

# Nueces County Quarterly Investment Report June 30, 2016 (Unaudited)

*Prepared by Nueces County  
Auditors Office and County  
Clerk Treasury Division  
901 Leopard Rm. 304  
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# Nueces County

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Presented to Nueces County  
Commissioners Court  
in accordance with Government  
Code 2256.023

Investment Committee Members

Samuel L. Neal, Jr. - County Judge

Kara Sands- County Clerk

Laura Jimenez - County Attorney

Steve Waterman - Director of Commissioners Court Admin

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA - County Auditor

County Investment Officers

Fred Chavera - Revenue/Cash Manager

Lisa Davis – Budget Accountant

Aidee Hernandez – Executive Accountant

# Investment Report to Commissioners Court

As of June 30, 2016

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 June 30, 2016 have a current value of \$99,341,880. As compared to last quarter, total balances have decreased by (\$17,430,460) down from \$116,772,340. The reason for the net decrease is due to the county having limited collections of property taxes.

## Compliance Measures

- The weighted average maturity of the operating portfolio is 97 days and the county is in compliance with the investment policy. The policy limits the weighted average to 364 days. Compared to last quarter the average maturity decreased by (50) days, due to increase in pool 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 72.39% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 8.82%, 4.53%, and 14.25%, 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 June 30, 2016.

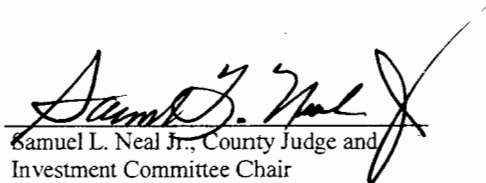
Brokered CDs are being carried at cost and other investments shorter than a year are not marked to market. The next quarter will reflect the market values for the brokered CD's.

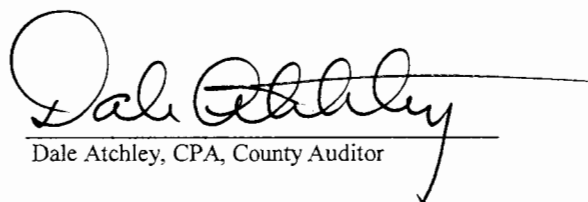
Current quarterly earnings are \$161,585. Compared to the quarter ending June 30, 2015, earnings this quarter shows an increase of \$116,549, up from \$45,036. Current earnings compared to the pervious previous quarter is down (\$20,373.00) which is due primarily to the mark down in market value in the current period..

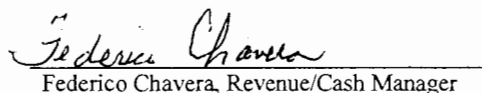
## Investment Strategy

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 Auditors Office and the County Clerk– Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on October 6, 2016, and herein presents to the Commissioners Court for final approval. Thank you.

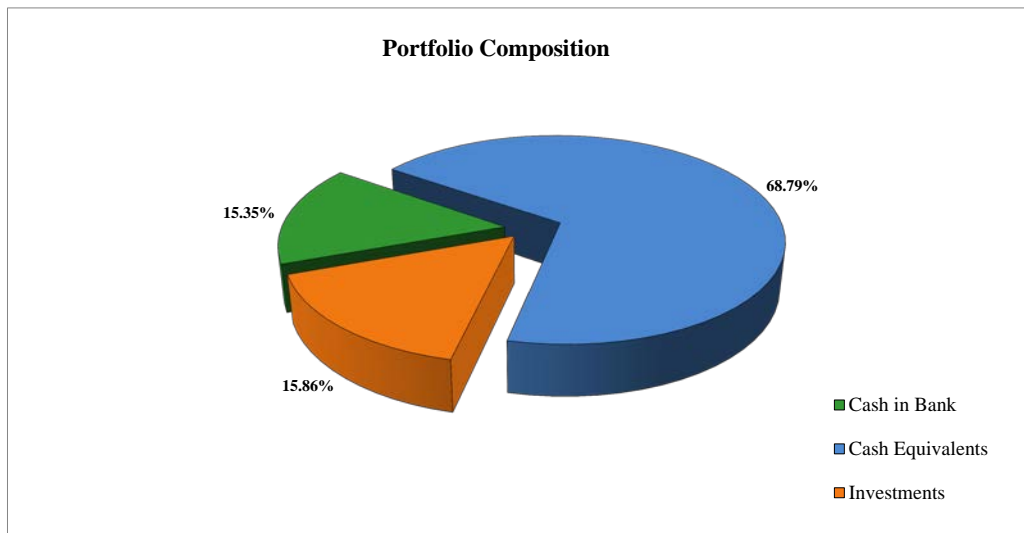
  
Samuel L. Neal Jr., County Judge and  
Investment Committee Chair

  
Dale Atchley, CPA, County Auditor

  
Federico Chavera, Revenue/Cash Manager

**Cash, Cash Equivalents and Investments by Fund Group**  
**June 30, 2016**  
(Unaudited)

	<b>Operating Funds</b>		<b>Capital Projects Funds</b>		<b>Debt Service Funds</b>		<b>Other Funds</b>		<b>All Fund Groups Total</b>	
Cash in Bank	\$ 9,141,112	16.98%	\$ 684,141	2.82%	\$ 139,017	2.68%	\$ 5,286,883	32.85%	\$ 15,251,153	15.35%
Cash Equivalents:										
TEXPOOL	1,439,284	2.67%	-	0.00%		0.00%	2,218	0.01%	1,441,502	1.45%
MBIA	37,716,389	70.08%	16,886,013	69.67%	3,967,335	76.45%	8,323,293	51.72%	66,893,030	67.34%
<b>Sub-Total Cash &amp; Cash Equivalents</b>	<b>39,155,673</b>	<b>72.75%</b>	<b>16,886,013</b>	<b>69.67%</b>	<b>3,967,335</b>	<b>76.45%</b>	<b>8,325,511</b>	<b>51.73%</b>	<b>68,334,532</b>	<b>68.79%</b>
Investments:										
Brokered CDs	2,268,854	4.22%	2,736,876	11.29%	444,706	8.57%	1,019,020	6.33%	6,469,456	6.51%
Municipal Bonds	1,570,209	2.92%	1,894,113	7.82%	307,768	5.93%	705,233	4.38%	4,477,323	4.51%
US Agencies	1,686,674	3.13%	2,034,603	8.40%	330,596	6.37%	757,543	4.71%	4,809,416	4.84%
<b>Sub-Total Investments</b>	<b>5,525,737</b>	<b>10.27%</b>	<b>6,665,592</b>	<b>27.51%</b>	<b>1,083,070</b>	<b>20.87%</b>	<b>2,481,796</b>	<b>15.42%</b>	<b>15,756,195</b>	<b>15.86%</b>
<b>Total Cash, Cash Equivalents &amp; Investments</b>	<b>\$ 53,822,522</b>	<b>100.00%</b>	<b>\$ 24,235,746</b>	<b>100.00%</b>	<b>\$ 5,189,422</b>	<b>100.00%</b>	<b>\$ 16,094,190</b>	<b>100.00%</b>	<b>\$ 99,341,880</b>	<b>100.00%</b>



