

City of Hewitt

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2022

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Hewitt is in compliance with the Public Funds Investment Act and the Investment Policy and its incorporated strategies.

City Manager

Finance Director

Accountant

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

<u>Asset Type</u>	<u>December 31, 2021</u>		<u>March 31, 2022</u>		
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>
Pools/DDA/MMA	\$ 18,286,530	\$ 18,286,530	\$ 17,251,000	\$ 17,251,000	0.52%
Securities/CDs	1,764,961	1,764,961	6,694,840	6,694,840	0.80%
Totals	\$ 20,051,490	\$ 20,051,490	\$ 23,945,840	\$ 23,945,840	0.60%

<u>Current Quarter Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.60%	Total Portfolio	0.52%
Rolling Three Month Treasury	0.31%	Rolling Three Month Treasury	0.18%
Rolling Six Month Treasury	0.36%	Rolling Six Month Treasury	0.22%
TexPool	0.15%	TexPool	0.10%

<u>Interest Earnings</u>	
Quarterly Interest Income	\$ 28,359
Fiscal Year-to-date Interest Income	\$ 50,695

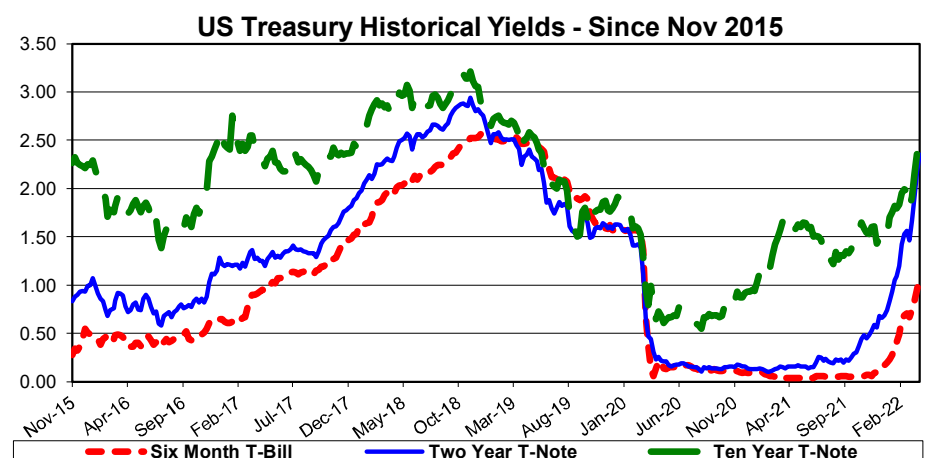
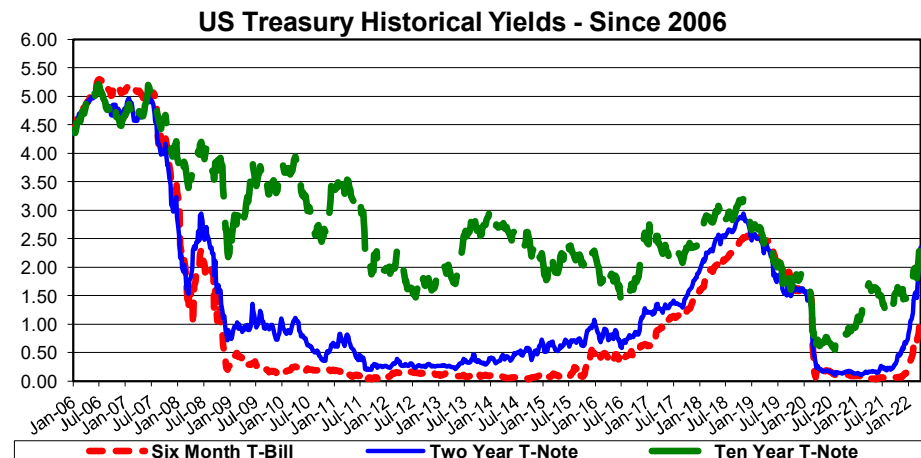
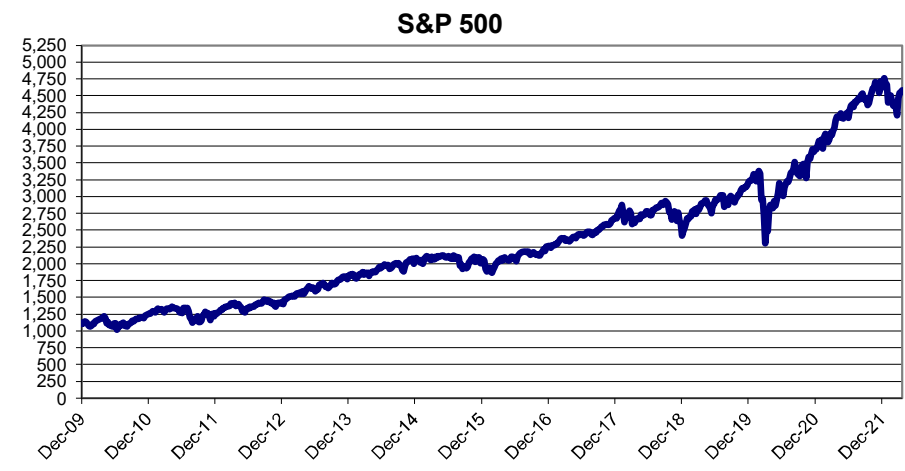
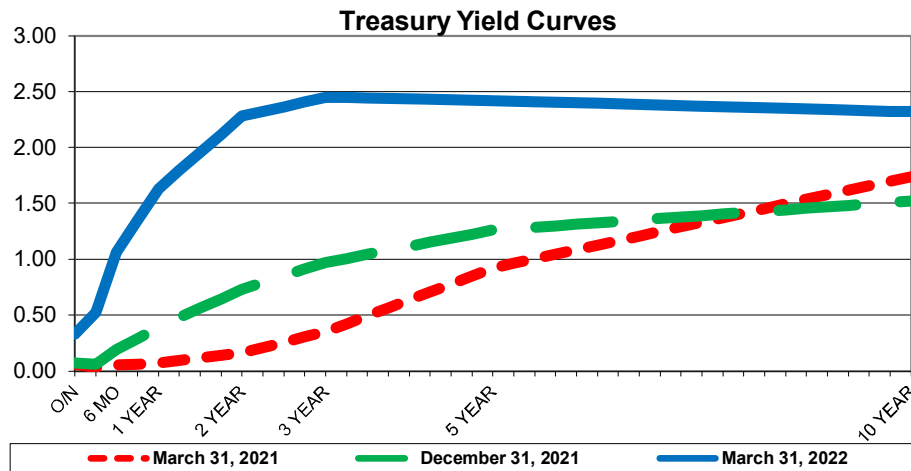
(1) **Current Quarter Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

