
**INFORMAL STAFF REPORT
TO MAYOR AND CITY COUNCIL**

SUBJECT:

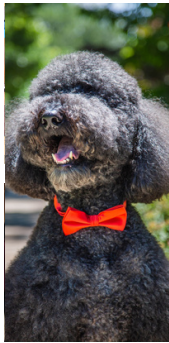
Quarterly Financial Report for the period ending June 30, 2022.

BACKGROUND:

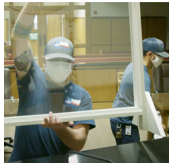
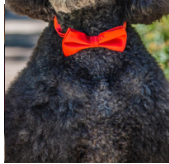
Attached, for your review is the Quarterly Financial Report for the period ending June 30, 2022. If you have any questions or need additional information, please let me know.

STAFF CONTACT:

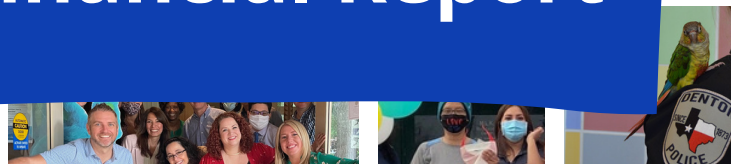
Cassey Ogden, Chief Financial Officer
(940) 349-7195
cassandra.ogden@cityofdenton.com



BETTER TOGETHER



CITY OF DENTON Third Quarter Financial Report



FISCAL YEAR 21-22



About This Quarterly Financial Report

This report has been prepared by the City of Denton's Finance Department. The Quarterly Financial Report is intended to provide our users (internal and external) with information regarding the City's financial position and economic activity. This report includes information for the quarter ending June 30, 2022.

This report is presented in four sections.

1. The [Executive Dashboard](#) section contains a high level summary of the major operating funds using graphic illustrations and key economic indicators. Narrative disclosures are also included to highlight any significant changes or fluctuations.
2. The [Financial Summary](#) section reports the performance of the major operating funds of the City. In addition, the report provides preliminary actuals and a comparison to the budget for major revenue sources and expenditure items.
3. The [Revenue & Economic Analysis](#) section provides additional analysis regarding key revenue sources and economic indicators.
4. The [Quarterly Investment Report](#) section provides a summary of the City's investment portfolio, interest earnings and a brief market outlook.

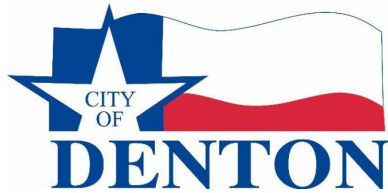
The Quarterly Financial Report is intended to provide our users with timely and relevant information. Please provide us with any comments or suggestions you may have. If you would like additional information, feel free to contact me.

Cassandra Ogden
Chief Financial Officer
215 East McKinney Street
Denton, TX 76201
940-349-7195

Section 1

City of Denton
Quarterly Financial Report
June 2022

Executive Dashboards



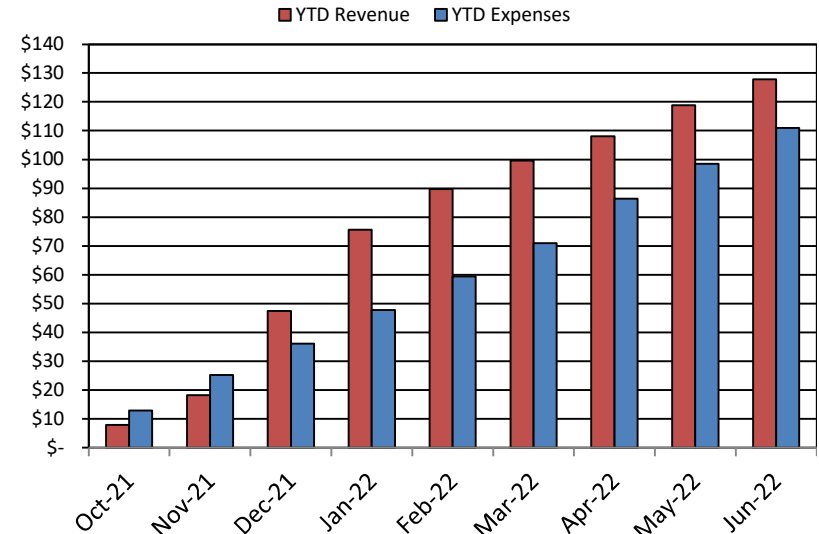
City of Denton, Texas

General Fund Executive Dashboard

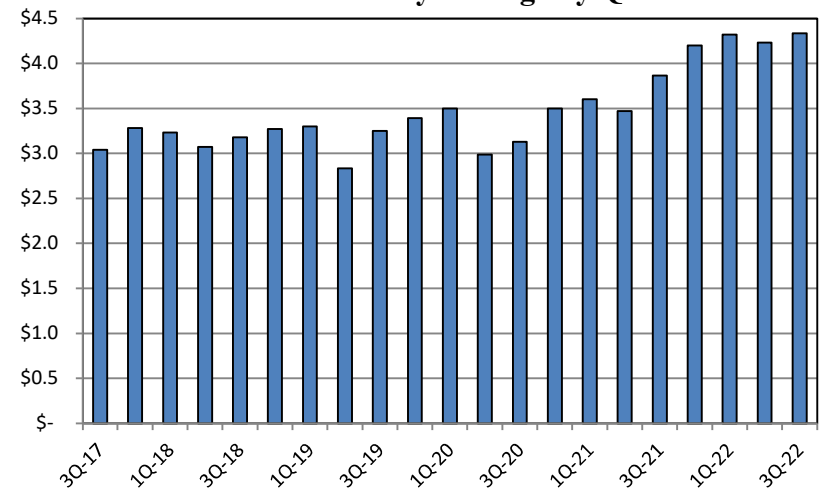


DESCRIPTION	FY 2021-22	FY 2021-22	FY 2021-22	
	ANNUAL BUDGET ¹	YTD ACTUALS	PROJECTIONS	ANNUAL VARIANCE
Beginning Fund Balance as of 09/30/21	\$ 39.39	\$ 38.63	\$ 38.63	
RESOURCES:				
Ad Valorem Taxes	49.73	48.46	49.31	-1%
Sales Tax	46.25	38.65	52.00	12%
Franchise Fees	3.63	2.31	3.45	-5%
Other Taxes	0.44	0.29	0.42	-5%
Service Fees	8.61	6.26	7.68	-11%
Fines and Fees	2.63	1.35	2.24	-15%
Licenses and Permits	6.08	6.23	8.00	32%
Miscellaneous Revenue	3.94	3.04	3.19	-19%
Transfers In	29.01	21.22	27.26	-6%
Total Revenues	150.32	127.81	153.55	2%
Total Resources	189.71	166.44	192.18	
EXPENDITURES:				
Personal Service	104.16	76.82	101.68	-2%
Material and Supplies	3.59	1.81	3.18	-11%
Maintenance and Repairs	1.88	1.17	1.90	1%
Insurance	1.63	1.08	1.93	18%
Miscellaneous	1.74	0.68	1.23	-29%
Operations	17.62	11.77	16.68	-5%
Transfers Out	20.10	17.26	24.14	20%
Fixed Assets	0.58	0.34	0.56	-3%
Total Expenditures	151.30	110.93	151.30	0%
Net Income (Loss)	(0.98)	16.89	2.25	
Ending Fund Balance	\$ 38.41	\$ 55.52	\$ 40.88	

Revenue & Expenses (in Millions)



Sales Tax Monthly Average by Quarter

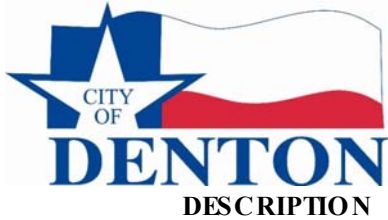


Note: All figures presented are in millions of dollars.

Key Trends

- Projected revenues for sales tax, and licenses and permits projections are exceeding budget due to growth.
- Personnel Services expenditures are projected lower than budget due to salary savings.
- Transfers expenditures are projected higher than budget due to funding athletic field lights in FY 21-22 for 1.4M and one time supplemental packages.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

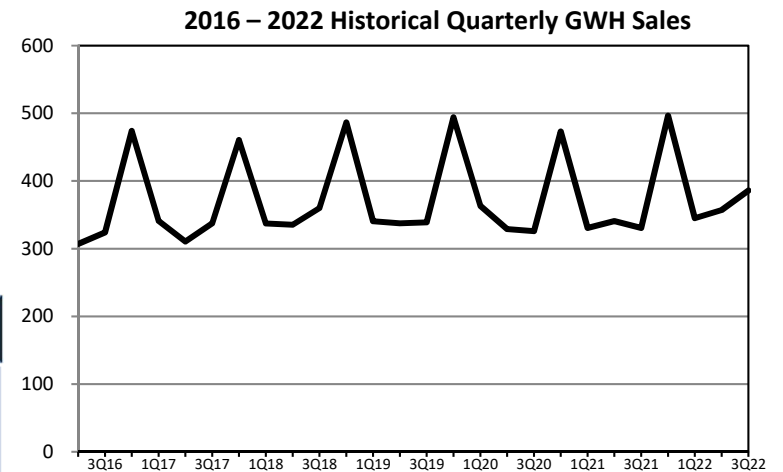
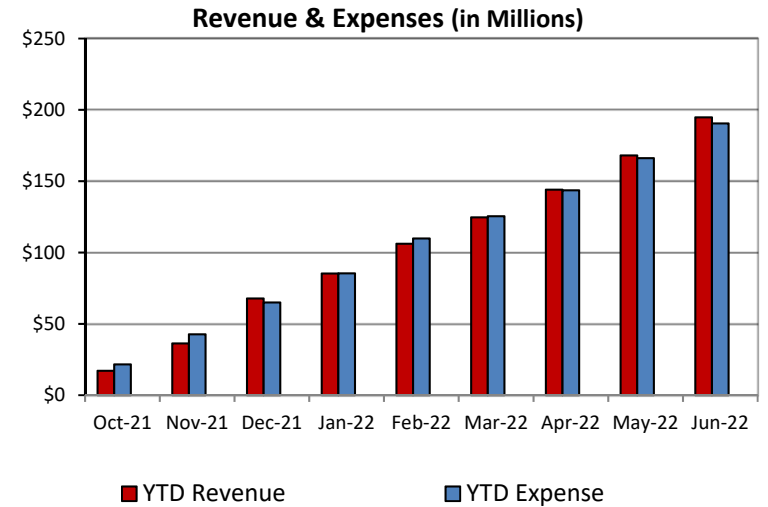


City of Denton, Texas

Electric Fund Executive Dashboard



DESCRIPTION	FY 2021-22	YTD	FY 2021-22		
	ANNUAL BUDGET ¹		ACTUALS	ANNUAL PROJECTIONS	VARIANCE
Beginning Working Capital and Reserves as of 9/30/21	\$ 109.04	\$ 119.50	\$ 119.50		
RESOURCES:					
Rate Revenues	163.52	107.77	175.04	7%	
Transmission Revenue	56.16	39.98	54.10	-4%	
Other Revenues	4.75	18.54	22.02	364%	
DEC Revenues	21.30	28.47	57.35	169%	
Total Revenues	245.73	194.76	308.51	26%	
Total Resources	354.77	314.26	428.01		
EXPENDITURES:					
Purchased Power	75.40	54.91	93.79	24%	
DEC Fuel	12.48	13.16	38.22	206%	
Transmission of Power	19.18	13.99	19.18	0%	
Personnel Service	20.10	15.09	22.39	11%	
Operation and Maintenance	38.13	27.27	38.60	1%	
Debt Service	58.98	53.33	62.08	5%	
Transfers Out	16.21	12.61	16.62	3%	
Capital Outlay	0.26	0.13	0.14	-46%	
Total Expenditures	240.74	190.49	291.02	21%	
Net Income (Loss)	4.99	4.27	17.49		
Ending Working Capital and Reserves	\$ 114.03	\$ 123.77	\$ 136.99		

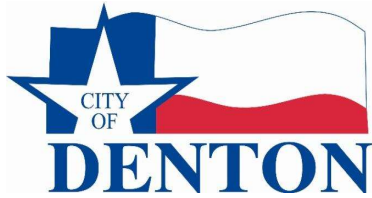


Note: All figures presented are in millions of dollars.

Key Trends

- Rate Revenues are projected above budget due to warmer than normal summer temperatures.
- Other Revenues are projected above budget due to proceeds of \$15.2 million from the sale of the TMPA Coal Mine.
- DEC Revenues are projected above budget due to increased energy prices.
- Purchased Power and DEC Fuel expenditures are projected higher than budget due to increased energy and energy/fuel prices.
- Personnel Services expenditures are projected higher than budget due to overtime costs. Overtime was budgeted based on lower hours in order to prevent use of reserves.

¹ Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2020-21 budget process.

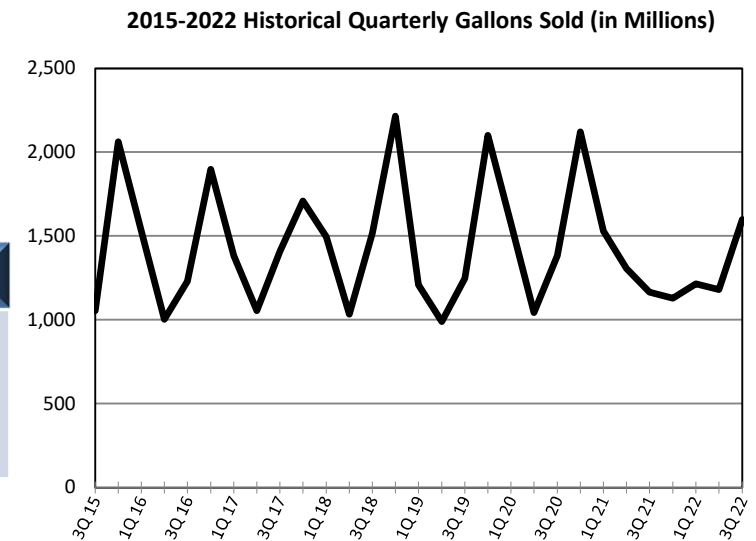
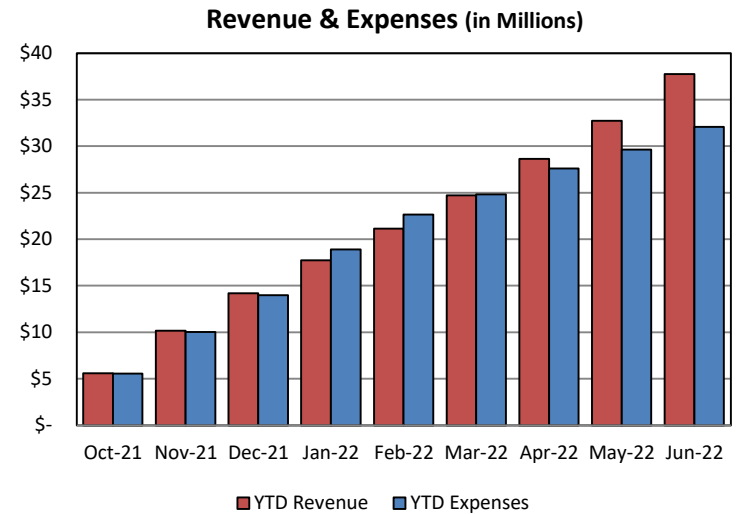


City of Denton, Texas

Water Fund Executive Dashboard



DESCRIPTION	FY 2021-22	YTD ACTUALS	FY 2021-22	
	ANNUAL BUDGET ¹		ANNUAL	VARIANCE
Beginning Working Capital and Reserves as of 09/30/21²	\$ 20.55	\$ 24.58	\$ 24.58	
RESOURCES:				
Water Sales	41.42	29.84	40.98	-1%
Other Water Revenues	2.19	1.44	1.73	-21%
Transfers In	2.03	1.52	2.13	5%
Impact Fee Revenue	6.61	4.95	6.61	0%
Total Revenues	52.25	37.75	51.45	-2%
Total Resources	72.80	62.33	76.03	
EXPENDITURES:				
Personnel Service	9.01	5.72	8.04	-11%
Operations, Services	11.97	7.47	11.98	0%
Capital Outlay	12.95	4.12	13.70	6%
Debt Service	10.84	10.45	10.84	0%
Transfers Out	6.48	4.32	5.77	-11%
Total Expenditures	51.25	32.08	50.33	-2%
Net Income (Loss)	1.00	5.67	1.12	
Ending Working Capital and Reserves	\$ 21.55	\$ 30.25	\$ 25.70	



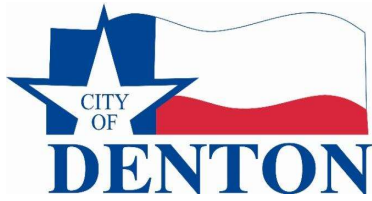
Key Trends

- Other Water Revenue projections reduced as a result of lower-than-expected auction proceeds, debt payments from others, and interest on past due balances.
- Lower than expected expenditures in Personnel Services due to vacant positions resulting in salary savings.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

²The Beginning Working Capital balance excludes \$19.9 M of Impact Fee Reserves and \$1.00 million for Development Plan Line Reserves.

Note: All figures presented are in millions of dollars.

