

Nueces County Quarterly Investment Report June 30, 2019 (Unaudited)

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



Nueces County

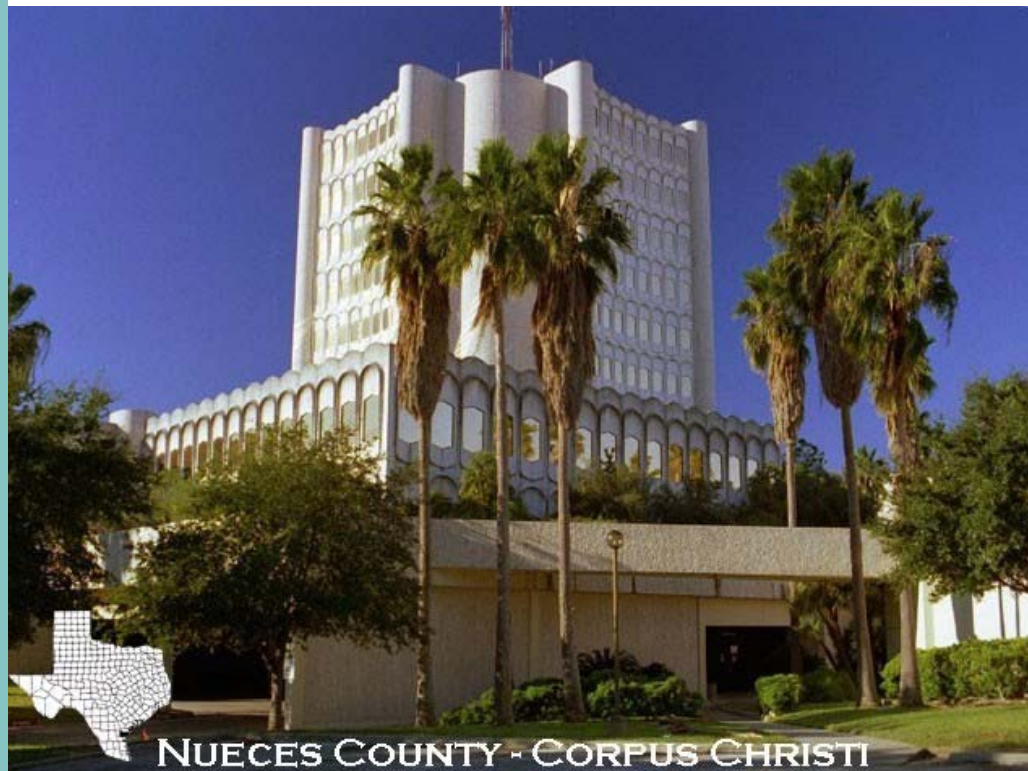
Phone: 361-888-0556

Fax: 361-888-0584

E-Mail:

Nueces.Auditor

@nuecesco.com



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 – Nueces County Commissioners Court Manager

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA – County Auditor

County Investment Officers

Lorenzo Hernandez, III – Treasury Accountant

Investment Report to Commissioners Court

As of June 30, 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 June 30, 2019 have a current value of \$112,079,414. As compared to last report of March 31, 2019, total balances have decreased by \$(16,338,973) down from \$128,418,387.

Compliance Measures

- The weighted average maturity of the operating portfolio is 36 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 March 31, 2019, the average maturity decreased by -6 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 86.81% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 3.61%, 2.13%, and 7.44%, 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 2.50%, and the interest rates for the depository bank are 2.01%. 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

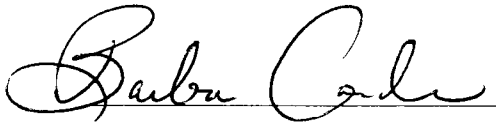
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and 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 June 30, 2019. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$766,734. Compared to the quarterly earnings ending June 30, 2018, earnings show an increase of \$253,406, up from \$513,328. The increase in earnings is due primarily to increase in interest rates during this period.

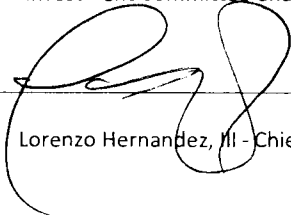
Investment Strategy

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.

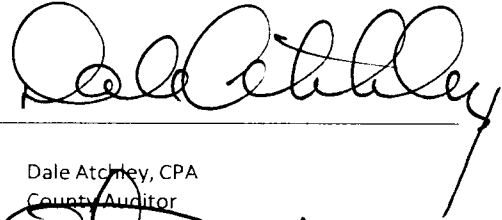
This report has been prepared jointly by the County Auditor's Office and the County Clerk Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on October 22, 2019 and herein presents to the Commissioners Court for final approval. Thank you.



