



RICHARDSON, TX[®]

FINANCE

4th Quarter Investment Report
(For the Quarter Ended September 30, 2024)
Fiscal Year 2023-24
City of Richardson, Texas

Investment Report Overview Quarter Ending September 30, 2024

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of September 30, 2024 was \$446,054,071.

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 its September 18, 2024 meeting, the Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, lowered the target range for the federal funds rate from the prior quarter’s level of between 5.25% to 5.5% to the current target range of 4.75% to 5.0%. Economists are projecting additional 0.25% decreases to the target range at each of the next two FOMC meetings on November 7th and December 18th. Due to the time period covered by this report, the impact of the lowered target range on investment earnings will be more evident in the next quarterly report. The City mitigates the impact of major changes to the federal funds rate by structuring the investment portfolio with staggered maturities of securities and keeping adequate liquidity in pooled investments.

The FOMC seeks to achieve maximum employment and inflation at the rate of 2% over the long run and judges that risks to achieving these goals are roughly in balance. Job gains have slowed, the unemployment rate has moved up but remains low, and inflation has made further progress toward the FOMC 2% objective but remains somewhat elevated. In considering additional adjustments to the target range for the federal funds rate, the FOMC will carefully assess incoming data, the evolving outlook, and the balance of risks.

Investment Type	Yield
Total Portfolio	4.96%
Securities	4.86%
Money Market Mutual Funds and Local Investment Pools	5.12%
<i>Reference: Benchmark 91-day Treasury Bill</i>	5.00%

The portfolio yield was 4.96%, which is below the 5.00% 91-day Treasury Bill benchmark. The City focuses 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, 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 for funds that will be used in the future.

Earnings

Total interest earned on the City’s investments for the quarter was \$5,928,544. Despite the recent lowering of interest rates, yields remain elevated from a historical perspective, resulting in greater earnings during the quarter for the City’s liquid investments compared to prior years. 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	\$ 2,466,953	\$ 2,301,175	\$ 1,748,731	\$ 1,947,971	\$ 8,464,830
Bond Proceeds & Capital Projects	3,539,591	3,435,233	4,131,924	3,920,735	15,027,483
Debt Service	44,673	117,993	37,680	33,151	233,497
Deposit	21,679	24,902	24,070	26,687	97,338
Total	\$ 6,072,896	\$ 5,879,303	\$ 5,942,405	\$ 5,928,544	\$ 23,823,148

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
FFCB	Federal Farm Credit Bank
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
T-Note	U.S. Treasury Note

**City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending September 30, 2024**


This report complies 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: October 31, 2024

