



## INVESTMENT REPORT

March 31, 2020

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended March 31, 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 2017 Certificates of Obligation Funds are held in an account at TexPool, of which \$5,394,871.59 was defeased on October 1, 2019 as approved by Council. The General Fund Emergency Reserve, General Operating and Utility Operating funds are also held in TexPool accounts. Activity for 2 new TexPool accounts include the \$50,000 budgeted transfer to the designated Cain Center Capital Improvement Fund and a deposit of \$82,500 for the Series 2020 Debt Service Reserve Fund, received 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 1.59%, 1.59%, 1.00% with weighted average maturity at 30, 28 and 31 days. Total TexPool interest earned was \$35,027.47. 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 \$5,678.26 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.

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Elizabeth Borstad  
City Manager

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Mandie Quigg  
Investment Officer



City of Athens

Cash in the Bank and Investments at March 31, 2020

	Beginning Balance 01/01/2020	Jan-20			Feb-20			Mar-20			Ending Balance 03/31/2020
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
<b>PROSPERITY BANK</b>											
<b>General Fund</b>											
General Fund #0061	2,036,464.14	2,508,847.91	1,077,928.34	772.24	2,104,153.65	2,004,939.26	1,039.73	1,026,683.40	1,592,389.41	892.42	3,000,892.09
Payroll Clearing #6471	81,185.90	538,622.44	556,540.05	25.17	513,373.70	514,556.05	18.28	503,567.83	462,765.75	30.46	102,888.02
Special Donations Fund #6551	56,326.08	36.24	5,507.84	16.24	3,385.79	167.04	14.39	16.03	-	16.03	54,089.26
Accounts Payable Fund #7011	78,876.44	1,578,692.47	1,457,463.72	92.52	2,030,701.11	1,787,000.79	99.66	1,096,649.29	1,379,565.58	92.07	160,889.22
AEDC Payroll Clearing #0861	8.52	-	-	-	-	-	-	-	8.52	-	-
<b>Airport Fund</b>											
Airport Operations Fund #0811	5,481.29	6,413.69	4,567.67	1.71	17,804.09	2,678.10	4.94	3,206.43	3,098.61	6.67	22,561.12
Airport Grants Fund #0926	1,075.54	0.32	-	0.32	772.08	-	0.45	0.55	-	0.55	1,848.49
<b>Debt Service Fund</b>											
Interest and Sinking Fund #6981	262,161.87	543,198.28	406,848.87	74.63	142,414.10	20,223.11	143.53	22,885.76	20,223.11	157.16	523,364.92
<b>Special Revenue Funds</b>											
Municipal Court Technology Fund #0221	12,774.63	3.79	-	3.79	3.54	-	3.54	3.79	-	3.79	12,785.75
Municipal Court Building Security Fees #5951	-	-	-	-	-	-	-	-	-	-	-
