

Town of Flower Mound

The Monthly Comprehensive Financial Report (CMFR) will not be prepared for September 2019 as the information contained would be prior to the annual audit and differ from the Comprehensive Annual Financial Report (CAFR) which will be presented to the Town Council in March 2020.

This report is the Unaudited Investment Committee Report for the quarter ended September 30, 2019 which is usually distributed in the CMFR for compliance with the Public Funds Investment Act, Section 22.56.005 (PFIA).

INVESTMENT COMMITTEE REPORT

For the Quarter and Year Ended September 30, 2019

The Investment Committee Report contains internal management reports for the Town of Flower Mound's (Town) investment program which is in compliance with the policies and strategies as contained the Town's Investment Policy as approved by Resolution No. 15-19 and also in compliance with Section 2256.005 of the Public Funds Investment Act (PFIA).

In accordance with the PFIA, Section 2256.023(i), all members of the Town's Investment Committee are required to disclose to the Texas Ethics Commission and the governing body, any personal business relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the Town. The disclosure certificates are included in the management report.



September 30, 2019

Ethics Commission Texas
P. O. Box 12070
Austin, Texas 78711-2070

Re: Disclosure under the Public Funds Investment Act

To Whom It May Concern:

Please find enclosed the original certificates signed by all investment officers of the Town of Flower Mound, Texas certifying compliance as required by the Section 2256.023 of the Internal Management Reports of the Public Funds Investment Act and the Town of Flower Mound's Investment Policy.

If you have any questions, please do not hesitate to call me at 972-874-6024.

Sincerely,

Julie Taylor
Director of Treasury Operations

Enclosures



MEMORANDUM

Date: September 30, 2019

To: Mayor Steve Dixon and members of the Town Council

From: Town Investment Committee Member

Subject: Disclosure under the Public Funds Investment Act

As a member of the Investment Committee for the Town of Flower Mound, I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the Town of Flower Mound as of the date of this memorandum, in compliance with the Public Funds Investment Act and with the Town of Flower Mound's Investment Policy.

1. I have the following "personal business relationships" with individuals or entities, who are offering to engage, have offered to engage or may offer to engage in an investment transaction with the Town of Flower Mound.
 - (a) I own (a) ten percent (10%) or more of the voting stock or shares or (b) \$5,000 or more of the fair market value of the following business organizations: None
 - (b) I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year: None
 - (c) I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account: None
2. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell an investment to the Town of Flower Mound: None
3. I acknowledge that this disclosure will be filed with the Mayor and Town Council of the Town of Flower Mound and the Texas Ethics Commission.

Debra Wallace
Deputy Town Manager/Chief Financial Officer



MEMORANDUM

Date: September 30, 2019

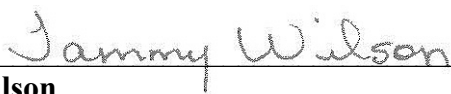
To: Mayor Steve Dixon and members of the Town Council

From: Town Investment Committee Member

Subject: Disclosure under the Public Funds Investment Act

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Tammy Wilson
Executive Director of Financial Services



MEMORANDUM

Date: September 30, 2019

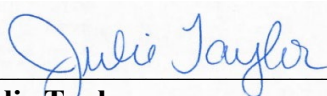
To: Mayor Steve Dixon and members of the Town Council

From: Town Investment Committee Member

Subject: Disclosure under the Public Funds Investment Act

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 - (b) I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year: None
 - (c) I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account: JPMorgan Chase
2. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell an investment to the Town of Flower Mound: None
3. I acknowledge that this disclosure will be filed with the Mayor and Town Council of the Town of Flower Mound and the Texas Ethics Commission.