## Operating Funds and Other Funds Groups

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

June 30, 2016

### Operating Funds:

	<b>General Fund</b>	<b>Road Fund</b>	<b>Stadium/ Fairgrounds Fund</b>
Cash	\$ 8,996,790	135,363	(2,465)
Cash Equivalents	33,516,622	1,608,140	2,191,433
Investments	<u>4,885,774</u>	<u>60,408</u>	<u>313,033</u>
Total as of June 30, 2016	47,399,186	1,803,911	2,502,001
Total as of June 30, 2015	46,850,024	2,023,928	2,090,275
Increase (Decrease) from one year ago	<u>\$ 549,162</u>	<u>(220,017)</u>	<u>411,726</u>

### Other Funds:

	<b>Self Insurance Fund</b>	<b>Special Fund</b>	<b>Main Grant Fund</b>
Cash	\$ 77,670	4,796,305	114,215
Cash Equivalents	918,030	7,405,263	-
Investments	<u>162,063</u>	<u>2,319,733</u>	<u>-</u>
Total as of June 30, 2016	1,157,763	14,521,301	114,215
Total as of June 30, 2015	1,347,512	13,450,874	977,637
Increase (Decrease) from one year ago	<u>\$ (189,749)</u>	<u>1,070,427</u>	<u>(863,422)</u>

<b>Law Library Fund</b>	<b>Airport Fund</b>	<b>Inland Parks Fund</b>	<b>Coastal Parks Fund</b>	<b>Total</b>
42,867	(18)	(121,051)	89,626	\$ 9,141,112
146,966	77,727	455,721	1,159,064	39,155,673
61,074	-	-	205,448	5,525,737
250,907	77,709	334,670	1,454,138	53,822,522
253,566	52,611	372,361	787,993	52,430,758
<u>(2,659)</u>	<u>25,098</u>	<u>(37,691)</u>	<u>666,145</u>	\$ <u>1,391,764</u>

<b>TJJD Grant Fund</b>	<b>Total</b>
298,693	\$ 5,286,883
-	8,323,293
-	2,481,796
298,693	16,091,972
538,995	16,315,018
<u>(240,302)</u>	\$ <u>(223,046)</u>

### Portfolio Diversity

Test of Compliance with Investment Policy

All Fund Groups as of June 30, 2016

(Unaudited)

	<u>Current Value</u>	<u>%</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 68,334,532	81.26%	85.00%
Brokered CDs	6,469,456	7.69%	75.00%
Municipal Bonds	4,477,323	5.33%	75.00%
US Agencies	<u>4,809,416</u>	<u>5.72%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	<u>\$ 84,090,727</u>	<u>100.00%</u>	

### Portfolio Liquidity

Test of Compliance with Investment Policy

Weighted Average Days to Maturity

Operating Funds Group as of June 30, 2016

(Unaudited)

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 68,334,532	1	
Brokered CDs	6,469,456	609	
Municipal Bonds	4,477,323	569	
US Agencies	<u>4,809,416</u>	<u>338</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	<u>\$ 84,090,727</u>	<u>97</u>	<u>364</u>



## Statement of Changes in Investments

as of June 30, 2016

(Unaudited)

	Beginning Balance 03/31/16	Additions	(Subtractions)	Amortization (Premium) Discount	Market Adjustments	Ending Balance 06/30/16
Brokered CDs	\$ 8,703,302	\$ -	\$ (2,234,000)	\$ 154	\$ -	\$ 6,469,456
Municipal Bonds	4,469,622	-	-	(5,049)	12,750	4,477,323
US Agencies	14,060,547	-	(9,250,000)	(1,139)	8	4,809,416
Total	\$ <u>27,233,471</u>	\$ <u>0</u>	\$ <u>(11,484,000)</u>	\$ <u>(6,034)</u>	\$ <u>12,758</u>	\$ <u>15,756,195</u>

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	04/01/15 06/30/15	04/01/16 06/30/16	Increase/ (Decrease)	10/01/14 06/30/15	10/01/15 06/30/16	Increase/ (Decrease)
Operating Fund Group	\$ 23,422	\$ 85,218	\$ 61,796	\$ 68,509	\$ 178,403	\$ 109,894
Capital Projects Fund Group	9,596	46,190	36,594	24,724	131,040	106,316
Debt Service Fund Group	3,522	9,171	5,649	13,733	25,173	11,440
Other Funds Group	8,496	21,006	12,510	31,214	57,036	25,822
Total	\$ <u>45,036</u>	\$ <u>161,585</u>	\$ <u>116,549</u>	\$ <u>138,180</u>	\$ <u>391,652</u>	\$ <u>253,472</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 -  
June 30, 2016  
(Unaudited)

