

Nueces County Quarterly Investment Report September 30, 2018 (Unaudited)

*Prepared by Nueces County
Auditor's Office and
County Clerk Treasury
Division 901 Leopard Rm.
304 Corpus Christi TX
78401*



Nueces County

Phone: 361-888-0556

Fax: 361-888-0584

E-Mail:

Nueces.countyaudit@
nuecesco.com



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

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 September 30, 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 September 30, 2018 have a current value of \$85,425,189. As compared to last report of June 30, 2018, total balances have decreased by \$(19,606,386) down from \$105,031,575.

Compliance Measures

- The weighted average maturity of the operating portfolio is 115 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 June 30, 2018, the average maturity increased by 38 days, due to the purchase of brokered CDs.
- 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 73.43% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 5.22%, 5.77%, and 15.58%, respectively.
- All investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

Summary of Investment Results

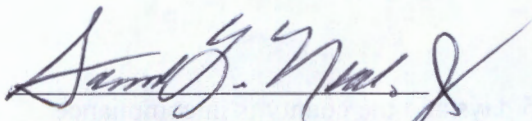
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and 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 September 30, 2018. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$487,438. Compared to the quarterly earnings ending September 30, 2017, earnings shows an increase of \$267,418, up from \$220,020. The increase in earnings is due primarily to increase in interest rates during this period.

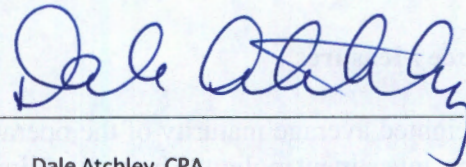
Investment Strategy

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.

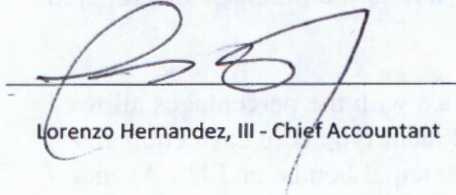
This report has been prepared jointly by the County Auditor's Office and the County Clerk Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on December 10, 2018 and herein presents to the Commissioners Court for final approval. Thank you.



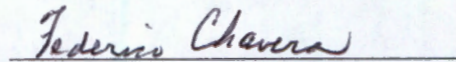
Samuel L. Neal, Jr. - County Judge and
Investment Committee Chair



Dale Atchley, CPA
County Auditor



Lorenzo Hernandez, III - Chief Accountant

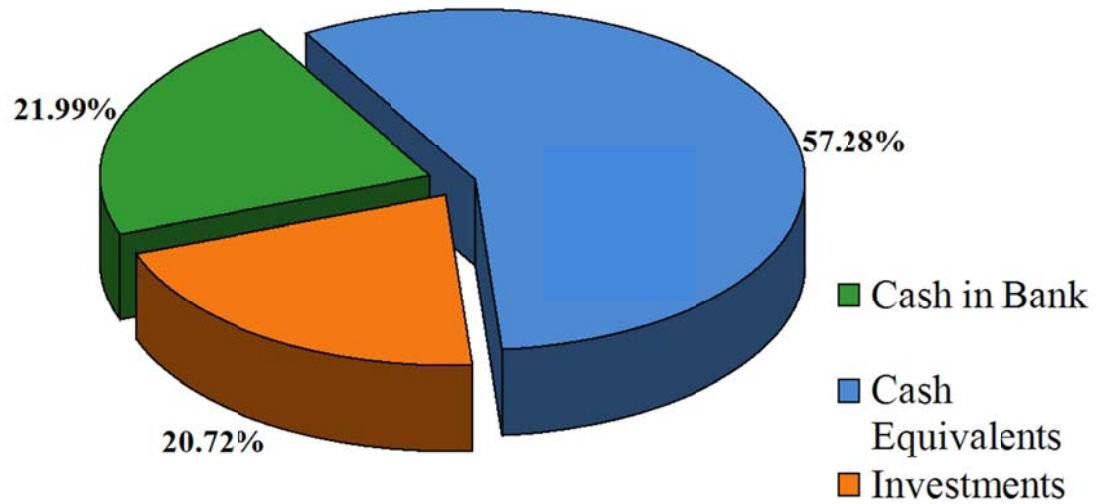


Federico Chavera - Revenue/Cash Manager

Cash, Cash Equivalents and Investments by Fund Group
September 30, 2018
(Unaudited)

