CITY AND COUNTY OF BROOMFIELD
CASH AND INVESTMENT REPORT
June, 2025

Broomfield manages the cash and investment portfolio in a way that maximizes, in order of priority, (1) safety of principal, (2) liquidity to meet cash flow needs, and (3) yield as available in the current markets.

Broomfield's investment policies, as previously adopted by City Council, and conservative investment practices have resulted in continued safety of deposits and yield performance at a level higher than the stated benchmark level while meeting all cash flow requirements.

CASH AND INVESTMENTS - SUMMARY

Classification of Investments and Total Amount Held as of June 30, 2025

The total cash and invested funds for Broomfield as of June 30, 2025 amounted to $529,186,685. All investments held in the portfolio comply with Broomfield's policy on eligible investments. Close review of each investment indicates no credit impairment. The composition of the cash and investment portfolio is as follows:

City and County of Broomfield - Cash and Invested Funds
as of June 30, 2025

	Restricted for Debt Service Reserve	Restricted for Project Funds	Unrestricted	Total	Portfolio %
Investment Portfolio					
US Treasury Notes			$ 119,345,000	$ 119,345,000	22.55%
Federal Agency Bonds/ Notes			15,350,000	15,350,000	2.90%
Municipal Bonds			4,230,000	4,230,000	0.80%
Corporate Notes			45,140,000	45,140,000	10.00%
Federal Agency Commercial Mortgage-Backed Sec			83,058,463	83,058,463	15.70%
Bank Note			-	-	0.00%
Total Investments		$ -	$ 267,123,463	$ 267,123,463	50.48%
Cash and Money Market Type Accounts					
Wells Fargo Money Market	$ 68,188	$ 11,811	$ 23,783,674	$ 23,863,674	4.51%
Total Cash and Money Market Accounts	$ 68,188	$ 11,811	$ 23,783,674	$ 23,863,674	4.51%
Local Government investment Pools					
PFM Colorado Statewide Investment Program	$ 26,563,524	$ 856,106	$ 204,939,699	$ 232,359,329	44.00%
COLOTRUST			350,206	350,206	0.00%
CSAFE	4,989,711		162,198	5,151,909	1.00%
Colorado State Bank - Federated Gov't Obligation Fund		-	338,105	338,105	0.00%
Total Local Government investment Pools	$ 31,553,235	$ 856,106	$ 205,790,208	$ 238,199,548	45.01%
Total Cash and Investments end of period	$ 31,621,423	$ 867,917	$ 496,697,345	$ 529,186,685	100.00%

***** A detailed listing of the investment portfolio holdings is available in the Finance department.

Weighted Average Maturity and Interest Earnings

- The weighted average maturity of Broomfield's long-term managed portfolio is 1,006 days (33.5 months) as of June 30, 2025.
- The yield-to-maturity at cost for the long-term managed portfolio is 4.12% based on the balances at 6/30/2025. The benchmark local government investment pool (CSIP) June average rate is 4.34%. We believe that our long-term managed portfolio will outperform a cash portfolio over an extended period of time.
- The year-to-date yield (interest income) on the total cash and investment balances for 2025 is 3.693%.

Annualized earnings on investments for the years 2025, 2024 and 2023 are displayed in the table below.

	2025 YTD	**2024**	**2023**
Average Cash and Investment Balance	$510,953,948	$480,327,144	$479,379,805
Annualized Interest Earnings	$18,869,635	$17,471,737	$12,017,035
Yield	3.693%	3.637%	2.507%

Cash Flow Model

Broomfield uses a 5 year cash flow model to analyze and plan for cash management. Funds to be invested are identified and managed through investments as allowed by Colorado statute, Broomfield’s home rule charter, and Broomfield’s Municipal Code (Chapter 3.18).

ELIGIBLE INVESTMENTS - BROOMFIELD INVESTMENT POLICY

Subject to the limitations of this Policy, all investments and depositories authorized by the following state statutes shall be allowed by the City: Colorado Revised Statutes: C.R.S. 11-10.5-101 *et. seq.*, Public Deposit Protection Act; C.R.S. 11-47-101 *et. seq.,* Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 *et seq.,* Funds Legal Investments; C.R.S. 24-75-601 *et. seq*., Depositories; C.R.S. 24-75-702, and Local governments – authority to pool surplus funds. Any revisions or extensions of these sections of the C.R.S. will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these statutes conflict with this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so and the existing Policy shall govern the City's investments.