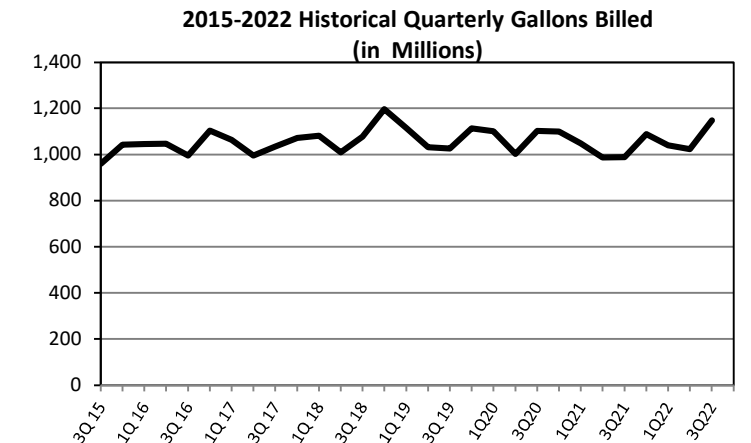
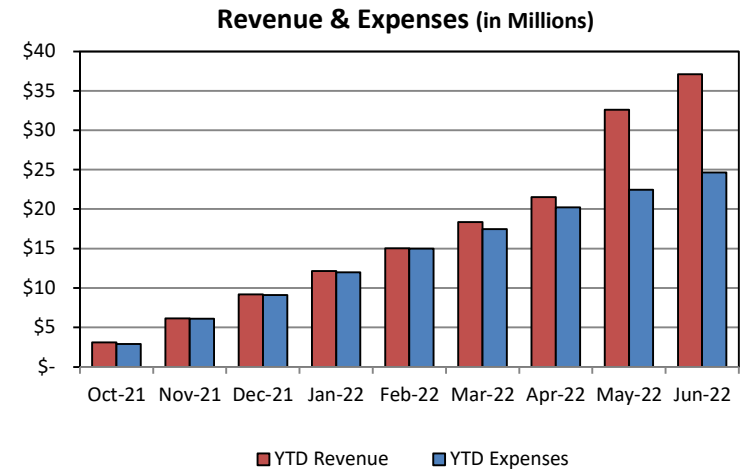


City of Denton, Texas

Wastewater Fund Executive Dashboard



DESCRIPTION	FY 2021-22	YTD	FY 2021-22	
	ANNUAL		ACTUALS	PROJECTIONS
	BUDGET ¹		ANNUAL	VARIANCE
Beginning Working Capital and Reserves as of 09/30/21 ²	\$ 17.07	\$ 16.46	\$ 16.46	
RESOURCES:				
Wastewater Fees	26.19	18.88	25.22	-4%
Other Wastewater Revenue	1.94	1.52	2.11	9%
Drainage Fees	5.64	4.05	5.66	0%
Transfer In	0.61	0.46	0.61	0%
Impact Fee Revenue	4.27	3.20	4.27	0%
Aid in Construction	-	9.00	9.00	9%
Total Revenues	38.65	37.11	46.87	21%
Total Resources	55.72	53.57	63.33	
EXPENDITURES:				
Personal Service	8.88	6.08	8.56	-4%
Operations, Services	9.65	6.48	9.33	-3%
Capital Outlay	5.64	1.24	6.03	7%
Debt Service	7.83	6.59	7.83	0%
Transfer Out	5.91	4.23	5.77	-2%
Total Expenditures	37.91	24.62	37.52	-1%
Net Income (Loss)	0.74	12.49	9.35	
Ending Working Capital and Reserves	\$ 17.81	\$ 28.95	\$ 25.81	



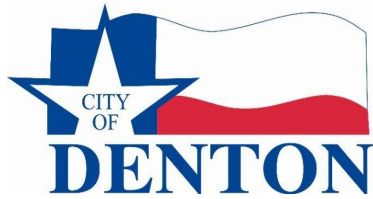
Key Trends

- Reduced projections in Wastewater Fees due to decreased effluent irrigation sales and wholesale charges.
- Projections related to Other Wastewater Revenue adjusted upward as a result of increase in compost fee revenue.
- Aid in Construction of \$8 million is due to developer contributions for the Milam Creek Basin and \$1 million is related to Robson Ranch Diversion project.

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

²The Beginning Working Capital balance excludes \$11.6 million of Impact Fee Reserves but includes \$1.0 million for Drainage Reserves, and \$0.94 million for Development Plan Line Reserves.

Note: All figures presented are in millions of dollars.



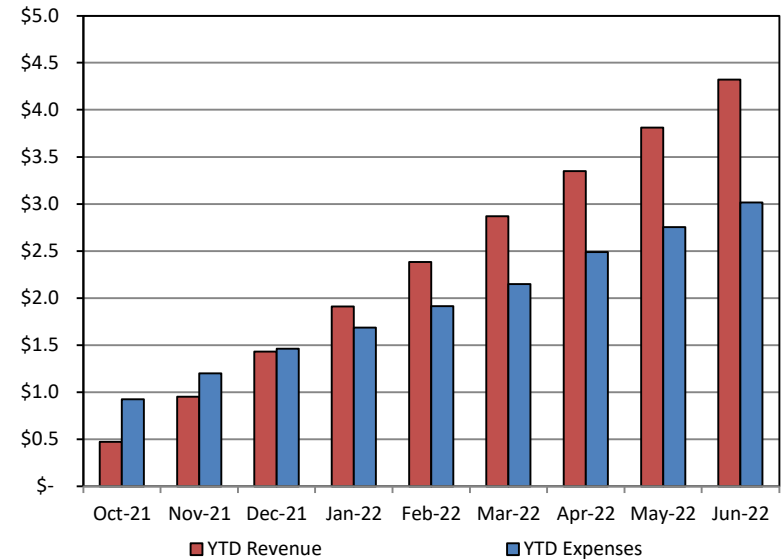
City of Denton, Texas

Drainage Operations Executive Dashboard



DESCRIPTION	FY 2021-22		FY 2021-22	
	ANNUAL BUDGET	YTD ACTUALS	PROJECTIONS ANNUAL	VARIANCE
REVENUES:				
Residential Drainage Fees	\$ 2.16	\$ 1.56	\$ 2.18	1%
Nonresidential Drainage Fees	3.48	2.49	3.48	0%
Investment Income	-	-	-	0%
Wastewater Resources	-	-	-	0%
General Fund Transfer	0.37	0.27	0.37	0%
Total Revenues	6.01	4.32	6.03	0%
EXPENDITURES:				
Personal Service	2.03	1.32	2.03	0%
Operations, Services	0.81	0.56	0.81	0%
Capital Outlay	2.13	0.05	2.52	18%
Debt Service	-	-	-	0%
Transfer Out	0.67	0.42	0.67	0%
Total Expenditures	5.64	2.35	6.03	7%
Net Income (Loss)	\$ 0.37	\$ 1.97	\$ -	

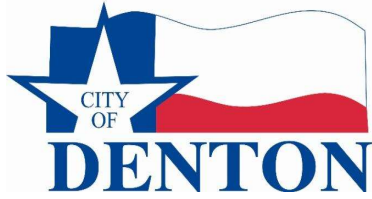
Revenue & Expenses (in Millions)



Key Trends

➤ Variance in Capital Outlay due to transfer of capital to Drainage Channel Rehabilitation.

Note: All figures presented are in millions of dollars.

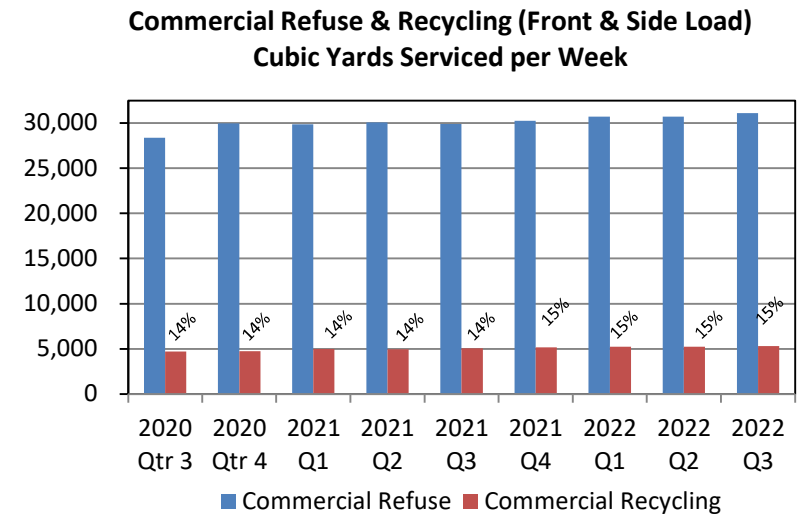
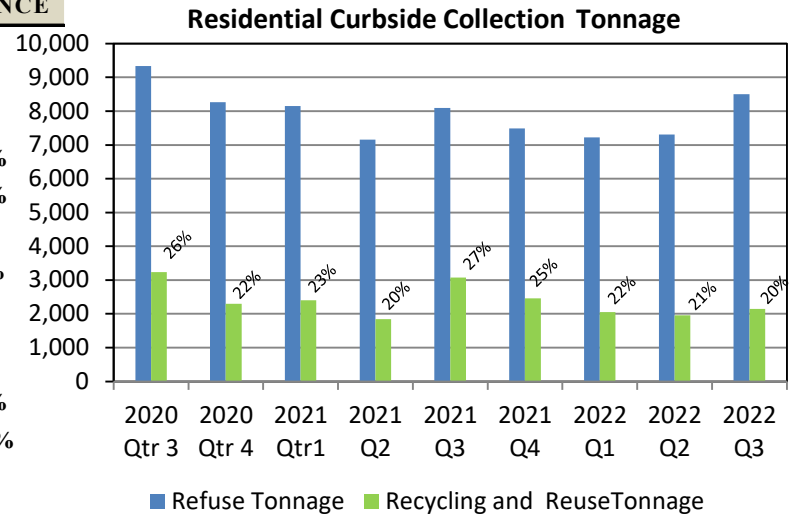


City of Denton, Texas

Solid Waste Fund Executive Dashboard



DESCRIPTION	FY 2021-22	YTD	FY 2021-22		
	ANNUAL BUDGET ¹		ACTUALS	PROJECTIONS	VARIANCE
Beginning Working Capital and Reserves as of 09/30/21²	\$ 6.21	\$ 6.63	\$ 6.63		
RESOURCES:					
Collection & Disposal	32.75	24.33	31.57		
Recycling	6.16	5.34	7.07		
Other Revenue	0.97	0.76	0.98		
Total Revenues	39.88	30.43	39.62		
Total Resources					
	46.09	37.06	46.25		
EXPENDITURES:					
Personnel Service	11.55	8.30	11.29		- 2%
Operations, Services	10.73	6.57	9.71		- 10%
Capital Outlay	2.51	1.93	2.61		4%
Debt Service	5.69	5.54	5.69		0%
Landfill Closure	0.72	0.54	0.72		0%
Transfer Out	5.97	4.35	5.97		0%
Total Expenditures	37.17	27.23	35.99		- 3%
Net Income (Loss)	2.71	3.20	3.63		
Ending Working Capital and Reserves	\$ 8.92	\$ 9.83	\$ 10.26		



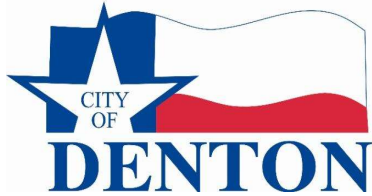
Key Trends

- Recycling Projection is trending higher due to residential refuse.
- Operations, Services is projected lower than budget due to vehicle maintenance.

¹Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2021 - 22 budget process.

²The Beginning Working Capital and Reserves excludes \$12.0 million of Landfill Closure/Post Closure reserves.

Note: All figures presented are in millions of dollars.



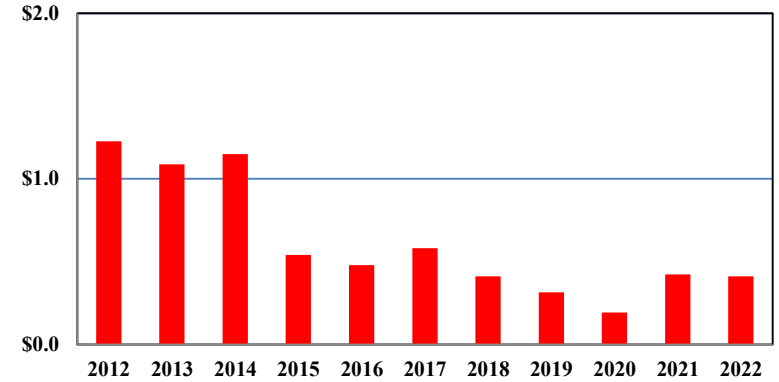
City of Denton, Texas

Airport Fund Executive Dashboard

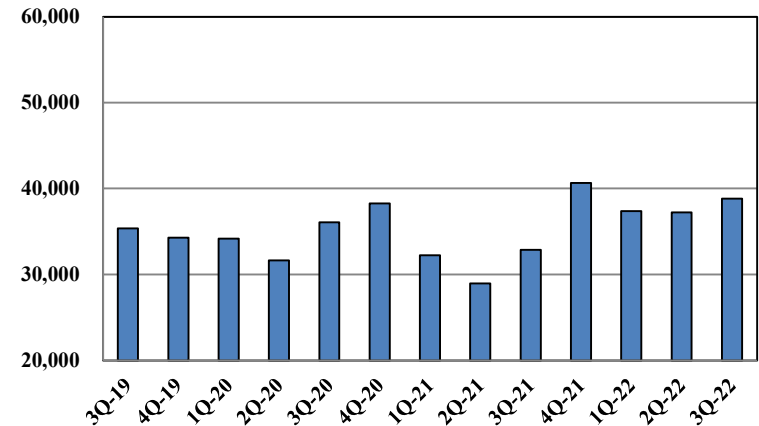


DESCRIPTION	FY 2021-22	YTD	FY 2021-22	
	ANNUAL		ACTUALS	PROJECTIONS
	BUDGET ¹		ANNUAL	
Beginning Working Capital and Reserves as of 09/30/21	\$ 2.61	\$ 2.90	\$ 2.90	
RESOURCES:				
Airport Ground Leases	0.80	0.64	0.83	4%
FBO Commissions	0.21	0.17	0.24	14%
Fuel Flowage Fees	0.12	0.06	0.14	17%
Total Operating Revenues	1.13	0.88	1.21	7%
EXPENDITURES:				
Personal Service	0.43	0.29	0.42	-2%
Operations, Services	0.40	0.18	0.46	15%
Transfer Out	0.46	0.35	0.47	2%
Total Operating Expenditures	1.29	0.82	1.35	5%
Net Operating Income (Loss)	(0.16)	0.06	(0.14)	
NON-OPERATING REVENUES:				
Investment Income	0.04	0.03	0.01	-75%
Gas Well Royalties	0.23	0.41	0.50	117%
Miscellaneous Income	0.00	0.00	0.00	0%
Total Non-Operating Revenues	0.27	0.43	0.51	89%
NON-OPERATING EXPENDITURES:				
Debt Service	0.72	0.68	0.72	0%
Transfer Out - Capital	-	-	-	0%
Total Non-Operating Expenditures	0.72	0.68	0.72	0%
Net Non-Operating Income (Loss)	(0.45)	(0.25)	(0.21)	
Net Income (Loss)	(0.61)	(0.20)	(0.35)	
Ending Working Capital and Reserves	\$ 2.00	\$ 2.70	\$ 2.55	

GAS WELL REVENUE
(in millions of dollars by fiscal year)



AIRPORT OPERATIONS BY QUARTER
(takeoff or landing by fiscal year)



Key Trends

- Increased activity and inflation have caused increases in both revenues and expenses.
- Increased volume and higher natural gas prices have caused a greater than expected increase in Gas Well Royalties

¹Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2021 - 22 budget process.

Note: All financial amounts presented are in millions of dollars.

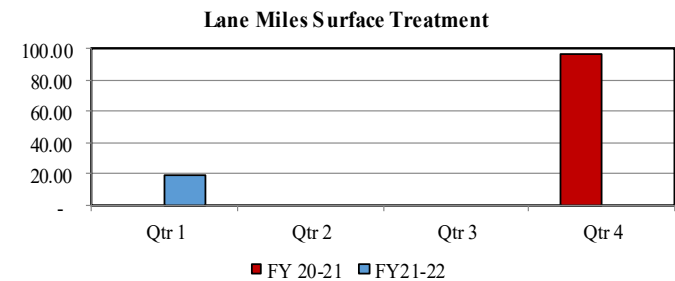
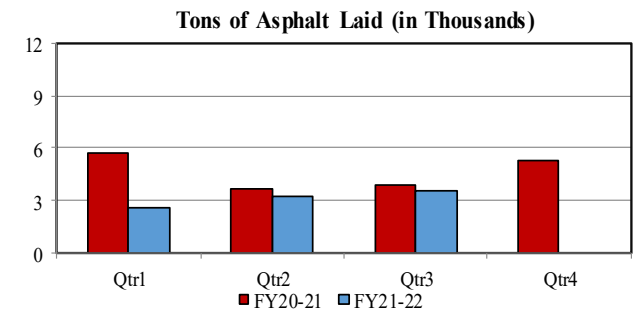
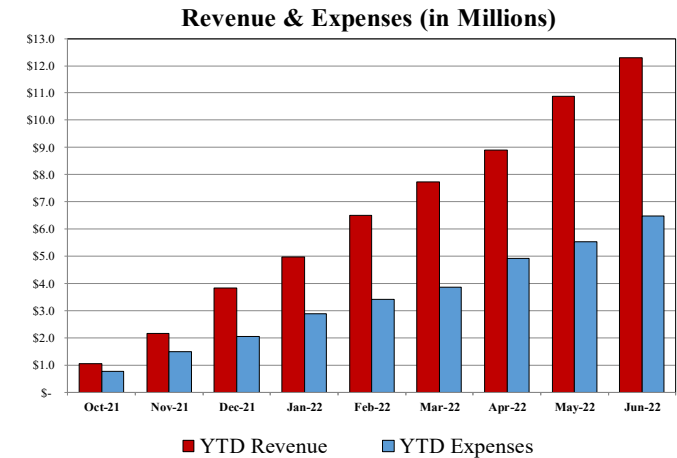


City of Denton, Texas

Street Improvement Fund Executive Dashboard



DESCRIPTION	FY 2021-22	YTD	FY 2021-22		
	ANNUAL BUDGET ¹		ACTUALS	ANNUAL PROJECTIONS	VARIANCE
Beginning Working Capital and Reserves as of 09/30/21	\$ 3.93	\$ 4.50	\$ 4.50		
RESOURCES:					
Franchise Fees	14.48	11.23	14.48	0%	
Street Cuts	0.03	-	-	-100%	
Investment Income	0.04	0.02	0.06	50%	
Transfers In	1.31	1.04	1.31	0%	
Total Revenues	15.86	12.29	15.85	0%	
Total Resources	19.79	16.79	20.35		
EXPENDITURES:					
Personal Service	3.55	2.11	3.30	-7%	
Materials & Supplies	0.10	0.08	0.11	10%	
Maintenance & Repairs	6.51	2.85	5.60	-14%	
Operations, Services	0.85	0.58	0.88	4%	
Transfer Out	5.31	0.86	5.96	12%	
Total Expenditures	16.32	6.48	15.85	-3%	
Net Income (Loss)	(0.46)	5.81	-		
Ending Fund Balance	\$ 3.47	\$ 10.31	\$ 4.51		



Note: All figures presented are in millions of dollars.

Key Trends

- Street Cuts has been reduced due to the utilities completing their own repairs.
- Maintenance & Repairs are projected to be \$0.91 million less than budgeted due to a competitive labor market and supply chain shortages resulting in reduced expenditures through 3Q 2022. In response, the City has increased starting crew wages and is working with vendors to acquire the equipment necessary to increase maintenance activity through the remainder of the year.
- Transfer Out are projected to be \$0.67 million above budget due to additional transfers out to capital projects.



