



**CITY OF COLLEYVILLE**  
**AUDIT COMMITTEE AGENDA**  
100 Main Street, Colleyville, Texas, 76034 **City**  
**Manager's Conference Room - Third Floor**

---

**TUESDAY, NOVEMBER 21, 2023 - 5:15 PM**

---

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
  - 2a** August 15, 2023
- 3. REGULAR AGENDA ITEMS**
  - 3a** Presentation of the fourth quarter FY23 investment report
- 4. ADJOURNMENT**

I hereby certify this agenda was posted on City Hall bulletin boards *Friday, November 17, 2023* by 5:00 p.m.

Christine Loven, TRMC  
City Secretary

A quorum of any Colleyville board, commission, or committee may be present at this meeting. Any matter on this agenda may be opened for public comment and discussion at the discretion of the governing body.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1130, and reasonable accommodations will be made to assist you.



# CITY OF COLLEYVILLE AUDIT COMMITTEE MINUTES

100 Main Street, Colleyville, Texas, 76034  
City Manager's Conference Room - Third Floor

---

**TUESDAY, AUGUST 15, 2023 - 5:00 PM**

---

## **1. CALL TO ORDER**

City Secretary Christine Loven called the meeting to order at 5:05 p.m. and called the roll.

**PRESENT:** Committee members Scotty Richardson, Brandi Elder, and Chuck Kelley.

**ALSO PRESENT:** Director of Finance Kyle Lester, Accounting Manager Karen Hines, City Manager Jerry Ducay, Assistant City Manager Mark Wood, and City Secretary Christine Loven.

## **2. APPROVAL OF MINUTES**

May 2, 2023

The May 2, 2023 minutes were unanimously approved.

## **3. REGULAR AGENDA ITEMS**

**3a** Discussion of the Fiscal Year September 30, 2023, audit which will be conducted by the City's audit firm Weaver and Tidwell

Finance Director Kyle Lester stated the City had renewed the services of Weaver and Tidwell for the 2023 audit and reviewed the timelines and new GASB pronouncements for Fiscal Year 2023.

**3b** Presentation of the third quarter FY23 investment report

Finance Director Kyle Lester reviewed the third quarter investment report, the portfolio, and stated interest earnings for the quarter were \$654,679 compared to \$503,530 in the previous quarter. Director Lester noted this is reflective of a more optimistic market, anticipated Federal Reserve action, and a few maturities coming due in the last quarter.

There was discussion on the cash on hand, the CD investments and terms, and the strategy to earn as strong a yield as possible, while keeping all the funds safe.

#### **4. ADJOURNMENT**

The meeting was adjourned at 5:22 p.m.

MINUTES APPROVED ON THE 21<sup>ST</sup> DAY OF NOVEMBER 2023.

Minutes prepared:



Christine Loven, TRMC  
City Secretary



## CITY OF COLLEYVILLE AUDIT COMMITTEE BRIEFING

**Agenda Number** 3a  
**Type** Regular Agenda Items  
**Department** Finance

**Agenda Date** 11/21/2023

**Number**

**Title**

Presentation of the fourth quarter FY23 investment report

**Explanation**

Cash and Cash Equivalents (local government investment pools) totaled \$46,347,415 at the end of September 2023. Colleyville’s complete portfolio was valued at \$69,232,217, and was allocated as follows:

| <b>Instrument</b>                   | <b>Current as of<br/>9/30/2023</b> | <b>Last Quarter as<br/>of 6/30/2023</b> |
|-------------------------------------|------------------------------------|---|
| Cash                                | \$ 10,899,783                      | \$ 13,394,790                           |
| LOGIC (CP Permissible)              | \$ 2,673,686                       | \$ 2,638,003                            |
| Other Governmental Pools            | \$ 32,773,946                      | \$ 34,825,162                           |
| CD’s                                | \$ 5,920,400                       | \$ 8,274,681                            |
| CDARS                               | \$ -                               | \$ -                                    |
| Agencies                            | \$ 16,964,402                      | \$ 15,465,712                           |
| <b>Total Cash &amp; Investments</b> | <b>\$ 69,232,217</b>               | <b>\$ 74,598,349</b>                    |

| <b>Instrument</b>               | <b>Yield this quarter</b> |
|---------------------------------|---------------------------|
| LOGIC (CP Permissible)          | 5.43 %                    |
| Other Governmental Pools        | 5.275 %                   |
| CD’s                            | 3.464 %                   |
| CDARS                           | 0.00 %                    |
| Agencies                        | 4.143 %                   |
| <b>Total Consolidated Yield</b> | <b>4.88 %</b>             |

Benchmark Yield: 5.45%

Interest earnings for the quarter were \$683,782 compared to \$654,679 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 - September 2023
2. September 2023 Presentation

# City of Colleyville, TX

Quarterly Investment Report

9/30/2023



| <b>Where is Colleyville's cash?</b> |                     | <b>6/30/2023</b>     | <b>9/30/2023</b>     | <b>Change</b>         | <b>Weighted Maturity</b> |
|-------------------------------------|---------------------|----------------------|----------------------|-----------------------|--------------------------|
| Cash/<br>Equivalents                | Cash                | \$ 13,394,790        | \$ 10,899,783        | \$ (2,495,007)        | Liquid                   |
|                                     | Sweep Account       | \$ -                 | \$ -                 | \$ -                  | Liquid                   |
|                                     | LOGIC (CP Permiss.) | \$ 2,638,003         | \$ 2,673,686         | \$ 35,683             | Liquid                   |
|                                     | Other Gov't Pools   | \$ 34,825,162        | \$ 32,773,946        | \$ (2,051,216)        | Liquid                   |
|                                     | <b>Subtotal</b>     | <b>\$ 50,857,955</b> | <b>\$ 46,347,415</b> | <b>\$ (4,510,540)</b> |                          |
| Bonds/CDs/Ag<br>encies              | CD's                | \$ 8,274,681         | \$ 5,920,400         | \$ (2,354,281)        | 232 days                 |
|                                     | CDARS               | \$ -                 | \$ -                 | \$ -                  | 0 days                   |
|                                     | Agencies            | \$ 15,465,712        | \$ 16,964,402        | \$ 1,498,690          | 208 days                 |
|                                     | <b>Subtotal</b>     | <b>\$ 23,740,394</b> | <b>\$ 22,884,802</b> | <b>\$ (855,591)</b>   | <b>214 days</b>          |
| <b>Total Resources</b>              |                     | <b>\$ 74,598,349</b> | <b>\$ 69,232,217</b> | <b>\$ (5,366,132)</b> |                          |

