



City of Colleyville Audit Committee Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Tuesday, June 7, 2022
5:00 p.m.

City Manager's Conference Room
Third Floor – City Hall

1. CALL TO ORDER

2. APPROVAL OF MINUTES

March 2, 2022

3. REPORTS

Quarterly Investment Report for the quarter ended March 31, 2022

4. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, June 3, 2022, by 5:00 p.m.

Christine Loven, TRMC
City Secretary

A quorum of the Colleyville City Council and/or any other Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise Executive Secretary at least 48 hours in advance at 817.503.1111, and reasonable accommodations will be made to assist you.



City of Colleyville Audit Committee Minutes

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
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Wednesday, March 2, 2022
6:15 p.m.

City Manager's Conference Room
Third Floor – City Hall

1. CALL TO ORDER

City Secretary Christine Loven called the Audit Committee to order at 6:15 p.m.

ROLL CALL: Committee members present George Dodson, Bobby Lindamood, and Chuck Kelley.

Also Present: Finance Director Kyle Lester, Accounting Manager Karen Hines, City Manager Jerry Ducay, Assistant City Manager Adrienne Lothery, and City Secretary Christine Loven

2. APPROVAL OF MINUTES

The December 7, 2021 minutes were approved as presented.

3. REGULAR AGENDA ITEMS

3a Discussion of the draft FY21 audit and SAS 114 letter

Jennifer Ripka, partner, Weaver and Tidwell, the City's Auditor, gave an overview of her experience and explained the audit process. Ms. Ripka stated the City received an unmodified report, which is the highest report that can be given. She noted there were no material weaknesses, no significant deficiencies, and no noted noncompliance material to the financial statements. Ms. Ripka stated the reporting result in the Federal Awards audit is also unmodified. She went on to review GASBE 84 and provided financial highlights.

Ms. Ripka thanked Kyle Lester and Karen Hines for their assistance and told the Committee they are good to work with and it is very appreciated.

The Committee thanked Ms. Ripka.

4. REPORTS

4a Presentation of the Quarterly Investment Report for the quarter ended December 31, 2021.

Finance Director Kyle Lester presented the quarterly investment report, noting interest earnings for the quarter were \$17,073 compared to \$15,943 in the previous quarter, reflecting a more optimistic market, anticipated Federal Reserve action, and a few maturities coming due in the last quarter. He stated staff would continue to examine cash-flow needs and place resources in instruments with an emphasis on keeping these funds safe while earning as strong a yield as possible.

There was general discussion of the City's financial strategies and goals.

5. ADJOURNMENT

The meeting was adjourned at 6:47 p.m.

PASSED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS, THIS 7TH DAY OF JUNE 2022.

Minutes taken and prepared by:



Christine Loven, TRMC
City Secretary



City of Colleyville Audit Committee Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number	Agenda Date 6/7/2022	Number
Type Report		
Department Finance		

Title

Quarterly Investment Report for the quarter ended March 31, 2022

Explanation

Cash and Cash Equivalents (local government investment pools) totaled \$52,983,565. Colleyville's complete portfolio was valued at \$69,240,618, and was allocated as follows:

Instrument	Current as of 03/31/2022	Last Quarter as of 12/31/2021
Cash	\$ 11,170,734	\$ 16,476,222
LOGIC (CP Permissible)	\$ 2,497,586	\$ 2,496,508
Other Governmental Pools	\$ 39,315,245	\$ 27,307,582
CD's	\$ 10,756,803	\$ 12,242,273
CDARS	\$ -	\$ -
Agencies	\$ 5,500,250	\$ 5,500,250
Total Cash & Investments	\$ 69,240,618	\$ 64,022,836

Instrument	Yield this quarter
LOGIC (CP Permissible)	0.16 %
Other Governmental Pools	0.075 %
CD's	0.52 %
CDARS	0.00 %
Agencies	0.39 %
Total Consolidated Yield	0.19 %

Benchmark Yield: 0.31% (as included in the report, our T-bill benchmark rose rapidly this quarter while our government pool rates lagged substantially behind, lowering our consolidated return)

Interest earnings for the quarter were \$22,060 compared to \$17,073 in the previous quarter. This is reflective of a more optimistic market, anticipated Federal Reserve action, and a few maturities coming due in the last quarter. Staff will continue to examine cash-flow needs and place our resources in instruments with an emphasis on keeping these funds safe while earning as strong a yield as possible.

Attachments

1. Investment Report - Mar 2022
2. March 2022

City of Colleyville, TX

Quarterly Investment Report

3/31/2022



Where is Colleyville's cash?		12/31/2021	3/31/2022	Change	Weighted Maturity
Cash/ Equivalents	Cash	\$ 16,476,222	\$ 11,170,734	\$ (5,305,488)	Liquid
	Sweep Account	\$ -	\$ -	\$ -	Liquid
	LOGIC (CP Permiss.)	\$ 2,496,508	\$ 2,497,586	\$ 1,077	Liquid
	Other Gov't Pools	\$ 27,307,582	\$ 39,315,245	\$ 12,007,663	Liquid
	Subtotal	\$ 46,280,313	\$ 52,983,565	\$ 6,703,253	
Bonds/CDs/Ag encies	CD's	\$ 12,242,273	\$ 10,756,803	\$ (1,485,471)	328 days
	CDARS	\$ -	\$ -	\$ -	0 days
	Agencies	\$ 5,500,250	\$ 5,500,250	\$ -	367 days
	Subtotal	\$ 17,742,523	\$ 16,257,052	\$ (1,485,471)	341 days
Total Resources		\$ 64,022,836	\$ 69,240,618	\$ 5,217,782	