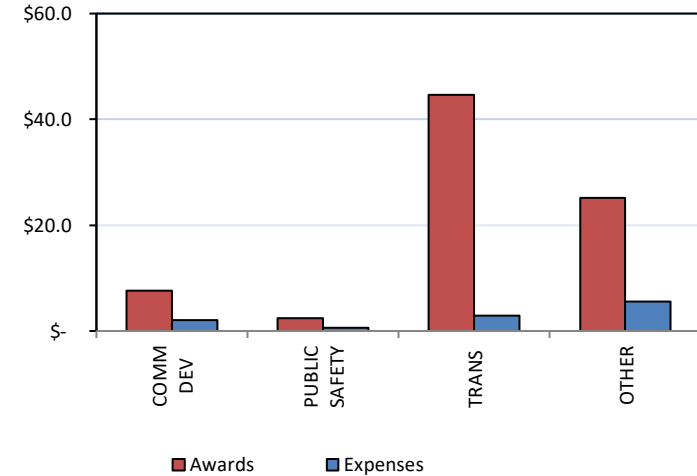
City of Denton, Texas

Grants Dashboard

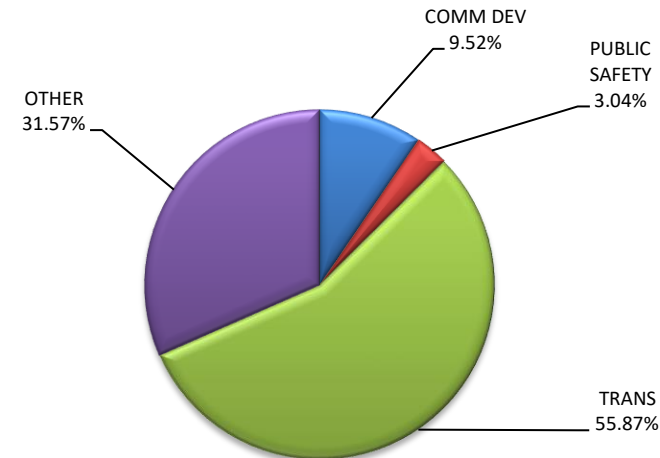


DESCRIPTION	FY 2021-22 GRANT AMOUNT	FY 2021-22 YTD ACTUALS
2021-22 Budget		
Comm Development	\$ 7.61	\$ 2.11
Public Safety	2.18	0.38
Transportation	44.47	2.70
Other	25.24	5.63
Total Budget	79.50	10.82
New Awards		
Public Safety	0.24	0.24
Transportation	0.18	0.18
Total New Awards	0.42	0.42
Totals	\$ 79.92	\$ 11.24

FY 2021-22 Awards & Expenses (in Millions)



FY 2021-22 Grants Awarded



Note: All figures presented are in millions of dollars.

Key Trends

- The following grants have been received in FY 2021-22:
- Chapter 59 Asset Forfeitures: \$8,150
 - U.S. Marshals Violent Offenders Task Force: \$59,411
 - North Texas Organized Crime Task Force: \$7,919
 - PD-Law Enforcement Officer Standards & Education: \$21,785
 - U.S. Immigration & Customs Enforcement : \$1,659
 - Texas Intrastate Fire Mutual Aid System: \$3,749
 - 2021-SHSP-EOD Protective Suit: \$40,864
 - 2020 Staffing for Adequate Fire & Emergency (SAFER) Grant: \$99,311
 - TxDot-CMAQ-School Connection Sidewalks: \$75,520
 - TxDot-Safe Routes to School: \$108,400

Section 2

City of Denton Quarterly Financial Report June 2022

This report is designed for internal use and does not include all the funds and accounts included in the City of Denton's operations. The information provided is unaudited; for a complete audited report, please refer to the City of Denton Comprehensive Annual Financial Report, available through the City's Finance Department, City Secretary's Office, or Denton Public Libraries.

FINANCIAL SUMMARY

City of Denton
General Fund
Schedule of Revenues - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2022

REVENUE DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
Current Year - Ad Valorem	\$ 48,776,573	\$ 36,817,374	\$ 48,065,826	\$ 49,083,288	\$ 48,897,103	0%
Delinquent - Ad Valorem	58,918	168,693	92,213	255,594	98,767	-61%
Miscellaneous Penalties & Fees	231,369	303,591	298,853	388,256	310,931	-20%
Ad Valorem Taxes	49,066,860	37,289,658	48,456,892	49,727,138	49,306,801	-1%
Sales Tax	32,809,118	35,147,673	38,651,904	46,246,938	51,992,420	12%
Franchise - Gas Utilities	234,044	167,021	217,863	274,458	260,764	-5%
Franchise - Private Electric Utilities	44,111	22,540	32,937	86,425	82,113	-5%
Franchise - Cable	104,108	112,859	92,959	173,069	164,434	-5%
Franchise - Telecom	26,919	38,244	14,333	58,647	55,721	-5%
Franchise - Denton Municipal Utilities	2,252,725	1,950,551	1,950,160	3,036,038	2,884,549	-5%
Franchise Fees	2,661,907	2,291,215	2,308,252	3,628,637	3,447,581	-5%
Other Taxes	153,914	223,262	292,802	446,522	419,727	-6%
Ambulance Service Fees	2,063,024	2,570,021	2,438,002	4,334,724	2,849,049	-34%
Fire Department Fees	95,329	110,964	146,976	147,952	151,327	2%
Building Inspections Fees	428,257	411,836	511,753	556,742	641,808	15%
Park Department Fees	852,713	792,600	1,059,137	1,448,690	1,651,532	14%
Planning Department Fees	1,150,965	1,629,568	2,024,067	2,010,213	2,196,761	9%
Miscellaneous Service Fees	61,975	85,120	77,516	113,486	190,227	68%
Service Fees	4,652,263	5,600,109	6,257,451	8,611,807	7,680,704	-11%
Denton Municipal Fines	468,102	867,009	499,520	1,156,000	795,660	-31%
Parking Fines	23,755	104,250	71,025	139,000	150,963	9%
Miscellaneous Fines and Fees	276,447	329,609	315,692	471,535	556,548	18%
Court Administrative and Service Fees	381,468	627,724	467,376	866,137	740,953	-14%
Fines and Fees	1,149,772	1,928,592	1,353,613	2,632,672	2,244,124	-15%
Demolition Permits	10,035	10,875	6,358	14,500	11,051	-24%
Building Permits	4,571,196	5,166,959	6,163,167	6,008,546	7,933,073	32%
Certificate of Occupancy	35,365	39,750	60,450	53,000	50,202	-5%
Miscellaneous Licenses and Permits	10,394	4,508	(1,363)	6,009	10,285	71%
Licenses and Permits	4,626,990	5,222,092	6,228,612	6,082,055	8,004,611	32%
Investment Income	221,934	(196,250)	155,860	785,000	151,163	-81%
Miscellaneous Revenues	1,845,114	1,612,880	2,881,876	3,154,232	3,042,745	-4%
Miscellaneous Resources	2,067,048	1,416,630	3,037,736	3,939,232	3,193,908	-19%
ROI - Denton Municipal Utilities	9,180,821	11,321,563	11,253,676	15,459,438	13,971,195	-10%
Transfers	11,438,346	10,164,705	9,967,155	13,551,129	13,285,903	-2%
Transfers	20,619,167	21,486,268	21,220,831	29,010,567	27,257,098	-6%
Total General Fund Revenues	\$ 117,807,039	\$ 110,605,499	\$ 127,808,093	\$ 150,325,568	\$ 153,546,974	2%

City of Denton
General Fund
Schedule of Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2022

	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
NEIGHBORHOOD SERVICES						
Building Inspections	\$ 2,493,471	\$ 2,752,002	\$ 2,544,065	\$ 3,668,837	\$ 3,367,644	-8%
Community Improvement Services	564,162	584,617	6,062	779,379	-	-100%
Libraries	4,610,325	4,992,969	4,698,881	6,656,368	6,402,569	-4%
Parks and Recreation	7,840,624	11,020,369	10,541,403	14,572,452	15,895,275	9%
Planning	1,421,019	2,295,371	2,344,051	2,876,834	3,066,510	7%
Development Services Admin	874,062	1,139,050	868,123	1,518,530	1,518,530	0%
Gas Well Review	69,728	282,713	68,038	376,899	407,513	8%
Social Services	909,117	1,761,769	1,757,149	2,325,382	2,666,611	15%
	<u>18,782,508</u>	<u>24,828,860</u>	<u>22,827,772</u>	<u>32,774,681</u>	<u>33,324,652</u>	<u>2%</u>
PUBLIC SAFETY						
Animal Services	1,850,089	2,012,642	1,783,831	2,683,147	2,705,519	1%
Fire	25,972,668	26,524,505	27,264,629	35,246,455	35,000,992	-1%
Municipal Judge	320,517	425,378	406,861	567,082	564,801	0%
Police	31,343,727	34,054,897	33,271,098	45,400,386	44,072,684	-3%
	<u>60,516,493</u>	<u>63,017,422</u>	<u>62,726,419</u>	<u>83,897,070</u>	<u>82,343,996</u>	<u>-2%</u>
TRANSPORTATION						
Traffic Operations	1,344,237	1,789,094	1,693,108	2,385,130	2,441,907	2%
Street Lighting	677,541	637,585	705,723	850,000	900,000	6%
	<u>2,021,778</u>	<u>2,426,679</u>	<u>2,398,831</u>	<u>3,235,130</u>	<u>3,341,907</u>	<u>3%</u>
ADMINISTRATIVE & COMMUNITY SERVICES						
City Manager's Office	1,738,775	1,824,661	1,745,347	2,429,193	2,340,490	-4%
Economic Development	2,601,014	3,326,405	1,897,734	4,434,595	4,220,454	-5%
Finance	2,952,969	4,235,048	4,007,530	5,645,942	5,496,043	-3%
Human Resources	1,849,294	2,126,957	2,161,807	2,820,895	2,920,096	4%
Internal Audit	371,137	421,014	434,910	561,268	545,985	-3%
Legal Administration	2,535,126	2,483,130	2,104,897	3,310,390	2,971,643	-10%
Public Affairs	1,422,875	1,927,166	1,375,443	2,569,200	2,338,773	-9%
Non-Departmental	9,384,501	7,195,963	9,244,616	9,617,981	11,452,306	19%
	<u>22,855,691</u>	<u>23,540,344</u>	<u>22,972,284</u>	<u>31,389,464</u>	<u>32,285,790</u>	<u>3%</u>
TOTAL EXPENDITURES	<u>\$ 104,176,470</u>	<u>\$ 113,813,305</u>	<u>\$ 110,925,306</u>	<u>\$ 151,296,345</u>	<u>\$ 151,296,345</u>	<u>0%</u>

City of Denton
Electric Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 9/30/21				\$ 109,035,229	\$ 119,498,711	
REVENUES:						
Rate Revenues	\$ 96,638,500	\$ 111,853,389	\$ 107,769,448	163,523,145	175,041,305	7%
Transmission Revenues	34,590,599	34,149,154	39,982,949	56,160,399	54,103,256	-4%
Other Revenues	2,384,786	3,132,795	18,545,963	4,752,353	22,023,677	363%
DEC Revenues	130,689,166	13,618,963	28,467,047	21,293,023	57,349,601	169%
Total Revenues	264,303,051	162,754,301	194,765,407	245,728,920	308,517,839	26%
EXPENDITURES:						
Purchased Power	287,398,192	51,897,949	54,906,889	75,398,210	93,788,174	24%
DEC Fuel	25,747,384	8,583,427	13,156,681	12,475,775	38,220,433	206%
Transmission of Power	11,411,503	10,982,361	13,987,758	19,182,169	19,182,169	0%
Personnel Services	13,541,130	15,386,959	15,090,651	20,102,836	22,394,234	11%
Materials and Supplies	449,274	1,591,526	1,026,752	2,425,169	2,378,844	-2%
Maintenance and Repair	639,959	985,053	901,651	1,432,671	1,355,524	-5%
Insurance	1,465,673	1,675,791	3,312,585	2,234,388	2,190,518	-2%
Return on Investment	7,657,679	7,869,228	9,572,973	11,785,382	10,368,133	-12%
Franchise Fee	6,374,426	7,108,579	7,970,094	10,644,166	12,867,166	21%
Miscellaneous	534,812	644,094	479,878	756,916	740,765	-2%
Operations	3,931,929	6,617,444	4,010,871	8,843,126	8,689,108	-2%
Debt Service	47,758,697	53,334,771	53,334,771	58,984,872	62,079,903	5%
Interfund Transfers	12,470,130	12,160,687	12,609,565	16,214,249	16,623,446	3%
Capital Outlay	390,000	133,494	133,494	263,494	143,494	-46%
Total Expenditures	419,770,788	178,971,363	190,494,613	240,743,423	291,021,911	21%
Net Income (Loss)	\$ (155,467,737)	\$ (16,217,062)	\$ 4,270,794	4,985,497	17,495,928	
Ending Working Capital and Reserves				\$ 114,020,726	\$ 136,994,639	

¹Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
Water Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/21 ¹				\$ 20,546,185	\$ 24,582,745	
REVENUES:						
Water Sales Residential	\$ 12,851,079	\$ 16,141,410	\$ 14,129,917	21,519,010	21,229,678	-1%
Water Sales Commercial	11,194,927	13,858,801	12,917,388	18,475,937	17,701,041	-4%
Water for Resale	1,950,632	1,068,062	2,791,388	1,423,894	2,063,271	45%
Other Water	1,068,556	1,419,487	1,377,085	1,892,391	1,700,675	-10%
Transfers In	1,257,661	1,525,161	1,524,956	2,033,275	2,033,275	0%
Investment Income	84,512	225,030	63,246	300,000	115,000	-62%
Impact Fee Revenue	4,954,411	4,954,411	4,953,753	6,605,000	6,605,000	0%
Total Revenues	33,361,778	39,192,362	37,757,733	52,249,507	51,447,940	-2%
EXPENDITURES:						
Personal Service	5,810,170	6,814,572	5,719,828	9,013,419	8,038,296	-11%
Purchased Power	950,171	1,058,234	1,102,604	1,410,789	1,410,789	0%
Purchase of Water	1,615	2,250	1,160	3,000	3,000	0%
Materials and Supplies	933,176	1,345,832	1,186,580	2,100,011	1,747,934	-17%
Maintenance and Repairs	1,200,170	1,618,860	1,233,744	2,162,508	2,182,187	1%
Insurance	191,907	184,813	169,280	244,905	240,470	-2%
Miscellaneous	181,177	263,426	147,534	348,584	304,874	-13%
Operations, Services	866,712	1,803,678	1,227,665	2,177,877	2,575,892	18%
Capital Outlay	5,467,789	10,276,944	4,124,109	12,950,759	13,700,759	6%
Return on Investment	882,316	1,087,390	991,434	1,449,659	1,449,659	0%
Franchise Fee	1,260,452	1,553,414	1,416,335	2,070,942	2,070,942	0%
Debt Service	10,515,401	10,445,573	10,445,573	10,835,105	10,835,105	0%
Transfers Out	4,121,567	4,306,803	4,324,169	6,483,661	5,765,557	-11%
Total Expenditures	32,382,623	40,761,789	32,090,015	51,251,219	50,325,464	-2%
Net Income (Loss)	\$ 979,155	\$ (1,569,427)	\$ 5,667,718	998,288	1,122,476	
Ending Working Capital and Reserves				\$ 21,544,473	\$ 25,705,221	

¹ The Beginning Working Capital balance excludes \$19,916,357 of Impact Fee Reserves and includes \$1,000,000 for Development Plan Line Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
Wastewater Fund
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2022

<u>DESCRIPTION</u>	<u>PRIOR Y-T-D</u>	<u>BUDGET Y-T-D</u>	<u>CURRENT Y-T-D</u>	<u>ANNUAL BUDGET²</u>	<u>ANNUAL PROJECTION</u>	<u>BUDGET VS PROJECTION</u>
Beginning Working Capital and Reserves as of 09/30/21 ¹				\$ 17,068,351	\$ 16,455,340	
REVENUES:						
Residential Fees	\$ 8,461,040	\$ 9,420,796	\$ 8,965,659	11,879,945	11,554,408	-3%
Commercial Fees	8,506,659	9,980,002	9,340,295	13,504,172	12,991,745	-4%
Effluent Irrigation Fees	66,519	72,363	77,651	96,470	86,411	-10%
Wholesale Fees	554,913	534,899	497,789	713,103	586,639	-18%
Other Wastewater Fees	1,393,558	1,375,675	1,479,888	1,833,982	2,092,206	14%
Drainage Fees	3,865,420	4,286,415	4,047,102	5,638,695	5,663,705	0%
Transfer In	449,739	458,796	458,734	611,645	611,645	0%
Investment Income	56,815	75,010	41,424	100,000	19,627	-80%
Impact Fee Reserves	3,202,927	3,202,927	3,202,497	4,270,000	4,270,000	0%
Aid in Construction	25,917	-	9,000,000	-	9,000,000	
Total Revenues	26,583,507	29,406,883	37,111,039	38,648,012	46,876,386	21%
EXPENDITURES:						
Personal Service	6,210,078	6,662,282	6,081,005	8,881,839	8,557,682	-4%
Purchased Power	742,970	915,872	789,878	1,221,000	1,221,000	0%
Materials and Supplies	830,450	992,735	1,006,908	1,338,420	1,275,054	-5%
Maintenance and Repairs	1,119,769	1,801,941	1,148,320	2,375,605	2,206,711	-7%
Insurance	202,339	205,736	190,751	274,271	274,271	0%
Miscellaneous	36,254	27,468	22,804	32,942	34,283	4%
Operations, Services	1,408,541	1,634,927	1,650,074	2,194,887	2,185,856	0%
Capital Outlay	3,419,488	4,230,800	1,238,156	5,640,309	6,032,469	7%
Return on Investment	640,826	684,157	689,270	912,087	879,648	-4%
Franchise Fee	915,465	977,366	984,671	1,302,981	1,256,640	-4%
Debt Service	6,296,161	6,581,255	6,581,255	7,825,131	7,825,131	0%
Transfers Out	4,133,933	4,430,881	4,242,359	5,907,049	5,770,292	-2%
Total Expenditures	25,956,274	29,145,420	24,625,451	37,906,521	37,519,037	-1%
Net Income (Loss)	\$ 627,233	\$ 261,463	\$ 12,485,588	741,491	9,357,349	
Ending Working Capital and Reserves				\$ 17,809,842	\$ 25,812,689	

