



INVESTMENT REPORT

June 30, 2020

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended June 30, 2020 is hereby submitted.

The current depository bank for the City of Athens is Prosperity Bank. The City maintains 20 money market accounts and earns a rate determined by the bank (approximately .35%) and to offset banking expenses for all accounts based on daily balance requirements. Interest bearing checking accounts are now considered an investment under the Public Funds Investment Act and per the 2017 legislative changes. See PFIA Section 2256.009(a), "clarifying that interest-bearing bank accounts insured by FDIC or the National Credit Union Share Insurance Fund are authorized investments." HB 1003 modified in June 2017.

The City received \$12,175,837.20 of bond proceeds in January 2017 for Series 2017 Certificates of Obligations and the monies were deposited into the Capital Improvement Fund in TexPool. On October 1, 2019 the City defeased \$5,394,871.59 of Series 2017 CO funds as approved by Council in September 2019. The General Fund Emergency Reserve, as designated by Council, is held in a TexPool account, General Operating funds and Utility Operating funds. The \$50,000 budgeted transfer for the designated Cain Center Capital Improvement Fund occurred in the month of March. The Series 2020 Debt Service Reserve Fund was established per the bond covenant and contains restricted funds to be held over the life of the City of Athens Series 2020 TWDB bonds.

Average monthly TexPool interest rates for the quarter were 0.45%, 0.27%, 0.22% with weighted average maturity at 33, 33, and 36 days. Total TexPool interest earned was \$8,235.26. TexPool's liquid asset portfolio seeks to maintain a net asset value of \$1 per unit invested to preserve the principal of all pool participants.

Prosperity Bank earned a quarterly interest of \$5,459.46 for all accounts. The bank accounts are insured by a combination of FDIC insurance and pledged securities which are maintained at the HilltopBancSystems, a Division of Hilltop Securities with coverage at 102%.

This report is in compliance with the City of Athens' investment policy and the Public Funds Investment Act.