VENDOR	Agency Feature B=Bullet C=Call S=Step	CUSIP	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	Par Amount	Purchase Price
Wells Fargo	C	67756A2K7	MB	1.000%	0.273100%	1.6384	185	05/14/15	01/01/17	380,000	392,171
Coastal Securities	N/A	57582P2Q2	MB	1.000%	0.880000%	2.9233	305	05/30/14	05/01/17	1,250,000	1,254,300
Coastal Securities	N/A	20772JL26	MB	1.284%	0.850000%	1.9205	397	08/31/15	08/01/17	500,000	501,420
Wells Fargo	N/A	34074GDG6	MB	2.107%	2.107000%	3.2110	731	04/16/15	07/01/18	1,500,000	1,523,670
Coastal Securities	N/A	882806EL2	MB	1.804%	1.400000%	3.4630	960	08/31/15	02/15/19	800,000	810,856
Wells Fargo	N/A/	3133EFBS5	FFCB	0.680%	0.680000%	1.8329	368	09/03/15	07/03/17	1,000,000	1,000,000
Coastal Securities	N/A	3130A4YK2	FHLB	0.310%	0.310000%	0.0000	-	04/15/15	04/15/16	1,000,000	1,000,000
Coastal Securities	C	3134G6E82	FHLMC	1.013%	0.850000%	0.0000	330	05/26/15	05/26/17	2,500,000	2,500,325
Frost Bank	C	3134G6E82	FHLMC	1.000%	0.850000%	0.0000	330	05/26/15	05/26/17	1,750,000	1,750,000
Wells Fargo	N/A	3134G6YQ0	FHLMC	1.000%	0.800000%	2.0027	330	05/26/15	05/26/17	3,808,000	3,808,000
Raymond James	C	3135G0D83	FNMA	1.625%	0.590000%	0.0000	665	05/12/15	04/26/18	2,000,000	2,019,694
Raymond James	C	3135G0D67	FNMA	1.625%	0.590000%	0.0000	666	05/12/15	04/27/18	2,000,000	2,019,751
Raymond James	N/A	05368TAA9	CD	1.000%	1.000000%	0.0000	-	04/16/15	04/15/16	248,000	248,000
Raymond James	N/A	33583CPD5	CD	1.000%	1.000000%	0.0000	-	04/17/15	04/15/16	248,000	248,000
Frost Bank	N/A	8148RAV2	CD	1.000%	1.000000%	0.0000	-	04/17/15	04/15/16	248,000	248,000
Frost Bank	N/A	03784JHB3	CD	1.000%	1.000000%	0.0000	-	04/22/15	04/29/16	248,000	248,000
Frost Bank	N/A	14147VEN2	CD	1.000%	1.000000%	0.0000	-	04/29/15	04/26/16	248,000	248,000
Coastal Securities	N/A	149159KH7	CD	1.000%	1.000000%	0.0000	-	05/14/15	05/06/16	248,000	248,000
Coastal Securities	N/A	60688MMH4	CD	1.000%	1.000000%	0.0000	-	05/20/15	05/20/16	248,000	248,000
Wells Fargo	N/A	17284AS66	CD	1.000%	1.000000%	0.0000	-	05/15/12	05/23/16	248,000	248,000
Frost Bank	N/A	200829AW9	CD	1.000%	1.000000%	0.0000	-	08/31/15	06/30/16	250,000	250,000
Frost Bank	N/A	08016PBU2	CD	1.000%	1.000000%	1.0000	61	08/31/15	08/30/16	250,000	250,000
Frost Bank	N/A	07370TP98	CD	1.000%	1.000000%	0.9973	62	09/02/15	08/31/16	250,000	250,000
Frost Bank	N/A	29367RHC3	CD	1.000%	1.000000%	1.0027	62	08/31/15	08/31/16	250,000	250,000
Frost Bank	N/A	7836861BY2	CD	1.000%	1.000000%	0.9973	64	09/04/15	09/02/16	250,000	250,000
Wells Fargo	N/A	78658QNK5	CD	1.000%	1.000000%	1.5068	138	05/15/15	11/15/16	248,000	248,000
Wells Fargo	N/A	316041CN0	CD	1.000%	1.000000%	1.5068	144	05/21/15	11/21/16	248,000	248,000
Wells Fargo	N/A	59774QEU2	CD	1.000%	1.000000%	1.4575	228	08/31/15	02/13/17	249,000	249,000
Raymond James	N/A	05580ABL7	CD	1.000%	1.000000%	1.9479	298	05/14/15	04/24/17	248,000	246,879
Coastal Securities	N/A	02006LQT3	CD	1.000%	1.000000%	2.0055	319	05/14/15	05/15/17	248,000	248,000
Raymond James	N/A	02587DXZ6	CD	1.000%	1.000000%	2.0055	319	05/14/15	05/15/17	248,000	248,000
Coastal Securities	N/A	254672NM6	CD	1.000%	1.000000%	2.0082	319	05/13/15	05/15/17	248,000	248,000
Wells Fargo	N/A	928066AJ8	CD	1.000%	1.000000%	1.7973	347	08/26/15	06/12/17	249,000	249,000
Wells Fargo	N/A	33610RPP2	CD	1.000%	1.000000%	3.0466	389	07/08/14	07/24/17	248,000	248,000
Wells Fargo	N/A	63969AAU8	CD	1.000%	1.000000%	5.0384	453	09/13/12	09/26/17	250,000	250,000

Listing of All Investments and Ladder Placement -  
June 30, 2016  
(Unaudited)

FMV 03/31/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 06/30/16	Short-term Ladder ≤12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
385,130		(1,866)	441	<b>383,705</b>	-	383,705	-
1,255,450		(368)	(1,707)	<b>1,253,375</b>	-	1,253,375	-
502,635		(185)	(960)	<b>501,490</b>	-	501,490	-
1,516,695		(1,844)	9,134	<b>1,523,985</b>	-	1,523,985	-
809,712		(785)	5,841	<b>814,768</b>	-	814,768	-
999,401			823	<b>1,000,224</b>	-	1,000,224	-
1,000,060	(1,000,000)		(60)	-	-	-	-
2,500,107	(2,500,000)	(27)	(80)	-	-	-	-
1,750,075	(1,750,000)		(75)	-	-	-	-
3,808,023			1,169	<b>3,809,192</b>	-	3,809,192	-
2,001,340	(2,000,000)	(555)	(785)	-	-	-	-
2,001,540	(2,000,000)	(556)	(984)	-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
248,000	(248,000)			-	-	-	-
250,000	(250,000)			-	-	-	-
250,000				<b>250,000</b>	250,000	-	-
250,000				<b>250,000</b>	250,000	-	-
250,000				<b>250,000</b>	250,000	-	-
250,000				<b>250,000</b>	250,000	-	-
248,000				<b>248,000</b>	-	248,000	-
248,000				<b>248,000</b>	-	248,000	-
249,000				<b>249,000</b>	-	249,000	-
247,387		143		<b>247,530</b>	-	247,530	-
248,000				<b>248,000</b>	-	248,000	-
248,000				<b>248,000</b>	-	248,000	-
248,000				<b>248,000</b>	-	248,000	-
249,000				<b>249,000</b>	-	249,000	-
248,000				<b>248,000</b>	-	248,000	-
250,000				<b>250,000</b>	-	-	250,000

