

City of Pharr Investment Report 3rd Quarter FY 2020-2021



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City of Pharr, TX

Investment Report Summary

June 30, 2021



COMPLIANCE

This report complies with the requirements of the Public Funds Investment Act as well as the City of Pharr's adopted investment policy. The City is in compliance with all provisions of the Public Funds Investment Act and the City of Pharr's investment policy. The City's investment portfolio includes activity in demand deposits, Certificates of Deposits and Investment Pools.

LIQUIDITY

The greatest length of maturity for all of our investments is 327 days. The weighted average maturity including demand deposits is 12.69 day and 131.04 days without demand deposits. Both of these amounts are within legal and City requirements.

CHANGE IN BOOK AND MARKET VALUE

The investment book value was roughly **\$86.35 million** and increased by approximately \$9.1 million from the previous quarter. This increase is mainly due to the cash inflow of Recovery Act Funds distributed in May 2021.

PORTFOLIO YIELD

The portfolio yield of 1.15% was higher than the benchmark yields on the six month T-Bill and Average Federal Funds Rate, which were 0.05% and 0.08% respectively (per Federal Reserve website yield postings). The spread between the portfolio yield and the benchmark yield is mainly due to the depository's favorable interest rate. Safety and liquidity is a greater concern than yield.

INVESTMENT MATURITIES/PURCHASES

This quarter, \$5,000,000 were invested in TexPool from Funds received from the Recovery Act. All other transactions were routine. The attached schedules are also a part of this investment report.

Karla Saavedra, CGFO
Finance Director



City of Pharr, TX

Comparison of Portfolio to Policy Limits

as of June 30, 2021

Limits on Types of Securities	Target Investment Level	Portfolio Cap	Actual Percentage of Portfolio	Positive/(Negative) % Variance Policy Limits
Demand Deposits	N/A	N/A	91.01%	N/A
Certificates of Deposits	10%	30%	0.71%	29.29%
U.S. Treasury Obligations	30%	80%	0.00%	80.00%
U.S. Government Securities	30%	50%	0.00%	50.00%
Public Funds Investment Pools	30%	80%	8.27%	71.73%

Limits on Maturities	Minimum Allowable % of Portfolio	Actual Percentage of Portfolio	Positive/(Negative) % Variance Policy Limits
Available within 1 month	25%	91.01%	66.01%
Available within 3 months	33%	91.01%	58.01%
Available within 6 months	50%	91.37%	41.37%
Available within 1 year	70%	93.50%	23.50%
Available within 2 years	100%	100%	N/A

	Maximum Allowable	Maximum Actual Maturity	Policy Limit Days Available
Days to Maturity	730	327	403

City of Pharr, TX Market Value Analysis June 30, 2021

Beginning Value-March 31, 2021

\$77,177,810

Investment Activity:

Purchases

5,000,000

Net Changes in Market Price

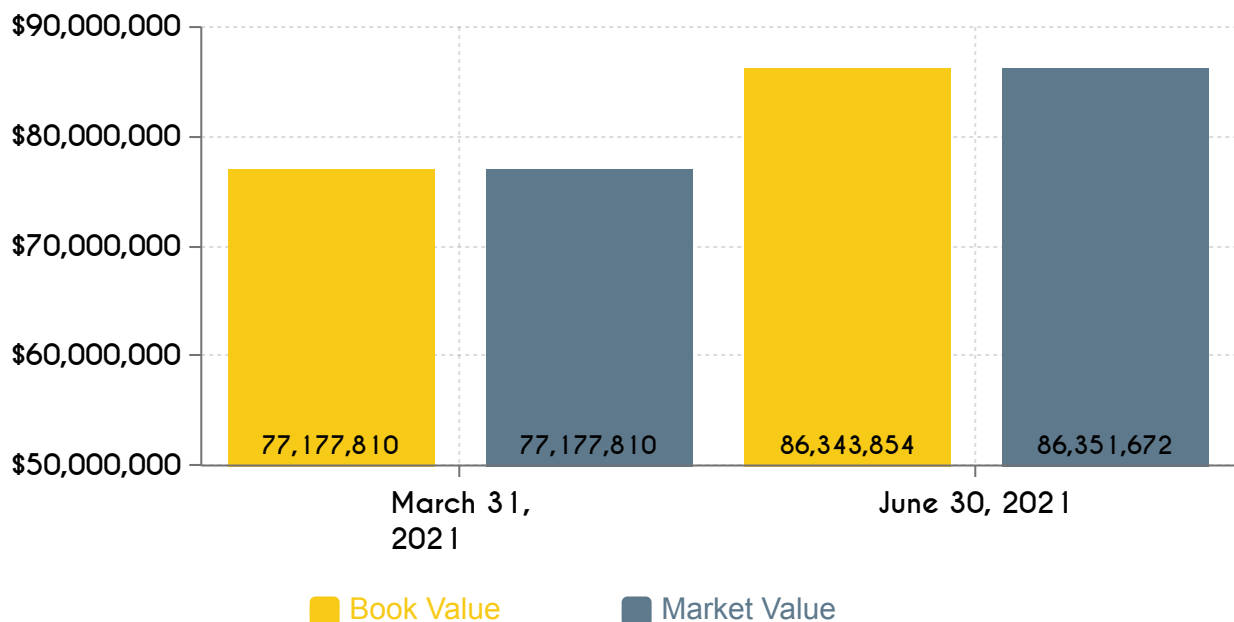
7,818

Bank and Pooled Investment Deposits/(Withdrawals)-Net

\$4,166,044

Ending Value-June 30, 2021

\$86,351,672





91.01%

or \$78.59 Million
in Demand Deposits
at Lone Star National Bank
at 1.25% YTM



.71%

or \$616,718 thousand
in Certificates of Deposit
at Lone Star National Bank
at 1.5% YTM



8.27%

or \$7.14
in Investment Pool at TexPool
.05% YTM

12.69

Weighted Average Days to
Maturity

131.04

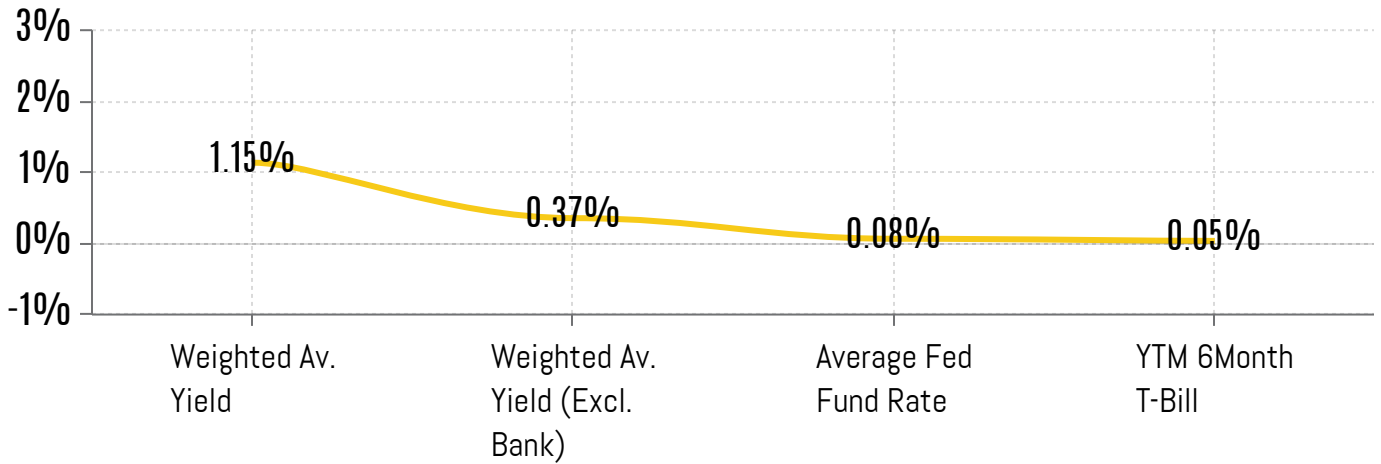
Weighted Average Days to
Maturity-(Excl. depository bank)