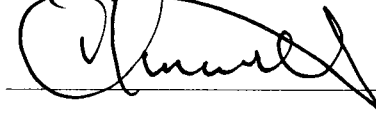
Barbara Canales - County Judge and
Investment Committee Chair



Lorenzo Hernandez, III - Chief Accountant



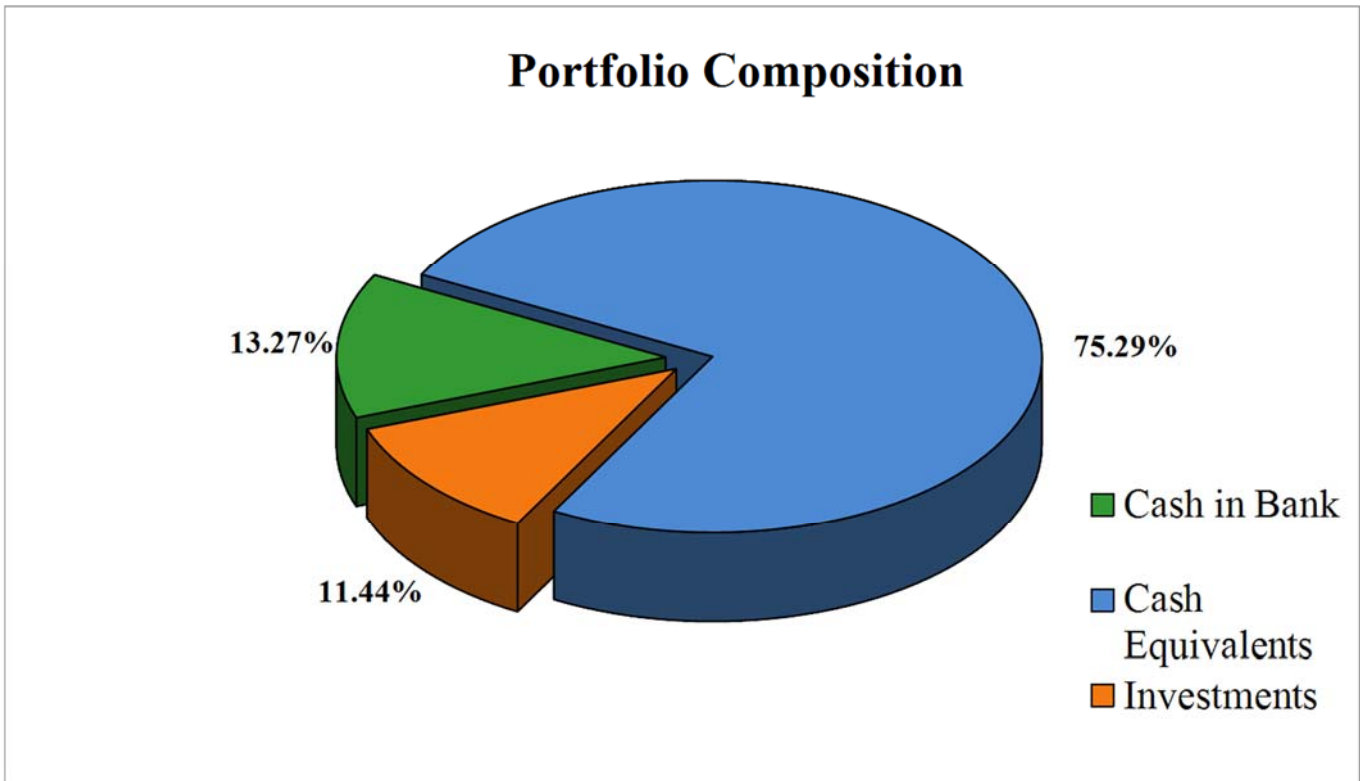
Dale Atchley, CPA
County Auditor



Aidee Hernandez- First Assistant

Cash, Cash Equivalents and Investments by Fund Group
June 30, 2019
(Unaudited)

