

City of Colleyville, TX

Quarterly Investment Report

9/30/2019



Where is Colleyville's cash?		6/30/2019	9/30/2019	Change	Weighted Maturity
Cash/ Equivalents	Cash	\$ 5,209,519	\$ 4,002,473	\$ (1,207,046)	Liquid
	Sweep Account	\$ 15,478,377	\$ 15,146,458	\$ (331,919)	Liquid
	LOGIC (CP Permiss.)	\$ 2,434,595	\$ 2,464,552	\$ 29,957	Liquid
	Other Gov't Pools	\$ 54,152,102	\$ 54,728,977	\$ 576,875	Liquid
	Subtotal	\$ 77,274,593	\$ 76,342,460	\$ (932,133)	
Bonds/CDs/Agencies	CD's	\$ 744,000	\$ 2,469,675	\$ 1,725,675	320 days
	CDARS	\$ 2,571,221	\$ 1,575,617	\$ (995,605)	353 days
	Agencies	\$ 12,582,619	\$ 10,582,778	\$ (1,999,842)	70 days
	Subtotal	\$ 15,897,841	\$ 14,628,070	\$ (1,269,771)	143 days
Total Resources		\$ 93,172,434	\$ 90,970,530	\$ (2,201,904)	

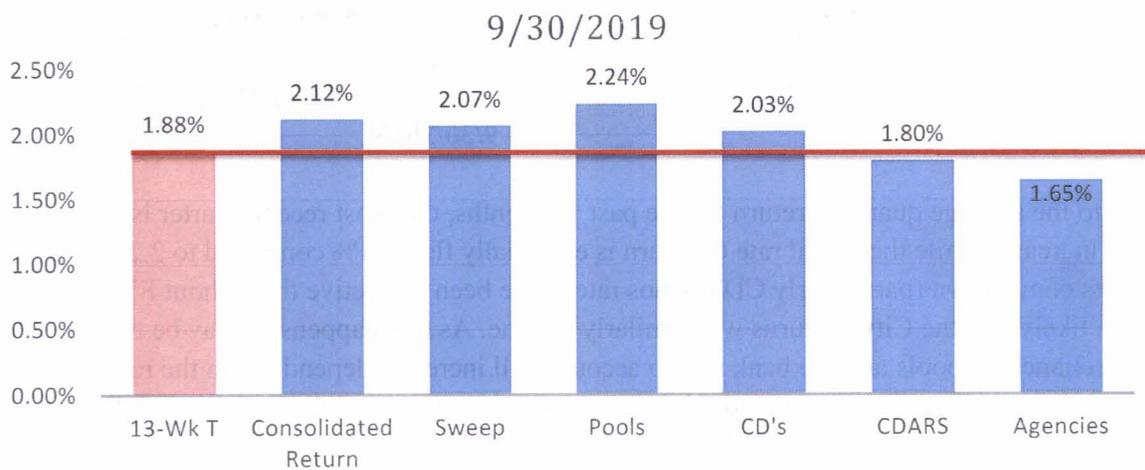
Investments on the move...

Since our last investment report, the City has had \$3.55 million in investments come to maturity: two agency securities and two CDARS deposits. Looking at our cash flow needs, staff determined that \$3.2 million of those maturities could be reinvested, most of which for a period of 12 months. These funds were all invested in brokered certificates of deposit and a CDARS program, as those instruments carries with them the highest possible yield while meeting the City's diversity and liquidity needs. To see a summary of maturities and purchases since June 2019, please turn to the back of this report.

Diversity Snapshot vs. Policy Requirements				Criteria Met?
	Policy Max	6/30/2019	9/30/2019	
U.S. Treasuries	100%	0%	0%	✓
U.S. Agencies	75%	14%	12%	✓
CD's	75%	1%	3%	✓
Local Gov't Pools	75%	61%	63%	✓
CDARS	75%	3%	2%	✓
Tri-Pty Repurchase	75%	0%	0%	✓
SEC Registered, No-Load Mutual Funds	10%	0%	0%	✓
Cash/Sweep	N/A	22%	21%	

How do our returns compare?

