

Nueces County Quarterly Investment Report September 30, 2015 (Unaudited)

*Prepared by Nueces County
Auditors Office and County
Clerk Treasury Division
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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

Kevin L. Hill, CPA - Treasury Accountant

Fred Chavera - Revenue/Cash Manager

Lisa Davis – Budget Accountant

Aidee Hernandez – Executive Accountant

Investment Report to Commissioners Court

As of September 30, 2015

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, 2015 have a current value of \$90,620,106. As compared to last quarter, total balances have decreased by (\$13,701,108) down from \$104,321,214. The reason for the net decrease is due to the county having reduced property tax collections and increase expenses.

Compliance Measures

- The weighted average maturity of the operating portfolio is 322 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 increased by 61 days, due to decreased cash equivalents and increases in U S Agencies .
- As to portfolio diversity a test for compliance with the investment policy indicates the county is in compliance with the maximum percentages allowed per investment type. The largest investment type is in cash equivalents which is 54.44% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 13.14%, 6.20%, and 26.22%, 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, 2015.

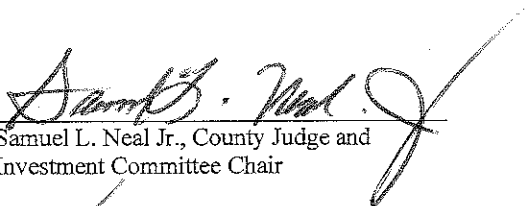
Brokered CDs are being carried at cost and other investments shorter than a year are not marked to market.

Current quarterly earnings are \$49,441. Compared to the quarter ending September 30, 2014, earnings this quarter shows an increase of \$16,047, up from \$33,394. Although, the county has more monies invested currently the previous quarter in the previous year had market mark up.

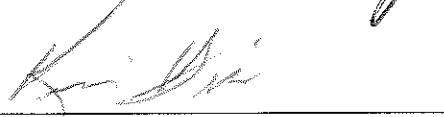
Investment Strategy

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.

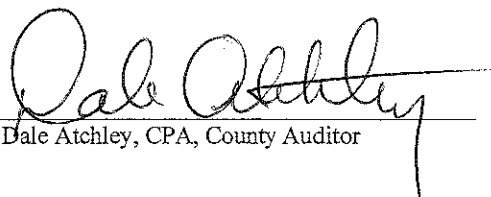
This report has been prepared jointly by the county auditors office and the county treasury division and in accordance with Government Code 2256.023. The investment committee approved this report on April 21, 2016, and herein presents to the Commissioners Court for final approval. Thank you.



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



Kevin Hill, CPA, Treasury Accountant



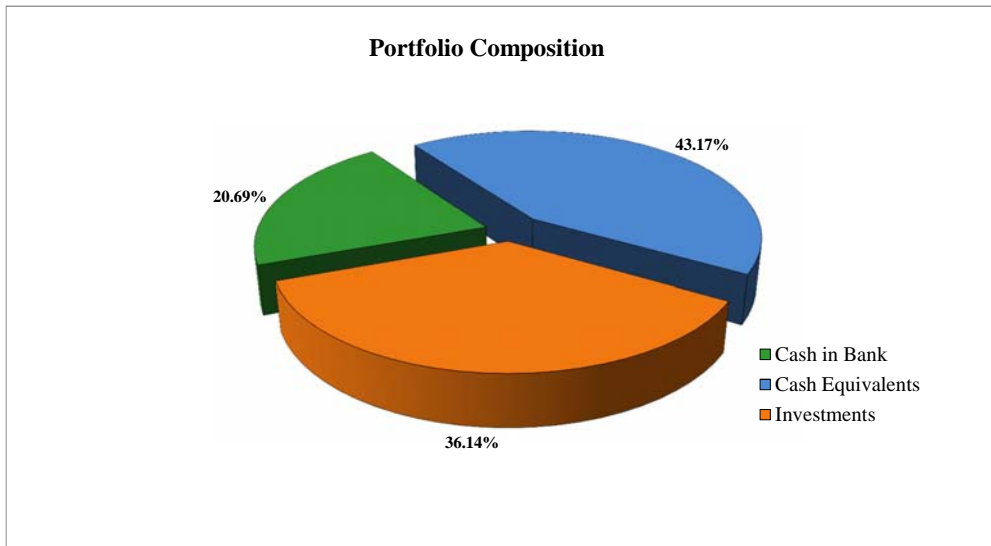
Dale Atchley, CPA, County Auditor



Federico Chavera, Revenue/Cash Manager

Cash, Cash Equivalents and Investments by Fund Group
September 30, 2015
(Unaudited)

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$ 10,199,227	26.28%	\$ 1,623,129	5.87%	\$ 317,212	7.56%	\$ 6,605,230	33.12%	\$ 18,744,798	20.69%
Cash Equivalents:										
MBIA	19,333,565	49.81%	10,030,411	36.25%	1,610,693	38.41%	8,146,977	40.85%	39,121,646	43.17%
Sub-Total Cash & Cash Equivalents	<u>19,333,565</u>	<u>49.81%</u>	<u>10,030,411</u>	<u>36.25%</u>	<u>1,610,693</u>	<u>38.41%</u>	<u>8,146,977</u>	<u>40.85%</u>	<u>39,121,646</u>	<u>63.86%</u>
Investments:										
Brokered CDs	2,676,574	6.90%	4,619,498	16.70%	653,488	15.58%	1,497,433	7.51%	9,446,993	10.42%
Municipal Bonds	1,263,460	3.25%	2,180,607	7.88%	308,475	7.36%	706,854	3.54%	4,459,396	4.92%
US Agencies	5,339,914	13.76%	9,216,152	33.30%	1,303,745	31.09%	2,987,462	14.98%	18,847,273	20.80%
Sub-Total Investments	<u>9,279,948</u>	<u>23.91%</u>	<u>16,016,257</u>	<u>57.88%</u>	<u>2,265,708</u>	<u>54.03%</u>	<u>5,191,749</u>	<u>26.03%</u>	<u>32,753,662</u>	<u>36.14%</u>
Total Cash, Cash Equivalents & Investments	<u>\$ 38,812,740</u>	<u>100.00%</u>	<u>\$ 27,669,797</u>	<u>100.00%</u>	<u>\$ 4,193,613</u>	<u>100.00%</u>	<u>\$ 19,943,956</u>	<u>100.00%</u>	<u>\$ 90,620,106</u>	<u>100.00%</u>