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$8,794,434	18.15%	\$787,044	2.50%	\$28,939	0.40%	\$5,267,893	21.07%	\$14,878,310	13.27%
Cash Equivalents: Texas Class:	<u>36,674,332</u>	<u>75.68%</u>	<u>24,299,303</u>	<u>77.31%</u>	<u>6,501,084</u>	<u>90.39%</u>	<u>16,909,994</u>	<u>67.65%</u>	<u>84,384,712</u>	<u>75.29%</u>
Sub-Total Cash Equivalents	<u>36,674,332</u>	<u>75.68%</u>	<u>24,299,303</u>	<u>77.31%</u>	<u>6,501,084</u>	<u>90.39%</u>	<u>16,909,994</u>	<u>67.65%</u>	<u>84,384,712</u>	<u>75.29%</u>
Investments:										
Brokered CDs	819,446	1.69%	1,737,366	5.54%	181,468	2.52%	771,874	3.09%	3,510,154	3.13%
Municipal Bonds	483,412	1.00%	1,024,917	3.26%	107,053	1.49%	455,348	1.82%	2,070,730	1.85%
US Agencies	<u>1,689,131</u>	<u>3.49%</u>	<u>3,581,246</u>	<u>11.39%</u>	<u>374,061</u>	<u>5.20%</u>	<u>1,591,071</u>	<u>6.37%</u>	<u>7,235,509</u>	<u>6.46%</u>
Sub-Total Investments	<u>2,991,990</u>	<u>6.17%</u>	<u>6,343,528</u>	<u>20.19%</u>	<u>662,582</u>	<u>9.21%</u>	<u>2,818,293</u>	<u>11.28%</u>	<u>12,816,392</u>	<u>11.44%</u>
Total Cash, Cash Equivalents & Investments	<u>\$48,460,755</u>	<u>100.00%</u>	<u>\$31,429,874</u>	<u>100.00%</u>	<u>\$7,192,604</u>	<u>100.00%</u>	<u>\$24,996,180</u>	<u>100.00%</u>	<u>\$112,079,414</u>	<u>100.00%</u>



Operating Funds and Other Funds Groups

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

June 30, 2019

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 8,198,295	216,336	91,990
Cash Equivalents	31,685,617	1,098,587	2,075,172
Investments	<u>2,337,293</u>	<u>49,850</u>	<u>443,596</u>
Total as of June 30, 2019	42,221,205	1,364,773	2,610,758
Total as of June 30, 2018	37,821,804	910,576	2,284,033
Increase (Decrease) from one year ago	\$ <u>4,399,401</u>	<u>454,196</u>	<u>326,725</u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 2,017,741	2,644,718	257,425
Cash Equivalents	1,878,224	15,031,770	-
Investments	<u>184,037</u>	<u>2,634,256</u>	<u>-</u>
Total as of June 30, 2019	4,080,002	20,310,744	257,425
Total as of June 30, 2018	2,337,537	16,947,258	220,770
Increase (Decrease) from one year ago	\$ <u>1,742,464</u>	<u>3,363,486</u>	<u>36,654</u>

Law Library	Airport	Inland Parks	Coastal Parks		Total
Fund	Fund	Fund	Fund		
37,265	28,871	24,824	196,853	\$	8,794,434
53,330	158,685	799,848	803,094		36,674,332
31,858	-	-	129,393		2,991,990
<hr/>	<hr/>	<hr/>	<hr/>		
122,453	187,555	824,672	1,129,340		48,460,755
161,821	133,084	397,626	1,168,214		42,877,159
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(39,368)	54,471	427,046	(38,875)	\$	5,583,596
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>

TJJD Grant	
Fund	Total
348,009	\$ 5,267,893
-	16,909,994
-	2,818,293
<hr/>	<hr/>
348,009	24,996,180
436,525	19,942,090
<hr/>	<hr/>
(88,515)	\$ 5,054,090
<hr/> <hr/>	<hr/> <hr/>

Portfolio Diversity

Test of Compliance with Investment Policy
All Fund Groups as of June 30, 2019
(Unaudited)

	Current Value	%	Investment Policy Maximum
Cash Equivalents	\$ 84,384,712	86.81%	85.00%
Brokered CDs	3,510,154	3.61%	75.00%
Municipal Bonds	2,070,730	2.13%	75.00%
US Agencies	7,235,509	7.44%	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	\$ 97,201,104	100.00%	

Portfolio Liquidity

Test of Compliance with Investment Policy
Weighted Average Days to Maturity
Operating Funds Group as of June 30, 2019
(Unaudited)

	Fair Value	Weighted Average Days to Maturity	Investment Policy Maximum
Cash Equivalents	\$ 84,384,712	1	
Brokered CDs	3,510,154	377	
Municipal Bonds	2,070,730	505	
US Agencies	7,235,509	139	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	\$ 97,201,104	36	364

Statement of Changes in Investments

as of June 30, 2019

(Unaudited)

	Beginning Balance <u>03/31/2019</u>	Additions	(Subtractions)	Market Adjustment	Ending Balance <u>06/30/2019</u>
Brokered CDs	\$ 3,498,820	\$ -	\$ -	\$ 11,333	\$ 3,510,153
Municipal Bonds	2,065,780	-	-	4,950	2,070,730
US Agencies	<u>7,957,357</u>	-	<u>(750,000)</u>	<u>28,152</u>	<u>7,235,509</u>
Total	\$ <u>13,521,957</u>	\$ <u>-</u>	\$ <u>(750,000)</u>	\$ <u>44,435</u>	\$ <u>12,816,391</u>

