

Nueces County Quarterly Investment Report March 31, 2019 (Unaudited)

*Prepared by Nueces
County Auditor's Office
and County Clerk
Treasury Division
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Presented to Nueces County
Commissioners Court in
accordance with Government
Code 2255.023

Investment Committee Members

Barbara Canales – County Judge

Kara Sands – County Clerk

Laura Jimenez – County Attorney

Tyner Little – Interim 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, 2019

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, 2019 have a current value of \$128,418,387. As compared to last report of December 31, 2018, total balances have increased by \$28,867,458 up from \$99,550,929.

Compliance Measures

- The weighted average maturity of the operating portfolio is 42 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, 2018, the average maturity decreased by -37 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 87.92% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 3.12%, 1.84%, and 7.11%, respectively.
- Cash and Cash Equivalents have exceeded the investment policy maximum of 85%. The reason for this can be explained on page 19, the interest rates for Texas Class are 2.61%, and the interest rates for the depository bank are 2.04%. With these high rates, it does not make fiscal sense to reduce liquidity by investing funds in either mid- or long-term investments. All other investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

Summary of Investment Results

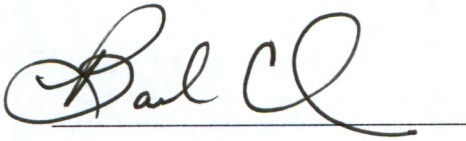
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and 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, 2019. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$789,049. Compared to the quarterly earnings ending March 31, 2018, earnings show an increase of \$400,760, up from \$388,289. The increase in earnings is due primarily to increase in interest rates during this period.

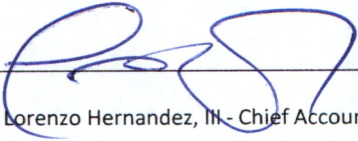
Investment Strategy

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 21, 2019 and herein presents to the Commissioners Court for final approval. Thank you.



