



Meeting Date: February 18, 2021

Submitted By: William E. Atkins
Title: Chief Financial Officer

Agenda Item: Consider and take action regarding approving Cash Investment Report for all funds as of December 31, 2020.

CONSENT ITEM

RECOMMENDATION:

It is recommended that the Board of Trustees approve the investment report for the following funds (As of December 31, 2020):

General Operating Fund
Child Nutrition Fund
Interest & Sinking Fund
Tax Collections
Construction Funds (Series 2013, 2016, and 2017)

IMPACT/RATIONALE:

The Texas Public Funds Investment Act requires that the Board of Trustees review and approve the school district's investment report quarterly.

BOARD ACTION REQUESTED:

Approval/Disapproval



Quarterly Investment Report
Ending December 31, 2020

PATTERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

It's Over But... It Left a Bumpy Road Ahead

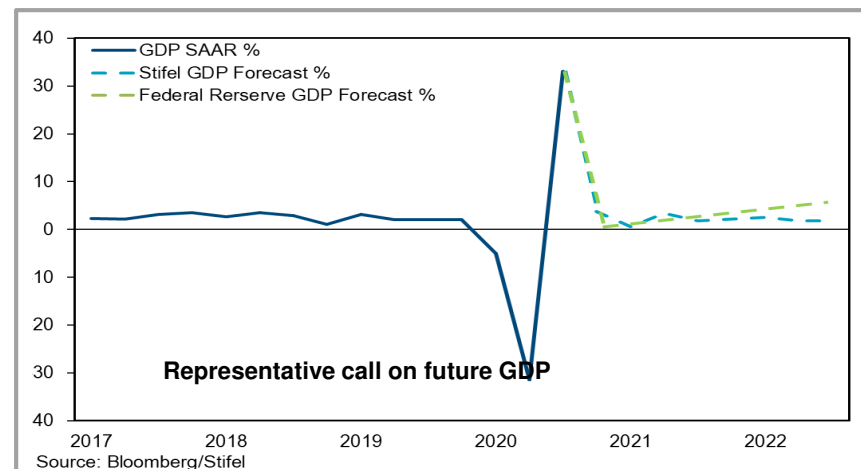
Whew..2020 is finally over!

By any measure, the impact of the pandemic has been devastating for the US and the entire globe, wreaking havoc on every aspect of our traditional life – how we work, learn, shop, even interact with each other – and has forced the US economy into recession after more than ten years of expansion, the longest in history. After the initial lockdown and a record decline in every part of the economy, a partial reopening of the economy ushered in a welcomed revival of activity, highlighting both the importance and resiliency of the private sector. But that improvement appears to be short-lived. Re-opening brought resurgence – and even more public frustration which has affected our very core.

This is a health crisis after all, meaning there is no policy solution as consumers will face lingering hesitancy to reenter the market (local or investment!) or interact as before with others or crowds. So businesses will take time to reconnect with employees or supply chains. Outstanding issues like trade will also resurface.

The road to sustainable positive growth could be more difficult and more complex to attain than previously anticipated, with the reduced level of control that policy makers have to spur the economy back to prosperity. In all likelihood, the road ahead will be long, bumpy and uncertain with the virus itself determining the path to recovery. Beyond an initial snap-back recovery of some sectors like housing, a sizable segment of the economy may take much longer to return. The Democratic sweep brings the prospect of sizable and controversial legislation increases, including further stimulus as well as sizable support to states is increasingly possible. Anticipated stimulus checks again drive investors into risk assets.

Tax hikes are also more likely, slowing growth, but not a sure thing as some Democratic senators with at-risk seats are likely to push against policies that stray too far from the center. Low interest rates will continue to stir whatever little hope there is.



