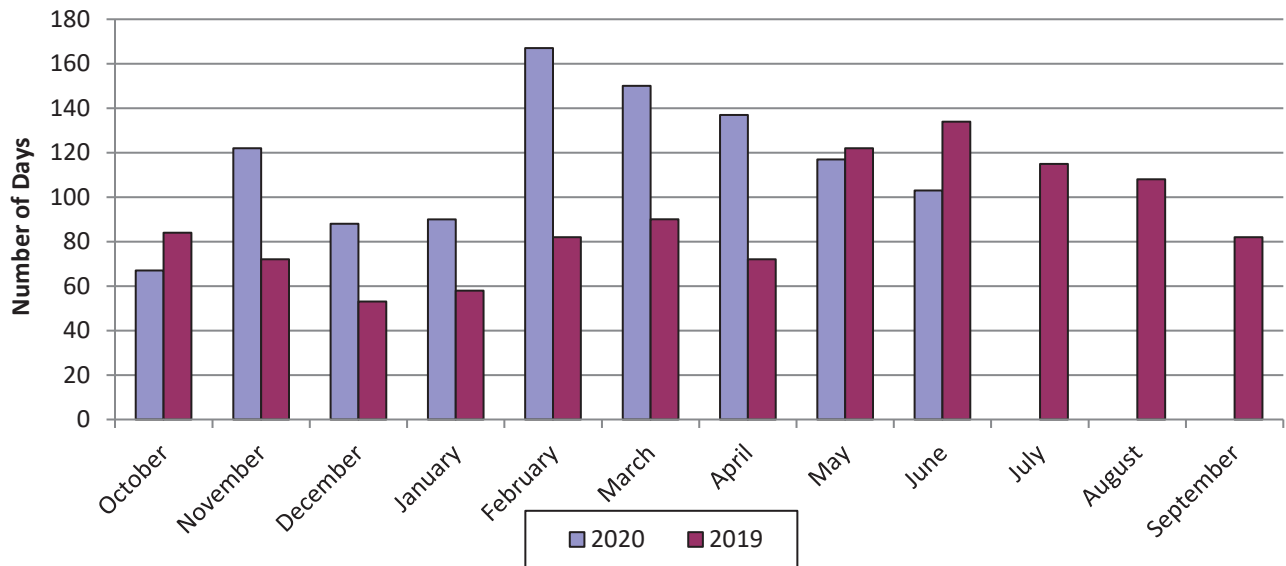
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Vicki McCarthy  
Controller

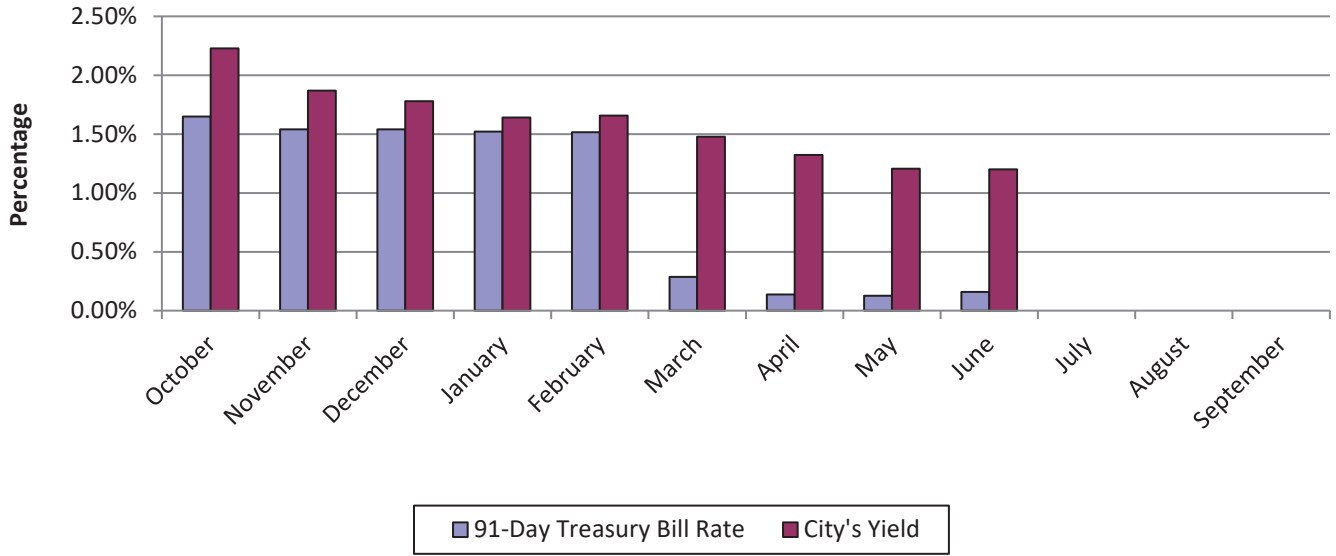
### Investment Portfolio Balance Fiscal Year 2020