Listing of All Investments and Ladder Placement -  
June 30, 2016  
(Unaudited)

VENDOR	Agency Feature B=Bullet C=Call S=Step	CUSIP	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	Par Amount	Purchase Price
Wells Fargo	N/A	12325EFN7	CD	1.000%	1.000000%	5.0438	455	09/13/12	09/28/17	250,000	250,000
Raymond James	N/A	48125T6N0	CD	1.000%	1.000000%	2.9863	649	04/16/15	04/10/18	248,000	248,000
Frost Bank	N/A	38148JRJ2	CD	1.000%	1.000000%	3.0055	662	04/22/15	04/23/18	248,000	248,000
Wells Fargo	N/A	140420UW8	CD	1.000%	1.000000%	3.0274	796	08/26/15	09/04/18	248,000	248,000
Wells Fargo	N/A	591803BD2	CD	1.000%	1.000000%	5.0110	1,106	07/08/14	07/11/19	248,000	248,000
Wells Fargo	N/A	06740KHF7	CD	1.000%	1.000000%	5.0247	1,111	07/08/14	07/16/19	248,000	248,000
Wells Fargo	N/A	23204HBU1	CD	1.000%	1.000000%	5.0411	1,118	07/09/14	07/23/19	248,000	248,000
Wells Fargo	N/A	677721CE0	CD	1.000%	1.000000%	5.0438	1,118	07/08/14	07/23/19	248,000	248,000
Raymond James	N/A	140420UT5	CD	1.000%	1.000000%	3.9890	1,152	08/31/15	08/26/19	250,000	250,000
Raymond James	N/A	33646CFN9	CD	1.000%	1.000000%	4.9973	1,520	08/31/15	08/28/20	250,000	250,000
Raymond James	N/A	29976DA59	CD	1.000%	1.000000%	4.9973	1,520	08/31/15	08/28/20	250,000	250,000
Raymond James	N/A	307814DF7	CD	1.000%	1.000000%	4.9973	1,520	08/31/15	08/28/20	250,000	250,000
<b>Weighted Averages <sup>†</sup></b>					<b>0.905493%</b>	<b>1.5469</b>	<b>448</b>	<b>Totals</b>		<b>27,192,000</b>	<b>27,283,066</b>

Description Index:

CD - Brokered Certificates of Deposit

FFCB - Federal Farm Credit Bureau

FHLB-Federal Home Loan Bank

FHLMC-Federal Home Loan Mortgage Corporation

FNMA- Fannie Mae

<sup>†</sup> 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 -  
June 30, 2016  
(Unaudited)

FMV 03/31/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 06/30/16	Short-term Ladder ≤12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
250,000				250,000	-	-	250,000
247,916		10		247,926	-	247,926	-
248,000				248,000	-	248,000	-
248,000				248,000	-	248,000	-
248,000				248,000	-	-	248,000
248,000				248,000	-	-	248,000
248,000				248,000	-	-	248,000
248,000				248,000	-	-	248,000
250,000				250,000	-	-	250,000
250,000				250,000	-	-	250,000
250,000				250,000	-	-	250,000
250,000				250,000	-	-	250,000
<b>27,233,471</b>	<b>(11,484,000)</b>	<b>(6,033)</b>	<b>12,757</b>	<b>15,756,195</b>	<b>1,000,000</b>	<b>12,264,195</b>	<b>2,492,000</b>
Investment Ladder Targets.....					7,000,000	25,000,000	8,000,000
Investment Funds: Available/(Exceeded) .....					<u>6,000,000</u>	<u>12,735,805</u>	<u>5,508,000</u>

Listing of All Brokered CDs and Ladder Placement -  
June 30, 2016  
(Unaudited)

VENDOR	CUSIP	FDIC Cert#	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY
Raymond James	05368TAA9	57510	AVIDBANK	0.400%	0.399600%	0.0000	-
Raymond James	33583CPD5	16004	FIRST NIAGARA BANK NY	0.450%	0.450000%	0.0000	-
Frost Bank	81489RAV2	18374	SECURITY STATE BANK SCOTT	0.400%	0.400000%	0.0000	-
Frost Bank	03784JHB3	16068	APPLE BANK FOR SAVINGS	0.400%	0.400000%	0.0000	-
Frost Bank	1414VEN2	34733	CARDINAL BANK NA	0.400%	0.400000%	0.0000	-
Coastal Securities	149159KH7	18503	CATHAY BANK	0.400%	0.399000%	0.0000	-
Coastal Securities	60688MMH4	21843	MIZUHO BANK USA	0.400%	0.400000%	0.0000	-
Wells Fargo	17284AS66	35575	CIT BANK SALT LAKE CITY UTAH	1.150%	1.150000%	0.0000	-
Frost Bank	200829AW9	58366	COMMERCE UNION BANKSHARE	0.600%	0.600000%	0.0000	-
Frost Bank	08016PBU2	58165	BELMONT BANK & TRUST CO	0.550%	0.550000%	1.0000	61
Frost Bank	07370TP98	57833	BEAL BANK SSB	0.600%	0.600000%	0.9973	62
Frost Bank	293637RHC3	24786	ENTERPRISE BANK / PA	0.400%	0.400000%	1.0027	62
Frost Bank	7836861BY2	11124	S & T BANK	0.550%	0.550000%	0.9973	64
Wells Fargo	78658QNKS	26876	SAFRA NATIONAL BANK	0.550%	0.550000%	1.5068	138
Wells Fargo	316041CN0	21440	FIDELITY BANK ATLANTA	0.550%	0.550000%	1.5068	144
Wells Fargo	59774QE2	1040	MIDLAND STATES BANK	0.900%	0.900000%	1.4575	228
Raymond James	05580ABL7	35141	BMW BANK NORTH AMERICA	0.700%	0.934600%	1.9479	298
Coastal Securities	02006LQT3	35141	ALLY	0.950%	0.950000%	2.0055	319
Raymond James	02587DXZ6	27471	AMERICAN EXPRESS CENTURION	1.000%	1.000000%	2.0055	319
Coastal Securities	254672NM6	5649	DISCOVER BANK	0.950%	0.950000%	2.0082	319
Wells Fargo	928066AJ8	58824	VIRGINIA PARTNERS BANK	0.900%	0.900000%	1.7973	347
Wells Fargo	33610RPP2		FIRST PREMIER BANK	1.000%	1.000000%	3.0466	389
Wells Fargo	63969AAU8		NEBRASKA STATE B&T	0.850%	0.850000%	5.0658	453
Wells Fargo	12325EFN7		BUSINESS BANK OF ST LOUIS	0.950%	0.950000%	5.0466	455
Raymond James	48125T6N0	628	JP MORGAN CHASE BANK	1.000%	1.430000%	2.9863	649
Frost Bank	38148JRJ2	33124	GOLMAN SACHS BANK USA	1.500%	1.500000%	3.0055	662
Wells Fargo	140420UW8	33954	CAPITAL ONE BANK USA NA	1.600%	1.600000%	3.0274	796
Wells Fargo	591803BD2		METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	1,106
Wells Fargo	06740KHF7		BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	1,111