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$7,821,770	32.62%	\$1,999,689	5.78%	\$40,933	2.19%	\$8,925,609	35.73%	\$18,788,001	21.99%
Cash Equivalents: TEXPOOL	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0	0.00%
MBIA	12,384,104	51.65%	23,463,705	67.84%	913,207	48.85%	12,172,470	48.71%	48,933,486	57.28%
Sub-Total Cash Equivalents	12,384,104	51.65%	23,463,705	67.84%	913,207	48.85%	12,172,470	48.71%	48,933,486	57.28%
Investments:										
Brokered CDs	740,422	3.09%	1,791,985	5.18%	179,736	9.61%	764,506	3.06%	3,476,649	4.07%
Municipal Bonds	819,105	3.42%	1,982,416	5.73%	198,836	10.64%	845,749	3.38%	3,846,106	4.50%
US Agencies	2,210,830	9.22%	5,350,698	15.47%	536,674	28.71%	2,282,745	9.13%	10,380,947	12.15%
Sub-Total Investments	3,770,357	15.73%	9,125,099	26.38%	915,246	48.96%	3,893,000	15.57%	17,703,702	20.72%
Total Cash, Cash Equivalents & Investments	\$23,976,231	100.00%	\$34,588,493	100.00%	\$1,869,385	100.00%	\$24,991,079	100.01%	\$85,425,189	100.00%

Portfolio Composition



Operating Funds and Other Funds Groups

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

September 30, 2018

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 5,410,491	1,990,806	96,573
Cash Equivalents	9,604,058	64,358	1,582,668
Investments	<u>2,840,104</u>	<u>68,860</u>	<u>612,753</u>
Total as of September 30, 2018	17,854,653	2,124,023	2,291,994
Total as of September 30, 2017	19,246,133	1,556,269	550,570
Increase (Decrease) from one year ago	\$ <u><u>(1,391,480)</u></u>	<u><u>567,754</u></u>	<u><u>1,741,424</u></u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 1,818,574	6,563,546	538,021
Cash Equivalents	2,109,580	10,062,890	-
Investments	<u>254,216</u>	<u>3,638,784</u>	<u>-</u>
Total as of September 30, 2018	4,182,371	20,265,220	538,021
Total as of September 30, 2017	1,436,505	12,767,548	547,293
Increase (Decrease) from one year ago	\$ <u><u>2,745,866</u></u>	<u><u>7,497,672</u></u>	<u><u>(9,272)</u></u>

Law Library	Airport	Inland Parks	Coastal Parks		Total
Fund	Fund	Fund	Fund		
19,959	27,653	24,595	251,695	\$	7,821,770
65,178	126,139	322,085	619,618		12,384,104
69,905	-	-	178,735		3,770,357
<hr/>	<hr/>	<hr/>	<hr/>		
155,042	153,792	346,680	1,050,047		23,976,231
66,559	95,924	235,844	297,259		22,048,558
<hr/>	<hr/>	<hr/>	<hr/>		
<u>88,483</u>	<u>57,868</u>	<u>110,836</u>	<u>752,788</u>	\$	<u>1,927,673</u>

TJJD Grant	
Fund	Total
5,468	\$ 8,925,609
-	12,172,470
-	3,893,000
<hr/>	<hr/>
5,468	24,991,079
316,061	15,067,407
<hr/>	<hr/>
<u>(310,593)</u>	<u>\$ 9,923,673</u>

Portfolio Diversity

Test of Compliance with Investment Policy
 All Fund Groups as of September 30, 2018
 (Unaudited)

	Current Value	%	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 48,933,486	73.43%	85.00%
Brokered CDs	3,476,649	5.22%	75.00%
Municipal Bonds	3,846,106	5.77%	75.00%
US Agencies	<u>10,380,947</u>	<u>15.58%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	<u>\$ 66,637,187</u>	<u>100.00%</u>	

Portfolio Liquidity

Test of Compliance with Investment Policy
 Weighted Average Days to Maturity
 Operating Funds Group as of September 30, 2018
 (Unaudited)