3/31/2022

The Federal Open Market Committee (FOMC) **raised** the Fed Funds target range to 0.25% to 0.50% (Effective Fed Funds are trading +/-0.30%). The FOMC ended monthly security purchases and may begin reducing their balance sheet. The market projection 4 to 6 more increases this calendar year. Final Fourth Quarter GDP recorded +6.9%. March Non-Farm Payroll missed estimates adding 431k net new jobs. Decreasing the Three Month Average NFP to 562k. Crude oil declined to +/- \$100 per barrel. The Stock Markets have recovered from the "correction" and slowly regained some lost ground. Some domestic economic indicators, including housing, softened. Inflation remained well over the FOMC 2% target (Core PCE +/-5.4%). The FOMC Fed Funds target projections pushed the yield curve to a Three Year Maturity peak.



Investment Holdings
March 31, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash on Hand		0.00%	04/01/22	03/31/22	\$ 2,200	\$ 2,200	1.00	\$ 2,200	1	0.00%
Independent Bank - MMA		0.55%	04/01/22	03/31/22	15,718,471	15,718,471	1.00	15,718,471	1	0.55%
Southside Bank - MMA		0.18%	04/01/22	03/31/22	1,257,260	1,257,260	1.00	1,257,260	1	0.18%
TexPool	AAAm	0.15%	04/01/22	03/31/22	273,069	273,069	1.00	273,069	1	0.15%
Alliance Bank CD		0.25%	04/15/22	04/15/21	938,590	938,590	100.00	938,590	15	0.25%
Alliance Bank CD		0.25%	04/19/22	04/19/21	827,459	827,459	100.00	827,459	19	0.25%
East West Bank CD		0.73%	08/18/22	02/18/22	850,476	850,476	100.00	850,476	140	0.73%
East West Bank CD		0.91%	11/17/22	02/18/22	850,593	850,593	100.00	850,593	231	0.91%
East West Bank CD		1.10%	02/17/23	02/18/22	3,227,721	3,227,721	100.00	3,227,721	323	1.10%
Total					\$ 23,945,840	\$ 23,945,840		\$ 23,945,840	59	0.60%
									(1)	-2