Barbara Canales. - County Judge and
Investment Committee Chair



Lorenzo Hernandez, III - Chief Accountant

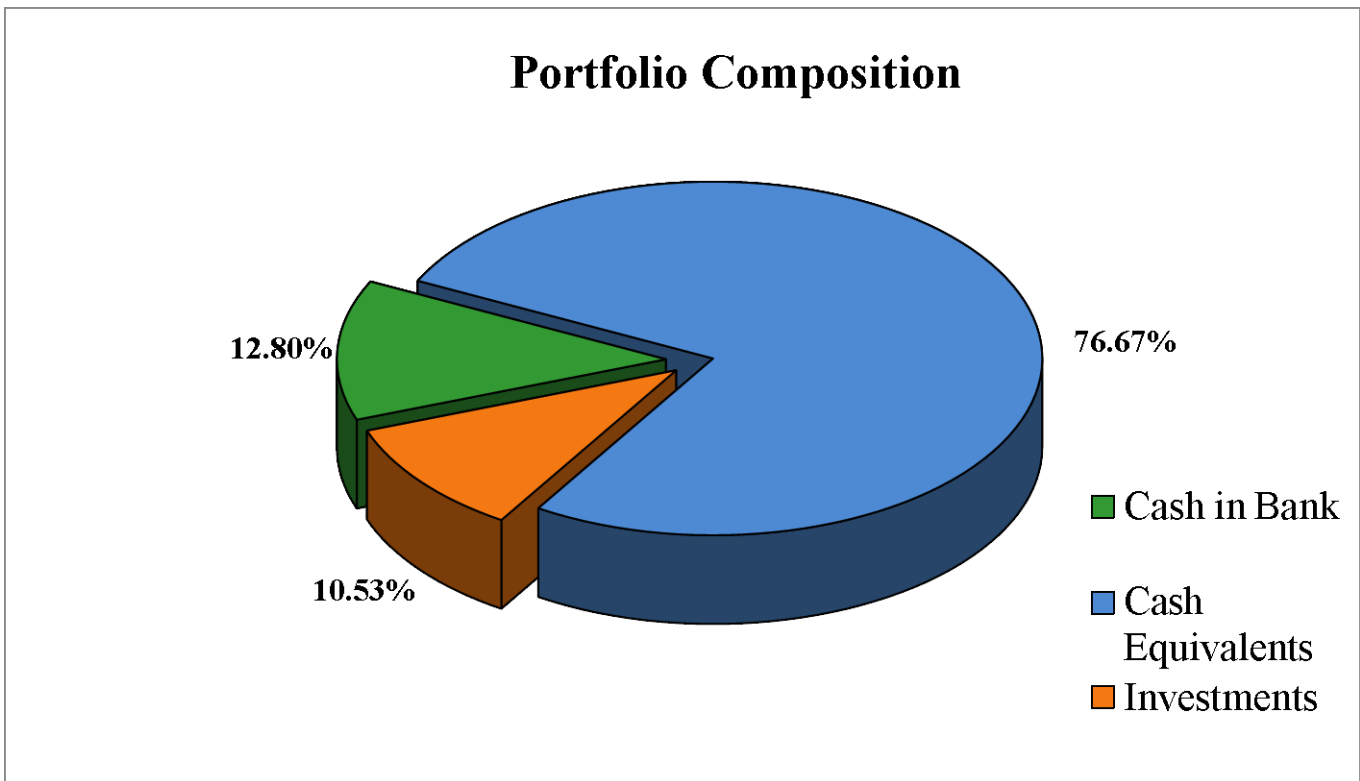
Dale Atchley, CPA
County Auditor



Federico Chavera - Revenue/Cash Manager

Cash, Cash Equivalents and Investments by Fund Group
March 31, 2019
(Unaudited)

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$11,300,034	17.87%	\$891,441	2.75%	\$57,252	0.82%	\$4,195,041	16.28%	\$16,443,768	12.80%
Cash Equivalents: Texas Class	48,851,093	77.26%	24,758,252	76.36%	6,238,067	89.19%	18,605,251	72.19%	98,452,663	76.67%
Investments:										
Brokered CDs	796,327	1.26%	1,752,229	5.41%	180,882	2.59%	769,382	2.99%	3,498,820	2.72%
Municipal Bonds	470,169	0.74%	1,034,555	3.19%	106,797	1.53%	454,260	1.76%	2,065,780	1.61%
US Agencies	1,811,084	2.86%	3,985,090	12.29%	411,379	5.88%	1,749,803	6.79%	7,957,357	6.20%
Sub-Total Investments	3,077,580	4.87%	6,771,874	20.89%	699,058	9.99%	2,973,445	11.54%	13,521,957	10.53%
Total Cash, Cash Equivalents & Investments	\$63,228,706	100.00%	\$32,421,567	100.00%	\$6,994,378	100.00%	\$25,773,736	100.01%	\$128,418,387	100.00%



Operating Funds and Other Funds Groups

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

March 31, 2019

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 9,497,668	1,458,721	52,419
Cash Equivalents	45,697,691	327,092	1,466,010
Investments	<u>2,367,060</u>	<u>52,595</u>	<u>468,016</u>
Total as of March 31, 2019	57,562,419	1,838,407	1,986,445
Total as of March 31, 2018	49,923,997	2,350,168	1,913,538
Increase (Decrease) from one year ago	\$ <u><u>7,638,422</u></u>	<u><u>(511,761)</u></u>	<u><u>72,908</u></u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 1,139,746	2,265,006	448,865
Cash Equivalents	3,899,944	14,705,306	-
Investments	<u>194,169</u>	<u>2,779,276</u>	<u>-</u>
Total as of March 31, 2019	5,233,859	19,749,588	448,865
Total as of March 31, 2018	3,417,417	16,715,829	352,856
Increase (Decrease) from one year ago	\$ <u><u>1,816,443</u></u>	<u><u>3,033,759</u></u>	<u><u>96,009</u></u>

Law Library	Airport	Inland Parks	Coastal Parks	
Fund	Fund	Fund	Fund	Total
30,774	3,260	28,020	229,172	\$ 11,300,034
82,280	121,339	378,004	778,677	48,851,093
53,393	-	-	136,516	3,077,580
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
166,447	124,599	406,023	1,144,366	63,228,706
181,721	105,814	22,754	1,479,169	55,977,160
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(15,273)	18,785	383,269	(334,803)	\$ 7,251,546

TJJD Grant	
Fund	Total
341,424	\$ 4,195,041
-	18,605,251
-	2,973,445
<hr/>	<hr/>
341,424	25,773,736
463,147	20,949,247
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(121,722)	\$ 4,824,489

Portfolio Diversity

Test of Compliance with Investment Policy

All Fund Groups as of March 31, 2019

(Unaudited)

	Current Value	%	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 98,452,663	87.92%	85.00%
Brokered CDs	3,498,820	3.12%	75.00%
Municipal Bonds	2,065,780	1.84%	75.00%
US Agencies	<u>7,957,357</u>	<u>7.11%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	<u>\$ 111,974,619</u>	<u>100.00%</u>	