Operating Funds and Other Funds Groups

Cash, Cash Equivalents and Investments by Fund - (Unaudited)
September 30, 2015

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 5,944,991	3,498,210	(104,929)
Cash Equivalents	15,789,370	184,749	1,815,566
Investments	<u>7,941,183</u>	<u>126,371</u>	<u>654,845</u>
Total as of September 30, 2015	29,675,544	3,809,330	2,365,482
Total as of September 30, 2014	<u>23,444,979</u>	<u>2,877,582</u>	<u>2,818,743</u>
Increase (Decrease) from one year ago	<u>\$ 6,230,565</u>	<u>931,748</u>	<u>(453,261)</u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 1,453,802	4,239,624	985,071
Cash Equivalents	323,954	7,823,022	-
Investments	<u>339,026</u>	<u>4,852,723</u>	<u>-</u>
Total as of September 30, 2015	2,116,782	16,915,369	985,071
Total as of September 30, 2014	<u>3,504,788</u>	<u>9,648,627</u>	<u>151,252</u>
Increase (Decrease) from one year ago	<u>\$ (1,388,006)</u>	<u>7,266,742</u>	<u>833,819</u>

Law Library Fund	Airport Fund	Inland Parks Fund	Coastal Parks Fund	Total
72,462	21,980	(118,474)	884,987	\$ 10,199,227
61,334	58,307	383,366	1,040,873	19,333,565
<u>127,764</u>	<u>0</u>	<u>0</u>	<u>429,785</u>	<u>9,279,948</u>
261,560	80,287	264,892	2,355,645	38,812,740
258,950	30,392	260,794	962,132	30,653,572
<u>2,610</u>	<u>49,895</u>	<u>4,098</u>	<u>1,393,513</u>	<u>\$ 8,159,168</u>

TJJD Grant Fund	Total
(73,266)	\$ 6,605,230
-	8,146,977
<u>-</u>	<u>5,191,749</u>
(73,266)	19,943,956
343,643	13,648,310
<u>(416,909)</u>	<u>\$ 6,295,646</u>

Portfolio Diversity

Test of Compliance with Investment Policy
All Fund Groups as of September 30, 2015
(Unaudited)

	<u>Current Value</u>	<u>%</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 39,121,646	54.44%	85.00%
Brokered CDs	9,446,993	13.14%	75.00%
Municipal Bonds	4,459,396	6.20%	75.00%
US Agencies	<u>18,847,273</u>	<u>26.22%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	\$ <u>71,875,308</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, 2015
(Unaudited)

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 39,121,646	1	
Brokered CDs	9,446,993	664	
Municipal Bonds	4,459,396	842	
US Agencies	<u>18,847,273</u>	<u>695</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	\$ <u>71,875,308</u>	<u>322</u>	<u>364</u>

Statement of Changes in Investments

as of September 30, 2015

(Unaudited)

	Beginning Balance 06/30/15	Additions	(Subtractions)	Amortization (Premium) Discount	Market Adjustments	Ending Balance 09/30/15
Brokered CDs	\$ 8,682,838	\$ 2,996,000	\$ (2,232,000)	\$ 155	\$ -	\$ 9,446,993
Municipal Bonds	3,154,097	1,312,276	-	(4,402)	(2,575)	4,459,396
US Agencies	23,379,511	1,000,000	(5,545,000)	(5,491)	18,253	18,847,273
Total	<u>\$ 35,216,446</u>	<u>\$ 5,308,276</u>	<u>\$ (7,777,000)</u>	<u>\$ (9,738)</u>	<u>\$ 15,678</u>	<u>\$ 32,753,662</u>

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	07/01/14 09/30/14	07/01/15 09/30/15	Increase/ (Decrease)	10/01/13 09/30/14	10/01/14 09/30/15	Increase/ (Decrease)
Operating Fund Group	\$ 16,809	\$ 25,097	\$ 8,288	\$ 21,399	\$ 34,775	\$ 13,376
Capital Projects Fund Group	5,496	7,611	2,115	4,462	7,238	2,776
Debt Service Fund Group	3,683	5,194	1,511	2,483	2,877	394
Other Funds Group	7,406	11,539	4,133	2,949	6,280	3,331
Total	<u>\$ 33,394</u>	<u>\$ 49,441</u>	<u>\$ 16,047</u>	<u>\$ 31,293</u>	<u>\$ 51,170</u>	<u>\$ 19,877</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, 2015