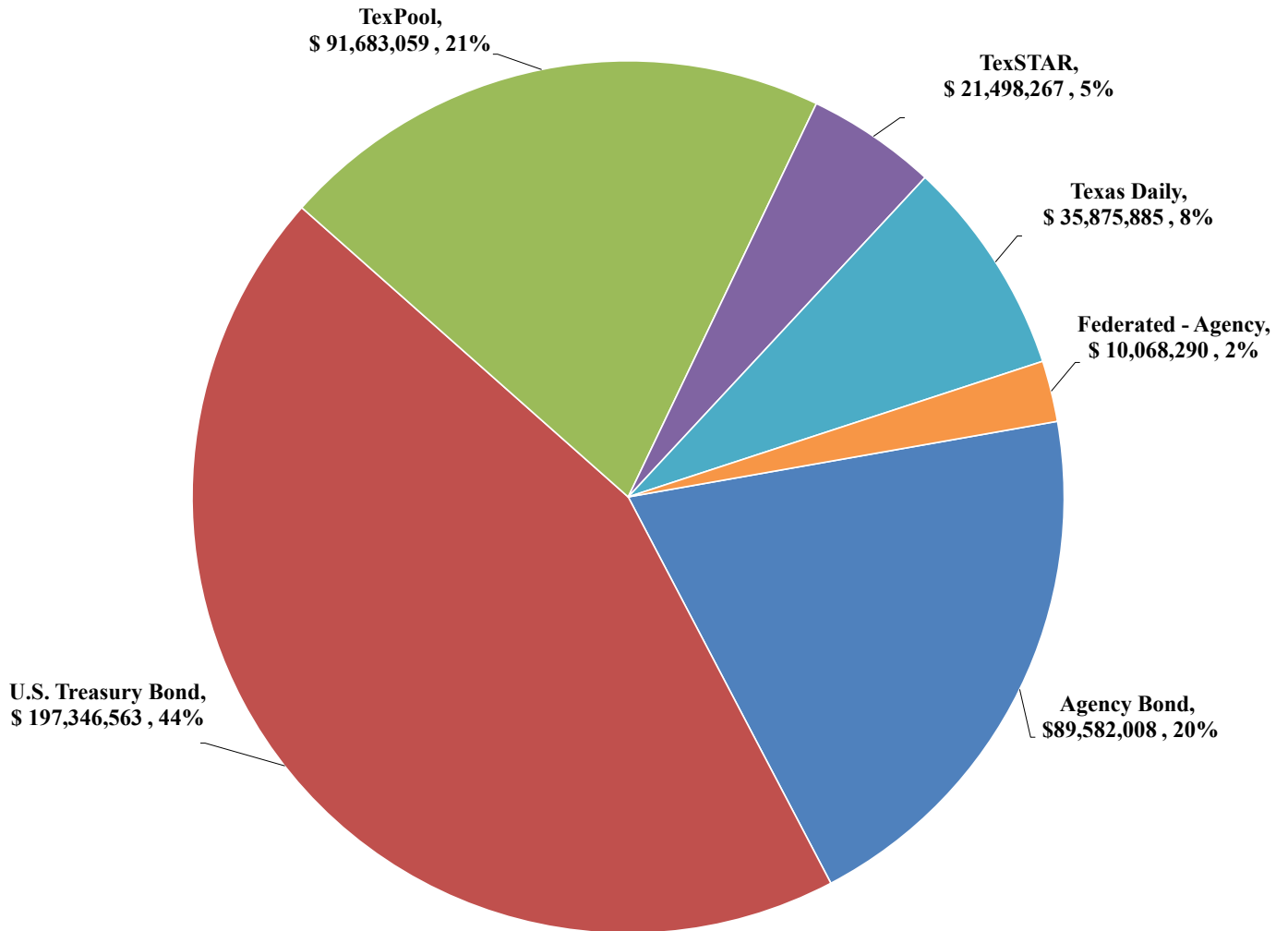

Kent Pfeil
Chief Operating Officer


Anita Cothran
Director of Finance


Todd Gastorf
Assistant Director of Finance

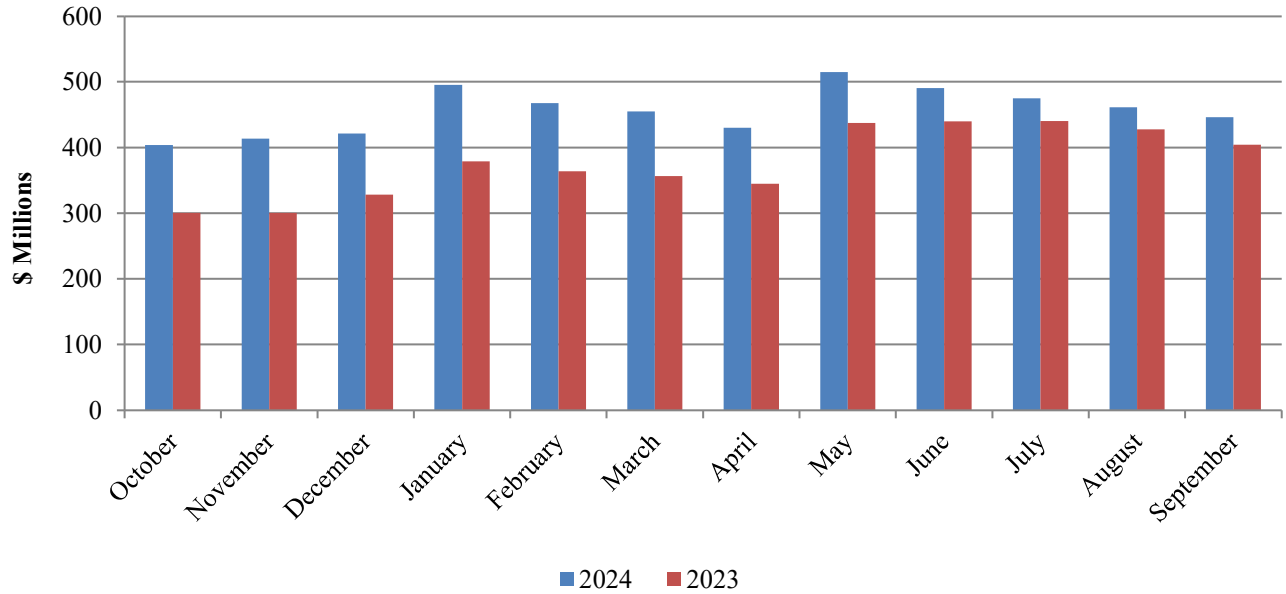

