

Nueces County
Quarterly Investment Report
March 31, 2018
(Unaudited)

*Prepared by Nueces County
Auditor's Office and
County Clerk Treasury
Division 901 Leopard Rm.
304 Corpus Christi TX
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**Nueces
County**

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Presented to Nueces County
Commissioners Court in
accordance with Government
Code 2255.023

Investment Committee Members

Samuel L. Neal, Jr. – County Judge

Kara Sands – County Clerk

Laura Jimenez – County Attorney

Kristen Talamantez, CPA – Director of Commissioners Court Administration

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA – County Auditor

County Investment Officers

Lorenzo Hernandez, III – Treasury Accountant

Fred Chavera – Revenue/Cash Manager

Investment Report to Commissioners Court

As of March 31, 2018

Investments have been made in accordance with the requirements of the Nueces County Investment Policy and Government Code 2256. The investment committee is directed by the investment policy to meet certain requirements regarding investment strategy, earnings, diversity and liquidity. This report is presented in conformity with generally accepted accounting principles.

This report covers investment results on county-wide treasury accounts only. Interest income on departmental accounts such as the tax office, sheriff, and district clerk checking accounts are not included in this report.

Summary of Cash, Cash Equivalents and Investments

Total cash, cash equivalents, and investments as of March 31, 2018 have a current value of \$120,795,251. As compared to last report of December 31, 2017, total balances have decreased by \$(2,981,938) down from \$123,777,190.

Compliance Measures

- The weighted average maturity of the operating portfolio is 79 days and the county is in compliance with the investment policy. The policy limits the weighted average to 364 days. Compared to last report of December 31, 2017, the average maturity decreased by -59 days, due to reduction of cash equivalents and other called investments.
- Portfolio diversity is a test which indicates the county is in compliance with the percentages allowed by the investment policy for each investment type. The largest investment type is in cash equivalents which is 69.65% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 2.05%, 3.56%, and 8.58%, respectively.
- All investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

Summary of Investment Results

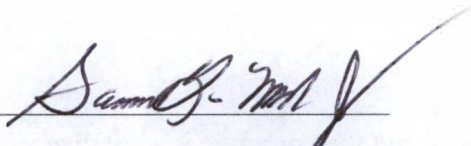
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and hold until maturity, changes in market value are reflected as gains or losses in the value of the portfolios as if they had been liquidated on March 31, 2018. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$382,329. Compared to the quarterly earnings ending December 31, 2017, earnings shows an increase of \$98,249, up from \$284,081. The increase in earnings is due primarily to increase in interest rates during this period.

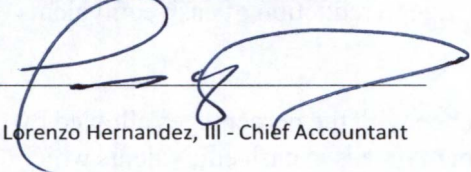
Investment Strategy

Only eligible investments, as defined by the Investment Policy may be used. Preservation and safety of principal is the number one consideration in selecting an investment instrument followed by the availability of funds (liquidity), diversification for further safeguarding of funds and laddering investments with varying maturity dates. While maximizing return on investment is an objective of the county investment policy, safety is always the first consideration in selecting investments.

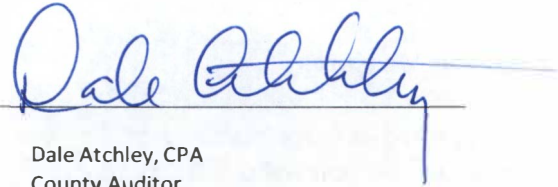
This report has been prepared jointly by the County Auditor’s Office and the County Clerk Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on May 31, 2018 and herein presents to the Commissioners Court for final approval. Thank you.