Benchmark = 13-Week Treasury



The City's total consolidated return is 2.12% as of the end of September, 2019. This compares favorably with the 13-week treasury note benchmark put in place by Colleyville's investment policy. As has been the case through most of 2019, the highest rates of return are with the City's investment pools, sweep account, and shorter-term CD's.

Historical Return



As the graph illustrates, Colleyville's investment returns have been climbing steadily since 2016. This is partially due to favorable fixed-income rates, but the primary action point has been a change to more active investment practices. Recently, however, rate cuts at the Federal Reserve have brought down fixed income returns. This has led to a slight decline this quarter, which will most likely continue. While staff will continue to seek a solid yield on the portfolio, the highest value is placed on maintaining a low risk in order to ensure the safety and liquidity of the funds entrusted to us.

What have we earned the past three months? For the past year?

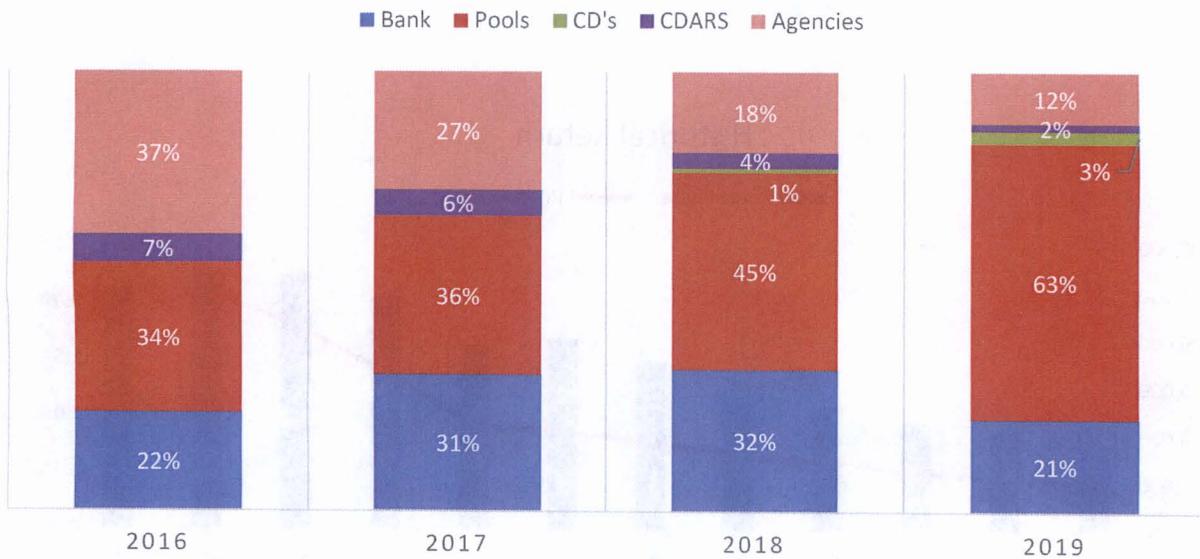
Current Total		Quarterly Average	
6/30/2019 Thru 9/30/2019	\$459,993; 2.1%	10/1/2018 Thru 9/30/2019	\$431,038; 2.2%



Compared to the average quarterly return for the past 12 months, the most recent quarter is showing a substantial increase, while the actual rate of return is essentially flat (2.1% compared to 2.2%). As fixed-income rates come down (particularly CD's, whos rates have been attractive throughout FY18 and FY19), it is likely that the City's returns will similarly decline. As this happens, it may be that the portfolio's reliance on pools and the bank sweep account will increase, depending on the rates in those areas. Regardless, staff will continue to monitor these rates and manage Colleyville's portfolio with emphasis on diversity and cash-flow needs.