Herman Chavez
Controller

Securities by Type
As of September 30, 2024
\$446,054,071

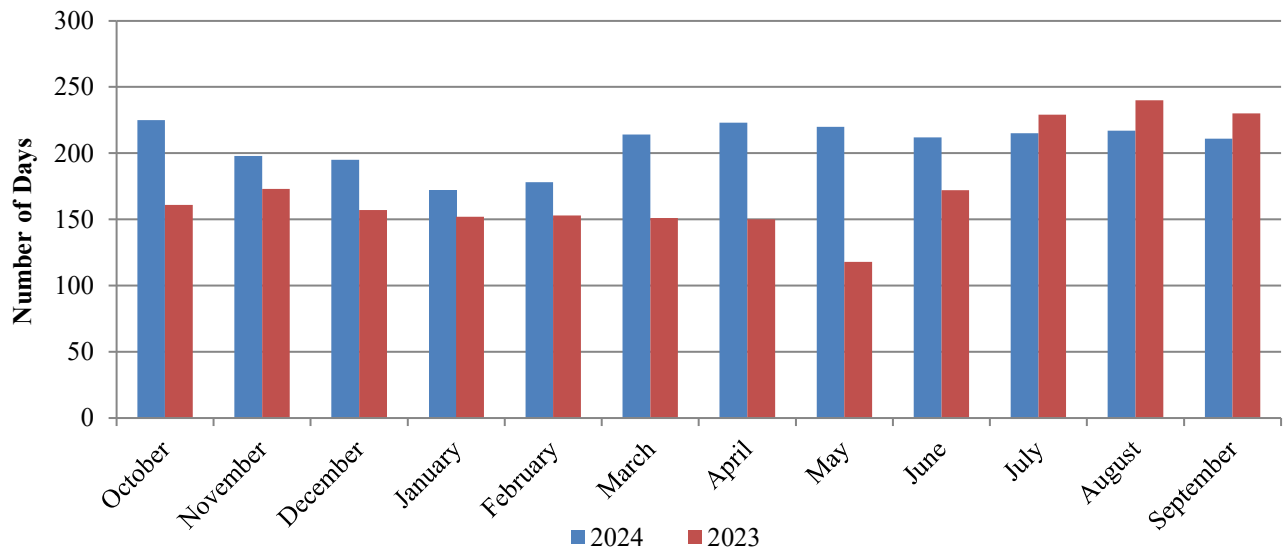


Note: Totals may not foot due to rounding.

