

# Nueces County Quarterly Investment Report December 31, 2018 (Unaudited)

*Prepared by Nueces  
County Auditor's 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 2255.023

Investment Committee Members

Barbara Canales – County Judge

Kara Sands – County Clerk

Laura Jimenez – County Attorney

Tyner Little – Interim Director of Commissioners Court Administration

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA – County Auditor

County Investment Officers

Lorenzo Hernandez, III – Treasury Accountant

Fred Chavera – Revenue/Cash Manager

# Investment Report to Commissioners Court

As of December 31, 2018

Investments have been made in accordance with the requirements of the Nueces County Investment Policy and Government Code 2256. The investment committee is directed by the investment policy to meet certain requirements regarding investment strategy, earnings, diversity and liquidity. This report is presented in conformity with generally accepted accounting principles.

This report covers investment results on county-wide treasury accounts only. Interest income on departmental accounts such as the tax office, sheriff, and district clerk checking accounts are not included in this report.

## **Summary of Cash, Cash Equivalents and Investments**

Total cash, cash equivalents, and investments as of December 31, 2019 have a current value of \$99,550,929. As compared to last report of September 30, 2018, total balances have increased by \$14,125,740 up from \$85,425,189.

## **Compliance Measures**

- The weighted average maturity of the operating portfolio is 79 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 September 30, 2018, the average maturity decreased by -36 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 78.11% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 4.54%, 3.74%, and 13.62%, respectively.
- All investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

## **Summary of Investment Results**

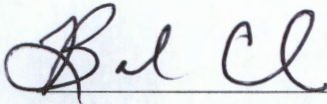
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and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

Current quarterly earnings are \$557,140. Compared to the quarterly earnings ending December 31, 2017, earnings shows an increase of \$389,514, up from \$167,626. The increase in earnings is due primarily to increase in interest rates during this period.

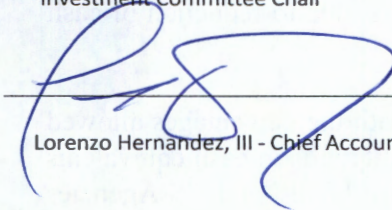
### Investment Strategy

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.

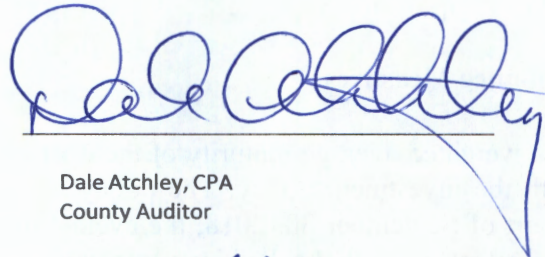
This report has been prepared jointly by the County Auditor's Office and the County Clerk Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on February 15, 2019 and herein presents to the Commissioners Court for final approval. Thank you.



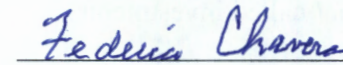
Barbara Canales - County Judge and  
Investment Committee Chair