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	<u>04/01/2018</u> <u>06/30/2018</u>	<u>04/01/2019</u> <u>06/30/2019</u>	Increase/ (Decrease)	<u>10/01/2017</u> <u>06/30/2018</u>	<u>10/01/2018</u> <u>06/30/2019</u>	Increase/ (Decrease)
Operating Fund Group	\$ 239,584	\$ 352,924	\$ 113,340	\$ 479,986	\$ 898,657	\$ 418,671
Capital Projects Fund Group	158,260	215,353	57,092	349,420	663,620	314,200
Debt Service Fund Group	20,190	47,046	26,856	50,861	122,122	71,261
Other Funds Group	<u>95,294</u>	<u>151,411</u>	<u>56,117</u>	<u>188,976</u>	<u>437,451</u>	<u>248,475</u>
Total	\$ <u>513,328</u>	\$ <u>766,734</u>	\$ <u>253,406</u>	\$ <u>1,069,243</u>	\$ <u>2,121,849</u>	\$ <u>1,052,606</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, 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	1	07/07/16	07/01/19
First Tennessee	MB	5.024%	5.024000%	3.6384	975	07/12/18	03/01/22
Frost Bank	FFCB	1.550%	1.550000%	2.7534	138	02/13/17	11/15/19
Raymond James & Assoc.	FFCB	1.170%	1.170000%	3.5096	197	07/11/16	01/13/20
Raymond James & Assoc.	FHLMC	1.300%	1.300000%	0.0000	0	02/14/17	05/24/19
First Tennessee	FHLMC	1.500%	1.500000%	2.5370	59	02/13/17	08/28/19
Raymond James & Assoc.	FHLMC	1.500%	1.500000%	2.5342	59	02/14/17	08/28/19
Frost Bank	FHLMC	1.750%	1.750000%	3.5397	425	02/13/17	08/28/20
First Tennessee	FNMA	1.260%	1.450000%	2.4658	33	02/13/17	08/02/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	743	07/12/18	07/12/21
Wells Fargo Bank	CD	2.050%	2.050000%	5.0247	16	07/08/14	07/16/19
Raymond James & Assoc.	CD	2.100%	2.100000%	4.0027	57	08/26/15	08/26/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	744	07/13/18	07/13/21
Wells Fargo Bank	CD	1.900%	1.900000%	5.0411	23	07/09/14	07/23/19
Frost Bank	CD	3.000%	3.000000%	3.0055	750	07/18/18	07/19/21
Raymond James & Assoc.	CD	2.050%	2.050000%	5.0110	425	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.850%	1.850000%	5.0110	425	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.800%	1.800000%	4.5123	243	08/26/15	02/28/20
First Tennessee	CD	2.900%	2.900000%	2.0027	382	07/16/18	07/16/20
First Tennessee	CD	3.050%	3.050000%	3.0055	750	07/18/18	07/19/21
Wells Fargo Bank	CD	1.850%	1.850000%	5.0110	11	07/08/14	07/11/19
Wells Fargo Bank	CD	1.800%	1.800000%	5.0438	23	07/08/14	07/23/19
Frost Bank	CD	2.750%	2.750000%	2.2521	488	07/31/18	10/30/20
		2.017237%		3.0316	241		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

June 30, 2019

(Unaudited)

Par Amount	Purchase Price	FMV 03/31/19	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 06/30/2019	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	998,860	-	1,140	1,000,000	-	1,000,000	-	
1,000,000	1,065,640	1,066,920	-	3,810	1,070,730	-	-	1,070,730	
1,500,000	1,500,000	1,492,545	-	5,198	1,497,743	-	1,497,743	-	
1,000,000	1,000,000	990,627	-	3,565	994,192	-	-	994,192	
750,000	750,000	748,757	(750,000)	1,243	-	-	-	-	
1,500,000	1,500,000	1,493,624	-	4,464	1,498,088	-	1,498,088	-	
750,000	750,000	746,812	-	2,232	749,044	-	749,044	-	
1,000,000	1,000,000	991,208	-	6,870	998,078	-	-	998,078	
1,500,000	1,500,000	1,493,784	-	4,581	1,498,365	-	1,498,365	-	
250,000	250,000	252,482	-	1,460	253,941	-	253,941	-	
248,000	248,000	247,711	-	251	247,962	-	-	247,962	
250,000	250,000	249,689	-	217	249,906	-	-	249,906	
250,000	250,000	252,480	-	1,466	253,946	-	253,946	-	
250,000	250,000	247,700	-	250	247,950	-	-	247,950	
250,000	250,000	252,468	-	1,504	253,972	-	253,972	-	
250,000	250,000	248,522	-	1,068	249,590	-	-	249,590	
250,000	250,000	247,826	-	1,190	249,015	-	-	249,015	
250,000	250,000	249,407	-	646	250,053	-	-	250,053	
250,000	250,000	251,354	-	492	251,846	-	251,846	-	
250,000	250,000	252,747	-	1,475	254,222	-	254,222	-	
248,000	248,000	247,635	-	325	247,960	-	-	247,960	
248,000	248,000	247,707	-	246	247,953	-	-	247,953	
250,000	250,000	251,093	-	744	251,837	-	251,837	-	
13,494,000	13,585,600	13,521,957	(750,000)	44,435	12,816,391	-	7,763,002	5,053,389	
						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>17,236,998</u>	<u>2,946,611</u>