Forfeited Cash-Local #0571	39,434.55	11.69	-	11.69	10.94	-	10.94	11.70	-	11.70	39,468.88
Forfeited Cash-Federal #6041	-	-	-	-	-	-	-	-	-	-	-
Hotel Motel Fund #7281	414,071.37	30,355.19	29,218.05	123.55	19,791.35	11,921.63	117.50	21,289.86	21,195.19	126.47	423,172.90
General Grants Fund #0491	13,688.94	776.20	-	4.12	469,192.03	469,960.25	3.86	4.06	-	3.86	13,700.98
Downtown Capital Projects Fund #6711	108.19	0.03	-	0.03	0.03	-	0.03	0.03	-	0.03	108.28
Sanitation Fund #5871	158,318.49	146,874.12	292,327.91	15.45	146,622.60	144,763.78	14.59	146,860.96	145,931.95	4.60	15,652.53
Cain Center Fund #5791	-	78,011.76	3,783.42	11.76	641.48	573.42	20.68	16.26	50,584.54	16.26	23,728.12
<b>Utility Fund</b>											
Utility Fund #6631	2,511,420.24	627,423.51	1,448,596.35	632.66	665,680.85	551,156.85	497.44	603,960.39	648,481.20	540.75	1,760,250.59
Utility Fund Grants #0651	-	-	-	-	-	-	-	-	-	-	-
2004 W/WW Certificates of Obligation #0141	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>\$ 5,671,396.19</b>	<b>\$ 6,059,267.64</b>	<b>\$ 5,282,782.22</b>	<b>\$ 1,785.88</b>	<b>\$ 6,114,547.34</b>	<b>\$ 5,507,940.28</b>	<b>\$ 1,989.56</b>	<b>\$ 3,425,156.34</b>	<b>\$ 4,324,243.86</b>	<b>\$ 1,902.82</b>	<b>\$ 6,155,401.15</b>
<b>TEXPOOL INVESTMENTS</b>											
Cain Center Capital Improv Fund #0006	-	-	-	-	-	-	-	50,009.80	-	9.80	50,009.80
Series 2020 Debt Service Reserve #0008	-	-	-	-	82,510.75	-	10.75	6,301.18	-	71.63	88,811.93
Utility Fund Operating Account #0001	2,078,890.80	753,299.03	-	3,299.03	3,579.55	-	3,579.55	2,415.24	6,229.55	2,415.24	2,831,955.07
Capital Improvement Fund #0002	3,788,169.94	5,123.46	-	5,123.46	4,780.86	11,850.00	4,780.86	3,186.95	137,206.57	3,186.95	3,652,204.64
General Fund Investments #0004	1,190,273.97	1,609.84	-	1,609.84	1,506.38	-	1,506.38	1,016.98	-	1,016.98	1,194,407.17
General Fund Emergency Reserve #0005	2,325,729.01	3,145.54	-	3,145.54	2,943.41	-	2,943.41	447,703.05	-	2,328.05	2,779,521.01
<b>Subtotal</b>	<b>\$ 9,383,063.72</b>	<b>\$ 763,177.87</b>	<b>\$ -</b>	<b>\$ 13,177.87</b>	<b>\$ 95,320.95</b>	<b>\$ 11,850.00</b>	<b>\$ 12,820.95</b>	<b>\$ 510,633.20</b>	<b>\$ 143,436.12</b>	<b>\$ 9,028.65</b>	<b>\$ 10,596,909.62</b>
<b>Totals</b>	<b>\$ 15,054,459.91</b>	<b>\$ 6,822,445.51</b>	<b>\$ 5,282,782.22</b>	<b>\$ 14,963.75</b>	<b>\$ 6,209,868.29</b>	<b>\$ 5,519,790.28</b>	<b>\$ 14,810.51</b>	<b>\$ 3,935,789.54</b>	<b>\$ 4,467,679.98</b>	<b>\$ 10,931.47</b>	<b>\$ 16,752,310.77</b>
Quarterly Interest Earned on Prosperity	\$ 5,678.26	0.092248%									
Quarterly Interest Earned on TexPool	\$ 35,027.47	0.330544%									
<b>Total Interest earned 01/01 - 03/31:</b>	<b>\$ 40,705.73</b>										