Lorenzo Hernandez, III - Chief Accountant



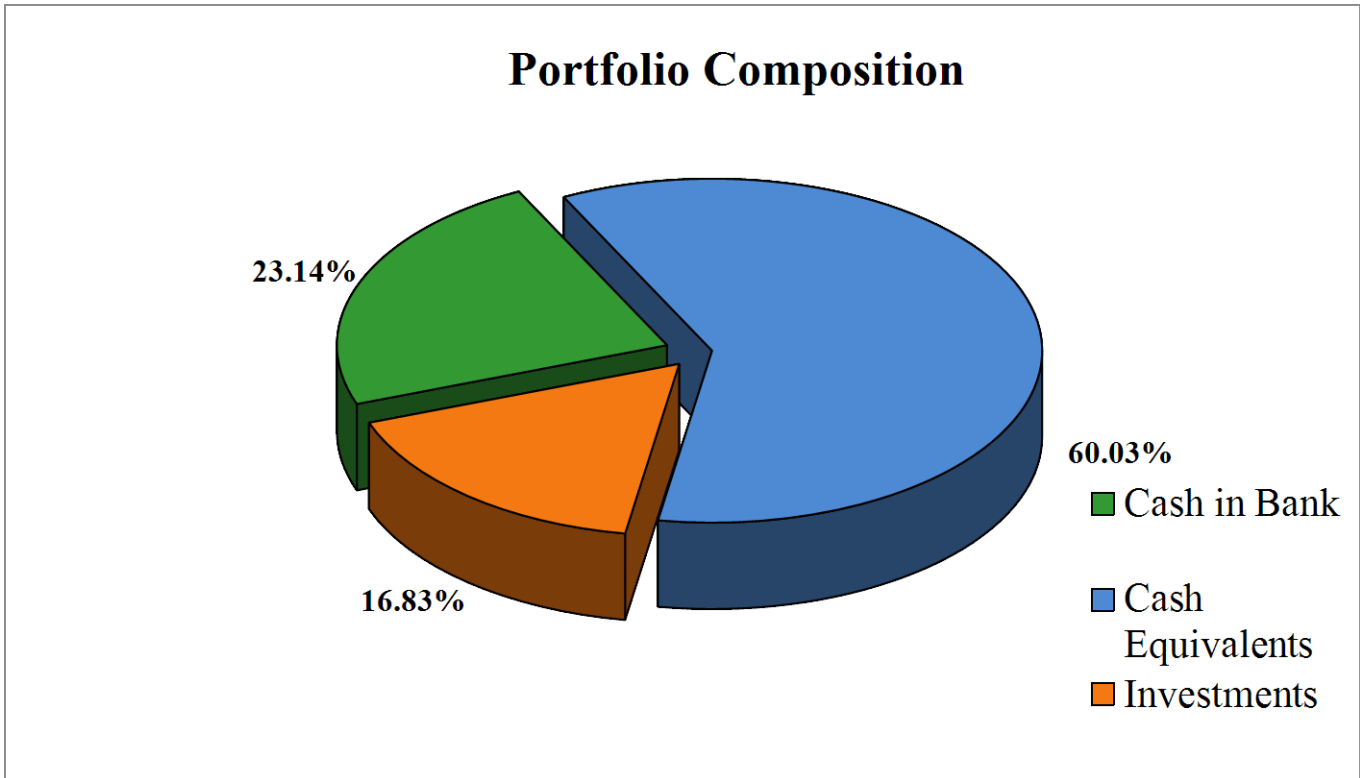
Dale Atchley, CPA  
County Auditor



Federico Chavera - Revenue/Cash Manager

**Cash, Cash Equivalents and Investments by Fund Group**  
**December 31, 2018**  
(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	\$13,671,958	37.36%	\$1,454,306	4.39%	\$773,686	11.16%	\$7,137,898	31.15%	\$23,037,848	23.14%
Cash Equivalents:										
TEXPOOL	-	0.00%	-	0.00%		0.00%	-	0.00%	0	0.00%
MBIA	19,355,783	52.89%	23,021,304	69.53%	5,295,914	76.36%	12,089,745	52.76%	59,762,746	60.03%
Sub-Total Cash Equivalents	19,355,783	52.89%	23,021,304	69.53%	5,295,914	76.36%	12,089,745	52.76%	59,762,746	60.03%
Investments:										
Brokered CDs	739,731	2.02%	1,790,312	5.41%	179,568	2.59%	763,793	3.33%	3,473,404	3.49%
Municipal Bonds	608,776	1.66%	1,473,373	4.45%	147,779	2.13%	628,578	2.74%	2,858,506	2.87%
US Agencies	2,218,812	6.06%	5,370,015	16.22%	538,611	7.77%	2,290,986	10.00%	10,418,425	10.47%
Sub-Total Investments	3,567,319	9.75%	8,633,700	26.08%	865,958	12.49%	3,683,357	16.07%	16,750,335	16.83%
<b>Total Cash, Cash Equivalents &amp; Investments</b>	<b>\$36,595,060</b>	<b>100.00%</b>	<b>\$33,109,311</b>	<b>100.00%</b>	<b>\$6,935,559</b>	<b>100.00%</b>	<b>\$22,911,000</b>	<b>99.98%</b>	<b>\$99,550,929</b>	<b>100.00%</b>



**Operating Funds and Other Funds Groups**

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

December 31, 2018

**Operating Funds:**

	<b>General Fund</b>	<b>Road Fund</b>	<b>Stadium/ Fairgrounds Fund</b>
Cash	\$ 13,773,465	(381,916)	62,828
Cash Equivalents	14,146,400	2,487,362	1,659,400
Investments	<u>2,687,161</u>	<u>65,152</u>	<u>579,756</u>
Total as of December 31, 2018	30,607,026	2,170,597	2,301,984
Total as of December 31, 2017	24,747,948	1,974,549	2,099,659
Increase (Decrease) from one year ago	<u>\$ 5,859,079</u>	<u>196,048</u>	<u>202,324</u>

**Other Funds:**

	<b>Self Insurance Fund</b>	<b>Special Fund</b>	<b>Main Grant Fund</b>
Cash	\$ 3,687,188	2,657,476	482,548
Cash Equivalents	1,586,833	10,502,911	-
Investments	<u>240,527</u>	<u>3,442,831</u>	<u>-</u>
Total as of December 31, 2018	5,514,548	16,603,218	482,548
Total as of December 31, 2017	2,676,543	16,118,282	2,428
Increase (Decrease) from one year ago	<u>\$ 2,838,005</u>	<u>484,936</u>	<u>480,120</u>