(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

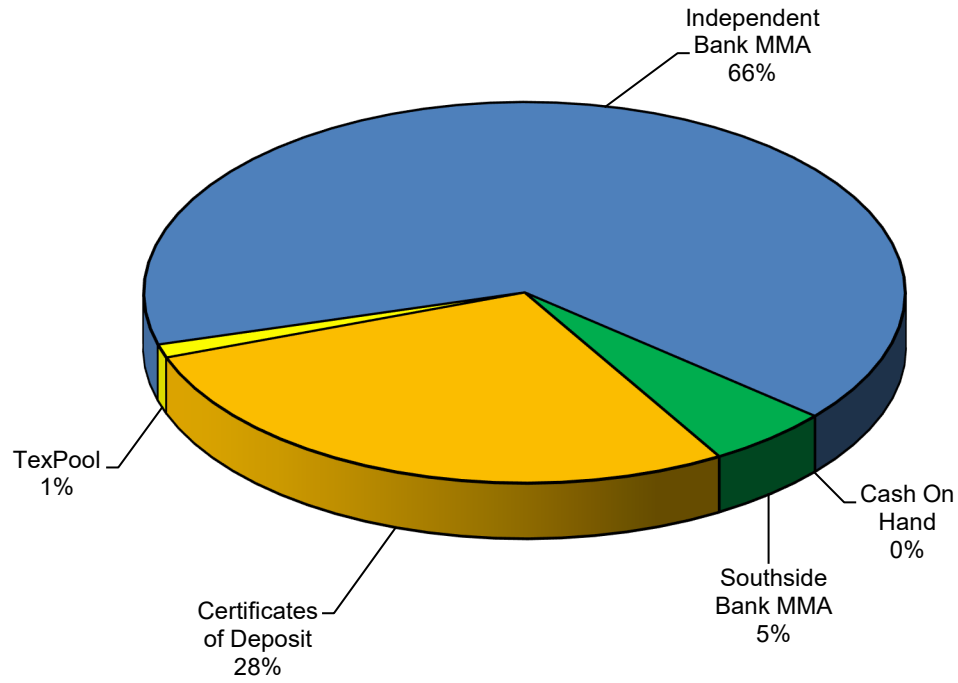
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for pool, and bank account investments.