¹ The Beginning Working Capital balance excludes \$11.6 million of Impact Fee Reserves but includes \$1.0 million for Drainage Reserves, and \$0.94 million for Development Plan Line Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
Drainage Operations
Schedule of Revenues and Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET	ANNUAL PROJECTION	BUDGET VS PROJECTION
REVENUES:						
Residential Drainage Fees	\$ 1,500,066	\$ 1,609,895	\$ 1,555,780	\$ 2,158,037	\$ 2,175,050	1%
Nonresidential Drainage Fees	2,365,353	2,676,520	2,491,322	3,480,658	3,488,655	0%
Wastewater Resources	-	-	-	-	-	0%
General Fund Transfer	269,964	275,401	275,363	367,151	367,151	0%
Total Revenues	4,135,383	4,561,816	4,322,465	6,005,846	6,030,856	0%
EXPENDITURES:						
Personnel Service	1,297,378	1,516,707	1,320,759	2,022,003	2,022,003	0%
Materials and Supplies	37,982	66,696	47,120	88,900	88,900	0%
Maintenance and Repairs	121,019	100,890	109,444	134,500	134,500	0%
Insurance	33,427	32,108	27,852	42,801	42,801	0%
Miscellaneous	3,430	12,677	6,880	16,900	16,900	0%
Operations, Services	294,857	396,954	357,294	529,182	529,182	0%
Capital Outlay	401,134	1,598,453	58,764	2,130,982	2,523,142	18%
Debt Service	-	-	-	-	-	0%
Transfer Out	327,756	505,139	419,710	673,428	673,428	0%
Total Expenditures	2,516,983	4,229,624	2,347,823	5,638,696	6,030,856	7%
Net Income (Loss)	\$ 1,618,400	\$ 332,192	\$ 1,974,642	\$ 367,150	\$ -	

City of Denton
Solid Waste Fund
Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ²	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/21 ¹				\$ 6,210,148	\$ 6,629,830	
REVENUES:						
Refuse Fees - Residential	\$ 3,438,009	\$ 4,045,990	\$ 3,564,308	5,429,866	4,710,279	-13%
Refuse Fees - Commercial	10,854,778	11,180,819	10,984,258	15,134,905	14,454,053	-4%
Residential Recycling	4,185,245	3,577,482	4,325,146	4,769,339	5,719,101	20%
Commercial Recycling	956,889	1,041,910	1,019,154	1,389,027	1,353,002	-3%
Landfill Gate and Material Sales	8,098,837	9,011,736	9,781,972	12,183,212	12,404,386	2%
Recycled Material Sales	50,508	52,030	50,508	69,364	69,268	0%
Asset Sales and Interest Income	74,323	309,331	429,763	412,385	403,482	-2%
Other Revenue	258,044	364,432	278,064	493,295	508,245	3%
Total Revenues	27,916,633	29,583,730	30,433,173	39,881,393	39,621,816	-1%
EXPENDITURES:						
Personal Service	8,127,994	8,665,355	8,296,138	11,552,240	11,290,299	-2%
Materials and Supplies	181,221	594,466	304,735	767,522	738,301	-4%
Maintenance and Repairs	145,980	234,299	149,075	295,901	306,237	3%
Insurance	221,014	221,984	197,098	295,935	463,386	57%
Miscellaneous	38,708	49,748	26,224	66,320	49,110	-26%
Operations, Services	3,643,478	5,518,643	4,405,034	7,381,496	6,230,088	-16%
Capital Outlay	9,318,872	1,871,171	1,933,247	2,511,679	2,613,219	4%
Debt Service	6,744,656	5,537,839	5,537,839	5,690,617	5,690,617	0%
Franchise Fee	1,383,269	1,433,987	1,491,843	1,911,728	1,911,729	0%
Transfers for Landfill Closure	526,986	539,323	537,890	719,000	719,000	0%
Admin Transfers Out	3,907,527	4,481,306	4,346,262	5,974,266	5,974,265	0%
Total Expenditures	34,239,705	29,148,121	27,225,385	37,166,704	35,986,251	-3%
Net Income (Loss)	\$ (6,323,072)	\$ 435,609	\$ 3,207,788	2,714,689	3,635,565	
Ending Working Capital and Reserves				\$ 8,924,837	\$ 10,265,395	

¹ The Beginning Working Capital Reserve excludes \$11,992,859 Landfill Closure/Post Closure Reserves.

² Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
 Airport Fund
 Schedule of Revenues and Expenditures - Budget vs Projection (Unaudited)
 For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Working Capital and Reserves as of 09/30/21				\$ 2,606,662	\$ 2,899,720	
OPERATING REVENUES:						
Airport Ground Leases	\$ 616,799	\$ 600,449	\$ 640,777	800,492	832,000	4%
FBO Commissions	145,135	159,141	171,490	212,160	235,000	11%
Miscellaneous	79,203	88,932	63,178	118,560	143,554	21%
Total Operating Revenues	841,137	848,522	875,445	1,131,212	1,210,554	7%
OPERATING EXPENDITURES:						
Personal Service	311,262	323,972	287,294	431,901	418,857	-3%
Materials and Supplies	7,358	26,096	9,838	34,790	38,850	12%
Maintenance and Repairs	9,754	57,310	33,101	76,400	113,400	48%
Insurance	19,960	20,561	21,399	27,412	27,411	0%
Miscellaneous	-	75	-	100	-	-100%
Operations	97,367	196,634	117,042	262,135	285,310	9%
Transfers Out - Operating	339,300	347,068	351,394	462,696	462,696	0%
Total Operating Expenses	785,001	971,716	820,068	1,295,434	1,346,524	4%
Operating (Loss)	56,136	(123,194)	55,377	(164,222)	(135,970)	
NON-OPERATING REVENUES:						
Investment Income	24,135	30,605	15,493	40,800	10,000	-75%
Gas Well Royalties	195,820	173,896	410,897	231,830	500,000	116%
Total Non-Operating Revenues	219,955	204,501	426,390	272,630	510,000	87%
NON-OPERATING EXPENDITURES:						
Debt Service	716,761	682,124	682,124	724,659	724,659	0%
Transfers Out - Capital	-	-	-	-	-	0%
Total Non-Operating Expenses	716,761	682,124	682,124	724,659	724,659	0%
Non-Operating Income (Loss)	(496,806)	(477,623)	(255,734)	(452,029)	(214,659)	
Net Income (Loss)	\$ (440,670)	\$ (600,817)	\$ (200,357)	(616,251)	(350,629)	
Ending Working Capital				\$ 1,990,411	\$ 2,549,091	

¹ Annual adopted budget as amended or modified. Beginning Working Capital and Reserves represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
Street Improvement Fund
Schedule of Expenditures - Budget vs Projections (Unaudited)
For the Period Ended June 30, 2022

DESCRIPTION	PRIOR Y-T-D	BUDGET Y-T-D	CURRENT Y-T-D	ANNUAL BUDGET ¹	ANNUAL PROJECTION	BUDGET VS PROJECTION
Beginning Fund Balance as of 9/30/2021				\$ 3,928,623	\$ 4,503,637	
RESOURCES:						
Franchise Fees	\$ 9,075,988	\$ 10,858,694	\$ 11,233,068	14,476,328	14,476,328	0%
Street Cuts	24,873	25,374	-	33,827	-	-100%
Investment Income	24,494	31,505	21,102	42,000	62,000	48%
Transfers In	933,187	979,635	1,035,656	1,306,002	1,306,000	0%
Total Resources	10,058,542	11,895,208	12,289,826	15,858,157	15,844,328	0%
EXPENDITURES:						
Personal Service	2,240,517	2,662,039	2,112,779	3,548,910	3,300,000	-7%
Materials and Supplies	49,154	75,914	81,264	101,200	110,000	9%
Maintenance and Repairs	2,790,111	4,886,412	2,852,364	6,514,348	5,600,000	-14%
Insurance	65,309	67,276	94,847	89,690	126,463	41%
Miscellaneous	3,536	5,327	615	7,100	5,000	-30%
Operations, Services	385,175	572,620	485,476	775,047	750,000	-3%
Transfer Out	690,200	3,970,186	856,916	5,281,213	5,952,865	13%
Total Expenditures	6,224,002	12,239,774	6,484,261	16,317,508	15,844,328	-3%
Net Income (Loss)	\$ 3,834,540	\$ (344,566)	\$ 5,805,565	(459,351)	-	
Ending Fund Balance				\$ 3,469,272	\$ 4,503,637	

¹Annual adopted budget as amended or modified. Beginning Fund Balance represents the amount which was estimated in the FY 2021-22 budget process.

City of Denton
Grants
Schedule of Expenditures (Unaudited)
For the Period Ended June 30, 2022

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2021 ¹	CURRENT Y-T-D	ANNUAL BUDGET
FY 2021-22 Budget			
US Dept of HUD - Community Development Block Grant(CDBG)	\$ 6,293,330	\$ 844,603	\$ 2,372,988
US Dept of HUD - Community Development Block Grant(CDBG)- CARES ACT	529,359	437,477	1,180,791
Texas Emergency Rental Assistance Program-CARES Act	187,444	-	18,957
US Dept of HUD - HOME Investment Partnership Program	5,241,002	537,361	3,015,263
Emergency Solutions Grants Program-CARES Act	1,039,136	289,536	1,018,267
Community Development ¹	13,290,271	2,108,977	7,606,266
TxDot STEP Comprehensive Grant	-	19,009	78,500
National Sexual Assault Kit Initiative Grant	100,888	35,813	445,149
2020 UASI-Specialized Regional Response Teams Sustainment	132,416	11,291	123,003
2021 UASI-Specialized Regional Response Teams Sustainment	-	46,473	94,575
2021 UASI-Regional Warning Siren Cyber Security 2019 Staffing for Adequate Fire & Emergency Response (SAFER) Grant	167,676	197,725	1,026,738
Urban Search & Rescue Response System (TEEX)	-	23,227	330,000
Texas Intrastate Fire Mutual Aid System-Emergency Response	-	40,000	40,000
Denton Police Department-Coronavirus Response Grant	80,416	1,896	3,088
Public Safety ¹	481,396	375,434	2,184,745
Airport Maintenance (RAMP) Grant	-	4,901	50,000
TxDot-RTR-Mayhill Rd-IH35 E to US 380	48,984,689	1,575,077	14,896,002
TxDot-RTR-Bonnie Brae Rd-IH35 E to US 377	27,295,314	262,389	19,907,802
TxDot-IH35E at Loop 288/Lillian Miller Pkwy	-	-	53,865
TxDot-RTR-McKinney (Formerly FM426)	15,977,398	628,230	2,895,944
TxDot-RTR-Hickory Creek FM2181-FM2499	2,041,307	6,240	359,920
TxDot-RTR-North Texas Boulevard Roundabout	268,344	100,193	1,891,555
TxDot-Sycamore-Welch Bicycle & Pedestrian	-	126,560	1,500,000
NCTCOG-Waze Data Sharing	-	-	5,000
Airport Grant-CARES Act	157,000	-	157,100
Airport Coronavirus Relief Grant Program	57,000	-	57,000
Airport Coronavirus Relief Grant Program	-	-	34,162
Denton County Transportation Authority (DCTA) Transportation Reinvestment Program (TRiP)	-	-	2,517,997
American Rescue Plan (ARP) Act of 2021 - Airport Rescue Grants	-	-	148,000
Transportation ¹	94,781,052	2,703,590	44,474,347

City of Denton
Grants
Schedule of Expenditures (Unaudited)
For the Period Ended June 30, 2022

GRANT DESCRIPTION	EXPENDITURES AS OF 9/30/2021 ¹	CURRENT Y-T-D	ANNUAL BUDGET
Interlibrary Loan Program (ILL)	-	-	35,000
TexTreasures Grant	-	24,820	24,820
Green Ribbon Grant	-	460,556	773,666
Texas Commission on the Arts Cultural District Grant	-	-	100,000
NCTCOG-Solid Waste Implementation Grant-Parks & Recreation	-	-	200,000
NCTCOG-Solid Waste Implementation Grant-Solid Waste	-	-	67,723
Governor's Community Achievement Award	-	-	290,000
American Rescue Plan (ARP) Act of 2021	6,136	5,147,115	23,290,438
Miscellaneous New Grants	-	-	460,000
Other	6,136	5,632,491	25,241,647
Total FY 2021-22 Budget	108,558,855	10,820,492	79,507,005
 New Awards			
Chapter 59 Asset Forfeitures	-	8,150	8,150
U.S. Marshals Violent Offenders Task Force	-	59,411	59,411
North Texas Organized Crime Task Force (NTOCTF)	-	7,919	7,919
PD-Law Enforcement Officer Standards & Education	-	21,785	21,785
U.S. Immigration & Customs Enforcement Homeland Security Investigations	-	1,659	1,659
Texas Intrastate Fire Mutual Aid System-Emergency Response	-	3,749	3,749
2021-SHSP-EOD Protective Suit	-	40,864	40,864
2020 Staffing for Adequate Fire & Emergency Response (SAFER) Grant	-	99,311	99,311
Public Safety	-	242,848	242,848
TxDot-CMAQ-School Connection Sidewalks	-	75,520	75,520
TxDot-Safe Routes to School-Ginnings Elementary School & Lee Elementary School	-	108,400	108,400
Transportation ¹	-	183,920	183,920
Total New Awards	-	426,768	426,768
 TOTALS	 \$ 108,558,855	 \$ 11,247,260	 \$ 79,933,773

¹ A portion of the grants presented cover multiple years.

Section 3

City of Denton
Quarterly Financial Report
June 2022

REVENUE & ECONOMIC ANALYSIS

Revenue & Economic Analysis Summary

The data included in this section provides information on local, state and national trends impacting the City's financial position.

The following notes are provided to facilitate this section's readability.

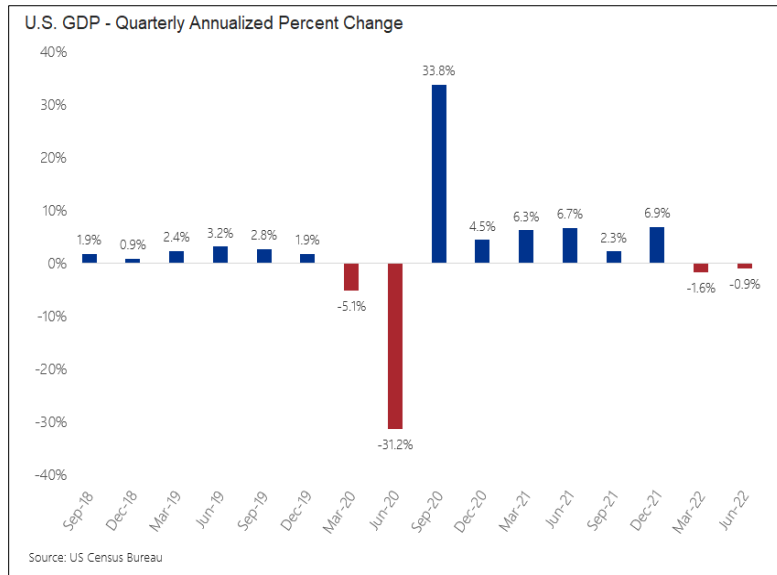
1. Positive Outlook – Represents favorable conditions for the local economy. Color code – Green.
2. Cautious Outlook – Represents changing conditions that require close monitoring. Color code – Yellow.
3. Negative Outlook – Represents unfavorable conditions for the local economy. Color code – Red.

The data included in this section have been obtained from a variety of sources. Sales tax and construction related data have been obtained from internal city departments. Economic data for the State have been obtained from the Federal Reserve Bank of Dallas and may be subject to availability. National economic data were compiled with assistance from the City's investment advisor, First Southwest Asset Management.

National Economic Trends

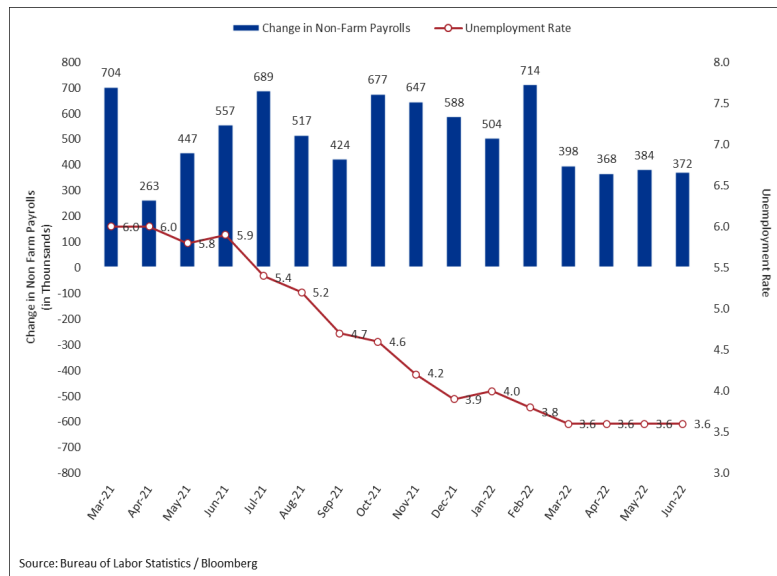
Period Ending June 30, 2022

Gross Domestic Product (GDP)



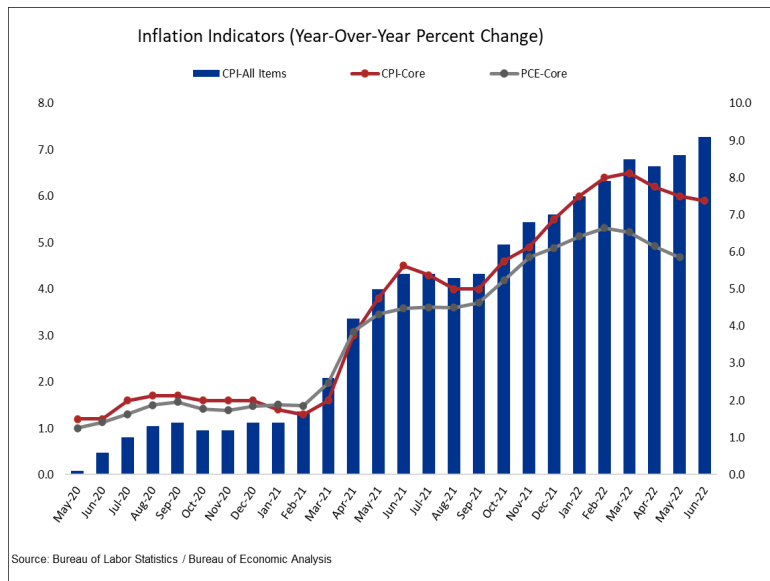
The initial reading of Q2 GDP showed an unexpected contraction of -0.9%. When combined with the -1.6% decline in the first quarter, the textbook definition of recession has been met. It doesn't become official until the National Bureau of Economic Research (NBER) says so, but at this point a case can be made. Personal consumption held up reasonably well, up +1.0% for the second quarter following a +1.8% increase in the previous period and adding 0.7 to the overall Q2 number. Private investment plunged, subtracting a whopping 2.7 percentage points while business inventories subtracted two full percentage points. The recession debate will play out in the media in the weeks and months to come, but there's no denying the magnitude of weakening. On a year-over-year basis, GDP has slowed from +5.5% in the fourth quarter of 2021, to +3.5% in Q1 to +1.6% in Q2.