Samuel L. Neal, Jr. - County Judge and
Investment Committee Chair



Lorenzo Hernandez, III - Chief Accountant



Dale Atchley, CPA
County Auditor



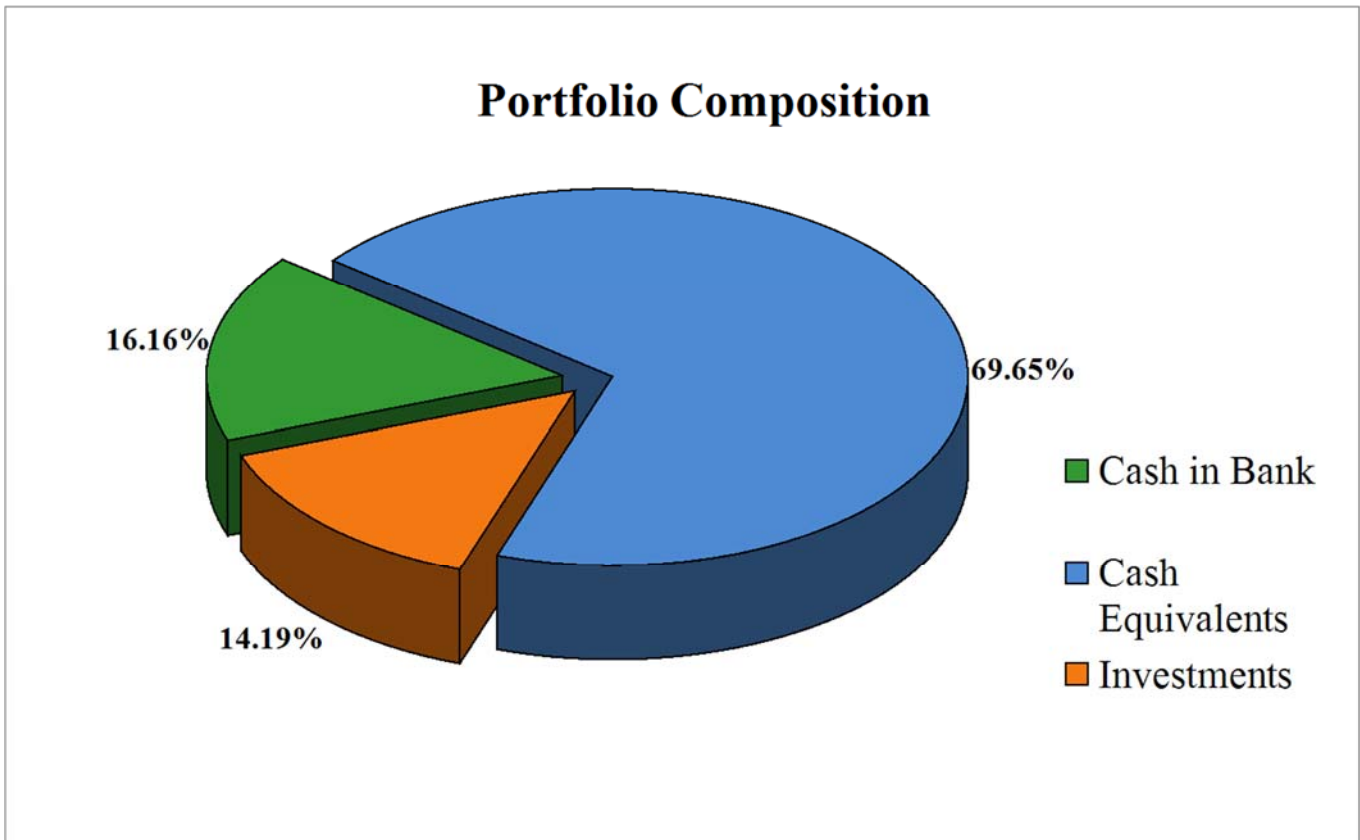
Federico Chavera - Revenue/Cash Manager

Cash, Cash Equivalents and Investments by Fund Group

March 31, 2018

(Unaudited)

| | Operating Funds | Capital Projects Funds | Debt Service Funds | Other Funds | All Fund Groups Total |
|---|----------------------------|---------------------------------------|-----------------------------------|------------------------|--------------------------------------|
| Cash in Bank | \$8,016,980 | \$4,625,305 | \$109,425 | \$6,774,324 | \$19,526,034 |
| Cash Equivalents: | | | | | |
| TEXPOOL | 4,678 | - | | 2,240 | 6,918 |
| MBIA | 44,563,991 | 26,288,470 | 1,814,549 | 11,457,033 | 84,124,043 |
| Sub-Total Cash Equivalents | 44,568,669 | 26,288,470 | 1,814,549 | 11,459,273 | 84,130,961 |
| Investments: | | | | | |
| Brokered CDs | 485,887 | 1,285,732 | 194,919 | 508,680 | 2,475,218 |
| Municipal Bonds | 842,992 | 2,230,688 | 338,175 | 882,537 | 4,294,392 |
| US Agencies | 2,035,372 | 5,385,911 | 816,512 | 2,130,852 | 10,368,646 |
| Sub-Total Investments | 3,364,250 | 8,902,331 | 1,349,606 | 3,522,069 | 17,138,256 |
| Total Cash, Cash Equivalents & Investments | \$55,949,900 | \$39,816,106 | \$3,273,579 | \$21,755,666 | \$120,795,251 |



Operating Funds and Other Funds Groups

Cash, Cash Equivalents and Investments by Fund - (Unaudited)

March 31, 2018

Operating Funds:

| | General Fund | Road Fund | Stadium/ Fairgrounds Fund |
|---------------------------------------|-------------------------|----------------------|--|
| Cash | \$ 7,423,269 | 323,848 | 37,973 |
| Cash Equivalents | 39,933,565 | 1,961,308 | 1,322,742 |
| Investments | <u>2,522,633</u> | <u>62,299</u> | <u>554,369</u> |
| Total as of March 31, 2018 | 49,879,467 | 2,347,455 | 1,915,084 |
| Total as of March 31, 2017 | 46,146,043 | 2,896,201 | 2,067,878 |
| Increase (Decrease) from one year ago | <u>\$ 3,733,424</u> | <u>(548,746)</u> | <u>(152,794)</u> |

Other Funds:

| | Self Insurance Fund | Special Fund | Main Grant Fund |
|---------------------------------------|------------------------------------|-------------------------|--------------------------------|
| Cash | \$ 1,261,528 | 4,696,568 | 353,081 |
| Cash Equivalents | 2,955,295 | 8,503,979 | - |
| Investments | <u>229,994</u> | <u>3,292,075</u> | <u>-</u> |
| Total as of March 31, 2018 | 4,446,817 | 16,492,621 | 353,081 |
| Total as of March 31, 2017 | 4,476,837 | 19,405,610 | 957,537 |
| Increase (Decrease) from one year ago | <u>\$ (30,020)</u> | <u>(2,912,989)</u> | <u>(604,455)</u> |

| Law Library | Airport | Inland Parks | Coastal Parks | | |
|------------------------|----------------|-------------------------|--------------------------|--------------|------------------|
| Fund | Fund | Fund | Fund | Total | |
| 34,139 | (8,416) | 11,509 | 194,659 | \$ | 8,016,980 |
| 84,383 | 114,991 | 28,884 | 1,122,797 | | 44,568,669 |
| 63,244 | - | - | 161,705 | | 3,364,250 |
| <hr/> | <hr/> | <hr/> | <hr/> | | |
| 181,766 | 106,574 | 40,392 | 1,479,161 | | 55,949,900 |
| 210,794 | 93,261 | 228,171 | 817,379 | | 52,459,727 |
| <hr/> | <hr/> | <hr/> | <hr/> | | |
| <u>(29,029)</u> | <u>13,314</u> | <u>(187,778)</u> | <u>661,782</u> | \$ | <u>3,490,173</u> |

| TJJD Grant | |
|-----------------------|-----------------------|
| Fund | Total |
| 463,147 | \$ 6,774,324 |
| - | 11,459,273 |
| - | 3,522,069 |
| <hr/> | <hr/> |
| 463,147 | 21,755,666 |
| 336,438 | 25,176,422 |
| <hr/> | <hr/> |
| <u>126,709</u> | \$ <u>(3,420,756)</u> |

Portfolio Diversity
 Test of Compliance with Investment Policy
 All Fund Groups as of March 31, 2018
 (Unaudited)

| | Current Value | % | Investment Policy Maximum |
|--|-----------------------|----------------|---------------------------------|
| Cash Equivalents | \$ 84,130,961 | 83.08% | 85.00% |
| Brokered CDs | 2,475,218 | 2.44% | 75.00% |
| Municipal Bonds | 4,294,392 | 4.24% | 75.00% |
| US Agencies | <u>10,368,646</u> | <u>10.24%</u> | 75.00% |
| Total Cash Equivalents and Investments (excludes cash in bank) | <u>\$ 101,269,217</u> | <u>100.00%</u> | |

Weighted Average Days to Maturity
 Operating Funds Group as of March 31, 2018
 (Unaudited)

| | Fair Value | Weighted Average Days to Maturity | Investment Policy Maximum |
|---|-----------------------|--|---------------------------------|
| Cash Equivalents | \$ 84,130,961 | 1 | |
| Brokered CDs | 2,475,218 | 520 | |
| Municipal Bonds | 4,294,392 | 268 | |
| US Agencies | <u>10,368,646</u> | <u>526</u> | |
| Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank) | <u>\$ 101,269,217</u> | <u>79</u> | <u>364</u> |