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	459	05/14/15	01/01/17	380,000	392,171
Coastal Securities	N/A	57582P2Q2	MB	1.000%	0.880000%	2.9233	579	05/30/14	05/01/17	1,250,000	1,254,300
Coastal Securities	N/A	20772JL26	MB	1.284%	0.850000%	1.9205	671	08/31/15	08/01/17	500,000	501,420
Wells Fargo	N/A	34074GDG6	MB	2.107%	2.107000%	3.2110	1,005	04/16/15	07/01/18	1,500,000	1,523,670
Coastal Securities	N/A	882806EL2	MB	1.804%	1.400000%	3.4630	1,234	08/31/15	02/15/19	800,000	810,856
Wells Fargo	N/A/	3133EFBS5	FFCB	0.680%	0.680000%	1.8329	642	09/03/15	07/03/17	1,000,000	1,000,000
Coastal Securities	N/A	3130A2LJ3	FHLB	0.170%	0.182520%	0.0000	-	07/22/14	07/22/15	1,500,000	1,499,813
Coastal Securities	N/A	3130A43S9	FHLB	0.270%	0.254900%	0.7397	128	05/11/15	02/05/16	1,000,000	1,000,110
Coastal Securities	N/A	3130A4YK2	FHLB	0.310%	0.310000%	1.0027	198	04/15/15	04/15/16	1,000,000	1,000,000
Frost Bank	N/A	3130A5DU0	FHLB	0.970%	0.970000%	0.0000	698	05/28/15	08/28/17	1,000,000	1,000,000
Coastal Securities	C	3134G6E82	FHLMC	1.013%	0.850000%	2.0027	604	05/26/15	05/26/17	2,500,000	2,500,325
Frost Bank	C	3134G6E82	FHLMC	1.000%	0.850000%	2.0027	604	05/26/15	05/26/17	1,750,000	1,750,000
Wells Fargo	N/A	3134G6YQ0	FHLMC	1.000%	0.800000%	2.0027	604	05/26/15	05/26/17	3,808,000	3,808,000
Wells Fargo	N/A	3134G3H52	FHLMC	1.000%	1.000000%	0.0000	713	09/13/12	09/12/17	1,500,000	1,500,000
Frost Bank	C	3134G6B44	FHLMC	1.000%	1.000000%	2.5068	789	05/27/15	11/27/17	2,000,000	2,000,000
Wells Fargo	N/A	31398AU34	FNMA	2.375%	0.570070%	0.0000	-	01/25/12	07/28/15	1,545,000	1,556,166
Raymond James	S	3136E16J3	FNMA	0.800%	0.800000%	2.6301	819	05/12/15	12/27/17	250,000	249,999
Raymond James	C	3135G0D83	FNMA	1.625%	0.590000%	2.9589	939	05/12/15	04/26/18	2,000,000	2,019,694
Raymond James	C	3135G0D67	FNMA	1.625%	0.590000%	2.9616	940	05/12/15	04/27/18	2,000,000	2,019,751
Coastal Securities	N/A	3136G2GP6	FNMA	1.375%	1.335000%	3.5041	1,125	04/29/15	10/29/18	1,500,000	1,500,300
Raymond James	N/A	43786NBM0	CD	1.000%	1.000000%	0.0000	-	07/14/14	07/10/15	248,000	248,000
Wells Fargo	N/A	320844NZ2	CD	1.000%	1.000000%	0.0000	-	07/16/14	07/16/15	248,000	248,000
Wells Fargo	N/A	71270QEHS	CD	1.000%	1.000000%	0.0000	-	07/16/14	07/16/15	248,000	248,000
Raymond James	N/A	853117NU9	CD	1.000%	1.000000%	0.0000	-	07/16/14	07/16/15	248,000	248,000
Frost Bank	N/A	412022BJ3	CD	1.000%	1.000000%	0.0000	-	05/15/15	08/14/15	248,000	248,000
Raymond James	N/A	07370WQG4	CD	1.000%	1.000000%	0.0000	-	05/20/15	08/19/15	248,000	248,000
Frost Bank	N/A	86910RCH9	CD	1.000%	1.000000%	0.0000	-	05/22/15	08/21/15	248,000	248,000
Wells Fargo	N/A	80928EHZ6	CD	1.000%	1.000000%	0.0000	-	08/17/12	08/31/15	248,000	248,000
Frost Bank	N/A	42723UCZ2	CD	1.000%	1.000000%	0.0000	-	05/13/15	09/14/15	248,000	248,000
Raymond James	N/A	45340KCZ0	CD	1.000%	1.000000%	0.5041	50	05/19/15	11/19/15	248,000	248,000
Raymond James	N/A	80280JEJ60	CD	1.000%	1.000000%	0.7507	107	04/16/15	01/15/16	248,000	248,000
Raymond James	N/A	15135KAN1	CD	1.000%	1.000000%	0.7507	135	05/14/15	02/12/16	248,000	248,000
Raymond James	N/A	05368TAA9	CD	1.000%	1.000000%	1.0000	198	04/16/15	04/15/16	248,000	248,000
Raymond James	N/A	33583CPD5	CD	1.000%	1.000000%	0.9973	198	04/17/15	04/15/16	248,000	248,000
Frost Bank	N/A	8148RAV2	CD	1.000%	1.000000%	0.9973	198	04/17/15	04/15/16	248,000	248,000
Frost Bank	N/A	03784JHB3	CD	1.000%	1.000000%	1.0219	212	04/22/15	04/29/16	248,000	248,000
Frost Bank	N/A	14147VEN2	CD	1.000%	1.000000%	0.9945	209	04/29/15	04/26/16	248,000	248,000
Coastal Securities	N/A	149159KH7	CD	1.000%	1.000000%	0.9808	219	05/14/15	05/06/16	248,000	248,000

Listing of All Investments and Ladder Placement - September 30, 2015

FMV 06/30/15	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/15	Short-term Ladder ≤12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
388,265		(1,866)	1,064	387,463	-	387,463	-
1,251,312		(368)	2,543	1,253,487	-	1,253,487	-
	501,420	(62)	(1,198)	500,160	-	500,160	-
1,514,520		(1,844)	810	1,513,486	-	1,513,486	-
	810,856	(262)	(5,794)	804,800	-	804,800	-
	1,000,000		289	1,000,289	-	1,000,289	-
1,500,058	(1,500,000)	12	(70)	-	-	-	-
1,000,090		(37)		1,000,053	1,000,053	-	-
1,000,043			281	1,000,324	1,000,324	-	-
1,000,726	(1,000,000)		(726)	-	-	-	-
2,497,120		(40)	5,561	2,502,641	-	2,502,641	-
1,747,984			3,864	1,751,848	-	1,751,848	-
3,809,595			1,984	3,811,579	-	3,811,579	-
1,499,703	(1,500,000)		297	-	-	-	-
2,000,388			2,256	2,002,644	-	2,002,644	-
1,547,735	(1,545,000)	(2,068)	(667)	-	-	-	-
249,912			366	250,278	-	250,278	-
2,014,912		(1,666)	(836)	2,012,410	-	2,012,410	-
2,015,946		(1,669)	485	2,014,762	-	2,014,762	-
1,495,299		(22)	5,169	1,500,446	-	-	1,500,446
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)			-	-	-	-
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	-	-
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	-	-