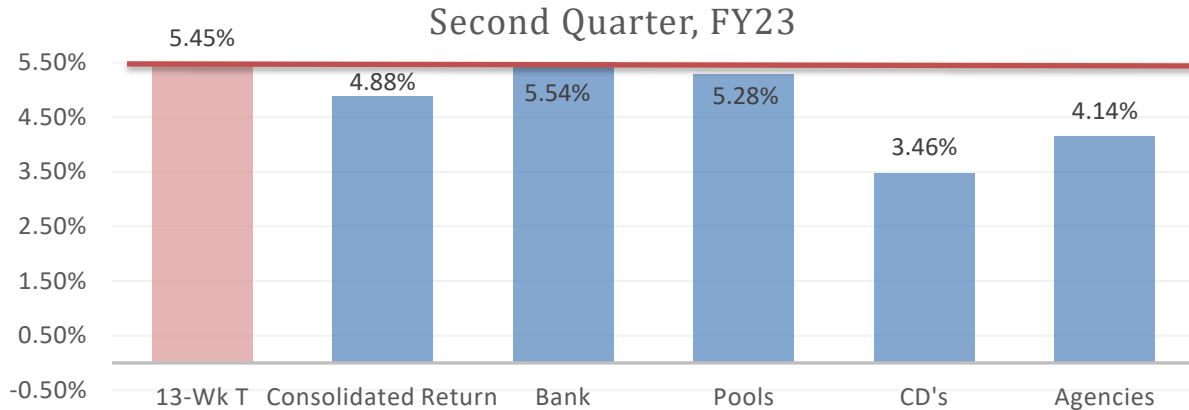
**Investments on the move...**

The fourth quarter of FY23 showed a predictable decrease in total resources from June, as the bulk of the City's revenue had been received earlier in the year and payroll finished for the year. Importantly, you can note a continued shift from actual cash resources to agency investments as cash resources have allowed. In total, the City had \$1.75m in CD's mature with a weighted average maturity of 310 days and a consolidated return of 3.78%. These maturities and other available cash enabled staff to invest almost \$3.5m total in two CD's and two lucrative U.S. Government-backed agency notes for an average annual return of 5.36% and a weighted average maturity of almost 290 days. With a total of \$5.3 million maturing in calendar 2023, the City will have ample opportunity to reach back out to the market. These moves will continue to pull the City's consolidated return closer to our benchmark.

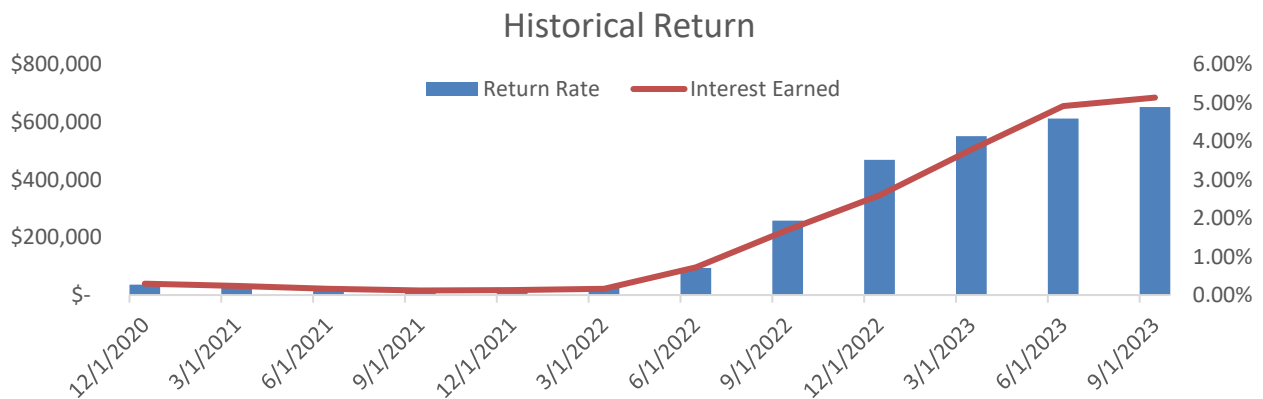
| <b>Diversity Snapshot vs. Policy Requirements</b> |                   |                  |                  | Criteria Met? |
|---|-------------------|------------------|------------------|---------------|
|   | <b>Policy Max</b> | <b>6/30/2023</b> | <b>9/30/2023</b> |               |
| U.S. Treasuries                                   | 100%              | 0%               | 0%               | ✔             |
| U.S. Agencies                                     | 75%               | 21%              | 25%              | ✔             |
| CD's  | 75%               | 11%              | 9%               | ✔             |
| Local Gov't Pools                                 | 75%               | 50%              | 51%              | ✔             |
| CDARS   | 75%               | 0%               | 0%               | ✔             |
| Tri-Pty Repurchase                                | 75%               | 0%               | 0%               | ✔             |
| SEC Registered, No-Load Mutual Funds              | 10%               | 0%               | 0%               | ✔             |
| Cash/Sweep  | N/A               | 18%              | 16%              |               |

## How do our returns compare?

Benchmark = 13-Week Treasury



The City's total consolidated return was 4.88% as of September 30, 2023, representing a continued increase from a consolidated return of 4.58% last quarter. With the Federal Reserve's high interbank borrowing rate, this will be the sixth quarter our return lags behind the 13-week treasury rate, as pool rates are still catching up and the City is allowing its older, lower interest-bearing investments to mature. This tends to be a characteristic of a starkly rising rate market for portfolios that hold their investments to maturity. As of the date of this report, it is not uncommon to see shorter-term securities (1 - 3 years) pushing into the 530-560 basis point range and holding steady. As older and weaker investments mature, staff will continue to take advantage of higher market rates. Funds dedicated to capital improvement projects will need to remain readily available while excess operating cash can be invested in shorter-term instruments with favorably returns. The City is expected to remain in a lower cash position through the first quarter of fiscal year 2024, but that will reverse once property tax receipts hit in December/January.



Before the recent downturn Colleyville's investment returns had been climbing steadily since 2016, primary due to more active investment practices. Although we are coming out of a down-cycle in terms of returns, until the last year 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.

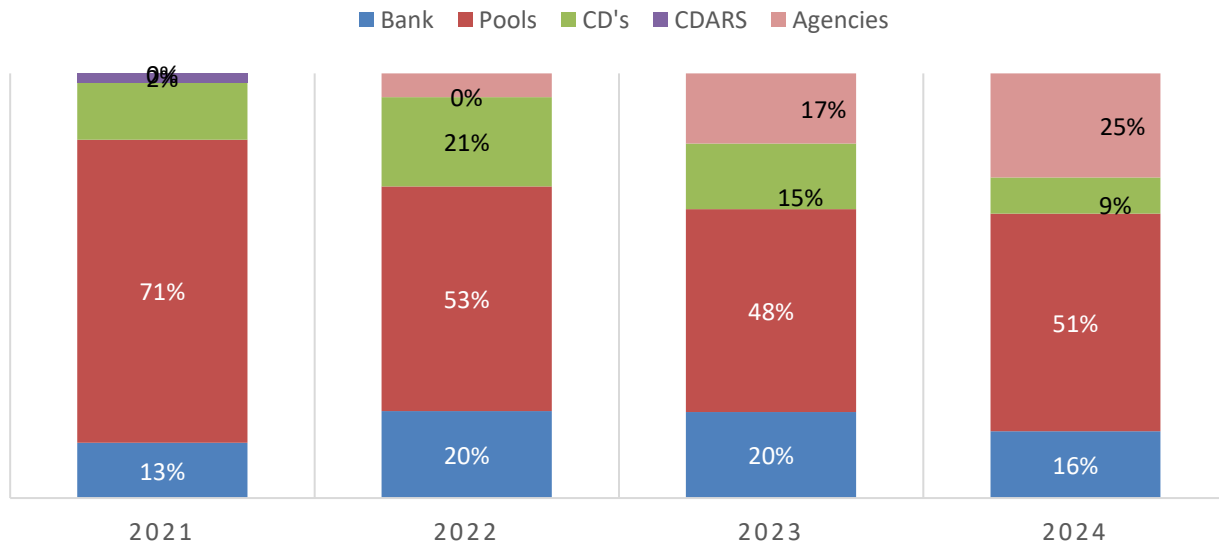
### What have we earned the past three months? For the past year?

| Current Total |                         | Quarterly Average |                         |
|---------------|-------------------------|-------------------|-------------------------|
| 6/30/2023     | <b>\$683,782; 4.88%</b> | 9/30/2022         | <b>\$546,742; 4.28%</b> |
| Thru          |                         |                   |                         |
| 9/30/2023     |                         |                   |                         |

Compared to the average quarterly return for the past 12 months, the most recent quarter is showing a significant increase in the rate of return, led by recent maturities and reinvestments placed in the past few months. As noted, fixed-income rates have climbed amidst the actions from the Federal Reserve and appear to be sitting well above the 500-basis point range pretty consistently. As noted previously, staff has been able to capitalize on these higher yields, although the City's liquidity needs to remain relatively high at this time. Federal agency debt has been particularly attractive as of late. As always, we will need to balance investments with our robust 5-year capital improvement plan. Staff will always monitor the market and manage Colleyville's portfolio with emphasis on diversity and cash-flow needs.