	Fair Value	Weighted Average Days to Maturity	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 48,933,486	1	
Brokered CDs	3,476,649	648	
Municipal Bonds	3,846,106	471	
US Agencies	<u>10,380,947</u>	<u>343</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	<u>\$ 66,637,187</u>	<u>115</u>	<u>364</u>

Statement of Changes in Investments
as of September 30, 2018
(Unaudited)

	Beginning Balance <u>06/30/2018</u>	Additions	(Subtractions)	Market Adjustment	Ending Balance <u>09/30/2018</u>
Brokered CDs	\$ 2,223,096	\$ 1,500,000	\$ (248,000)	\$ 1,553	\$ 3,476,649
Municipal Bonds	4,290,380	1,000,000	(1,500,000)	55,726	3,846,106
US Agencies	<u>10,371,300</u>	-	-	<u>9,647</u>	<u>10,380,947</u>
Total	<u>\$ 16,884,776</u>	<u>\$ 2,500,000</u>	<u>\$ (1,748,000)</u>	<u>\$ 66,926</u>	<u>\$ 17,703,702</u>

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

	Quarterly Comparison			Year-to-Date Comparison		
	<u>07/01/2017 09/30/2017</u>	<u>07/01/2018 09/30/2018</u>	Increase/ (Decrease)	<u>10/01/2016 09/30/2017</u>	<u>10/01/2017 09/30/2018</u>	Increase/ (Decrease)
Operating Fund Group	\$ 64,934	\$ 182,650	\$ 117,716	\$ 313,777	\$ 663,139	\$ 349,362
Capital Projects Fund Group	101,331	172,009	70,677	318,322	522,700	204,378
Debt Service Fund Group	12,348	18,420	6,072	47,247	69,459	22,212
Other Funds Group	<u>41,407</u>	<u>114,360</u>	<u>72,953</u>	<u>149,505</u>	<u>303,468</u>	<u>153,963</u>
Total	<u>\$ 220,020</u>	<u>\$ 487,438</u>	<u>\$ 267,418</u>	<u>\$ 828,851</u>	<u>\$ 1,558,767</u>	<u>\$ 729,916</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
September 30, 2018
(Unaudited)

VENDOR	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
Wells Fargo Bank	MB	2.107%	2.107000%	0.0000	-	04/13/15	07/01/18
Wells Fargo Bank	MB	2.163%	2.163000%	2.9836	274	07/07/16	07/01/19
First Tennessee	MB	5.024%	5.024000%	3.6384	1,248	07/12/18	03/01/22
Wells Fargo Bank	MB	2.150%	2.150000%	2.3205	32	07/07/16	11/01/18
First Tennessee	MB	1.804%	1.804000%	3.4740	138	08/27/15	02/15/19
Frost Bank	FFCB	1.550%	1.550000%	2.7534	411	02/13/17	11/15/19
Raymond James & Assoc.	FFCB	1.170%	1.170000%	3.5096	470	07/11/16	01/13/20
Raymond James & Assoc.	FHLMC	1.300%	1.300000%	2.2712	236	02/14/17	05/24/19
First Tennessee	FHLMC	1.500%	1.500000%	2.5370	332	02/13/17	08/28/19
Raymond James & Assoc.	FHLMC	1.500%	1.500000%	2.5342	332	02/14/17	08/28/19
Frost Bank	FHLMC	1.750%	1.750000%	3.5397	698	02/13/17	08/28/20
Frost Bank	FHLMC	1.375%	1.375000%	2.0822	166	02/13/17	03/15/19
First Tennessee	FNMA	1.260%	1.450000%	2.4658	306	02/13/17	08/02/19
Wells Fargo Bank	FNMA	0.900%	0.900000%	2.5534	117	07/07/16	01/25/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	1,016	07/12/18	07/12/21
Wells Fargo Bank	CD	2.050%	2.050000%	5.0247	289	07/08/14	07/16/19
Raymond James & Assoc.	CD	2.100%	2.100000%	4.0027	330	08/26/15	08/26/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	1,017	07/13/18	07/13/21
Wells Fargo Bank	CD	1.600%	1.600000%	0.0000	-	08/26/15	09/04/18
Wells Fargo Bank	CD	1.900%	1.900000%	5.0411	296	07/09/14	07/23/19
Frost Bank	CD	3.000%	3.000000%	3.0055	1,023	07/18/18	07/19/21
Raymond James & Assoc.	CD	2.050%	2.050000%	5.0110	698	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.850%	1.850000%	5.0110	698	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.800%	1.800000%	4.5123	516	08/26/15	02/28/20
First Tennessee	CD	2.900%	2.900000%	2.0027	655	07/16/18	07/16/20
First Tennessee	CD	3.050%	3.050000%	3.0055	1,023	07/18/18	07/19/21
Wells Fargo Bank	CD	1.850%	1.850000%	5.0110	284	07/08/14	07/11/19
Wells Fargo Bank	CD	1.800%	1.800000%	5.0438	296	07/08/14	07/23/19
Frost Bank	CD	2.750%	2.750000%	2.2521	761	07/31/18	10/30/20
1.910429%				2.7320	380	Totals	