Doubt and Dichotomy

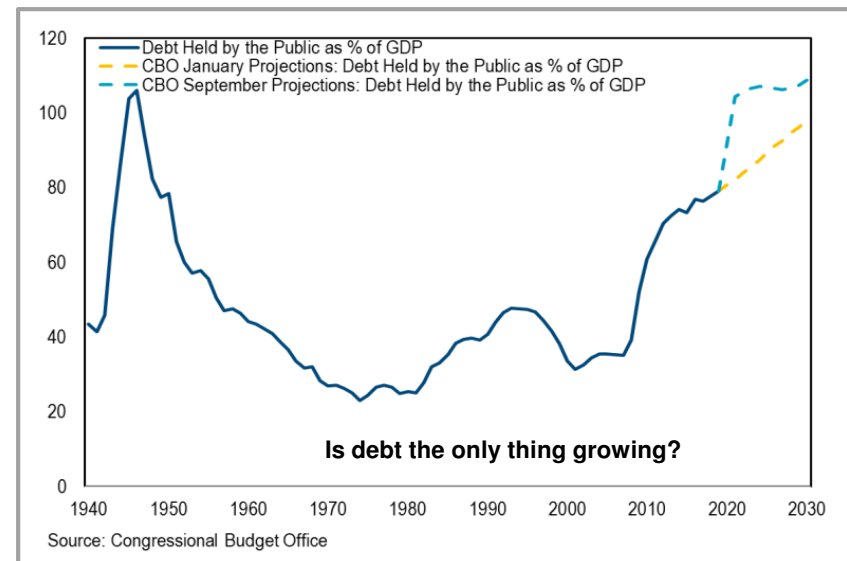
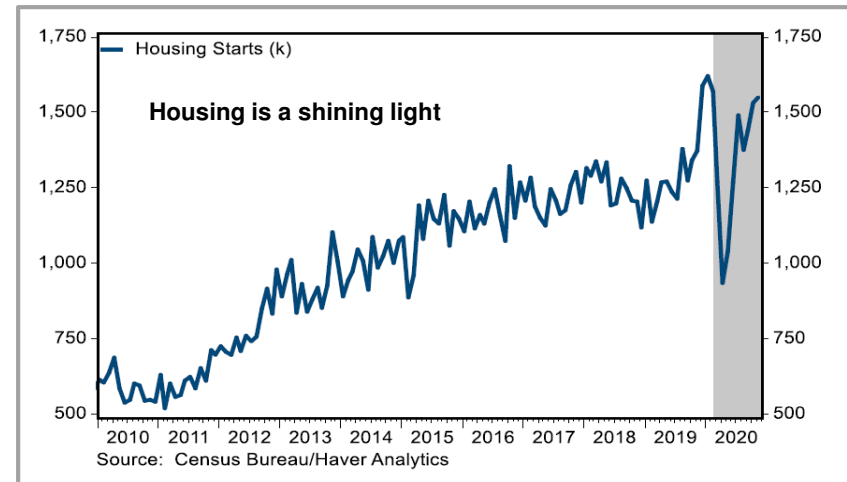
There is a dichotomy in the economy which has been operating throughout the year. A rise in jobless claims and lower payrolls illustrate fragility, but the housing boom brought on largely by low rates and a migration away from city cores, has shown continuing strength. Inventories have increased, but prices paid declined and shipments and new orders are down, however the LEI (leading indicators) is up. All of this points to a slower spending rate among consumers and also a lower savings rate. The stimulus debacle slowed check distribution but a now promised \$2,000 should fill a void for many families and businesses – and governments.

Such a situation anticipates little inflation and Inflation fears will expectedly accelerate and rise with more robust fiscal policy action in 2021. Clearly with the injection of trillions of dollars into the economy by the federal government and the expectation of trillions more, inflation risks should follow. However, inflationary implications also depend on the consumer's ability or willingness to spend those available funds.

In fact, an ongoing lower level of consumption globally, resulting from a tepid recovery along with persistently elevated joblessness well into 2021, will more likely lead to a stagnant deterioration in price pressures over the near to medium term. Presumed weakness in the velocity of money will expectedly trump the increase in money supply for the time being.