<b>Law Library</b>	<b>Airport</b>	<b>Inland Parks</b>	<b>Coastal Parks</b>	
<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
27,154	6,659	(53,086)	236,855	\$ 13,671,958
79,084	151,138	97	832,302	19,355,783
66,140	-	-	169,110	3,567,319
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172,378	157,797	(52,990)	1,238,267	36,595,060
189,136	103,643	294,134	472,187	29,881,256
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<u>(16,758)</u>	<u>54,154</u>	<u>(347,124)</u>	<u>766,079</u>	<u>\$ 6,713,803</u>

<b>TJJD Grant</b>	
<b>Fund</b>	<b>Total</b>
310,686	\$ 7,137,898
-	12,089,745
-	3,683,357
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310,686	22,911,000
390,064	19,187,317
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<u>(79,378)</u>	<u>\$ 3,723,683</u>

**Portfolio Diversity**

Test of Compliance with Investment Policy  
All Fund Groups as of December 31, 2018  
(Unaudited)

	Current Value	%	Investment Policy Maximum
Cash Equivalents	\$ 59,762,746	78.11%	85.00%
Brokered CDs	3,473,404	4.54%	75.00%
Municipal Bonds	2,858,506	3.74%	75.00%
US Agencies	10,418,425	13.62%	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	\$ <u>76,513,081</u>	<u>100.00%</u>	

**Portfolio Liquidity**

Test of Compliance with Investment Policy  
Weighted Average Days to Maturity  
Operating Funds Group as of December 31, 2018  
(Unaudited)

	Fair Value	Weighted Average Days to Maturity	Investment Policy Maximum
Cash Equivalents	\$ 59,762,746	1	
Brokered CDs	3,473,404	556	
Municipal Bonds	2,858,506	506	
US Agencies	10,418,425	251	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	\$ <u>76,513,081</u>	<u>79</u>	<u>364</u>



**Statement of Changes in Investments**

**as of December 31, 2018**

(Unaudited)

	Beginning Balance 10/01/2018	Additions	(Subtractions)	Market Adjustment	Ending Balance 12/31/2018
Brokered CDs	\$ 3,476,649	\$ -	\$ -	\$ (3,243)	\$ 3,473,406
Municipal Bonds	3,846,106	-	(1,000,000)	12,400	2,858,506
US Agencies	10,380,947	-	-	37,478	10,418,425
<b>Total</b>	<b>\$ 17,703,702</b>	<b>\$ -</b>	<b>\$ (1,000,000)</b>	<b>\$ 46,635</b>	<b>\$ 16,750,337</b>

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	10/01/2017 12/31/2017	10/01/2018 12/31/2018	Increase/ (Decrease)	10/01/2017 12/31/2017	10/01/2018 12/31/2018	Increase/ (Decrease)
Operating Fund Group	\$ 58,662	\$ 189,612	\$ 130,950	\$ 58,662	\$ 189,612	\$ 130,950
Capital Projects Fund Group	73,049	213,581	140,532	73,049	213,581	140,532
Debt Service Fund Group	11,009	25,090	14,080	11,009	25,090	14,080
Other Funds Group	24,905	128,857	103,952	24,905	128,857	103,952
<b>Total</b>	<b>\$ 167,626</b>	<b>\$ 557,140</b>	<b>\$ 389,514</b>	<b>\$ 167,626</b>	<b>\$ 557,140</b>	<b>\$ 389,514</b>

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  
December 31, 2018  
(Unaudited)