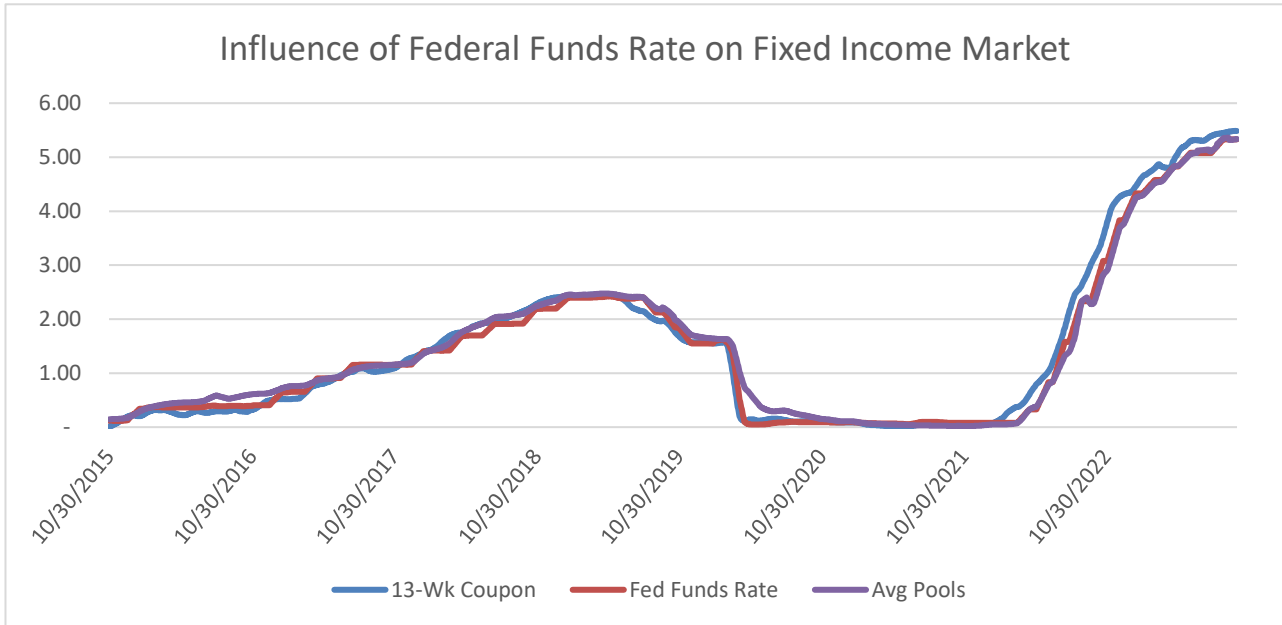
### How has our portfolio changed over time?

#### PORTFOLIO COMPOSITION



As the graph above shows, the City's portfolio makeup has changed substantially over the years. For one, 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. Certificates of Deposit were particularly attractive during the pandemic years, with agencies also resurging within the last twelve months. While money stored in government pools isn't earning as high as our treasury benchmark as of late, it does have the benefit of a decent return market while also being considered "liquid", as the City can withdraw its funds within 24 hours in most cases. Regardless, all recent investments that have been placed recently have well outpaced our 13-week treasury benchmark and mature within 1-2 years.

### 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 inflation and recessionary fears have prompted the Federal Reserve to drastically increase it, most recently by a quarter of a percent to between 5% and 5.25%. With inflationary pressures continuing and a potential (mild) recession coming later in 2023, further rate hikes are decreasing in probability, at least at their previous levels. Regardless, it is possible for the interbank borrowing rate to reach a height not seen since mid-2007. Staff will continue to monitor this metric as the year continues.

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](mailto:klester@colleyville.com)

Also included:

Maturities/Purchases

Investment Listing

Mark-to-Market

Signed:

## APPENDIX

**What has matured in the last 12 months?**

| <b>Investment</b>         | <b>Purch Price</b>  | <b>Maturity Date</b> | <b>Length</b> | <b>Yield to Maturity</b> | <b>Total Return</b> |
|---------------------------|---------------------|----------------------|---------------|--------------------------|---------------------|
| Brokered CD (FDIC #33954) | \$ 256,586          | 10/12/2022           | 1.81          | 0.20%                    | \$ 927              |
| Brokered CD (FDIC #4297)  | \$ 256,481          | 10/12/2022           | 1.81          | 0.20%                    | \$ 926              |
| Brokered CD (NCUA #17587) | \$ 247,000          | 10/28/2022           | 2.00          | 0.25%                    | \$ 1,233            |
| Brokered CD (FDIC #16022) | \$ 247,000          | 11/9/2022            | 2.00          | 0.20%                    | \$ 988              |
| Brokered CD (FDIC #34953) | \$ 249,000          | 11/16/2022           | 2.00          | 0.20%                    | \$ 996              |
| Brokered CD (FDIC #35141) | \$ 249,000          | 11/21/2022           | 2.00          | 0.20%                    | \$ 997              |
| Brokered CD (FDIC #8120)  | \$ 247,000          | 12/23/2022           | 2.00          | 0.20%                    | \$ 988              |
| Brokered CD (NCUA #619)   | \$ 246,000          | 2/13/2023            | 1.98          | 0.15%                    | \$ 730              |
| Brokered CD (FDIC #58979) | \$ 246,000          | 2/21/2023            | 2.01          | 0.15%                    | \$ 740              |
| Brokered CD (FDIC #19008) | \$ 249,000          | 3/30/2023            | 2.00          | 0.20%                    | \$ 996              |
| Brokered CD (FDIC #57742) | \$ 249,000          | 3/30/2023            | 2.00          | 0.20%                    | \$ 996              |
| Brokered CD (FDIC #57873) | \$ 249,000          | 3/31/2023            | 2.00          | 0.15%                    | \$ 747              |
| Brokered CD (FDIC #628)   | \$ 249,000          | 3/31/2023            | 1.00          | 1.00%                    | \$ 2,490            |
| Brokered CD (FDIC #14029) | \$ 250,000          | 5/15/2023            | 0.50          | 4.40%                    | \$ 5,485            |
| Brokered CD (FDIC #12858) | \$ 248,000          | 6/29/2023            | 2.00          | 0.15%                    | \$ 744              |
| Brokered CD (FDIC #68722) | \$ 250,000          | 6/29/2023            | 1.00          | 2.95%                    | \$ 7,375            |
| Brokered CD (FDIC #33539) | \$ 249,000          | 6/30/2023            | 2.00          | 0.25%                    | \$ 1,245            |
| Brokered CD (FDIC #66364) | \$ 250,000          | 7/13/2023            | 1.00          | 3.00%                    | \$ 7,500            |
| FHLB Note (3130ASHY8)     | \$ 500,000          | 7/14/2023            | 1.00          | 3.25%                    | \$ 16,250           |
| FFCB Note (3133ENV98)     | \$ 500,000          | 7/26/2023            | 0.72          | 4.67%                    | \$ 16,889           |
| Brokered CD (FDIC #33124) | \$ 250,000          | 7/28/2023            | 2.03          | 0.25%                    | \$ 1,271            |
| Brokered CD (FDIC #34395) | \$ 250,000          | 8/10/2023            | 0.50          | 4.70%                    | \$ 5,827            |
| Brokered CD (FDIC #33849) | \$ 250,000          | 8/10/2023            | 0.50          | 4.70%                    | \$ 5,827            |
| <b>Total Matured</b>      | <b>\$ 6,237,066</b> |                      |               | <b>1.58%</b>             | <b>\$ 82,166</b>    |

