
MEMORANDUM

TO: MATTHEW MUELLER, TOWN MANAGER
FROM: SHERRELLE EVANS-JONES, DIRECTOR OF FINANCE
SUBJECT: INVESTMENT REPORT FOR QUARTER ENDING JUNE 30, 2025
CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the quarter ending June 30, 2025, Fiscal Year 2024-2025. This report complies with the requirements of the Town's Investment Policy and the Public Fund's Investment Act as amended. For the period ending June 30, 2025, the Town's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	Percent of Total
Money Market - Independent Financial	4.61%	\$52,690,350.82	27.13%
TexPool/TexPool Prime/LOGIC Prime/SLGS	4.20%	52,515,902.82	27.04%
Certificate of Deposit	4.70%	12,272,943.63	6.30%
US Treasury Notes	4.53%	7,470,400.00	3.85%
US Agency Bonds	4.43%	69,076,688.00	35.68%
Total Portfolio (Avg)	4.49%	\$194,026,258.27	100.00%

The Town has been actively diversifying the investment portfolio to minimize risk of over 50% of funds in one portfolio type as well as capturing a better yield. As interest rates are following the federal government's increasing rates, the Town is actively participating in other higher yield investments. All Funds on deposit with Independent Financial are fully secured and safeguarded as well as collateralized. Total interest earned for the third quarter ending June 30, 2025, was \$1,996,287 and year to date earnings of \$5,885,609. Total year to date earnings for third quarter ended June 30, 2024, was \$5,976,150. This is a decrease from FY 2024 interest earnings of \$90,541 or 1.5%. This decrease is largely due to the decrease in yield over comparable periods: Q3 FY2024 Yield to Maturity was 5.12% while Q3 FY2025 Yield to Maturity was 4.49%.

Total cash and investments for the period ending June 30, 2025, was \$194,026,258. The variance decreases of \$11,193,873 from the last quarterly investment report is primarily due to maturities of invested assets. The cash flow is important for Finance to monitor to provide cash availability for expenditures while minimizing risk, preventing early redemptions of investments, and maximizing interest earnings.

The Town's current portfolio has significant resources available for same day access to cover normal and seasonal operational costs. The Town's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools but investing in other instruments to capitalize on interest earnings while keeping risk to a minimum. The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.

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The total portfolio yield fiscal year-to-date is 4.49%. While some benchmarks to reference the US Treasury T-bill rates for 3 months are 4.23%; 1 year is 3.96%; and a 2 year is 3.72% as of the date of this report. The Town's portfolio yield at the time of this report exceeds the 3-month benchmark. Finance will continue to invest in safe investments outlined in the Town's investment policy.

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QUARTERLY INVESTMENT REPORT



Quarterly Investment Report

For the Quarter Ended

March 31, 2025

Prepared by the Town of Little Elm Finance Department

Overview of the Quarterly Investment Report

Funds on deposit with depository bank are fully collateralized.

- **YTD Cash and Investments on hand: \$205,220,157.77**
 - 26.96% in depository bank
 - 25.52% invested in Pools
 - 7.70% invested in CDs
 - 3.65% invested in US Treasury Notes
 - 36.16% invested in US Agency Bonds
- **Interest Earnings**
 - \$3,889,323 YTD
 - \$1,899,485 January-March 2025
- **Average Yield on Portfolio**
 - 4.52% YTD
 - 4.54% at end of 1st Quarter – FY 2024-2025
- **Average Yield Benchmarks**
 - 4.21% Three Month Rolling Treasury Yield
 - 4.08% One Year Rolling Treasury Yield
 - 4.23% TexPool/Logic Average Yield
- **Certification of Investment Policy (Government Treasurers' Organization of Texas)**
 - Awarded for 2-year period ending April 30, 2026

The investment portfolio of the Town of Little Elm is in compliance with the Public Funds Investment Act and the investment Policy and Strategies.

Kelly Wilson

Kelly Wilson, Chief Financial Officer

Betty Pamplin

Betty Pamplin, Assistant Director of Finance