Statement of Changes in Investments

as of March 31, 2018

(Unaudited)

| | Beginning Balance <u>12/31/2017</u> | Additions | (Subtractions) | Market Adjustment | Ending Balance <u>03/31/2018</u> |
|-----------------|---|-----------|-------------------|----------------------|--|
| Brokered CDs | \$ 3,737,744 | \$ | \$ (1,250,000.00) | \$ (12,526) | \$ 2,475,218 |
| Municipal Bonds | 4,297,107 | | | (2,715) | 4,294,392 |
| US Agencies | <u>10,397,438</u> | | | <u>(28,792)</u> | <u>10,368,646</u> |
| Total | \$ <u>18,432,289</u> | \$ - | \$ (1,250,000.00) | \$ <u>(44,033)</u> | \$ <u>17,138,256</u> |

**Comprehensive Interest Earnings for All Fund Groups Compared to
Same Period Prior Year (Note1)**

(Unaudited)

| | Quarterly Comparison | | | Year-to-Date Comparison | | |
|-----------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|
| | <u>01/01/2017 03/31/2017</u> | <u>01/01/2018 03/31/2018</u> | <u>Increase/ (Decrease)</u> | <u>10/01/2016 03/31/2017</u> | <u>10/01/2017 03/31/2018</u> | <u>Increase/ (Decrease)</u> |
| Operating Fund Group | \$ 117,858 | \$ 181,780 | \$ 63,922 | \$ 130,679 | \$ 240,945 | \$ 110,267 |
| Capital Projects Fund Group | 107,145 | 112,110 | 4,965 | 114,303 | 186,431 | 72,128 |
| Debt Service Fund Group | 17,670 | 19,661 | 1,991 | 21,471 | 30,849 | 9,379 |
| Other Funds Group | <u>41,407</u> | <u>68,778</u> | <u>27,371</u> | <u>46,235</u> | <u>93,815</u> | <u>47,580</u> |
| Total | \$ <u>284,081</u> | \$ <u>382,329</u> | \$ <u>98,249</u> | \$ <u>312,688</u> | \$ <u>552,041</u> | \$ <u>239,353</u> |

Note 1: Comprehensive interest earnings include: interest on treasury demand deposits, coupon interest rates, amortization of discounts and premiums paid at the time of purchase, accrued interest, and adjustments to market value.

Listing of All Investments and Ladder Placement
 March 31, 2018
 (Unaudited)

| VENDOR | Desc | Coupon | Yield | Duration in Yrs from Purchase | Days To MTY | Purchase Date | Maturity Date /Called Date | Par Amount |
|------------------------|-------|--------|-----------|--|-------------------|------------------|-------------------------------------|-------------------|
| Wells Fargo Bank | MB | 2.107% | 2.107000% | 3.2192 | 92 | 04/13/15 | 07/01/18 | 1,500,000 |
| Wells Fargo Bank | MB | 2.150% | 2.150000% | 2.3205 | 215 | 07/07/16 | 11/01/18 | 1,000,000 |
| Wells Fargo Bank | MB | 2.163% | 2.163000% | 2.9836 | 457 | 07/07/16 | 07/01/19 | 1,000,000 |
| First Tennessee | MB | 1.804% | 1.804000% | 3.4740 | 321 | 08/27/15 | 02/15/19 | 800,000 |
| Raymond James & Assoc. | FFCB | 1.170% | 1.170000% | 3.5096 | 653 | 07/11/16 | 01/13/20 | 1,000,000 |
| Wells Fargo Bank | FNMA | 0.900% | 0.900000% | 2.5534 | 300 | 07/07/16 | 01/25/19 | 1,000,000 |
| First Tennessee | FHLMC | 1.500% | 1.500000% | 2.5370 | 515 | 02/13/17 | 08/28/19 | 1,500,000 |
| First Tennessee | FNMA | 1.260% | 1.450000% | 2.4658 | 489 | 02/13/17 | 08/02/19 | 1,500,000 |
| Frost Bank | FHLMC | 1.375% | 1.375000% | 2.0822 | 349 | 02/13/17 | 03/15/19 | 1,500,000 |
| Frost Bank | FFCB | 1.550% | 1.550000% | 2.7534 | 594 | 02/13/17 | 11/15/19 | 1,500,000 |
| Frost Bank | FHLMC | 1.750% | 1.750000% | 3.5397 | 881 | 02/13/17 | 08/28/20 | 1,000,000 |
| Raymond James & Assoc. | FHLMC | 1.500% | 1.500000% | 2.5342 | 515 | 02/14/17 | 08/28/19 | 750,000 |
| Raymond James & Assoc. | FHLMC | 1.300% | 1.300000% | 2.2712 | 419 | 02/14/17 | 05/24/19 | 750,000 |
| Frost Bank | CD | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | CD | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | CD | 0.800% | 0.800000% | 0.0000 | - | 07/08/16 | 03/27/18 | 250,000 |
| Frost Bank | CD | 0.800% | 0.800000% | 0.0000 | - | 07/08/16 | 01/22/18 | 250,000 |
| Frost Bank | CD | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | CD | 1.150% | 1.150000% | 3.0301 | 23 | 04/13/15 | 04/23/18 | 248,000 |
| Wells Fargo Bank | CD | 1.600% | 1.600000% | 3.0274 | 157 | 08/26/15 | 09/04/18 | 248,000 |
| Wells Fargo Bank | CD | 1.850% | 1.850000% | 5.0110 | 467 | 07/08/14 | 07/11/19 | 248,000 |
| Wells Fargo Bank | CD | 2.050% | 2.050000% | 5.0247 | 472 | 07/08/14 | 07/16/19 | 248,000 |
| Wells Fargo Bank | CD | 1.900% | 1.900000% | 5.0411 | 479 | 07/09/14 | 07/23/19 | 248,000 |
| Wells Fargo Bank | CD | 1.800% | 1.800000% | 5.0438 | 479 | 07/08/14 | 07/23/19 | 248,000 |
| Raymond James & Assoc. | CD | 2.100% | 2.100000% | 4.0027 | 513 | 08/26/15 | 08/26/19 | 250,000 |
| Raymond James & Assoc. | CD | 1.800% | 1.800000% | 4.5123 | 699 | 08/26/15 | 02/28/20 | 250,000 |
| Raymond James & Assoc. | CD | 2.050% | 2.050000% | 5.0110 | 881 | 08/26/15 | 08/28/20 | 250,000 |
| Raymond James & Assoc. | CD | 1.850% | 1.850000% | 5.0110 | 881 | 08/26/15 | 08/28/20 | 250,000 |
| 1.571286% | | | | 2.8052 | 420 | Totals | | 18,538,000 |