**APPENDIX**

**What have we purchased within the last 12 months?**

| <b>Investment</b>         | <b>Purch Price</b> | <b>Purchase Date</b> | <b>Maturity Date</b> | <b>Yield to Maturity</b> | <b>Total Return</b> |
|---------------------------|--------------------|----------------------|----------------------|--------------------------|---------------------|
| FHLB Note (3130ATE37)     | \$ 1,500,000       | 9/29/2022            | 9/29/2023            | 4.15%                    | \$ 62,250           |
| FHLB Note (3130ATKC0)     | \$ 1,000,000       | 10/3/2022            | 1/26/2024            | 4.63%                    | \$ 60,822           |
| FHLB Note (3130ATK63)     | \$ 1,000,000       | 10/3/2022            | 7/25/2024            | 4.88%                    | \$ 88,284           |
| Brokered CD (FDIC #32992) | \$ 249,000         | 10/14/2022           | 10/14/2024           | 4.40%                    | \$ 21,942           |
| Brokered CD (FDIC #29546) | \$ 249,000         | 10/21/2022           | 10/21/2024           | 4.40%                    | \$ 21,942           |
| FFCB Note (3133ENV98)     | \$ 500,000         | 11/4/2022            | 7/26/2023            | 4.67%                    | \$ 16,889           |
| Brokered CD (FDIC #57512) | \$ 250,000         | 11/14/2022           | 5/15/2023            | 4.40%                    | \$ 5,485            |
| FHLMC Note (3134GX7F5)    | \$ 500,000         | 11/28/2022           | 5/23/2024            | 5.15%                    | \$ 38,237           |
| Brokered CD (NCUA #4584)  | \$ 250,000         | 12/16/2022           | 12/18/2023           | 5.10%                    | \$ 12,820           |
| Brokered CD (FDIC #61800) | \$ 248,000         | 12/19/2022           | 10/19/2023           | 4.85%                    | \$ 10,018           |
| Brokered CD (NCUA #1040)  | \$ 250,000         | 12/22/2022           | 12/23/2024           | 5.20%                    | \$ 26,071           |
| FNMA Note (3135GADK4)     | \$ 1,000,600       | 12/28/2022           | 12/27/2023           | 5.00%                    | \$ 49,893           |
| Brokered CD (NCUA #857)   | \$ 250,000         | 2/8/2023             | 2/8/2024             | 5.00%                    | \$ 12,500           |
| Brokered CD (FDIC #34395) | \$ 250,000         | 2/10/2023            | 8/10/2023            | 4.70%                    | \$ 5,827            |
| Brokered CD (FDIC #33849) | \$ 250,000         | 2/10/2023            | 8/10/2023            | 4.70%                    | \$ 5,827            |
| FHLB Note (3130AURL0)     | \$ 1,000,000       | 2/13/2023            | 2/13/2024            | 4.80%                    | \$ 48,000           |
| FHLB Note (3130AUZ23)     | \$ 1,000,000       | 3/1/2023             | 3/1/2024             | 5.25%                    | \$ 52,644           |
| FHLB Note (3130AV3D2)     | \$ 1,000,000       | 3/6/2023             | 9/6/2024             | 5.45%                    | \$ 82,123           |
| Brokered CD (FDIC #24045) | \$ 243,000         | 5/19/2023            | 11/19/2024           | 5.20%                    | \$ 19,041           |
| FHLMC Note (3134GYS52)    | \$ 500,350         | 5/22/2023            | 5/16/2025            | 5.35%                    | \$ 53,171           |
| Brokered CD (FDIC #26610) | \$ 237,000         | 5/26/2023            | 5/24/2024            | 5.20%                    | \$ 12,290           |
| Brokered CD (FDIC #66399) | \$ 248,000         | 5/26/2023            | 7/26/2024            | 5.15%                    | \$ 14,941           |
| Brokered CD (FDIC #24923) | \$ 248,000         | 5/26/2023            | 11/26/2024           | 5.15%                    | \$ 19,245           |
| FHLB Note (3130AWAK6)     | \$ 1,000,000       | 5/30/2023            | 5/28/2025            | 5.51%                    | \$ 110,049          |
| FHLB Note (3130AQ3X9)     | \$ 1,499,400       | 8/10/2023            | 4/26/2024            | 5.34%                    | \$ 57,035           |
| FHLB Note (3130AVT44)     | \$ 999,290         | 9/8/2023             | 5/22/2024            | 5.40%                    | \$ 37,995           |
| Simmons Bank CD           | \$ 700,000         | 9/12/2023            | 9/12/2024            | 5.20%                    | \$ 36,500           |
| Brokered CD (FDIC #60801) | \$ 248,000         | 9/13/2023            | 9/13/2024            | 5.75%                    | \$ 14,299           |

|                                  |                      |  |                 |              |                   |
|----------------------------------|----------------------|--|-----------------|--------------|-------------------|
| <b>Total Purchased</b>           | <b>\$ 16,669,640</b> |  |                 | <b>5.01%</b> | <b>\$ 996,139</b> |
| <b>Weighted Average Maturity</b> |                      |  | <b>433 days</b> |              |                   |