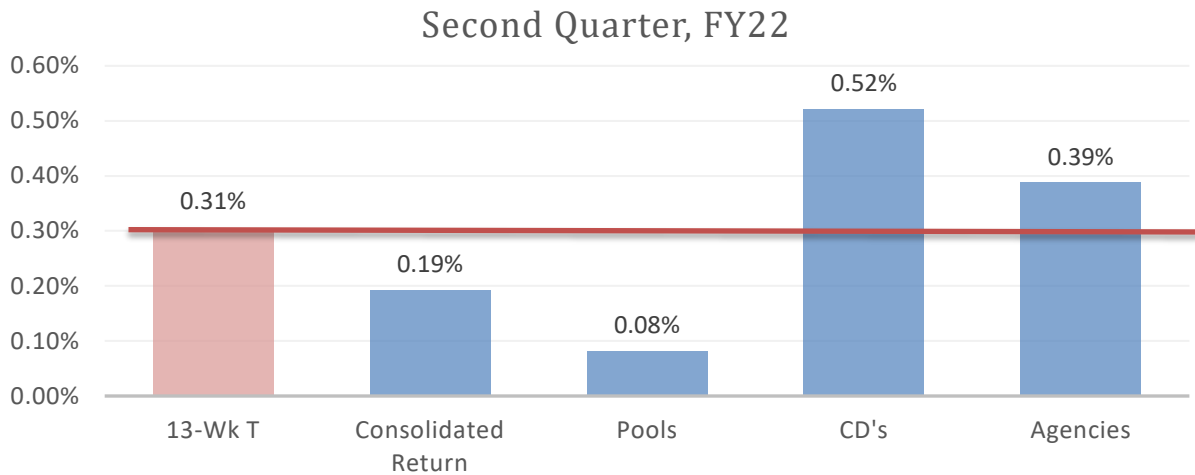
Investments on the move...

The second quarter of FY22 brought a large influx of cash with the majority of property tax receipts becoming due, most of which were allocated to the City's pools as that cash will be drawn down through this year. This period has also represented a transition in the market, as the Federal Reserve's widely circulated willingness to raise the interbank borrowing rate galvanized markets. The City's benchmark target of the 13-week treasury bill which rose rapidly, ascending almost 50 basis points from January through the end of March. Unfortunately, our investment pools have lagged significantly behind, lowering Colleyville's overall consolidated return. However, yields on agency debt and certificates of deposit have risen exponentially, and staff has been able to capitalize on those higher yields by moving cash away from pools in the months of April and May.

Diversity Snapshot vs. Policy Requirements				Criteria Met?
	Policy Max	12/31/2021	3/31/2022	
U.S. Treasuries	100%	0%	0%	✔
U.S. Agencies	75%	9%	8%	✔
CD's	75%	19%	16%	✔
Local Gov't Pools	75%	47%	60%	✔
CDARS	75%	0%	0%	✔
Tri-Pty Repurchase	75%	0%	0%	✔
SEC Registered, No-Load Mutual Funds	10%	0%	0%	✔
Cash/Sweep	N/A	26%	16%	

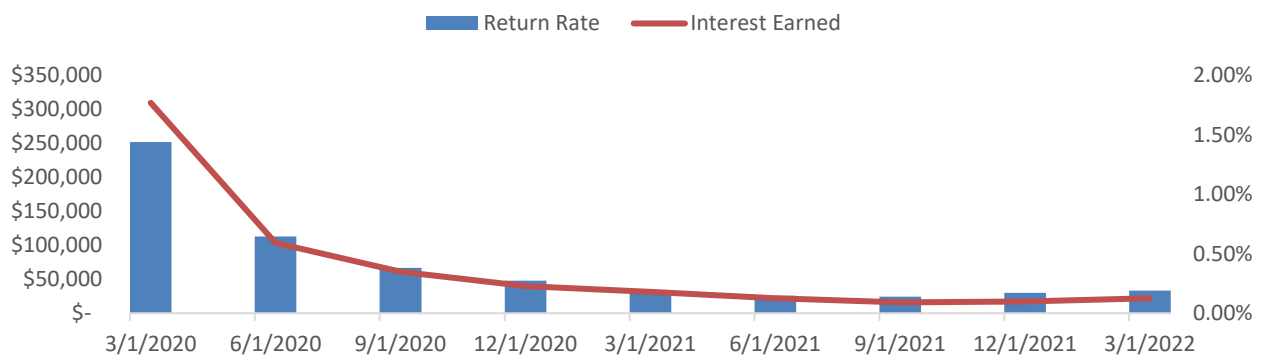
How do our returns compare?

Benchmark = 13-Week Treasury



The City's total consolidated return was 0.19% as of March 31, 2022. As noted on the previous page, this is the first time our total return lags behind our benchmark of the 13-week treasury note. This is due to the rapid increase in yield on treasuries paired with a slower market increase in returns on governmental pools. Since January, the Federal Reserve Bank has committed to increasing its interbank borrowing rate to counter inflationary pressures, which in turn has increased fixed income yields. In fact, City staff was able to invest a total of \$3 million in higher-earning agency debt instruments with a total consolidated return of 2.8%. These investments will show up on our next report, dramatically increasing the City's overall consolidated return.

Historical Return



Before the recent downturn Colleyville's investment returns had been climbing steadily since 2016, primary due to to more active investment practices. Although we are in a down-cycle in terms of returns, until recently we've still been able to stay ahead of our 13-week treasury benchmark. We will continue to see the City's returns increase in subsequent reports. Most importantly, Colleyville's funds are safe. Our highest value is placed on maintaining a low risk in order to ensure the safety and liquidity of the funds entrusted to us.

