



STAFF REPORT

Date: August 17, 2022
To: TRPA Operations and Governance Committee
From: TRPA Staff
Subject: Quarterly Treasurer's Report

Summary and Staff Recommendation:

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

Discussion:

Since we did not have an Operations Committee meeting in July, this Treasurer's report covers from April to July 2022, a four-month period. Annual comparisons are from July to July, not June to June.

Just as a reminder, the size of the investment pool is quite large, \$29M, but over \$23M (80%) is money we hold in trust. Those are either Mitigation funds awaiting projects or securities posted by applicants. Those funds are not available for TRPA use.

Interest rates are fluctuating, due to Federal Reserve action and general economic conditions. Interest rates are rising, causing our Principal Group account to show an unrealized loss. Since we are in a position where we can hold to maturity, those losses will not be realized so there is no threat to the Agency's investments. On a mark-to-market basis, the Principal Group pool is showing a negative 0.99% return, but when you back out the unrealized losses, that becomes a 0.84% return more consistent with recent LAIF and LGIP results. The monthly fluctuations will impact TRPA's books, but on maturity we will not suffer any loss.

There were no major Treasury events during this four-month period. Planning revenues remain high, providing additional cash flow. 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.

Investments:

The Principal Group pool invested conservatively in Treasuries and with short maturity dates. This makes sense with interest rates rising due to inflation driven Fed actions. It would be risky to go too long at this point. Yield curves are fairly flat.

TRPA Investments total \$29.2M, up \$1.5 from last month due to transfers from our operating accounts. We typically keep a large balance in the checking account on 6/30 to aid in year-end financial allocations between funds. The average maturity of the principal portfolio is 211 days, or 7 months. This dropped in July due to no transactions during the month.

During the last four months, there were two maturities in the Principal Group portfolio, Treasuries totaling \$925K. Another Treasury came due on 7/31, but due to processing lags is still shown on this report. There were three acquisitions, two Treasuries, and a Home Depot note. As a result, the Money Market portion of the pool has increased to \$1.0M. We normally keep a little less than that in the Money Market account. Total commercial notes are only 6% of the pool, well within our investment policy.

There were no rating changes during the quarter. We are heavily invested in Treasuries and investment pools, so only 6% of the pool has 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).

The current breakdown by type and maturity is:

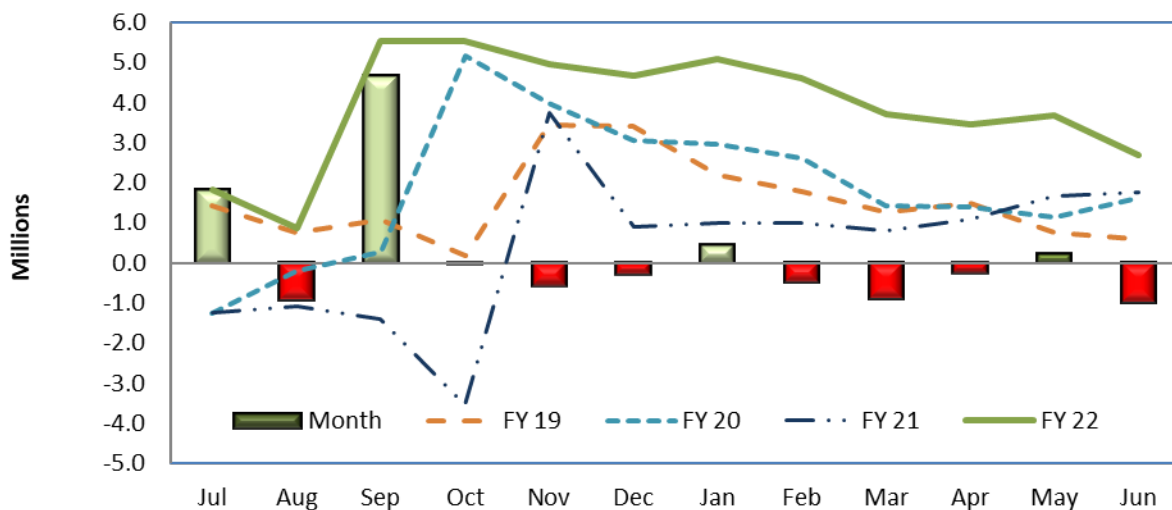
	BELOW 1	1 TO 3	3 TO 5	Total	% of Pool	Policy
CA State Investment Pool	16,260,946			16,260,946	56%	No Limit
NV State Investment Pool	1,151,022			1,151,022	4%	No Limit
Fed Agency	-	-	-	-	0%	< 50%
Treasuries	8,515,773	444,740	-	8,960,513	31%	< 75 %
Corporate	922,481	645,480	198,124	1,766,084	6%	< 20%
Money Market Fund	1,044,799			1,044,799	4%	< 20%
Totals	27,895,020	1,090,220	198,124	29,183,363	100%	
% of Pool	96%	4%	1%			

Cash Flow

The following cash flow chart is for Fiscal Year 2022, running from 7/1/21 to 6/30/22. It does not include July of 2022.

Cash flow was a negative \$1.0M for the quarter, not unusual. We receive the State allocations in the first quarter and then spend them down over the balance of the year. Total receipts in the quarter were \$4.0M. Disbursements for the quarter were \$5.0M, higher than recent years, but all within budget.

Monthly/Cumulative Cash Flow



Contact Information:

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