Listing of All Brokered CDs and Ladder Placement -  
June 30, 2016  
(Unaudited)

Purchase Date	Maturity Date /Called Date	Purchase Price at Par	Face Value 03/31/16	Additions	(Maturities)	Amortization of (Premium) Discount	Face Value 06/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
04/16/15	04/15/16	248,000	248,000	-	(248,000)	-	-	-	-	-
04/17/15	04/15/16	248,000	248,000	-	(248,000)	-	-	-	-	-
04/17/15	04/15/16	248,000	248,000	-	(248,000)	-	-	-	-	-
04/22/15	04/22/16	248,000	248,000	-	(248,000)	-	-	-	-	-
04/29/15	04/29/16	248,000	248,000	-	(248,000)	-	-	-	-	-
05/14/15	05/06/16	248,000	248,000	-	(248,000)	-	-	-	-	-
05/20/15	05/20/16	248,000	248,000	-	(248,000)	-	-	-	-	-
05/23/12	05/23/16	248,000	248,000	-	(248,000)	-	-	-	-	-
08/31/15	06/30/16	250,000	250,000	-	(250,000)	-	-	-	-	-
08/31/15	08/30/16	250,000	250,000	-	-	-	250,000	250,000	-	-
09/02/15	08/31/16	250,000	250,000	-	-	-	250,000	250,000	-	-
08/31/15	08/31/16	250,000	250,000	-	-	-	250,000	250,000	-	-
09/04/15	09/02/16	250,000	250,000	-	-	-	250,000	250,000	-	-
05/15/15	11/15/16	248,000	248,000	-	-	-	248,000	-	248,000	-
05/21/15	11/21/16	248,000	248,000	-	-	-	248,000	-	248,000	-
08/31/15	02/13/17	249,000	249,000	-	-	-	249,000	-	249,000	-
05/14/15	04/24/17	246,953	247,387	-	-	143	247,530	-	247,530	-
05/14/15	05/15/17	248,000	248,000	-	-	-	248,000	-	248,000	-
05/14/15	05/15/17	248,000	248,000	-	-	-	248,000	-	248,000	-
05/13/15	05/15/17	248,000	248,000	-	-	-	248,000	-	248,000	-
08/26/15	06/12/17	249,000	249,000	-	-	-	249,000	-	249,000	-
07/08/14	07/24/17	248,000	248,000	-	-	-	248,000	-	248,000	-
09/03/12	09/26/17	250,000	250,000	-	-	-	250,000	-	-	250,000
09/12/12	09/28/17	250,000	250,000	-	-	-	250,000	-	-	250,000
04/16/15	04/10/18	247,885	247,916	-	-	10	247,926	-	247,926	-
04/22/15	04/23/18	248,000	248,000	-	-	-	248,000	-	248,000	-
08/26/15	09/04/18	248,000	248,000	-	-	-	248,000	-	248,000	-
07/08/14	07/11/19	248,000	248,000	-	-	-	248,000	-	-	248,000
07/08/14	07/16/19	248,000	248,000	-	-	-	248,000	-	-	248,000

Listing of All Brokered CDs and Ladder Placement -  
 June 30, 2016  
 (Unaudited)

<b>VENDOR</b>	<b>CUSIP</b>	<b>FDIC Cert#</b>	<b>Bank Issuing CD</b>	<b>Coupon</b>	<b>Yield</b>	<b>Duration in Yrs from Purchase</b>	<b>Days To MTY</b>	
Wells Fargo	23204HBU1		CUSTOMERS BANK	1.900%	1.900000%	5.0027	1,118	
Wells Fargo	677721CE0		OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	1,118	
Raymond James	140420UT5	33954	CAPITAL ONE BANK USA NA	2.100%	2.100000%	3.9890	1,152	
Raymond James	33646CFN9	9087	FIRST SOURCE BANK	1.800%	1.800000%	4.9973	1,520	
Raymond James	29976DA59	34775	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	4.9973	1,520	
Raymond James	307814DF7	13046	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	4.9973	1,520	
Weighted Average						<u>1.033425%</u>	<u>2.2724</u>	<u>456</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 Brokered CDs and Ladder Placement -  
 June 30, 2016  
 (Unaudited)

Purchase Date	Maturity Date /Called Date	Purchase Price at Par	Face Value 03/31/16	Additions	(Maturities)	Amortization of (Premium) Discount	Face Value 06/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
07/23/14	07/23/19	248,000	248,000	-	-	-	248,000	-	-	248,000
07/08/14	07/23/19	248,000	248,000	-	-	-	248,000	-	-	248,000
08/31/15	08/26/19	250,000	250,000	-	-	-	250,000	-	-	250,000
08/31/15	08/28/20	250,000	250,000	-	-	-	250,000	-	-	250,000
08/31/15	08/28/20	250,000	250,000	-	-	-	250,000	-	-	250,000
08/31/15	08/28/20	250,000	250,000	-	-	-	250,000	-	-	250,000
TOTAL		8,702,838	8,703,303	-	(2,234,000)	153	6,469,456	1,000,000	2,977,456	2,492,000

