

CITY OF LEE’S SUMMIT, MISSOURI
Quarterly Investment Report
Quarter Ended December 31, 2023

In compliance with the City of Lee’s Summit Investment Policy, this investment report for the quarter ended December 31, 2023 is hereby submitted for City Council review.

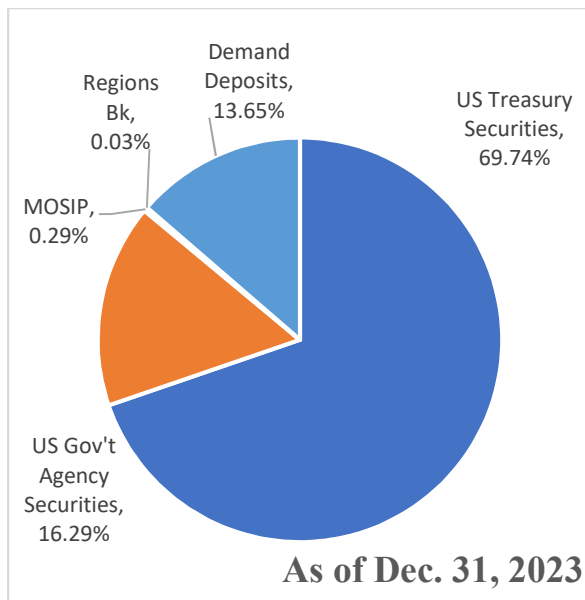
Current Portfolio

The City’s investment portfolio as of December 31, 2023 in comparison to the same date of the prior year is summarized as follows:

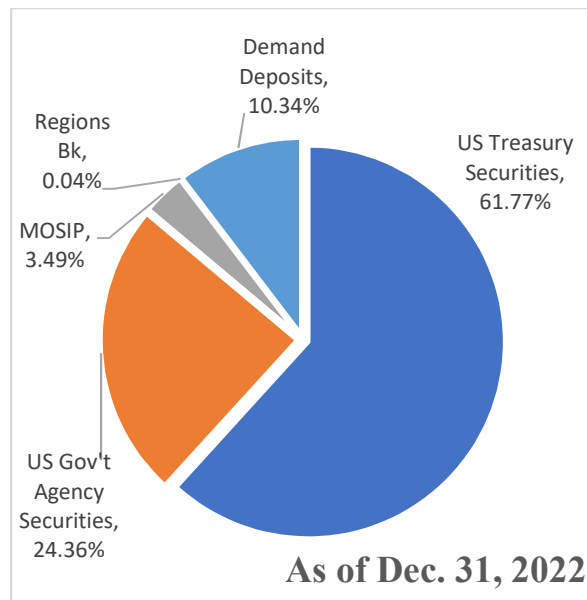
Distribution by Security Sector – Market Value
All Portfolios

Description	Market Value 12/31/2023	% of Portfolio 12/31/2023	Market Value 12/31/2022	% of Portfolio 12/31/2022
US Treasury Securities	\$200,298,250	69.74%	\$158,668,569	61.77%
US Gov’t Agency Securities	\$46,798,655	16.29%	\$62,573,633	24.36%
Demand Deposits	\$39,201,455	13.65%	\$26,563,484	10.34%
Missouri Securities Investment Program (MOSIP)	\$847,233	0.29%	\$8,974,592	3.49%
Regions Bank	\$75,121	0.03%	\$105,793	0.04%
Total	\$287,220,714	100.00%	\$256,886,071	100.00%

Portfolio Holdings as of 12/31/2023



Portfolio Holdings as of 12/31/2022



Investment Diversifications

The City of Lee’s Summit Investment Policy (Section VI., A) specifies the maximum allocation of each investment type to minimize the risk of loss resulting from excess concentration into a specific maturity, issuer, or class of securities. The City’s current allocation as of December 31, 2023 is compliant with the diversification standards as shown in the following table:

Description	Minimum Allocation	Maximum Allocation	Current Allocation
US Treasury Securities	15%	100%	69.74%
US Gov’t Agency Securities and Government Sponsored Enterprises	0%	50%	16.29%
US Government Agency Callable Securities	0%	15%	0.00%
Collateralized Time Deposits/Certificates of Deposit	0%	30%	0.00%
Demand Deposits, Domestic Time Deposits and MOSIP	N/A	N/A	13.97%

Investment Strategy

The primary objectives for the City of Lee’s Summit investment portfolio, in order of priority, is safety, liquidity, and yield. The City’s investment portfolio must remain sufficiently liquid to meet all reasonably anticipated operating requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash necessary to meet anticipated demand.