Portfolio Liquidity

Test of Compliance with Investment Policy

Weighted Average Days to Maturity

Operating Funds Group as of March 31, 2019

(Unaudited)

	Fair Value	Weighted Average Days to Maturity	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 98,452,663	1	
Brokered CDs	3,498,820	467	
Municipal Bonds	2,065,780	595	
US Agencies	<u>7,957,357</u>	<u>223</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	<u>\$ 111,974,619</u>	<u>42</u>	<u>364</u>

Statement of Changes in Investments

as of March 31, 2019

(Unaudited)

	Beginning Balance <u>12/31/2018</u>	Additions	(Subtractions)	Market Adjustment	Ending Balance <u>03/31/2019</u>
Brokered CDs	\$ 3,473,404	\$ -	\$ -	\$ 25,416	\$ 3,498,820
Municipal Bonds	2,858,506	-	(800,000)	7,274	2,065,780
US Agencies	<u>10,418,425</u>	-	<u>(2,500,000)</u>	<u>38,932</u>	<u>7,957,356</u>
Total	\$ <u>16,750,335</u>	\$ <u>-</u>	\$ <u>(3,300,000)</u>	\$ <u>71,622</u>	\$ <u>13,521,956</u>

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	<u>01/01/2018 03/31/2018</u>	<u>01/01/2019 03/31/2019</u>	<u>Increase/ (Decrease)</u>	<u>10/01/2017 03/31/2018</u>	<u>10/01/2018 03/31/2019</u>	<u>Increase/ (Decrease)</u>
Operating Fund Group	\$ 181,740	\$ 354,205	\$ 172,465	\$ 240,402	\$ 543,817	\$ 303,415
Capital Projects Fund Group	118,110	230,099	111,989	191,160	443,680	252,521
Debt Service Fund Group	19,661	49,524	29,863	30,671	74,614	43,943
Other Funds Group	<u>68,777</u>	<u>155,220</u>	<u>86,443</u>	<u>93,683</u>	<u>284,077</u>	<u>190,395</u>
Total	\$ <u>388,289</u>	\$ <u>789,049</u>	\$ <u>400,760</u>	\$ <u>555,915</u>	\$ <u>1,346,189</u>	\$ <u>790,274</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, 2019

(Unaudited)

VENDOR	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
Wells Fargo Bank	MB	2.163%	2.163000%	2.9836	92	07/07/16	07/01/19
First Tennessee	MB	5.024%	5.024000%	3.6384	1066	07/12/18	03/01/22
First Tennessee	MB	1.804%	1.804000%	0.0000	0	08/27/15	02/15/19
Frost Bank	FFCB	1.550%	1.550000%	2.7534	229	02/13/17	11/15/19
Raymond James & Assoc.	FFCB	1.170%	1.170000%	3.5096	288	07/11/16	01/13/20
Raymond James & Assoc.	FHLMC	1.300%	1.300000%	2.2712	54	02/14/17	05/24/19
First Tennessee	FHLMC	1.500%	1.500000%	2.5370	150	02/13/17	08/28/19
Raymond James & Assoc.	FHLMC	1.500%	1.500000%	2.5342	150	02/14/17	08/28/19
Frost Bank	FHLMC	1.750%	1.750000%	3.5397	516	02/13/17	08/28/20
Frost Bank	FHLMC	1.375%	1.375000%	0.0000	0	02/13/17	03/15/19
First Tennessee	FNMA	1.260%	1.450000%	2.4658	124	02/13/17	08/02/19
Wells Fargo Bank	FNMA	0.900%	0.900000%	0.0000	0	07/07/16	01/25/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	834	07/12/18	07/12/21
Wells Fargo Bank	CD	2.050%	2.050000%	5.0247	107	07/08/14	07/16/19
Raymond James & Assoc.	CD	2.100%	2.100000%	4.0027	148	08/26/15	08/26/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	835	07/13/18	07/13/21
Wells Fargo Bank	CD	1.900%	1.900000%	5.0411	114	07/09/14	07/23/19
Frost Bank	CD	3.000%	3.000000%	3.0055	841	07/18/18	07/19/21
Raymond James & Assoc.	CD	2.050%	2.050000%	5.0110	516	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.850%	1.850000%	5.0110	516	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.800%	1.800000%	4.5123	334	08/26/15	02/28/20
First Tennessee	CD	2.900%	2.900000%	2.0027	473	07/16/18	07/16/20
First Tennessee	CD	3.050%	3.050000%	3.0055	841	07/18/18	07/19/21
Wells Fargo Bank	CD	1.850%	1.850000%	5.0110	102	07/08/14	07/11/19
Wells Fargo Bank	CD	1.800%	1.800000%	5.0438	114	07/08/14	07/23/19
Frost Bank	CD	2.750%	2.750000%	2.2521	579	07/31/18	10/30/20
		1.883190%		2.5373	265		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 remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase Price.