Listing of All Broked CDs and Ladder Placement

June 30, 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	743	07/12/18	07/12/21	250,000
Wells Fargo Bank	BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	16	07/08/14	07/16/19	248,000
Raymond James & Assoc.	CAPITAL ONE BANK USA NA	2.100%	2.100000%	4.0027	57	08/26/15	08/26/19	250,000
Raymond James & Assoc.	CITIBANK NA	3.000%	3.000000%	3.0027	744	07/13/18	07/13/21	250,000
Wells Fargo Bank	CUSTOMERS BANK	1.900%	1.900000%	5.0411	23	07/09/14	07/23/19	250,000
Frost Bank	DISCOVER BANK	3.000%	3.000000%	3.0055	750	07/18/18	07/19/21	250,000
Raymond James & Assoc.	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	5.0110	425	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	5.0110	425	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FIRST SOURCE BANK	1.800%	1.800000%	4.5123	243	08/26/15	02/28/20	250,000
First Tennessee	FIRST TECHNOLOGY FEDERAL	2.900%	2.900000%	2.0027	382	07/16/18	07/16/20	250,000
First Tennessee	GOLDMAN SACHS BANK	3.050%	3.050000%	3.0055	750	07/18/18	07/19/21	250,000
Wells Fargo Bank	METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	11	07/08/14	07/11/19	248,000
Wells Fargo Bank	OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	23	07/08/14	07/23/19	248,000
Frost Bank	UNITED BANKERS	2.750%	2.750000%	2.2521	488	07/31/18	10/30/20	250,000
Weighted Average			<u>2.365083%</u>	<u>3.9216</u>	<u>363</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

June 30, 2019

(Unaudited)

Face Value 3/31/19	Additions	(Maturities)	Market Adjustments Increase (Decrease)	Market Value 6/30/19	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
252,482	-	-	1,460	253,941	-	253,941	-
247,711	-	-	251	247,962	-	-	247,962
249,689	-	-	217	249,906	-	-	249,906
252,480	-	-	1,466	253,946	-	253,946	-
247,700	-	-	250	247,950	-	-	247,950
252,468	-	-	1,504	253,972	-	253,972	-
248,522	-	-	1,068	249,590	-	-	249,590
247,826	-	-	1,190	249,015	-	-	249,015
249,407	-	-	646	250,053	-	-	250,053
251,354	-	-	492	251,846	-	251,846	-
252,747	-	-	1,475	254,222	-	254,222	-
247,635	-	-	325	247,960	-	-	247,960
247,707	-	-	246	247,953	-	-	247,953
251,093	-	-	744	251,837	-	251,837	-
3,498,820	-	-	11,333	3,510,153	-	1,519,763	1,990,389

Listing of All Municipal Bonds and Ladder Placement

June 30, 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
† Weighted Averages				3.59%	3.3110	579	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
June 30, 2019
(Unaudited)