### Weighted Average Maturity Total Portfolio Fiscal Year 2020



## Comparison of the City's Yield to the 91-day Treasury Bill Rate Fiscal Year 2020



# City of Richardson Investment Report

## Schedule of Investments by Source of Funds

June 30, 2020

### Securities & CD's

Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From	
Operating	US Treas Bond	T-Note	11/13/19	07/31/20	261 days	4,003,341	4,003,341	1.60%	N/A	Hilltop
Operating	Agency Bond	FMCDN	02/07/20	07/31/20	175 days	3,994,900	3,994,900	1.57%	N/A	FTN
Operating	Agency Bond	FMCDN	02/19/20	07/31/20	163 days	3,994,967	3,994,967	1.55%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	11/14/19	07/31/20	260 days	4,003,371	4,003,371	1.59%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FHDN	02/11/20	07/31/20	171 days	3,994,967	3,994,967	1.55%	N/A	Hilltop
Operating	Agency Bond	FMCDN	02/07/20	08/19/20	194 days	3,991,752	3,991,752	1.55%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/11/20	08/31/20	202 days	3,998,915	3,998,915	1.54%	N/A	Hilltop
Bond & Cap Proj.	US Treas Bond	T-Note	11/14/19	08/31/20	291 days	3,998,461	3,998,461	1.59%	N/A	Samco
Operating	US Treas Bond	T-Note	11/13/19	08/31/20	292 days	4,006,561	4,006,561	1.63%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/20/20	08/31/20	193 days	4,007,111	4,007,111	1.54%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/10/20	09/15/20	218 days	3,998,747	3,998,747	1.53%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FHDN	02/20/20	09/15/20	208 days	3,987,418	3,987,418	1.53%	N/A	Hilltop
Operating	Agency Bond	FHLMC	01/31/20	09/29/20	242 days	4,000,710	4,000,710	1.55%	N/A	Ladenburg
Operating	Agency Bond	FHLMC	02/20/20	09/29/20	222 days	4,001,009	4,001,009	1.53%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FHLMC	11/14/19	09/29/20	320 days	4,000,323	4,000,323	1.61%	N/A	Samco
Operating	Agency Bond	FNMA	01/31/20	10/30/20	273 days	4,017,272	4,017,272	1.56%	N/A	FTN
Operating	US Treas Bond	T-Note	01/30/20	10/31/20	275 days	3,997,537	3,997,537	1.56%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/19/20	10/31/20	255 days	3,997,907	3,997,907	1.53%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	10/31/20	351 days	3,996,955	3,996,955	1.61%	N/A	Raymond James
Bond & Cap Proj.	US Treas Bond	T-Note	02/21/20	10/31/20	253 days	4,003,014	4,003,014	1.52%	N/A	Hilltop
Operating	Agency Bond	FHLMC	01/29/20	11/17/20	293 days	4,004,771	4,004,771	1.56%	N/A	FTN
Bond & Cap Proj.	Agency Bond	FFCB	06/19/19	11/23/20	523 days	4,019,640	3,980,760	1.99%	N/A	Ladenburg
Operating	Agency Bond	FFCB	06/19/19	11/30/20	530 days	4,034,880	4,018,560	1.96%	N/A	Multi-Bank
Operating	US Treas Bond	T-Note	02/29/20	11/30/20	275 days	4,001,750	4,001,750	1.52%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FNMA	07/26/19	11/30/20	493 days	4,021,520	3,985,840	1.94%	N/A	Hilltop
Operating	US Treas Bond	T-Note	01/29/20	12/15/20	321 days	4,006,178	4,006,178	1.53%	N/A	Samco
Operating	US Treas Bond	T-Note	01/30/20	12/15/20	320 days	4,005,953	4,005,953	1.55%	N/A	Hilltop
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	12/15/20	396 days	4,030,920	4,011,250	1.61%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/18/20	12/15/20	301 days	4,006,762	4,006,762	1.50%	N/A	FHN
Operating	Agency Bond	FHLB	01/28/20	01/27/21	365 days	3,998,852	3,998,852	1.55%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	01/31/21	443 days	4,053,440	4,041,719	1.62%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/19/20	01/31/21	347 days	3,997,107	3,997,107	1.50%	N/A	Samco
Operating	US Treas Bond	T-Note	02/18/20	01/31/21	348 days	4,022,964	4,022,964	1.51%	N/A	Samco
Operating	Agency Bond	FHLB	02/18/20	02/18/21	366 days	7,999,002	7,999,002	1.52%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FFCB	02/24/20	02/24/21	366 days	3,999,819	3,999,819	1.51%	N/A	Hilltop
Bond & Cap Proj.	CD	CD	06/18/20	06/17/21	364 days	2,000,712	2,000,712	1.00%	N/A	BTH Bank
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,041,240	3,979,375	1.49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,068,120	4,015,896	1.47%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,114,840	4,075,156	1.48%	N/A	FHN
<b>Total</b>					<b>\$ 158,423,708</b>	<b>\$ 158,147,664</b>				