Listing of All Municipal Bonds and Ladder Placement - June 30, 2016

VENDOR	Rating	CUSIP	Description	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	OPTIONAL Call Date
Wells Fargo	Aa2/AA-	67756A2K7	Ohio State Higher Education Fac Comm - Callable Anytime	0.751%	0.273100%	1.6384	459	05/14/15	01/01/17	
Coastal Securities	Aa1/AA+	57582P2Q2	Municipal Bond - Massachusetts State (GO) TXBL	1.000%	0.880000%	2.9233	579	05/30/14	05/01/17	
Coastal Securities	AA3/AA	20772JL26	Municipal Bond - Connecticut State (GO) TXBL - B	1.000%	0.850000%	1.9205	671	08/31/15	08/01/17	
Wells Fargo	Aa3/AA-	34074GDG6	Florida State Hurricane Catastrophe Fund Fin Corp	2.107%	2.107000%	3.2110	1,005	04/16/15	07/01/18	
Coastal Securities	AA/AA+	882806EL2	Texas Tech Univ Revenues 17th Series - TXBL - Series B	1.804%	1.400000%	3.4630	1,234	08/31/15	02/15/19	
<b>† Weighted Averages</b>					<b>1.333923%</b>	<b>2.8948</b>	<b>842</b>	<b>Totals</b>		

† 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 - June 30, 2016

Par Amount	Purchase Price	FMV 03/31/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 06/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
380,000	392,171	385,130	-	(1,866)	441	<b>383,705</b>	-	383,705	-
1,250,000	1,254,369	1,255,450	-	(368)	(1,707)	<b>1,253,375</b>	-	1,253,375	-
500,000	501,420	502,635	-	(185)	(960)	<b>501,490</b>	-	501,490	-
1,500,000	1,523,670	1,516,695	-	(1,845)	9,135	<b>1,523,985</b>	-	1,523,985	-
800,000	810,856	809,712	-	(785)	5,841	<b>814,768</b>	-	814,768	-
<b>4,430,000</b>	<b>4,482,486</b>	<b>4,469,622</b>	-	<b>(5,049)</b>	<b>12,750</b>	<b>4,477,323</b>	-	<b>4,477,323</b>	-

**Portfolio Holdings by Fund**  
**June 30, 2016**  
(Unaudited)

**Operating Funds Groups:**

General Fund	\$ 4,885,774	31.02%
Road & Bridge Fund	60,408	0.38%
Stadium & Fairgrounds Fund	313,033	1.99%
Law Library Fund	61,074	0.39%
Airport Fund	-	0.00%
Inland Parks Fund	-	0.00%
Coastal Parks Fund	<u>205,448</u>	<u>1.30%</u>
<b>Sub-Total Operating Funds</b>	<b>\$ 5,525,737</b>	<b>35.08%</b>

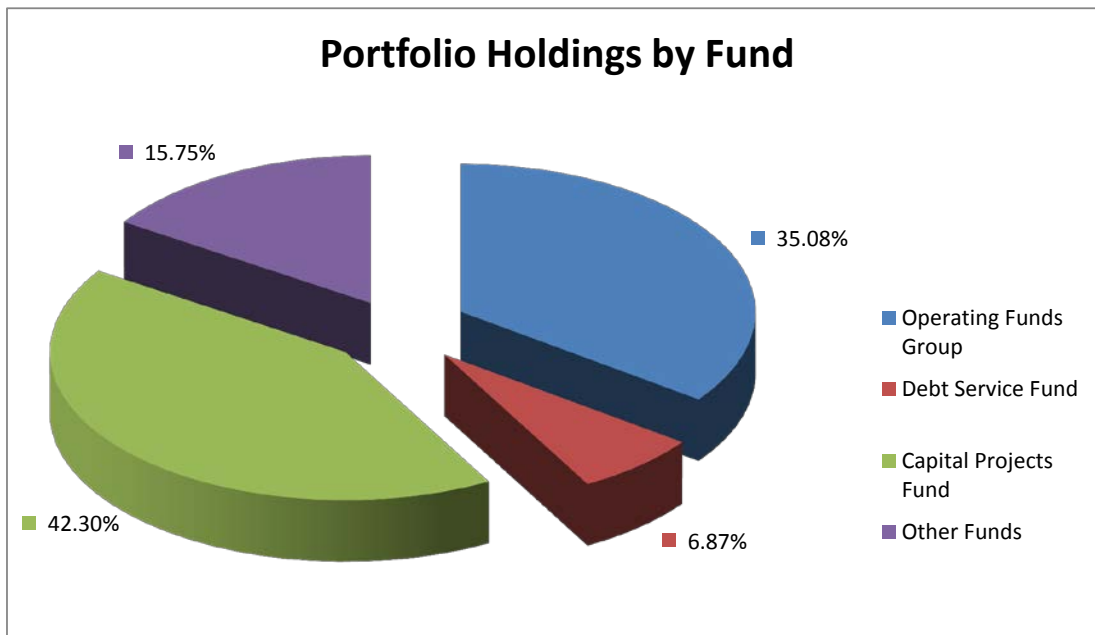
**Debt Service Fund** **1,083,070** 6.87%