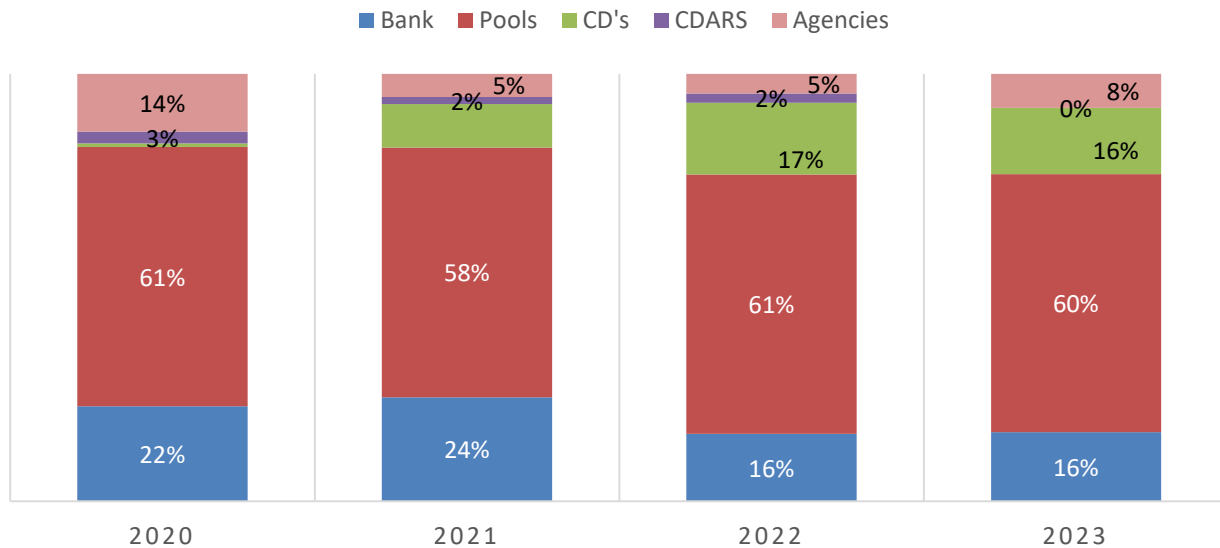
What have we earned the past three months? For the past year?

Current Total		Quarterly Average	
12/31/2021	\$22,060; 0.19%	3/31/2021	\$19,254; 0.16%
Thru		Thru	
3/31/2022		3/31/2022	

Compared to the average quarterly return for the past 12 months, the most recent quarter is showing a slight increase in the rate of return. As noted, fixed-income rates have begun to climb amidst the actions from the Federal Reserve. As noted previously, staff has been able to capitalize on these higher yields, although those instruments won't show up until our next report. Federal agency debt has been particularly attractive as of late, although we will need to balance investments with our robust 5-year capital improvement plan, which necessitates higher liquidity than in previous years. Staff will always monitor the market and manage Colleyville's portfolio with emphasis on diversity and cash-flow needs.

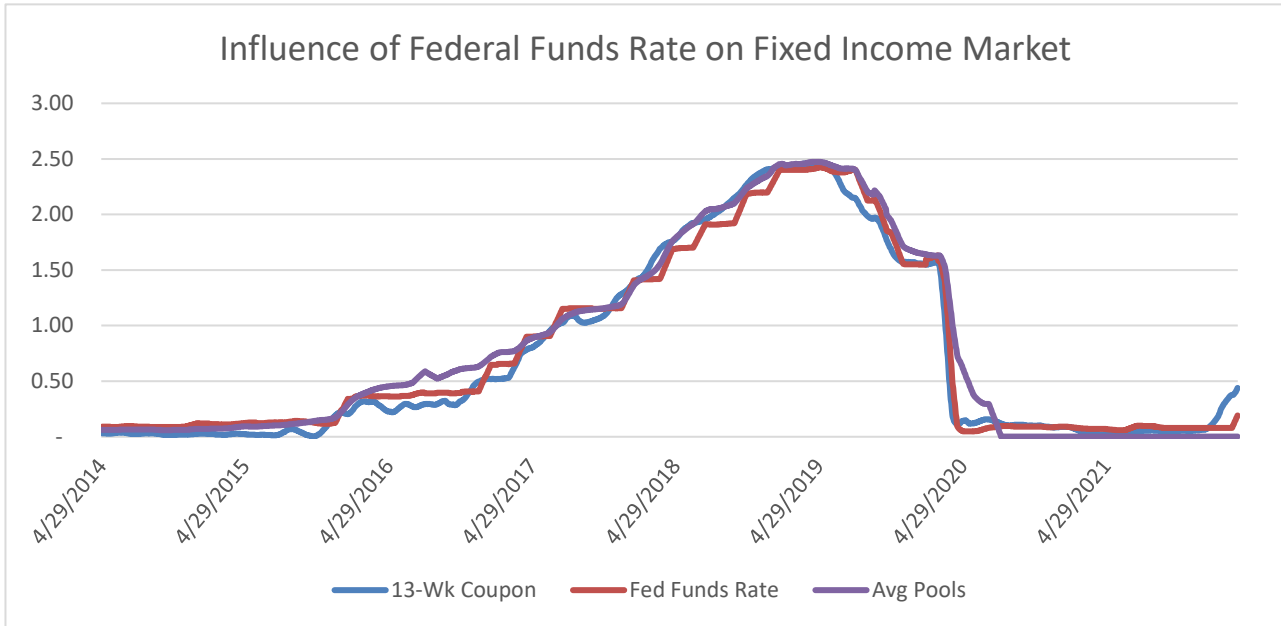
How has our portfolio changed over time?