Julie Taylor
Director of Treasury Operations

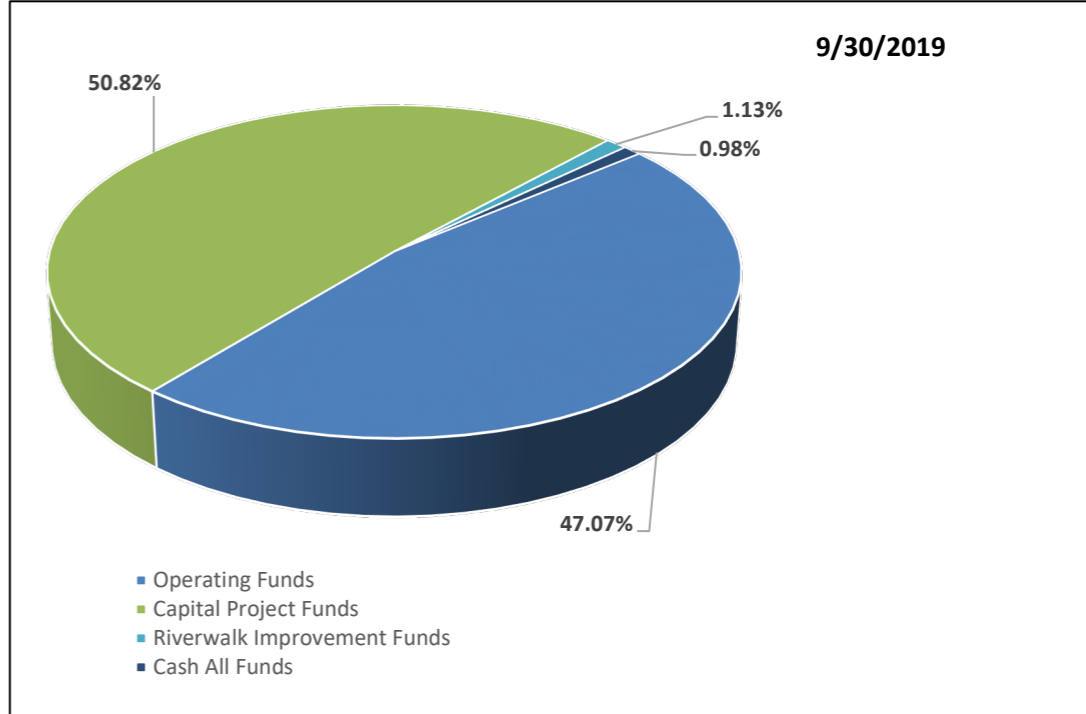
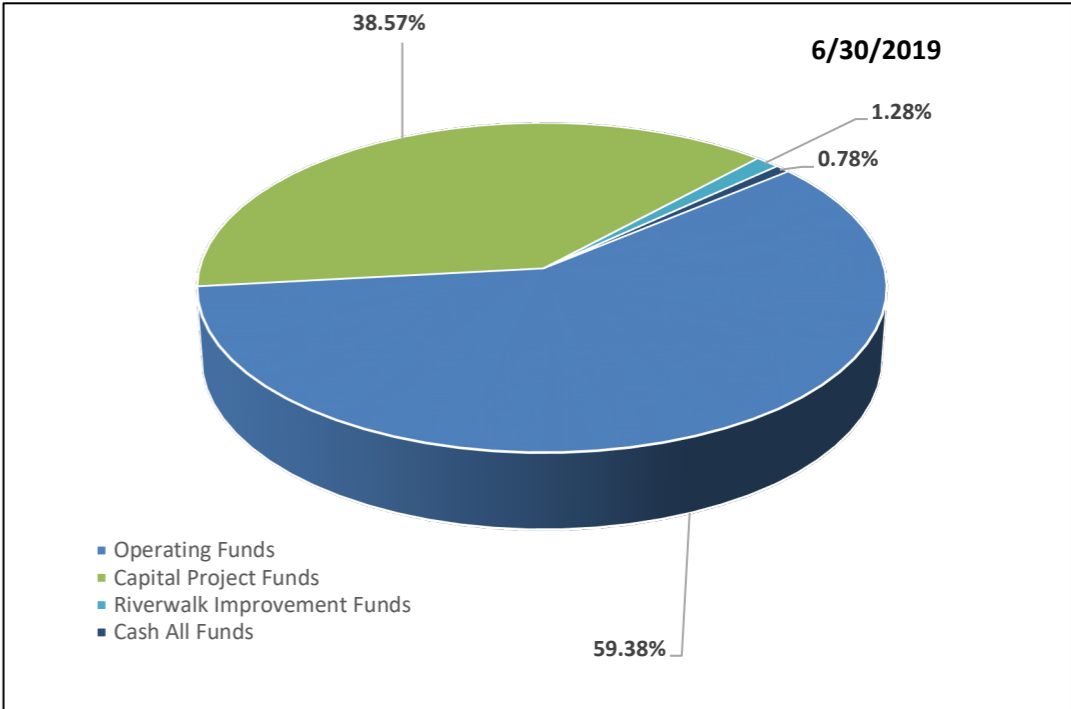
TOWN OF FLOWER MOUND