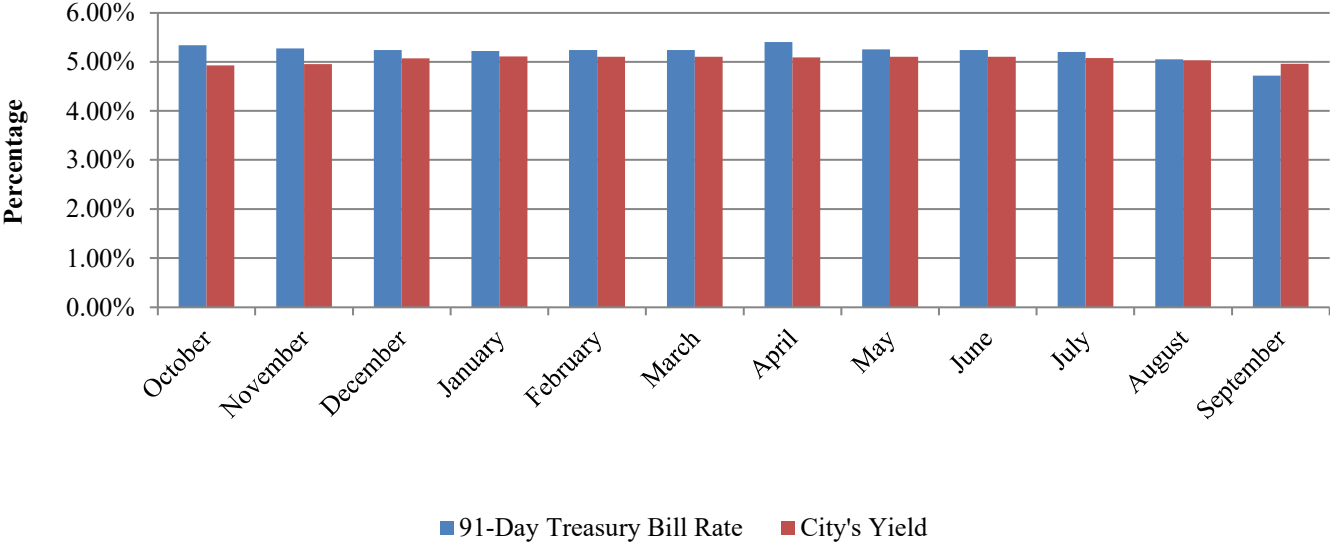
Investment Portfolio Balance Fiscal Year 2024