Listing of All Investments and Ladder Placement

March 31, 2019

(Unaudited)

Par Amount	Purchase Price	FMV 12/31/18	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 03/31/2019	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs	
1,000,000	1,025,960	997,220	-	1,640	998,860	-	998,860	-	
1,000,000	1,065,640	1,062,150	-	4,770	1,066,920	-	-	1,066,920	
800,000	810,856	799,136	(800,000)	864	-	-	-	-	
1,500,000	1,500,000	1,485,509	-	7,037	1,492,545	-	1,492,545	-	
1,000,000	1,000,000	984,234	-	6,393	990,627	-	-	990,627	
750,000	750,000	746,464	-	2,294	748,757	-	748,757	-	
1,500,000	1,500,000	1,488,110	-	5,514	1,493,624	-	1,493,624	-	
750,000	750,000	744,055	-	2,757	746,812	-	746,812	-	
1,000,000	1,000,000	986,060	-	5,148	991,208	-	-	991,208	
1,500,000	1,500,000	1,496,844	(1,500,000)	3,156	-	-	-	-	
1,500,000	1,500,000	1,488,141	-	5,643	1,493,784	-	1,493,784	-	
1,000,000	1,000,000	999,009	(1,000,000)	991	-	-	-	-	
250,000	250,000	249,104	-	3,378	252,482	-	252,482	-	
248,000	248,000	247,219	-	493	247,711	-	-	247,711	
250,000	250,000	249,171	-	519	249,689	-	-	249,689	
250,000	250,000	249,101	-	3,379	252,480	-	252,480	-	
250,000	250,000	247,198	-	501	247,700	-	-	247,700	
250,000	250,000	249,081	-	3,388	252,468	-	252,468	-	
250,000	250,000	246,308	-	2,215	248,522	-	-	248,522	
250,000	250,000	245,487	-	2,339	247,826	-	-	247,826	
250,000	250,000	248,377	-	1,030	249,407	-	-	249,407	
250,000	250,000	249,928	-	1,426	251,354	-	251,354	-	
250,000	250,000	249,386	-	3,361	252,747	-	252,747	-	
248,000	248,000	247,056	-	580	247,635	-	-	247,635	
248,000	248,000	247,196	-	512	247,707	-	-	247,707	
250,000	250,000	248,796	-	2,297	251,093	-	251,093	-	
16,794,000	16,896,456	16,750,335	(3,300,000)	71,622	13,521,957	-	8,487,005	5,034,952	
						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>16,512,996</u>	<u>2,965,048</u>

Listing of All Broked CDs and Ladder Placement

March 31, 2019

(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	834	07/12/18	07/12/21	250,000
Wells Fargo Bank	BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	107	07/08/14	07/16/19	248,000
Raymond James & Assoc.	CAPITAL ONE BANK USA NA	2.100%	2.100000%	4.0027	148	08/26/15	08/26/19	250,000
Raymond James & Assoc.	CITIBANK NA	3.000%	3.000000%	3.0027	835	07/13/18	07/13/21	250,000
Wells Fargo Bank	CUSTOMERS BANK	1.900%	1.900000%	5.0411	114	07/09/14	07/23/19	250,000
Frost Bank	DISCOVER BANK	3.000%	3.000000%	3.0055	841	07/18/18	07/19/21	250,000
Raymond James & Assoc.	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	5.0110	516	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	5.0110	516	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FIRST SOURCE BANK	1.800%	1.800000%	4.5123	334	08/26/15	02/28/20	250,000
First Tennessee	FIRST TECHNOLOGY FEDERAL	2.900%	2.900000%	2.0027	473	07/16/18	07/16/20	250,000
First Tennessee	GOLDMAN SACHS BANK	3.050%	3.050000%	3.0055	841	07/18/18	07/19/21	250,000
Wells Fargo Bank	METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	102	07/08/14	07/11/19	248,000
Wells Fargo Bank	OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	114	07/08/14	07/23/19	248,000
Frost Bank	UNITED BANKERS	2.750%	2.750000%	2.2521	579	07/31/18	10/30/20	250,000
Weighted Average			<u>2.365083%</u>	<u>3.9216</u>	<u>454</u>	TOTAL		<u>3,494,000</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
 March 31, 2019
 (Unaudited)