Listing of All Investments and Ladder Placement - September 30, 2015

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
Coastal Securities	N/A	60688MMH4	CD	1.000%	1.000000%	1.0027	233	05/20/15	05/20/16	248,000	248,000
Wells Fargo	N/A	17284AS66	CD	1.000%	1.000000%	4.0247	236	05/15/12	05/23/16	248,000	248,000
Frost Bank	N/A	200829AW9	CD	1.000%	1.000000%	0.8329	274	08/31/15	06/30/16	250,000	250,000
Frost Bank	N/A	08016PBU2	CD	1.000%	1.000000%	1.0000	335	08/31/15	08/30/16	250,000	250,000
Frost Bank	N/A	07370TP98	CD	1.000%	1.000000%	0.9973	336	09/02/15	08/31/16	250,000	250,000
Frost Bank	N/A	29367RHC3	CD	1.000%	1.000000%	1.0027	336	08/31/15	08/31/16	250,000	250,000
Frost Bank	N/A	7836861BY2	CD	1.000%	1.000000%	0.9973	338	09/04/15	09/02/16	250,000	250,000
Wells Fargo	N/A	78658QNK5	CD	1.000%	1.000000%	1.5068	412	05/15/15	11/15/16	248,000	248,000
Wells Fargo	N/A	316041CN0	CD	1.000%	1.000000%	1.5068	418	05/21/15	11/21/16	248,000	248,000
Wells Fargo	N/A	59774QEU2	CD	1.000%	1.000000%	1.4575	502	08/31/15	02/13/17	249,000	249,000
Raymond James	N/A	05580ABL7	CD	1.000%	1.000000%	1.9479	572	05/14/15	04/24/17	248,000	246,879
Coastal Securities	N/A	02006LQT3	CD	1.000%	1.000000%	2.0055	593	05/14/15	05/15/17	248,000	248,000
Raymond James	N/A	02587DXZ6	CD	1.000%	1.000000%	2.0055	593	05/14/15	05/15/17	248,000	248,000
Coastal Securities	N/A	254672NM6	CD	1.000%	1.000000%	2.0082	593	05/13/15	05/15/17	248,000	248,000
Wells Fargo	N/A	928066AJ8	CD	1.000%	1.000000%	1.7973	621	08/26/15	06/12/17	249,000	249,000
Wells Fargo	N/A	33610RPP2	CD	1.000%	1.000000%	3.0466	663	07/08/14	07/24/17	248,000	248,000
Wells Fargo	N/A	63969AAU8	CD	1.000%	1.000000%	5.0384	727	09/13/12	09/26/17	250,000	250,000
Wells Fargo	N/A	12325EFN7	CD	1.000%	1.000000%	5.0438	729	09/13/12	09/28/17	250,000	250,000
Raymond James	N/A	48125T6N0	CD	1.000%	1.000000%	2.9863	923	04/16/15	04/10/18	248,000	248,000
Frost Bank	N/A	38148JRJ2	CD	1.000%	1.000000%	3.0055	936	04/22/15	04/23/18	248,000	248,000
Wells Fargo	N/A	140420UW8	CD	1.000%	1.000000%	3.0274	1,070	08/26/15	09/04/18	248,000	248,000
Wells Fargo	N/A	591803BD2	CD	1.000%	1.000000%	5.0110	1,380	07/08/14	07/11/19	248,000	248,000
Wells Fargo	N/A	06740KHF7	CD	1.000%	1.000000%	5.0247	1,385	07/08/14	07/16/19	248,000	248,000
Wells Fargo	N/A	23204HBU1	CD	1.000%	1.000000%	5.0411	1,392	07/09/14	07/23/19	248,000	248,000
Wells Fargo	N/A	677721CE0	CD	1.000%	1.000000%	5.0438	1,392	07/08/14	07/23/19	248,000	248,000
Raymond James	N/A	140420UT5	CD	1.000%	1.000000%	3.9890	1,426	08/31/15	08/26/19	250,000	250,000
Raymond James	N/A	33646CFN9	CD	1.000%	1.000000%	4.9973	1,794	08/31/15	08/28/20	250,000	250,000
Raymond James	N/A	29976DA59	CD	1.000%	1.000000%	4.9973	1,794	08/31/15	08/28/20	250,000	250,000
Raymond James	N/A	307814DF7	CD	1.000%	1.000000%	4.9973	1,794	08/31/15	08/28/20	250,000	250,000
Weighted Averages †					0.881796%	1.9407	614		Totals	40,463,000	40,565,453

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

† 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 - September 30, 2015

FMV 06/30/15	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/15	Short-term Ladder ≤12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
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	-	-
	250,000			250,000	250,000	-	-
248,000				248,000	-	248,000	-
248,000				248,000	-	248,000	-
	249,000			249,000	-	249,000	-
246,953		145		247,098	-	247,098	-
248,000				248,000	-	248,000	-
248,000				248,000	-	248,000	-
248,000				248,000	-	248,000	-
	249,000			249,000	-	249,000	-
248,000				248,000	-	248,000	-
250,000				250,000	-	-	250,000
250,000				250,000	-	-	250,000
247,885		10		247,895	-	247,895	-
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
35,216,446	(2,468,724)	(9,737)	15,678	32,753,663	5,730,377	22,782,840	4,240,446
Investment Ladder Targets					<u>7,000,000</u>	<u>25,000,000</u>	<u>8,000,000</u>
Investment Funds: Available/(Exceeded)					<u>1,269,623</u>	<u>2,217,160</u>	<u>3,759,554</u>

Listing of All Brokered CDs and Ladder Placement -
September 30, 2015 (Unaudited)