Portfolio Holdings
Group By: Issuer
As of 3/31/2022

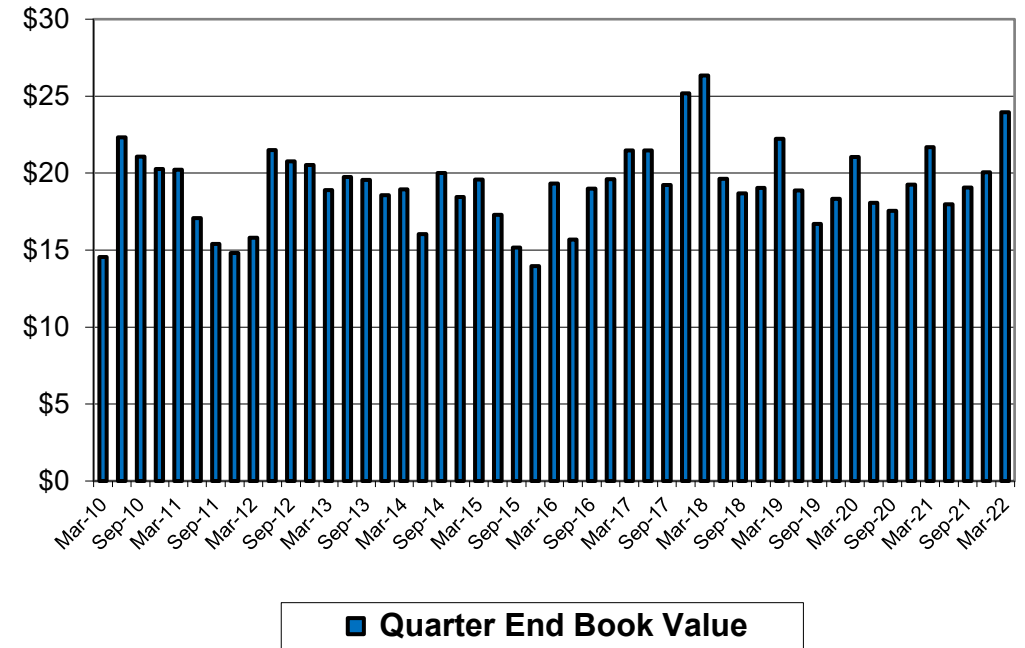
Asset Class	Amount	Portfolio Name	Maturity Date
Alliance Bank - CDs			
10-124 AB 90 Day Reserve	938,589.82	GF 90 Day Reserve	4/15/2022
20-272 UF Oper Res AB	827,459.22	UF 90 Day Reserve	4/19/2022
	1,766,049.04		
Cash on Hand			
None	900.00	GF Operating	
None	1,300.00	Utility Fund Operating	
	2,200.00		
East West Bank - CDs			
07-135 EWB CLFRF 6 mo	850,476.00	CLFRF	8/18/2022
07-130 EWB CLFRF 9 mos	850,593.37	CLFRF	11/17/2022
10-126 EWB GF Reserves	1,251,054.79	GF 90 Day Reserve	2/17/2023
10-122 EWB GF Unrestricted	1,016,162.75	GF Unrestricted	2/17/2023
20-125 EWB UF Unrestricted	960,503.82	UF Unrestricted	2/17/2023
	4,928,790.73		
Independent Bank			
07-120 CLFRF	159,287.49	CLFRF	
08-120 PEG	428,398.84	PEG Account	
09-120 Child Safety	131,847.71	Child Safety Fd 09	
10-115 GF-Oper FY 2021	2,000,000.00	GF Operating	
10-120 GF-Operating	853,784.34	GF Operating	
10-121 IB GF Oper Funds	2,572,294.00	GF Unrestricted	
10-125 GF 90 Day Reserve	706.50	GF 90 Day Reserve	
10-130 GF-I&S	2,153,025.77	GF Tax I&S	
10-135 GF-Street Res	817.80	GF Street Reserve	
10-140 Payroll	1,336.46	GF Operating	
10-160 HHIT	665.30	GF Operating	
12-120 DF Oper	301,242.36	Drainage Fund	
15-120 St Cap Oper	12,157.25	GF Capital Projects	
18-120 2017 Bond Fund	802,170.23	2017 Bond Fund	
20-120 UF-Operating	533,821.14	Utility Fund Operating	
20-120 UF-Operating	2,500,000.00	UF Unrestricted	
20-122 UF-Oper Res IB	474,717.82	UF 90 Day Reserve	
20-138 UF-Debt	1,664,452.85	UF Self-Supt Debt	
20-140 UF-Deposits	528,044.65	UF Water Deposits	
25-120 UF Cap Oper	421,378.92	UF Capital Projects	
40-120 Hotel Fund Oper	178,321.46	Hotel Fund	

	15,718,470.89		
Southside Bank			
10-265 GF-St Res-SSB	216,815.99	GF Street Reserve	
10-267 GF-I&S-SSB	489,678.70	GF Tax I&S	
20-266 UF Debt-SSB	317,606.99	UF Self-Supt Debt	
20-267 UF Equip-SSB	233,158.37	UF Equipment Res	
	1,257,260.05		
TexPool			
10-200 GF-Reserve-Txpl	88,366.37	GF 90 Day Reserve	
10-201 GF-St Res-Txpl	11,155.19	GF Street Reserve	
10-203 GF-I&S-Txpl	1,841.00	GF Tax I&S	
15-200 St Cap-Txpl	12,966.33	GF Capital Projects	
20-200 UF Oper-Txpl	23,425.69	Utility Fund Operating	
20-201 UF Dep-Txpl	1,629.50	UF Water Deposits	
20-203 UF Equip-Txpl	5,552.26	UF Equipment Res	
20-204 UF Debt-Txpl	117,774.15	UF Self-Supt Debt	
25-200 UF Cap-Txpl	10,358.75	UF Capital Projects	
	273,069.24		
TOTAL PORTFOLIO	23,945,839.95		