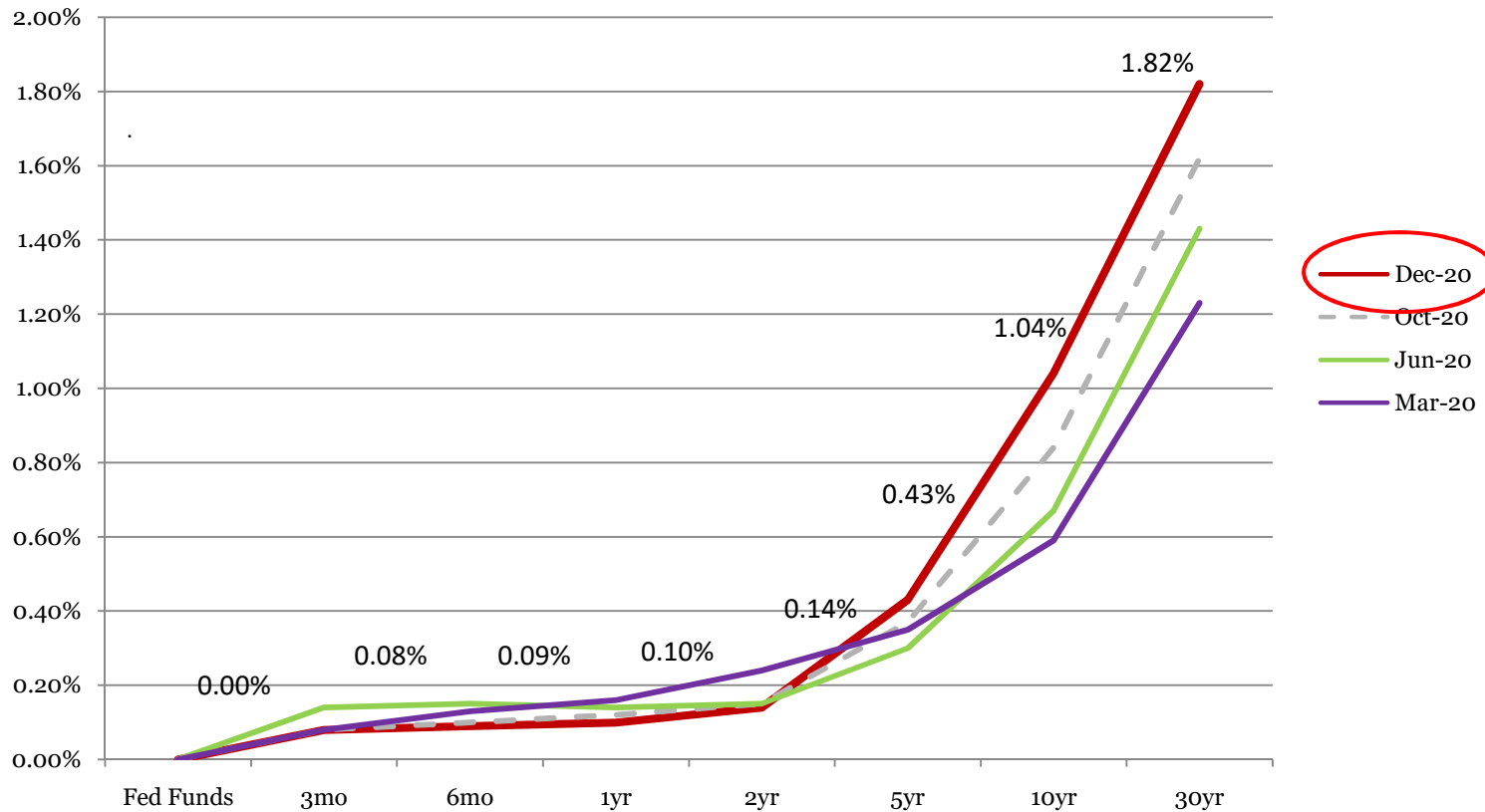
The Fed and the new Treasury secretary – Janet Yellen – will continue to support the economy and the markets through asset purchases, lending and liquidity programs and low rates. The Fed has already grown its balance sheet by \$7+ trillion and says it is willing to keep going.

Yellen has been known for a weak dollar position, but she will face pressure to move to a stronger dollar. That fuels the fears of our trading partners because of the US advantage it engenders. We can expect continuing trade tensions as Yellen has already named 2 countries as manipulators and has a list of 10 more using *artificial interference*. 2021 will clearly be another interesting year.



A Breakout of Sorts ?

- The curve continues to fight the virus and though the long end has moved up slightly in yield on potential recovery fears, the short end remains almost stationary.
- The various covid vaccines have been a major boost to confidence, but until it is disseminated and recovery begins, the impact is more of a confidence builder than a reality. That appears to require several more months.
- The Fed has stated its intention to stay at 0.0% Fed Funds through 2023.
- A final governmental *peaceful* transition should more closely identify upcoming changes and give the markets a boost for risk assets.