The City’s policy requires that investments in repurchase agreements mature and become payable not more than ninety days (90) from the date of purchase. All other investments must mature within 5 years from the date of purchase.

The following table lists the distribution by maturity range as of December 31, 2023:

Distribution by Maturity Range – Market Value

Maturity	Market Value \$	Percent of Total
0– 6 months	\$77,694,253	27.1%
6–12 months	\$48,645,551	16.9%
1–2 years	\$71,764,582	25.0%
2-3 years	\$27,286,903	9.5%
3-4 years	\$24,476,694	8.5%
4-5 years	\$37,352,731	13.0%
Total	\$287,220,714	100.0%

The City is continuing efforts to extend its portfolio beyond three years to capitalize on higher yields in the four- to five-year scheme. The City’s general operating practice is to buy and hold all securities until maturity thereby avoiding any losses on sale of securities.

Yield

The investment portfolio is managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, while considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity objectives

During the quarter ended December 31, 2023, the City of Lee's Summit has obtained yields ranging from 3.899% to 4.10% on new purchases. (Refer to pages 6-7 of this report for the investment yields on each investment security.)

Competitive Bidding

Requests for Bid are submitted to financial institutions on the City's approved bid list to ensure the most competitive yields for each investment.

Mark to Market Adjustment

In accordance with requirements of the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA), a mark to market adjustment is made at the end of each fiscal quarter based on current market values. The purpose of the accounting requirement is to avoid misrepresentation of the value of investments for those public entities that may find it necessary or desirable to sell investments prior to maturity.

The fiscal year-to-date mark to market allowance is (\$2,378,140.08), while the quarterly adjustment for the period ending December 31, 2023 is \$4,637,680.20.

CITY OF LEE'S SUMMIT, MISSOURI
Quarterly Portfolio Transactions
Quarter Ended December 31, 2023

Purchases

Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
12/20/2023	\$1,000,000.00	3133ENM23	Federal Farm Cr Bks	3.500	09/15/2028	\$988,025.00	3.995
12/20/2023	\$6,000,000.00	9128284V9	US Treasury Note	2.875	08/15/2028	\$5,788,593.75	3.946
12/21/2023	\$1,750,000.00	3130AP3Y9	Federal Home Loan Bank	1.625	09/29/2028	\$1,570,252.64	4.100
12/22/2023	\$5,613,000.00	91282CDF5	US Treasury Note	1.375	10/31/2028	\$5,001,998.35	3.899
12/29/2023	\$6,000,000.00	9128285M8	US Treasury Note	3.125	11/15/2028	\$5,807,679.07	3.922
Total	\$20,363,000.00					\$19,156,548.81	