**Capital Projects Fund** **6,665,592** 42.30%

**Other Funds Groups:**

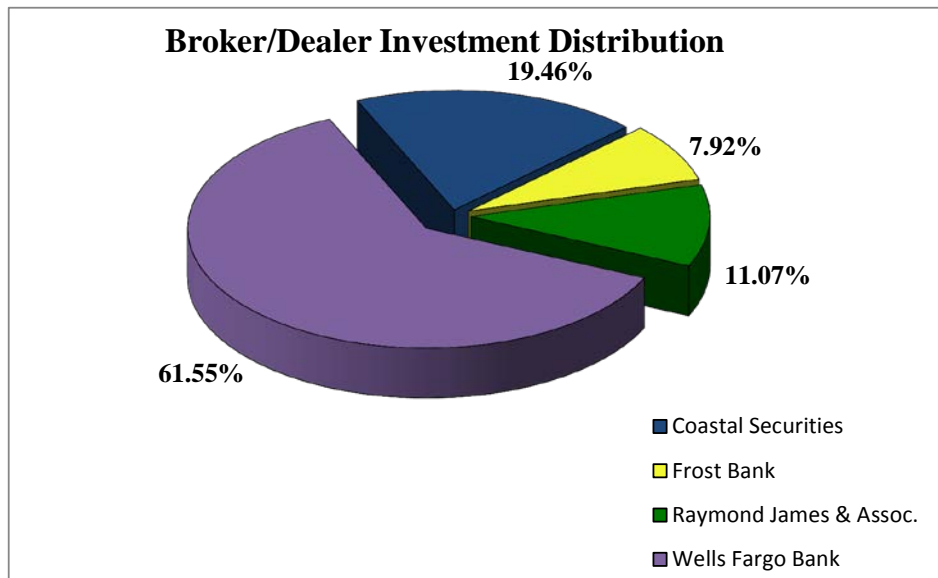
Self Insurance Fund	162,063	1.03%
Special Revenue Fund	<u>2,319,733</u>	<u>14.72%</u>
<b>Sub-total Other Funds</b>	<b>2,481,796</b>	<b>15.75%</b>

**Total Holdings at Current Market Value** **\$ 15,756,195** **100.00%**



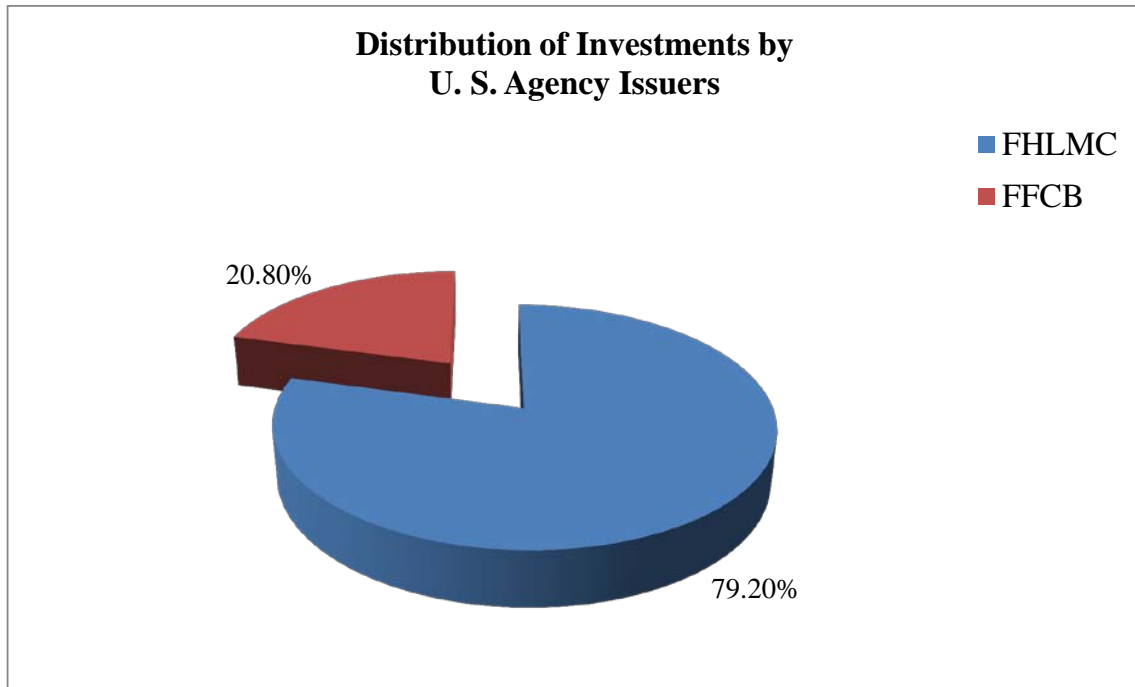
**Distribution of Investments by  
Broker/Dealer/Financial Institutions  
June 30, 2016  
(Unaudited)**

	<u>Fair Market Value</u>	<u>Distribution %</u>
Coastal Securities	\$ 3,065,633	19.46%
Frost Bank	1,248,000	7.92%
Raymond James & Assoc.	1,743,456	11.07%
Wells Fargo Bank	9,699,106	61.55%
<b>Total</b>	<b>\$ 15,756,195</b>	<b>100.00%</b>



**Distribution of Investments by  
U. S Agencies Issuers  
June 30, 2016  
(Unaudited)**

<u>Agency</u>		<u>Fair Market Value</u>	<u>Distribution %</u>
Fed Home Loan Freddie Mac	FHLMC	\$ 3,809,192	79.20%
Federal Farm Credit Bank	FFCB	1,000,224	20.80%
		<u>\$ 4,809,416</u>	<u>100.00%</u>