Face Value 12/31/18	Additions	(Maturities)	Market Adjustments Increase (Decrease)	Market Value 3/31/19	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
249,104	-	-	3,378	252,482	-	252,482	-
247,219	-	-	493	247,711	-	-	247,711
249,171	-	-	519	249,689	-	-	249,689
249,101	-	-	3,379	252,480	-	252,480	-
247,198	-	-	501	247,700	-	-	247,700
249,081	-	-	3,388	252,468	-	252,468	-
246,308	-	-	2,215	248,522	-	-	248,522
245,487	-	-	2,339	247,826	-	-	247,826
248,377	-	-	1,030	249,407	-	-	249,407
249,928	-	-	1,426	251,354	-	251,354	-
249,386	-	-	3,361	252,747	-	252,747	-
247,056	-	-	580	247,635	-	-	247,635
247,196	-	-	512	247,707	-	-	247,707
248,796	-	-	2,297	251,093	-	251,093	-
3,473,404	-	-	25,416	3,498,820	-	1,512,623	1,986,197

Listing of All Municipal Bonds and Ladder Placement
 Macrh 31, 2019
 (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 St Brd of Adm Fin Corp Rev (GO)	2.163%	2.16%	2.9836	92	07/07/16	07/01/19
First Tennessee	AA	New York NY Build America Bonds	5.024%	5.02%	3.6384	1,066	07/12/18	03/01/22
First Tennessee	AA/AA+	Texas Tech Univ Revenues 17th Series - TXBL - Series B	1.804%	1.80%	0.0000	-	08/27/15	02/15/19
† Weighted Averages				3.08%	2.3650	414	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, 2019
 (Unaudited)

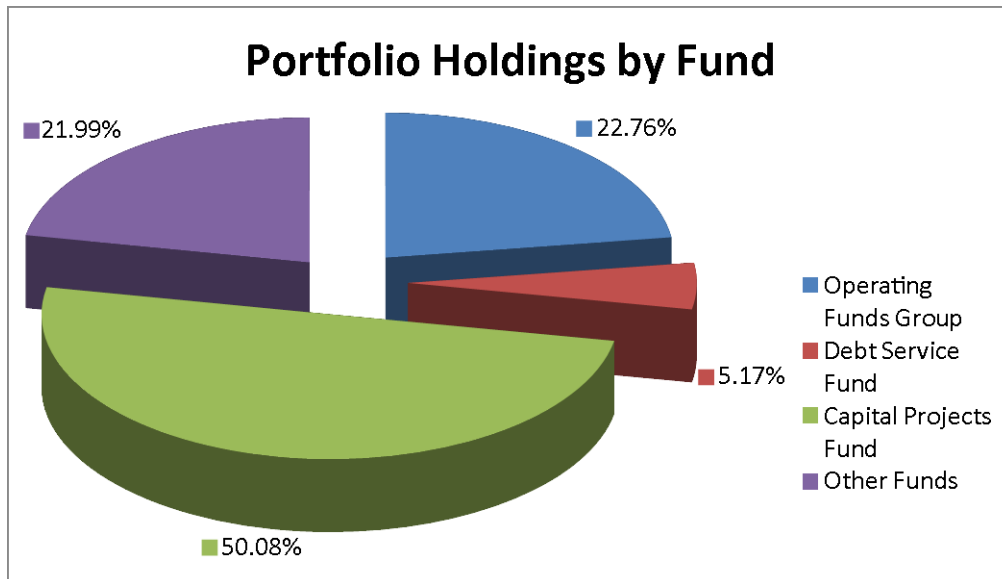
Par Amount	Purchase Price	FMV 12/31/18	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 03/31/19	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
1,000,000	1,025,960	997,220	-	1,640	998,860	-	998,860	-
1,000,000	1,065,640	1,062,150	-	4,770	1,066,920	-	-	1,066,920
800,000	810,856	799,136	(800,000)	864	-	-	-	-
2,800,000	2,902,456	2,858,506	(800,000)	7,274	2,065,780	-	998,860	1,066,920