**PROSPERITY BANK  
P O DRAWER G  
EL CAMPO, TX 77437**

April 1, 2020

City of Athens  
508 E Tyler  
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

**\$6,155,401.60**

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

March 31, 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)
<b>CITY OF ATHENS</b>																
2493	31417ADJ5	FNMA #AB3704	FHLB		3.00	10/01/2021		AAA	AA+	AAA	HTM	1,707,164	49,070.86	49,148.82	49,684.12	535.30
2516	3138AXXQ9	FNMA #AJ6086	FHLB		3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	189,089.96	190,087.67	198,083.85	7,996.18
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,002,414	619,409.21	624,208.79	627,903.89	3,695.10
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	708,742.06	714,367.00	718,413.04	4,046.04
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	726,303.17	731,174.32	736,317.25	5,142.93
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	301,366.80	305,521.41	317,841.58	12,320.17
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	311,003.02	314,446.59	328,119.85	13,673.26
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	284,727.99	286,615.13	291,523.73	4,908.60
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	289,984.64	293,271.09	298,351.24	5,080.14
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	615,256.01	631,379.07	651,487.74	20,108.67
4259	3138WFAL0	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	246,070.33	247,112.43	253,615.14	6,502.71
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	1,125,611.04	1,128,668.56	1,157,972.36	29,303.80
5023	3140J9ZS3	FNMA #BM5252	FHLB		3.00	02/01/2038		AAA	AA+	AAA	HTM	550,000	468,064.15	462,435.66	479,666.45	17,230.80
5027	3140J AHL5	FNMA #BM5634	FHLB		4.00	03/01/2034		AAA	AA+	AAA	HTM	1,100,000	776,496.20	800,211.34	808,390.20	8,178.85
5474	3132D53T7	FR #SB8010	FHLB		2.50	10/01/2034		AAA	AA+	AAA	HTM	1,000,000	941,925.90	948,434.76	969,006.27	20,571.51
<b>Total for CITY OF ATHENS</b>												<b>20,183,386</b>	<b>7,653,121.34</b>	<b>7,727,082.64</b>	<b>7,886,376.71</b>	<b>159,294.06</b>

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



# Monthly Newsletter: April 2020

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in March 2020:**

### TexPool

- Pro-Vision Educational Services Inc dba The Pro-Vision Academy
- Town of Dish
- Brazoria County MUD 53
- Housing Authority of Travis County
- Strategic Housing Finance Corporation

### TexPool Prime

- Town of Dish
- Housing Authority of Travis County
- Strategic Housing Finance Corporation
- City of Morgans Point Resort

### Upcoming Events

Mar 30, 2020 – **IMPORTANT MESSAGE**  
Due to efforts to reduce the spread of COVID-19, events scheduled for April and May have been cancelled

Jun 15, 2020 - Jun 17, 2020  
Moody Gardens Hotel, Galveston  
TASBO Summer Solutions Conference

Jun 16, 2020 - Jun 19, 2020  
Waco Convention Center, Waco  
TACCBO Annual Meeting and Conference

Jun 29, 2020 - Jul 01, 2020  
Hyatt Regency Lost Pines Resort & Spa, Lost Pines  
TASSCUBO Summer Conference

### 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: Liquidity market meets the challenge

April 1, 2020

In what is a month all would like to forget, we believe investors will look back on March and recognize the robustness of the liquidity market during the coronavirus crisis. In times of financial strain, the Federal Reserve should be a partner. It has been just that, from the rate cut of 50 basis points on March 3 to the initiation of new programs to boost cash flow across markets and main streets. Chair Powell has pulled out many tools from the policy toolbox, and that support has been effective even through times of tremendous concern and stress. Liquidity is abundant and transactions generally are occurring smoothly.

After historic inflows and unprecedented buying of Treasuries that pushed some of the shortest bills into negative yields—not negative rates, which we still do not anticipate—the Treasury yield curve appears to be returning to an upward slope. We think demand for U.S. government debt will subside as the Fed reduces its purchases and because the fiscal stimulus package approved by Congress will require the government to raise a great deal of cash in a short period of time. The logical place to do so is through issuing Treasury bills. Also, if the markets stabilize as uncertainty around the coronavirus abates,

*(continued page 6)*

### Performance as of March 31, 2020

	TexPool	TexPool Prime
Current Invested Balance	\$27,925,661,060.83	\$6,965,809,653.70
Weighted Average Maturity**	32	45
Weighted Average Life**	106	70
Net Asset Value	1.00066	0.99968
Total Number of Participants	2607	418
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$23,886,829.68	\$8,521,085.11
Management Fee Collected	\$979,429.18	\$321,239.29
Standard & Poor's Current Rating	AAAm	AAAm

### Month Averages

Average Invested Balance	\$28,060,342,288.69	\$7,582,449,076.71
Average Monthly Rate*	1.00%	1.34%
Average Weighted Average Maturity**	31	46
Average Weighted Average Life**	108	73

\*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.