PORTFOLIO COMPOSITION



As the graph above shows, the City's portfolio makeup has remained fairly static over the years. However, our change in depository banks led staff to shy away from the sweep account instrument that had been heavily used with Wells Fargo. As a result, cash has been moved from our bank and into other instruments more frequently. Money stored in government pools tended to earn a decent return compared to market while also being considered "liquid", as the City can withdraw its funds within 24 hours in most cases. However, as pool rates have plummeted, returns on certificates of deposit and even some agency debt has looked attractive. With the market's recent shift back toward agency debt, we should see a more diverse portfolio in the future.

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. This rate was cut five times since the beginning of the pandemic but recent increases put the rate around 0.33%. Numerous Fed members indicated an expected four-step increase in 2023, with further increases in 2022 as well. Furthermore, Fitch Ratings forecasts a rate of 1.75% by the end of 2023.

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
 Kyle Lester, CGFO
 City of Colleyville, TX
 Finance Director 817-503-1014
klester@colleyville.com

Also included:
 Maturities/Purchases
 Investment Listing
 Mark-to-Market

Signed:

APPENDIX

What has matured in the last 12 months?

Investment	Par Amount	Maturity Date	Length	Yield to Maturity	Total Return
Brokered CD (FDIC #34742)	\$ 249,000	3/21/2022	2.06	1.40%	\$ 7,182
Brokered CD (FDIC #27389)	\$ 249,000	2/22/2022	2.03	1.70%	\$ 8,605
Brokered CD (FDIC #57803)	\$ 247,000	1/31/2022	1.97	1.70%	\$ 8,271
Brokered CD (FDIC #35546)	\$ 249,000	3/28/2022	2.08	1.55%	\$ 8,026
Brokered CD (FDIC #58978)	\$ 248,000	3/28/2022	2.06	1.05%	\$ 5,365
Brokered CD (FDIC #33555)	\$ 248,000	3/21/2022	2.04	1.00%	\$ 5,062
Brokered CD (FDIC #57565)	\$ 249,000	3/11/2022	2.01	1.00%	\$ 5,014
Brokered CD (FDIC #23623)	\$ 250,000	2/24/2022	1.50	0.20%	\$ 752
Frost Bank CD	\$ 1,500,000	2/25/2022	1.00	0.16%	\$ 2,400
Brokered CD (FDIC #19581)	\$ 250,000	3/21/2022	2.04	0.90%	\$ 4,592
Brokered CD (FDIC #58243)	\$ 250,000	1/19/2021	1.30	1.70%	\$ 5,508
Brokered CD (FDIC #26876)	\$ 250,000	3/10/2021	1.03	1.40%	\$ 3,605
Brokered CD (FDIC #58577)	\$ 246,000	2/12/2021	1.02	1.60%	\$ 4,011
Brokered CD (FDIC #18503)	\$ 246,000	2/12/2021	1.02	1.60%	\$ 4,011
Brokered CD (FDIC #3511)	\$ 249,000	4/19/2021	1.54	1.90%	\$ 7,297
Spirit of Texas Jumbo CD	\$ 1,025,023	4/24/2021	1.50	1.85%	\$ 28,470
Brokered CD (FDIC #110)	\$ 249,000	5/14/2021	1.25	1.65%	\$ 5,122
Brokered CD (FDIC #110)	\$ 249,000	5/14/2021	1.25	1.65%	\$ 5,122
Brokered CD (FDIC #58665)	\$ 249,000	9/7/2021	1.53	1.55%	\$ 5,890
Brokered CD (NCUA #68712)	\$ 249,000	9/20/2021	1.53	1.00%	\$ 3,813
CDARS (Worthington Bank)	\$ 1,604,198	9/9/2021	1.00	0.50%	\$ 8,021
Total Matured	\$ 8,605,221			1.05%	\$ 136,141

APPENDIX

What have we purchased within the last 12 months?

Investment	Par Amount	Purchase Date	Maturity Date	Yield to Maturity	Total Return
Spirit of Texas Jumbo CD	\$ 1,509,779	9/9/2021	9/9/2022	0.40%	\$ 6,039
FHLB Note (3130AQ3X9)	\$ 2,000,250	12/22/2021	12/22/2023	0.75%	\$ 30,004
Brokered CD (NCUA #619)	\$ 246,000	2/21/2021	2/13/2023	0.15%	\$ 730
Brokered CD (FDIC #58979)	\$ 246,000	2/19/2021	2/21/2023	0.15%	\$ 740
Brokered CD (FDIC #19008)	\$ 249,000	3/30/2021	3/30/2023	0.20%	\$ 996
Brokered CD (FDIC #57742)	\$ 249,000	3/30/2021	3/30/2023	0.20%	\$ 996
Brokered CD (FDIC #57873)	\$ 249,000	3/31/2021	3/31/2023	0.15%	\$ 747
Frost Bank Jumbo CD	\$ 1,500,000	2/25/2021	2/25/2022	0.16%	\$ 2,400
Brokered CD (#33539)	\$ 249,000	6/30/2021	6/30/2023	0.25%	\$ 1,245
Brokered CD (#12858)	\$ 248,000	6/29/2021	6/29/2023	0.15%	\$ 744
Spirit of Texas Bank (LOC 17001)	\$ 1,028,658	4/29/2021	10/29/2022	0.30%	\$ 4,633
Brokered CD (#26876)	\$ 249,000	4/8/2021	4/7/2022	0.10%	\$ 248
Brokered CD (FDIC #33124)	\$ 250,000	7/28/2021	7/28/2023	0.25%	\$ 1,250
Brokered CD (FDIC #34404)	\$ 249,000	9/29/2021	9/29/2023	0.30%	\$ 1,494
Brokered CD (NCUA #227)	\$ 249,000	9/29/2021	3/29/2024	0.40%	\$ 2,489
Frost Bank CD	\$ 1,502,400	2/25/2022	2/25/2024	1.510%	\$ 45,372
Brokered CD (FDIC #27471)	\$ 250,000	3/2/2022	3/4/2024	1.600%	\$ 8,033
Brokered CD (FDIC #32574)	\$ 250,000	3/9/2022	3/6/2024	1.500%	\$ 7,479
Total Purchased	\$ 10,774,087			0.58%	\$ 115,640
Weighted Average Maturity			606 days		