Elizabeth Borstad
City Manager

Mandie Quigg
Investment Officer



City of Athens

Cash in the Bank and Investments at June 30, 2020

	Beginning Balance 04/01/2020	Apr-20			May-20			Jun-20			Ending Balance 06/30/2020
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
PROSPERITY BANK											
General Fund											
General Fund #0061	3,000,892.09	1,216,800.64	1,115,061.40	829.55	667,899.31	899,515.89	934.46	964,839.21	1,085,833.97	825.38	2,750,019.99
Payroll Clearing #6471	102,888.02	797,171.16	817,370.92	27.65	541,748.15	550,797.25	18.64	542,392.63	550,938.46	15.37	65,093.33
Special Donations Fund #6551	54,089.26	515.62	-	15.62	14.84	9,999.36	14.84	12.80	-	12.80	44,633.16
Accounts Payable Fund #7011	160,889.22	1,010,242.05	704,991.94	64.07	1,013,723.69	1,358,098.88	78.32	846,269.94	901,962.10	65.64	66,071.98
AEDC Payroll Clearing #0861	-	-	-	-	-	-	-	-	-	-	-
Airport Fund											
Airport Operations Fund #0811	22,561.12	2,745.97	3,017.62	6.24	2,448.01	2,634.76	6.45	4,744.34	2,329.47	6.61	24,517.59
Airport Grants Fund #0926	1,848.49	0.53	-	0.53	0.55	-	0.55	0.64	1,850.02	0.64	0.19
Debt Service Fund											
Interest and Sinking Fund #6981	523,364.92	7,120.66	20,223.11	149.89	8,877.42	23,723.11	149.31	10,934.48	11,798.09	142.43	494,553.17
Special Revenue Funds											
Municipal Court Technology Fund #0221	12,785.75	3.67	-	3.67	3.79	-	3.79	3.67	-	3.67	12,796.88
Municipal Court Building Security Fees #5951	-	-	-	-	-	-	-	-	-	-	-
Forfeited Cash-Local #0571	39,468.88	11.32	-	11.32	11.70	-	11.70	11.33	-	11.30	39,503.23
Forfeited Cash-Federal #6041	-	-	-	-	-	-	-	-	-	-	-
Hotel Motel Fund #7281	423,172.90	7,099.21	16,239.80	120.38	3,947.51	30,462.20	119.82	26,533.53	9,903.56	112.91	404,147.59
General Grants Fund #0491	13,700.98	3.93	-	3.93	2.15	9,513.00	2.15	194,811.07	45,500.00	30.07	153,505.13
Downtown Capital Projects Fund #6711	108.28	0.03	-	0.03	0.03	-	0.03	0.03	-	0.03	108.37
Sanitation Fund #5871	15,652.53	147,358.56	143,019.61	7.63	145,891.76	149,906.97	4.99	146,523.70	149,777.35	12.47	12,722.62
Cain Center Fund #5791	23,728.12	6.50	1,790.28	6.50	1,011.50	540.48	6.58	6.35	588.07	6.35	21,833.64
Utility Fund											
Utility Fund #6631	1,760,250.59	541,606.45	545,730.97	526.95	617,202.44	578,997.16	538.41	606,891.49	414,719.76	549.79	1,986,503.08
Utility Fund Grants #0651	-	-	-	-	9,075.00	-	-	-	9,075.00	-	-
2004 W/WW Certificates of Obligation #0141	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 6,155,401.15	\$ 3,730,686.30	\$ 3,367,445.65	\$ 1,773.96	\$ 3,011,857.85	\$ 3,614,189.06	\$ 1,890.04	\$ 3,343,975.21	\$ 3,184,275.85	\$ 1,795.46	\$ 6,076,009.95
TEXPOOL INVESTMENTS											
Cain Center Capital Improv Fund #0006	50,009.80	18.76	-	18.76	11.39	-	11.39	8.90	-	8.90	50,048.85
Series 2020 Debt Service Reserve #0008	88,811.93	33.27	-	33.27	20.23	-	20.23	15.83	-	15.83	88,881.26
Utility Fund Operating Account #0001	2,831,955.07	1,059.49	-	1,059.49	646.00	-	646.00	504.11	-	504.11	2,834,164.67
Capital Improvement Fund #0002	3,652,204.64	1,358.27	52,833.90	1,358.27	821.00	1,315.02	821.00	637.37	26,862.55	637.37	3,574,009.81
General Fund Investments #0004	1,194,407.17	446.87	-	446.87	272.44	-	272.44	212.64	-	212.64	1,195,339.12
General Fund Emergency Reserve #0005	2,779,521.01	1,039.86	-	1,039.86	634.06	-	634.06	494.77	-	494.77	2,781,689.70
Subtotal	\$ 10,596,909.62	\$ 3,956.52	\$ 52,833.90	\$ 3,956.52	\$ 2,405.12	\$ 1,315.02	\$ 2,405.12	\$ 1,873.62	\$ 26,862.55	\$ 1,873.62	\$ 10,524,133.41
Totals	\$ 16,752,310.77	\$ 3,734,642.82	\$ 3,420,279.55	\$ 5,730.48	\$ 3,014,262.97	\$ 3,615,504.08	\$ 4,295.16	\$ 3,345,848.83	\$ 3,211,138.40	\$ 3,669.08	\$ 16,600,143.36
Quarterly Interest Earned on Prosperity	\$ 5,459.46	0.089853%									
Quarterly Interest Earned on TexPool	\$ 8,235.26	0.078251%									
Total Interest earned 04/01 - 06/30:	\$ 13,694.72										



PROSPERITY BANK[®]

July 1, 2020

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$6,076009.95

Please let me know if you need any additional information.