FNMA- Fannie Mae

† Weighted Averages are based on investment holdings as of the last day of the quarter using actual days remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Totals Purchase Price.

| Purchase Price | FMV 09/30/17 | Additions (Subtractions) | Market Adjustments Increase (Decrease) | FMV 12/31/2017 | Short-term Ladder <=12 mos | Mid-term Ladder > 12 mos < 3.5 yrs | Long-term Ladder 3.5 to 5 yrs |
|-------------------|-------------------|--------------------------|--|--|----------------------------|------------------------------------|-------------------------------|
| 1,523,670 | 1,500,586 | - | 285 | 1,500,871 | - | 1,500,871 | - |
| 1,030,990 | 1,001,530 | - | (1,921) | 999,609 | - | 999,609 | - |
| 1,025,960 | 997,680 | - | (160) | 997,520 | - | 997,520 | - |
| 810,856 | 797,312 | - | (920) | 796,392 | - | 796,392 | - |
| 1,000,000 | 983,286 | - | (5,579) | 977,707 | - | - | 977,707 |
| 1,000,000 | 990,192 | - | 351 | 990,543 | - | 990,543 | - |
| 1,500,000 | 1,489,194 | - | (4,959) | 1,484,235 | - | 1,484,235 | - |
| 1,500,000 | 1,482,345 | - | (1,562) | 1,480,784 | - | 1,480,784 | - |
| 1,500,000 | 1,489,429 | - | (468) | 1,488,961 | - | 1,488,961 | - |
| 1,500,000 | 1,484,543 | - | (4,628) | 1,479,915 | - | 1,479,915 | - |
| 1,000,000 | 990,036 | - | (7,845) | 982,191 | - | - | 982,191 |
| 750,000 | 744,597 | - | (2,480) | 742,118 | - | 742,118 | - |
| 750,000 | 743,815 | - | (1,623) | 742,192 | - | 742,192 | - |
| 250,000 | 249,953 | (250,000) | 47 | - | - | - | - |
| 250,000 | 249,936 | (250,000) | 64 | - | - | - | - |
| 250,000 | 249,631 | (250,000) | 369 | - | - | - | - |
| 250,000 | 249,940 | (250,000) | 60 | - | - | - | - |
| 250,000 | 249,954 | (250,000) | 46 | - | - | - | - |
| 248,000 | 247,777 | - | 175 | 247,952 | - | 247,952 | - |
| 248,000 | 248,192 | - | (250) | 247,942 | - | 247,942 | - |
| 248,000 | 247,863 | - | (974) | 246,889 | - | - | 246,889 |
| 248,000 | 248,375 | - | (1,078) | 247,297 | - | - | 247,297 |
| 248,000 | 248,400 | - | (1,110) | 247,290 | - | - | 247,290 |
| 248,000 | 248,403 | - | (1,112) | 247,291 | - | - | 247,291 |
| 250,000 | 250,691 | - | (1,296) | 249,395 | - | - | 249,395 |
| 250,000 | 250,905 | - | (2,287) | 248,618 | - | - | 248,618 |
| 250,000 | 249,510 | - | (2,648) | 246,862 | - | - | 246,862 |
| 250,000 | 248,215 | - | (2,531) | 245,684 | - | - | 245,684 |
| 18,629,476 | 18,432,289 | (1,250,000) | (44,033) | 17,138,256 | - | 13,199,033 | 3,939,223 |
| | | | | Investment Ladder Targets | <u>7,000,000</u> | <u>25,000,000</u> | <u>8,000,000</u> |
| | | | | Investment Funds: Available/(Exceeded) | <u>7,000,000</u> | <u>11,800,967</u> | <u>4,060,777</u> |

Listing of All Broked CDs and Ladder Placement

March 31, 2018

(Unaudited)

| VENDOR | Bank Issuing CD | Coupon | Yield | Duration in Yrs from Purchase | Days To MTY | Purchase Date | Maturity Date /Called Date | Purchase Price at Par |
|------------------------------|----------------------------|---------------|--------------|--|----------------------------|--------------------------|---|--------------------------------------|
| Frost Bank | ALLY BANK | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | DISCOVER BANK | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | EAST BOSTON SAV BK | 0.800% | 0.800000% | 0.0000 | - | 07/08/16 | 03/27/18 | 250,000 |
| Frost Bank | FIRST TRUST SAV BK | 0.800% | 0.800000% | 0.0000 | - | 07/08/16 | 01/22/18 | 250,000 |
| Frost Bank | FLINT COMMUNITY BK | 0.750% | 0.750000% | 0.0000 | - | 07/08/16 | 01/16/18 | 250,000 |
| Frost Bank | GOLMAN SACHS BANK USA | 1.150% | 1.150000% | 3.0301 | 23 | 04/13/15 | 04/23/18 | 248,000 |
| Wells Fargo Bank | CAPITAL ONE BANK USA NA | 1.600% | 1.600000% | 3.0274 | 157 | 08/26/15 | 09/04/18 | 248,000 |
| Wells Fargo Bank | METROPOLITAN CAPITAL BANK | 1.850% | 1.850000% | 5.0110 | 467 | 07/08/14 | 07/11/19 | 248,000 |
| Wells Fargo Bank | BARCLAYS BANK DELAWARE | 2.050% | 2.050000% | 5.0247 | 472 | 07/08/14 | 07/16/19 | 248,000 |
| Wells Fargo Bank | CUSTOMERS BANK | 1.900% | 1.900000% | 5.0411 | 479 | 07/09/14 | 07/23/19 | 248,000 |
| Wells Fargo Bank | OHIO VALLEY BANK GALLIP | 1.800% | 1.800000% | 5.0438 | 479 | 07/08/14 | 07/23/19 | 248,000 |
| Raymond James & Assoc. | CAPITAL ONE BANK USA NA | 2.100% | 2.100000% | 4.0027 | 513 | 08/26/15 | 08/26/19 | 250,000 |
| Raymond James & Assoc. | FIRST SOURCE BANK | 1.800% | 1.800000% | 4.5123 | 699 | 08/26/15 | 02/28/20 | 250,000 |
| Raymond James & Assoc. | EVERBANK / JACKSONVILLE FL | 2.050% | 2.050000% | 5.0110 | 881 | 08/26/15 | 08/28/20 | 250,000 |
| Raymond James & Assoc. | FARMERS & MERCHANT BK WISC | 1.850% | 1.850000% | 5.0110 | 881 | 08/26/15 | 08/28/20 | 250,000 |
| Weighted Average | | | 1.465837% | 2.9766 | 337 | TOTAL | | 3,738,000 |

† Weighted Averages are based on investment holdings as of the last day of the quarter using actual days remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase Price .