City of Pharr, TX

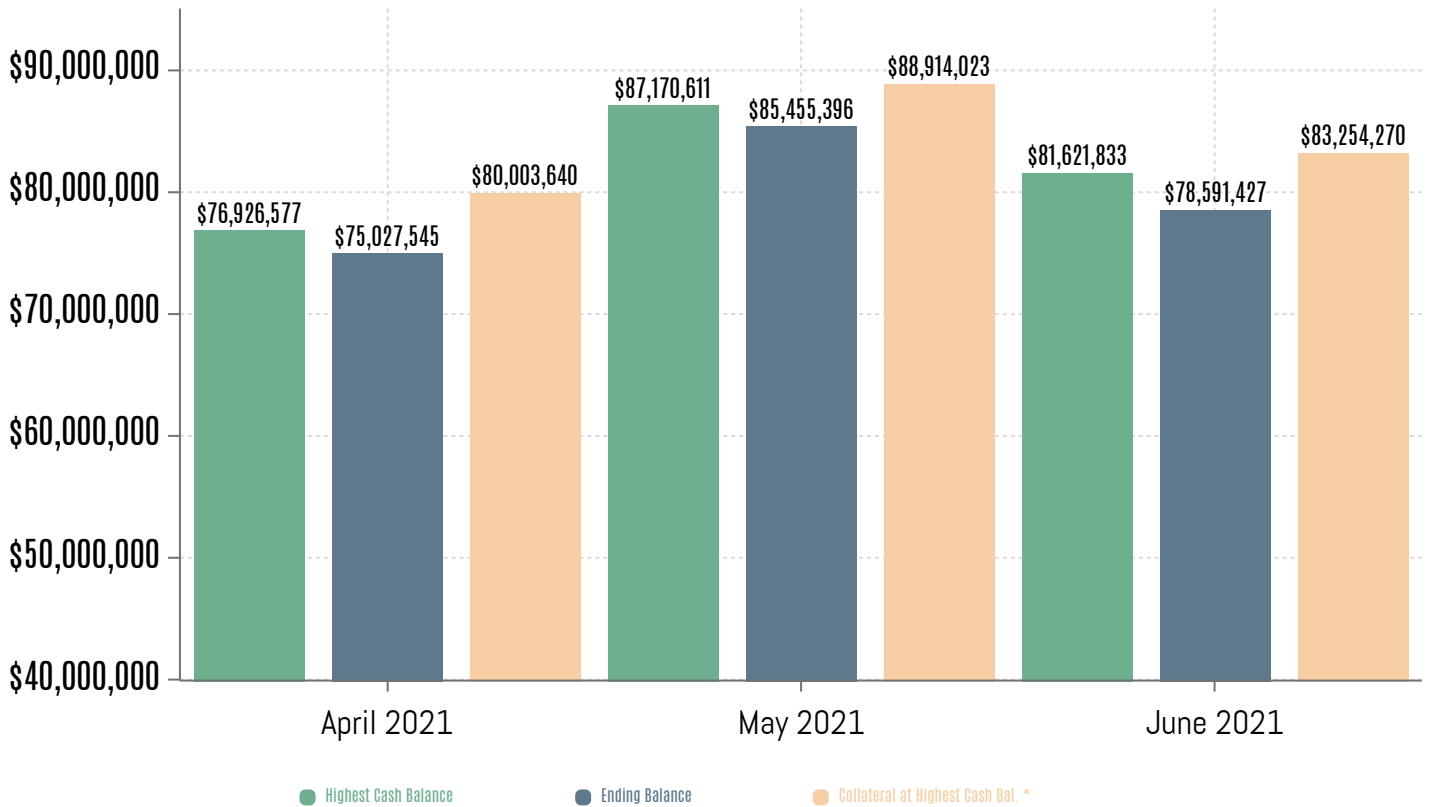
Market Value Analysis

June 30, 2021

Benchmark Rates



Depository Security Collateral Analysis



* Calculated as percentage above highest cash balance per LSNB