Weighted Average Maturity Total Portfolio Fiscal Year 2024



Comparison of the City's Yield to the 91-day Treasury Bill Rate Fiscal Year 2024



City of Richardson Investment Report

Schedule of Investments by Source of Funds

September 30, 2024

U.S. Treasury and Agency Securities										
Source of Funds	Type	Issue	Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From
Bond Proceeds	U.S. Treasury Bond	T-Note	06/23/23	10/31/24	496 days	7,996,250	7,994,873	5.18%	N/A	Goldman Sachs
Operating	U.S. Treasury Bond	T-Note	06/23/23	10/31/24	496 days	4,997,656	4,996,796	5.18%	N/A	Goldman Sachs
Bond Proceeds	U.S. Treasury Bond	T-Note	06/29/23	11/15/24	505 days	7,975,000	7,972,313	5.15%	N/A	JPMorgan Chase
Operating	U.S. Treasury Bond	T-Note	07/17/23	11/15/24	487 days	4,984,375	4,982,615	5.17%	N/A	Daiwa
Bond Proceeds	U.S. Treasury Bond	T-Note	06/30/23	12/15/24	534 days	7,940,000	7,934,325	5.11%	N/A	JPMorgan Chase
Operating	Agency Bond	FHLB	05/23/23	12/23/24	580 days	4,961,000	4,957,766	5.02%	N/A	Wells Fargo
Bond Proceeds	U.S. Treasury Bond	T-Note	07/07/23	01/15/25	558 days	7,920,000	7,907,917	5.23%	N/A	JPMorgan Chase
Operating	U.S. Treasury Bond	T-Note	07/20/23	01/15/25	545 days	4,950,000	4,944,733	5.06%	N/A	JPMorgan Chase
Bond Proceeds	U.S. Treasury Bond	T-Note	06/30/23	02/15/25	596 days	7,923,750	7,913,694	4.97%	N/A	StoneX
Operating	U.S. Treasury Bond	T-Note	10/16/23	02/15/25	488 days	4,952,344	4,940,057	5.31%	N/A	JPMorgan Chase
Bond Proceeds	U.S. Treasury Bond	T-Note	06/29/23	03/15/25	625 days	7,907,500	7,885,839	4.96%	N/A	Goldman Sachs
Operating	Agency Bond	FHLB	08/15/23	03/28/25	591 days	7,918,248	7,886,506	5.28%	11/28/24	TD Securities
Bond Proceeds	U.S. Treasury Bond	T-Note	07/07/23	04/15/25	648 days	7,930,000	7,897,784	5.06%	N/A	JPMorgan Chase
Operating	U.S. Treasury Bond	T-Note	01/03/24	04/15/25	468 days	4,956,250	4,946,966	4.65%	N/A	JPMorgan Chase
Bond Proceeds	U.S. Treasury Bond	T-Note	07/07/23	05/15/25	678 days	7,893,750	7,860,915	5.00%	N/A	JPMorgan Chase
Operating	U.S. Treasury Bond	T-Note	02/21/24	05/15/25	449 days	4,933,594	4,918,373	4.82%	N/A	Morgan Stanley
Bond Proceeds	Agency Bond	FHLB	07/11/23	06/13/25	703 days	5,017,670	4,991,423	5.00%	N/A	Wells Fargo
Operating	U.S. Treasury Bond	T-Note	03/08/24	06/15/25	464 days	10,900,313	10,874,056	4.82%	N/A	Morgan Stanley
Operating	U.S. Treasury Bond	T-Note	09/18/24	07/15/25	300 days	4,958,594	4,957,746	4.10%	N/A	JPMorgan Chase
Bond Proceeds	Agency Bond	FHLB	05/12/23	07/18/25	798 days	5,028,480	4,997,157	4.95%	N/A	KeyBank
Bond Proceeds	Agency Bond	FNMA	07/20/23	07/29/25	740 days	4,856,410	4,827,621	4.92%	1/29/25	Piper Sandler
Operating	Agency Bond	FHLB	03/01/24	08/15/25	532 days	5,027,615	4,994,547	4.87%	N/A	KeyBank
Bond Proceeds	Agency Bond	FNMA	08/18/23	08/25/25	738 days	7,754,816	7,687,743	5.15%	11/25/24	TD Securities
Operating	U.S. Treasury Bond	T-Note	03/28/24	09/15/25	536 days	7,962,500	7,906,221	4.77%	N/A	Morgan Stanley
Bond Proceeds	Agency Bond	FHLMC	10/24/23	09/22/25	699 days	7,726,936	7,642,639	5.29%	3/22/25	StoneX
Bond Proceeds	U.S. Treasury Bond	T-Note	01/03/24	10/15/25	651 days	5,014,063	4,991,959	4.41%	N/A	Stifel Nicolaus
Operating	U.S. Treasury Bond	T-Note	03/15/24	10/15/25	579 days	6,016,875	5,969,670	4.76%	N/A	Daiwa
Bond Proceeds	U.S. Treasury Bond	T-Note	01/26/24	11/15/25	659 days	9,817,188	9,767,618	4.40%	N/A	StoneX
Operating	Agency Bond	FFCB	08/19/24	11/19/25	457 days	6,019,614	5,997,116	4.30%	N/A	Wells Fargo
Bond Proceeds	Agency Bond	FFCB	12/08/23	12/08/25	731 days	6,047,304	5,997,408	4.66%	N/A	Wells Fargo
Operating	Agency Bond	FFCB	12/08/23	12/08/25	731 days	6,047,304	5,997,408	4.66%	N/A	Wells Fargo
Bond Proceeds	U.S. Treasury Bond	T-Note	08/15/24	01/15/26	518 days	8,003,750	7,970,421	4.17%	N/A	StoneX
Bond Proceeds	U.S. Treasury Bond	T-Note	02/21/24	02/15/26	725 days	5,013,281	4,963,206	4.56%	N/A	Goldman Sachs
Bond Proceeds	Agency Bond	FFCB	03/28/24	03/05/26	707 days	8,090,976	8,001,308	4.61%	N/A	Daiwa
Bond Proceeds	U.S. Treasury Bond	T-Note	03/08/24	03/15/26	737 days	6,072,188	6,010,475	4.50%	N/A	Royal Bank of Canada
Operating	U.S. Treasury Bond	T-Note	07/15/24	03/15/26	608 days	5,060,156	5,002,996	4.58%	N/A	Stifel Nicolaus
Bond Proceeds	U.S. Treasury Bond	T-Note	04/15/24	04/15/26	730 days	4,999,219	4,914,509	4.92%	N/A	Daiwa
Operating	U.S. Treasury Bond	T-Note	04/15/24	04/15/26	730 days	4,999,219	4,914,509	4.92%	N/A	Daiwa
Bond Proceeds	Agency Bond	FFCB	05/01/24	05/01/26	730 days	10,057,090	10,000,000	5.38%	5/1/25	FHN Financial
Operating	Agency Bond	FFCB	05/01/24	05/01/26	730 days	5,028,545	5,000,000	5.38%	5/1/25	FHN Financial
Bond Proceeds	U.S. Treasury Bond	T-Note	05/20/24	06/15/26	756 days	10,067,188	9,892,982	4.79%	N/A	Morgan Stanley
Bond Proceeds	U.S. Treasury Bond	T-Note	05/20/24	07/15/26	786 days	10,139,063	9,957,009	4.75%	N/A	Goldman Sachs
Bond Proceeds	U.S. Treasury Bond	T-Note	07/15/24	08/15/26	761 days	5,062,500	4,993,990	4.44%	N/A	JPMorgan Chase
Total						\$ 286,928,571	\$ 285,163,210			