Employment



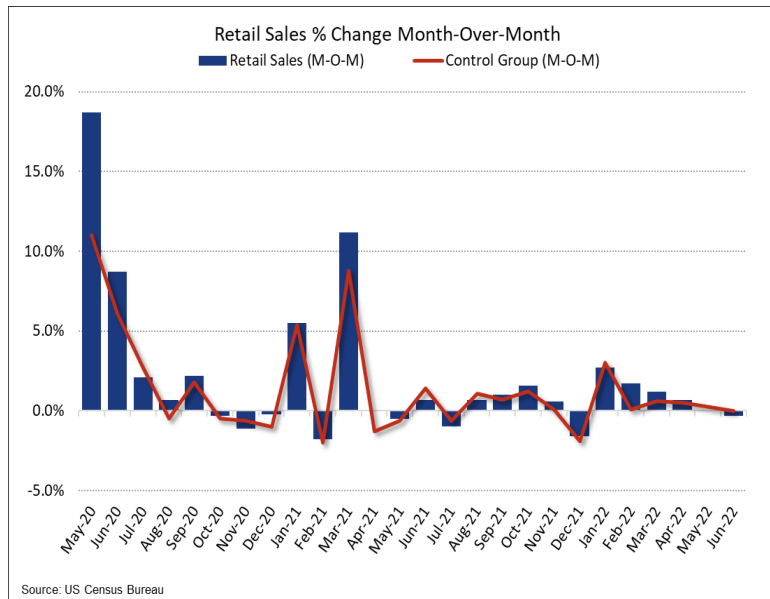
Non-farm payrolls increase by +372k in June, while net revisions to previous months subtracted -74k. At this point, company payrolls are now just -524k below the pre-pandemic high point. The breakdown of the *company survey* shows private payrolls are now +140k higher than in February 2020, while government payrolls are still -664k short. The separate household survey was less positive with a -315k decrease in the number of Americans finding work, while -350k exited the workforce. The net result held the unemployment rate steady at +3.6%. The number actively seeking work was little changed at 5.9 million. Another 5.7 million would like a job but had not looked for work within the past month and as a result are not considered part of the labor force. This total is +700k above the pre-pandemic count and continues to puzzle labor market analysts.

Inflation



Inflationary pressure continues to rise despite Fed tightening. The consumer price index (CPI) jumped +1.3% month-over-month in June, bettering forecasts with the largest single month increase in 17 years. On a year-over-year basis, overall CPI is rising at a +9.1% pace, the hottest consumer inflation in more than 41 years. The June increase was broad-based, with gas, food, and shelter costs all rising sharply. The energy index surged +7.5%, contributing almost half of the June increase. Within the energy component, the price of gasoline jumped +11.2%. Food prices rose +1.0% for the month and +10.4% year-over-year, the largest annual gain since 1981. Core CPI, which excludes food and energy prices, rose +0.7% (also above forecast) and is now increasing at a +5.9% annual rate, although the core has actually fallen on a year-over-year basis in each of the last three months.

Retail Sales

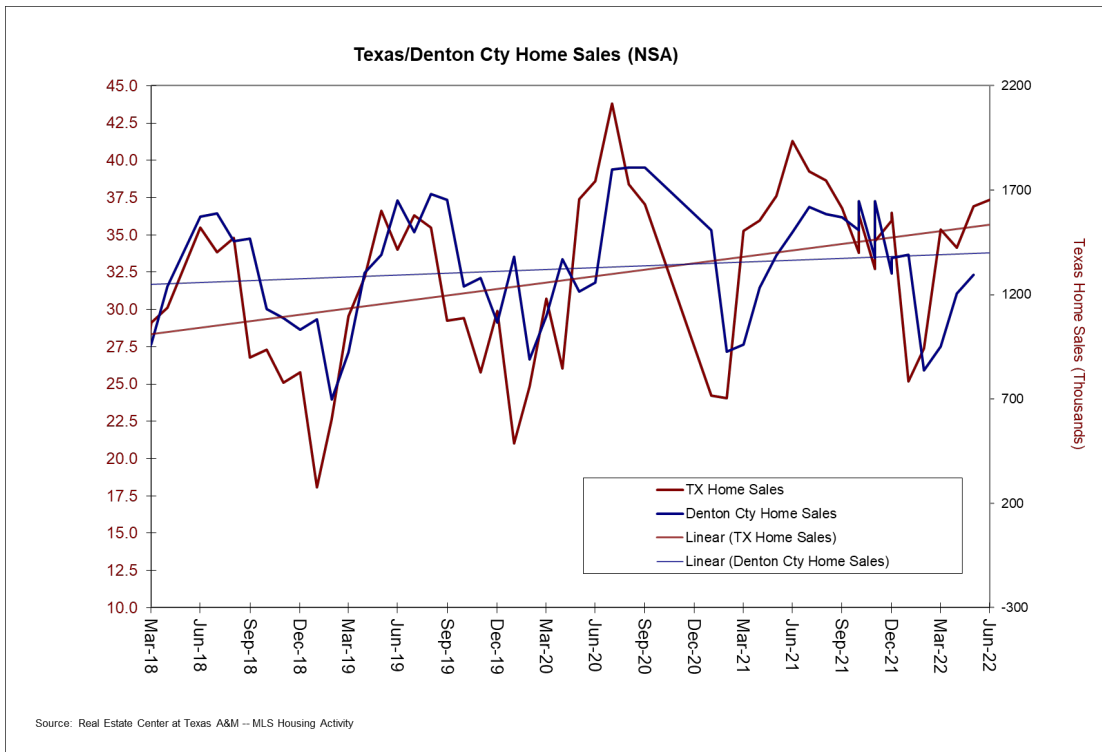


Retail sales rose +1.0% in June, bettering the +0.7% median forecast, as spending on gasoline, autos, restaurants, and e-commerce all increased. Gas station sales were the biggest contributor to the overall number, up +3.6% following a +5.6% rise in May. This category accounted for 0.4 of the +1.0% gain in June. Since sales are not inflation-adjusted, the jump in gasoline sales is a direct reflection of soaring pump prices. On a year-over-year basis, retail sales are +8.4% higher, but on a three-month annualized basis, sales are up +9.5%. Much of the increase can be attributed to the highest inflation rate in decades. In real terms, retail sales declined for the second consecutive month, falling -0.3%. As long as the economy is growing, Fed officials will have complete latitude to slow it down with aggressive rate hikes. However, monetary policy will be enacted on a meeting-by-meeting basis and signs of weakness are already present in the economy.

Denton County and Texas Home Sales

Texas home sales jumped +23.3% in the second quarter of 2022 but were down -5.6% over the same three-month period a year ago. The average sales price in June was \$440.7k, roughly +44% above the same period in 2019 and slightly below the highest on record established the previous month. The available inventory climbed to 2.1 months at the end of the quarter, *the highest since October 2020*. Total listings at 71k, are the highest since August 2020 and almost twice the level from the previous quarter.

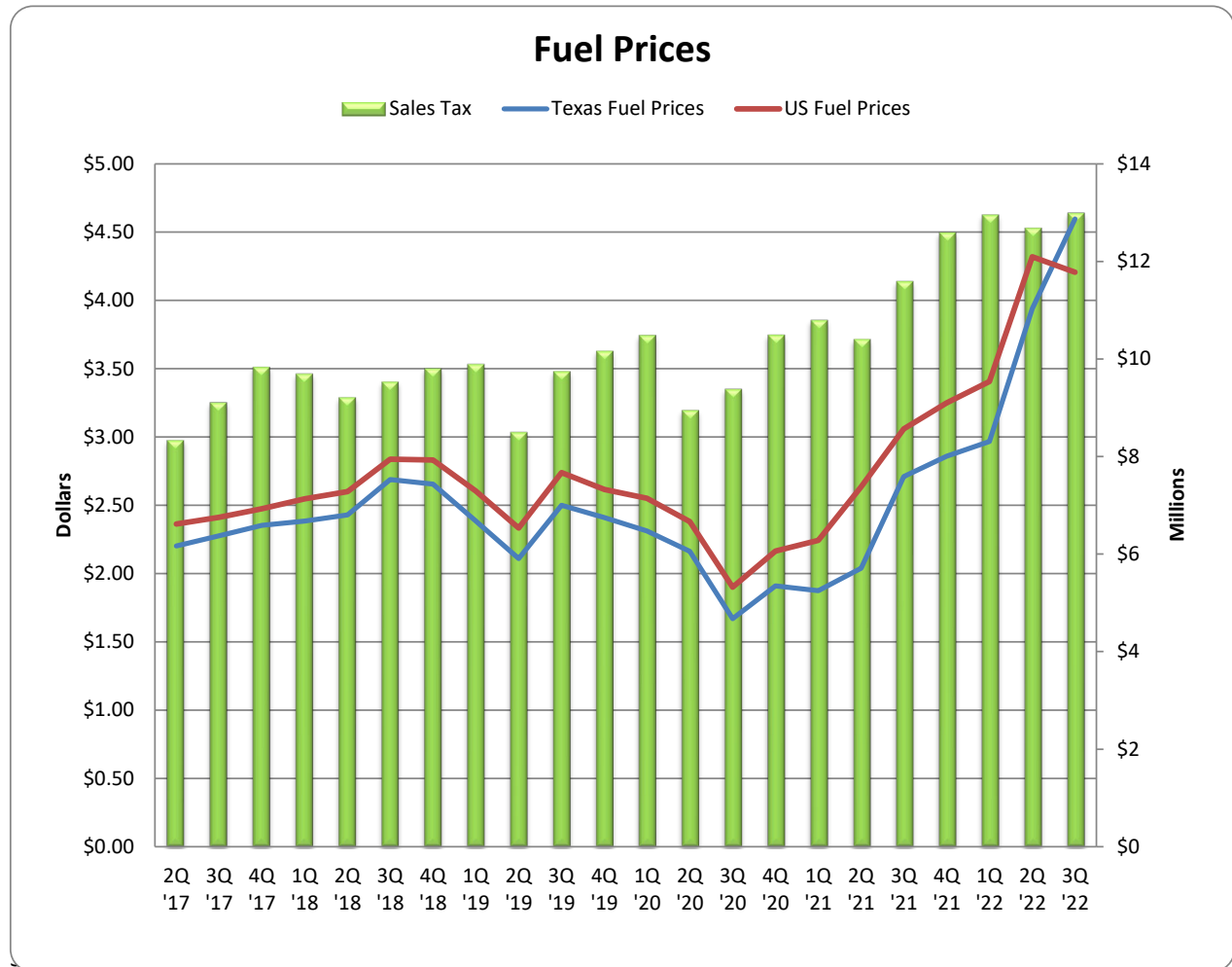
In Denton County, unit home sales rose +41.3% in the second quarter but were -6.2% lower on a year-over-year basis. The available supply improved significantly from *extreme record lows*, tripling from 0.6 months to 1.9 months during the quarter, while total listings jumped from 831 to 2,488, *the highest in nearly two years*. The average sales price in June was \$571k, slightly below the all-time high of \$587k logged in May, but more than 50% higher than in June of 2020.



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Description: Quarterly fuel trends for the United States and Texas.

Analysis: Fuel prices are a major commodity source in the economy. Studies have shown a positive effect on disposable income levels when fuel prices decrease. It is estimated that for every penny decrease in the price of fuel, \$1.3 billion is available to the consumer for disposable income. Therefore, the price of fuel is likely to be a key predictor of sales tax collections. Fuel prices showed a 26.8% increase from the prior quarter at the national level and a 32.8% increase at the state level. Staff has rated this outlook as Negative.



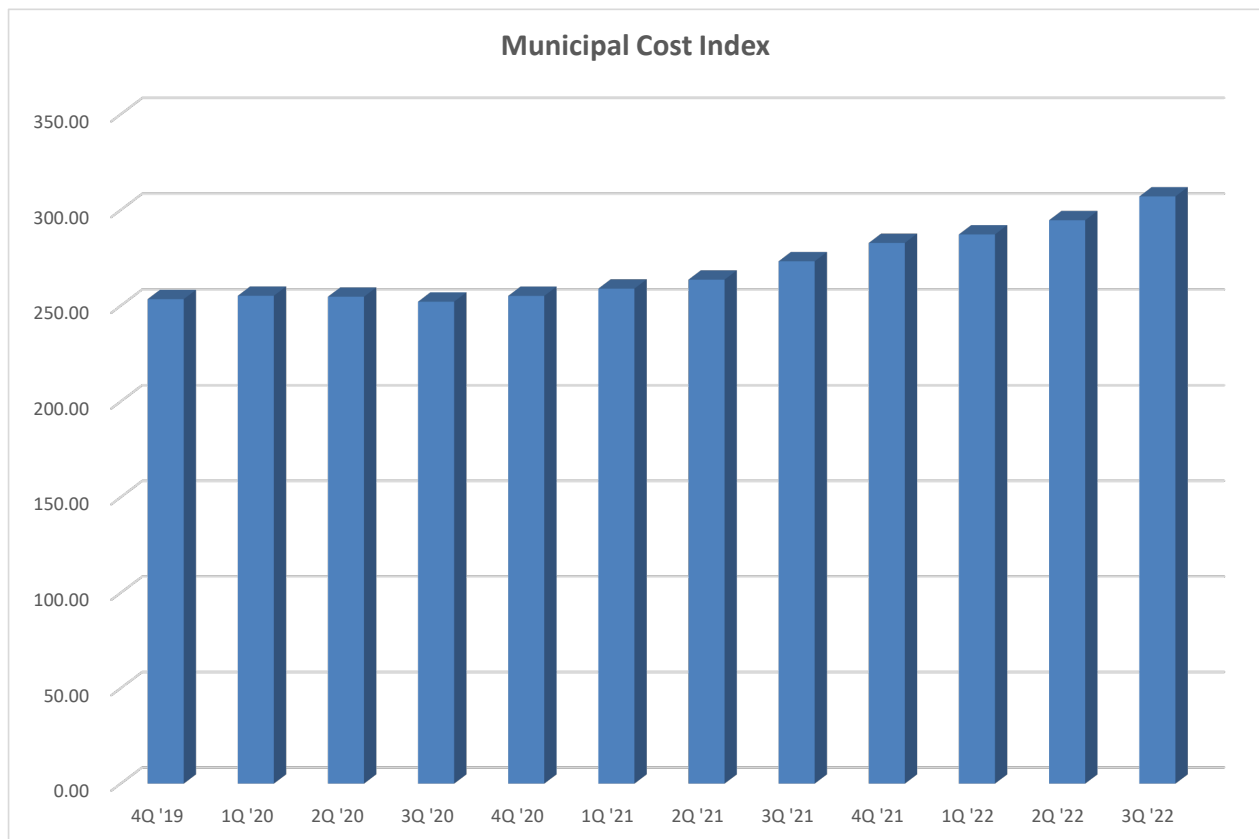
Municipal Cost Index

Outlook

Negative

Description: The Municipal Cost Index was developed to show the rate of inflation for the cost of goods purchased frequently by local governments. The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture for the municipal budget officer or operating department manager. Costs of labor, materials and contract services are all factored into the composite MCI. Major indicators of these items used for the MCI include the Consumer Price Index, the Wholesale Price Index for Industrial Commodities (now known as the Producer Price Index) and the construction cost indexes published by the U.S. Department of Commerce, respectively.

Analysis: The Municipal Cost Index (MCI) pulls a variety of prices for frequently purchased commodities for local governments. The cost for labor, materials and contract services are factored for the MCI. An increase in MCI means the overall price mix for these types of commodities will cost local governments more to do routine business. The 3rd Quarter of 2021-22 shows an increase of 12.4 for a 4.22% increase over the prior quarter and an increase of 33.9 for a 12.4% increase over the 3rd Quarter of 2020-21. Staff has rated this indicator as Negative.



Source: American City and County Magazine

Note: The Municipal Cost Index is designed to show the effects of inflation on the cost of providing municipal services. State and local government officials rely on American City & County's Municipal Cost Index to stay on top of price trends, help control price increases for commodities, make informed government contract decisions and intelligent budget planning. Since 1978, readers have loyally referred to the Municipal Cost Index to determine the cost of inflation and, hence, the rising cost of doing business as a local government.

Hotel Occupancy Tax Analysis

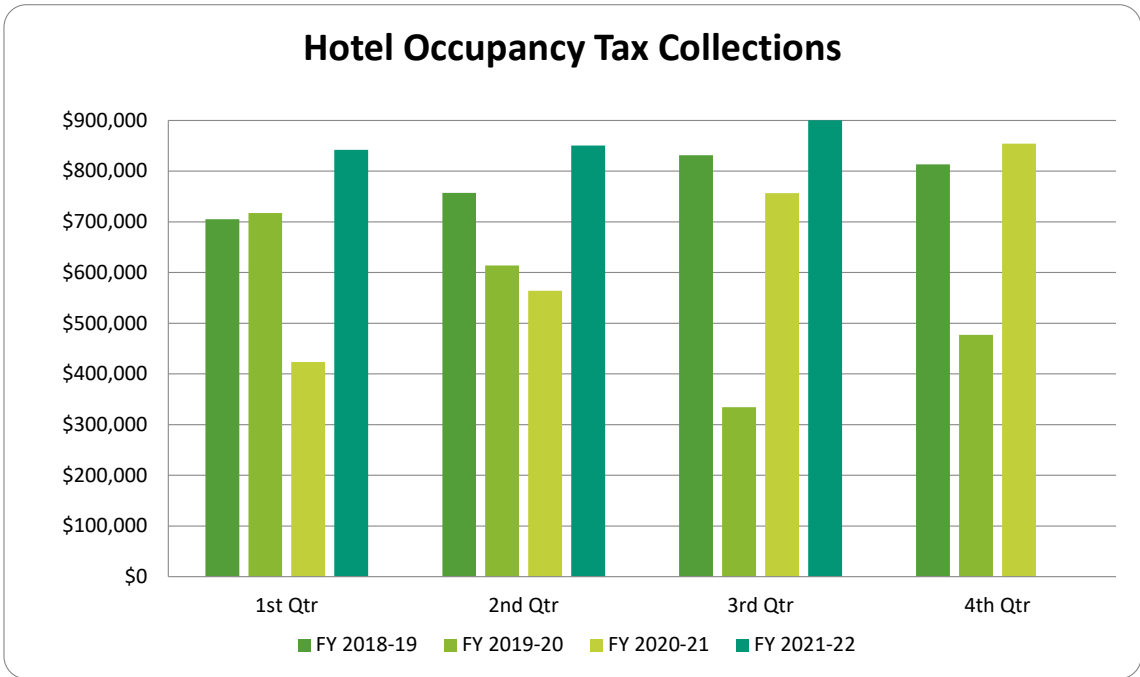
Outlook	Positive
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Description: Tax imposed on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use of a room that is in a hotel. A hotel includes: any building in which the public may obtain sleeping accommodations; motels; a tourist home, house or court; lodging house; inn; rooming house; or bed and breakfast. The tax rate levied by the City is 7% of the price paid for a room. The State also levies a tax equal to 6%.