Portfolio Holdings by Fund

March 31, 2019

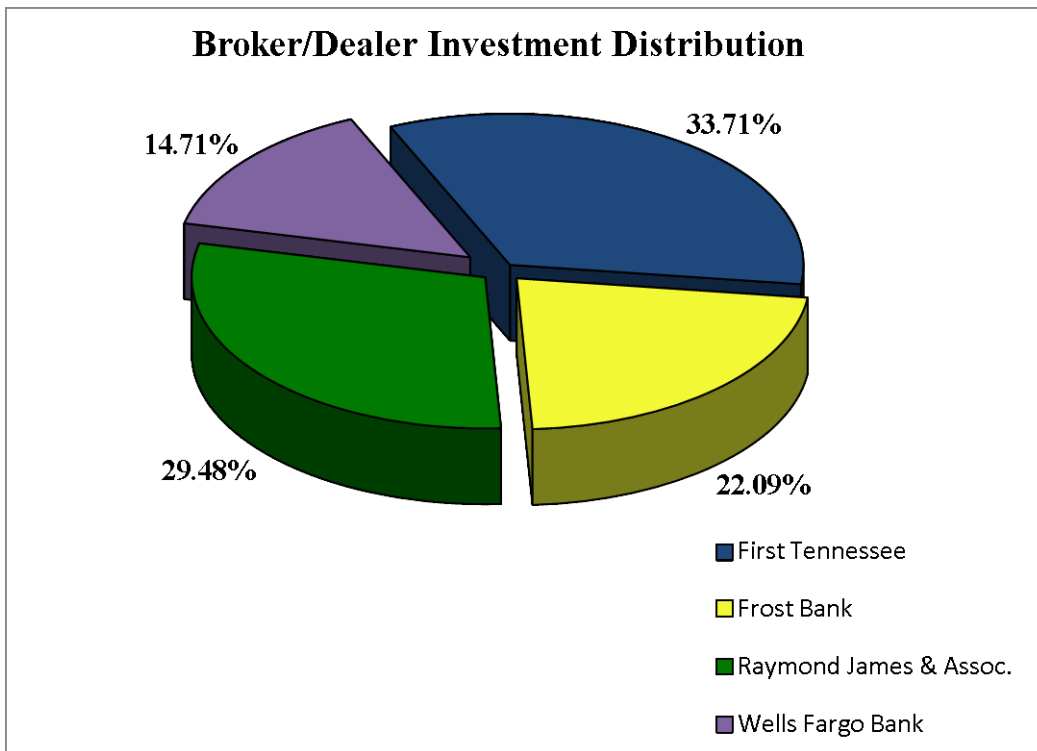
(Unaudited)

Fund	Operating Funds Groups:		
11	General Fund	\$2,367,060	17.51%
12	Road & Bridge Fund	52,595	0.39%
14	Stadium & Fairgrounds Fund	468,016	3.46%
15	Law Library Fund	53,393	0.39%
18	Coastal Parks Fund	136,516	1.01%
	Sub-Total Operating Funds	\$3,077,580	22.76%
09	Debt Service Fund	699,058	5.17%
19	Capital Projects Fund	6,771,874	50.08%
	Other Funds Groups:		
10	Self Insurance Fund	194,169	1.44%
13	Special Revenue Fund	2,779,276	20.55%
	Sub-total Other Funds	2,973,445	21.99%
	Total Holdings at Current Market Value	\$13,521,957	100.00%



**Distribution of Investments by
Broker/Dealer/Financial Institutions
March 31, 2019
(Unaudited)**

	Fair Market Value	Distribution %
First Tennessee	\$4,558,428	33.71%
Frost Bank	2,987,314	22.09%
Raymond James & Assoc.	3,986,601	29.48%
Wells Fargo Bank	1,989,613	14.71%
Total	\$13,521,957	100.00%