Sincerely,

Prosperity Bank
Banking Officer
Accounting - Treasury

1301 N. Mechanic
P O Drawer G
El Campo, TX 77437



Pledge Security Listing

June 30, 2020

EL CAMPO, TX

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
CITY OF ATHENS																
2493	31417ADJ5	FNMA #AB3704	FHLB		3.00	10/01/2021		AAA	AA+	AAA	HTM	1,707,164	37,358.16	37,405.85	37,625.38	219.53
2516	3138AXXQ9	FNMA #AJ6086	FHLB		3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	172,312.36	173,192.85	178,493.02	5,300.17
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,002,414	581,283.76	585,650.21	591,865.34	6,215.13
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	663,494.58	668,606.93	675,294.13	6,687.21
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	685,063.44	689,526.46	697,272.06	7,745.60
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	265,381.74	268,956.82	276,495.19	7,538.37
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	291,371.61	294,520.47	303,685.76	9,165.29
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	254,920.73	256,492.18	258,688.56	2,196.38
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	273,282.62	276,314.01	281,955.12	5,641.11
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	579,175.44	594,051.79	605,577.84	11,526.05
4259	3138WFALO	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	230,081.17	231,036.57	237,695.80	6,659.23
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	1,071,058.98	1,073,915.48	1,116,578.99	42,663.51
5023	3140J9ZS3	FNMA #BM5252	FHLB		3.00	02/01/2038		AAA	AA+	AAA	HTM	550,000	437,184.97	431,986.59	452,315.55	20,328.96
5027	3140JAHL5	FNMA #BM5634	FHLB		4.00	03/01/2034		AAA	AA+	AAA	HTM	1,100,000	676,886.53	697,263.03	711,695.00	14,431.97
5474	3132D53T7	FR #SB8010	FHLB		2.50	10/01/2034		AAA	AA+	AAA	HTM	1,000,000	848,456.11	854,238.41	884,515.49	30,277.08
Total for CITY OF ATHENS												20,183,386	7,067,312.20	7,133,157.65	7,309,753.23	176,595.59

Although the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.

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Monthly Newsletter: July 2020

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in June 2020:

TexPool

Houston Ship Channel Security District
 East Travis Gateway Library District
 Ballinger Memorial Hospital District

TexPool Prime

Houston Ship Channel Security District
 City of Midlothian
 Ballinger Memorial Hospital District

Upcoming Events

IMPORTANT MESSAGE

Due to efforts to reduce the spread of COVID-19, all summer events have been cancelled

Sep 21, 2020 - Sep 24 2020
 72nd Annual CTAT (County Treasurers Assoc of TX) Conference
 Hilton Waco, Austin

Oct 02, 2020 - Oct 04, 2020
 TASA/TASB Annual Conference
 Hilton Waco, Austin

Oct 14, 2020 - Oct 16, 2020
 TML Annual Conference
 Henry B. Gonzalez Convention Center,
 San Antonio

Nov 4, 2020 - Nov 6, 2020
 GFOAT Fall Conference
 Sheraton Arlington Hotel,
 San Marcos

TexPool Advisory Board Members

David Garcia Jerry Dale
 Patrick Krishock David Landeros
 Belinda Weaver Sharon Matthews
 Deborah Lauder milk Vivian Wood

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: Ebb and flow

July 1, 2020

The month of June—and the year for that matter—has shown the dynamic nature of the liquidity space. While stability is the asset class’ defining feature, its reputation as static has always been unwarranted. Cash products are essential to the fluidity of the markets, especially in times of uncertainty, and crucial to portfolio reallocation, personal finances and capital expenditures in times of growth. All you have to do is look at flows.

As the markets tanked due to fear of Covid-19, assets in government funds skyrocketed for their relative safety. The vast majority of that money came from investors selling positions in stocks, but some came from institutional prime portfolios. As it became clear the pandemic wasn’t ushering in the apocalypse and the Federal Reserve and Congress stepped up, institutional prime funds regained assets, growing nearly 36% from March 31 to June 29. We consider this a vote of confidence from investors who value them for the combination of relative safety and a yield spread above many cash-like alternatives. The London interbank offered rate (Libor) fell slightly over June, but has an attractive spread of around five to 40 basis points over Treasuries depending on the point of the curve.