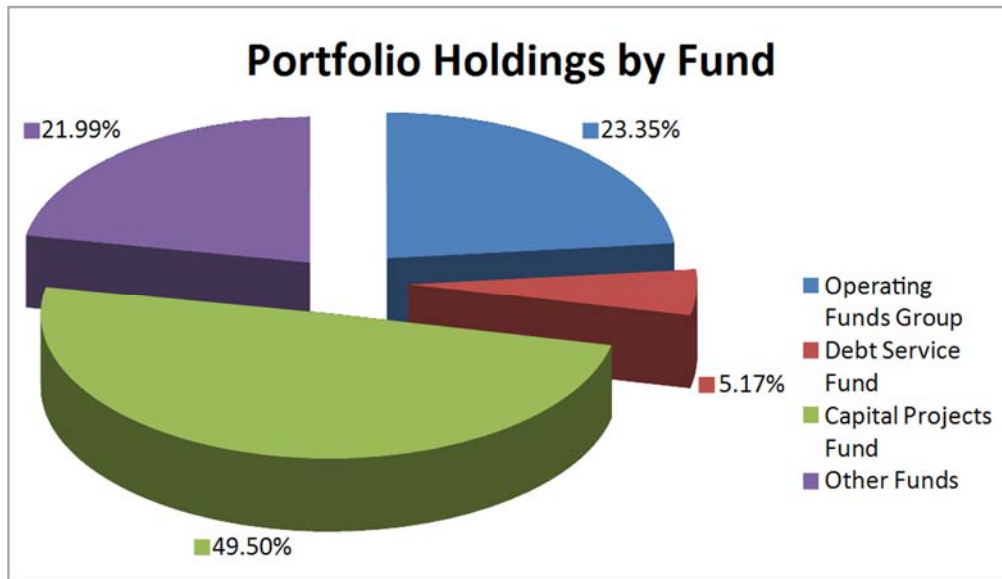
Par Amount	Purchase Price	FMV 03/31/19	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 06/30/19	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
1,000,000	1,025,960	998,860	-	1,140	1,000,000	-	1,000,000	-
1,000,000	1,065,640	1,066,920	-	3,810	1,070,730	-	-	1,070,730
2,000,000	2,091,600	2,065,780	-	4,950	2,070,730	-	1,000,000	1,070,730

Portfolio Holdings by Fund

June 30, 2019

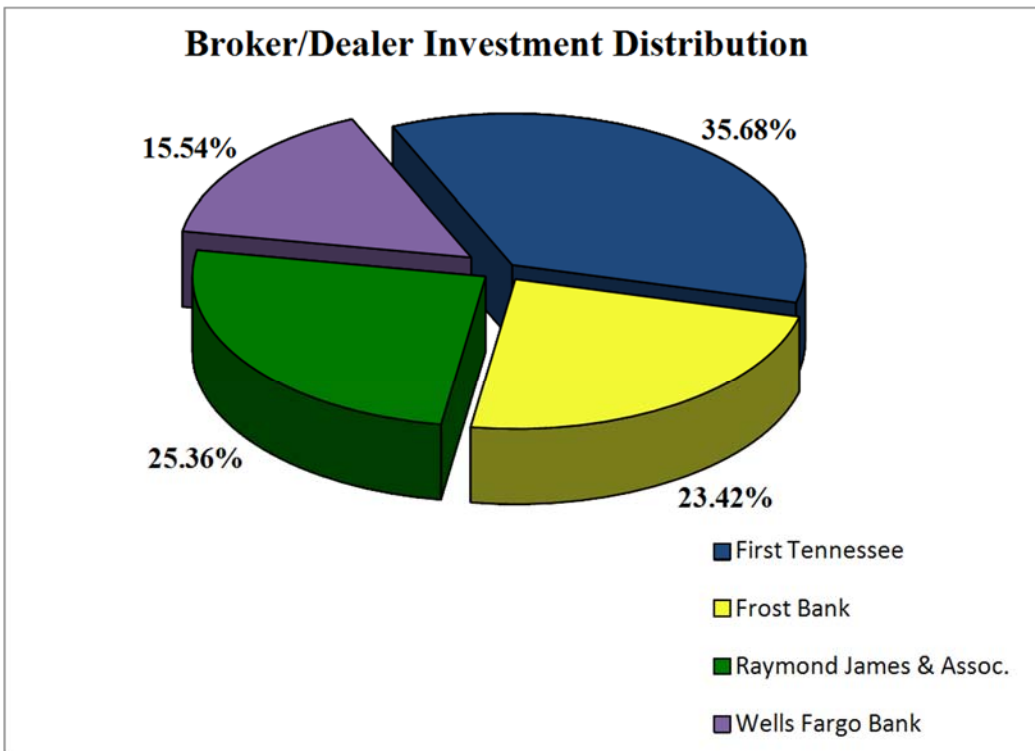
(Unaudited)

Fund	Operating Funds Groups:		
11	General Fund	\$2,337,293	18.24%
12	Road & Bridge Fund	49,850	0.39%
14	Stadium & Fairgrounds Fund	443,596	3.46%
15	Law Library Fund	31,858	0.25%
18	Coastal Parks Fund	129,393	1.01%
	Sub-Total Operating Funds	\$2,991,990	23.35%
09	Debt Service Fund	662,582	5.17%
19	Capital Projects Fund	6,343,528	49.50%
	Other Funds Groups:		
10	Self Insurance Fund	184,037	1.44%
13	Special Revenue Fund	2,634,256	20.55%
	Sub-total Other Funds	2,818,293	21.99%
	Total Holdings at Current Market Value	\$12,816,392	100.00%