APPENDIX

Full Investment Listing

Investment	Par Amount	Purchase	Purchase Date	Yield to Maturity	Total Return
Brokered CD (FDIC #27471)	\$ 250,000	\$ 250,000	3/2/2022	1.60%	\$ 8,033
Brokered CD (FDIC #32574)	\$ 250,000	\$ 250,000	3/9/2022	1.50%	\$ 7,479
Brokered CD (NCUA #227)	\$ 249,000	\$ 249,000	9/29/2021	0.40%	\$ 2,489
Brokered CD (FDIC #35546)	\$ 249,000	\$ 249,000	2/28/2020	1.55%	\$ 8,026
Brokered CD (FDIC #33124)	\$ 250,000	\$ 250,000	7/28/2021	0.25%	\$ 1,250
Brokered CD (NCUA #60269)	\$ 249,000	\$ 249,000	8/10/2020	0.30%	\$ 1,510
Brokered CD (FDIC #33686)	\$ 249,000	\$ 249,000	8/26/2020	0.20%	\$ 996
Brokered CD (FDIC #17739)	\$ 240,204	\$ 240,204	8/28/2020	0.200%	\$ 962
Spirit of Texas Jumbo CD	\$ 1,512,776	\$ 1,512,776	9/9/2021	0.40%	\$ 6,051
Brokered CD (FDIC #34404)	\$ 249,000	\$ 249,000	9/29/2021	0.30%	\$ 1,494
Brokered CD (FDIC #32992)	\$ 244,201	\$ 244,201	10/1/2020	0.186%	\$ 682
FFCB Note (3133EMCU4)	\$ 2,000,000	\$ 2,000,000	10/13/2020	0.190%	\$ 7,600
Brokered CD (FDIC #148)	\$ 245,000	\$ 245,000	10/14/2020	0.150%	\$ 735
Brokered CD (NCUA #17587)	\$ 247,000	\$ 247,000	10/29/2020	0.25%	\$ 1,233
Brokered CD (FDIC #16022)	\$ 247,000	\$ 247,000	11/9/2020	0.20%	\$ 988
Brokered CD (FDIC #34953)	\$ 249,000	\$ 249,000	11/16/2020	0.20%	\$ 996
Brokered CD (FDIC #845)	\$ 249,187	\$ 249,187	11/20/2020	0.20%	\$ 797
Brokered CD (FDIC #35141)	\$ 249,000	\$ 249,000	11/20/2020	0.20%	\$ 997
FHLB Note (3130AQ3X9)	\$ 2,000,250	\$ 2,000,250	12/22/2021	0.75%	\$ 30,004
FFCB Note (3133EMHE5)	\$ 1,500,000	\$ 1,500,000	12/11/2020	0.170%	\$ 5,023
Brokered CD (FDIC #33954)	\$ 256,586	\$ 256,586	12/22/2020	0.20%	\$ 927
Brokered CD (FDIC #4297)	\$ 256,481	\$ 256,481	12/22/2020	0.20%	\$ 926
Brokered CD (FDIC #8120)	\$ 247,000	\$ 247,000	12/23/2020	0.20%	\$ 988
Brokered CD (FDIC #58979)	\$ 246,000	\$ 246,000	2/19/2021	0.150%	\$ 740
Brokered CD (NCUA #619)	\$ 246,000	\$ 246,000	2/21/2021	0.150%	\$ 730
Frost Bank Jumbo CD	\$ 1,502,400	\$ 1,502,400	2/25/2022	1.510%	\$ 45,372
Brokered CD (FDIC #19008)	\$ 249,000	\$ 249,000	3/30/2021	0.200%	\$ 996
Brokered CD (FDIC #57742)	\$ 249,000	\$ 249,000	3/30/2021	0.200%	\$ 996
Brokered CD (FDIC #57873)	\$ 249,000	\$ 249,000	3/31/2021	0.150%	\$ 747
Brokered CD (#33539)	\$ 249,000	\$ 249,000	6/30/2021	0.25%	\$ 1,245
Brokered CD (#12858)	\$ 248,000	\$ 248,000	6/29/2021	0.15%	\$ 744
Spirit of Texas Bank (LOC 17001	\$ 1,030,969	\$ 1,030,969	4/29/2021	0.30%	\$ 4,644
Brokered CD (#26876)	\$ 249,000	\$ 249,000	4/8/2021	0.10%	\$ 248
Total	\$ 16,257,052			0.47%	\$ 146,649
Weighted Average Maturity				320 days	