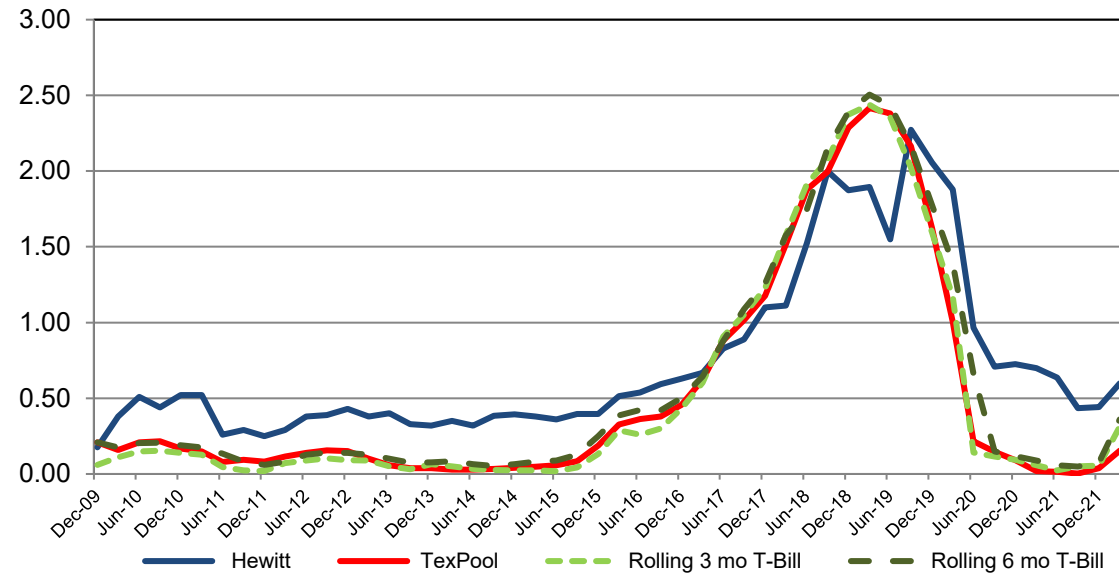
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Portfolio Holdings
Group By: Portfolio Name
As of 3/31/2022

Description	Rate	Amount	Maturity Date	Days To Maturity
CLFRF				
East West Bank 0.73 8/18/2022	0.730	850,476.00	8/18/2022	140
East West Bank 0.91 11/17/2022	0.910	850,593.37	11/17/2022	231
Independent Bank MM	0.550	159,287.49		
	0.797	1,860,356.86		
PEG Account				
Independent Bank MM	0.550	428,398.84		
Child Safety Fd 09				
Independent Bank MM	0.550	131,847.71		
GENERAL FUND				
GF Unrestricted				
East West Bank 1.1 2/17/2023	1.100	1,016,162.75	2/17/2023	323
Independent Bank MM	0.550	2,572,294.00		
	0.706	3,588,456.75		
GF Operating				
Cash on Hand Cash	0.000	900.00	Cash on Hand	
Independent Bank MM	0.550	665.30	HHIT	
Independent Bank MM	0.550	853,784.34	Operating Funds	
Independent Bank MM	0.550	2,000,000.00	Oper Fds-Apr-Oct	
Independent Bank MM	0.550	1,336.46	Payroll	
	0.550	2,856,686.10		
GF Street Reserve				
Independent Bank MM	0.550	817.80		
Southside Bank MM	0.180	216,815.99		
TexPool LGIP	0.154	11,155.19		
	0.180	228,788.98		
GF Tax I&S				
Independent Bank MM	0.550	2,153,025.77		
Southside Bank MM	0.180	489,678.70		
TexPool LGIP	0.154	1,841.00		
	0.481	2,644,545.47	Req'd Reserves=\$559,900	
GF 90 Day Reserve				
ALLIANCE BANK 0.25 4/15/2022	0.250	938,589.82	4/15/2022	15
East West Bank 1.1 2/17/2023	1.100	1,251,054.79	2/17/2023	323
Independent Bank MM	0.550	706.50		
TexPool LGIP	0.154	88,366.37		
	0.713	2,278,717.48	Req'd Reserves=\$2,273,888	
Total General Fund Portfolio		11,597,194.78		
Hotel Fund				
Independent Bank MM	0.550	178,321.46		

