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STAFF REPORT

Date: July 19, 2023  
To: TRPA Operations & Governance Committee  
From: TRPA Staff  
Subject: Quarterly Treasurer's Report

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Summary and Staff Recommendation:

Inflation and fear of a recession are having an impact on the yield curve. Currently short-term rates of 1 year and less have higher returns than 2-year Treasuries. We continue to stay short with 70% of our investments in liquid pools (LAIF/LGIP/MM Funds), 76% of our investments mature in less than 1 year, 23% in the 1 to 3-year category, and only 1% (one security) over 3 years.

There were no unusual Treasury events during this three-month period. The attachment shows our investments broken down by investment type and maturity. It also lists each individual investment in the Principal Group Investment Pool. I have also included comparable returns.

This item is for informational purposes and no action is required.

Investments:

The last Treasurer's report was two months ago. Since then, we have had 7 maturities totaling \$2.1 million. There were no rating changes. Only 6% of the investments are rated commercial securities with 30% in Treasuries, rated AAA by Moody's (unrated by S&P). Most of our investments, 64%, are in investment pools. Please note we are focusing on Moody's ratings now instead of Standard and Poor. For some reason, when we switched from Wells Fargo to Principle Group, the S&P ratings were slow to populate in our report. Since the Moody's rating is shown for more investments than S&P, we will feature that going forward. Moody's does carry an AAA rating on Treasuries, while S&P does not rate them.

TRPA Investments total \$29.4M, down from \$31.7M from the last report. This is due to spending down the State funds received in the first quarter of the fiscal year. The unrealized loss increased \$0.1M. The maturity of the pool increased from 13.5 months to 16.7 months, but we still only have 1% of the pool in securities that mature in more than three years. We are still staying short with only one small Home Depot note in the 3–5-year category. As a reminder, the bulk of the investments are mitigation funds and securities held for other parties. This cash is not available for TRPA use.

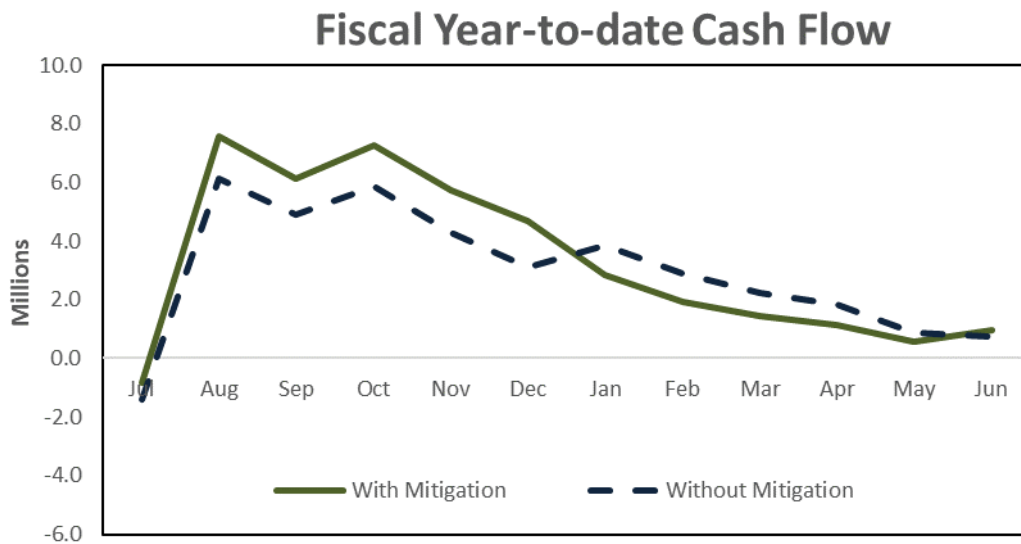
Please see the attachment for a breakout of the ratings. All securities in the portfolio meet the rating and term requirements of our Investment Policy. All securities are at least A- (S&P) or A3 (Moody's). We have three with an S&P A- rating, but only one with a Moody's A3 (and it is one of the two S&P rated A-securities, a Huntington Bank note for \$250K).