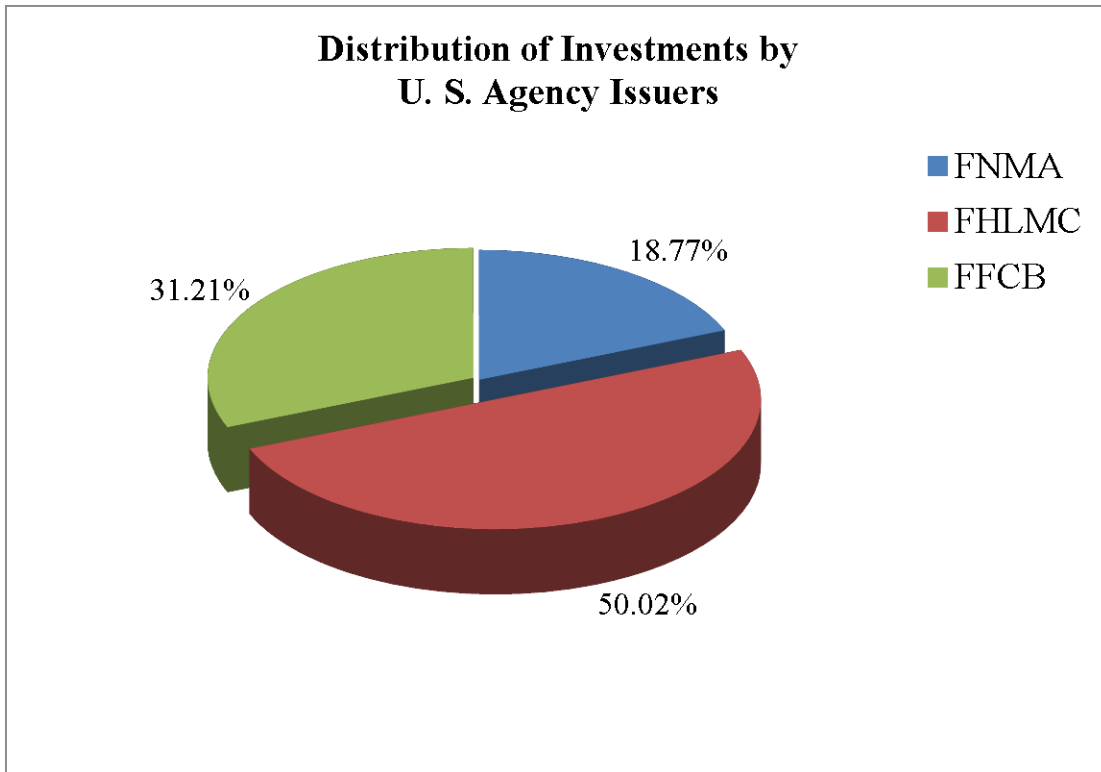
Distribution of Investments by

U. S Agencies Issuers

March 31, 2019

(Unaudited)

<u>Agency</u>		<u>Fair Market Value</u>	<u>Distribution %</u>
Fannie Mae	FNMA	1,493,784	18.77%
Fed Home Loan Freddie Mac	FHLMC	3,980,402	50.02%
Federal Farm Credit Bank	FFCB	2,483,172	31.21%
		<u>\$7,957,358</u>	<u>100.00%</u>