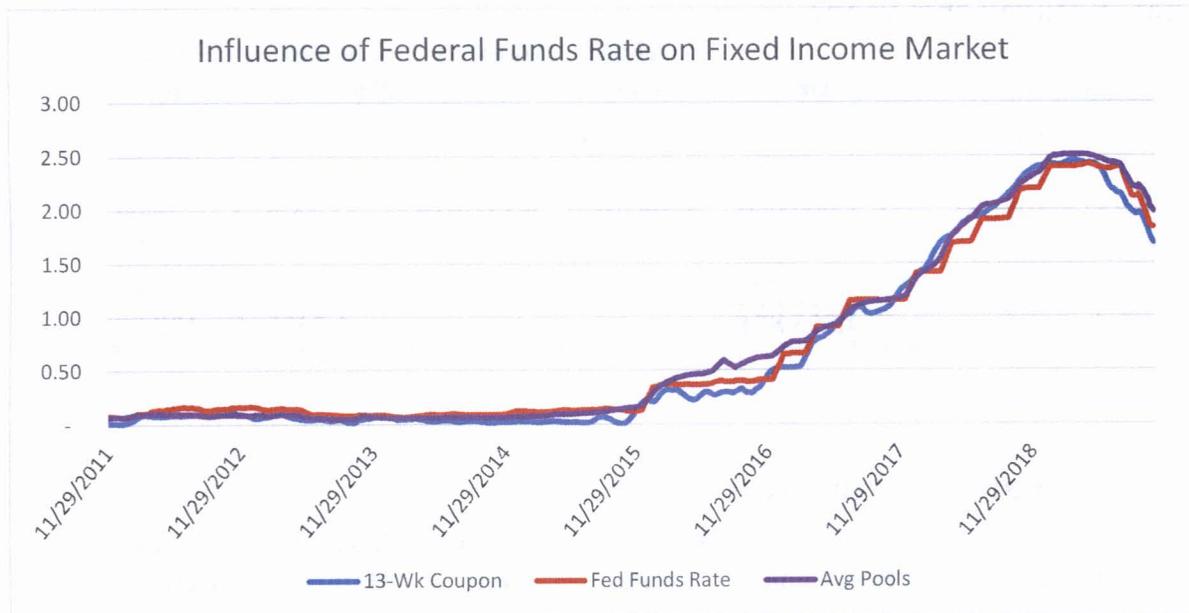
How has our portfolio changed over time?

PORTFOLIO COMPOSITION



As the graph above shows, the City has moved its investments away from agency securities and more toward local government pools. Money stored in these pools is currently earning the highest consolidated rate of return while also having the benefit of being considered "liquid", as the City can withdraw its funds within 24 hours in most cases. However, the past two years has also brought a resurgence of higher certificate of deposit returns. While not heavily invested in CD's from a percentage standpoint, staff has begun to seek out these instruments as diversity and liquidity needs have allowed. This is likely to continue for the foreseeable future, although fixed income rates across-the-board will continue to fall.

What influences our rate of return?



Per State law, Colleyville is only permitted to invest in certain fixed income securities, whose performance ties closely with the Federal Funds rate. As the chart above shows, the rates of our 13-week treasury benchmark as well as our pools tend to move in lock-step with the Federal Reserve's rate actions. With at least three potential rate cuts on the horizon, Colleyville could see returns continue to decrease.

This investment report is in compliance with the Public Funds Investment Act as well as the City of Colleyville's investment policy and procedures.

For any questions or comments on this report, please contact
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Also included:
Maturities/Purchases
Investment Listing
Mark-to-Market

Signed:

APPENDIX

What has matured this year?

Investment	Par Amount	Purchase Date	Maturity Date	Yield to Maturity	Total Return
FFCB NOTE (3133EHHN6)	\$ 1,000,000	5/3/2017	5/2/2019	1.35%	\$ 26,963
FHLMC NOTE(3137EAEH8)	\$ 500,000	7/31/2017	8/15/2019	1.48%	\$ 15,053
FHLB NOTE(313380FB8)	\$ 1,000,000	8/29/2017	9/13/2019	1.38%	\$ 28,065
CDARS (Indep Bank)	\$ 512,577	9/21/2017	9/19/2019	0.58%	\$ 5,930
CDARS (Worthington Bank)	\$ 1,543,297	9/19/2018	9/19/2019	2.08%	\$ 32,075
Total Matured	\$ 4,555,874			1.53%	\$ 108,086

What have we purchased this year?