Listing of All Broked CDs and Ladder Placement
March 31, 2018
(Unaudited)

| Face Value 09/30/17 | Additions | (Maturities) | Amortization of (Premium) Discount | Market Adjustments Increase (Decrease) | Market Value 12/31/17 | Short-term Ladder <=12 mos | Mid-term Ladder > 12 mos < 3.5 yrs | Long-term Ladder 3.5 to 5 yrs |
|------------------------|-----------|--------------------|--|---|--------------------------|----------------------------------|---|-------------------------------------|
| 249,953 | - | (250,000) | - | 47 | - | - | - | - |
| 249,936 | - | (250,000) | - | 64 | - | - | - | - |
| 249,631 | - | (250,000) | - | 369 | - | - | - | - |
| 249,940 | - | (250,000) | - | 60 | - | - | - | - |
| 249,954 | - | (250,000) | - | 46 | - | - | - | - |
| 247,777 | - | - | - | 175 | 247,952 | - | 247,952 | - |
| 248,192 | - | - | - | (250) | 247,942 | - | 247,942 | - |
| 247,863 | - | - | - | (974) | 246,889 | - | - | 246,889 |
| 248,375 | - | - | - | (1,078) | 247,297 | - | - | 247,297 |
| 248,400 | - | - | - | (1,111) | 247,289 | - | - | 247,289 |
| 248,403 | - | - | - | (1,112) | 247,291 | - | - | 247,291 |
| 250,691 | - | - | - | (1,296) | 249,395 | - | - | 249,395 |
| 250,905 | - | - | - | (2,287) | 248,618 | - | - | 248,618 |
| 249,510 | - | - | - | (2,649) | 246,861 | - | - | 246,861 |
| 248,215 | - | - | - | (2,531) | 245,684 | - | - | 245,684 |
| 3,737,745 | - | (1,250,000) | - | (12,527) | 2,475,218 | - | 495,894 | 1,979,324 |

Listing of All Municipal Bonds and Ladder Placement
 March 31, 2018
 (Unaudited)

| VENDOR | Rating | Description | Coupon | Yield | Duration in Yrs from Purchase | Days To MTY | Purchase Date | Maturity Date /Called Date |
|----------------------------|---------------|--|---------------|--------------|--|----------------------------|--------------------------|---|
| Wells Fargo Bank | Aa3/AA- | Florida State Hurricane Catastrophe Fund Fin Corp | 2.107% | 2.11% | 3.2192 | 92 | 04/13/15 | 07/01/18 |
| Wells Fargo Bank | AAA | New York City Transitional Fin Auth Rev Bond | 2.150% | 2.15% | 2.3205 | 215 | 07/07/16 | 11/01/18 |
| Wells Fargo Bank | Aa3/AA | Florida St Brd of Adm Fin Corp Rev (GO) | 2.163% | 2.16% | 2.9836 | 457 | 07/07/16 | 07/01/19 |
| Coastal Securities | AA/AA+ | Texas Tech Univ Revenues 17th Series - TXBL - Series B | 1.804% | 1.80% | 3.4740 | 321 | 08/27/15 | 02/15/19 |
| † Weighted Averages | | | | 2.07% | 3.0028 | 248 | Totals | |

† Weighted Averages are based on investment holdings as of the last day of the quarter using actual days remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase Price.

Listing of All Municipal Bonds and Ladder Placement
 March 31, 2018
 (Unaudited)

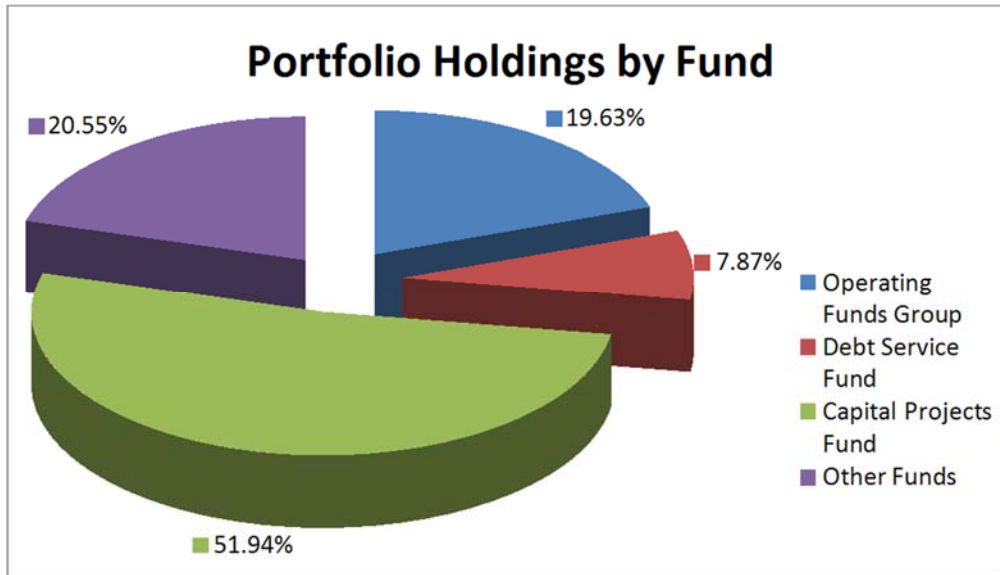
| Par Amount | Purchase Price | FMV 09/30/17 | Additions (Subtractions) | Market Adjustments Increase (Decrease) | FMV 12/31/17 | Short-term Ladder <=12 mos | Mid-term Ladder > 12 mos < 3.5 yrs | Long-term Ladder 3.5 to 5 yrs |
|-------------------|-----------------------|---------------------|---------------------------------|---|---------------------|--------------------------------------|---|--------------------------------------|
| 1,500,000 | 1,523,670 | 1,500,586 | - | 285 | 1,500,871 | - | 1,500,871 | - |
| 1,000,000 | 1,030,990 | 1,001,530 | - | (1,921) | 999,609 | - | 999,609 | - |
| 1,000,000 | 1,025,960 | 997,680 | - | (160) | 997,520 | - | 997,520 | - |
| 800,000 | 810,856 | 797,312 | - | (920) | 796,392 | - | 796,392 | - |
| 4,300,000 | 4,391,476 | 4,297,108 | - | (2,716) | 4,294,392 | - | 4,294,392 | - |