### Money Market Funds, State Pools and Uninvested Balances

Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 4,547,802	TexPool
Bond Proceeds & Capital Projects	State Pool	5,984,813	TexPool
Debt Service	State Pool	2,599,967	TexPool
Operating	State Pool	117,272	TexStar
Bond Proceeds & Capital Projects	State Pool	8,188,311	TexStar
Debt Service	State Pool	3,124,184	TexStar
Deposit	State Pool	3,725,822	TexStar
Operating	State Pool	571,578	Texas Daily
Bond Proceeds & Capital Projects	State Pool	21,874,324	Texas Daily
Debt Service	State Pool	612,610	Texas Daily
Deposit	State Pool	886,499	Texas Daily
Bond Proceeds & Capital Projects	Money Market	515,348	Federated
Operating	Money Market	17,006,968	Prosperity Bank
Operating	Cash	(6,588,099)	Prosperity Bank
Operating	Cash	32,611	Frost Bank
Deposit	Cash	247,011	Prosperity Bank
Debt Service	Cash	138,962	Prosperity Bank
Bond Proceeds & Capital Projects	Cash	529,059	Prosperity Bank
<b>Total</b>		<b>\$ 64,115,042</b>	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 68,061,802	30.58%
Treasury Bonds	88,361,194	39.71%
CDs	2,000,712	0.90%
TexPool	13,132,582	5.90%
TexStar	15,155,589	6.81%
Texas Daily	23,945,011	10.76%
Federated	515,348	0.23%
Prosperity Money Market	17,006,968	7.64%
Cash	(5,640,456)	-2.53%
<b>Total Investments</b>	<b>\$ 222,538,750</b>	<b>100.00%</b>