While the influx is impressive, flows reversed slightly in June. This is not a negative, but further proof of the dynamic aspect of the money markets, showing they are part of the

(continued page 6)

Performance as of June 30, 2020

	TexPool	TexPool Prime
Current Invested Balance	\$26,614,837,566.80	\$7,391,397,313.38
Weighted Average Maturity**	33	51
Weighted Average Life**	106	57
Net Asset Value	1.00029	1.00069
Total Number of Participants	2,616	426
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$4,785,518.31	\$3,129,449.55
Management Fee Collected	\$904,863.60	\$296,998.34
Standard & Poor’s Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$26,911,978,043.85	\$7,273,125,684.63
Average Monthly Rate*	0.22%	0.52%
Average Weighted Average Maturity**	36	52
Average Weighted Average Life**	110	61

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

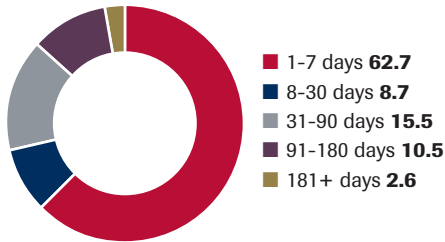
**See page 2 for definitions.

Past performance is no guarantee of future results.



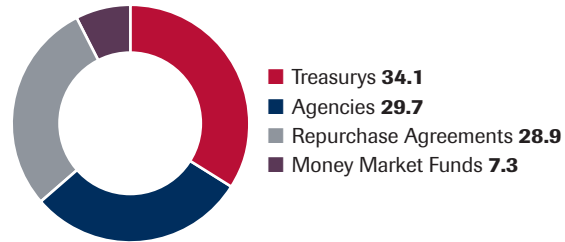
Portfolio by Maturity (%)

As of June 30, 2020



Portfolio by Type of Investment (%)

As of June 30, 2020



Portfolio Asset Summary as of June 30, 2020

	Book Value	Market Value
Uninvested Balance	-\$964,123.47	-\$964,123.47
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,804,135.78	10,804,135.78
Interest and Management Fees Payable	-4,785,546.53	-4,785,546.53
Payable for Investments Purchased	-119,982,849.30	-119,982,849.30
Accrued Expenses & Taxes	-30,052.55	-30,052.55
Repurchase Agreements	7,716,365,000.00	7,716,365,000.00
Mutual Fund Investments	1,958,074,000.00	1,958,074,000.00
Government Securities	7,892,791,417.03	7,893,327,442.10
U.S. Treasury Inflation Protected Securities	1,107,369,826.18	1,108,203,581.20
U.S. Treasury Bills	6,674,344,842.24	6,675,543,059.62
U.S. Treasury Notes	1,380,850,917.42	1,385,668,906.89
Total	\$26,614,837,566.80	\$26,622,223,553.75

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	598	\$7,898,316,033.70
Higher Education	59	\$1,446,364,613.39
Healthcare	87	\$1,246,716,145.18
Utility District	831	\$3,362,210,080.71
City	479	\$7,413,634,224.50
County	189	\$3,023,952,637.66
Other	373	\$2,222,761,300.49