Investment Portfolio Summary

Quarter Ending September 30, 2019



Funds		Par Value	Book Value	Market Value	Unrealized Gain/(Loss)	Accrued Interest
Operating Funds						
Value at	6/30/2019	\$ 94,901,030	\$ 94,731,490	\$ 94,833,092	\$ 101,602	\$ 139,667
	Net Change	(9,687,845)	(9,602,088)	(9,623,260)	(21,172)	131,283
Value at	9/30/2019	\$ 85,213,185	\$ 85,129,402	\$ 85,209,832	\$ 80,430	\$ 270,950
Capital Project Funds						
Value at	6/30/2019	\$ 61,602,971	\$ 61,586,731	\$ 61,597,037	\$ 10,306	\$ 60,590
	Net Change	30,315,703	30,411,885	30,424,412	12,527	(1,649)
Value at	9/30/2019	\$ 91,918,674	\$ 91,998,616	\$ 92,021,449	\$ 22,833	\$ 58,941
Riverwalk Improvement Funds						
Value at	6/30/2019	\$ 2,041,595	\$ 2,041,595	\$ 2,041,595	\$ -	\$ -
	Net Change	11,558	11,558	11,558	-	-
Value at	9/30/2019	\$ 2,053,153	\$ 2,053,153	\$ 2,053,153	\$ -	\$ -
Cash All Funds						
Value at	6/30/2019	\$ 1,246,548	\$ 1,246,548	\$ 1,246,548	\$ -	\$ -
	Net Change	524,804	524,804	524,804	-	-
Value at	9/30/2019	\$ 1,771,352	\$ 1,771,352	\$ 1,771,352	\$ -	\$ -
	6/30/2019	\$ 159,792,144	\$ 159,606,364	\$ 159,718,272	\$ 111,908	\$ 200,257
	Net Change	21,164,220	21,346,159	21,337,514	(8,645)	129,634
	9/30/2019	\$ 180,956,364	\$ 180,952,523	\$ 181,055,786	\$ 103,263	\$ 329,891



Note: The Operating Funds portfolio contains investments for the Operating Funds, Special Revenue Funds, Debt Service Funds and the Employee Benefit Fund.

Performance	6/30/2019	9/30/2019	Compliance - Weighted Ave. Maturity	6/30/2019	9/30/2019
Yield to Maturity @ Cost	2.417	2.194	Operating 365 Days	96	47
3 Month Treasury	2.222	1.940	Capital Projects 365 Days	21	51
Weighted Average Maturity (Days)	65	100	Riverwalk Improv. 90 Days	1	1

The Quarterly Compliance Report contains internal management reports for the Town of Flower Mound's (Town's) Investment Program, which is in compliance with the policies and strategies as contained in the Town's Investment Policy as approved by Resolution No. 15-19.