## APPENDIX

## Full Investment Listing

| Investment                  | Purch Price  | Purchase Date | Maturity Date | Yield to Maturity | Total Return |
|-----------------------------|--------------|---------------|---------------|-------------------|--------------|
| Brokered CD (FDIC/NCUA #618 | \$ 248,000   | 12/19/2022    | 10/19/2023    | 4.850%            | \$ 10,018    |
| Brokered CD (FDIC/NCUA #857 | \$ 250,000   | 2/8/2023      | 2/8/2024      | 5.000%            | \$ 12,500    |
| Brokered CD (FDIC/NCUA #663 | \$ 248,000   | 5/26/2023     | 7/26/2024     | 5.100%            | \$ 14,796    |
| Brokered CD (FDIC/NCUA #240 | \$ 243,000   | 5/19/2023     | 11/19/2024    | 5.10%             | \$ 18,674    |
| Brokered CD (FDIC/NCUA #227 | \$ 249,000   | 9/24/2021     | 3/29/2024     | 0.40%             | \$ 2,502     |
| Brokered CD (FDIC/NCUA #344 | \$ 249,000   | 9/24/2021     | 9/29/2023     | 0.30%             | \$ 1,504     |
| Brokered CD (FDIC/NCUA #608 | \$ 248,000   | 9/13/2023     | 9/13/2024     | 5.75%             | \$ 14,299    |
| Brokered CD (FDIC/NCUA #266 | \$ 237,000   | 5/26/2023     | 5/24/2024     | 5.10%             | \$ 12,054    |
| Brokered CD (FDIC/NCUA #458 | \$ 250,000   | 12/16/2022    | 12/18/2023    | 5.10%             | \$ 12,820    |
| Brokered CD (FDIC/NCUA #329 | \$ 249,000   | 10/14/2022    | 10/14/2024    | 4.400%            | \$ 21,942    |
| Simmons Jumbo CD            | \$ 700,000   | 9/12/2023     | 9/12/2024     | 5.20%             | \$ 36,500    |
| Frost Bank Jumbo CD         | \$ 1,502,400 | 2/25/2022     | 2/25/2024     | 1.51%             | \$ 45,372    |
| Brokered CD (FDIC/NCUA #274 | \$ 250,000   | 3/2/2022      | 3/4/2024      | 1.60%             | \$ 8,033     |
| Brokered CD (FDIC/NCUA #325 | \$ 250,000   | 3/9/2022      | 3/6/2024      | 1.50%             | \$ 7,479     |
| Brokered CD (FDIC/NCUA #295 | \$ 249,000   | 10/21/2022    | 10/21/2024    | 4.40%             | \$ 21,942    |
| Brokered CD (FDIC/NCUA #663 | \$ 248,000   | 5/26/2023     | 11/26/2024    | 5.20%             | \$ 19,432    |
| Brokered CD (FDIC/NCUA #104 | \$ 250,000   | 12/22/2022    | 12/23/2024    | 5.20%             | \$ 26,071    |
| FHLB Note (3130AURL0)       | \$ 1,000,000 | 2/13/2023     | 2/13/2024     | 4.80%             | \$ 48,000    |
| FHLB Note (3130AUZ23        | \$ 1,000,000 | 3/1/2023      | 3/1/2024      | 5.25%             | \$ 52,644    |
| FHLB Note (3130AV3D2)       | \$ 1,000,000 | 3/6/2023      | 9/6/2024      | 5.45%             | \$ 82,123    |
| FHLMC Note (3134GYS52)      | \$ 500,350   | 5/22/2023     | 5/16/2025     | 5.35%             | \$ 53,171    |
| FNMA Note (3135GADK4)       | \$ 1,000,300 | 12/28/2022    | 12/27/2023    | 5.00%             | \$ 49,878    |
| FHLB Note (3130ATKC0)       | \$ 1,000,000 | 10/3/2022     | 1/26/2024     | 4.63%             | \$ 60,822    |
| FHLB Note (3130AQ3X9)       | \$ 2,000,062 | 12/22/2021    | 12/22/2023    | 0.75%             | \$ 30,001    |
| FHLB Note (3130ATE37)       | \$ 1,500,000 | 9/29/2022     | 9/29/2023     | 4.15%             | \$ 62,250    |
| FHLB Note (3130AVJN3)       | \$ 1,499,400 | 8/10/2023     | 4/26/2024     | 5.34%             | \$ 57,035    |
| FHLB Note (3130ARLC3)       | \$ 1,000,000 | 4/25/2022     | 4/25/2024     | 2.63%             | \$ 52,572    |
| FHLB Note (3130ARP54)       | \$ 450,000   | 4/29/2022     | 4/29/2024     | 2.70%             | \$ 24,333    |
| FHLB Note (3131ARVT5)       | \$ 1,000,000 | 5/17/2022     | 5/17/2024     | 3.00%             | \$ 60,082    |
| FHLB Note (3130ARV65)       | \$ 515,000   | 5/20/2022     | 5/17/2024     | 3.00%             | \$ 30,815    |
| FHLB Note (3130AWAK6)       | \$ 1,000,000 | 5/30/2023     | 5/28/2025     | 5.51%             | \$ 110,049   |
| FHLB Note (3130AVT44)       | \$ 999,290   | 9/8/2023      | 5/22/2024     | 5.40%             | \$ 37,995    |
| FHLMC Note (3134GX7F5)      | \$ 500,000   | 11/28/2022    | 5/23/2024     | 5.15%             | \$ 38,237    |
| FHLB Note (3130ATK63)       | \$ 1,000,000 | 10/3/2022     | 7/25/2024     | 4.88%             | \$ 88,284    |

|                                  |                      |  |                 |                     |
|----------------------------------|----------------------|--|-----------------|---------------------|
| <b>Total</b>                     | <b>\$ 22,884,802</b> |  | <b>3.97%</b>    | <b>\$ 1,224,231</b> |
| <b>Weighted Average Maturity</b> |                      |  | <b>214 days</b> |                     |

## APPENDIX

| Mark-to-Market<br>Investment | Initial Value        | 6/30/2023            | 9/30/2023            | Unrealized                 |
|------------------------------|----------------------|----------------------|----------------------|----------------------------|
|                              |                      | Market Value         | Market Value         | Gain/(Loss) since Purchase |
| Brokered CD (FDIC/NCUA #618  | \$ 248,000           | \$ 247,665           | \$ 247,928           | \$ (72)                    |
| Brokered CD (FDIC/NCUA #857  | \$ 250,000           | \$ 249,520           | \$ 249,603           | \$ (398)                   |
| Brokered CD (FDIC/NCUA #663  | \$ 248,000           | \$ 247,154           | \$ 247,038           | \$ (962)                   |
| Brokered CD (FDIC/NCUA #240  | \$ 243,000           | \$ 242,150           | \$ 241,700           | \$ (1,300)                 |
| Brokered CD (FDIC/NCUA #227  | \$ 249,000           | \$ 239,986           | \$ 242,807           | \$ (6,193)                 |
| Brokered CD (FDIC/NCUA #344  | \$ 249,000           | \$ 245,892           | \$ 248,031           | \$ (969)                   |
| Brokered CD (FDIC/NCUA #608  | \$ 248,000           | N/A                  | \$ 248,154           | \$ 154                     |
| Brokered CD (FDIC/NCUA #266  | \$ 237,000           | \$ 236,467           | \$ 236,325           | \$ (675)                   |
| Brokered CD (FDIC/NCUA #458  | \$ 250,000           | \$ 249,770           | \$ 249,813           | \$ (188)                   |
| Brokered CD (FDIC/NCUA #329  | \$ 249,000           | \$ 245,728           | \$ 245,768           | \$ (3,232)                 |
| Simmons Jumbo CD             | \$ 700,000           | N/A                  | \$ 700,000           | \$ -                       |
| Frost Bank Jumbo CD          | \$ 1,502,400         | \$ 1,502,400         | \$ 1,500,000         | \$ (2,400)                 |
| Brokered CD (FDIC/NCUA #274  | \$ 250,000           | \$ 243,805           | \$ 245,213           | \$ (4,787)                 |
| Brokered CD (FDIC/NCUA #325  | \$ 250,000           | \$ 243,536           | \$ 245,736           | \$ (4,264)                 |
| Brokered CD (FDIC/NCUA #295  | \$ 249,000           | \$ 245,671           | \$ 245,698           | \$ (3,302)                 |
| Brokered CD (FDIC/NCUA #663  | \$ 248,000           | \$ 247,154           | \$ 246,527           | \$ (1,473)                 |
| Brokered CD (FDIC/NCUA #104  | \$ 250,000           | \$ 249,108           | \$ 248,600           | \$ (1,400)                 |
| FHLB Note (3130AURL0)        | \$ 1,000,000         | \$ 995,780           | \$ 997,260           | \$ (2,740)                 |
| FHLB Note (3130AUZ23         | \$ 1,000,000         | \$ 996,750           | \$ 998,750           | \$ (1,250)                 |
| FHLB Note (3130AV3D2)        | \$ 1,000,000         | \$ 994,450           | \$ 996,260           | \$ (3,740)                 |
| FHLMC Note (3134GYS52)       | \$ 500,350           | \$ 496,215           | \$ 495,970           | \$ (4,380)                 |
| FNMA Note (3135GADK4)        | \$ 1,000,300         | \$ 997,171           | \$ 998,615           | \$ (1,685)                 |
| FHLB Note (3130ATKC0)        | \$ 1,000,000         | \$ 993,960           | \$ 997,200           | \$ (2,800)                 |
| FHLB Note (3130AQ3X9)        | \$ 2,000,062         | \$ 1,954,821         | \$ 1,979,260         | \$ (20,802)                |
| FHLB Note (3130ATE37)        | \$ 1,500,000         | \$ 1,494,930         | \$ 1,500,000         | \$ -                       |
| FHLB Note (3130AVJN3)        | \$ 1,499,400         | N/A                  | \$ 1,499,130         | \$ (270)                   |
| FHLB Note (3130ARLC3)        | \$ 1,000,000         | \$ 976,320           | \$ 983,510           | \$ (16,490)                |
| FHLB Note (3130ARP54)        | \$ 450,000           | \$ 439,488           | \$ 442,620           | \$ (7,380)                 |
| FHLB Note (3131ARVT5)        | \$ 1,000,000         | \$ 503,634           | \$ 984,070           | \$ (15,930)                |
| FHLB Note (3130ARV65)        | \$ 515,000           | \$ 503,634           | \$ 506,842           | \$ (8,158)                 |
| FHLB Note (3130AWAK6)        | \$ 1,000,000         | \$ 993,650           | \$ 993,310           | \$ (6,690)                 |
| FHLB Note (3130AVT44)        | \$ 999,290           | N/A                  | \$ 997,302           | \$ (1,988)                 |
| FHLMC Note (3134GX7F5)       | \$ 500,000           | \$ 496,650           | \$ 498,140           | \$ (1,860)                 |
| FHLB Note (3130ATK63)        | \$ 1,000,000         | \$ 991,550           | \$ 993,440           | \$ (6,560)                 |
| <b>Total</b>                 | <b>\$ 22,884,802</b> | <b>\$ 18,765,009</b> | <b>\$ 22,750,620</b> | <b>\$ (134,183)</b>        |