CD - Brokered Certificates of Deposit

FFCB - Federal Farm Credit Bureau

FHLB-Federal Home Loan Bank

FHLMC-Federal Home Loan Mortgage Corporation

FNMA- Fannie Mae

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

Listing of All Investments and Ladder Placement
September 30, 2018
(Unaudited)

Par Amount	Purchase Price	FMV 06/30/18	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 09/30/2018	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	1,500,000	(1,500,000)	-	-	-	-	-	
1,000,000	1,025,960	993,830	-	2,820	996,650	-	996,650	-	
1,000,000	1,065,640	-	1,000,000	52,090	1,052,090	-	-	1,052,090	
1,000,000	1,030,990	999,710	-	-	999,710	-	999,710	-	
800,000	810,856	796,840	-	816	797,656	-	797,656	-	
1,500,000	1,500,000	1,478,556	-	1,634	1,480,190	-	1,480,190	-	
1,000,000	1,000,000	977,476	-	2,748	980,224	-	-	980,224	
750,000	750,000	742,120	-	1,935	744,055	-	744,055	-	
1,500,000	1,500,000	1,483,833	-	291	1,484,124	-	1,484,124	-	
750,000	750,000	741,917	-	146	742,063	-	742,063	-	
1,000,000	1,000,000	982,657	-	(3,494)	979,163	-	-	979,163	
1,500,000	1,500,000	1,490,891	-	1,961	1,492,852	-	1,492,852	-	
1,500,000	1,500,000	1,481,283	-	1,599	1,482,882	-	1,482,882	-	
1,000,000	1,000,000	992,568	-	2,829	995,397	-	995,397	-	
250,000	250,000	-	250,000	(298)	249,702	-	249,702	-	
248,000	248,000	246,960	-	351	247,311	-	-	247,311	
250,000	250,000	248,982	-	244	249,226	-	-	249,226	
250,000	250,000	-	250,000	(301)	249,699	-	249,699	-	
248,000	248,000	247,882	(248,000)	118	-	-	-	-	
250,000	250,000	246,943	-	340	247,283	-	-	247,283	
250,000	250,000	-	250,000	(323)	249,677	-	249,677	-	
250,000	250,000	245,847	-	335	246,182	-	-	246,182	
250,000	250,000	244,784	-	471	245,255	-	-	245,255	
250,000	250,000	248,128	-	302	248,430	-	-	248,430	
250,000	250,000	-	250,000	348	250,348	-	250,348	-	
250,000	250,000	-	250,000	12	250,012	-	250,012	-	
248,000	248,000	246,632	-	448	247,080	-	-	247,080	
248,000	248,000	246,940	-	347	247,287	-	-	247,287	
250,000	250,000	-	250,000	(843)	249,157	-	249,157	-	
19,542,000	19,699,116	16,884,779	752,000	66,926	17,703,705	-	12,714,174	4,989,531	
						Investment Ladder Targets	7,000,000	25,000,000	8,000,000
						Investment Funds: Available/(Exceeded)	7,000,000	12,285,826	3,010,469