Debra Wallace
Debra Wallace
Deputy Town Manager / CFO

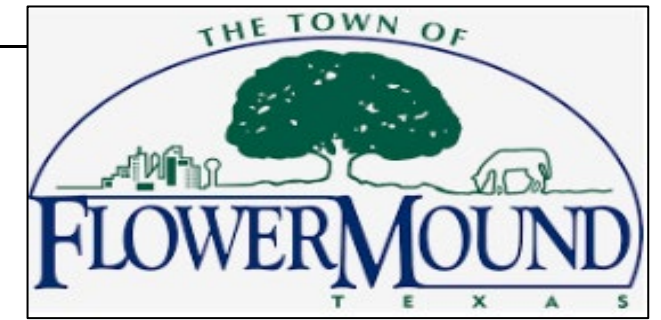
Tammy Wilson
Tammy Wilson
Executive Director of Financial Services

Julie Taylor
Julie Taylor
Director of Treasury Operations

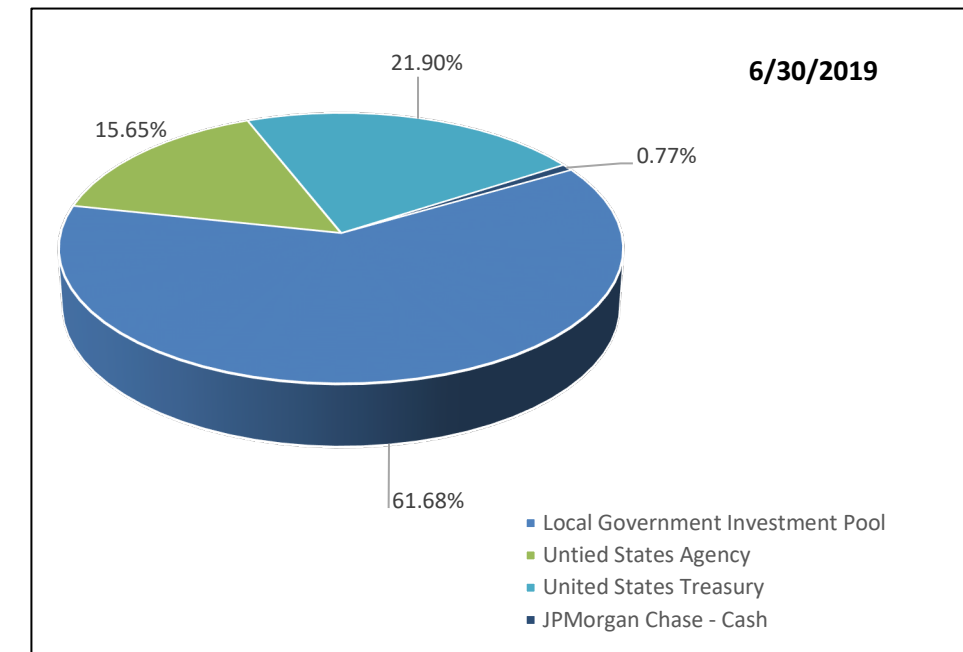
TOWN OF FLOWER MOUND

Investment Portfolio Summary

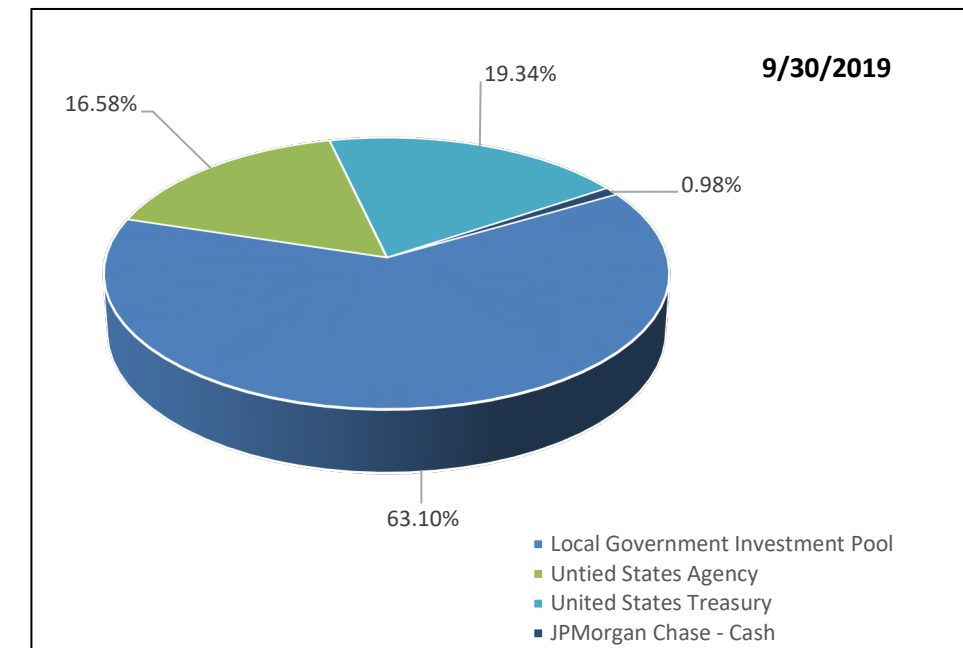
Quarter Ending September 30, 2019



Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Local Government Investment Pool	61.68%	2.380%	1	\$ 98,545,596	\$ 98,545,596	\$ 98,545,596
Untied States Agency	15.65%	2.525%	129	25,000,000	24,942,999	24,971,335
United States Treasury	21.90%	2.505%	201	35,000,000	34,871,221	34,954,793
JPMorgan Chase - Cash	0.77%	0.650%	1	1,246,548	1,246,548	1,246,548
	100.00%	2.417%	65	\$ 159,792,144	\$ 159,606,364	\$ 159,718,272



Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Local Government Investment Pool	63.10%	2.140%	1	\$ 114,185,012	\$ 114,185,012	\$ 114,185,012