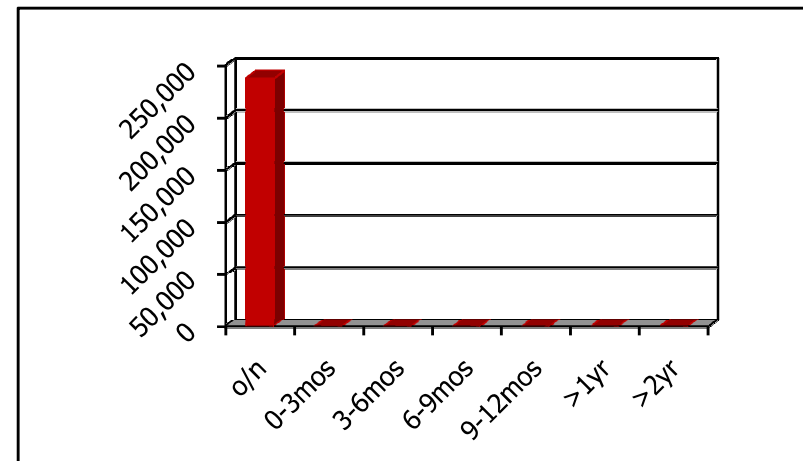
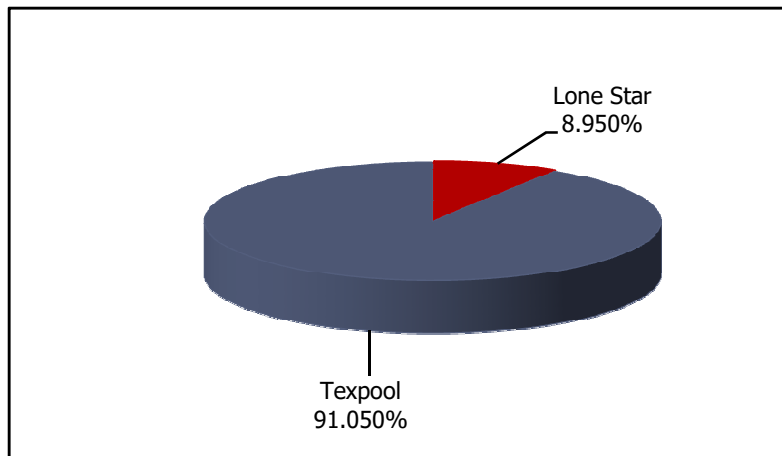


End of Month Rates - Full Yield Curve – Fed Funds to 30yr

Your Portfolio

As of December 31, 2020

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions. These are unusual times and where extensions can be made it is important to make them for any value in the markets.
- The graphs below show asset allocations by market sector and by maturity in your portfolio. Liquidity will not be attractive but as the curve flattens it also is sometimes the only sector available as year end expenditures loom. Our expectation is of continuing low rates but we will attempt to find value in all authorized sectors to capture yield available.
- Hopefully Fed actions will return us to some normalcy soon. This is what we are watching for and acting on.



Judson Independent School District
 Quarterly Investment Report
 October 1, 2020 – December 31, 2020

Portfolio Summary Management Report

This quarterly report is prepared in compliance with the Investment Policy and Strategy of the District and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

<u>Portfolio as of 09/30/20:</u>		<u>Portfolio as of 12/31/20:</u>	
Beginning Book Value	\$ 199,798,951	Ending Book Value	\$ 238,019,842
Beginning Market Value	\$ 199,798,951	Ending Market Value	\$ 238,019,842
		Investment Income for quarter	\$ 58,104
		Unrealized Gain/Loss	\$ 0
WAM at Beginning Period Date ¹	1 day	WAM at Ending Period Date ¹	1 day
		Change in Market Value ²	\$ 38,220,891
		Average Yield to Maturity for period	0.118%
		Average Yield 90-Day Treasury Bill for period	0.090%



 William Atkins, Chief Financial Officer
 Judson ISD



 Nicole Dean, Director of Accounting
 Judson ISD



 Linda T. Patterson, President
 Patterson & Associates as Investment Advisor, JISD



 Teresa Bair, Accountant II
 Judson ISD

¹ WAM – weighted average maturity

² “Change in Market Value” is required data, but will primarily reflect the receipt and expenditure of the District’s funds from month to month. Patterson & Associates has assisted in the preparation of this consolidated investment report, with additional input provided by JISD.