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
6/1	0.2208%	0.000006050	\$27,718,286,541.38	1.00035	35	106
6/2	0.2198%	0.000006021	\$27,592,688,425.44	1.00034	36	108
6/3	0.2162%	0.000005922	\$27,421,234,988.65	1.00033	36	109
6/4	0.2164%	0.000005928	\$27,290,276,053.19	1.00033	37	111
6/5	0.2197%	0.000006020	\$27,037,138,714.61	1.00032	38	112
6/6	0.2197%	0.000006020	\$27,037,138,714.61	1.00032	38	112
6/7	0.2197%	0.000006020	\$27,037,138,714.61	1.00032	38	112
6/8	0.2204%	0.000006039	\$27,043,157,075.84	1.00031	36	110
6/9	0.2171%	0.000005948	\$26,977,420,177.04	1.00032	38	113
6/10	0.2201%	0.000006030	\$26,865,614,884.03	1.00031	38	113
6/11	0.2161%	0.000005921	\$26,802,044,551.10	1.00031	37	114
6/12	0.2170%	0.000005945	\$26,774,728,301.64	1.00031	38	115
6/13	0.2170%	0.000005945	\$26,774,728,301.64	1.00031	38	115
6/14	0.2170%	0.000005945	\$26,774,728,301.64	1.00031	38	115
6/15	0.2210%	0.000006054	\$26,785,063,498.74	1.00029	36	111
6/16	0.2226%	0.000006098	\$26,901,235,087.43	1.00030	36	110
6/17	0.2229%	0.000006107	\$26,849,451,861.97	1.00030	36	110
6/18	0.2218%	0.000006076	\$26,818,907,472.47	1.00031	37	109
6/19	0.2137%	0.000005855	\$26,715,537,851.24	1.00030	38	110
6/20	0.2137%	0.000005855	\$26,715,537,851.24	1.00030	38	110
6/21	0.2137%	0.000005855	\$26,715,537,851.24	1.00030	38	110
6/22	0.2145%	0.000005877	\$26,611,277,946.46	1.00030	35	109
6/23	0.2105%	0.000005767	\$26,627,323,229.10	1.00030	36	110
6/24	0.2089%	0.000005724	\$26,794,617,603.41	1.00030	35	109
6/25	0.2119%	0.000005805	\$26,975,022,575.24	1.00030	35	108
6/26	0.2126%	0.000005824	\$26,831,079,340.13	1.00030	35	109
6/27	0.2126%	0.000005824	\$26,831,079,340.13	1.00030	35	109
6/28	0.2126%	0.000005824	\$26,831,079,340.13	1.00030	35	109
6/29	0.2106%	0.000005771	\$26,595,429,154.30	1.00030	33	107
6/30	0.2129%	0.000005832	\$26,614,837,566.80	1.00029	33	106
Average:	0.2165%	0.000005930	\$26,911,978,043.85	1.00031	36	110



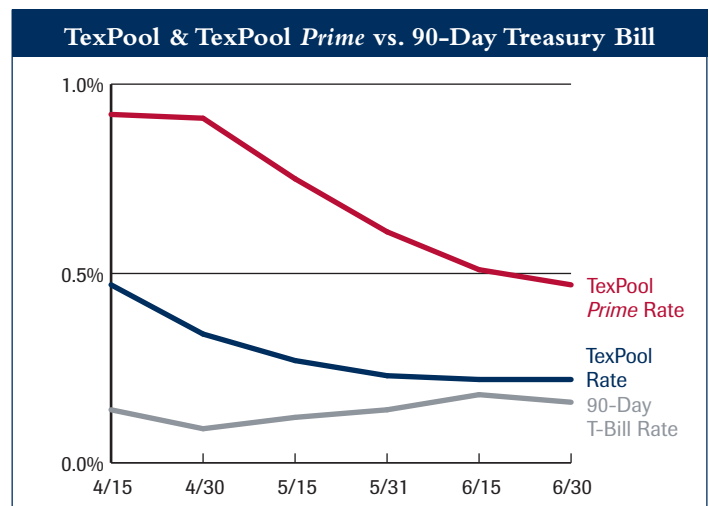
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

collective investing process. A certain amount of ebb and flow in money funds and similar portfolios, such as state pools, is part of the process, whether it's due to investors conserving dry powder for future purchases (witness strong retail sales and the stock market) or businesses withdrawing assets to restart operations. All of this fuels the economic recovery, which is what everyone wants.

Recent Fed action on rates has been helpful. No, not a rise in interest rates, but policymakers increased the overnight and term repo rates by five basis points. We had advocated for a bump in the reverse repo program to raise the floor on overnight rates. But the result has been similar as rates have increased.

Part of the reason for this rise is that the Fed moved the timing of its repo transactions from the morning to the afternoon. It may seem like a case of six of one, half a dozen of the other, but it is quite different. The majority of volume in the repo takes place between 7-9 a.m. While the Fed is offering a higher rate than before, dealers don't want to wait until 2 p.m. to be funded, so they are offering higher rates in the morning. The Fed wants this—and frankly most of its new programs—to operate as a backstop, not as an active part of the markets. It is another smart move by policymakers.

Treasury yields ended June with 1-month at 0.13%, 3-month at 0.15%, 6-month at 0.18% and 12-month at 0.17%. Libor ended the month with 1-month at 0.16%, 3-month at 0.30%, 6-month



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.

at 0.37% and 12-month at 0.55%. The weighted average maturity (WAM) at month-end was 33 days for TexPool and 51 days for TexPool Prime.