Rating categories defined by nationally recognized statistical rating organizations (NRSRO) include firms such as Standard and Poor’s and Moody’s Investor Services. For example, the second highest rating category will be AA+ for Standard and Poor’s and Aa1 for Moody’s Investor Services. Credit rating criteria refer to the rating at the time the security is purchased. In the event an issuer is downgraded below the minimum rating level for any specific security that is held in the Portfolio, the Finance Director will review the exposure of that security holding and will determine if it is advisable to sell such holding.

Maturity restrictions shall be calculated from the settlement date to maturity date.

Eligible Investments

The eligible types of securities and transactions are as follows:

1. U.S. Treasury Obligations
2. U.S. Agency Obligations
3. Time Deposits/Time Certificates of Deposit (CD's)
4. Corporate Bonds
5. Municipal Bonds
6. Commercial Paper
7. Eligible Banker's Acceptances
8. Negotiable Certificates of Deposit
9. Repurchase Agreements
10. Local Government Investment Pools (LGIP)
11. Money Market Funds
12. Other investments- As permitted under CRS24-75-601 et. seq.

Diversification and Asset Allocation

It is the intent of Broomfield to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, or class of securities.

Broomfield does not make investments for the purpose of trading or speculation, but rather, with the prevalent intent to hold securities to maturity. The prohibition of speculative investment precludes pursuit of profit through unusual risk or conjectural fluctuations in market prices. However, fluctuations in market rates or changes in credit quality may produce situations where securities may be sold at a nominal loss in order to mitigate further erosion of principal or to reinvest proceeds of sale in securities that will out-perform the original investment.

Portfolio Diversification and Maturity Duration

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
U.S. Agencies	75%	60%	5 years	Two Highest NRSRO
Time Deposit/CD	10%	3%	1 years	Two Highest NRSRO
Corporate Bonds	30%	3%	3 Years	Two Highest NRSRO
Municipal Bonds	20%	3%	3 Years	Two Highest NRSRO
Commercial Paper	40%	3%	270 days	A-1, P-1, F-1
Banker Acceptances	20%	3%	1 year	Two Highest NRSRO
Negotiable CD	30%	3%	2 year	Two Highest NRSRO
Repurchase Agreements	50%	10%	180 days	A-1, P-1, F-1
Local Government Investment Pool	100%	50%	N/A	AAAm
Money Market Funds	100%	50%	N/A	AAAm

Note: The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Negotiable CDs, Time Certificates of Deposit and Bankers Acceptances.

CREDIT QUALITY OF BROOMFIELD'S INVESTMENTS

Credit Quality Risk

Broomfield’s investment policy limits the types of investments available and thereby establishes the credit risk allowed on investments. U S Treasury notes that are held in the portfolio are rated AA+ by Standard and Poor’s. The majority of investments are made in bonds or other obligations of agencies of the United States Government, which are backed by unconditional guarantees of the United States Government. The effects of the downgrade by Standard and Poor’s from AAA to AA+ for the United States in June, 2013 created some uncertainty. This remains the safest type of investment for Broomfield to hold as compared to other vehicles for long term investments.

Broomfield’s investments in U.S. Agency securities issued by the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), and the Federal National Mortgage Assn (FNMA) are rated AA+ by Standard and Poor’s and Aaa Moody’s Investor Service. These securities are indirectly guaranteed by the U.S. Government. Low interest rates continue to be the norm for investments. Few of our bond holdings have call provisions, so we anticipate holding them until maturity

Local Government Investment Pools: Broomfield’s investments in Colorado Local Government Liquid Asset Trust Plus+ (Colotrust) are rated AAAm by Standard and Poor’s, AAA/V1 by Fitch’s and Aaa by Moody’s Investor Service. Broomfield's investments in the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Statewide Investment Program (CSIP) are rated AAAm by Standard and Poor’s. CSAFE, CSIP, and Colotrust are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. Colotrust, CSAFE, and CSIP are routinely monitored by the Colorado Division of Securities with regard to operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. Net asset values per share in the ColoTrust Plus+, CSAFE, and CSIP investments pools are reported in their annual reports as $1.00. The fair value of our position in the pools is the same as the value of the pool shares.

Colorado Public Deposit Protection Act (PDPA) Custodial Credit Risk

Guidance from the Colorado Division of Banking concludes that public deposits collateralized under PDPA and held in the name of the government have no custodial credit risk. Colorado state statutes govern Broomfield’s deposit of cash. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. State regulatory commissioners have indicated that all financial institutions holding deposits for Broomfield are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.