Listing of All Broked CDs and Ladder Placement
September 30, 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
Raymond James & Assoc.	ALLY BANK	3.000%	3.000000%	3.0027	1,016	07/12/18	07/12/21	250,000
Wells Fargo Bank	BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	289	07/08/14	07/16/19	248,000
Raymond James & Assoc.	CAPITAL ONE BANK USA NA	2.100%	2.100000%	4.0027	330	08/26/15	08/26/19	250,000
Raymond James & Assoc.	CITIBANK NA	3.000%	3.000000%	3.0027	1,017	07/13/18	07/13/21	250,000
Wells Fargo Bank	CAPITAL ONE BANK USA NA	1.600%	1.600000%	0.0000	-	08/26/15	09/04/18	248,000
Wells Fargo Bank	CUSTOMERS BANK	1.900%	1.900000%	5.0411	296	07/09/14	07/23/19	250,000
Frost Bank	DISCOVER BANK	3.000%	3.000000%	3.0055	1,023	07/18/18	07/19/21	250,000
Raymond James & Assoc.	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	5.0110	698	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	5.0110	698	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FIRST SOURCE BANK	1.800%	1.800000%	4.5123	516	08/26/15	02/28/20	250,000
First Tennessee	FIRST TECHNOLOGY FEDERAL	2.900%	2.900000%	2.0027	655	07/16/18	07/16/20	250,000
First Tennessee	GOLDMAN SACHS BANK	3.050%	3.050000%	3.0055	1,023	07/18/18	07/19/21	250,000
Wells Fargo Bank	METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	284	07/08/14	07/11/19	248,000
Wells Fargo Bank	OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	296	07/08/14	07/23/19	248,000
Frost Bank	UNITED BANKERS	2.750%	2.750000%	2.2521	761	07/31/18	10/30/20	250,000
Weighted Average			<u>2.314377%</u>	<u>3.6617</u>	<u>594</u>	TOTAL		<u>3,742,000</u>

† 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
September 30, 2018
(Unaudited)

Face Value 06/30/18	Additions	(Maturities)	Market Adjustments Increase (Decrease)	Market Value 09/30/18	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
-	250,000	-	(298)	249,702	-	249,702	-
246,960	-	-	351	247,311	-	-	247,311
248,982	-	-	244	249,226	-	-	249,226
-	250,000	-	(301)	249,699	-	249,699	-
247,882	-	(248,000)	118	-	-	-	-
246,943	-	-	340	247,283	-	-	247,283
-	250,000	-	(323)	249,677	-	249,677	-
245,847	-	-	335	246,182	-	-	246,182
244,784	-	-	471	245,255	-	-	245,255
248,128	-	-	302	248,430	-	-	248,430
-	250,000	-	348	250,348	-	250,348	-
-	250,000	-	12	250,012	-	250,012	-
246,632	-	-	448	247,080	-	-	247,080
246,940	-	-	347	247,287	-	-	247,287
-	250,000	-	(843)	249,157	-	249,157	-
2,223,098	1,500,000	(248,000)	1,551	3,476,649	-	1,498,595	1,978,054

Listing of All Municipal Bonds and Ladder Placement
September 30, 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%	0.0000	-	04/13/15	07/01/18
Wells Fargo Bank	Aa3/AA	Florida St Brd of Adm Fin Corp Rev (GO)	2.163%	2.16%	2.9836	274	07/07/16	07/01/19
First Tennessee	AA	New York NY Build America Bonds	5.024%	5.02%	3.6384	1,248	07/12/18	03/01/22
Wells Fargo Bank	AAA	New York City Transitional Fin Auth Rev Bond	2.150%	2.15%	2.3205	32	07/07/16	11/01/18
First Tennessee	AA/AA+	Texas Tech Univ Revenues 17th Series - TXBL - Series B	1.804%	1.804000%	3.4740	138	08/27/15	02/15/19
† Weighted Averages				2.63%	2.2116	314	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
September 30, 2018
(Unaudited)

Par Amount	Purchase Price	FMV 06/30/18	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 09/30/18	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	1,500,000	(1,500,000)	-	-	-	-	-
1,000,000	1,025,960	993,830	-	2,820	996,650	-	996,650	-
1,000,000	1,065,640	-	1,000,000	52,090	1,052,090	-	-	1,052,090
1,000,000	1,030,990	999,710	-	-	999,710	-	999,710	-
800,000	810,856	796,840	-	816	797,656	-	797,656	-
5,300,000	5,457,116	4,290,380	(500,000)	55,726	3,846,106	-	2,794,016	1,052,090