**Distribution of Investments by
Broker/Dealer/Financial Institutions
June 30, 2019
(Unaudited)**

	Fair Market Value	Distribution %
First Tennessee	\$4,573,251	35.68%
Frost Bank	3,001,629	23.42%
Raymond James & Assoc.	3,249,687	25.36%
Wells Fargo Bank	1,991,825	15.54%
Total	\$12,816,391	100.00%



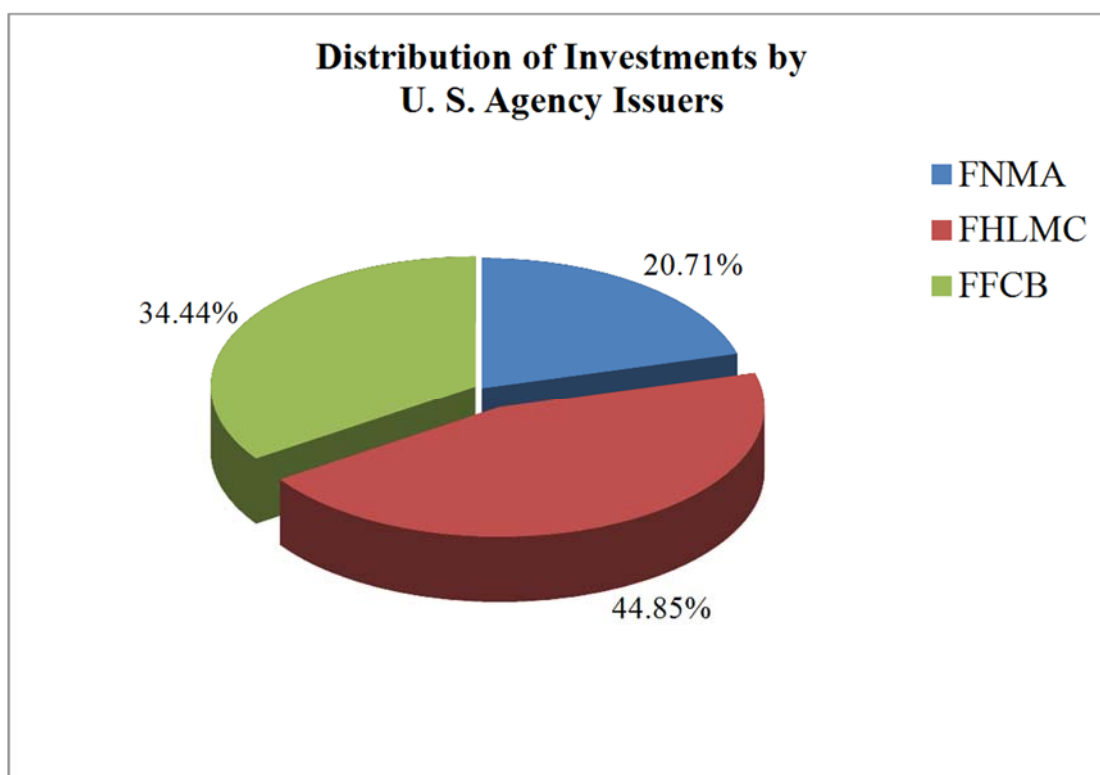
Distribution of Investments by

U. S Agencies Issuers

June 30, 2019

(Unaudited)

<u>Agency</u>		<u>Fair Market Value</u>	<u>Distribution %</u>
Fannie Mae	FNMA	1,498,365	20.71%
Fed Home Loan Freddie Mac	FHLMC	3,245,210	44.85%
Federal Farm Credit Bank	FFCB	2,491,935	34.44%
		<u>\$7,235,510</u>	<u>100.00%</u>