Analysis: While the use of this revenue source is restricted by state law, it is an essential revenue source for various tourist related activities within the community and an important indicator of local economic activity. Hotel Occupancy Tax revenue through the 3rd Quarter of FY 2022 was 16.02% more than budget and 21% more than the prior year's actual. Hotel receipts continue to increase to higher than pre COVID-19 pandemic levels. Staff has rated the outlook for this economic indicator as Positive.

	3rd Quarter Actual	FY 2021-22 Y-T-D
Occupancy Tax Revenue:	\$ 958,757	\$ 2,651,058
FY 2021-22 Budget	\$ 837,255	\$ 1,929,835
Over (Under) Budget	\$ 121,502	\$ 721,223

FISCAL YEAR FORECAST	
Hotel Occupancy Tax Budget:	\$ 2,875,354
End of Year Projection:	\$ 3,515,915
Variance:	\$ 640,561



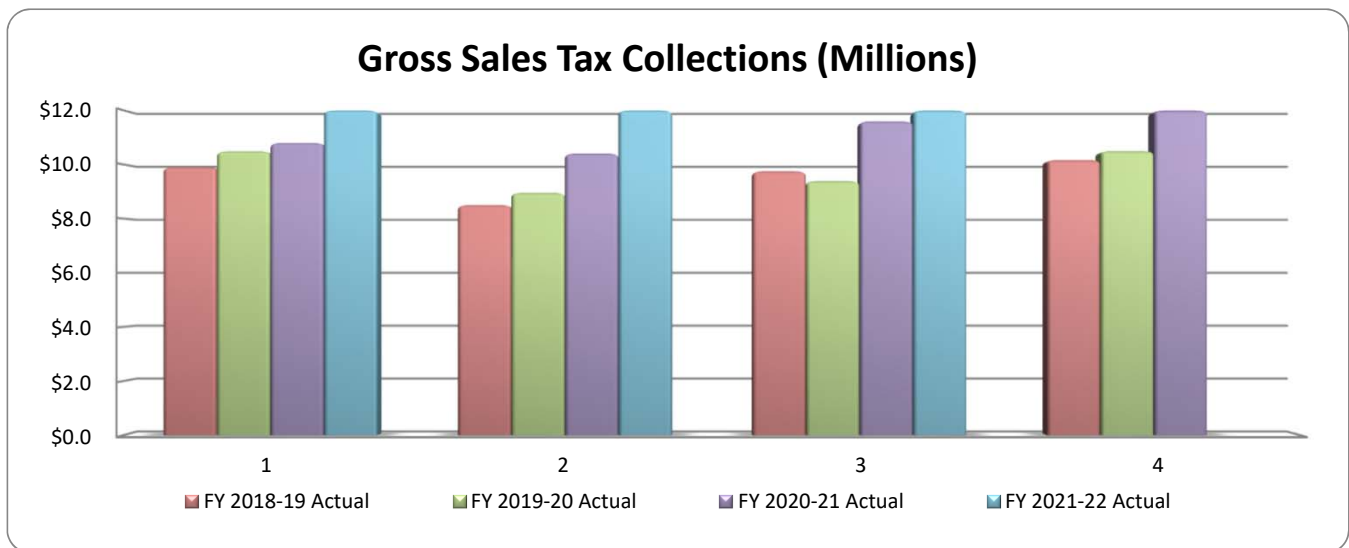
Sales and Use Tax Analysis

Outlook **Positive**

Description: Tax imposed on all retail sales, leases, and rentals of most goods, as well as taxable services. The total tax rate levied within the City is 8.25% (State, 6.25%; City, 1.5%; DCTA, 0.5%).

Analysis: As the second largest revenue source to the City's General Fund, sales and use taxes are essential to the delivery of services to the community. Sales tax revenues through the 3rd quarter of FY 2022 compared to revenues from the prior year 3rd quarter shows a 12.08% increase; and compared to the budget, it is 5.57% above. Staff has rated this indicator as Positive.

	3rd Quarter Actuals	FY 2021-22 Y-T-D
Revenue: Gross Sales Tax		
Municipal Operations	\$ 484,122	\$ 1,392,025
General Retail & Others	13,020,710	38,765,252
Comptroller Fees	(255,167)	(760,289)
Amount Retained	(250,064)	(745,083)
Total Revenue	\$ 12,999,600	\$38,651,905
Expenses: Economic Incentives*		
Economic Incentives ¹	\$ 821,022	\$ 2,249,108
Net Total	12,178,578	36,402,797
FY 2021-22 Budget	11,535,962	36,763,238
Over(Under) Budget	\$ 642,616	\$ (360,440)
Sales Tax Budget:		\$ 46,246,938
Year End Projection:		51,992,420
Variance to Original Budget:		\$ 5,745,482
Economic Development Expenditure Budget:		\$ 2,576,743
Year End Projection:		2,937,184
Variance to Original Budget:		\$ 360,441



* Economic Incentive actuals are through June 2022

1. Includes Unicorn Lake, Rayzor Ranch, Golden Triangle Mall, O'Reilly Hospitality, and Buc-ee's.

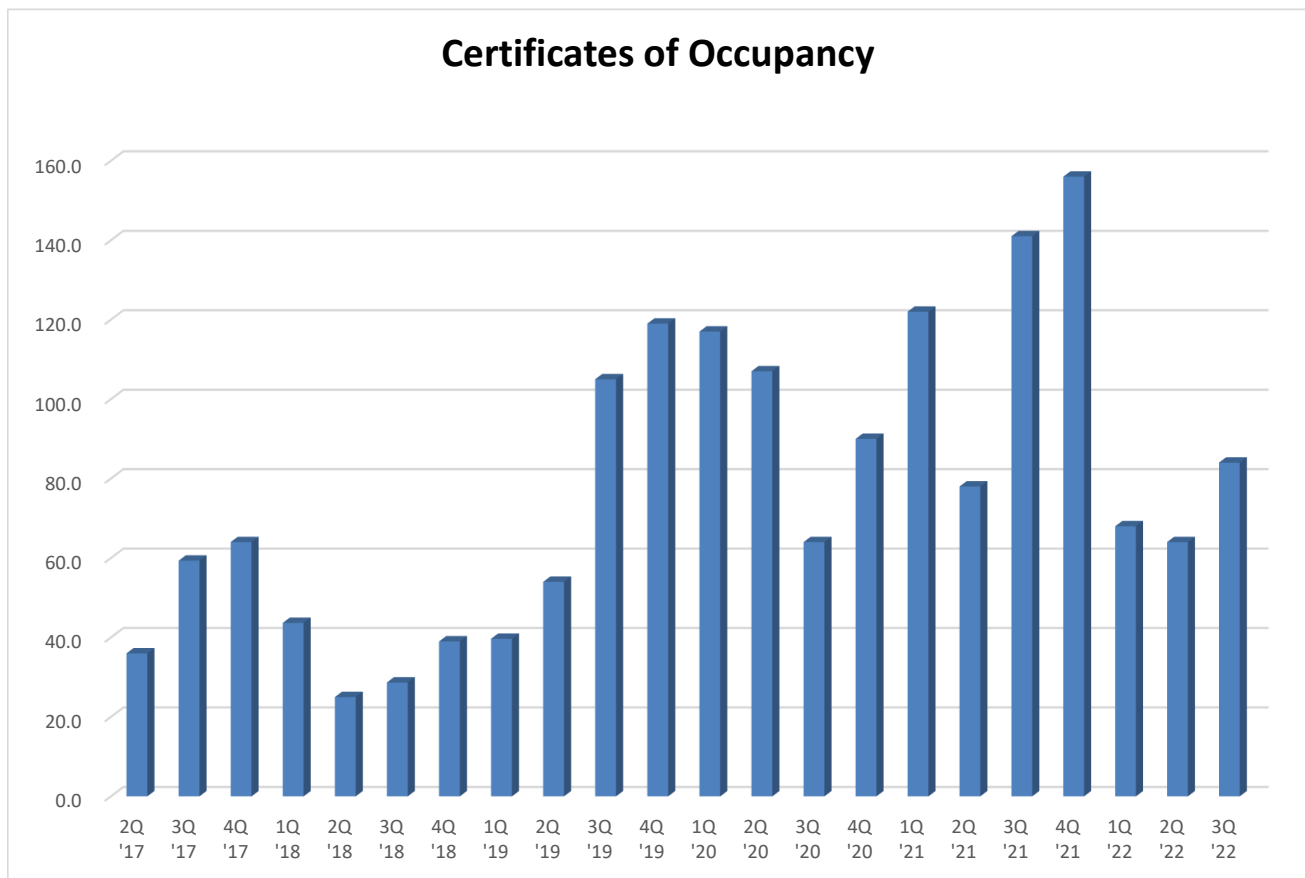
Certificates of Occupancy

Outlook

Positive

Description: Certificates of Occupancy (CO) are permits issued in compliance with the 2012 International Building Code (IBC) and applicable City ordinances. The IBC states, "that no building shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made, until the building official has issued a certificate of occupancy." Certificates of Occupancy ensure that applicable building, zoning, fire and consumer health codes are met.

Analysis: Certificates of Occupancy are an economic indicator that provides a framework for the overall condition of the local economy. Certificates of Occupancy increased 31.25% from the prior quarter and decreased 40.43% from the third Quarter of 2021. Staff has rated the outlook for this revenue indicator as Negative.



Source: City of Denton's Development Services Department.

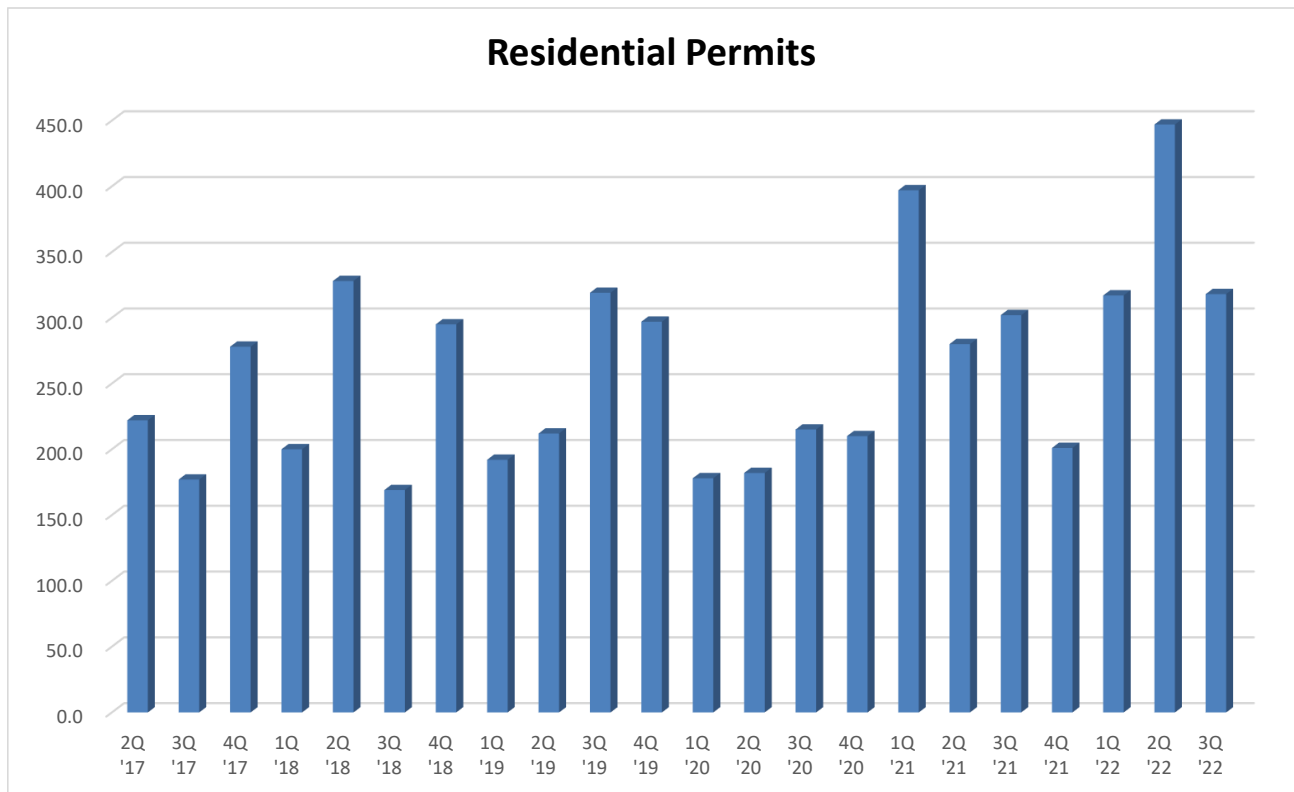
Residential Permits

Outlook

Negative

Description: Residential Permits are issued in compliance with the 2009 International Residential Code (IRC) and applicable City ordinances. The data presented in this analysis only include new permits issued and not remodels/alterations.

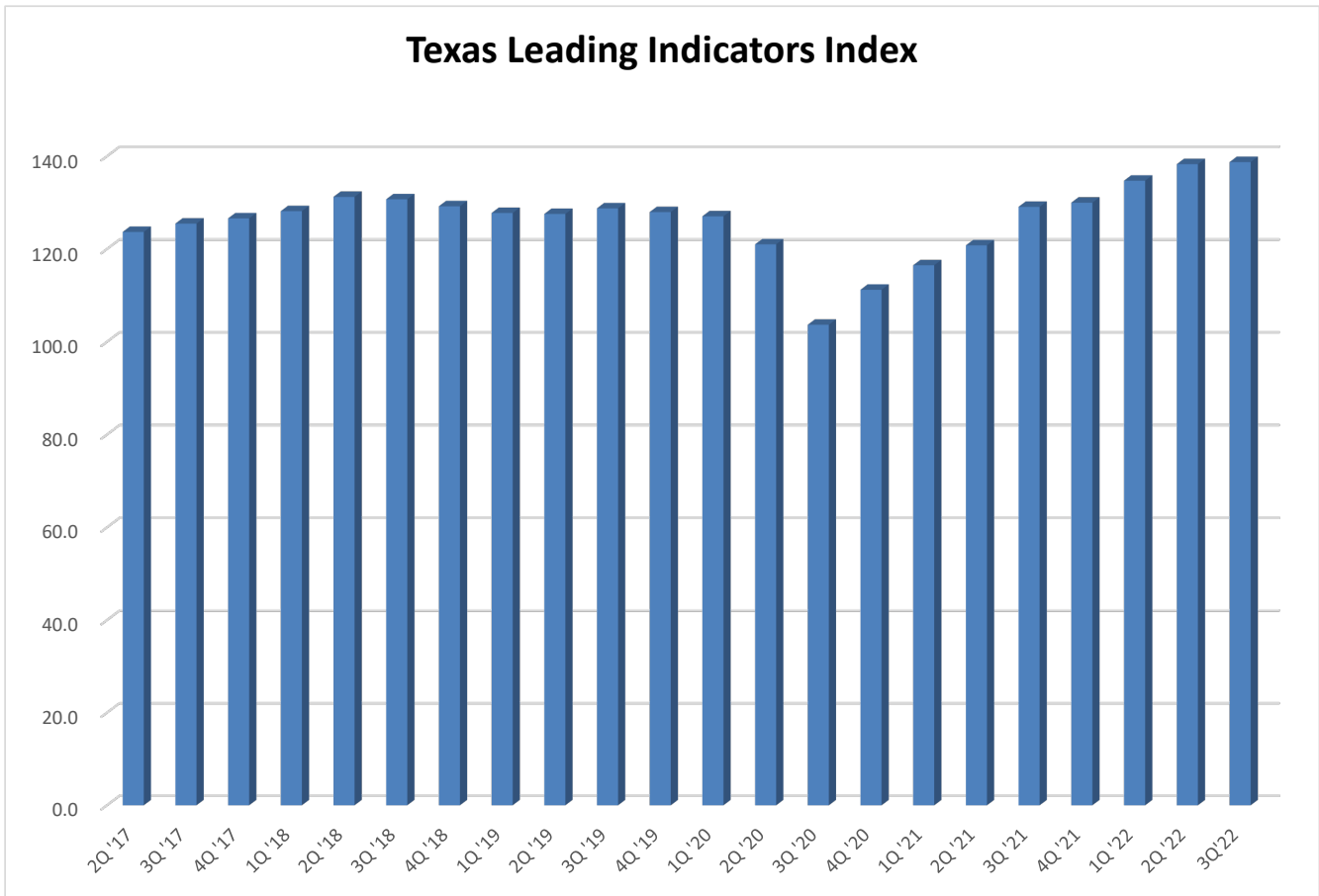
Analysis: Residential Permits are an economic indicator that provides a framework for the overall condition of the local economy. In particular, residential permits have a direct correlation with building inspection fees and appraised values. Residential permits decreased 28.86% from the prior quarter and increased 5.3% from the 3rd Quarter of 2021. Staff has rated the outlook for this revenue indicator as Positive.



Source: City of Denton's Development Services Department.

Description: The Texas Leading Indicators Index is a single weighted summary statistic that sheds light on the future of the state's economy. The index is designed to signal movements and changes in the state's rate of growth. The index includes the following leading indicators: Texas Value of the Dollar, U.S. Leading Index, Real Oil Prices, Well Permits, Initial Claims for Unemployment Insurance, Texas Stock Index, Help-Wanted Advertising, and Average Weekly Hours Worked in Manufacturing.