GF Capital Projects				
Independent Bank MM	0.550	12,157.25		
TexPool LGIP	0.154	12,966.33		
	0.345	25,123.58		
2017 Bond Fund				
Independent Bank MM	0.550	802,170.23		
UTILITY FUND				
UF Unrestricted				
East West Bank 1.1 2/17/2023	1.100	960,503.82	2/17/2023	323
Independent Bank MM	0.550	2,500,000.00		
	0.703	3,460,503.82		
Utility Fund Operating				
Cash on Hand Cash	0.000	1,300.00		
Independent Bank MM	0.550	533,821.14		
TexPool LGIP	0.154	23,425.69		
	0.532	558,546.83		
UF Equipment Res				
Southside Bank MM	0.180	233,158.37		
TexPool LGIP	0.154	5,552.26		
	0.179	238,710.63		
UF Water Deposits				
Independent Bank MM	0.550	528,044.65		
TexPool LGIP	0.154	1,629.50		
	0.549	529,674.15		
UF Self-Supt Debt				
Independent Bank MM	0.550	1,664,452.85		
Southside Bank MM	0.180	317,606.99		
TexPool LGIP	0.154	117,774.15		
	0.472	2,099,833.99	Req'd Reserves=\$571,991	
UF 90 Day Reserve				
ALLIANCE BANK 0.25 4/19/2022	0.250	827,459.22	4/19/2022	19
Independent Bank MM	0.550	474,717.82		
	0.359	1,302,177.04	Req'd Reserves=\$1,288,477	
Total Utility Fund Portfolio		8,189,446.46		
Drainage Fund				
Independent Bank MM	0.550	301,242.36		
UF Capital Projects				
Independent Bank MM	0.550	421,378.92		
TexPool LGIP	0.154	10,358.75		
	0.540	431,737.67		
TOTAL PORTFOLIO	0.597	23,945,839.95		59

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/21	Increases	Decreases	Book Value 03/31/22	Market Value 12/31/21	Change in Market Value	Market Value 03/31/22
Cash on Hand	0.00%	04/01/22	\$ 2,200	\$ –	\$ –	\$ 2,200	\$ 2,200	\$ –	\$ 2,200
Independent Bank - MMA	0.55%	04/01/22	14,779,676	938,794	–	15,718,471	14,779,676	938,794	15,718,471
Southside Bank - MMA	0.18%	04/01/22	3,231,641	–	(1,974,381)	1,257,260	3,231,641	(1,974,381)	1,257,260
TexPool	0.15%	04/01/22	273,012	57	–	273,069	273,012	57	273,069
Alliance Bank CD	0.25%	04/15/22	938,011	578	–	938,590	938,011	578	938,590
Alliance Bank CD	0.25%	04/19/22	826,949	510	–	827,459	826,949	510	827,459
East West Bank CD	0.73%	08/18/22	–	850,476	–	850,476	–	850,476	850,476
East West Bank CD	0.91%	11/17/22	–	850,593	–	850,593	–	850,593	850,593
East West Bank CD	1.10%	02/17/23	–	3,227,721	–	3,227,721	–	3,227,721	3,227,721
TOTAL / AVERAGE	0.60%		\$ 20,051,490	\$ 5,868,730	\$ (1,974,381)	\$ 23,945,840	\$ 20,051,490	\$ 3,894,350	\$ 23,945,840

