



CITY OF ARANSAS PASS

To: Mayor and City Council
From: Sandra Garcia, Director of Finance
Re: 4th Qtr. FY 2020-2021 Investment Report
Date: September 30, 2021

The City of Aransas Pass adopted its investment policy that complies with Texas Government Code Sections 2256 "Texas Public Funds Investment Act" and 2257 "Texas Public Funds Collateral Act" on January 20, 2014. This report is being presented per Section 2256.023 "Internal Management Reports".

ACTIVITIES FOR QUARTER

This narrative and attached Exhibit A provide details on the City's quarterly investing activities. The schedule provides the economic earnings of funds invested.

During the quarter, all City operating funds were held in six investment categories: (a) 23% was invested in Prosperity Bank checking accounts, (b) 37% in TexPool, a government investment pool created on behalf of Texas entities consistent with the Public Funds Investment Act and is rated AAAM by Standard and Poor's, and (c) 40% in Texas Class, a local government investment pool that is rated AAAM. All investment categories comply with the City's investment policy.

Overall: For the quarter, an average of \$8.6 million was available to invest and earned \$1,843, a 0.10% return on investment compared to the benchmark (average 3-month U.S. Treasury Bill) of 0.05%.

Bank Checking Accounts: The City earns traditional interest paid in cash on checking account balances. Traditional interest paid to the City totaled \$1,353. The total yield for this portion of the portfolio was 0.32%.

The bank must secure ("collateralize") all City funds over \$250,000 by pledging certain of its own assets for the City and have such held by an independent third party custodian, the Federal Reserve Bank. The custodian sends evidence of this to the City monthly. The following summarizes collateralization activity as of the end of the quarter:

<u>Checking Accounts Less: FDIC Coverage</u>	<u>Collateral Market Value</u>	<u>Percent Collateralized</u>
\$ 1,628,418	\$3,855,081	237%

The City's investment policy and contract with the bank requires a minimum of 102% on such balances.

TexPool: Earnings on the City's funds totaled \$137 or 0.02% annualized yield for this portion of the portfolio. During the quarter, TexPool shares were valued at \$1 per share. Investments in TexPool are not guaranteed or insured.

Texas Class: Earnings on the City's funds totaled \$353 or 0.05% annualized yield for this portion of the portfolio. During the quarter, Texas Class shares were valued at \$1 per share. Investments in Texas Class are not guaranteed or insured.

This report complies with Chapter 2256 of the Texas Government Code ("Public Funds Investment Act"). All investment strategies are consistent with those outlined in the District's Investment Policy.

Signed:

Sandra Garcia

Sandra Garcia, Director of Finance

City of Aransas Pass
 Quarterly Investment Report - All Fund Accounts
 Dated September 30, 2021

EXHIBIT A

	<i>Maturity Date</i>	Beginning		Fully Accrued Earnings		Ending	
		Market Value	Book Value			Market Value	Book Value
Quarter 4:							
Bank Accounts (Prosperity Bank)		\$ 1,514,503	1,514,503	1,353	(a)	1,878,418	1,878,418
Government Pool (TexPool)		3,619,783	3,619,783	137	(e)	1,845,779	1,845,779
Government Pool (Texas Class)		2,443,025	2,443,025	353	(f)	3,371,841	3,371,841
Totals		\$ 7,577,311	7,577,311	1,843		7,096,037	7,096,037
Yield Achieved				0.10%			
Benchmark (3-month Treasury)				0.05%			