Money Market Funds and State Pools			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 32,831,065	TexPool
Bond Proceeds & Capital Projects	State Pool	56,878,305	TexPool
Debt Service	State Pool	875,315	TexPool
Deposit	State Pool	1,098,374	TexPool
Operating	State Pool	7,698,380	TexSTAR
Bond Proceeds & Capital Projects	State Pool	13,337,087	TexSTAR
Debt Service	State Pool	205,248	TexSTAR
Deposit	State Pool	257,552	TexSTAR
Operating	State Pool	12,846,905	Texas Daily
Bond Proceeds & Capital Projects	State Pool	22,256,670	Texas Daily
Debt Service	State Pool	342,514	Texas Daily
Deposit	State Pool	429,797	Texas Daily
Operating	Money Market	3,605,384	Federated - Agency
Bond Proceeds & Capital Projects	Money Market	6,246,162	Federated - Agency
Debt Service	Money Market	96,124	Federated - Agency
Deposit	Money Market	120,619	Federated - Agency
Total		\$ 159,125,500	

Type	Market Value	Percentage
Securities		
Agency Bond	\$ 89,582,008	20.1%
U.S. Treasury Bond	197,346,563	44.2%
TexPool	91,683,059	20.6%
TexSTAR	21,498,267	4.8%
Texas Daily	35,875,885	8.0%
Federated - Agency	10,068,290	2.3%
Total Investments	\$ 446,054,071	100.0%

Note: Totals may not foot due to rounding.