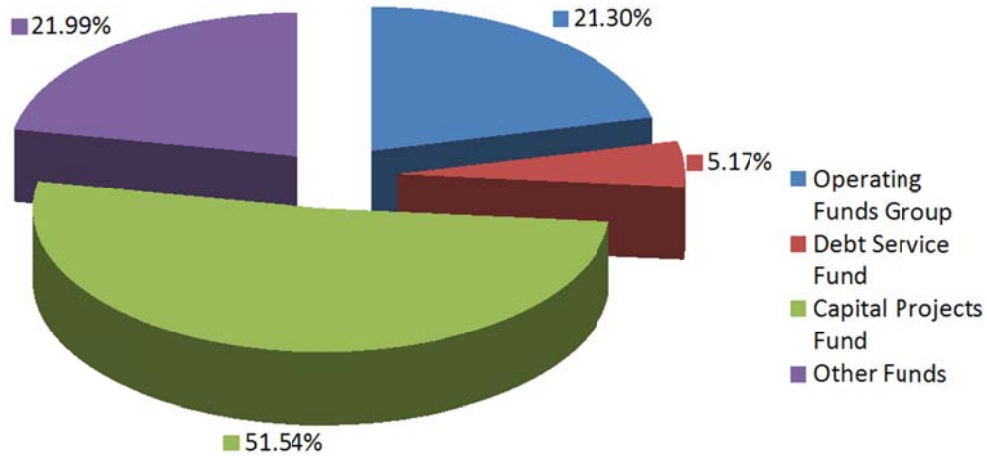
Portfolio Holdings by Fund

September 30, 2018

(Unaudited)

Fund	Operating Funds Groups:		
11	General Fund	\$2,840,104	16.04%
12	Road & Bridge Fund	68,860	0.39%
14	Stadium & Fairgrounds Fund	612,753	3.46%
15	Law Library Fund	69,905	0.39%
16	Airport Fund	-	0.00%
17	Inland Parks Fund	-	0.00%
18	Coastal Parks Fund	178,735	1.01%
	Sub-Total Operating Funds	\$3,770,357	21.30%
09	Debt Service Fund	915,246	5.17%
19	Capital Projects Fund	9,125,099	51.54%
	Other Funds Groups:		
10	Self Insurance Fund	254,216	1.44%
13	Special Revenue Fund	3,638,784	20.55%
	Sub-total Other Funds	3,893,000	21.99%
	Total Holdings at Current Market Value	\$17,703,702	100.00%