Untied States Agency	16.58%	2.211%	146	30,000,000	30,077,607	30,112,270
United States Treasury	19.34%	2.434%	155	35,000,000	34,918,552	34,987,152
JPMorgan Chase - Cash	0.98%	0.650%	1	1,771,352	1,771,352	1,771,352
	100.00%	2.194%	55	\$ 180,956,364	\$ 180,952,523	\$ 181,055,786



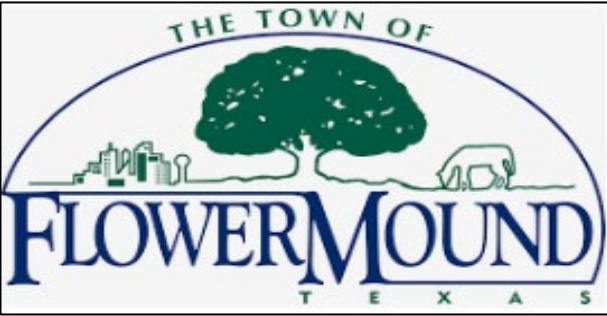
Investment Policy Compliance	Max	Compliance
US Treasury Notes / Bonds / Bills	100%	Yes
US Agency & Instrumentalities	75%	Yes
State of Texas Obligations & Agencies	10%	Yes
No-Load Money Market Mutual Fund	25%	Yes
Local Government Investment Pool	70%	Yes
Local Government Obligations	10%	Yes
Repurchase Agreements - Operating	10%	Yes
Repurchase Agreements - Construction	100%	Yes
Certificate of Deposit	100%	Yes

Investment Policy Compliance - Collateral	
Federal Deposit Insurance Corp. (FDIC)	\$ 250,000
Federal Home Loan Letter of Credit	2,060,000
	<u>\$ 2,310,000</u>
JPMorgan Chase - Cash 9/30/2019	\$ 1,771,352
103% Collateral	1,953,801
	<u>\$ 356,199</u>
Excess Collateral	