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

September 30, 2024

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 64,711,869	\$ 48,135,549	\$ 744,052	\$ 3,021,931
Special Police Funds	738,509	798,696	9,954	42,886
Municipal Court Building Security Fund	39,241	30,266	457	2,373
Technology Fund	283,614	286,581	3,638	14,513
Wireless 911 Fund	597,213	1,238,160	15,255	38,189
Municipal Jury Fund	1,634	1,473	18	84
Juvenile Case Manager Fund	105,416	97,937	1,311	5,856
Judicial Efficiency Fund	131,350	139,961	1,731	6,777
Federal Grants - American Recovery Plan Act	2,146,227	981,082	18,345	160,685
Hotel/ Motel Tax Fund	7,663,694	5,660,773	94,025	416,490
Tax Increment Financing Fund #1	20,284,270	18,913,620	251,964	1,068,089
Tax Increment Financing Fund #2	4,751,549	4,805,902	61,065	331,369
Tax Increment Financing Fund #3	942,103	949,734	12,098	67,318
Franchise PEG Fund	1,085,841	1,119,864	14,108	56,307
Drainage Fee Fund	4,469,460	4,630,135	58,561	217,989
Economic Development	7,070,650	7,090,935	90,437	389,902
Eisemann Endowment Fund	247,125	250,316	3,181	13,232
Water and Sewer Operating Fund	15,523,432	23,376,185	227,077	1,098,320
Water and Sewer Rate Stabilization Fund	2,449,208	2,476,472	31,459	136,388
Golf Fund	1,025,731	980,563	12,979	58,916
Solid Waste Services Fund	2,971,070	3,497,577	42,130	162,525
Central Services Fund	586,434	390,246	6,257	36,169
Insurance and Flexible Spending Fund	15,831,673	17,001,522	194,669	844,118
Tech Replacement Fund	4,816,515	3,767,667	53,198	274,406
Total Operating Portfolio	\$ 158,473,828	\$ 146,621,215	\$ 1,947,971	\$ 8,464,830
Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 234,974	\$ 156,455	\$ 2,035	\$ 14,737
Capital Projects - Major Projects Funds	165,095,494	151,641,859	2,075,370	7,065,915
Water and Sewer - Capital Project Funds	25,441,317	22,555,334	300,991	1,218,069
Solid Waste - Capital Projects Funds	2,508,020	736,120	14,858	82,540
Non-Bond Capital Projects:				
Special Projects Fund	69,065,713	61,358,641	838,723	3,471,966
Eisemann Center Capital Fund	1,486,253	2,829,956	18,900	78,298
Capital Equipment Replacement Fund	12,058,038	11,165,725	148,002	766,834
Golf Special Projects Fund	816,623	721,511	9,897	49,422
Street Rehabilitation Fund	7,887,997	7,345,149	98,741	512,592
Water Sewer Special Projects Fund	29,217,174	27,498,077	361,452	1,548,405
Solid Waste Special Projects Fund	4,050,577	4,083,382	51,765	218,704
Total Bond Proceeds & Capital Projects Portfolio	\$ 317,862,180	\$ 290,092,208	\$ 3,920,735	\$ 15,027,483
Debt Service Portfolio				
General Debt Service Fund	\$ 9,038,105	\$ 3,631,155	\$ 29,532	\$ 215,443
Water and Sewer Debt Service Fund	105,903	786,369	3,319	15,534
Solid Waste Debt Service Fund	(131,867)	150,653	300	2,521
Total Debt Service Portfolio	\$ 9,012,141	\$ 4,568,176	\$ 33,151	\$ 233,497
Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 5,455,251	\$ 5,514,838	\$ 26,687	\$ 97,338
Total Deposit Portfolio	\$ 5,455,251	\$ 5,514,838	\$ 26,687	\$ 97,338
Total All Portfolios	\$ 490,803,400	\$ 446,796,437	\$ 5,928,543	\$ 23,823,148

Note: Portfolio balances include \$742,366 of net cash in the bank on September 30, 2024. Totals may not foot due to rounding.