VENDOR	CUSIP	FDIC Cert#	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date
Raymond James	43786NBM0		HOWNTOWN BANK FOUND DU LA	0.350%	0.350000%	0.0000	-	07/14/14
Wells Fargo	320844NZ2		FIRST MERIT BANK OHIO	0.450%	0.450000%	0.0000	-	07/16/14
Wells Fargo	71270QEHS		PEOPLES UNITED BANK	0.350%	0.350000%	0.0000	-	07/16/14
Raymond James	853117NU9		STANDARD B&T COMPANY	0.400%	0.400000%	0.0000	-	07/16/14
Frost Bank	412022BJ3	5817	HARDIN COUNTY SAVING BANK	0.200%	0.200000%	0.0000	-	05/15/15
Raymond James	07370WQG4	57833	BEAL BANK USA	0.300%	0.300000%	0.0000	-	05/20/15
Frost Bank	86910RCH9	7579	SUSQUEHANNA BANK	0.250%	0.250000%	0.0000	-	05/22/15
Wells Fargo	80928EHZ6		SCOTIABANK DE PUERTO RICO	0.700%	0.700000%	0.0000	-	08/29/12
Frost Bank	2723UCZ2	35076	HERITAGE COMMUNITY BANK SC	0.200%	0.200000%	0.0000	-	05/13/15
Raymond James	45340KCZ0	8136	INDEPENDENCE BANK OWENSBORO	0.300%	0.300000%	0.5041	50	05/19/15
Raymond James	80280JEJ60	29950	SANTANDER BANK NA	0.350%	0.349900%	0.7507	107	04/16/15
Raymond James	15135KAN1	11241	CENTENNIAL BANK CONWAY	0.350%	0.349900%	0.7507	135	05/14/15
Raymond James	05368TAA9	57510	AVIDBANK	0.400%	0.399600%	1.0000	198	04/16/15
Raymond James	33583CPD5	16004	FIRST NIAGARA BANK NY	0.450%	0.450000%	0.9973	198	04/17/15
Frost Bank	81489RAV2	18374	SECURITY STATE BANK SCOTT	0.400%	0.400000%	0.9973	198	04/17/15
Frost Bank	03784JHB3	16068	APPLE BANK FOR SAVINGS	0.400%	0.400000%	1.0027	205	04/22/15
Frost Bank	1414VEN2	34733	CARDINAL BANK NA	0.400%	0.400000%	1.0027	212	04/29/15
Coastal Securities	149159KH7	18503	CATHAY BANK	0.400%	0.399000%	0.9808	219	05/14/15
Coastal Securities	60688MMH4	21843	MIZUHO BANK USA	0.400%	0.400000%	1.0027	233	05/20/15
Wells Fargo	17284AS66	35575	CIT BANK SALT LAKE CITY UTAH	1.150%	1.150000%	4.0027	236	05/23/12
Frost Bank	200829AW9	58366	COMMERCE UNION BANKSHARE	0.600%	0.600000%	0.8329	274	08/31/15
Frost Bank	08016PBU2	58165	BELMONT BANK & TRUST CO	0.550%	0.550000%	1.0000	335	08/31/15
Frost Bank	07370TP98	57833	BEAL BANK SSB	0.600%	0.600000%	0.9973	336	09/02/15
Frost Bank	293637RHC3	24786	ENTERPRISE BANK / PA	0.400%	0.400000%	1.0027	336	08/31/15
Frost Bank	7836861BY2	11124	S & T BANK	0.550%	0.550000%	0.9973	338	09/04/15
Wells Fargo	78658QNKS	26876	SAFRA NATIONAL BANK	0.550%	0.550000%	1.5068	412	05/15/15
Wells Fargo	316041CN0	21440	FIDELITY BANK ATLANTA	0.550%	0.550000%	1.5068	418	05/21/15
Wells Fargo	59774QEU2	1040	MIDLAND STATES BANK	0.900%	0.900000%	1.4575	502	08/31/15
Raymond James	05580ABL7	35141	BMW BANK NORTH AMERICA	0.700%	0.934600%	1.9479	572	05/14/15
Coastal Securities	02006LQT3	35141	ALLY	0.950%	0.950000%	2.0055	593	05/14/15
Raymond James	02587DXZ6	27471	AMERICAN EXPRESS CENTURION	1.000%	1.000000%	2.0055	593	05/14/15
Coastal Securities	254672NM6	5649	DISCOVER BANK	0.950%	0.950000%	2.0082	593	05/13/15
Wells Fargo	928066AJ8	58824	VIRGINIA PARTNERS BANK	0.900%	0.900000%	1.7973	621	08/26/15

Listing of All Brokered CDs and Ladder Placement -
September 30, 2015 (Unaudited)

Maturity Date /Called Date	Purchase Price at Par	Face Value 06/30/15	Additions	(Maturities)	Face Value 09/30/2015	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
07/10/15	248,000	248,000	-	(248,000)	-	-	-	-
07/16/15	248,000	248,000	-	(248,000)	-	-	-	-
07/16/15	248,000	248,000	-	(248,000)	-	-	-	-
07/16/15	248,000	248,000	-	(248,000)	-	-	-	-
08/14/15	248,000	248,000	-	(248,000)	-	-	-	-
08/19/15	248,000	248,000	-	(248,000)	-	-	-	-
08/21/15	248,000	248,000	-	(248,000)	-	-	-	-
08/31/15	248,000	248,000	-	(248,000)	-	-	-	-
09/14/15	248,000	248,000	-	(248,000)	-	-	-	-
11/19/15	248,000	248,000	-	-	248,000	248,000	-	-
01/15/16	248,000	248,000	-	-	248,000	248,000	-	-
02/12/16	248,000	248,000	-	-	248,000	248,000	-	-
04/15/16	248,000	248,000	-	-	248,000	248,000	-	-
04/15/16	248,000	248,000	-	-	248,000	248,000	-	-
04/15/16	248,000	248,000	-	-	248,000	248,000	-	-
04/22/16	248,000	248,000	-	-	248,000	248,000	-	-
04/29/16	248,000	248,000	-	-	248,000	248,000	-	-
05/06/16	248,000	248,000	-	-	248,000	248,000	-	-
05/20/16	248,000	248,000	-	-	248,000	248,000	-	-
05/23/16	248,000	248,000	-	-	248,000	-	-	248,000
06/30/16	250,000	-	250,000	-	250,000	250,000	-	-
08/30/16	250,000	-	250,000	-	250,000	250,000	-	-
08/31/16	250,000	-	250,000	-	250,000	250,000	-	-
08/31/16	250,000	-	250,000	-	250,000	250,000	-	-
09/02/16	250,000	-	250,000	-	250,000	250,000	-	-
11/15/16	248,000	248,000	-	-	248,000	-	248,000	-
11/21/16	248,000	248,000	-	-	248,000	-	248,000	-
02/13/17	249,000	-	249,000	-	249,000	-	249,000	-
04/24/17	246,953	246,953	145	-	247,098	-	247,098	-
05/15/17	248,000	248,000	-	-	248,000	-	248,000	-
05/15/17	248,000	248,000	-	-	248,000	-	248,000	-
05/15/17	248,000	248,000	-	-	248,000	-	248,000	-
06/12/17	249,000	-	249,000	-	249,000	-	249,000	-