Investment	Par Amount	Purchase Date	Maturity Date	Yield to Maturity	Total Return
Brokered CD: FDIC 16571	\$ 247,000	9/19/2019	10/20/2020	1.80%	\$ 4,836
Brokered CD: FDIC 35141	\$ 247,000	9/19/2019	10/27/2020	1.85%	\$ 5,058
Brokered CD: FDIC 32992	\$ 245,000	9/19/2019	9/25/2020	1.80%	\$ 4,495
Brokered CD: FDIC 34221	\$ 245,000	9/19/2019	9/25/2020	1.80%	\$ 4,495
Brokered CD: FDIC 34775	\$ 245,000	9/19/2019	9/25/2020	1.85%	\$ 4,619
Brokered CD: FDIC 2270	\$ 247,000	9/19/2019	12/24/2020	1.80%	\$ 5,628
Brokered CD: FDIC 16022	\$ 249,675	9/18/2019	9/11/2020	1.75%	\$ 4,297
CDARS (Worthington Bank)	\$ 1,575,617	9/18/2019	9/17/2020	1.80%	\$ 28,361
FHLB NOTE (313383HU8)	\$ 500,000	8/16/2019	6/12/2020	1.75%	\$ 7,216
Total Purchased	\$ 3,801,292			1.80%	\$ 69,004
Weighted Average Maturity			368 days		

APPENDIX

Full Investment Listing

Investment	Purchase Price	Purchase Date	Maturity Date	Yield to Maturity	Total Return
FHLMC NOTE(3137EADM8)	\$ 997,300	9/14/2017	10/2/2019	1.25%	\$ 25,616
FHLMC NOTE(3137EADM8)	\$ 897,570	10/13/2017	10/2/2019	1.25%	\$ 22,161
FHLB NOTE(3130ACLS1)	\$ 2,200,000	10/26/2017	10/11/2019	1.55%	\$ 66,799
FFCB NOTE(3133EHP98)	\$ 1,000,000	11/6/2017	11/6/2019	1.60%	\$ 32,000
FFCB NOTE(3133EHV75)	\$ 749,711	12/8/2017	11/21/2019	1.73%	\$ 25,346
FFCB NOTE(3133EGJ30)	\$ 1,238,775	12/29/2017	11/18/2019	1.11%	\$ 26,059
FFCB NOTE(3133EJCN7)	\$ 1,000,000	2/14/2018	2/14/2020	2.07%	\$ 41,400
FHLB NOTE(3130ADN32)	\$ 997,834	3/7/2018	2/11/2020	2.13%	\$ 41,103
Brokered CD: FDIC 7213	\$ 248,000	3/29/2018	3/30/2020	2.50%	\$ 12,434
FFCB NOTE(3133EJHL6)	\$ 1,001,430	4/9/2018	3/27/2020	2.30%	\$ 45,244
Brokered CD: FDIC 33124	\$ 248,000	4/11/2018	4/13/2020	2.55%	\$ 12,700
Brokered CD: FDIC 26610	\$ 248,000	9/14/2018	3/16/2020	2.55%	\$ 9,512
FHLB NOTE (313383HU8)	\$ 500,159	8/16/2019	6/12/2020	1.75%	\$ 7,216
Brokered CD: FDIC 16022	\$ 249,675	9/18/2019	9/11/2020	1.75%	\$ 4,297
CDARS (Worthington Bank)	\$ 1,575,617	9/18/2019	9/17/2020	1.80%	\$ 28,361
Brokered CD: FDIC 16571	\$ 247,000	9/19/2019	10/20/2020	1.80%	\$ 4,836
Brokered CD: FDIC 35141	\$ 247,000	9/19/2019	10/27/2020	1.85%	\$ 5,058
Brokered CD: FDIC 32992	\$ 245,000	9/19/2019	9/25/2020	1.80%	\$ 4,495
Brokered CD: FDIC 34221	\$ 245,000	9/19/2019	9/25/2020	1.80%	\$ 4,495
Brokered CD: FDIC 34775	\$ 245,000	9/19/2019	9/25/2020	1.85%	\$ 4,619
Brokered CD: FDIC 2270	\$ 247,000	9/19/2019	12/24/2020	1.80%	\$ 5,628
	\$ 14,628,070			1.73%	\$ 429,378
Weighted Average Maturity			143 days		