Interest Income

Transaction Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
10/02/2023	\$4,000,000	9128280Y5	US Treasury Note	2.125	09/30/2024	\$42,500.00	0.410
10/02/2023	\$5,000,000	912828W71	US Treasury Note	2.125	03/31/2024	\$53,125.00	0.830
10/02/2023	\$3,000,000	91282CDA6	US Treasury Note	0.250	09/30/2023	\$3,750.00	0.829
10/02/2023	\$5,000,000	912828ZF0	US Treasury Note	0.500	03/31/2025	\$12,500.00	1.670
10/02/2023	\$3,000,000	91282CAM3	US Treasury Note	0.250	09/30/2025	\$3,750.00	3.534
10/02/2023	\$2,052,000	9128285C0	US Treasury Note	3.000	09/30/2025	\$30,780.00	4.280
10/02/2023	\$4,000,000	91282CEF4	US Treasury Note	2.500	03/31/2027	\$50,000.00	3.910
10/02/2023	\$5,000,000	91282CBS9	US Treasury Note	1.250	03/31/2028	\$31,250.00	3.970
10/02/2023	\$4,420,000	91282CBT7	US Treasury Note	0.750	03/31/2026	\$16,575.00	3.902
10/02/2023	\$3,000,000	91282CFM8	US Treasury Note	4.125	09/30/2027	\$61,875.00	3.839
10/16/2023	\$4,000,000	91282CBV2	US Treasury Note	0.375	04/15/2024	\$7,500.00	0.420
10/16/2023	\$2,000,000	91282CBV2	US Treasury Note	0.375	04/15/2024	\$3,750.00	0.802
10/16/2023	\$4,000,000	91282CFP1	US Treasury Note	4.250	10/15/2025	\$85,000.00	4.305
10/16/2023	\$5,000,000	91282CFP1	US Treasury Note	4.250	10/15/2025	\$106,250.00	5.080
10/24/2023	\$2,000,000	3135G0K36	Federal Natl Mortgage Assn	2.166	04/24/2026	\$21,250.00	3.960
10/25/2023	\$5,000,000	3133ENCA6	Federal Farm Cr Bks	.700	10/25/2024	\$17,500.00	0.785
10/31/2023	\$4,000,000	912828T91	US Treasury Note	1.625	10/31/2023	\$32,500.00	0.203
10/31/2023	\$4,000,000	912828YM6	US Treasury Note	1.500	10/31/2024	\$30,000.00	0.522
10/31/2023	\$2,000,000	91282CDD0	US Treasury Note	0.375	10/31/2023	\$3,750.00	0.869
10/31/2023	\$4,922,000	9128284M9	US Treasury Note	2.875	04/30/2025	\$70,753.75	2.806
10/31/2023	\$4,000,000	91282CFU0	US Treasury Note	4.125	10/31/2027	\$82,500.00	3.461
10/31/2023	\$5,670,000	91282CBZ3	US Treasury Note	1.250	04/30/2028	\$35,437.50	4.030
10/31/2023	\$5,000,000	912828ZL7	US Treasury Note	0.375	04/30/2025	\$9,375.00	3.383
11/15/2023	\$4,000,000	91282CCC3	US Treasury Note	0.250	05/15/2024	\$5,000.00	0.436
11/15/2023	\$4,000,000	91282CDH1	US Treasury Note	0.750	11/15/2024	\$15,000.00	0.831
11/15/2023	\$3,000,000	91282CFW6	US Treasury Note	4.500	11/15/2025	\$67,500.00	4.037
11/15/2023	\$2,600,000	9128284N7	US Treasury Note	2.875	05/15/2028	\$37,375.00	4.183
11/15/2023	\$2,500,000	9128284N7	US Treasury Note	2.880	05/15/2028	\$35,937.50	4.179
11/15/2023	\$5,000,000	91282CEQ0	US Treasury Note	2.750	05/15/2025	\$68,750.00	3.450
11/15/2023	\$3,000,000	912828X88	US Treasury Note	2.375	05/15/2027	\$35,625.00	3.881
11/30/2023	\$5,000,000	912828U57	US Treasury Note	2.125	11/30/2023	\$53,125.00	0.212

Transaction Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
11/30/2023	\$3,000,000	912828XT2	US Treasury Note	2.000	05/31/2024	\$30,000.00	0.826
11/30/2023	\$3,000,000	912828YV6	US Treasury Note	1.500	11/30/2024	\$22,500.00	0.954
11/30/2023	\$4,000,000	91282CCF6	US Treasury Note	0.750	05/31/2026	\$15,000.00	3.907
12/14/2023	\$4,000,000	3130A8HK2	Federal Home Loan Bank	1.750	06/14/2024	\$35,000.00	0.373
12/15/2023	\$3,000,000	91282CEU1	US Treasury Notes	2.875	06/15/2025	\$43,125.00	2.825
12/15/2023	\$4,000,000	91282CEU1	US Treasury Notes	2.875	06/15/2025	\$57,500.00	3.979
Total						\$1,333,108.75	

Maturities/Sell

Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
10/02/2023	\$3,000,000	91282CDA6	US Treasury Note	0.250	09/30/2023	\$3,000,000.00	0.829
10/31/2023	\$4,000,000	912828T91	US Treasury Note	1.625	10/31/2023	\$4,000,000.00	0.203
10/31/2023	\$2,000,000	91282CDD0	US Treasury Note	0.375	10/31/2023	\$2,000,000.00	0.869
11/30/2023	\$5,000,000	912828U57	US Treasury Note	2.125	11/30/2023	\$5,000,000.00	0.212
Total						\$14,000,000.00	