Analysis: Texas Leading Indicators provide a framework for the overall condition of the local economy. Data for this quarter shows an increase in the state's rate of growth. The index increased .32% from the prior quarter and increased 7.47% from the third Quarter of 2021. Staff has rated this indicator as positive.



Source: Federal Reserve Bank of Dallas

Description: Unemployment is defined as the number or proportion of people looking for work at the prevailing wage who are unable to find employment.

Analysis: Unemployment is an economic indicator that provides a framework for the overall condition of the national, state and local economies. The unemployment rate for the City of Denton is at 3.07% for the 3rd Quarter. Since this is a decrease over the prior year's quarter rate, staff has rated the outlook indicator as Positive.



Source: Federal Reserve Bank of Dallas, U.S. Bureau of Labor Statistics, and Texas Workforce Commission

Note: U6 unemployment includes marginally attached workers who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not looking currently for a job. Persons employed part-time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule.

Section 4

City of Denton
Quarterly Financial Report
June 2022

INVESTMENT REPORT

CITY OF DENTON : QUARTERLY INVESTMENT REPORT



3rd Fiscal Quarter Ending June 30, 2022

Page 1

INVESTMENT POOL

Portfolio:

Investment Pool

*Market yield on U.S. Treasury securities at 1-year constant maturity, quoted on investment basis

Securities By Investment Type:

	Par Value	Market Value	Book Value	Unrealized Gain/(Loss) ¹	WAM	Policy Max. WAM	YTM	% of Total Portfolio (Book Value) ²	Benchmark Yield*	Policy Max.
Investment Pool	\$ 656,943,844	\$ 653,540,415	\$ 655,280,824	\$ (1,740,408)	201	550	1.20%		2.65%	
U.S. Treasuries	\$ 335,000,000	\$ 332,422,735	\$ 333,987,990	\$ (1,565,255)	283		1.42%	50.97%		100.00%
U.S. Federal Agencies	\$ 92,300,000	\$ 91,779,177	\$ 91,819,835	\$ (40,658)	331		1.96%	14.01%		100.00%
U.S. Federal Agencies - Callable	\$ 10,000,000	\$ 9,964,326	\$ 10,000,000	\$ (35,674)	328		2.50%	1.53%		20.00%
Municipal Bonds	\$ -	\$ -	\$ -	\$ -	-		-	0.00%		15.00%
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -	-		-	0.00%		35.00%
Commercial Paper	\$ 25,000,000	\$ 24,730,333	\$ 24,829,153	\$ (98,821)	140		1.68%	3.79%		15.00%
Local Government Investment Pools	\$ 137,775,270	\$ 137,775,270	\$ 137,775,270	\$ -	1		0.33%	21.03%		50.00%
Demand Deposits	\$ 56,868,575	\$ 56,868,575	\$ 56,868,575	\$ -	1		0.32%	8.68%		-
Total Portfolio	\$ 656,943,844	\$ 653,540,415	\$ 655,280,824	\$ (1,740,409)	201		1.20%	100.00%		-

¹Unrealized gain/(loss) is the difference between the market and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

Investment Pool Comparisons:

	Current 6/30/2022	3 Months Ago 3/31/2022	3 Month Difference	1 Year Ago 6/30/2021	1 Year Ago Difference
Par Value	\$ 656,943,844	\$ 669,618,310	\$ (12,674,466)	\$ 544,831,766	\$ 112,112,079
Market Value	\$ 653,540,415	\$ 668,810,986	\$ (15,270,571)	\$ 546,469,950	\$ 107,070,466
Book Value	\$ 655,280,824	\$ 669,801,992	\$ (14,521,169)	\$ 545,406,594	\$ 109,874,230
Unrealized Gain/(Loss)	\$ (1,740,408)	\$ (991,006)	\$ (749,402)	\$ 1,063,356	\$ (2,803,764)
Weighted Average Maturity	201	101	100	85	116
Yield to Maturity	1.20%	0.39%	0.81%	0.38%	0.82%

Portfolio Composition:

	Current 6/30/2022	3 Months Ago 3/31/2022	3 Month Difference	1 Year Ago 6/30/2021	1 Year Ago Difference
U.S. Treasuries	50.97%	36.61%	14.36%	16.37%	34.60%
U.S. Federal Agencies	14.01%	7.47%	6.54%	20.67%	-6.66%
U.S. Agencies - Callable	1.53%	0.00%	1.53%	0.00%	1.53%
Municipal Bonds	0.00%	0.00%	0.00%	1.84%	-1.84%
Certificates of Deposit	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Paper	3.79%	5.22%	-1.43%	13.75%	-9.96%
Local Government Investment Pools	21.03%	40.72%	-19.70%	42.26%	-21.23%
Demand Deposits	8.68%	9.98%	-1.30%	5.11%	3.57%

Bank Collateral Review:**

Wells Fargo Demand Deposits

**Does not include FDIC insurance

Institution	Collateral Type	Market Value	Collected Balance	Pledge Required	Collateral Ratio
BNY Mellon	U.S. Agency MBS	\$ 78,644,526	\$ 56,868,575	≥ 102%	138.29%

Depository Ledger Balance Review:

Institution	Account Type	Beginning Bal.	Deposits	Withdrawals	Ending Bal.
Wells Fargo Bank	Checking	\$ 45,487,828	\$ 209,866,548	\$ (221,791,430)	\$ 33,562,945
Wells Fargo Bank	ARPA Funds	\$ 11,658,743	\$ 11,646,887	\$ -	\$ 23,305,630

Compliance Statement & Review:

The Quarterly Investment Report is in full compliance with the objectives, restrictions, and strategies as set forth in the City of Denton's Investment Policy and the Public Funds Investment Act (Texas Government Code, Chapter 2256.023).

DocuSigned by:

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 Approver: Cassandra Ogden
 Chief Financial Officer

DocuSigned by:

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 Reviewer: Nicholas Vincent
 Assistant Director of Finance

Vacant
 Reviewer:
 Controller

DocuSigned by:

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 Preparer: Randee Klingele
 Treasury Manager

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter Ending June 30, 2022

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INVESTMENT POOL

	Current	3 Months Ago	3 Month	1 Year Ago	1 Year
	6/30/2022	3/31/2022	Difference	6/30/2021	Difference
Par Value - U.S. Treasuries	\$ 335,000,000	\$ 245,000,000	\$ 90,000,000	\$ 89,000,000	\$ 246,000,000
Par Value - U.S. Federal Agencies	\$ 92,300,000	50,000,000	42,300,000	112,500,000	(20,200,000)
Par Value - U.S. Federal Agencies - Callable	\$ 10,000,000	-	10,000,000	-	10,000,000
Par Value - Municipal Bonds	\$ -	-	-	10,000,000	(10,000,000)
Certificates of Deposit	\$ -	-	-	-	-
Par Value - Commercial Paper	\$ 25,000,000	35,000,000	(10,000,000)	75,000,000	(50,000,000)
Local Government Investment Pools	\$ 137,775,270	272,775,270	(135,000,000)	230,478,678	(92,703,408)
Demand Deposits	\$ 56,868,575	66,843,040	(9,974,466)	27,853,088	29,015,487
Total Par Value	\$ 656,943,844	\$ 669,618,310	\$ (12,674,466)	\$ 544,831,766	\$ 112,112,079
Market Value - U.S. Treasuries	\$ 332,422,735	\$ 244,236,565	\$ 88,186,170	\$ 89,344,640	\$ 243,078,095
Market Value - U.S. Federal Agencies	\$ 91,779,177	\$ 50,048,326	41,730,851	113,742,774	(21,963,597)
Market Value - U.S. Federal Agencies - Callable	\$ 9,964,326	\$ -	9,964,326	-	9,964,326
Market Value - Municipal Bonds	\$ -	\$ -	-	10,060,000	(10,060,000)
Certificates of Deposit	\$ -	\$ -	-	-	-
Market Value - Commercial Paper	\$ 24,730,333	\$ 34,907,785	(10,177,453)	74,990,770	(50,260,438)
Local Government Investment Pools	\$ 137,775,270	\$ 272,775,270	(135,000,000)	230,478,678	(92,703,408)
Demand Deposits	\$ 56,868,575	\$ 66,843,040	(9,974,466)	27,853,088	29,015,487
Total Market Value	\$ 653,540,415	\$ 668,810,986	\$ (15,270,571)	\$ 546,469,950	\$ 107,070,465
Book Value - U.S. Treasuries	\$ 333,987,990	\$ 245,196,061	\$ 88,791,929	\$ 89,268,528	\$ 244,719,462.19
Book Value - U.S. Federal Agencies	\$ 91,819,835	\$ 50,031,323	41,788,512	112,761,592	(20,941,757)
Book Value - U.S. Federal Agencies - Callable	\$ 10,000,000	\$ -	10,000,000	-	10,000,000
Book Value - Municipal Bonds	\$ -	\$ -	-	10,058,018	(10,058,018)
Certificates of Deposit	\$ -	\$ -	-	-	-
Book Value - Commercial Paper	\$ 24,829,153	\$ 34,956,298	(10,127,144)	74,986,690	(50,157,536)
Local Government Investment Pools	\$ 137,775,270	\$ 272,775,270	(135,000,000)	230,478,678	(92,703,408)
Demand Deposits	\$ 56,868,575	\$ 66,843,040	(9,974,466)	27,853,088	29,015,487
Total Book Value	\$ 655,280,824	\$ 669,801,992	\$ (14,521,169)	\$ 545,406,594	\$ 109,874,230
Accrued Interest	\$ 1,083,307	\$ 434,922	\$ 648,385	\$ 1,256,967	\$ (173,660)
Cash Value - (Total Market Value + Accrued Interest)	\$ 654,623,722	\$ 669,245,908	\$ (14,622,186)	\$ 547,726,917	\$ 106,896,806
Unrealized Gain/(Loss)¹	\$ (1,740,408)	\$ (991,006)	\$ (749,402)	\$ 1,063,356	\$ (2,803,764)

Strategy Statement:

The investment portfolio is an aggregation of the majority of City funds which may include tax receipts, enterprise fund revenues, fine and fee income, as well as some, but not necessarily all bond proceeds, grants, gifts and endowments. This portfolio is maintained to meet anticipated daily cash needs for the City's operations, capital projects and debt service. In order to meet these obligations and to minimize potential liquidation losses, the dollar-weighted stated average maturity of the investment pool shall not exceed 1.5 years or 550 days. The objectives of this portfolio are to: (1) ensure safety of principal by investing in only high quality securities for which a strong secondary market exists; (2) ensure that anticipated cash flow needs are matched with adequate investment liquidity; (3) limit market and credit risk through diversification; and (4) attain the best feasible yield, commensurate with the objectives and restrictions set forth in the Investment Policy, by actively managing the portfolio to meet or exceed the twelve month moving average yield of a one year U.S. Treasury bill as derived from the Federal Reserve Statistical Release H.15 for constant maturities.

¹Unrealized gain/(loss) is the difference between the market and book value and does not represent an actual gain or loss. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold investments until they mature, the temporary gains and losses are unlikely to be realized.

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

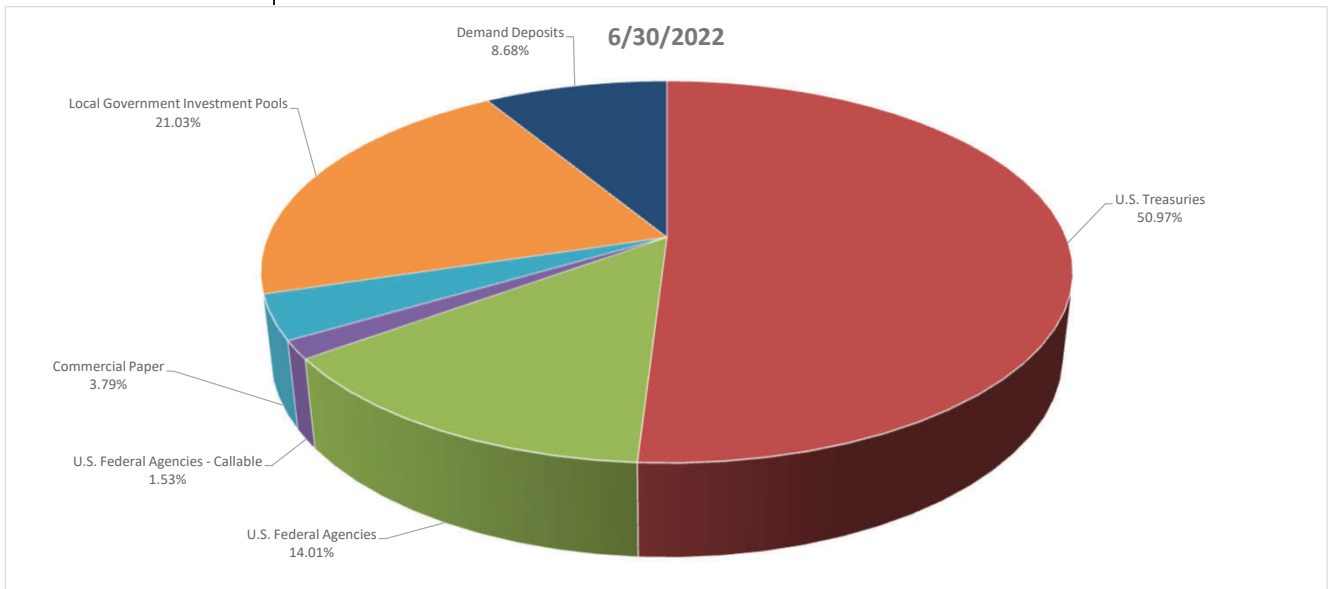
3rd Fiscal Quarter Ending June 30, 2022

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INVESTMENT POOL (Based on Book Value)

Summary By Security Type:

	Current 6/30/2022	3 Months Ago 3/31/2022	1 Year Ago 6/30/2021
U.S. Treasuries	\$ 333,987,990	\$ 245,196,061	\$ 89,268,528
U.S. Federal Agencies	91,819,835	50,031,323	112,761,592
U.S. Federal Agencies - Callable	10,000,000	-	-
Municipal Bonds	-	-	10,058,018
Certificates of Deposit	-	-	-
Commercial Paper	24,829,153	34,956,298	74,986,690
Local Government Investment Pools	137,775,270	272,775,270	230,478,678
Demand Deposits	56,868,575	66,843,040	27,853,088
Total Book Value	\$ 655,280,824	\$ 669,801,992	\$ 545,406,594



Objective:

The portfolio is restricted to U.S. Treasuries and agency securities (maturing in less than five years); municipal bonds rated AA or better (maturing in less than three years); insured, collateralized, or standby letter of credit backed certificates of deposit (maturing in less than three years); collateralized repurchase agreements (maturing in less than thirty days); commercial paper rated A-1/P-1 or better (maturing in less than 270 days); and local government pools & SEC registered government money market mutual funds (weighted average maturity of less than 60 days).

Summary By Security Type:

	Current 6/30/2022	3 Months Ago 3/31/2022	1 Year Ago 6/30/2021
U.S. Treasuries	50.97%	36.61%	16.37%
U.S. Federal Agencies	14.01%	7.47%	20.67%
U.S. Federal Agencies - Callable	1.53%	0.00%	0.00%
Municipal Bonds	0.00%	0.00%	1.84%
Certificates of Deposit	0.00%	0.00%	0.00%
Commercial Paper	3.79%	5.22%	13.75%
Local Government Investment Pools	21.03%	40.72%	42.26%
Demand Deposits	8.68%	9.98%	5.11%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

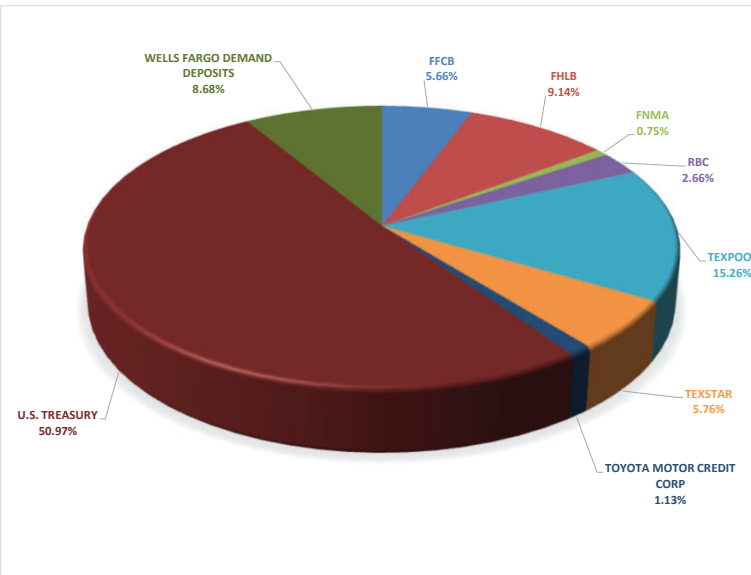
3rd Fiscal Quarter Ending June 30, 2022

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INVESTMENT POOL (Based on Book Value)

Summary By Issuer:

	Current 6/30/2022	3 Months Ago 3/31/2022	1 Year Ago 6/30/2021
FFCB	\$ 37,056,477	\$ 24,988,810	\$ 72,508,461
FHLB	59,869,713	20,032,692	25,187,744
FHLMC	-	4,999,821	4,999,102
FNMA	4,893,645	-	10,066,285
BAYLOR SCOTT	-	-	9,998,889
JOHNS HOPKINS UNIVERSITY	-	10,000,000	9,999,645
RBC	17,425,697	17,456,954	9,990,036
STATE OF CALIFORNIA	-	-	20,000,000
STATE OF TEXAS	-	-	10,058,018
TEXPOOL	100,000,000	150,000,000	115,000,000
TEXSTAR	37,775,270	122,775,270	115,478,678
TOYOTA MOTOR CREDIT CORP	7,403,456	7,499,344	9,998,819
U.S. TREASURY	333,987,990	245,196,061	89,268,528
UNIVERSITY OF TEXAS	-	-	14,999,300
WELLS FARGO DEMAND DEPOSITS	56,868,575	66,843,040	27,853,088
Total Book Value	\$ 655,280,824	\$ 669,801,992	\$ 545,406,594



It is the policy of the City to diversify its investment portfolio by restricting investments in a single issuer/institution to no more than 35 percent of the portfolio's total book value and to those offering repurchase agreements, collateralized CDs (including standby letters of credit), and local or state of Texas municipal securities to no greater than 15 percent. The purpose of this requirement is to limit market and credit risk. Commercial paper issuers are further restricted by a 5 percent total portfolio limitation. There are no issuer limitations on U.S. Treasuries or FDIC insured products except as they pertain to the overall 35% certificates of deposit and 15% savings deposit restrictions. Some investment types may be further limited.