**Judson ISD
Portfolio Management
Portfolio Summary
December 31, 2020**

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Lone Star	21,303,179.38	21,303,179.38	21,303,179.38	8.95	1	1	0.130
Texpool	216,716,662.77	216,716,662.77	216,716,662.77	91.05	1	1	0.091
Investments	238,019,842.15	238,019,842.15	238,019,842.15	100.00%	1	1	0.094

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	15,765.43	155,210.19

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of Judson ISD of the position and activity within the District's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

William Atkins, CFO



**Judson ISD
Summary by Type
December 31, 2020
Grouped by Fund**

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
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Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Construction Series 2013						
Texpool	1	433,704.96	433,704.96	0.18	0.091	1
Subtotal	1	433,704.96	433,704.96	0.18	0.091	1
Fund: Construction Series 2016						
Texpool	1	66,289,230.99	66,289,230.99	27.85	0.091	1
Subtotal	1	66,289,230.99	66,289,230.99	27.85	0.091	1
Fund: Construction Series 2017						
Texpool	1	19,700,463.02	19,700,463.02	8.28	0.091	1
Subtotal	1	19,700,463.02	19,700,463.02	8.28	0.091	1
Fund: Food Service						
Texpool	1	663,803.82	663,803.82	0.28	0.091	1
Subtotal	1	663,803.82	663,803.82	0.28	0.091	1
Fund: General/Local Maintenance						
Lone Star	2	21,303,179.38	21,303,179.38	8.95	0.130	1
Texpool	1	43,111,710.16	43,111,710.16	18.11	0.091	1
Subtotal	3	64,414,889.54	64,414,889.54	27.06	0.104	1
Fund: Interest & Sinking						
Texpool	1	14,916,578.70	14,916,578.70	6.27	0.091	1
Subtotal	1	14,916,578.70	14,916,578.70	6.27	0.091	1
Fund: Tax Collections						
Texpool	1	71,601,171.12	71,601,171.12	30.08	0.091	1
Subtotal	1	71,601,171.12	71,601,171.12	30.08	0.091	1
Total and Average	9	238,019,842.15	238,019,842.15	100.00	0.094	1



Judson ISD
Fund CON13 - Construction Series 2013
Investments by Fund
December 31, 2020

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 Austin, TX 78746
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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000011	10005	Texpool	04/01/2019	433,704.96	433,704.96	433,704.96	0.091	0.089	0.090	1
Subtotal and Average				433,704.96	433,704.96	433,704.96		0.090	0.091	1
Total Investments and Average				433,704.96	433,704.96	433,704.96		0.090	0.091	1

Fund CON16 - Construction Series 2016
Investments by Fund
December 31, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000012	10006	Texpool	04/01/2019	66,289,230.99	66,289,230.99	66,289,230.99	0.091	0.089	0.090	1
Subtotal and Average				66,289,230.99	66,289,230.99	66,289,230.99		0.090	0.091	1
Total Investments and Average				66,289,230.99	66,289,230.99	66,289,230.99		0.090	0.091	1

Fund CON17 - Construction Series 2017
Investments by Fund
December 31, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000014	10008	Texpool	04/01/2019	19,700,463.02	19,700,463.02	19,700,463.02	0.091	0.089	0.090	1
Subtotal and Average				19,700,463.02	19,700,463.02	19,700,463.02		0.090	0.091	1
Total Investments and Average				19,700,463.02	19,700,463.02	19,700,463.02		0.090	0.091	1

**Fund FS - Food Service
Investments by Fund
December 31, 2020**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000001	10002	Texpool	04/01/2019	663,803.82	663,803.82	663,803.82	0.091	0.089	0.090	1
Subtotal and Average				663,803.82	663,803.82	663,803.82		0.090	0.091	1
Total Investments and Average				663,803.82	663,803.82	663,803.82		0.090	0.091	1

**Fund GEN - General/Local Maintenance
Investments by Fund
December 31, 2020**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Lone Star										
15916A	10000	Lone Star Corp ON	04/01/2019	21,294,747.85	21,294,747.85	21,294,747.85	0.130	0.128	0.130	1
15916B	10001	Lone Star Gov't ON	04/01/2019	8,431.53	8,431.53	8,431.53	0.070	0.069	0.070	1
Subtotal and Average				21,303,179.38	21,303,179.38	21,303,179.38		0.128	0.130	1
Texpool										
150000005	10003	Texpool	04/01/2019	43,111,710.16	43,111,710.16	43,111,710.16	0.091	0.089	0.090	1
Subtotal and Average				43,111,710.16	43,111,710.16	43,111,710.16		0.090	0.091	1
Total Investments and Average				64,414,889.54	64,414,889.54	64,414,889.54		0.102	0.104	1