Portfolio Holdings by Fund

March 31, 2018

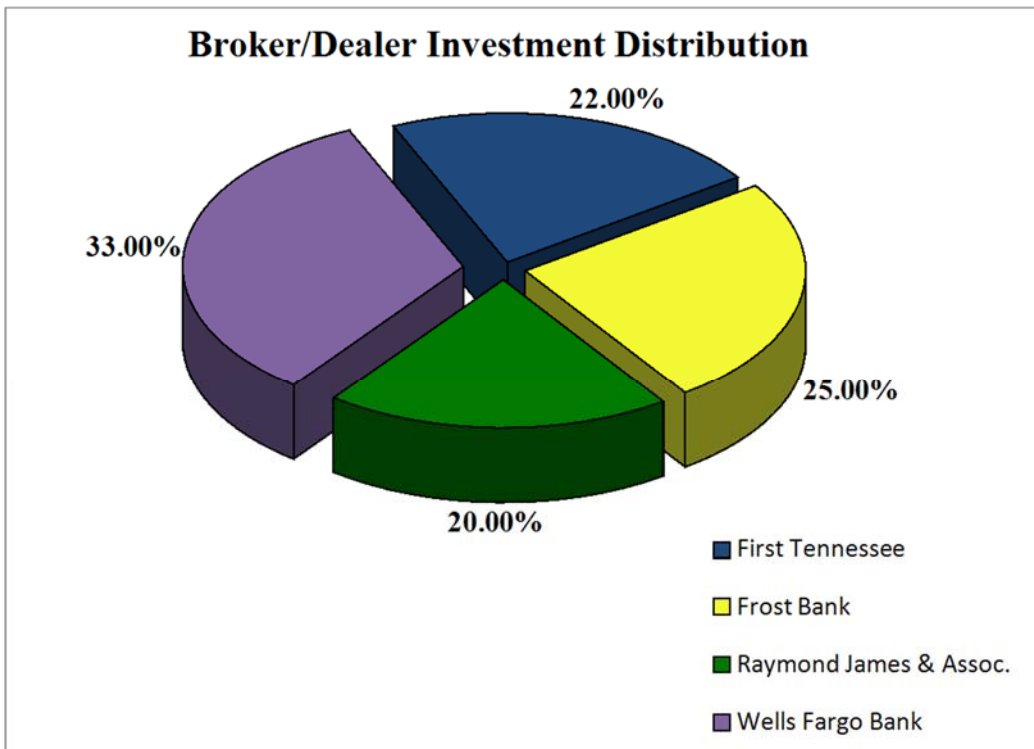
(Unaudited)

| | | | | |
|-------------|---|-------------|---------------------|----------------|
| Fund | Operating Funds Groups: | | | |
| 11 | General Fund | \$2,522,633 | | 14.72% |
| 12 | Road & Bridge Fund | 62,299 | | 0.36% |
| 14 | Stadium & Fairgrounds Fund | 554,369 | | 3.23% |
| 15 | Law Library Fund | 63,244 | | 0.37% |
| 16 | Airport Fund | - | | 0.00% |
| 17 | Inland Parks Fund | - | | 0.00% |
| 18 | Coastal Parks Fund | 161,705 | | 0.94% |
| | Sub-Total Operating Funds | | \$3,364,250 | 19.63% |
| 09 | Debt Service Fund | | 1,349,606 | 7.87% |
| 19 | Capital Projects Fund | | 8,902,331 | 51.94% |
| | Other Funds Groups: | | | |
| 10 | Self Insurance Fund | 229,994 | | 1.34% |
| 13 | Special Revenue Fund | 3,292,075 | | 19.21% |
| | Sub-total Other Funds | | 3,522,069 | 20.55% |
| | Total Holdings at Current Market Value | | \$17,138,256 | 100.00% |



**Distribution of Investments by
Broker/Dealer/Financial Institutions
March 31, 2018
(Unaudited)**

| | Fair Market Value | Distribution % |
|------------------------|----------------------|-------------------|
| First Tennessee | \$3,761,410 | 22.00% |
| Frost Bank | 4,199,019 | 25.00% |
| Raymond James & Assoc. | 3,452,575 | 20.00% |
| Wells Fargo Bank | 5,725,251 | 33.00% |
| Total | \$17,138,256 | 100.00% |



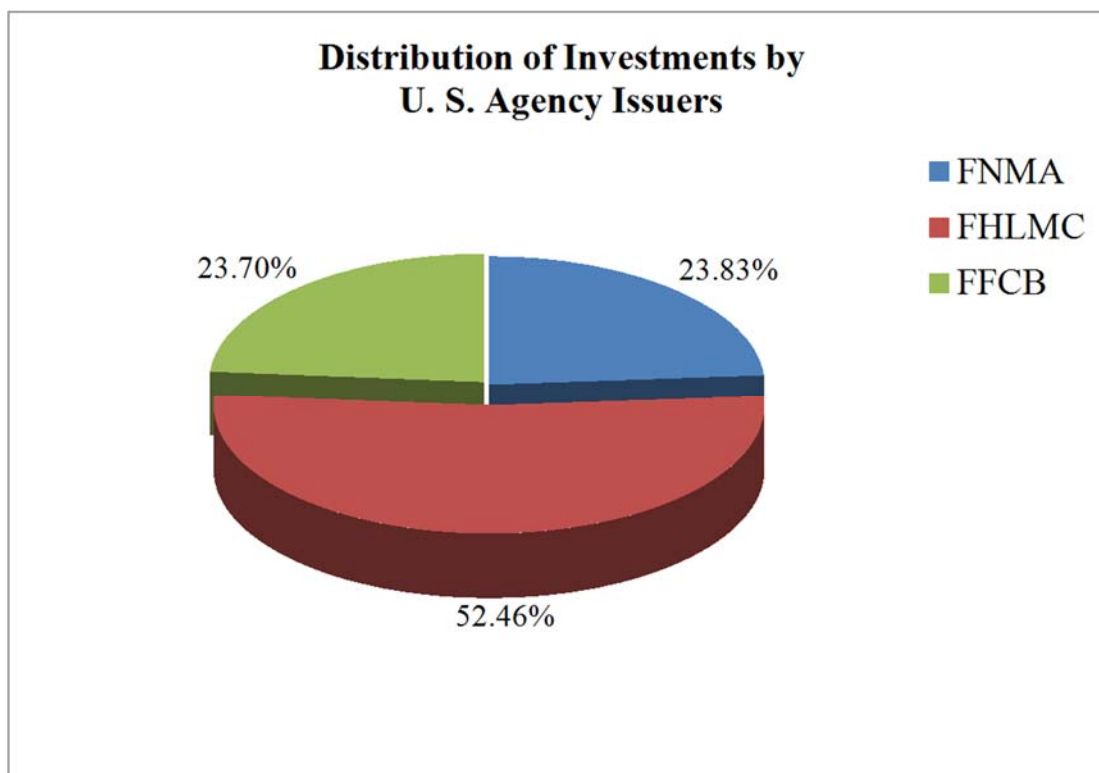
Distribution of Investments by

U. S Agencies Issuers

March 31, 2018

(Unaudited)