APPENDIX

Mark-to-Market Investment	Purchase Price	6/30/2019		9/30/2019		Unrealized Gain/(Loss) since Purchase
		Market Value	Market Value	Market Value	Market Value	
FHLMC NOTE(3137EADM8)	\$ 997,300	\$ 997,575	\$ 999,970	\$ 999,970	\$ 2,669	
FHLMC NOTE(3137EADM8)	\$ 897,570	\$ 897,817	\$ 899,973	\$ 899,973	\$ 2,402	
FHLB NOTE(3130ACLS1)	\$ 2,200,000	\$ 2,195,729	\$ 2,199,822	\$ 2,199,822	\$ (178)	
FFCB NOTE(3133EHP98)	\$ 1,000,000	\$ 998,381	\$ 999,791	\$ 999,791	\$ (209)	
FFCB NOTE(3133EHV75)	\$ 749,711	\$ 749,155	\$ 749,914	\$ 749,914	\$ 203	
FFCB NOTE(3133EGJ30)	\$ 1,238,775	\$ 1,250,494	\$ 1,253,715	\$ 1,253,715	\$ 14,940	
FFCB NOTE(3133EJCN7)	\$ 1,000,000	\$ 1,000,357	\$ 1,000,865	\$ 1,000,865	\$ 865	
FHLB NOTE(3130ADN32)	\$ 997,834	\$ 1,000,415	\$ 1,000,724	\$ 1,000,724	\$ 2,890	
Brokered CD: FDIC 7213	\$ 248,000	\$ 248,588	\$ 248,822	\$ 248,822	\$ 822	
FFCB NOTE(3133EJHL6)	\$ 1,001,430	\$ 1,002,862	\$ 1,002,718	\$ 1,002,718	\$ 1,288	
Brokered CD: FDIC 33124	\$ 248,000	\$ 248,716	\$ 248,944	\$ 248,944	\$ 944	
Brokered CD: FDIC 26610	\$ 248,000	\$ 248,661	\$ 248,801	\$ 248,801	\$ 801	
FHLB NOTE (313383HU8)	\$ 500,159	N/A	\$ 499,642	\$ 499,642	\$ (516)	
Brokered CD: FDIC 16022	\$ 249,675	N/A	\$ 249,625	\$ 249,625	\$ (50)	
CDARS (Worthington Bank)	\$ 1,575,617	N/A	\$ 1,575,617	\$ 1,575,617	\$ -	
Brokered CD: FDIC 16571	\$ 247,000	N/A	\$ 247,000	\$ 247,000	\$ -	
Brokered CD: FDIC 35141	\$ 247,000	N/A	\$ 247,133	\$ 247,133	\$ 133	
Brokered CD: FDIC 32992	\$ 245,000	N/A	\$ 245,000	\$ 245,000	\$ -	
Brokered CD: FDIC 34221	\$ 245,000	N/A	\$ 245,000	\$ 245,000	\$ -	
Brokered CD: FDIC 34775	\$ 245,000	N/A	\$ 245,120	\$ 245,120	\$ 120	
Brokered CD: FDIC 2270	\$ 247,000	N/A	\$ 247,002	\$ 247,002	\$ 2	
	\$ 14,628,070	\$ 10,838,751	\$ 14,655,197	\$ 14,655,197	\$ 27,127	

Note about mark-to-market: This analysis takes a snapshot look at each of the securities Colleyville holds and values them based on what the market would pay for them today. An unrealized gain in market value would indicate the security's value has gone up since the last mark-to-market, and an unrealized loss would indicate the value has gone down. However, the City of Colleyville's strategy is to buy securities and hold them to maturity to receive the agreed-upon interest payments (known as "buy and hold"). Therefore, any change in market value will not be realized by the City. The primary purpose of this analysis, as required by the Public Funds Investment Act, is to demonstrate the current market value of the City's portfolio should we need to liquidate it in the case of an emergency. This scenario is extremely unlikely, given the prudence Colleyville's leaders have shown in their financial decisions. It is important to remember this when looking at our quarterly mark-to-market analysis.

CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - TOTAL BY FUND

		CASH & INVESTMENT					AS OF SEPTEMBER	
		CASH & SWEEP	CP POOLS	GOV. POOLS*	INVESTMENTS	CDARS	CD'S	30, 2019
GOVERNMENTAL FUNDS								
001	GENERAL FUND	(4,282,870)	303,691	12,331,157	1,000,000	1,575,617	744,000	11,671,595
036	STRATEGIC INITIATIVE	127,959	-	390,978	-	-	-	518,937
004	DEBT SERVICE FUND	807,752	-	35,724	-	-	-	843,476
003	CAPITAL PROJECTS	9,749,982	831,874	4,776,334	1,353,797	-	-	16,711,987
012	PARK LAND DEDICATION	139,524	-	251,565	1,110,308	-	-	1,501,398
032	VEHICLE AND CAPITAL REPLACEMENT	(86,130)	-	1,197,512	364,300	-	-	1,475,683
034	COLLEYVILLE TOMORROW	640,456	-	1,908,455	-	-	-	2,548,912
035	PARKS TOMORROW	268,160	-	805,010	-	-	-	1,073,170
005	VOLUNTARY PARK FUND	336,582	-	459,317	500,000	-	-	1,295,899
007	DONATIONS FUND	47,499	-	-	-	-	-	47,499
011	VOLUNTARY LIBRARY FUND	138,410	-	342,066	-	-	-	480,476
015	POLICE ASSET FORFEITURE	832	-	16,987	-	-	-	17,818
016	GRANTS (ADVANCE PAYMENTS)	27,867	-	-	-	-	-	27,867
018	TREE PRESERVATION	84,386	-	240,838	-	-	-	325,224
019	LIBRARY DONATION	59,364	-	-	-	-	-	59,364
020	RECREATIONAL EVENT	15,725	-	-	-	-	-	15,725
023	LEOSE	1,308	-	-	-	-	-	1,308
027	CRIME DISTRICT	421,455	-	599,518	-	-	-	1,020,972
028	KIDSVILLE MAINTENANCE	2,018	-	3,893	-	-	-	5,912
029	COURT TECHNOLOGY	2,753	-	6,048	-	-	-	8,801
030	COURT SECURITY	1,858	-	34,217	-	-	-	36,074
033	PUBLIC ART	2,018	-	6,015	-	-	-	8,034
037	JUVENILE CASE MANAGER	5,643	-	11,689	-	-	-	17,332
038	HOTEL / MOTEL FUND	106,463	-	279,877	-	-	-	386,340
ENTERPRISE FUNDS								
002	UTILITY FUND	577,620	-	5,010,751	1,713,124	-	1,725,675	9,027,170
039	UTILITY CAPITAL PROJECTS FUND	2,884,726	485,947	8,327,289	-	-	-	11,697,962
017	DRAINAGE FEE	245,176	33,180	333,788	200,000	-	-	812,144
041	DRAINAGE CAPITAL PROJECTS FUND	511,107	-	1,304,797	-	-	-	1,815,904
FIDUCIARY FUNDS								
006	SESQUICENTINIAL FUND	18,296	-	3,294	-	-	-	21,590
008	EMPLOYEE ACTIVITY	2,564	-	-	-	-	-	2,564
040	INSURANCE TRUST FUND (ADV PMNT)	(11,540)	-	-	-	-	-	(11,540)
COMPONENT UNIT								
026	TIF FUND	3,932,618	809,844	16,051,859	2,839,660	-	-	23,633,981
		16,779,582	2,464,536	54,728,977	9,081,190	1,575,617	2,469,675	87,099,577
COLLEYVILLE ECON DEV CORP								
024	CEDC	2,369,349	16	-	1,501,588	-	-	3,870,953
GRAND TOTAL		19,148,931	2,464,552	54,728,977	10,582,778	1,575,617	2,469,675	90,970,530

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.
 This is a management report prepared not in accordance with GASB