The current breakdown by type and maturity is:

	BELOW 1	1 TO 3	3 TO 5	Total	% of Pool	Policy
CA State Investment Pool	15,509,942			15,509,942	53%	No Limit
NV State Investment Pool	1,889,490			1,889,490	6%	No Limit
Treasuries	3,595,869	5,829,455	-	9,425,324	32%	< 75 %
Corporate	845,056	645,297	187,944	1,678,297	6%	< 20%
Money Market Fund	873,598			873,598	3%	< 20%
Totals	22,713,954	6,474,752	187,944	29,376,650	100%	
% of Pool	77%	22%	1%			

Cash Flow

Cash flow was a negative \$0.5M for the Quarter, normal since we receive the State allocations in advance. Surprisingly, June was positive due to Mitigation fund receipts. Total receipts for the quarter were \$4.8M. Disbursements were \$5.3M, higher than in prior years. All expenditures were within budget.



For questions regarding this agenda item, please contact Chris Keillor, Finance Director, at (775) 589-5222 or [ckeillor@trpa.gov](mailto:ckeillor@trpa.gov).

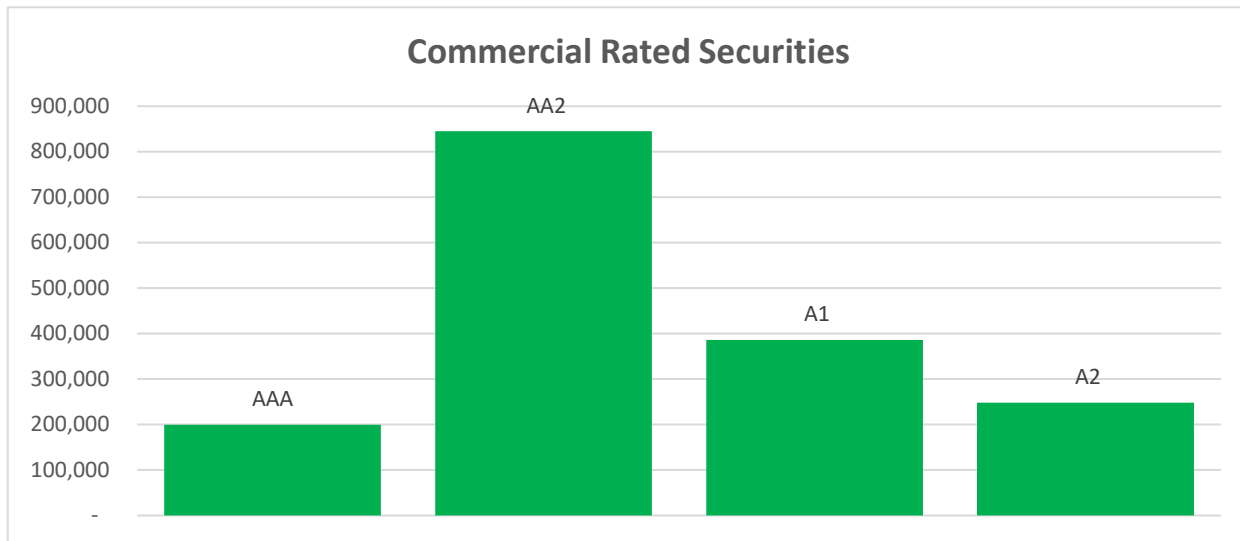
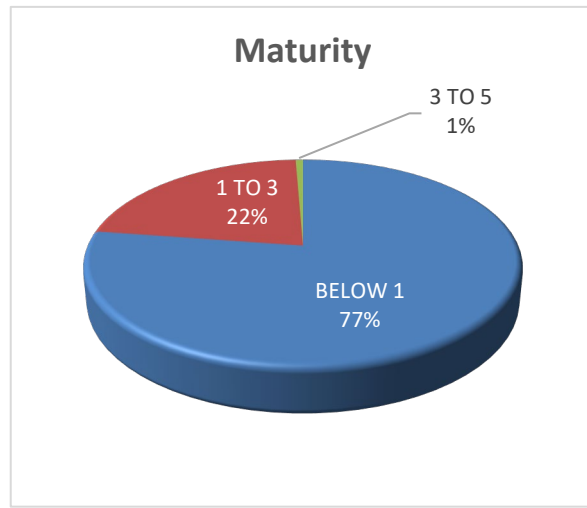
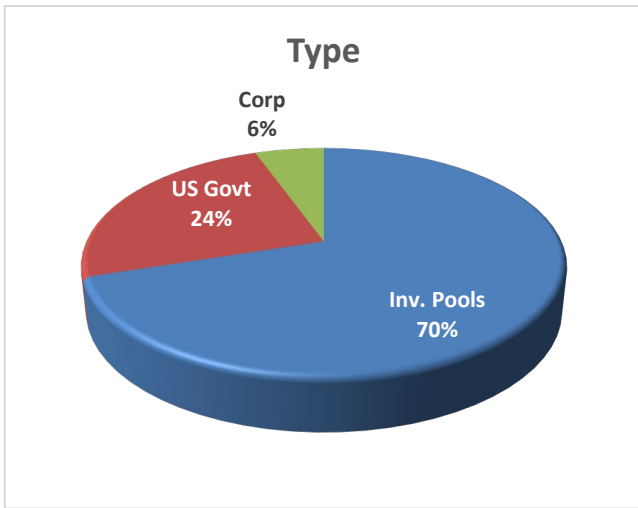
Attachment:

- A. Treasurer’s Report Addendum

Attachment A

Treasurer's Report Addendum

**TRPA Quarterly Treasurer's Report**  
*As of 6/30/23*



Security	Yields		
	Return	Date	Basis
1 Month Bill	5.186%	7/5/23	Spot Rate
3 Month Bill	5.350%	7/5/23	Spot Rate
6 Month Bill	5.483%	7/5/23	Spot Rate
1 Year Note	5.406%	4/5/23	Spot Rate
2 Year Note	4.955%	7/5/23	Spot Rate
MMKT	0.550%	7/5/23	Spot Rate
Principle Group	1.817%	5/2/23	Annual
LAIF	2.993%	4/5/23	Monthly
LGIP	4.246%	11/30/22	May

**Securities Held by TRPA***As of 6/30/23*

<b>Investment</b>	<b>Market Value</b>	<b>Unrealized Gain(Loss)</b>
CA LAIF	15,509,942	
NV LGIP	1,889,490	
FED HERMES GOVT OB	873,598	
Total Investment Pools	<u>18,273,029</u>	
BANK OF AMERICA CORP	199,852	(14,312)
CANADIAN IMPERIAL BA	199,144	(11,032)
CATERPILLAR FINL SE	198,090	(2,362)
HUNTINGTON NATIONAL	247,970	(14,815)
TORONTO DOM MTN CONV	196,432	(2,542)
ROYAL BK CANADA CONV	199,920	(80)
JPMORGAN CHASE V-D	248,945	(2,867)
HOME DEPOT INC	187,944	(6,216)
Total Commercial	<u>1,678,297</u>	(54,227)

**Securities Held by TRPA***Continued*

<b>Investment</b>	<b>Market Value</b>	<b>Unrealized Gain(Loss)</b>
US TREASURY NOTE	248,440	(4,558)
US TREASURY NOTE	298,770	247
US TREASURY NOTE	198,102	3,329
US TREASURY NOTE	296,460	3,691
US TREASURY NOTE	493,440	6,546
US TREASURY NOTE	493,515	3,379
US TREASURY NOTE	491,700	704
US TREASURY NOTE	490,135	(2,072)
US TREASURY NOTE	195,218	905
U.S. TREASURY NOTES	97,613	(2,063)
US TREASURY NOTE	292,476	(3,399)
US TREASURY NOTE	290,109	621
U.S. TREASURY NOTES	292,395	903
U.S. TREASURY NOTES	243,995	(644)
U.S. TREASURY NOTES	296,064	(2,881)
U.S. TREASURY NOTES	296,379	(3,691)
U.S. TREASURY NOTES	496,115	(2,167)
U.S. TREASURY NOTES	490,175	(9,220)
U.S. TREASURY NOTES	287,766	(2,753)
U.S. TREASURY NOTES	96,051	(3,687)
U.S. TREASURY NOTES	240,478	(1,778)
U.S. TREASURY NOTES	289,137	(6,890)
U.S. TREASURY NOTES	241,455	(4,678)
U.S. TREASURY NOTES	291,891	(2,086)
U.S. TREASURY NOTES	494,415	(3,007)
U.S. TREASURY NOTES	497,405	(5,994)
U.S. TREASURY NOTES	490,665	(12,460)
U.S. TREASURY NOTES	250,273	(2,706)
U.S. TREASURY NOTES	244,688	(6,172)
Total US Government	9,425,324	(62,583)
<b>Total TRPA</b>	<b>29,376,650</b>	<b>(116,809)</b>