| <u>Agency</u> | | <u>Fair Market Value</u> | <u>Distribution %</u> |
|---------------------------|-------|--------------------------|-----------------------|
| Fannie Mae | FNMA | 2,471,327 | 23.83% |
| Fed Home Loan Freddie Mac | FHLMC | 5,439,697 | 52.46% |
| Federal Farm Credit Bank | FFCB | 2,457,622 | 23.70% |
| | | <u>\$10,368,646</u> | <u>100.00%</u> |

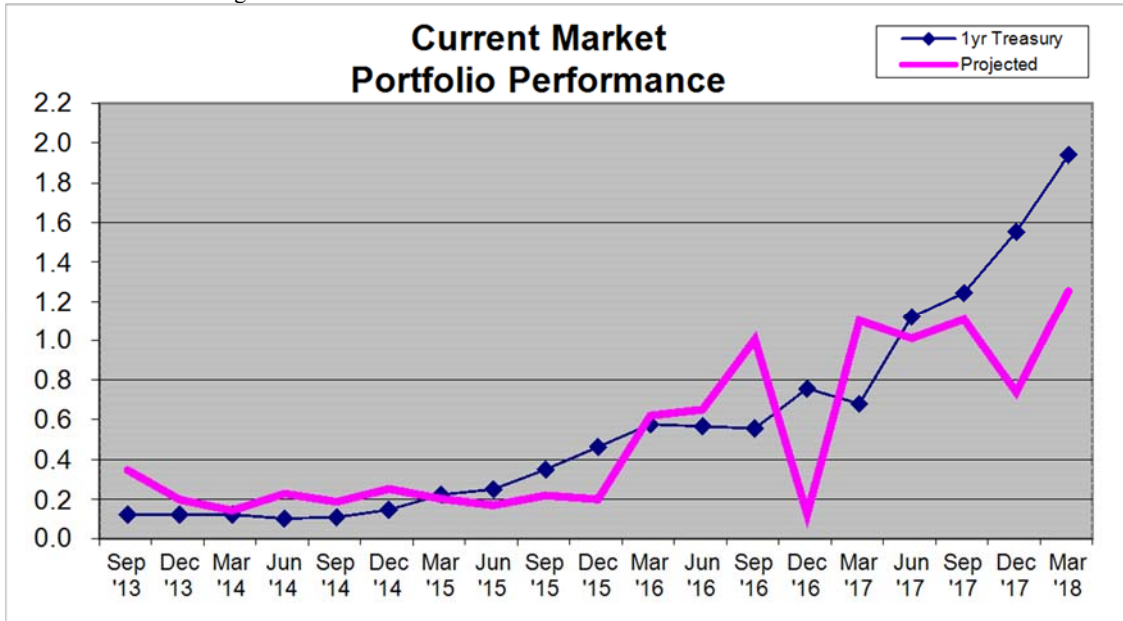


**Investments Performance
Compared to One-Year Treasury
March 31, 2018
(Unaudited)**

| Quarter Ended | County Qrtly Avg Yield | Projected Annual County Yield | * 1yr Treasury |
|---------------|------------------------|-------------------------------|----------------|
| Mar-13 | 0.043% | 0.181% | 0.153% |
| Jun-13 | 0.245% | -0.018% | 0.127% |
| Sep-13 | 0.087% | 0.324% | 0.123% |
| Dec-13 | 0.049% | 0.216% | 0.123% |
| Mar-14 | 0.036% | 0.176% | 0.123% |
| Jun-14 | 0.057% | 0.214% | 0.103% |
| Sep-14 | 0.047% | 0.175% | 0.110% |
| Dec-14 | 0.063% | 0.283% | 0.147% |
| Mar-15 | 0.050% | 0.234% | 0.223% |
| Jun-15 | 0.042% | 0.171% | 0.250% |
| Sep-15 | 0.055% | 0.209% | 0.350% |
| Dec-15 | 0.050% | 0.210% | 0.463% |
| Mar-16 | 0.155% | 0.626% | 0.577% |
| Jun-16 | 0.162% | 0.621% | 0.567% |
| Sep-16 | 0.250% | 0.893% | 0.560% |
| Dec-16 | 0.030% | 0.133% | 0.760% |
| Mar-17 | 0.273% | 1.125% | 0.680% |
| Jun-17 | 0.253% | 0.997% | 1.120% |
| Sep-17 | 0.276% | 1.073% | 1.240% |
| Dec-17 | 0.184% | 0.797% | 1.553% |
| Mar '18 | 0.313% | 1.306% | 1.940% |

* An average of the three months for the quarter presented of the market yields on 1-year U.S. Treasury constant maturity (CMT), quoted on investment basis.