APPENDIX

Mark-to-Market Investment	Initial Value	12/31/2021	3/31/2022	Unrealized
		Market Value	Market Value	Gain/(Loss) since Purchase
Brokered CD (FDIC #27471)	\$ 250,000	N/A	\$ 247,807	\$ (2,193)
Brokered CD (FDIC #32574)	\$ 250,000	N/A	\$ 247,299	\$ (2,701)
Brokered CD (NCUA #227)	\$ 249,000	\$ 247,274	\$ 240,629	\$ (8,371)
Brokered CD (FDIC #35546)	\$ 249,000	N/A	\$ 248,255	\$ (745)
Brokered CD (#26876)	\$ 249,000	N/A	\$ 248,983	\$ (17)
Brokered CD (FDIC #33124)	\$ 250,000	\$ 248,924	\$ 245,676	\$ (4,324)
Spirit of Texas Bank CDs (2)	\$ 2,543,745	\$ 2,543,745	\$ 2,543,745	\$ -
Brokered CD (NCUA #60269)	\$ 249,000	\$ 249,035	\$ 248,639	\$ (361)
Brokered CD (FDIC #33686)	\$ 249,000	\$ 248,948	\$ 248,527	\$ (473)
FHLB Note (3130AQ3X9)	\$ 2,000,250	\$ 1,998,494	\$ 1,955,905	\$ (44,344)
Brokered CD (FDIC #34404)	\$ 249,000	\$ 247,805	\$ 243,771	\$ (5,229)
Brokered CD (FDIC #16022)	\$ 247,000	\$ 246,736	\$ 245,948	\$ (1,052)
Brokered CD (FDIC #8120)	\$ 247,000	\$ 246,634	\$ 245,656	\$ (1,344)
Brokered CD (FDIC #33954)	\$ 256,586	\$ 250,942	\$ 248,934	\$ (7,652)
Brokered CD (FDIC #4297)	\$ 256,481	\$ 250,942	\$ 248,934	\$ (7,547)
Brokered CD (FDIC #34953)	\$ 249,000	\$ 248,719	\$ 247,894	\$ (1,106)
Brokered CD (NCUA #17587)	\$ 247,000	\$ 246,862	\$ 246,089	\$ (911)
Brokered CD (FDIC #845)	\$ 249,187	\$ 248,938	\$ 248,851	\$ (336)
Brokered CD (FDIC #35141)	\$ 249,000	\$ 248,706	\$ 247,865	\$ (1,135)
FFCB Note (3133EMHE5)	\$ 1,500,000	\$ 1,497,825	\$ 1,488,285	\$ (11,715)
FFCB Note (3133EMCU4)	\$ 2,000,000	\$ 1,999,620	\$ 1,989,200	\$ (10,800)
Brokered CD (FDIC #32992)	\$ 244,201	\$ 240,689	\$ 240,024	\$ (4,177)
Brokered CD (FDIC #17739)	\$ 240,204	\$ 239,866	\$ 239,477	\$ (727)
Brokered CD (FDIC #148)	\$ 245,000	\$ 244,691	\$ 244,045	\$ (956)
Brokered CD (FDIC #58979)	\$ 246,000	\$ 245,304	\$ 243,798	\$ (2,202)
Brokered CD (NCUA #619)	\$ 246,000	\$ 245,336	\$ 243,914	\$ (2,086)
Frost Bank Jumbo CD	\$ 1,502,400	\$ 1,502,400	\$ 1,502,400	\$ -
Brokered CD (FDIC #19008)	\$ 249,000	\$ 248,293	\$ 246,273	\$ (2,727)
Brokered CD (FDIC #57742)	\$ 249,000	\$ 248,295	\$ 246,288	\$ (2,712)
Brokered CD (FDIC #57873)	\$ 249,000	\$ 248,133	\$ 246,156	\$ (2,844)
Brokered CD (#33539)	\$ 249,000	\$ 248,064	\$ 245,131	\$ (3,869)
Brokered CD (#12858)	\$ 248,000	\$ 246,700	\$ 243,858	\$ (4,142)
Total	\$ 16,257,052	\$ 15,227,920	\$ 16,118,256	\$ (138,797)

APPENDIX

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.

Predictably, the fixed income market's recent turn upward would lead most of the City's securities, purchased at lower yields, to be uncompetitive and therefore not particularly marketable as secondary securities. This means the City would likely realize a loss in the event any security needs to be liquidated. However, as stated above, this is not a likely scenario.



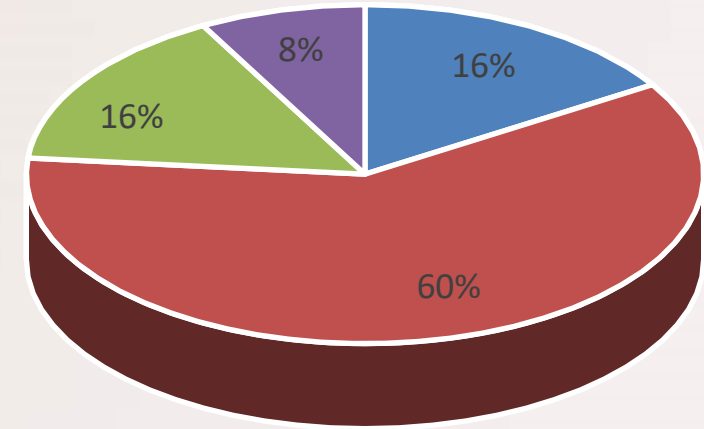
Quarterly Investment Report **2nd Q, FY2022**

June 7, 2022

Cash Position Overview



Total	31-Dec	31-Mar	Change
Operating	\$ 28,671,524	\$33,067,799	\$ 4,396,275
Capital	\$ 27,038,252	\$28,127,203	\$ 1,088,951
Special Revenue	\$ 7,185,693	\$ 7,129,625	\$ (56,068)
Debt	\$ 1,127,367	\$ 915,991	\$ (211,377)
Total	\$ 64,022,836	\$69,240,618	\$ 5,217,782