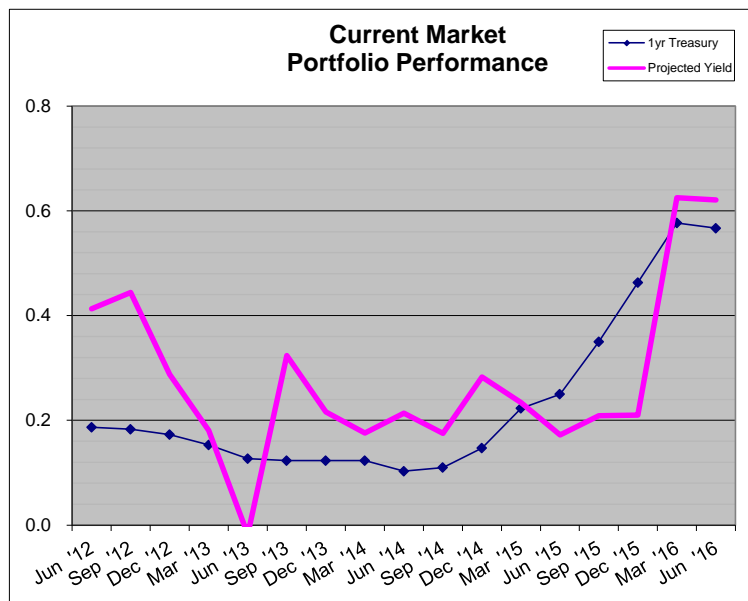


**Investments Performance  
Compared to One-Year Treasury**  
June 30, 2016  
(Unaudited)

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
Jun-12	0.103%	0.413%	0.187%
Sep-12	0.119%	0.443%	0.183%
1-Dec	0.072%	0.288%	0.173%
Mar-13	0.045%	0.181%	0.153%
Jun-13	0.005%	-0.018%	0.127%
Sep-13	0.081%	0.324%	0.123%
Dec-13	0.054%	0.216%	0.123%
Mar-14	0.044%	0.176%	0.123%
Jun-14	0.054%	0.214%	0.103%
Sep-14	0.044%	0.175%	0.110%
Dec-14	0.071%	0.283%	0.147%
Mar-15	0.059%	0.234%	0.223%
Jun-15	0.043%	0.172%	0.250%
Sep-15	0.052%	0.209%	0.350%
Dec-15	0.053%	0.210%	0.463%
Mar-16	0.160%	0.625%	0.577%
Jun-16	0.155%	0.621%	0.567%

\* 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](http://www.federalreserve.gov)

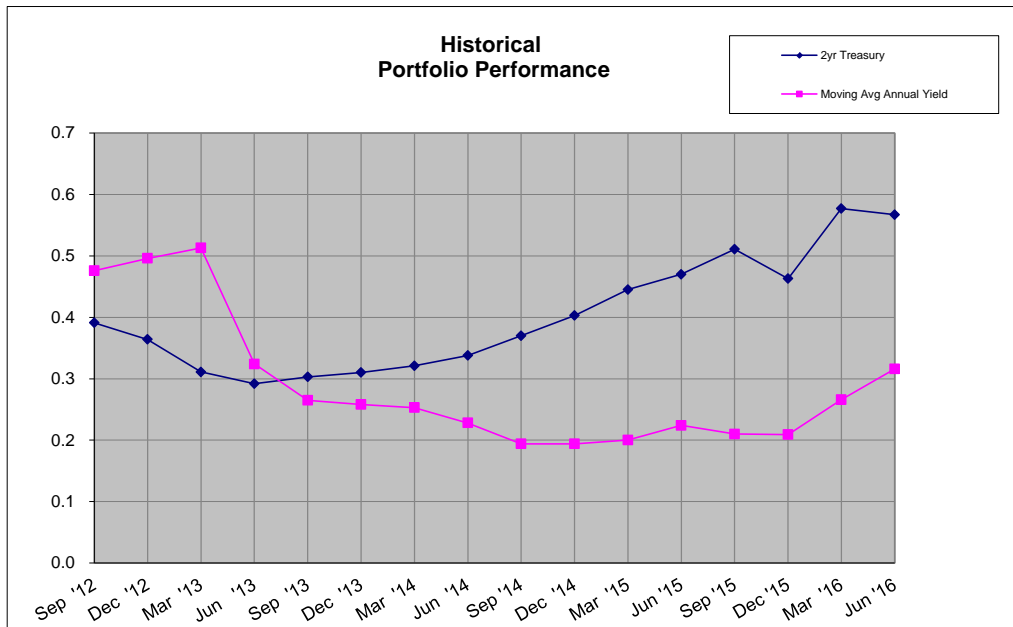


**Investments Performance  
Compared to Two-Year Treasury  
June 30, 2016  
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Sep-12	0.476%	0.391%
Dec-12	0.496%	0.364%
Mar-13	0.513%	0.311%
Jun-13	0.324%	0.292%
Sep-13	0.265%	0.303%
Dec-13	0.258%	0.310%
Mar-14	0.253%	0.321%
Jun-14	0.280%	0.334%
Sep-14	0.194%	0.370%
Dec-14	0.194%	0.403%
Mar-15	0.200%	0.445%
Jun-15	0.228%	0.470%
Sep-15	0.210%	0.511%
Dec-15	0.209%	0.574%
Mar-16	0.226%	0.632%
Jun-16	0.316%	0.676%

\* 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](http://www.federalreserve.gov)





## Comparison of Interest Rates on Liquid Investments

June 30, 2016

(Unaudited)

<u>Month</u>	<u>TexPool Average Monthly Rates</u>	<u>TexPool Prime Average Monthly Rates</u>	<u>MBIA Average Monthly Rates</u>	<u>Depository (Note 1) Bank Rates</u>
June '12	0.1395%	0.1663%	0.26%	0.01%
July '12	0.1316%	0.1596%	0.24%	0.01%
August '12	0.1313%	0.1593%	0.24%	0.01%
September '12	0.1572%	0.1821%	0.23%	0.01%
October '12	0.1657%	0.1864%	0.21%	0.01%
November '12	0.1564%	0.1766%	0.19%	0.01%
December '12	0.1506%	0.1701%	0.21%	0.01%
January '13	0.0986%	0.1219%	0.18%	0.01%
February '13	0.0935%	0.1180%	0.17%	0.01%
March '13	0.1047%	0.1354%	0.17%	0.01%
April '13	0.1022%	0.1264%	0.16%	0.01%
May '13	0.0715%	0.1032%	0.16%	0.01%
June '13	0.0576%	0.0878%	0.16%	0.01%
July '13	0.0531%	0.0765%	0.14%	0.01%
August '13	0.0437%	0.0705%	0.10%	0.01%
September '13	0.0394%	0.0658%	0.09%	0.01%
October '13	0.4980%	0.8630%	0.09%	0.01%
November '13	0.0446%	0.0771%	0.10%	0.01%
December '13	0.0372%	0.0657%	0.10%	0.01%
January '14	0.0273%	0.0464%	0.10%	0.01%
February '14	0.0283%	0.0532%	0.10%	0.01%
March '14	0.0299%	0.0671%	0.10%	0.01%
April '14	0.0336%	0.0674%	0.10%	0.01%
May '14	0.0244%	0.0676%	0.10%	0.01%
June '14	0.0284%	0.0644%	0.10%	0.01%
July '14	0.0313%	0.0576%	0.10%	0.01%
August '14	0.0353%	0.0594%	0.10%	0.01%
September '14	0.0333%	0.0582%	0.10%	0.01%
October '14	0.0268%	0.0628%	0.10%	0.01%
November '14	0.0286%	0.0714%	0.10%	0.01%
December '14	0.0418%	0.0754%	0.10%	0.01%
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%

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.