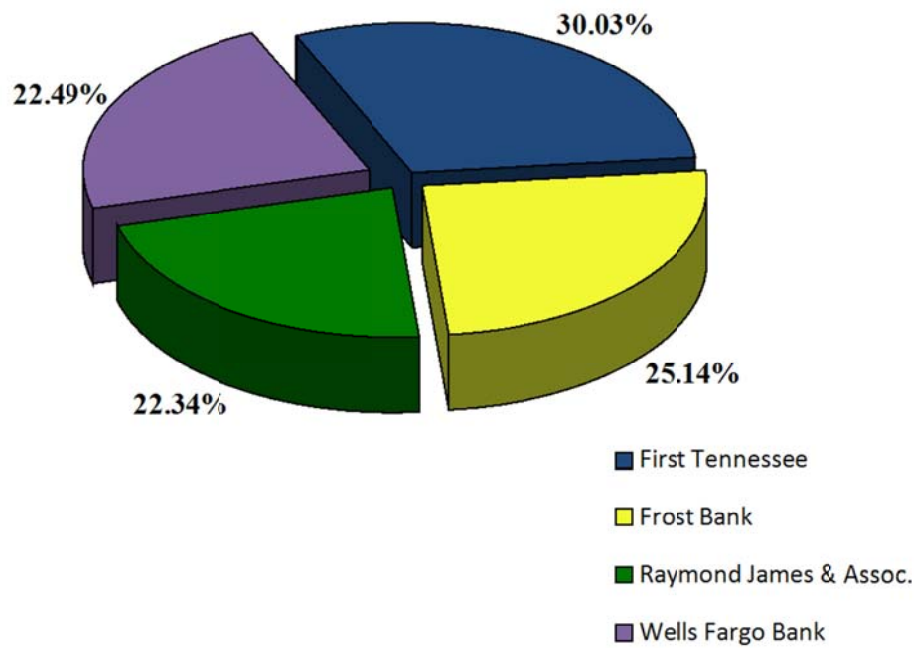
Portfolio Holdings by Fund



**Distribution of Investments by
Broker/Dealer/Financial Institutions
September 30, 2018
(Unaudited)**

	Fair Market Value	Distribution %
First Tennessee	\$5,317,112	30.03%
Frost Bank	4,451,039	25.14%
Raymond James & Assoc.	3,954,836	22.34%
Wells Fargo Bank	3,980,718	22.49%
Total	<u>\$17,703,705</u>	<u>100.00%</u>

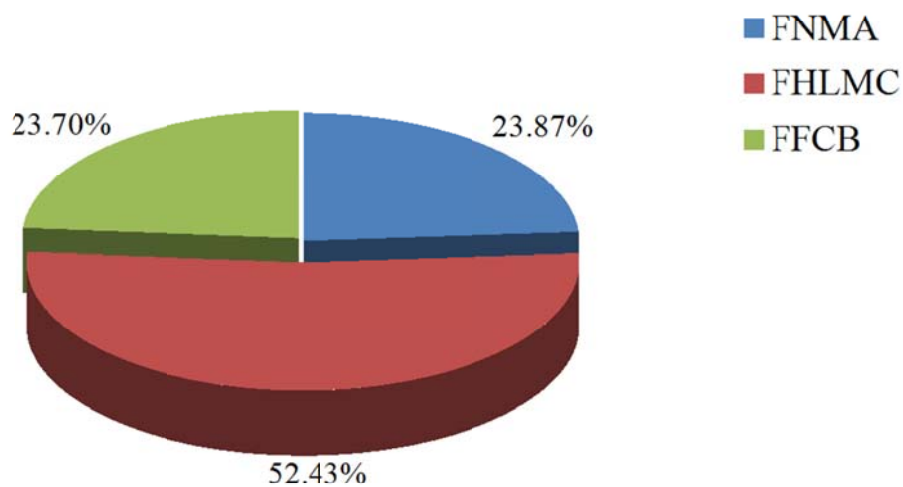
Broker/Dealer Investment Distribution



**Distribution of Investments by
U. S Agencies Issuers
September 30, 2018
(Unaudited)**

Agency		Fair Market Value	Distribution %
Fannie Mae	FNMA	2,478,279	23.87%
Fed Home Loan Freddie Mac	FHLMC	5,442,258	52.43%
Federal Farm Credit Bank	FFCB	2,460,414	23.70%
		<u>\$10,380,951</u>	<u>100.00%</u>