**Fund IS - Interest & Sinking
Investments by Fund
December 31, 2020**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000006	10004	Texpool	04/01/2019	14,916,578.70	14,916,578.70	14,916,578.70	0.091	0.089	0.090	1
Subtotal and Average				14,916,578.70	14,916,578.70	14,916,578.70	0.090	0.091		1
Total Investments and Average				14,916,578.70	14,916,578.70	14,916,578.70	0.090	0.091		1

**Fund TAX - Tax Collections
Investments by Fund
December 31, 2020**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Texpool										
150000013	10007	Texpool	04/01/2019	71,601,171.12	71,601,171.12	71,601,171.12	0.091	0.089	0.090	1
Subtotal and Average				71,601,171.12	71,601,171.12	71,601,171.12		0.090	0.091	1
Total Investments and Average				71,601,171.12	71,601,171.12	71,601,171.12		0.090	0.091	1



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Interest Earnings
Sorted by Fund - Fund
October 1, 2020 - December 31, 2020
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Adjusted Interest Earnings			
									Annualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Construction Series 2013												
150000011	10005	CON13	RR2	433,704.96	433,578.43	433,627.72		0.091	0.116	126.53	0.00	126.53
			Subtotal	433,704.96	433,578.43	433,627.72			0.116	126.53	0.00	126.53
Fund: Construction Series 2016												
150000012	10006	CON16	RR2	66,289,230.99	78,797,885.26	72,699,827.30		0.091	0.116	21,341.89	0.00	21,341.89
			Subtotal	66,289,230.99	78,797,885.26	72,699,827.30			0.116	21,341.89	0.00	21,341.89
Fund: Construction Series 2017												
150000014	10008	CON17	RR2	19,700,463.02	20,460,750.45	19,898,283.53		0.091	0.116	5,810.72	0.00	5,810.72
			Subtotal	19,700,463.02	20,460,750.45	19,898,283.53			0.116	5,810.72	0.00	5,810.72
Fund: Food Service												
150000001	10002	FS	RR2	663,803.82	643,418.94	391,050.11		0.091	0.112	110.18	0.00	110.18
			Subtotal	663,803.82	643,418.94	391,050.11			0.112	110.18	0.00	110.18
Fund: General/Local Maintenance												
150000005	10003	GEN	RR2	43,111,710.16	62,303,490.07	55,341,024.24		0.091	0.118	16,451.48	0.00	16,451.48
15916A	10000	GEN	RRP	21,294,747.85	21,287,230.72	21,290,004.94		0.130	0.140	7,517.13	0.00	7,517.13
15916B	10001	GEN	RRP	8,431.53	8,429.93	8,430.52		0.070	0.075	1.60	0.00	1.60
			Subtotal	64,414,889.54	83,599,150.72	76,639,459.70			0.124	23,970.21	0.00	23,970.21
Fund: Interest & Sinking												
150000006	10004	IS	RR2	14,916,578.70	15,605,137.29	15,717,074.30		0.091	0.116	4,586.26	0.00	4,586.26
			Subtotal	14,916,578.70	15,605,137.29	15,717,074.30			0.116	4,586.26	0.00	4,586.26
Fund: Tax Collections												
150000013	10007	TAX	RR2	71,601,171.12	259,030.15	8,891,320.61		0.091	0.096	2,158.62	0.00	2,158.62
			Subtotal	71,601,171.12	259,030.15	8,891,320.61			0.096	2,158.62	0.00	2,158.62
			Total	238,019,842.15	199,798,951.24	194,670,643.28			0.118	58,104.41	0.00	58,104.41



Judson ISD
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2020 - December 31, 2020