**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**

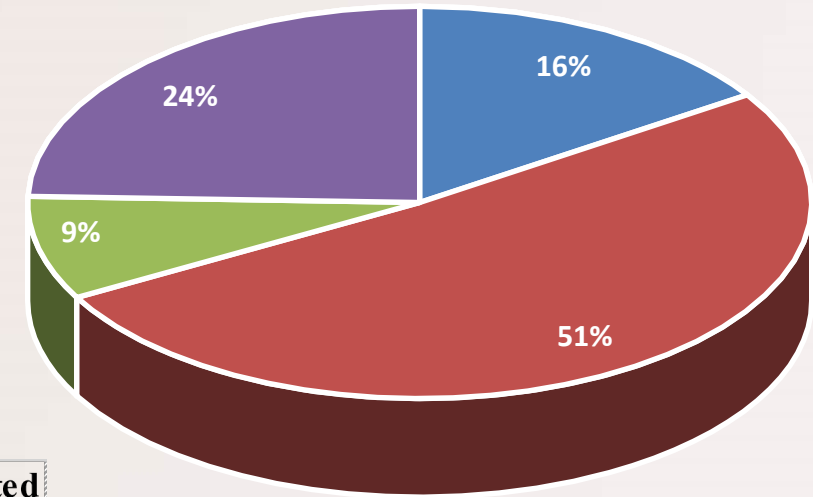
## **4<sup>th</sup> Q, 2023**

November 21, 2023

# Cash Position Overview



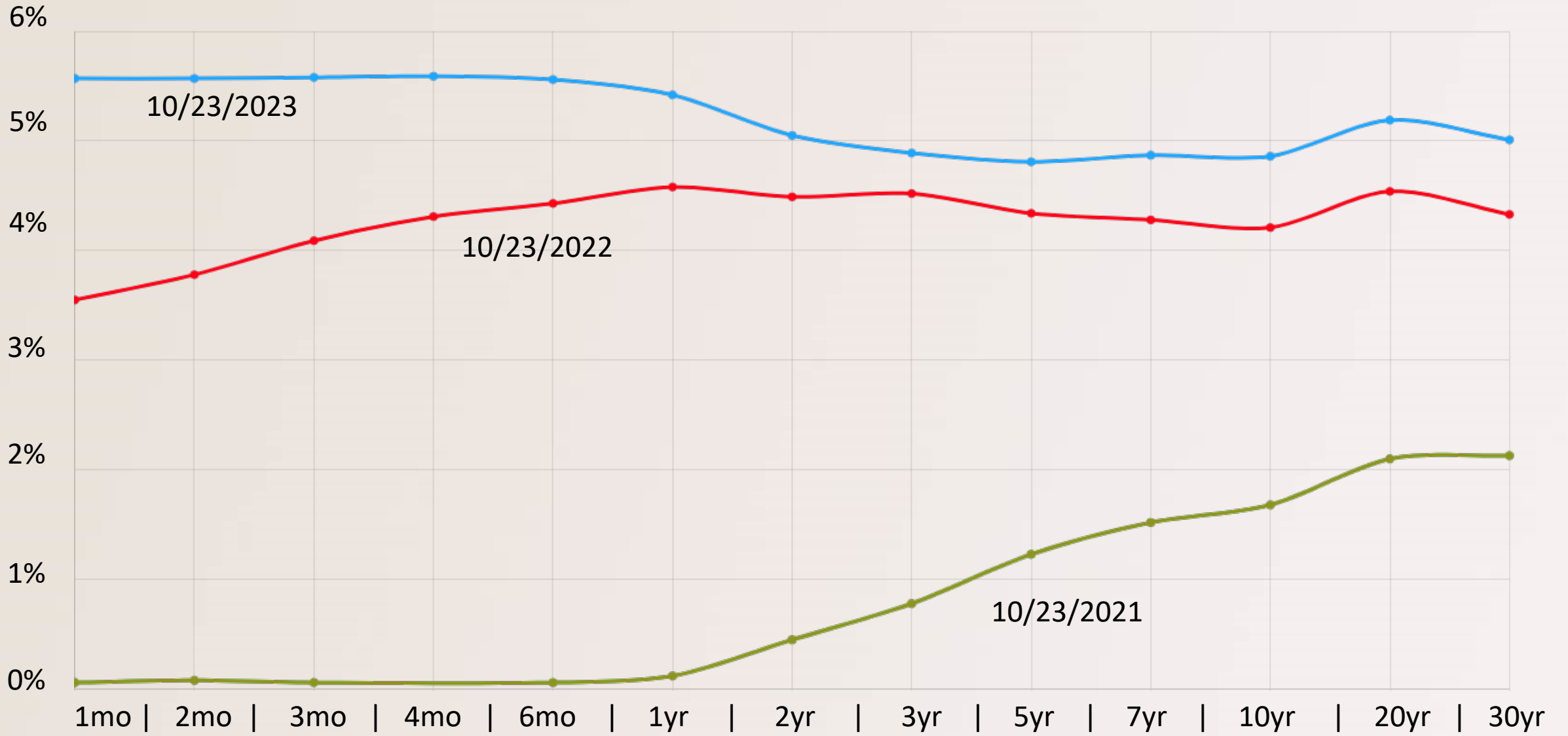
| Total           | 30-Jun               | 30-Sep               | Change                |
|-----------------|----------------------|----------------------|-----------------------|
| Operating       | \$ 37,476,104        | \$ 35,615,494        | \$ (1,860,610)        |
| Capital         | \$ 31,262,601        | \$ 27,555,309        | \$ (3,707,292)        |
| Special Revenue | \$ 5,124,942         | \$ 5,619,902         | \$ 494,960            |
| Debt            | \$ 734,701           | \$ 441,512           | \$ (293,189)          |
| <b>Total</b>    | <b>\$ 74,598,349</b> | <b>\$ 69,232,217</b> | <b>\$ (5,366,132)</b> |



| Where is Colleyville's cash? |                     | 6/30/2023            | 9/30/2023            | Change                | Weighted Maturity |
|------------------------------|---------------------|----------------------|----------------------|-----------------------|-------------------|
| Cash/<br>Equivalents         | Cash                | \$ 13,394,790        | \$ 10,899,783        | \$ (2,495,007)        | Liquid            |
|                              | Sweep Account       | \$ -                 | \$ -                 | \$ -                  | Liquid            |
|                              | LOGIC (CP Permiss.) | \$ 2,638,003         | \$ 2,673,686         | \$ 35,683             | Liquid            |
|                              | Other Gov't Pools   | \$ 34,825,162        | \$ 32,773,946        | \$ (2,051,216)        | Liquid            |
|                              | <b>Subtotal</b>     | <b>\$ 50,857,955</b> | <b>\$ 46,347,415</b> | <b>\$ (4,510,540)</b> |                   |
| Bonds/CDs/Agencies           | CD's                | \$ 8,274,681         | \$ 5,920,400         | \$ (2,354,281)        | 232 days          |
|                              | CDARS               | \$ -                 | \$ -                 | \$ -                  | 0 days            |
|                              | Agencies            | \$ 15,465,712        | \$ 16,964,402        | \$ 1,498,690          | 208 days          |
|                              | <b>Subtotal</b>     | <b>\$ 23,740,394</b> | <b>\$ 22,884,802</b> | <b>\$ (855,591)</b>   | <b>214 days</b>   |
| <b>Total Resources</b>       |                     | <b>\$ 74,598,349</b> | <b>\$ 69,232,217</b> | <b>\$ (5,366,132)</b> |                   |