Allocation By Fund
March 31, 2022

Book and Market Value	Cash on Hand	Independent Bank - MMA (0.55%)	TexPool (0.04%)	Southside Bank - MMA (0.09%)	04/15/22 – Alliance Bank (0.25%)	04/19/22 – Alliance Bank (0.25%)	08/18/22 – East West Bank (0.73%)
GF Operating	\$ 900	\$ 5,426,078	\$ –	\$ –	\$ –	\$ –	\$ –
GF Street Reserve	–	818	11,155	216,816	–	–	–
GF Tax I&S	–	2,153,026	1,841	489,679	–	–	–
GF 90 Day Reserves	–	707	88,366	–	938,590	–	–
PEG Account	–	428,399	–	–	–	–	–
Street Capital	–	12,157	12,966	–	–	–	–
Hotel Fund	–	178,321	–	–	–	–	–
HHIT	–	665	–	–	–	–	–
Drainage Fund	–	301,242	–	–	–	–	–
Payroll Account	–	1,336	–	–	–	–	–
UF Operating	1,300	3,033,821	23,426	–	–	–	–
UF Deposits	–	528,045	1,630	–	–	–	–
UF Self-Supporting	–	1,664,453	117,774	317,607	–	–	–
UF 90-Day Reserves	–	474,718	–	–	–	827,459	–
UF Equipment	–	–	5,552	233,158	–	–	–
UF Capital (2016 Bonds)	–	421,379	10,359	–	–	–	–
2017 Bond Funds	–	802,170	–	–	–	–	–
Child Safety Fees	–	131,848	–	–	–	–	–
CLFRF - ARP Funds	–	159,287	–	–	–	–	850,476
Totals	\$ 2,200	\$ 15,718,471	\$ 273,069	\$ 1,257,260	\$ 938,590	\$ 827,459	\$ 850,476

Allocation By Fund

March 31, 2022

(continued)

Book and Market Value	11/17/22 – East	02/17/23 – East	Total
	West Bank (0.91%)	West Bank (1.1%)	
GF Operating	\$ —	\$ 1,016,163	\$ 6,443,141
GF Street Reserve	—	—	228,789
GF Tax I&S	—	—	2,644,545
GF 90 Day Reserves	—	1,251,055	2,278,717
PEG Account	—	—	428,399
Street Capital	—	—	25,124
Hotel Fund	—	—	178,321
HHIT	—	—	665
Drainage Fund	—	—	301,242
Payroll Account	—	—	1,336
UF Operating	—	960,504	4,019,051
UF Deposits	—	—	529,674
UF Self-Supporting	—	—	2,099,834
UF 90-Day Reserves	—	—	1,302,177
UF Equipment	—	—	238,711
UF Capital (2016 Bonds)	—	—	431,738
2017 Bond Funds	—	—	802,170
Child Safety Fees	—	—	131,848
CLFRF - ARP Funds	850,593	—	1,860,357
Totals	\$ 850,593	\$ 3,227,721	\$ 23,945,840

Allocation By Fund
December 31, 2021

Book and Market Value	Cash on Hand	Independent Bank - MMA (0.55%)	TexPool (0.0376%)	Southside Bank - MMA (0.09%)	04/15/22 – Alliance Bank (0.25%)	04/19/22 – Alliance Bank (0.25%)	Total
GF Operating	\$ 900	\$ 2,833,792	\$ –	\$ 1,015,226	\$ –	\$ –	\$ 3,849,918
GF Street Reserve	–	817	11,153	216,734	–	–	228,704
GF Tax I&S	–	1,185,071	1,841	489,499	–	–	1,676,411
GF 90 Day Reserves	–	1,249,827	88,348	–	938,011	–	2,276,186
PEG Account	–	425,956	–	–	–	–	425,956
Street Capital	–	12,141	12,964	–	–	–	25,104
Hotel Fund	–	143,585	–	–	–	–	143,585
HHIT	–	661	–	–	–	–	661
Drainage Fund	–	278,260	–	–	–	–	278,260
Payroll Account	–	1,301	–	–	–	–	1,301
UF Operating	1,300	3,178,746	23,421	959,619	–	–	4,163,085
UF Deposits	–	529,470	1,629	–	–	–	531,099
UF Self-Supporting	–	1,170,080	117,749	317,493	–	–	1,605,322
UF 90-Day Reserves	–	474,075	–	–	–	826,949	1,301,024
UF Equipment	–	–	5,551	233,070	–	–	238,621
UF Capital (2016 Bonds)	–	448,455	10,357	–	–	–	458,811
2017 Bond Funds	–	879,225	–	–	–	–	879,225
Child Safety Fees	–	114,028	–	–	–	–	114,028
CLFRF - ARP Funds	–	1,854,189	–	–	–	–	1,854,189
Totals	\$ 2,200	\$ 14,779,676	\$ 273,012	\$ 3,231,641	\$ 938,011	\$ 826,949	\$ 20,051,490