Listing of All Brokered CDs and Ladder Placement -
September 30, 2015 (Unaudited)

VENDOR	CUSIP	FDIC Cert#	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date
Wells Fargo	33610RPP2		FIRST PREMIER BANK	1.000%	1.000000%	3.0466	663	07/08/14
Wells Fargo	63969AAU8		NEBRASKA STATE B&T	0.850%	0.850000%	5.0658	727	09/03/12
Wells Fargo	12325EFN7		BUSINESS BANK OF ST LOUIS	0.950%	0.950000%	5.0466	729	09/12/12
Raymond James	48125T6N0	628	JP MORGAN CHASE BANK	1.000%	1.430000%	2.9863	923	04/16/15
Frost Bank	38148JRJ2	33124	GOLMAN SACHS BANK USA	1.500%	1.500000%	3.0055	936	04/22/15
Wells Fargo	140420UW8	33954	CAPITAL ONE BANK USA NA	1.600%	1.600000%	3.0274	1,070	08/26/15
Wells Fargo	591803BD2		METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	1,380	07/08/14
Wells Fargo	06740KHF7		BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	1,385	07/08/14
Wells Fargo	23204HBU1		CUSTOMERS BANK	1.900%	1.900000%	5.0027	1,392	07/23/14
Wells Fargo	677721CE0		OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	1,392	07/08/14
Raymond James	140420UT5	33954	CAPITAL ONE BANK USA NA	2.100%	2.100000%	3.9890	1,426	08/31/15
Raymond James	33646CFN9	9087	FIRST SOURCE BANK	1.800%	1.800000%	4.9973	1,794	08/31/15
Raymond James	29976DA59	34775	VEVERBANK / JACKSONVILLE FL	2.050%	2.050000%	4.9973	1,794	08/31/15
Raymond James	307814DF7	13046	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	4.9973	1,794	08/31/15
Weighted Average					<u>0.859271%</u>	<u>1.9871</u>	<u>539</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 -
September 30, 2015 (Unaudited)

Maturity Date /Called Date	Purchase Price at Par	Face Value 06/30/15	Additions	(Maturities)	Face Value 09/30/2015	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
07/24/17	248,000	248,000	-	-	248,000	-	248,000	-
09/26/17	250,000	250,000	-	-	250,000	-	-	250,000
09/28/17	250,000	250,000	-	-	250,000	-	-	250,000
04/10/18	247,885	247,885	10	-	247,895	-	247,895	-
04/23/18	248,000	248,000	-	-	248,000	-	248,000	-
09/04/18	248,000	-	248,000	-	248,000	-	248,000	-
07/11/19	248,000	248,000	-	-	248,000	-	-	248,000
07/16/19	248,000	248,000	-	-	248,000	-	-	248,000
07/23/19	248,000	248,000	-	-	248,000	-	-	248,000
07/23/19	248,000	248,000	-	-	248,000	-	-	248,000
08/26/19	250,000	-	250,000	-	250,000	-	-	250,000
08/28/20	250,000	-	250,000	-	250,000	-	-	250,000
08/28/20	250,000	-	250,000	-	250,000	-	-	250,000
08/28/20	250,000	-	250,000	-	250,000	-	-	250,000
TOTAL	11,678,838	8,682,838	2,996,155	(2,232,000)	9,446,993	3,730,000	2,976,993	2,740,000

Listing of All Municipal Bonds and Ladder Placement - September 30, 2015

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-	34074G6G6	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	
† Weighted Averages					1.333923%	2.8948	842	Totals		

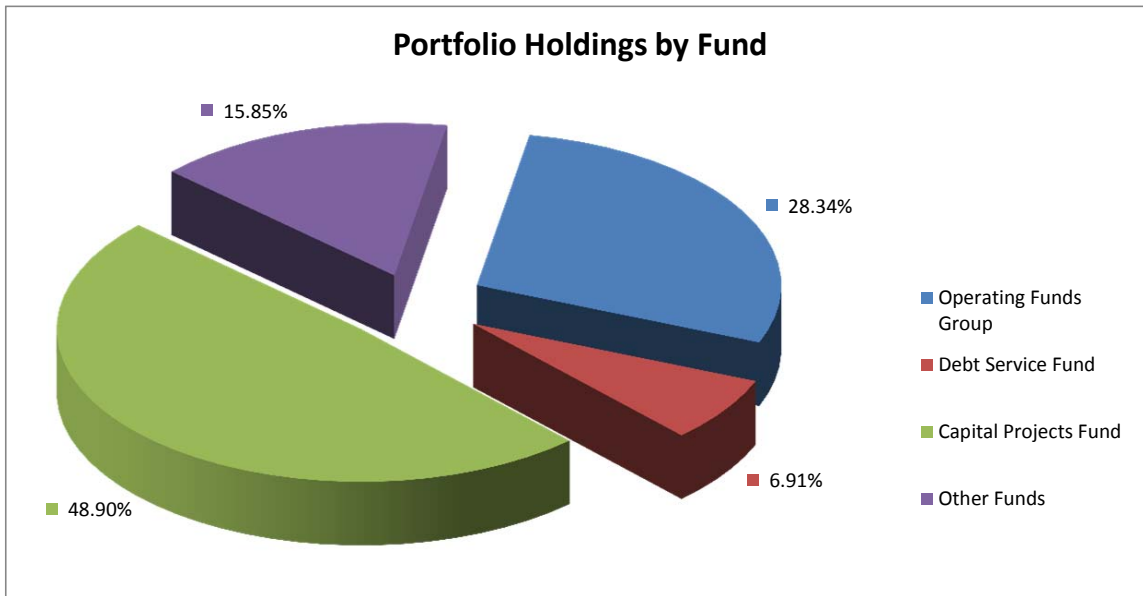
† Weighted Averages are based on investment holdings as of the last day of the quarter using actual days remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase Price.