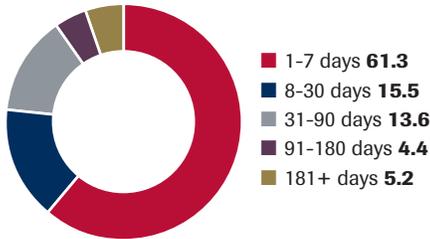
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



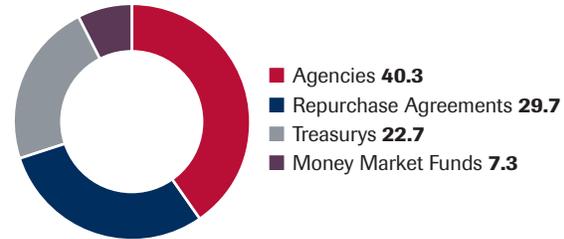
## Portfolio by Maturity (%)

As of March 31, 2020



## Portfolio by Type of Investment (%)

As of March 31, 2020



### Portfolio Asset Summary as of March 31, 2020

	Book Value	Market Value
Uninvested Balance	\$1,013,677.24	\$1,013,677.24
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	24,942,254.18	24,942,254.18
Interest and Management Fees Payable	-23,887,034.49	-23,887,034.49
Payable for Investments Purchased	-1,124,887,066.57	-1,124,887,066.57
Accrued Expenses & Taxes	-1,044,557.30	-1,044,557.30
Repurchase Agreements	8,639,305,000.00	8,639,305,000.00
Mutual Fund Investments	2,108,074,000.00	2,108,074,000.00
Government Securities	11,678,755,761.17	11,682,743,680.29
U.S. Treasury Inflation Protected Securities	1,340,292,213.33	1,340,910,875.38
US Treasury Bills	3,455,265,609.14	3,458,672,409.65
US Treasury Notes	1,827,831,204.13	1,838,062,222.15
<b>Total</b>	<b>\$27,925,661,060.83</b>	<b>\$27,943,905,460.52</b>

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	\$9,458,758,153.19
Higher Education	59	\$1,327,789,641.45
Healthcare	86	\$1,291,832,681.90
Utility District	830	\$3,419,488,989.07
City	476	\$6,848,611,465.29
County	188	\$2,954,530,155.52
Other	370	\$2,613,901,974.38

#### \*\*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
3/1	1.5821%	0.000043344	\$28,102,718,569.71	1.00024	30	99
3/2	1.5813%	0.000043323	\$28,098,581,641.14	1.00030	28	98
3/3	1.5228%	0.000041720	\$28,239,366,602.63	1.00035	28	100
3/4	1.4797%	0.000040541	\$28,212,025,937.66	1.00047	28	103
3/5	1.3934%	0.000038176	\$28,200,311,073.92	1.00051	28	104
3/6	1.3689%	0.000037505	\$27,996,116,669.36	1.00057	29	106
3/7	1.3689%	0.000037505	\$27,996,116,669.36	1.00057	29	106
3/8	1.3689%	0.000037505	\$27,996,116,669.36	1.00057	29	106
3/9	1.3558%	0.000037145	\$27,888,801,271.08	1.00068	28	106
3/10	1.2798%	0.000035063	\$28,151,318,856.58	1.00064	29	106
3/11	1.2822%	0.000035130	\$28,235,671,571.26	1.00063	29	107
3/12	1.2959%	0.000035505	\$28,020,202,278.76	1.00064	31	108
3/13	1.2606%	0.000034537	\$28,196,171,081.31	1.00058	32	110
3/14	1.2606%	0.000034537	\$28,196,171,081.31	1.00058	32	110
3/15	1.2606%	0.000034537	\$28,196,171,081.31	1.00058	32	110
3/16	0.9714%	0.000026613	\$28,314,141,277.82	1.00066	30	108
3/17	0.8756%	0.000023990	\$28,333,316,391.74	1.00062	31	109
3/18	0.7808%	0.000021391	\$28,373,446,200.72	1.00061	33	110
3/19	0.6709%	0.000018380	\$28,290,171,940.12	1.00073	34	111
3/20	0.6400%	0.000017533	\$28,044,353,605.85	1.00072	36	112
3/21	0.6400%	0.000017533	\$28,044,353,605.85	1.00072	36	112
3/22	0.6400%	0.000017533	\$28,044,353,605.85	1.00072	36	112
3/23	0.6201%	0.000016988	\$27,962,321,814.89	1.00069	33	110
3/24	0.6051%	0.000016577	\$27,815,979,767.22	1.00067	34	110
3/25	0.5966%	0.000016346	\$27,807,826,359.12	1.00070	33	110
3/26	0.5978%	0.000016377	\$27,877,612,887.78	1.00070	32	109
3/27	0.5643%	0.000015459	\$27,837,846,346.85	1.00071	33	110
3/28	0.5643%	0.000015459	\$27,837,846,346.85	1.00071	33	110
3/29	0.5643%	0.000015459	\$27,837,846,346.85	1.00071	33	110
3/30	0.5605%	0.000015356	\$27,797,672,336.36	1.00069	31	108
3/31	0.5514%	0.000015107	\$27,925,661,060.83	1.00066	32	106
<b>Average:</b>	<b>1.0034%</b>	<b>0.000027489</b>	<b>\$28,060,342,288.69</b>	<b>1.00061</b>	<b>31</b>	<b>108</b>