# City of Richardson Investment Report

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

June 30, 2020

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
<b>Operating Portfolio</b>				
General Fund	\$ 57,566,482	\$ 48,189,354	\$ 187,901	\$ 506,778
Special Police Funds	522,719	338,765	1,187	3,470
Municipal Court Building Security Fund	38,639	48,463	152	423
Technology Fund	195,748	210,855	740	2,440
Wireless 911 Fund	512,579	539,016	2,279	7,371
Municipal Jury Fund	311	643	1	2
Juvenile Case Manager Fund	15,551	32,181	83	108
Judicial Efficiency Fund	19,778	22,909	77	228
Hotel/ Motel Tax Fund	2,873,771	2,463,994	9,825	40,697
Tax Increment Financing Fund #1	11,299,657	9,829,658	39,452	106,967
Tax Increment Financing Fund #2	5,176,094	1,080,182	18,796	30,689
Tax Increment Financing Fund #3	878,378	207,970	3,260	5,903
Franchise PEG Fund	511,885	559,731	1,991	6,060
Drainage Fee Fund	4,099,827	4,139,616	15,119	51,737
State Grants Fund (1)	-	-	-	-
Federal Grant Funds (1)	(426,956)	1,377,439	3,558	5,181
Economic Development	3,699,001	3,144,000	12,219	44,312
Eisemann Endowment Fund	257,955	233,825	870	3,134
Water and Sewer Operating Fund	14,569,992	12,733,316	41,144	191,046
Water and Sewer Rate Stabilization Fund	2,704,072	2,452,549	9,459	33,919
Golf Fund	128,501	563,737	1,041	2,963
Solid Waste Services Fund	2,301,525	2,401,707	8,358	30,017
Central Services Fund	540,315	419,365	1,751	7,447
Insurance and Flexible Spending Fund	12,072,111	12,933,482	45,970	145,946
Tech Replacement Fund	2,061,324	1,927,996	7,150	18,474
Payroll Liability Fund	2,149,416	2,032,904	-	-
<b>Total Operating Portfolio</b>	<b>\$ 123,768,675</b>	<b>\$ 107,883,657</b>	<b>\$ 412,383</b>	<b>\$ 1,245,312</b>

(1) These include both reimbursement grants and advanced funding grants.

<b>Bond Proceeds and Capital Projects Portfolio</b>				
Capital Projects - Equipment Funds	\$ 8,814,427	\$ 7,034,989	\$ 24,969	\$ 97,906
Capital Projects - Major Projects Funds	65,370,026	57,670,812	187,096	746,775
Water and Sewer - Capital Project Funds	19,432,114	17,990,584	57,133	188,714
Solid Waste - Capital Projects Funds	1,283,496	1,287,450	3,955	13,436
Non-Bond Capital Projects:				
Special Projects Fund	8,630,846	8,685,536	27,019	100,625
Eisemann Center Capital Fund	406,137	401,883	1,243	5,321
Street Rehabilitation Fund	5,678,055	4,348,352	15,496	69,044
Capital Equipment Replacement Fund	3,547,339	3,558,267	10,928	41,425
Water Sewer Special Projects Fund	785,837	41,531	1,999	3,884
Solid Waste Special Projects Fund	2,293,568	2,300,634	7,066	25,561
<b>Total Bond Proceeds &amp; Capital Projects Portfolio</b>	<b>\$ 116,241,845</b>	<b>\$ 103,320,038</b>	<b>\$ 336,904</b>	<b>\$ 1,292,691</b>

<b>Debt Service Portfolio</b>				
General Debt Service Fund	\$ 10,831,248	\$ 6,475,723	\$ 7,827	\$ 119,805
Water and Sewer Debt Service Fund	-	-	-	11,039
Solid Waste Debt Service Fund	-	-	-	2,519
<b>Total Debt Service Portfolio</b>	<b>\$ 10,831,248</b>	<b>\$ 6,475,723</b>	<b>\$ 7,827</b>	<b>\$ 133,363</b>

<b>Deposit Portfolio</b>				
Water and Sewer Deposit Fund	\$ 4,830,883	\$ 4,859,332	\$ 3,813	\$ 48,509
<b>Total Deposit Portfolio</b>	<b>\$ 4,830,883</b>	<b>\$ 4,859,332</b>	<b>\$ 3,813</b>	<b>\$ 48,509</b>

<b>Total All Portfolios</b>	<b>\$ 255,672,652</b>	<b>\$ 222,538,750</b>	<b>\$ 760,927</b>	<b>\$ 2,719,875</b>
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