Listing of All Municipal Bonds and Ladder Placement - September 30, 2015

Par Amount	Purchase Price	FMV 6/30/15	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/15	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	388,265	-	(1,866)	1,064	387,463	-	387,463	-
1,250,000	1,254,369	1,251,313	-	(368)	2,543	1,253,488	-	1,253,488	-
500,000	501,420	-	501,420	(62)	(1,198)	500,160	-	500,160	-
1,500,000	1,523,670	1,514,520	-	(1,844)	809	1,513,485	-	1,513,485	-
800,000	810,856	-	810,856	(262)	(5,794)	804,800	-	804,800	-
4,430,000	4,482,486	3,154,098	1,312,276	(4,402)	(2,576)	4,459,396	-	4,459,396	-

Portfolio Holdings by Fund
September 30, 2015
(Unaudited)

Operating Funds Groups:		
General Fund	\$ 7,941,183	24.25%
Road & Bridge Fund	126,371	0.40%
Stadium & Fairgrounds Fund	654,845	2.00%
Law Library Fund	127,764	0.39%
Airport Fund	-	0.00%
Inland Parks Fund	-	0.00%
Coastal Parks Fund	429,785	1.30%
Sub-Total Operating Funds	\$ 9,279,948	28.34%
Debt Service Fund	2,265,708	6.91%
Capital Projects Fund	16,016,257	48.90%
Other Funds Groups:		
Self Insurance Fund	339,026	1.04%
Special Revenue Fund	4,852,723	14.81%
Sub-total Other Funds	5,191,749	15.85%
Total Holdings at Current Market Value	\$ 32,753,662	100.00%

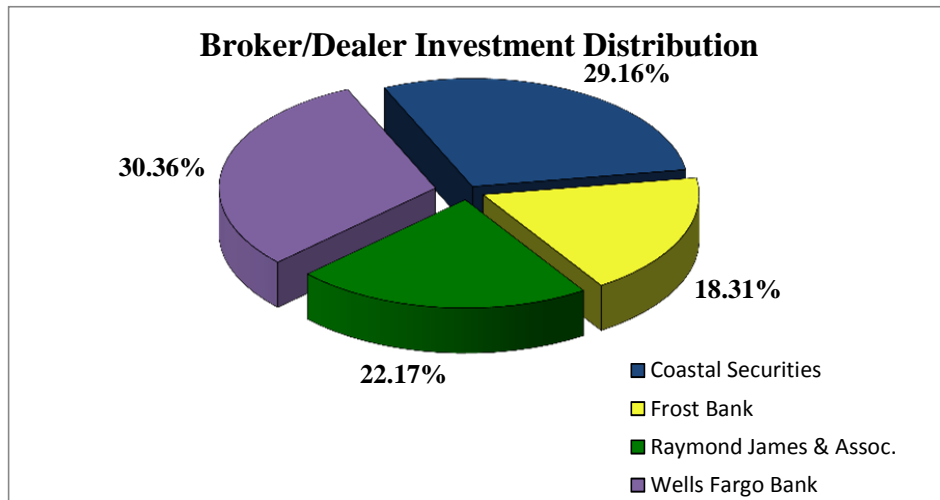


**Distribution of Investments by
Broker/Dealer/Financial Institutions**

September 30, 2015

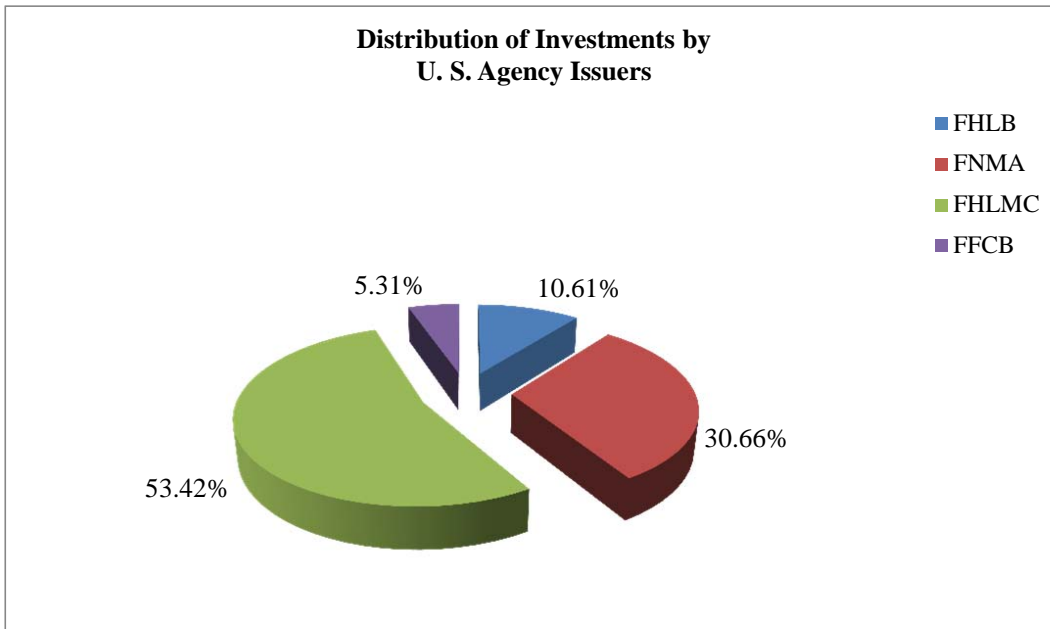
(Unaudited)