Summary By Issuer:

	6/30/2022	3/31/2022	6/30/2021
FFCB	5.66%	3.73%	13.29%
FHLB	9.14%	2.99%	4.62%
FHLMC	0.00%	0.75%	0.92%
FNMA	0.75%	0.00%	1.85%
BAYLOR SCOTT	0.00%	0.00%	1.83%
JOHNS HOPKINS UNIVERSITY	0.00%	1.49%	1.83%
RBC	2.66%	2.61%	1.83%
STATE OF CALIFORNIA	0.00%	0.00%	3.67%
STATE OF TEXAS	0.00%	0.00%	1.84%
TEXPOOL	15.26%	22.39%	21.09%
TEXSTAR	5.76%	18.33%	21.17%
TOYOTA MOTOR CREDIT CORP	1.13%	1.12%	1.83%
U.S. TREASURY	50.97%	36.61%	16.37%
UNIVERSITY OF TEXAS	0.00%	0.00%	2.75%
WELLS FARGO DEMAND DEPOSITS	8.68%	9.98%	5.11%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter Ending June 30, 2022

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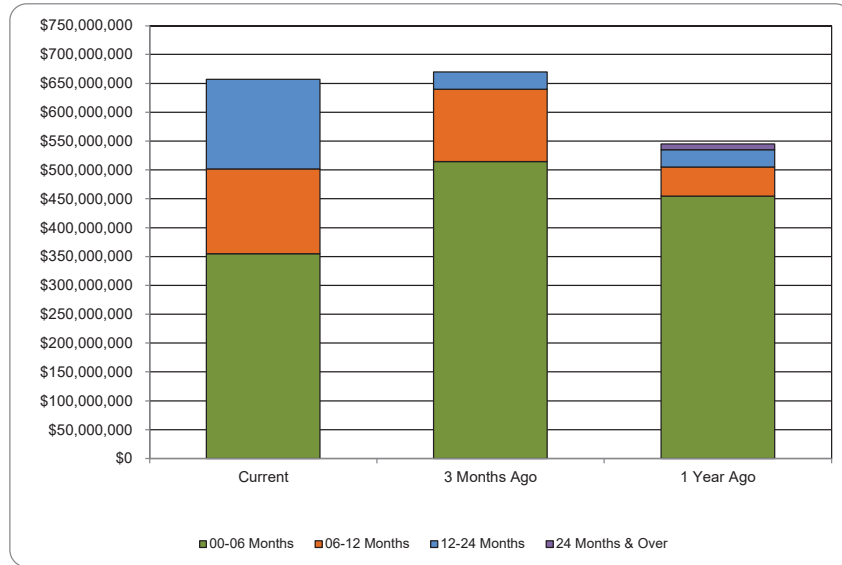
INVESTMENT POOL (Based on Par Value)

Maturity Time Frame:

00-03 Months
03-06 Months
06-12 Months
12-24 Months
24 Months & Over

Total Par Value

	Current 6/30/2022	3 Months Ago 3/31/2022	1 Year Ago 6/30/2021
\$	294,643,844	\$ 414,618,310	\$ 388,331,766
	60,000,000	100,000,000	66,500,000
	147,300,000	125,000,000	50,000,000
	155,000,000	30,000,000	30,000,000
	-	-	10,000,000
\$	656,943,844	\$ 669,618,310	\$ 544,831,766



Objective:

The risk of market price volatility is minimized through maturity diversification. Investment maturities are staggered to provide cash flows based on the anticipated needs of the City. Liquidity is achieved by matching investment maturities with forecasted cash disbursements and by investing in securities with active secondary markets. Short-term local government investment pools and government money market mutual funds help to provide daily liquidity and may be utilized as a competitive alternative to other fixed income investments.

Maturity Time Frame:

00-03 Months
03-06 Months
06-12 Months
12-24 Months
24 Months & Over

Total

	Current 6/30/2022	3 Months Ago 3/31/2022	1 Year Ago 6/30/2021
	44.85%	61.92%	71.28%
	9.13%	14.93%	12.21%
	22.42%	18.67%	9.18%
	23.59%	4.48%	5.51%
	0.00%	0.00%	1.84%
Total	100.00%	100.00%	100.00%

CITY OF DENTON : QUARTERLY INVESTMENT REPORT

3rd Fiscal Quarter Ending June 30, 2022

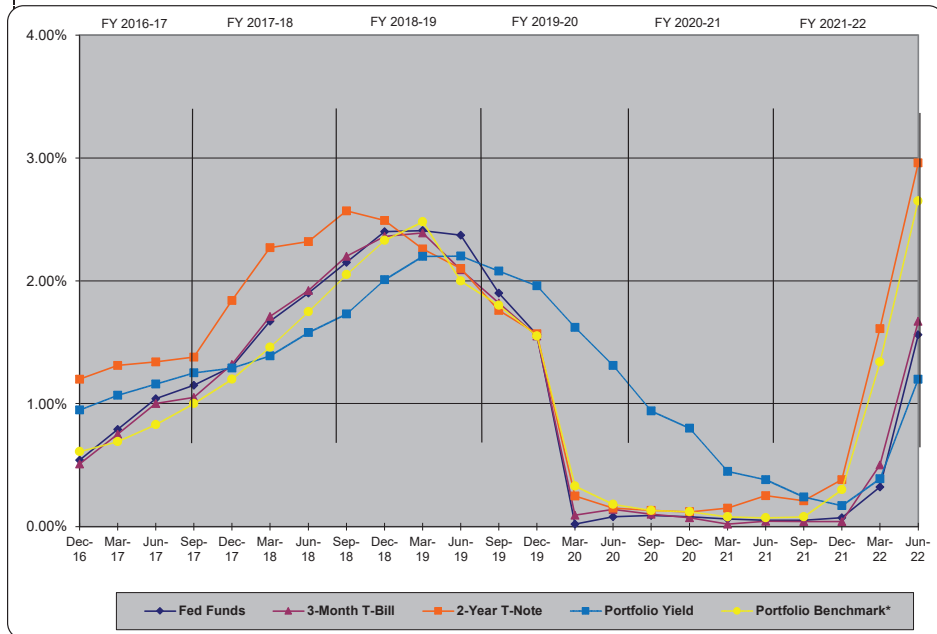
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ECONOMIC SUMMARY Interest Rate History

	Fiscal Year 2016-2017				Fiscal Year 2017-2018				Fiscal Year 2018-2019			
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Market Sector:*	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
Fed Funds (effective)	0.54%	0.79%	1.04%	1.15%	1.30%	1.67%	1.90%	2.15%	2.40%	2.41%	2.37%	1.90%
3-Month U.S. T-Bill	0.51%	0.75%	1.00%	1.05%	1.32%	1.71%	1.92%	2.20%	2.36%	2.39%	2.09%	1.82%
2-Year U.S. T-Note	1.20%	1.31%	1.34%	1.38%	1.84%	2.27%	2.53%	2.57%	2.49%	2.26%	2.10%	1.76%
Portfolio Benchmark (FRB)	0.61%	0.69%	0.83%	1.00%	1.20%	1.46%	1.75%	2.05%	2.33%	2.48%	2.00%	1.80%
Portfolio Yield	0.95%	1.07%	1.16%	1.25%	1.29%	1.42%	1.58%	1.73%	2.01%	2.20%	2.20%	2.08%

	Fiscal Year 2019-2020				Fiscal Year 2020-2021				Fiscal Year 2021-2022			
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Market Sector:*	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
Fed Funds (effective)	1.56%	0.02%	0.08%	0.09%	0.08%	0.06%	0.05%	0.05%	0.07%	0.32%	1.56%	
3-Month U.S. T-Bill	1.55%	0.09%	0.14%	0.10%	0.07%	0.02%	0.04%	0.04%	0.04%	0.50%	1.67%	
2-Year U.S. T-Note	1.57%	0.25%	0.15%	0.13%	0.12%	0.15%	0.25%	0.21%	0.38%	1.61%	2.96%	
Portfolio Benchmark (FRB)	1.55%	0.33%	0.18%	0.13%	0.12%	0.08%	0.07%	0.08%	0.30%	1.34%	2.65%	
Portfolio Yield	1.96%	1.62%	1.31%	0.94%	0.80%	0.45%	0.38%	0.24%	0.17%	0.39%	1.20%	

*Source: Hilltop Securities



*1yr const mty.

Fiscal Year:	Fiscal Year-to-Date Earnings			
	1st Quarter 3 Months	2nd Quarter 6 Months	3rd Quarter 9 Months	4th Quarter 12 Months
2021-2022	\$ 388,020	\$ 753,874	\$ 1,884,695	\$ 3,413,936
2020-2021	\$ 1,324,344	\$ 2,332,128	\$ 2,937,508	\$ 9,330,232
2019-2020	\$ 2,982,157	\$ 5,750,008	\$ 7,751,129	\$ 12,354,692
2018-2019	\$ 2,955,835	\$ 6,122,536	\$ 9,262,499	\$ 8,955,045
2017-2018	\$ 2,138,420	\$ 4,317,890	\$ 6,515,166	

QUARTERLY COMMENTARY Staff Analysis

The portfolio is in compliance with the City's Investment Policy. During the third quarter nine investments matured totaling \$82.5 million and nineteen investments were purchased totaling \$214.8 million. The portfolio's weighted average yield lagged the benchmark 12-month Treasury bill index by 145 basis points. This benchmark lag is due to a sudden spike in short-term rates caused by Fed tightening during the April - June months. The investments and deposits with daily liquidity was 29.6%. This period the Fed raised the target range for the federal funds rate three times, 25 bp's, 50 bp's, and 75 bp's. They also initiated their planned reduction of reinvestment in their bond holdings. Staff will continue to monitor the investment portfolio and ensure compliance with the City's Investment Policy and the Public Funds Investment Act.

Monthly Reports
Portfolio Management
Portfolio Details - Investments
June 30, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to 365 Maturity	Maturity Date
Treasury Securities - Coupon											
912828YA2	4105	U.S. TREASURY		06/11/2021	10,000,000.00	10,000,630.00	10,017,537.25	1.500	0.078	45	08/15/2022
9128287C8	4114	U.S. TREASURY		07/28/2021	10,000,000.00	10,002,060.00	10,006,447.53	1.750	0.069	14	07/15/2022
91282CAG6	4116	U.S. TREASURY		07/29/2021	20,000,000.00	19,952,240.00	20,001,556.61	0.125	0.078	61	08/31/2022
912828YF1	4117	U.S. TREASURY		07/29/2021	20,000,000.00	19,993,080.00	20,058,656.17	1.500	0.089	76	09/15/2022
912828YA2	4124	U.S. TREASURY		09/03/2021	10,000,000.00	10,000,630.00	10,017,527.32	1.500	0.078	45	08/15/2022
91282CAR2	4125	U.S. TREASURY		09/15/2021	5,000,000.00	4,967,055.00	5,000,521.78	0.125	0.094	122	10/31/2022
912828TY6	4126	U.S. TREASURY		09/23/2021	10,000,000.00	9,975,000.00	10,057,100.40	1.625	0.101	137	11/15/2022
912828YW4	4127	U.S. TREASURY		10/18/2021	10,000,000.00	9,964,450.00	10,067,085.00	1.625	0.156	167	12/15/2022
912828Z86	4128	U.S. TREASURY		10/18/2021	10,000,000.00	9,920,700.00	10,073,038.02	1.375	0.206	229	02/15/2023
912828ZD5	4132	U.S. TREASURY		12/09/2021	10,000,000.00	9,844,920.00	10,002,830.97	0.500	0.460	257	03/15/2023
912828UN8	4134	U.S. TREASURY		03/03/2022	20,000,000.00	19,918,760.00	20,114,828.08	2.000	1.077	229	02/15/2023
912828YW4	4135	U.S. TREASURY		03/03/2022	10,000,000.00	9,964,450.00	10,031,821.65	1.625	0.924	167	12/15/2022
91282CBG5	4136	U.S. TREASURY		03/03/2022	20,000,000.00	19,715,620.00	19,893,880.99	0.125	1.037	214	01/31/2023
91282CBN0	4137	U.S. TREASURY		03/11/2022	20,000,000.00	19,663,280.00	19,860,606.46	0.125	1.185	242	02/28/2023
912828ZH6	4139	U.S. TREASURY		03/24/2022	20,000,000.00	19,594,540.00	19,781,976.74	0.250	1.649	288	04/15/2023
912828Z86	4140	U.S. TREASURY		04/14/2022	20,000,000.00	19,841,400.00	19,969,696.66	1.375	1.619	229	02/15/2023
912828ZU7	4144	U.S. TREASURY		05/05/2022	10,000,000.00	9,749,610.00	9,804,573.97	0.250	2.332	349	06/15/2023
912828ZY9	4146	U.S. TREASURY		06/02/2022	10,000,000.00	9,715,620.00	9,783,735.45	0.125	2.244	379	07/15/2023
91282CER8	4148	U.S. TREASURY		06/14/2022	10,000,000.00	9,917,970.00	9,865,378.75	2.500	3.231	700	05/31/2024
912828VS6	4151	U.S. TREASURY		06/22/2022	20,000,000.00	19,895,320.00	19,891,445.41	2.500	2.993	410	08/15/2023
912828B66	4153	U.S. TREASURY		06/22/2022	10,000,000.00	9,971,880.00	9,936,124.07	2.750	3.155	594	02/15/2024
9128285K2	4154	U.S. TREASURY		06/28/2022	10,000,000.00	9,994,920.00	9,980,588.33	2.875	3.023	487	10/31/2023
9128285P1	4155	U.S. TREASURY		06/28/2022	10,000,000.00	9,993,750.00	9,978,639.58	2.875	3.029	517	11/30/2023
912828B66	4156	U.S. TREASURY		06/28/2022	20,000,000.00	19,943,760.00	19,901,279.84	2.750	3.063	594	02/15/2024
91282CEK3	4157	U.S. TREASURY		06/28/2022	10,000,000.00	9,921,090.00	9,891,113.28	2.500	3.115	669	04/30/2024
Subtotal and Average			278,242,029.74		335,000,000.00	332,422,735.00	333,987,990.31		1.423	283	
Federal Agency Issues - Coupon											
3133EKAU0	4013	FFCB		02/21/2019	10,000,000.00	9,962,992.90	9,999,772.22	2.570	2.572	416	08/21/2023
3133EMK68	4106	FFCB		06/16/2021	10,000,000.00	9,966,160.00	9,999,896.67	0.080	0.085	77	09/16/2022
3133ELG81	4145	FFCB		05/23/2022	7,300,000.00	7,123,990.87	7,175,617.34	0.300	2.150	342	06/08/2023
3133ENYH7	4149	FFCB		06/16/2022	10,000,000.00	9,929,834.90	9,881,190.46	2.625	3.262	710	06/10/2024
3130ABCY0	4067	FHLB		03/16/2020	10,000,000.00	10,000,486.50	10,001,395.90	1.955	0.069	4	07/05/2022
3130ANEU0	4115	FHLB		07/29/2021	10,000,000.00	9,988,428.90	9,999,975.69	0.070	0.074	25	07/26/2022
3130A3DL5	4152	FHLB		06/22/2022	20,000,000.00	19,882,901.60	19,833,509.17	2.375	3.094	434	09/08/2023
3130A0F70	4158	FHLB		06/30/2022	10,000,000.00	10,056,784.30	10,034,832.63	3.375	3.124	525	12/08/2023

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Run Date: 07/13/2022 - 09:17

Portfolio CITY
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Monthly Reports
Portfolio Management
Portfolio Details - Investments
June 30, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3135G05G4	4147	FNMA		06/08/2022	5,000,000.00	4,867,597.20	4,893,645.30	0.250	2.364	374	07/10/2023
Subtotal and Average			63,316,432.51		92,300,000.00	91,779,177.17	91,819,835.38		1.960	331	
Federal Agency Issue-Step-Up											
3130ARYL9	4143	FHLB		05/27/2022	10,000,000.00	9,964,326.20	10,000,000.00	2.000	2.500	328	05/25/2023
Subtotal and Average			10,000,000.00		10,000,000.00	9,964,326.20	10,000,000.00		2.500	328	
Commercial Paper Disc. - Amortizing											
78009BKR2	4133	RBC		01/31/2022	10,000,000.00	9,915,560.00	9,976,155.56	0.740	0.762	116	10/25/2022
78009BLJ9	4141	RBC		04/19/2022	7,500,000.00	7,417,365.00	7,449,541.67	1.730	1.799	140	11/18/2022
89233HMK7	4150	TOYOTA MOTOR CREDIT		06/22/2022	7,500,000.00	7,397,407.50	7,403,456.25		2.785	171	12/19/2022
Subtotal and Average			24,636,556.95		25,000,000.00	24,730,332.50	24,829,153.48		1.676	140	
Commercial Paper - Interest Bearing											
Subtotal and Average			5,000,000.00								
Local Govt Investment Pools											
SYS3996	3996	LOCAL GOVT INV POOL - TEXPOOL			100,000,000.00	100,000,000.00	100,000,000.00	0.013	0.013	1	
SYS3641	3641	LOCAL GOVT INV POOL - TEXSTAR			37,775,269.64	37,775,269.64	37,775,269.64	1.165	1.165	1	
Subtotal and Average			212,275,269.64		137,775,269.64	137,775,269.64	137,775,269.64		0.329	1	
Demand Deposits											
SYS3706	3706	DEMAND DEPOSITS - WELLS FARGO			33,562,944.94	33,562,944.94	33,562,944.94	0.320	0.320	1	
SYS4082	4082	DEMAND DEPOSITS - WELLS FARGO		10/01/2021	0.00	0.00	0.00		0.000	1	
SYS4104	4104	DEMAND DEPOSITS - WELLS FARGO			23,305,629.84	23,305,629.84	23,305,629.84	0.320	0.320	1	
Subtotal and Average			59,759,493.49		56,868,574.78	56,868,574.78	56,868,574.78		0.320	1	
Total and Average			653,229,782.33		656,943,844.42	653,540,415.29	655,280,823.59		1.198	201	

Monthly Reports
Portfolio Management
Portfolio Details - Cash
June 30, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity
		Average Balance	0.00							0
		Total Cash and Investments	653,229,782.33		656,943,844.42	653,540,415.29	655,280,823.59		1.198	201