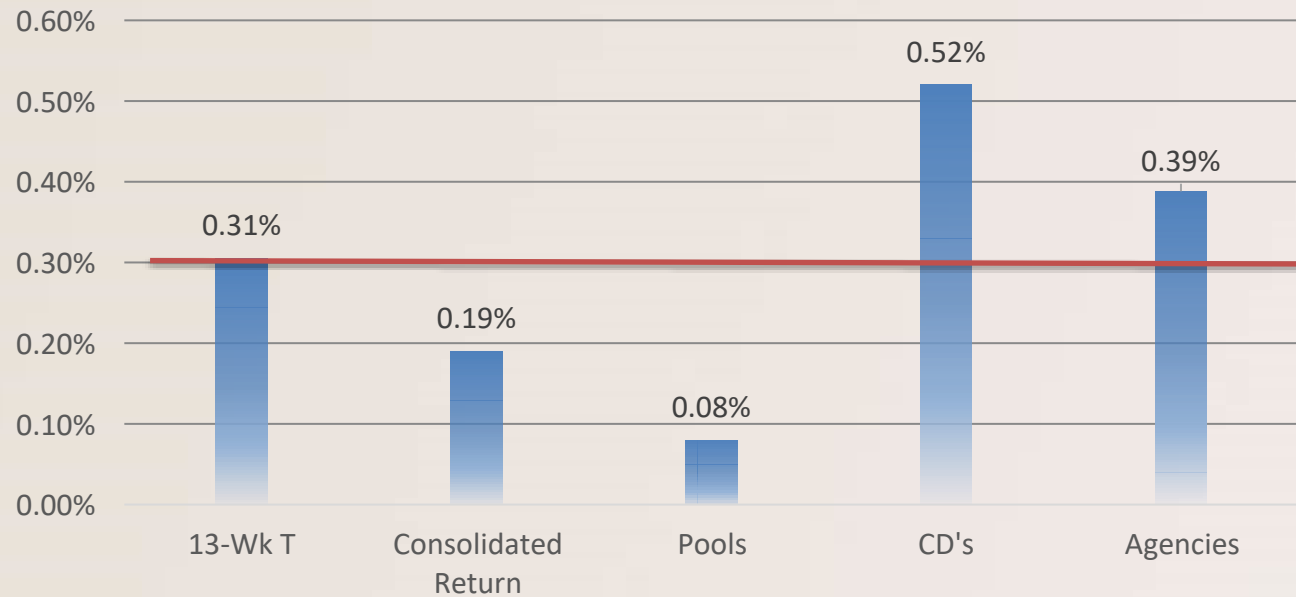
■ Cash/Sweep ■ Pools ■ CD/CDARS ■ Agencies

Where is Colleyville's cash?	12/31/2021	3/31/2022	Change	Weighted Maturity	
Cash/ Equivalents	Cash	\$ 16,476,222	\$ 11,170,734	\$ (5,305,488)	Liquid
	Sweep Account	\$ -	\$ -	\$ -	Liquid
	LOGIC (CP Permiss.)	\$ 2,496,508	\$ 2,497,586	\$ 1,077	Liquid
	Other Gov't Pools	\$ 27,307,582	\$ 39,315,245	\$ 12,007,663	Liquid
	Subtotal	\$ 46,280,313	\$ 52,983,565	\$ 6,703,253	
Bonds/CDs/Agencies	CD's	\$ 12,242,273	\$ 10,756,803	\$ (1,485,471)	328 days
	CDARS	\$ -	\$ -	\$ -	0 days
	Agencies	\$ 5,500,250	\$ 5,500,250	\$ -	367 days
	Subtotal	\$ 17,742,523	\$ 16,257,052	\$ (1,485,471)	341 days
Total Resources	\$ 64,022,836	\$ 69,240,618	\$ 5,217,782		