	Fair Market Value	Distribution %
Coastal Securities	\$ 9,553,910	29.16%
Frost Bank	5,996,492	18.31%
Raymond James & Assoc.	7,260,443	22.17%
Wells Fargo Bank	9,942,817	30.36%
Total	\$ 32,753,662	100.00%



**Distribution of Investments by
U. S Agencies Issuers
September 30, 2015
(Unaudited)**

Agency		Fair Market Value	Distribution %
Fed Home Loan Bank	FHLB	\$ 2,000,376	10.61%
Fannie Mae	FNMA	5,777,896	30.66%
Fed Home Loan Freddie Mac	FHLMC	10,068,712	53.42%
Federal Farm Credit Bank	FFCB	1,000,289	5.31%
		<u>\$ 18,847,273</u>	<u>100.00%</u>

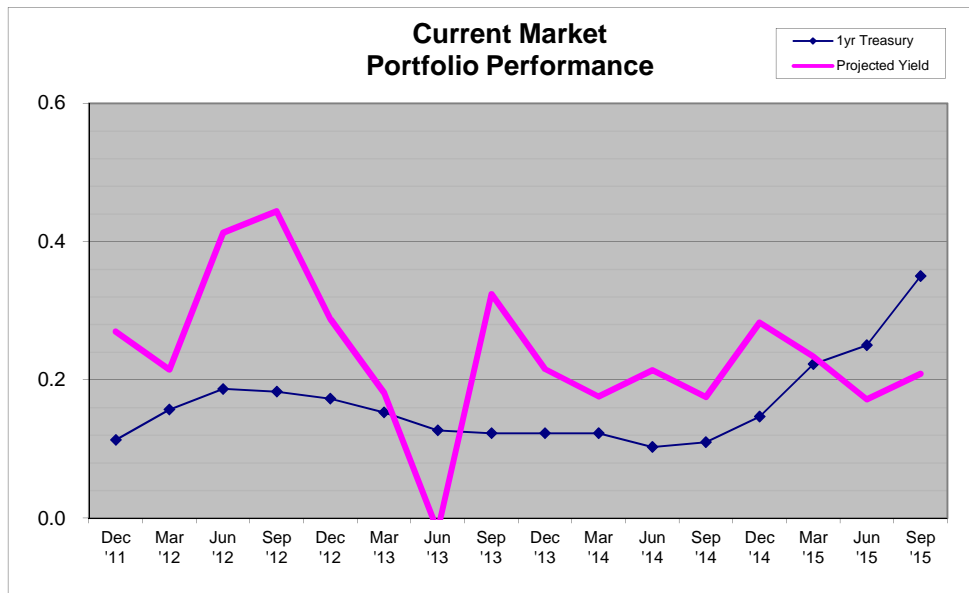


**Investments Performance
Compared to One-Year Treasury
September 30, 2015
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
Jun '11	0.374%	1.500%	0.207%
Sep '11	0.200%	0.800%	0.133%
Dec '11	0.067%	0.270%	0.113%
Mar '12	0.054%	0.215%	0.157%
Jun '12	0.103%	0.413%	0.187%
Sep '12	0.119%	0.443%	0.183%
Dec '12	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%
Sept'15	0.052%	0.209%	0.350%

* 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

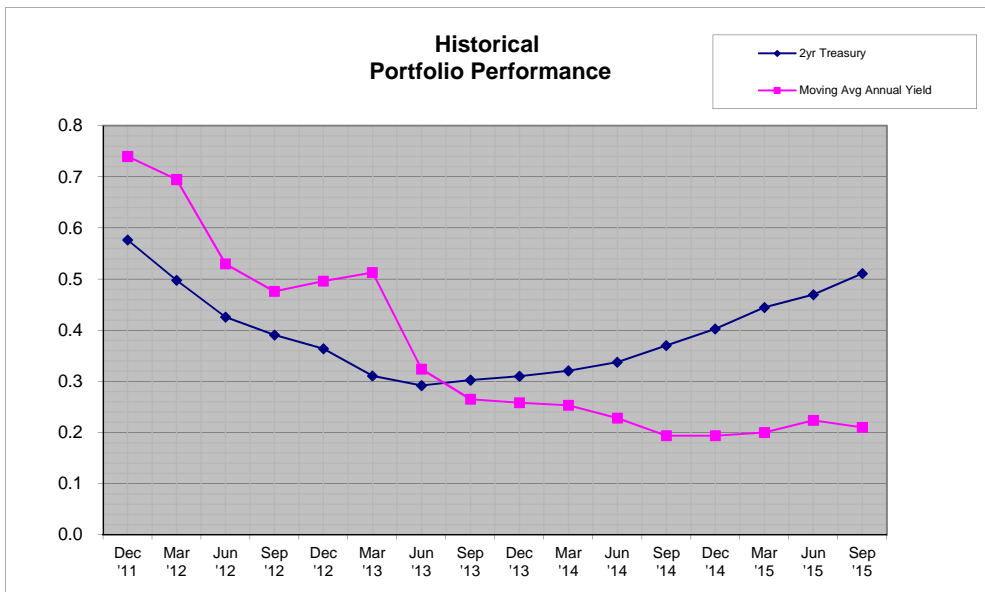


**Investments Performance
Compared to Two-Year Treasury**
September 30, 2015
(Unaudited)

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Dec '11	0.740%	0.577%
Mar '12	0.695%	0.498%
Jun '12	0.530%	0.426%
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	0.228%	0.334%
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%

* 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, 2015

(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>
September '11	0.0929%	0.1102%	0.14%	0.01%
October '11	0.0839%	0.1036%	0.14%	0.01%
November '11	0.1080%	0.1297%	0.15%	0.01%
December '11	0.0810%	0.1125%	0.20%	0.01%
January '12	0.0875%	0.1249%	0.21%	0.01%
February '12	0.0903%	0.1347%	0.25%	0.01%
March '12	0.1150%	0.1597%	0.24%	0.01%
April '12	0.1110%	0.1387%	0.25%	0.01%
May '12	0.1246%	0.1455%	0.26%	0.01%
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%

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.