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**STAFF REPORT**

Date: January 17, 2024

To: TRPA Operations Committee

From: TRPA Staff

Subject: Quarterly Treasurer's Report

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Summary and Staff Recommendation:

TRPA has \$12.3M of our cash equivalents invested with the Principal Group. Those funds are mitigation funds and project securities held for other parties and not available for TRPA use. Our Principal Group investment advisor, Bruce Remington, will brief the committee on the performance of that pool, as well as The Principal Group's view of the market in this month's meeting. This is a standard annual review of the investment pool.

There is a lot of activity in the government bond market right now, with questions being raised about the ability of the market to absorb a significant amount of bonds to be issued in the near term. This has led to volatility in interest rates and significantly impacted longer term treasuries (which we do not own). Treasuries for less than one year are in the 5.4% range, and the 2-year Treasury is lower at 4.3%, still showing a negative yield curve. Longer term 10-year bonds are running around 4% as of January 5<sup>th</sup>. We continue to stay short with 66% of our investments in liquid pools (LAIF/LGIP/MM Funds), 81% of our investments mature in less than 1 year, 15% in the 1 to 3-year category, and 5% over 3 years.

We transferred \$5.8M from the LAIF pool in September. This anticipates a major Excess Coverage Mitigation Fund release plus normal operating expenses. 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:

TRPA Investments total \$31.9M, down from \$37.7M last month and \$38.0M on September 30<sup>th</sup>. We transferred \$5.8M to our checking account anticipating a significant Excess Coverage Mitigation Transfer plus normal operating expenses. This balance will continue to drop over the fiscal year as we spend down the State funds.

Only 5% of the investments are rated commercial securities with 31% in Treasuries, rated AAA by Moody's (unrated by S&P). Most of our investments, 66%, are in investment pools. This number is significantly higher at the beginning of the fiscal year due to transferring our State funds into LAIF, to be drawn down over the fiscal year. We normally use LAIF for this kind of cash management.

Last month we had one maturity and five new purchases. Two more Treasuries will mature in January. There were no rating changes this month. The maturity of the pool increased from 15.3 months to 18.6 months. We have 5% of the pool in securities that mature in more than three years. As a reminder, the bulk of the investments in the principal pool 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 investments. 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 one with an S&P of A- rating (one of which matured 9/30/23 but is still listed on this report), and none with a Moody's A3

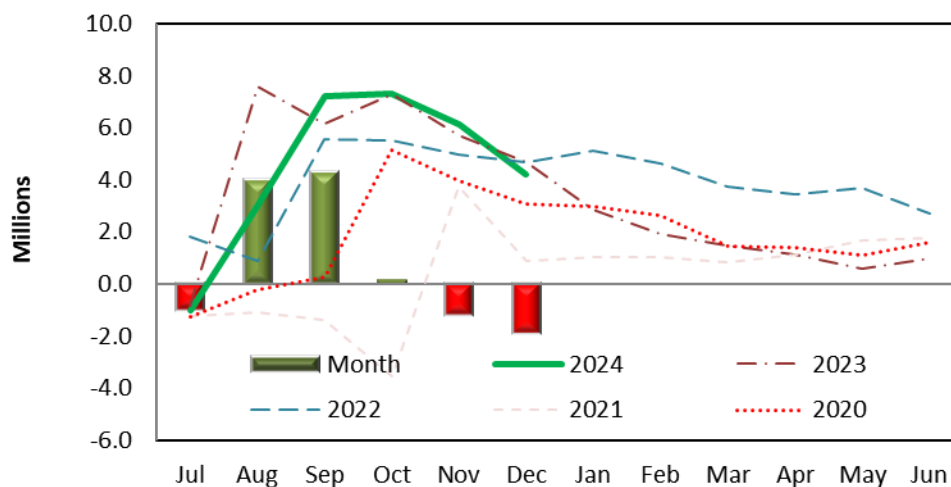
The current breakdown by type and maturity is:

	BELOW 1	1 TO 3	3 TO 5	Total	% of Pool	Policy
CA State Investment Pool	18,407,344			18,407,344	58%	No Limit
NV State Investment Pool	1,203,425			1,203,425	4%	No Limit
Treasuries	4,517,480	4,460,758	994,023	9,972,260	31%	< 75 %
Corporate	935,395	250,160	445,063	1,630,618	5%	< 20%
Money Market Fund	726,927			726,927	2%	< 20%
Totals	25,790,570	4,710,918	1,439,086	31,940,573	100%	
% of Pool	81%	15%	5%			

### Cash Flow

Cash flow was a negative \$3.0M for the Quarter, normal as we spend down the State allocations. Total receipts for the quarter were \$3.9M. Disbursements were \$7.0M, \$2.0M higher than the average for prior years. This is due to added LTRA funding. All expenditures were within budget. This graph includes operating cash and Mitigation funds.