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Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: Construction Series									
10005	TXPOOL	CON13	04/01/2019	126.53	433,578.43	126.53	0.00	126.53	433,704.96
150000011	433,704.96	0.090	/ /	126.53	433,578.43	126.53	0.00	126.53	433,704.96
Sub Totals For: Fund: Construction Series				126.53	433,578.43	126.53	0.00	126.53	433,704.96
				126.53	433,578.43	126.53	0.00	126.53	433,704.96
Fund: Construction Series									
10006	TXPOOL	CON16	04/01/2019	21,341.89	78,797,885.26	21,486.27	12,530,140.54	-12,508,654.27	66,289,230.99
150000012	66,289,230.99	0.090	/ /	21,341.89	78,797,885.26	21,486.27	12,530,140.54	-12,508,654.27	66,289,230.99
Sub Totals For: Fund: Construction Series				21,341.89	78,797,885.26	21,486.27	12,530,140.54	-12,508,654.27	66,289,230.99
				21,341.89	78,797,885.26	21,486.27	12,530,140.54	-12,508,654.27	66,289,230.99
Fund: Construction Series									
10008	TXPOOL	CON17	04/01/2019	5,810.72	20,460,750.45	5,810.72	766,098.15	-760,287.43	19,700,463.02
150000014	19,700,463.02	0.090	/ /	5,810.72	20,460,750.45	5,810.72	766,098.15	-760,287.43	19,700,463.02
Sub Totals For: Fund: Construction Series				5,810.72	20,460,750.45	5,810.72	766,098.15	-760,287.43	19,700,463.02
				5,810.72	20,460,750.45	5,810.72	766,098.15	-760,287.43	19,700,463.02
Fund: Food Service									
10002	TXPOOL	FS	04/01/2019	110.18	643,418.94	1,488,126.94	1,467,742.06	20,384.88	663,803.82
150000001	663,803.82	0.090	/ /	110.18	643,418.94	1,488,126.94	1,467,742.06	20,384.88	663,803.82
Sub Totals For: Fund: Food Service				110.18	643,418.94	1,488,126.94	1,467,742.06	20,384.88	663,803.82
				110.18	643,418.94	1,488,126.94	1,467,742.06	20,384.88	663,803.82
Fund: General/Local Mainte									
10000	LSCO	GEN	04/01/2019	7,517.13	21,287,230.72	7,517.13	0.00	7,517.13	21,294,747.85
15916A	21,294,747.85	0.130	/ /	7,517.13	21,287,230.72	7,517.13	0.00	7,517.13	21,294,747.85

Judson ISD
Texas Compliance Change in Val Report
October 1, 2020 - December 31, 2020

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10001	LSGO	GEN	04/01/2019	1.60	8,429.93	1.60	0.00	1.60	8,431.53
15916B	8,431.53	0.070	/ /	1.60	8,429.93	1.60	0.00	1.60	8,431.53
10003	TXPOOL	GEN	04/01/2019	16,451.48	62,303,490.07	39,671,607.04	58,863,386.95	-19,191,779.91	43,111,710.16
150000005	43,111,710.16	0.090	/ /	16,451.48	62,303,490.07	39,671,607.04	58,863,386.95	-19,191,779.91	43,111,710.16
Sub Totals For: Fund: General/Local Mainte				23,970.21	83,599,150.72	39,679,125.77	58,863,386.95	-19,184,261.18	64,414,889.54
				23,970.21	83,599,150.72	39,679,125.77	58,863,386.95	-19,184,261.18	64,414,889.54
Fund: Interest & Sinking									
10004	TXPOOL	IS	04/01/2019	4,586.26	15,605,137.29	1,128,102.49	1,816,661.08	-688,558.59	14,916,578.70
150000006	14,916,578.70	0.090	/ /	4,586.26	15,605,137.29	1,128,102.49	1,816,661.08	-688,558.59	14,916,578.70
Sub Totals For: Fund: Interest & Sinking				4,586.26	15,605,137.29	1,128,102.49	1,816,661.08	-688,558.59	14,916,578.70
				4,586.26	15,605,137.29	1,128,102.49	1,816,661.08	-688,558.59	14,916,578.70
Fund: Tax Collections									
10007	TXPOOL	TAX	04/01/2019	2,158.62	259,030.15	74,930,034.95	3,587,893.98	71,342,140.97	71,601,171.12
150000013	71,601,171.12	0.090	/ /	2,158.62	259,030.15	74,930,034.95	3,587,893.98	71,342,140.97	71,601,171.12
Sub Totals For: Fund: Tax Collections				2,158.62	259,030.15	74,930,034.95	3,587,893.98	71,342,140.97	71,601,171.12
				2,158.62	259,030.15	74,930,034.95	3,587,893.98	71,342,140.97	71,601,171.12
Report Grand Totals:				58,104.41	199,798,951.24	117,252,813.67	79,031,922.76	38,220,890.91	238,019,842.15
				58,104.41	199,798,951.24	117,252,813.67	79,031,922.76	38,220,890.91	238,019,842.15