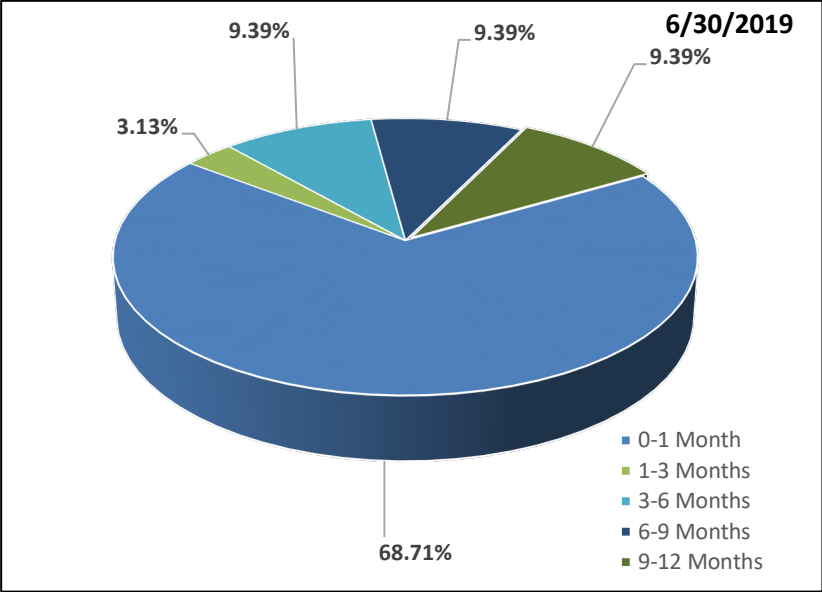
TOWN OF FLOWER MOUND

Investment Portfolio Summary

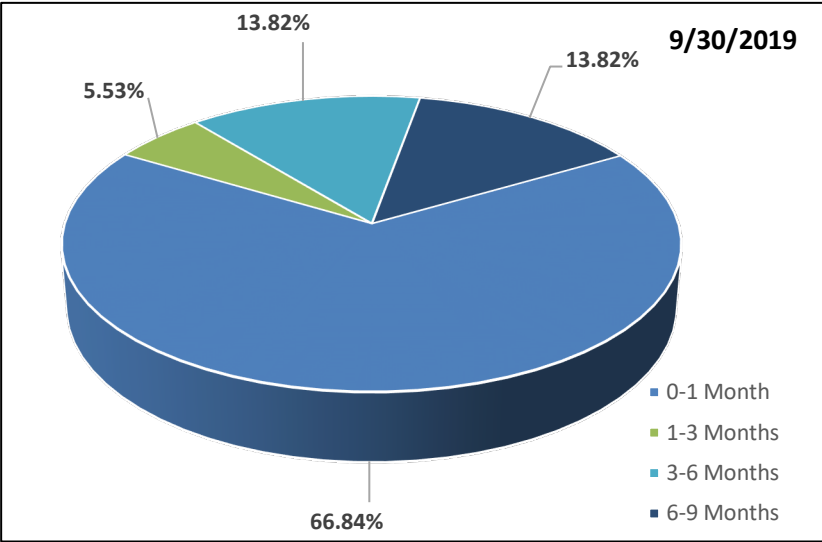
Quarter Ending September 30, 2019



Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
0-1 Month	68.71%	2.372%	3	\$ 109,792,144	\$ 109,781,855	\$ 109,782,148
1-3 Months	3.13%	2.454%	59	5,000,000	4,988,430	4,988,287
3-6 Months	9.39%	2.571%	130	15,000,000	14,944,100	14,966,515
6-9 Months	9.39%	2.528%	212	15,000,000	14,940,813	14,974,153
9-12 Months	9.39%	2.466%	65	15,000,000	14,951,166	15,007,169
	100.00%	2.417%	65	\$ 159,792,144	\$ 159,606,364	\$ 159,718,272



Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
0-1 Month	66.84%	2.137%	2	\$ 120,956,364	\$ 120,953,258	\$ 120,955,029
1-3 Months	5.53%	2.557%	46	10,000,000	9,987,022	9,993,310
3-6 Months	13.82%	2.240%	138	25,000,000	25,071,698	25,108,165
6-9 Months	13.82%	2.278%	231	25,000,000	24,940,545	24,999,282
	100.01%	2.417%	65	\$ 180,956,364	\$ 180,952,523	\$ 181,055,786

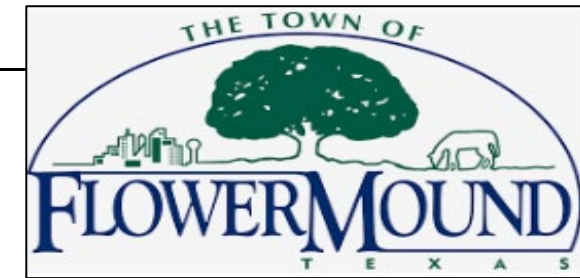


Investment Policy Compliance	WAM	6/30/2019	9/30/2019
Portfolio Weighted Avg. Maturity	≤ 365	83	65

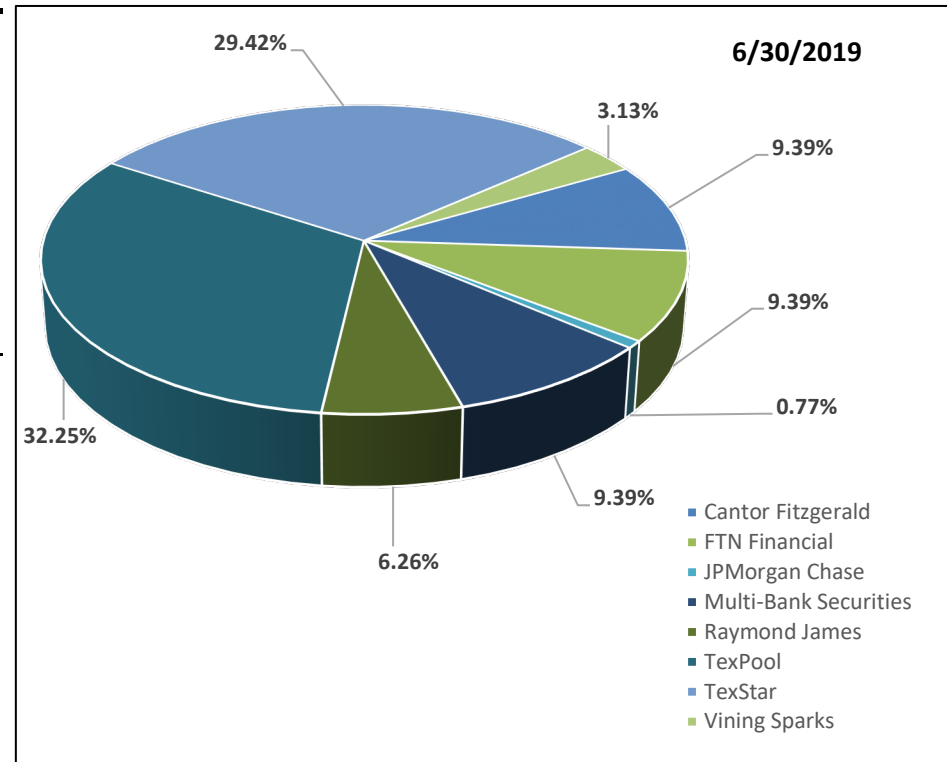
TOWN OF FLOWER MOUND

Investment Portfolio Summary

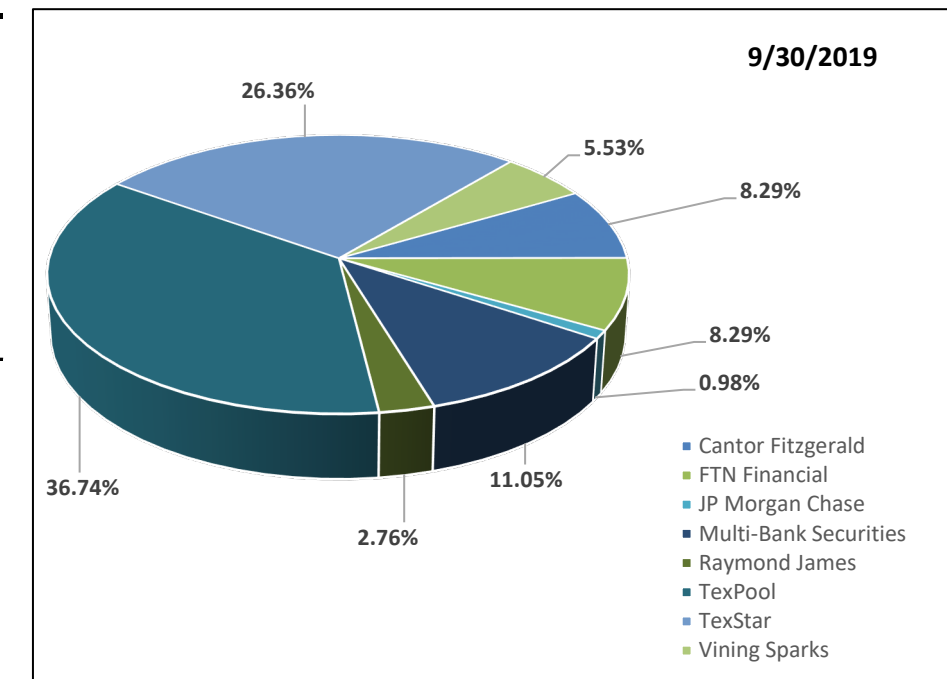
Quarter Ending September 30, 2019



Broker/Dealer	% of Portfolio	Par Value	Book Value	Market Value
Cantor Fitzgerald	9.39%	\$ 15,000,000	\$ 14,911,216	\$ 14,943,429
FTN Financial	9.39%	15,000,000	14,967,406	15,016,270
JPMorgan Chase	0.77%	1,246,548	1,246,548	1,246,548