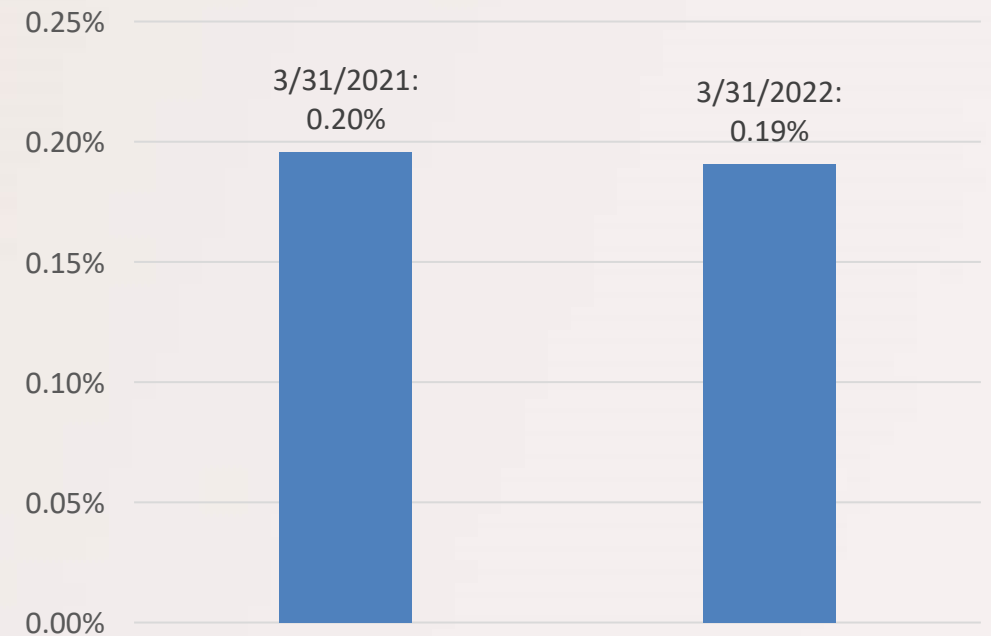
Return Summary



SECOND QUARTER, FY22



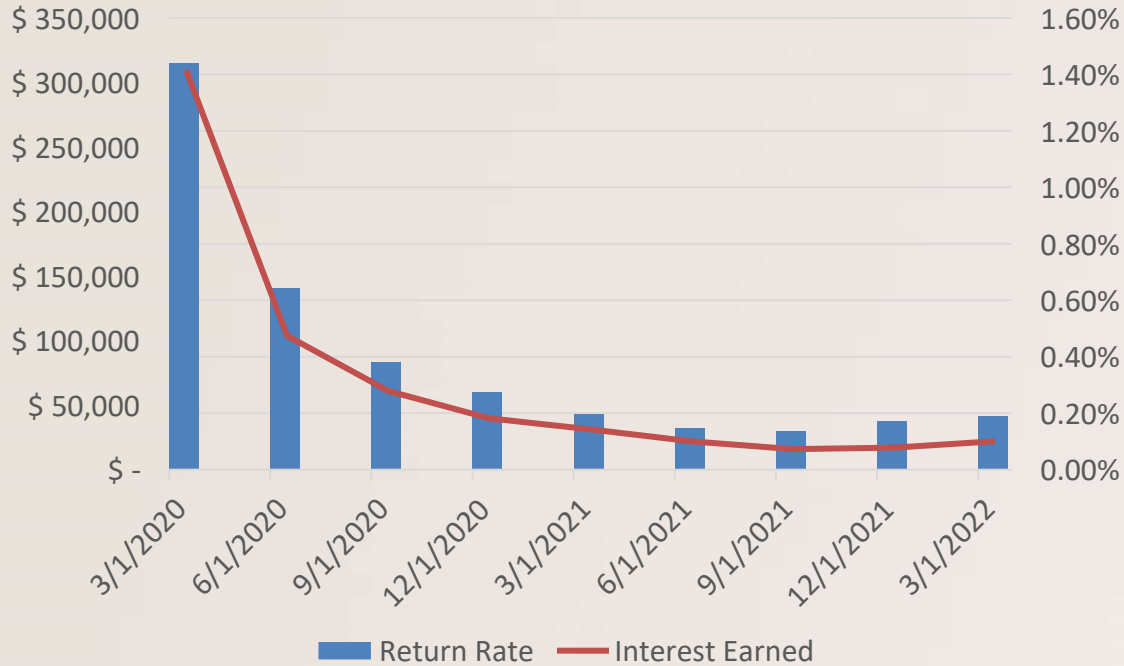
Rate of Return



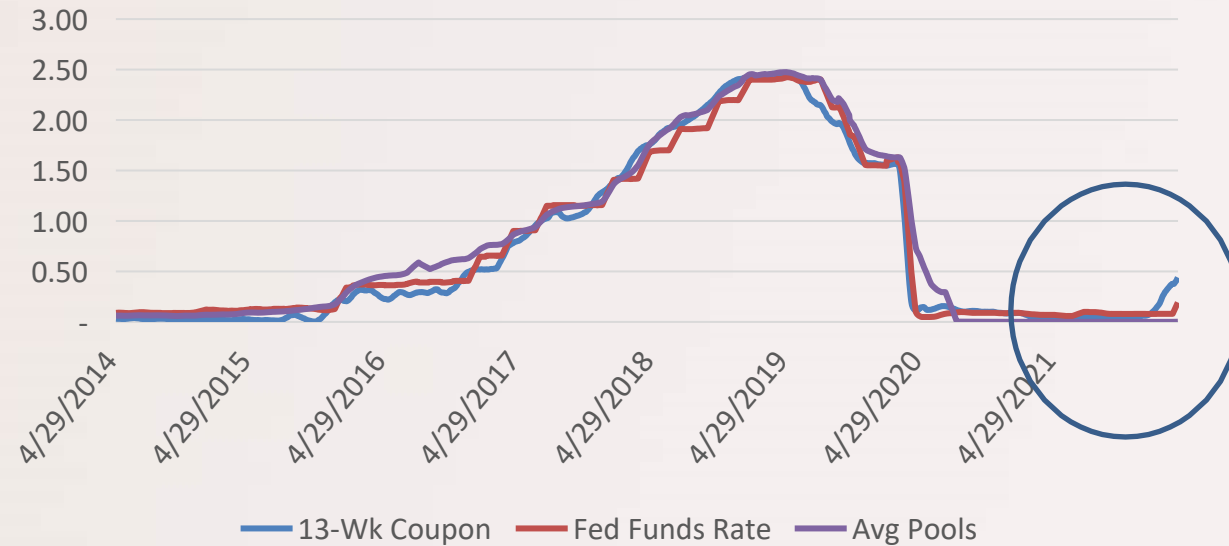
Return Summary



Historical Return



Influence of Federal Funds Rate on Fixed Income Market



Mark-to-Market



Public Funds Investment Act Requirement

Mark-to-Market: A snapshot of what our investments would sell at compared to what we purchased them for.

- Purpose is to show our overall portfolio value
- We hold our investments until maturity (“buy and hold” strategy)
- Gains and losses shown in this analysis are unrealized
- Higher fixed income yields in market than most of our portfolio makes them difficult to sell as secondary securities

Value at Purchase	03/31 Value	Total Gain (loss) on Purchase Price
\$ 16,257,052	\$ 16,118,256	(\$ 138,797)

Questions/Comments