Source: www.federalreserve.gov

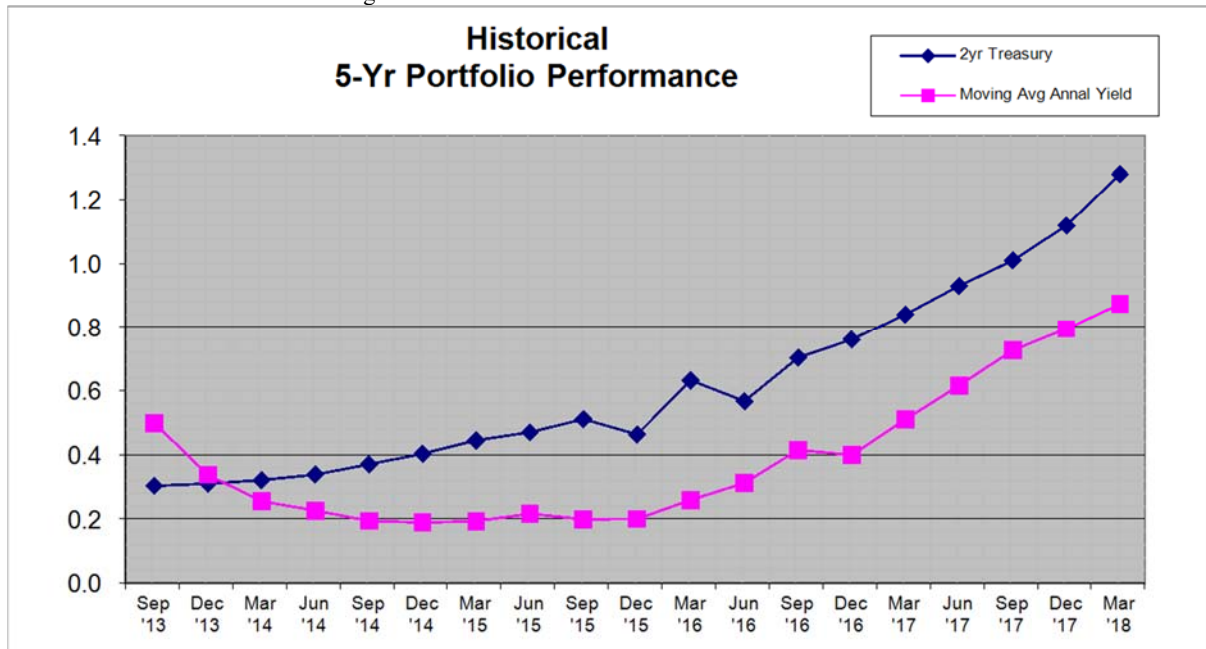


**Investments Performance
Compared to Two-Year Treasury
March 31, 2018
(Unaudited)**

| Quarter Ended | County Two Year Moving Avg Annual Yield | * 2 yr Treasury (CMT) |
|---------------|---|-----------------------|
| Mar-13 | 0.479% | 0.311% |
| Jun-13 | 0.462% | 0.292% |
| Sep-13 | 0.497% | 0.303% |
| Dec-13 | 0.337% | 0.310% |
| Mar-14 | 0.259% | 0.321% |
| Jun-14 | 0.228% | 0.338% |
| Sep-14 | 0.194% | 0.370% |
| Dec-14 | 0.194% | 0.403% |
| Mar-15 | 0.200% | 0.445% |
| Jun-15 | 0.224% | 0.470% |
| Sep-15 | 0.210% | 0.511% |
| Dec-15 | 0.209% | 0.463% |
| Mar-16 | 0.265% | 0.632% |
| Jun-16 | 0.316% | 0.567% |
| Sep-16 | 0.406% | 0.703% |
| Dec-16 | 0.387% | 0.760% |
| Mar-17 | 0.498% | 0.840% |
| Jun-17 | 0.602% | 0.930% |
| Sep-17 | 0.710% | 1.010% |
| Dec-17 | 0.783% | 1.120% |
| Mar '18 | 0.868% | 1.280% |

* 2-year treasury rates are adjusted to a 24 month quarterly average yield. Twenty-four month moving average based on the 2 year CMT that changes monthly.

Source: www.federalreserve.gov



Comparison of Interest Rates on Liquid Investments

March 31, 2018

(Unaudited)

| <u>Month</u> | <u>TexPool Average Monthly Rates</u> | <u>TexPool Prime Average Monthly Rates</u> | <u>Texas Class Average Monthly Rates</u> | <u>Depository (Note 1) Bank Rates</u> |
|---------------|--|--|--|---|
| January '15 | 0.0465% | 0.0706% | 0.10% | 0.01% |
| February '15 | 0.0441% | 0.0826% | 0.10% | 0.01% |
| March '15 | 0.0480% | 0.0880% | 0.12% | 0.01% |
| April '15 | 0.0524% | 0.0984% | 0.14% | 0.01% |
| May '15 | 0.0553% | 0.1030% | 0.14% | 0.01% |
| June '15 | 0.0500% | 0.1063% | 0.15% | 0.01% |
| July '15 | 0.0630% | 0.1150% | 0.16% | 0.01% |
| August '15 | 0.0716% | 0.1398% | 0.18% | 0.01% |
| September '15 | 0.0850% | 0.1591% | 0.19% | 0.01% |
| October '15 | 0.9660% | 0.1649% | 0.21% | 0.01% |
| November '15 | 0.1100% | 0.1830% | 0.24% | 0.01% |
| December '15 | 0.1863% | 0.2776% | 0.29% | 0.01% |
| January '16 | 0.2674% | 0.4056% | 0.42% | 0.01% |
| February '16 | 0.3010% | 0.4673% | 0.49% | 0.01% |
| March '16 | 0.3273% | 0.5135% | 0.54% | 0.01% |
| April '16 | 0.3380% | 0.5192% | 0.57% | 0.01% |
| May '16 | 0.3399% | 0.5304% | 0.59% | 0.01% |
| June '16 | 0.3633% | 0.5550% | 0.63% | 0.01% |
| July '16 | 0.3690% | 0.5718% | 0.64% | 0.01% |
| August '16 | 0.3737% | 0.6010% | 0.70% | 0.01% |
| September '16 | 0.3799% | 0.7068% | 0.77% | 0.01% |
| October '16 | 0.3828% | 0.7230% | 0.83% | 0.01% |
| November '16 | 0.3987% | 0.7402% | 0.90% | 0.01% |
| December '16 | 0.4570% | 0.8148% | 0.89% | 0.01% |
| January '17 | 0.5385% | 0.8992% | 0.96% | 0.10% |
| February '17 | 0.5591% | 0.9322% | 0.97% | 0.17% |
| March '17 | 0.6222% | 0.9665% | 1.00% | 0.17% |
| April '17 | 0.7121% | 1.0477% | 1.06% | 0.18% |
| May '17 | 0.7689% | 1.0683% | 1.09% | 0.46% |
| June '17 | 0.8817% | 1.3710% | 1.13% | 0.55% |
| July '17 | 0.9714% | 1.2082% | 1.18% | 0.64% |
| August '17 | 0.6689% | 1.2418% | 1.23% | 0.72% |
| September '17 | 1.0151% | 1.2644% | 1.25% | 0.68% |
| October '17 | 1.0318% | 1.2720% | 1.27% | 0.69% |
| November '17 | 1.0506% | 1.2826% | 1.30% | 0.73% |
| December '17 | 1.1784% | 1.3917% | 1.41% | 0.88% |
| January '18 | 1.2890% | 1.5156% | 1.56% | 0.99% |
| February '18 | 1.3438% | 1.5747% | 1.62% | 1.08% |
| March '18 | 1.5156% | 1.7066% | 1.75% | 1.36% |
| April '18 | 1.6704% | 1.9264% | 1.95% | 1.41% |

Note 1: The interest rate paid on demand deposits for the current month is based on the previous month's weighted average of the 13-week T-Bill auction rate less 35 basis points.