Multi-Bank Securities	9.39%	15,000,000	14,963,861	14,984,077
Raymond James	6.26%	10,000,000	9,983,308	9,994,066
TexPool	32.25%	51,537,659	51,537,659	51,537,659
TexStar	29.42%	47,007,937	47,007,937	47,007,937
Vining Sparks	3.13%	5,000,000	4,988,429	4,988,286
100.00%		\$ 159,792,144	\$ 159,606,364	\$ 159,718,272



Broker/Dealer	% of Portfolio	Par Value	Book Value	Market Value
Cantor Fitzgerald	8.29%	\$ 15,000,000	\$ 14,952,914	\$ 14,976,980
FTN Financial	8.29%	15,000,000	14,983,575	15,023,827
JP Morgan Chase	0.98%	1,771,352	1,771,352	1,771,352
Multi-Bank Securities	11.05%	20,000,000	20,091,892	20,112,785
Raymond James	2.76%	5,000,000	4,992,601	5,003,145
TexPool	36.74%	66,486,524	66,486,524	66,486,524
TexStar	26.36%	47,698,488	47,698,488	47,698,488
Vining Sparks	5.53%	10,000,000	9,975,177	9,982,685
100.000%		\$ 180,956,364	\$ 180,952,523	\$ 181,055,786



Investment Policy Compliance

Highest Broker Percent ≤ 40%

6/30/2019

32.25%

9/30/2019

36.74%