CITY OF LEE'S SUMMIT, MISSOURI

Investment Portfolio As of December 31, 2023

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
US Treasury Securities:						
Treasury Note	07/23/21	02/29/24	0.288%	\$4,000,000	\$4,253,629	\$3,980,147
Treasury Note	02/10/22	02/29/24	1.353%	\$5,000,000	\$5,156,400	\$4,975,184
Treasury Note	01/05/22	03/31/24	0.830%	\$5,000,000	\$5,171,281	\$4,959,570
Treasury Note	06/30/21	04/15/24	0.420%	\$4,000,000	\$3,998,115	\$3,942,344
Treasury Note	12/16/21	04/15/24	0.802%	\$2,000,000	\$1,981,590	\$1,971,172
Treasury Note	06/30/21	05/15/24	0.436%	\$4,000,000	\$3,980,000	\$3,925,625
Treasury Note	12/16/21	05/31/24	0.826%	\$3,000,000	\$3,088,067	\$2,958,398
Treasury Note	01/05/22	06/30/24	0.905%	\$3,000,000	\$3,062,885	\$2,948,438
Treasury Note	12/31/21	07/15/24	0.886%	\$4,000,000	\$3,955,598	\$3,898,438
Treasury Note	08/25/21	08/15/24	0.435%	\$6,000,000	\$5,990,060	\$5,825,156
Treasury Note	12/30/21	08/31/24	0.917%	\$4,000,000	\$4,051,713	\$3,899,062
Treasury Note	09/02/21	09/30/24	0.410%	\$4,000,000	\$4,245,529	\$3,915,625
Treasury Note	10/06/21	10/31/24	0.522%	\$4,000,000	\$4,144,804	\$3,887,656
Treasury Note	11/15/21	11/15/24	0.831%	\$4,000,000	\$3,990,469	\$3,857,344
Treasury Note	12/10/21	11/30/24	0.954%	\$3,000,000	\$3,049,127	\$2,908,594
Treasury Note	12/28/22	03/15/25	4.297%	\$5,253,000	\$4,999,694	\$5,072,018
Treasury Note	03/09/22	03/31/25	1.670%	\$5,000,000	\$4,829,153	\$4,750,391
Treasury Note	04/21/22	04/30/25	2.806%	\$4,922,000	\$4,999,041	\$4,812,409
Treasury Note	06/14/22	04/30/25	3.383%	\$5,000,000	\$4,593,155	\$4,728,125
Treasury Note	06/15/22	05/15/25	3.450%	\$5,000,000	\$4,914,513	\$4,882,227
Treasury Note	07/28/22	06/15/25	2.825%	\$3,000,000	\$3,014,235	\$2,930,273
Treasury Note	01/12/23	06/15/25	3.979%	\$4,000,000	\$3,907,752	\$3,907,031
Treasury Note	06/28/22	06/30/25	3.180%	\$525,000	\$481,888	\$492,659
Treasury Note	08/10/22	07/15/25	3.202%	\$3,000,000	\$2,989,490	\$2,933,203
Treasury Note	12/30/22	07/15/25	4.307%	\$5,000,000	\$4,912,561	\$4,888,672
Treasury Note	09/02/22	08/15/25	3.437%	\$2,000,000	\$1,921,957	\$1,923,281
Treasury Note	09/19/22	08/15/25	3.925%	\$3,000,000	\$2,943,526	\$2,938,242
Treasury Note	12/30/22	08/15/25	4.292%	\$3,000,000	\$2,948,651	\$2,938,242
Treasury Note	09/20/22	09/15/25	3.936%	\$3,000,000	\$2,964,888	\$2,954,531
Treasury Note	09/09/22	09/30/25	3.534%	\$3,000,000	\$2,720,195	\$2,791,289
Treasury Note	12/30/22	09/30/25	4.280%	\$2,052,000	\$1,999,840	\$2,003,666
Treasury Note	11/30/22	10/15/25	4.305%	\$4,000,000	\$4,015,426	\$3,990,469
Treasury Note	09/27/23	10/15/25	5.080%	\$5,000,000	\$5,015,916	\$4,988,086
Treasury Note	12/22/22	11/15/25	4.037%	\$3,000,000	\$3,051,298	\$3,008,203
Treasury Note	01/13/23	02/15/26	3.834%	\$5,000,000	\$4,714,394	\$4,734,375
Treasury Note	09/28/23	03/15/26	4.989%	\$6,000,000	\$5,959,725	\$6,048,984
Treasury Note	12/07/22	03/31/26	3.902%	\$4,420,000	\$3,997,055	\$4,096,960
Treasury Note	01/10/23	05/31/26	3.907%	\$4,000,000	\$3,606,348	\$3,688,750
Treasury Note	01/10/23	06/30/26	3.879%	\$3,000,000	\$2,710,568	\$2,771,953
Treasury Note	02/07/23	03/31/27	3.910%	\$4,000,000	\$3,821,808	\$3,821,250
Treasury Note	02/10/23	05/15/27	3.881%	\$3,000,000	\$2,841,183	\$2,847,656
Treasury Note	03/10/23	08/15/27	4.040%	\$6,000,000	\$5,576,155	\$5,654,766
Treasury Note	02/10/23	09/30/27	3.839%	\$3,000,000	\$3,081,193	\$3,017,695
Treasury Note	05/03/23	10/31/27	3.461%	\$4,000,000	\$4,111,033	\$4,028,125
Treasury Note	06/07/23	02/15/28	3.976%	\$4,000,000	\$3,825,908	\$3,822,031
Treasury Note	06/09/23	03/31/28	3.970%	\$5,000,000	\$4,421,914	\$4,481,836
Treasury Note	06/27/23	04/30/28	4.030%	\$5,670,000	\$4,993,916	\$5,072,878
Treasury Note	06/30/23	05/15/28	4.183%	\$2,600,000	\$2,460,708	\$2,492,039