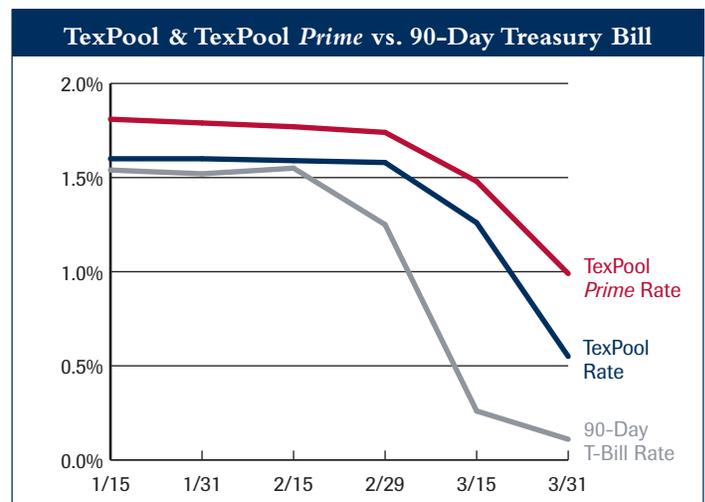
Participant Services  
 1001 Texas Ave. Suite 1150  
 Houston, TX 77002

the extreme demand for Treasuries may subside. All of these should help to push yields on short-term Treasuries back into positive territory.

The Fed's Money Market Mutual Fund Liquidity Facility (MMLF) has worked well to date. This is not to say the system is back to normal. Bid/ask spreads, while narrowing daily, remain high at times. As the velocity and amount of paper being placed in the market becomes more predictable, this spread should continue to shrink. We expect operations to improve further when the Fed's Commercial Paper Funding Facility (CPFF) begins in mid to late April and as its Primary Dealer Credit Facility (PDCF) continues.

As a whole, the industry and the Fed have emerged on the other side of March in good shape. All Federated Hermes pools are fully operational and have liquidity in excess of regulatory requirements. We expect the Fed to keep the fed funds target rate range at 0-0.25% for the near future, but do not foresee a sustained zero-rate environment.

Treasuries ended the month with 1-month at 0.04%, 3-month at 0.13%, 6-month at 0.16% and 12-month at 0.18%; the London interbank offered rate (LIBOR) ended the month with 1-month at 0.99%, 3-month at 1.45%, 6-month at 1.18% and 12-month at 1.00%; The weighted average maturity (WAM) at month-end was 32 days for TexPool and 45 days for TexPool Prime.



*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.*