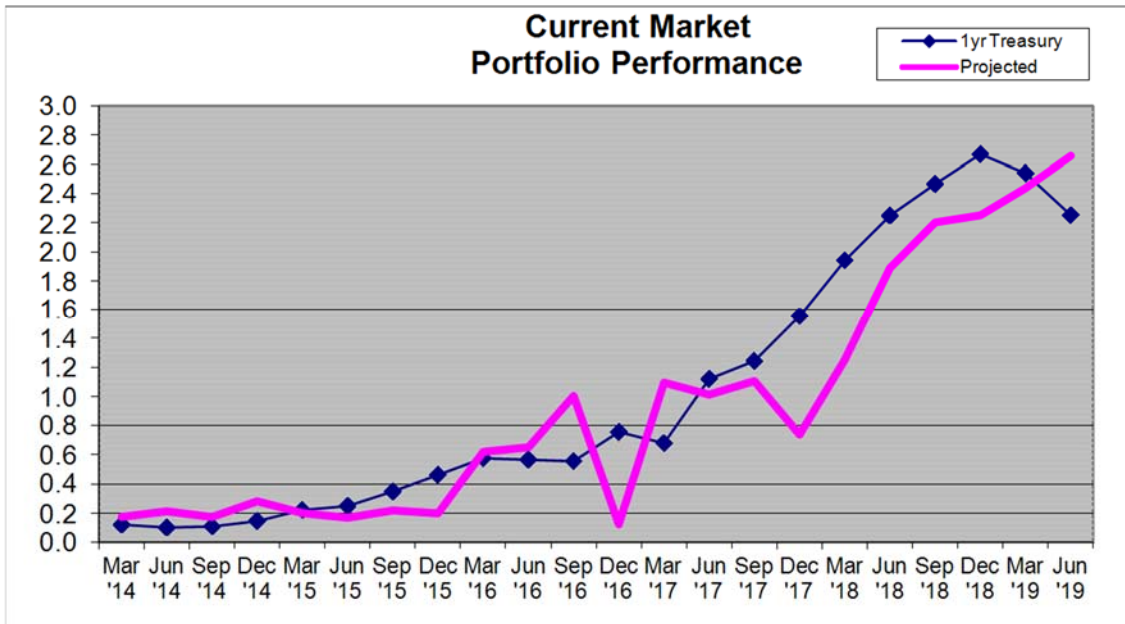


**Investments Performance
Compared to One-Year Treasury
June 30, 2019
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
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%
Jun-19	0.880%	2.659%	2.253%

* 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

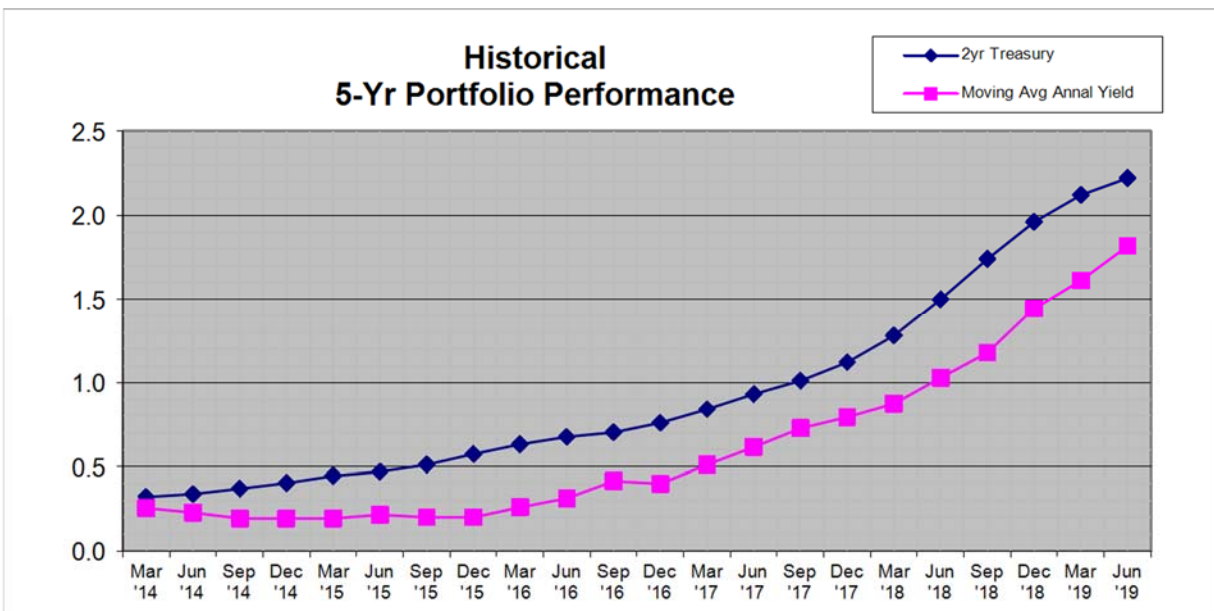


Investments Performance
Compared to Two-Year Treasury
June 30, 2019
(Unaudited)

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
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%
Jun-19	1.817%	2.220%

* 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

June 30, 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>
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%
April '19	2.4344%	2.5835%	2.58%	2.06%
May '19	2.4005%	2.5468%	2.56%	2.03%
June '19	2.3812%	2.5226%	2.50%	2.01%

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.