**Distribution of Investments by
U. S. Agency Issuers**

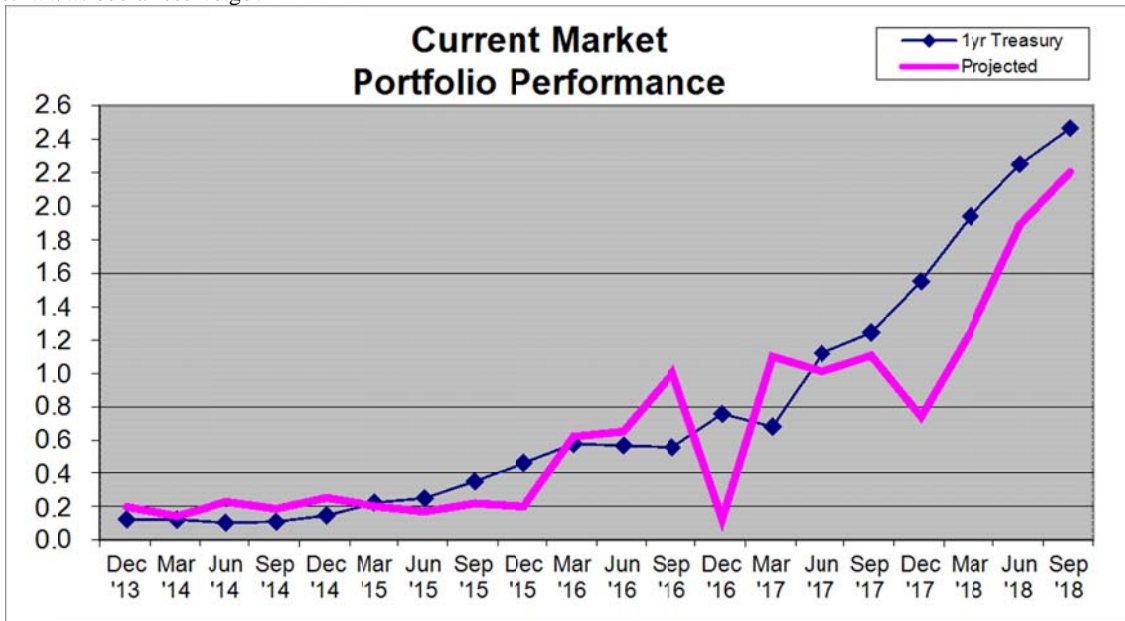


**Investments Performance
Compared to One-Year Treasury
September 30, 2018
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
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%
Jun-18	0.472%	1.889%	2.250%
Sep-18	0.551%	2.203%	2.466%

* 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

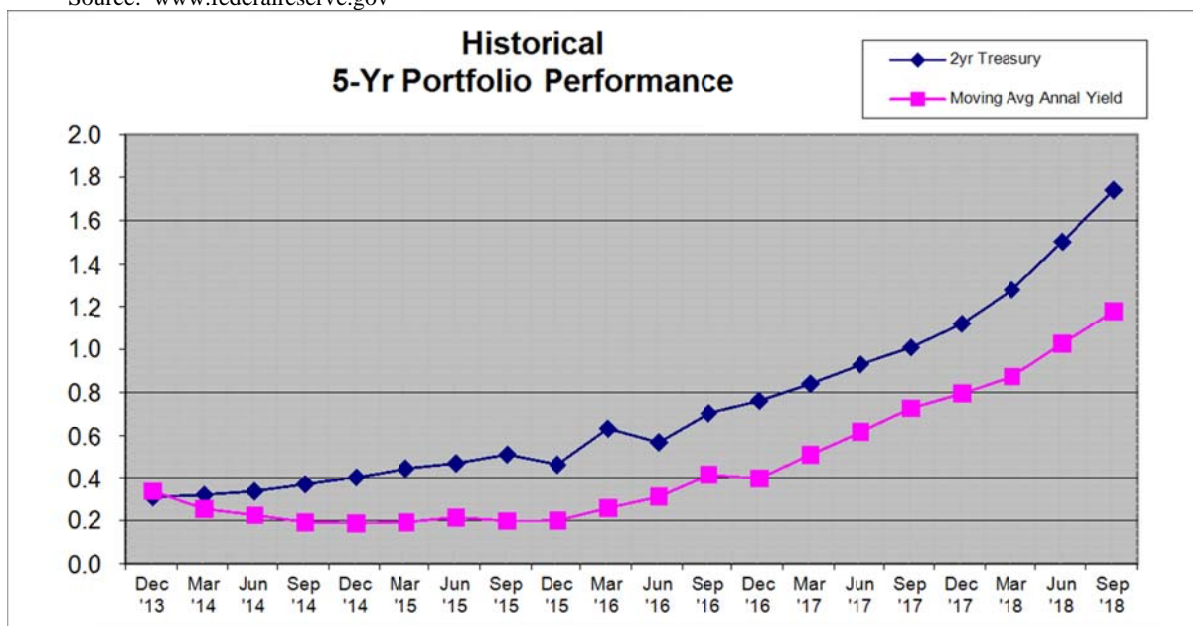


**Investments Performance
Compared to Two-Year Treasury
September 30, 2018
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
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%
Jun-18	1.028%	1.500%
Sep-18	1.178%	1.740%

* 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

September 30, 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>
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%
May '18	1.7159%	2.0196%	2.06%	1.41%
June '18	1.8110%	2.0196%	2.16%	1.52%
July '18	1.8896%	2.1642%	2.24%	1.55%
August '18	1.9205%	2.1805%	2.24%	1.61%
September '18	1.9953%	2.2086%	2.26%	1.68%

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.