## Monthly/Cumulative Cash Flow



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

To submit a written public comment, email [publiccomment@trpa.gov](mailto:publiccomment@trpa.gov) with the appropriate agenda item in the subject line. Written comments received by 4 p.m. the day before a scheduled public meeting will be distributed and posted to the TRPA website before the meeting begins. TRPA does not guarantee written comments received after 4 p.m. the day before a meeting will be distributed and posted in time for the meeting.

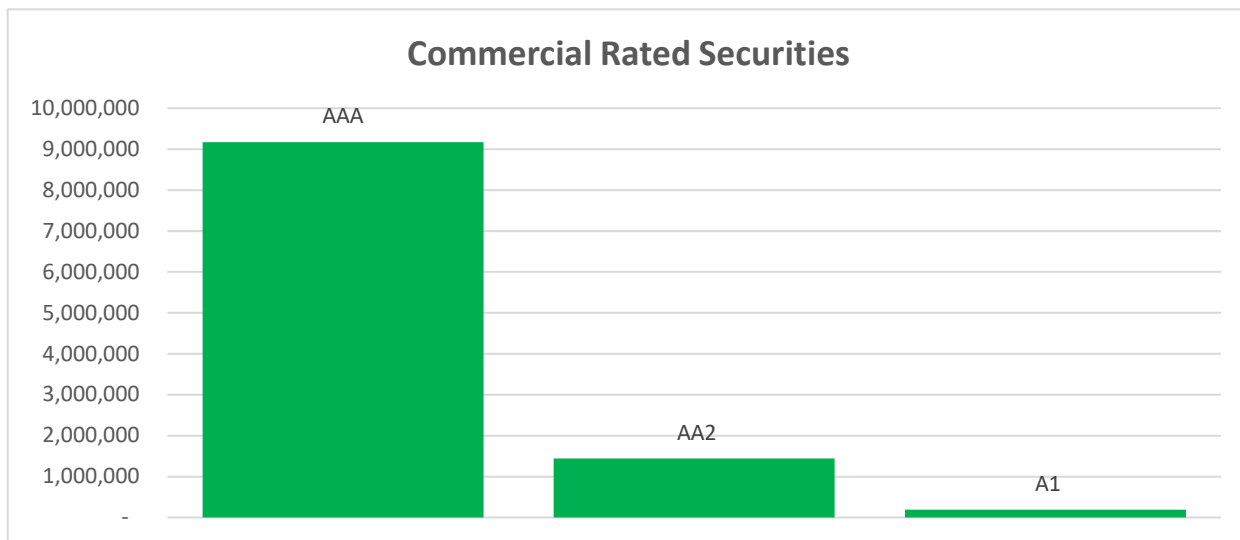
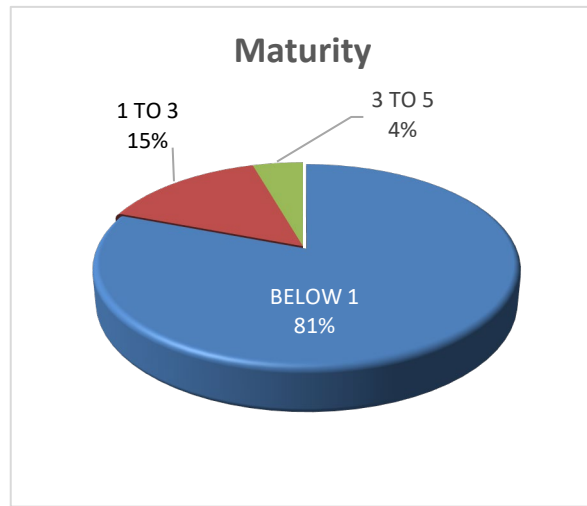
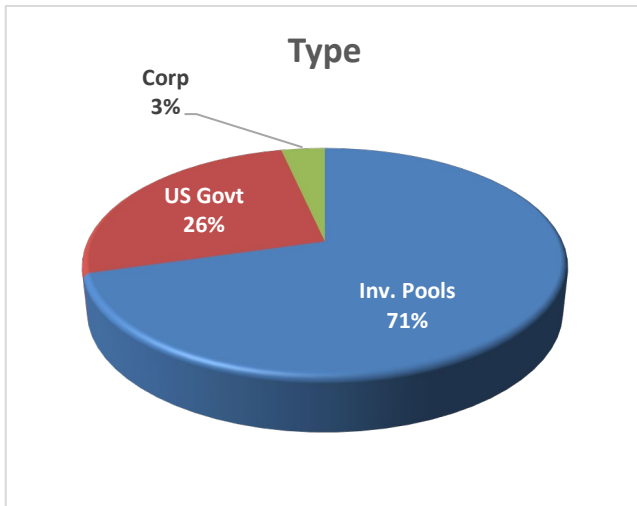
Attachment:

- A. Quarterly Treasurer's Report

Attachment A

Quarterly Treasurer's Report

**TRPA Quarterly Treasurer's Report**  
**As of 12/31/23**



Security	Yields		
	Return	Date	Basis
1 Month Bill	5.389%	12/29/23	Spot Rate
3 Month Bill	5.371%	12/29/23	Spot Rate
6 Month Bill	5.251%	12/29/23	Spot Rate
1 Year Note	4.790%	12/29/23	Spot Rate
2 Year Note	4.316%	12/29/23	Spot Rate
MMKT	0.48%	12/29/23	Spot Rate
Principle Group	4.222%	9/30/23	Annual
LAIF	3.843%	9/30/23	November
LGIP	5.044%	11/30/22	December

## Securities Held by TRPA

*As of 12/31/2023*

<b>Investment</b>	<b>Market Value</b>	<b>Unrealized Gain(Loss)</b>
US TREASURY NOTE	500,000	9,863
US TREASURY NOTE	498,755	4,439
US TREASURY NOTE	498,850	7,854
US TREASURY NOTE	497,645	5,438
US TREASURY NOTE	198,406	4,094
U.S. TREASURY NOTES	99,086	(590)
US TREASURY NOTE	297,069	1,194
US TREASURY NOTE	295,323	5,835
US TREASURY NOTE	491,660	5,742
U.S. TREASURY NOTES	296,460	4,968
U.S. TREASURY NOTES	247,040	2,401
U.S. TREASURY NOTES	298,464	(481)
U.S. TREASURY NOTES	298,722	(1,348)
U.S. TREASURY NOTES	499,705	1,424
U.S. TREASURY NOTES	495,605	(3,790)
U.S. TREASURY NOTES	292,653	2,133
U.S. TREASURY NOTES	97,633	(2,105)
U.S. TREASURY NOTES	244,335	2,079
U.S. TREASURY NOTES	293,448	(2,579)
U.S. TREASURY NOTES	245,020	(1,113)
U.S. TREASURY NOTES	295,581	1,604
U.S. TREASURY NOTES	499,065	1,643
U.S. TREASURY NOTES	501,680	(1,718)
U.S. TREASURY NOTES	496,190	(6,935)
U.S. TREASURY NOTES	252,168	(811)
U.S. TREASURY NOTES	247,675	(3,184)
U.S. TREASURY NOTES	240,478	7,353
U.S. TREASURY NOTES	249,473	3,935
U.S. TREASURY NOTE	246,025	4,248
U.S. TREASURY NOTES	258,048	10,157
Total US Government	9,972,260	61,748

**Securities Held by TRPA**  
*Continued from prior page*

<b>Investment</b>	<b>Market Value</b>	<b>Unrealized Gain(Loss)</b>
CA LAIF	18,407,344	
NV LGIP	1,203,425	
FED HERMES GOVT OB	726,927	
Total Investment Pools	20,337,696	
COCA-COLA CO/THE	293,244	3,459
TORONTO DOM MTN CON\	198,350	(624)
BANK OF NY MELLON CO	243,343	2,153
ROYAL BK CANADA CONV	200,458	458
JPMORGAN CHASE V-D	250,160	(1,653)
HOME DEPOT INC	191,238	(2,922)
AMAZON.COM INC	253,825	5,235
Total Commercial	1,630,618	6,106
<b>Total TRPA</b>	<b>31,940,573</b>	<b>67,854</b>

Inv. Pools	20,337,696
US Govt	9,972,260
Corp	<u>1,630,618</u>
	31,940,573

12,329,804
<u>11,830,310</u>
<u>499,494</u>
<u>4.2222%</u>