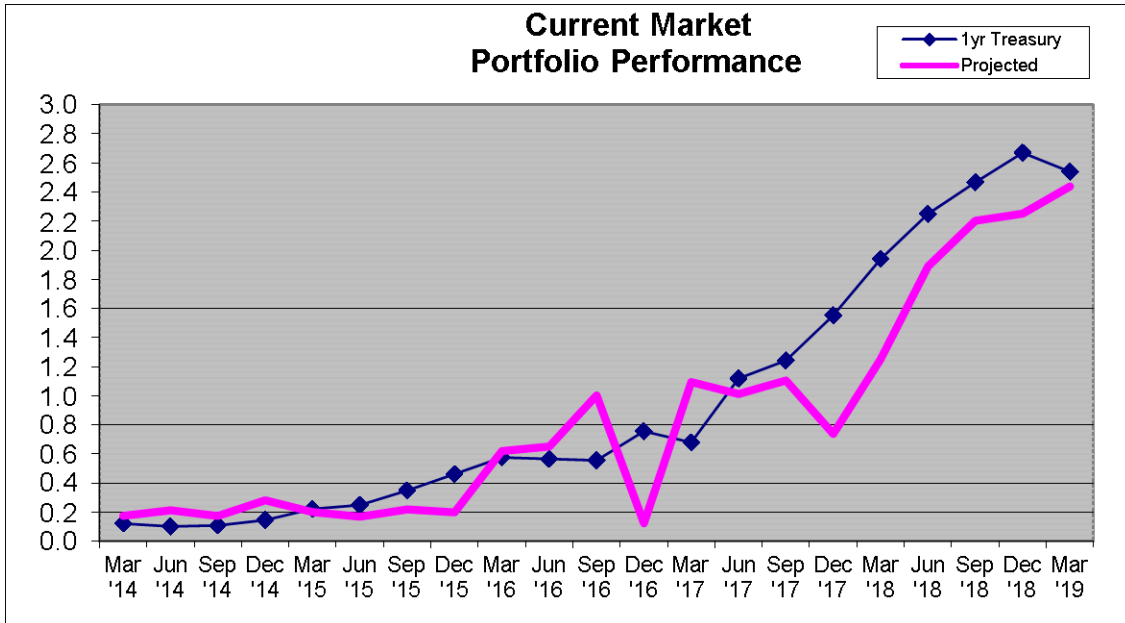


**Investments Performance
Compared to One-Year Treasury
March 31, 2019
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
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	0.163%	0.621%	0.567%
Sep-16	0.251%	0.893%	0.556%
Dec-16	0.031%	0.133%	0.757%
Mar-17	0.274%	1.125%	0.680%
Jun-17	0.253%	0.997%	1.120%
Sep-17	0.276%	1.073%	1.240%
Dec-17	0.185%	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%	2.467%
Dec-18	0.563%	2.252%	2.670%
Mar-19	0.610%	2.439%	2.540%

* 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

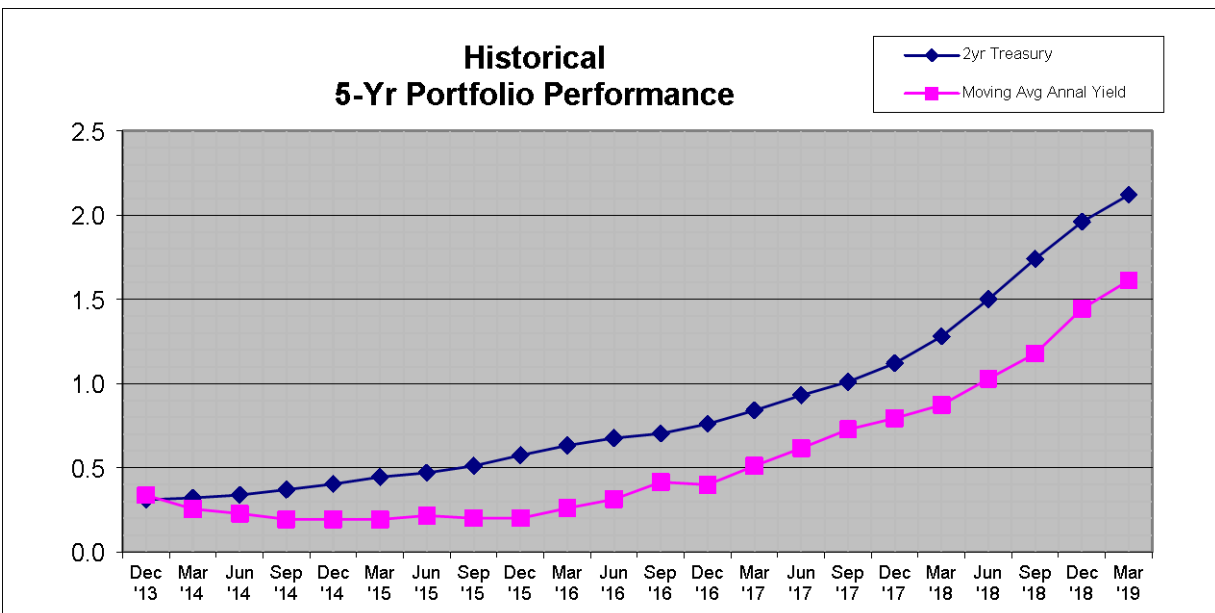


**Investments Performance
Compared to Two-Year Treasury
March 31, 2019
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Mar-14	0.253%	0.321%
Jun-14	0.228%	0.338%
Sep-14	0.194%	0.370%
Dec-14	0.194%	0.403%
Mar-15	0.193%	0.445%
Jun-15	0.216%	0.470%
Sep-15	0.200%	0.511%
Dec-15	0.200%	0.574%
Mar-16	0.260%	0.632%
Jun-16	0.313%	0.676%
Sep-16	0.415%	0.703%
Dec-16	0.399%	0.760%
Mar-17	0.511%	0.840%
Jun-17	0.616%	0.930%
Sep-17	0.727%	1.010%
Dec-17	0.794%	1.120%
Mar-18	0.873%	1.280%
Jun-18	1.028%	1.500%
Sep-18	1.178%	1.740%
Dec-18	1.444%	1.960%
Mar-19	1.612%	2.120%

* 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, 2019

(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>
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%
October '18	2.1438%	2.3317%	2.34%	1.77%
November '18	2.2030%	2.3943%	2.42%	1.99%
December '18	2.2872%	2.4927%	2.50%	2.12%
January '19	2.3892%	2.6067%	2.62%	2.03%
February '19	2.3972%	2.5922%	2.63%	2.06%
March '19	2.4164%	2.5907%	2.61%	2.04%

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.