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
Treasury Note	06/30/23	05/15/28	4.179%	\$2,500,000	\$2,366,509	\$2,396,191
Treasury Note	12/20/23	08/15/28	3.946%	\$6,000,000	\$5,788,594	\$5,740,313
Treasury Note	12/21/23	10/31/28	3.899%	\$5,613,000	\$5,001,998	\$5,001,051
Treasury Note	12/22/23	11/15/28	3.922%	\$6,000,000	\$5,807,679	\$5,795,625
Total US Treasury Securities:				\$207,555,000	\$202,429,133	\$200,298,250

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
US Gov't Agency Securities:						
Federal Home Loan Bank	06/09/21	03/08/24	0.269%	\$4,000,000	\$4,194,688	\$3,972,240
Federal Home Loan Bank	07/23/21	06/14/24	0.373%	\$4,000,000	\$4,165,836	\$3,937,325
Fed'l Nat'l Mortgage Assn	12/10/21	07/02/24	0.866%	\$3,000,000	\$3,090,065	\$2,948,027
Farmer Mac	08/12/21	07/22/24	0.455%	\$5,000,000	\$5,000,500	\$4,868,744
Federal Home Loan Bank	09/24/21	09/13/24	0.513%	\$4,000,000	\$3,985,251	\$3,940,148
Federal Home Loan Bank	11/15/21	09/13/24	0.782%	\$4,000,000	\$4,253,446	\$3,869,479
Federal Farm Cr Bks	10/29/21	10/25/24	0.785%	\$5,000,000	\$4,987,839	\$4,827,279
Federal Farm Cr Bks	03/09/22	02/25/25	1.760%	\$5,000,000	\$4,998,803	\$4,831,565
Federal Natl Mortgage Assn	12/08/22	04/24/26	3.960%	\$2,000,000	\$1,890,194	\$1,906,647
Federal Farm Cr Bks	07/31/23	07/17/26	4.630%	\$4,000,000	\$4,006,571	\$4,039,233
Farmer Mac	09/18/23	09/20/27	4.723%	\$5,200,000	\$5,060,339	\$5,107,202
Federal Farm Cr Bks	12/20/23	09/15/28	3.995%	\$1,000,000	\$988,025	\$977,022
Federal Home Loan Bank	12/20/23	09/29/27	4.100%	\$1,750,000	\$1,570,253	\$1,573,744
Total Gov't Agency Securities:				\$47,950,000	\$48,191,810	\$46,798,655

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
Missouri Securities Investment Program				\$847,233		\$847,233
Regions Bank				\$75,121		\$75,121
Demand Deposits				\$39,201,455		\$39,201,455

TOTAL				\$295,628,809		\$287,220,714
--------------	--	--	--	----------------------	--	----------------------