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

# Yield Curve



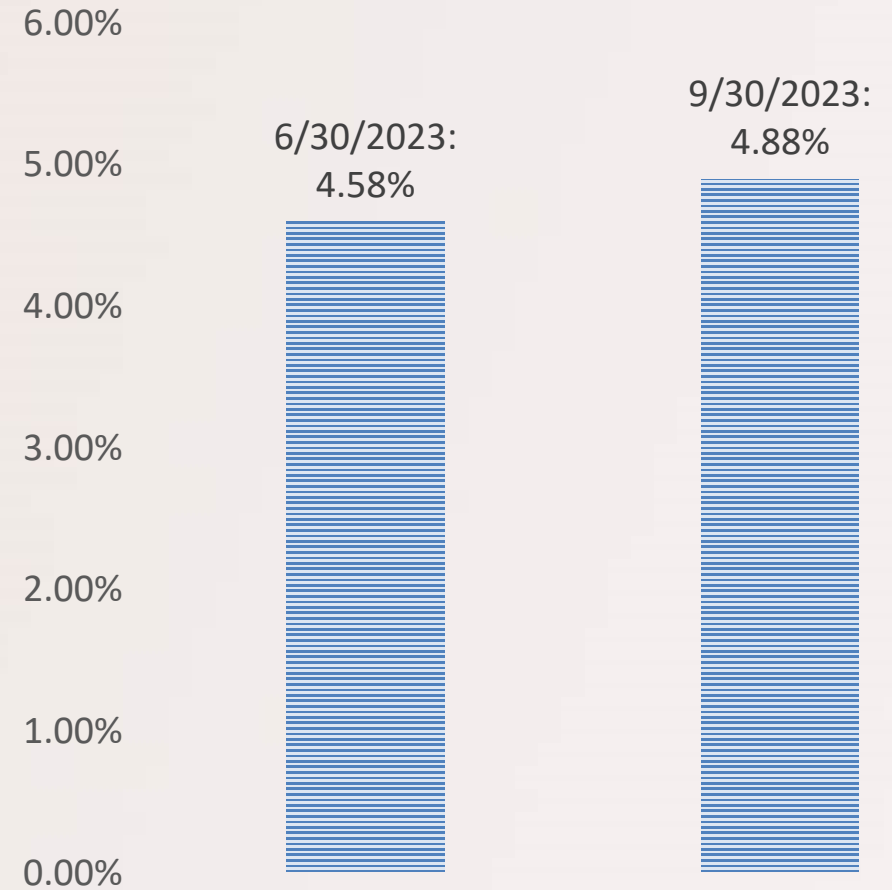
# Return Summary



## RETURN COMPARISON



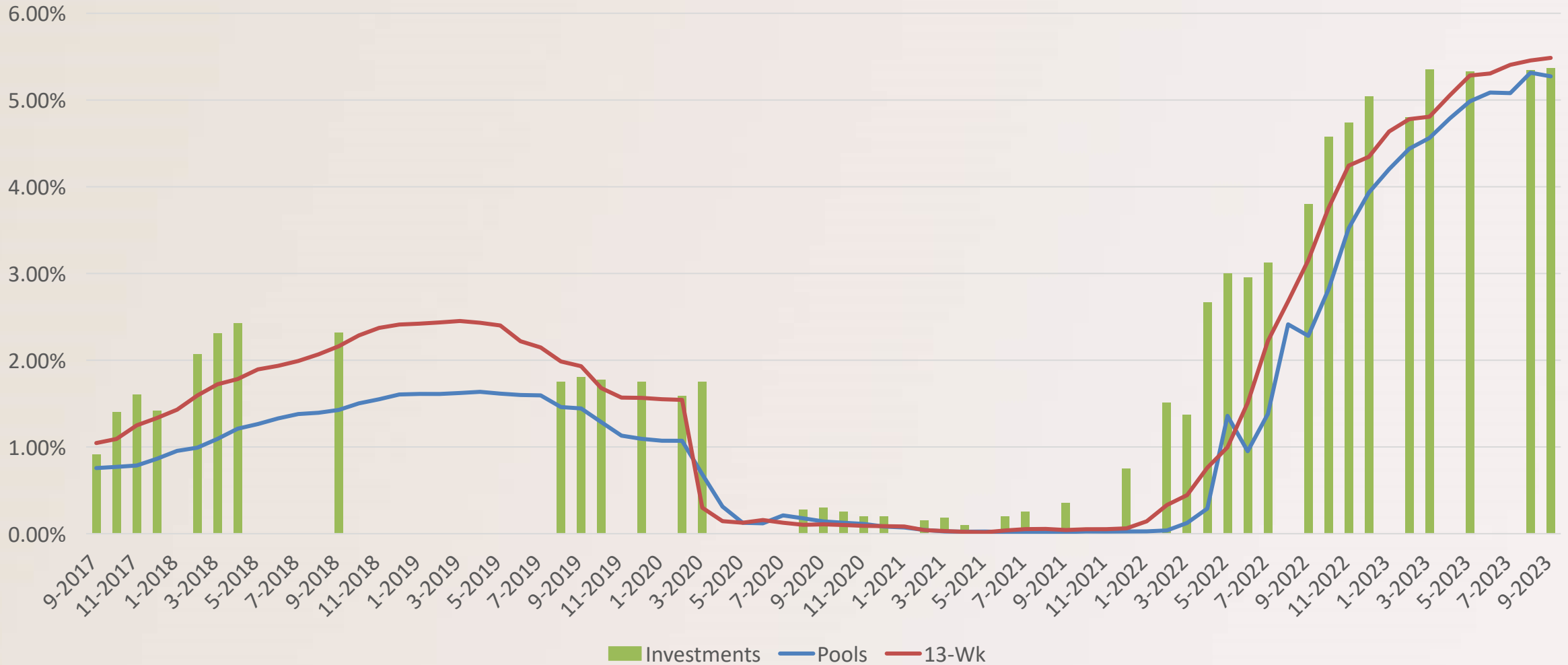
## Rate of Return



# Return Summary



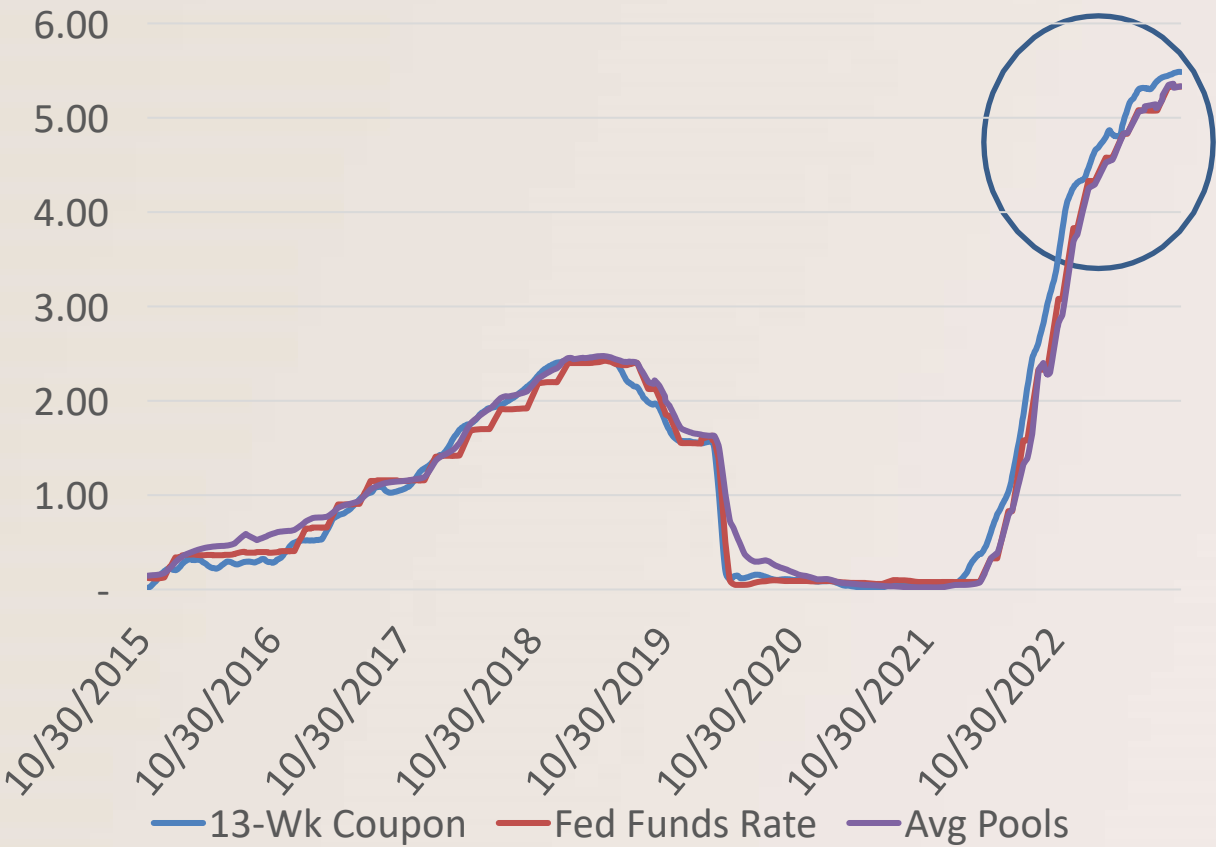
Pools vs. Benchmark vs. Investment Decisions



# Return Summary



### Influence of Federal Funds Rate on Fixed Income Market



### Historical Return



# Mark-to-Market – What is our portfolio worth?



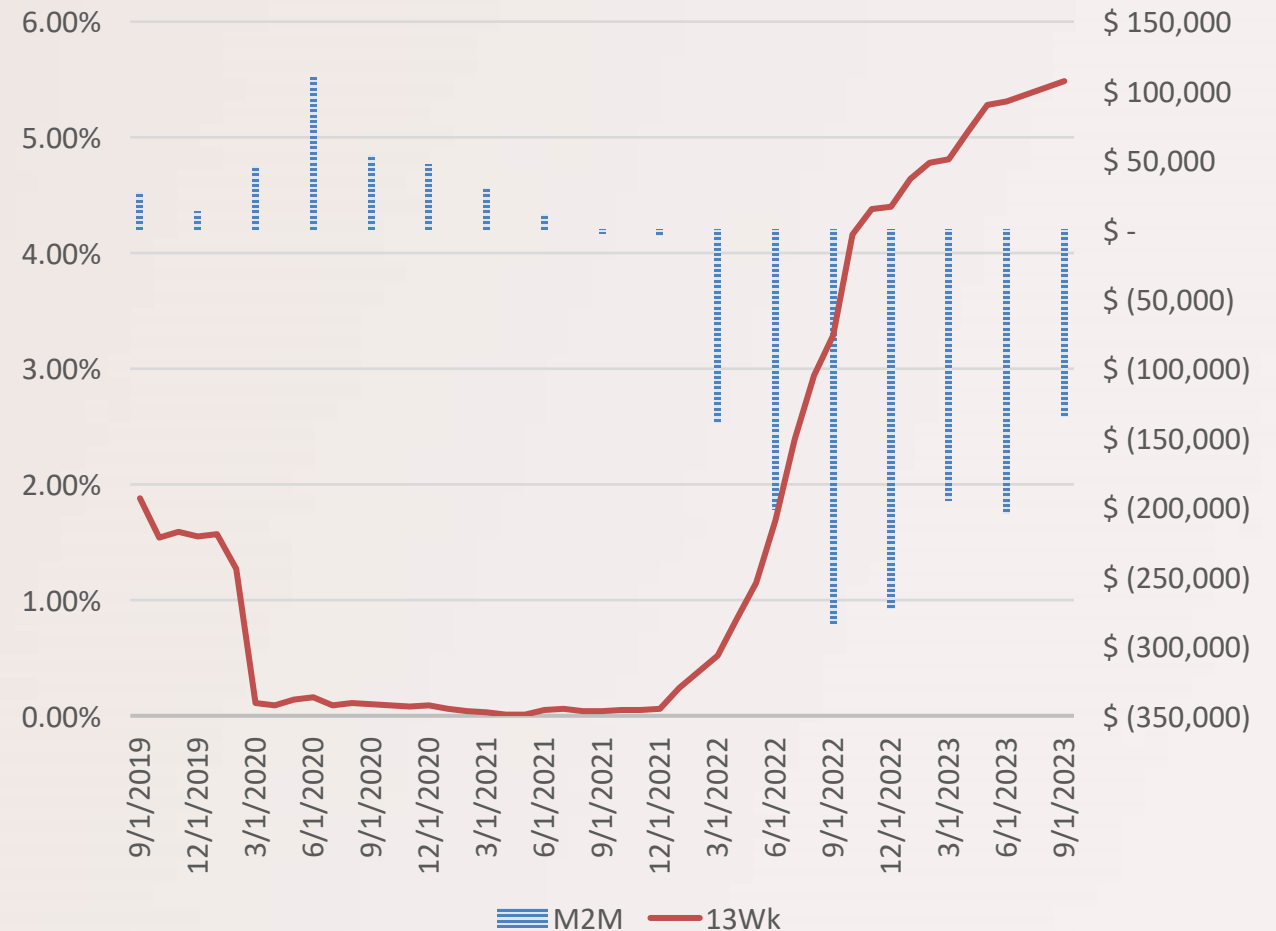
Shows portfolio value vs. initial investment

However...

- We hold our investments until maturity (“buy and hold” strategy)
- Gains and losses shown are unrealized

| Valuation Period | Value at Purchase | Revised Value | Total Gain (loss) on Purchase Price |
|------------------|-------------------|---------------|-------------------------------------|
| 9/30/2022        | \$ 20,226,953     | \$ 19,943,146 | (\$ 283,807)                        |
| 12/31/2022       | \$ 19,225,992     | \$ 18,953,072 | (\$ 272,920)                        |
| 3/31/2023        | \$ 22,496,998     | \$ 22,301,979 | (\$195,019)                         |
| 6/30/2023        | \$ 23,740,756     | \$ 23,536,813 | (\$203,943)                         |
| 9/30/2023        | \$ 22,884,802     | \$22,750,620  | (\$134,183)                         |

MARK TO MARKET VS. MARKET INCREASES



# Questions/Comments