VENDOR	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
Wells Fargo Bank	MB	2.163%	2.163000%	2.9836	182	07/07/16	07/01/19
First Tennessee	MB	5.024%	5.024000%	3.6384	1,156	07/12/18	03/01/22
Wells Fargo Bank	MB	2.150%	2.150000%	0.0000	-	07/07/16	11/01/18
First Tennessee	MB	1.804%	1.804000%	3.4740	46	08/27/15	02/15/19
Frost Bank	FFCB	1.550%	1.550000%	2.7534	319	02/13/17	11/15/19
Raymond James & Assoc.	FFCB	1.170%	1.170000%	3.5096	378	07/11/16	01/13/20
Raymond James & Assoc.	FHLMC	1.300%	1.300000%	2.2712	144	02/14/17	05/24/19
First Tennessee	FHLMC	1.500%	1.500000%	2.5370	240	02/13/17	08/28/19
Raymond James & Assoc.	FHLMC	1.500%	1.500000%	2.5342	240	02/14/17	08/28/19
Frost Bank	FHLMC	1.750%	1.750000%	3.5397	606	02/13/17	08/28/20
Frost Bank	FHLMC	1.375%	1.375000%	2.0822	74	02/13/17	03/15/19
First Tennessee	FNMA	1.260%	1.450000%	2.4658	214	02/13/17	08/02/19
Wells Fargo Bank	FNMA	0.900%	0.900000%	2.5534	25	07/07/16	01/25/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	924	07/12/18	07/12/21
Wells Fargo Bank	CD	2.050%	2.050000%	5.0247	197	07/08/14	07/16/19
Raymond James & Assoc.	CD	2.100%	2.100000%	4.0027	238	08/26/15	08/26/19
Raymond James & Assoc.	CD	3.000%	3.000000%	3.0027	925	07/13/18	07/13/21
Wells Fargo Bank	CD	1.900%	1.900000%	5.0411	204	07/09/14	07/23/19
Frost Bank	CD	3.000%	3.000000%	3.0055	931	07/18/18	07/19/21
Raymond James & Assoc.	CD	2.050%	2.050000%	5.0110	606	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.850%	1.850000%	5.0110	606	08/26/15	08/28/20
Raymond James & Assoc.	CD	1.800%	1.800000%	4.5123	424	08/26/15	02/28/20
First Tennessee	CD	2.900%	2.900000%	2.0027	563	07/16/18	07/16/20
First Tennessee	CD	3.050%	3.050000%	3.0055	931	07/18/18	07/19/21
Wells Fargo Bank	CD	1.850%	1.850000%	5.0110	192	07/08/14	07/11/19
Wells Fargo Bank	CD	1.800%	1.800000%	5.0438	204	07/08/14	07/23/19
Frost Bank	CD	2.750%	2.750000%	2.2521	669	07/31/18	10/30/20
			<b>1.898185%</b>	<b>2.8699</b>	<b>328</b>		<b>Totals</b>

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 maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Totals

Listing of All Investments and Ladder Placement  
December 31, 2018  
(Unaudited)

Par Amount	Purchase Price	FMV 09/30/18	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 12/31/2018	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	996,650	-	570	997,220	-	997,220	-
1,000,000	1,065,640	1,052,090	-	10,060	1,062,150	-	-	1,062,150
1,000,000	1,030,990	999,710	(1,000,000)	290	-	-	-	-
800,000	810,856	797,656	-	1,480	799,136	-	799,136	-
1,500,000	1,500,000	1,480,190	-	5,319	1,485,509	-	1,485,509	-
1,000,000	1,000,000	980,224	-	4,010	984,234	-	-	984,234
750,000	750,000	744,055	-	2,409	746,464	-	746,464	-
1,500,000	1,500,000	1,484,124	-	3,986	1,488,110	-	1,488,110	-
750,000	750,000	742,062	-	1,993	744,055	-	744,055	-
1,000,000	1,000,000	979,163	-	6,897	986,060	-	-	986,060
1,500,000	1,500,000	1,492,851	-	3,993	1,496,844	-	1,496,844	-
1,500,000	1,500,000	1,482,882	-	5,259	1,488,141	-	1,488,141	-
1,000,000	1,000,000	995,397	-	3,612	999,009	-	999,009	-
250,000	250,000	249,702	-	(599)	249,104	-	249,104	-
248,000	248,000	247,311	-	(92)	247,219	-	-	247,219
250,000	250,000	249,226	-	(56)	249,171	-	-	249,171
250,000	250,000	249,699	-	(598)	249,101	-	249,101	-
250,000	250,000	247,283	-	(85)	247,198	-	-	247,198
250,000	250,000	249,677	-	(597)	249,081	-	249,081	-
250,000	250,000	246,182	-	126	246,308	-	-	246,308
250,000	250,000	245,255	-	232	245,487	-	-	245,487
250,000	250,000	248,429	-	(53)	248,377	-	-	248,377
250,000	250,000	250,348	-	(420)	249,928	-	249,928	-
250,000	250,000	250,012	-	(626)	249,386	-	249,386	-
248,000	248,000	247,081	-	(25)	247,056	-	-	247,056
248,000	248,000	247,287	-	(91)	247,196	-	-	247,196
250,000	250,000	249,157	-	(361)	248,796	-	248,796	-
<b>17,794,000</b>	<b>17,927,446</b>	<b>17,703,701</b>	<b>(1,000,000)</b>	<b>46,634</b>	<b>16,750,335</b>	<b>-</b>	<b>11,739,881</b>	<b>5,010,454</b>
					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>13,260,119</u>	<u>2,989,546</u>

Listing of All Broked CDs and Ladder Placement  
December 31, 2018  
(Unaudited)

VENDOR	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	Purchase Price at Par
Raymond James & Assoc.	ALLY BANK	3.000%	3.000000%	3.0027	924	07/12/18	07/12/21	250,000
Wells Fargo Bank	BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	197	07/08/14	07/16/19	248,000
Raymond James & Assoc.	CAPITAL ONE BANK USA NA	2.100%	2.100000%	4.0027	238	08/26/15	08/26/19	250,000
Raymond James & Assoc.	CITIBANK NA	3.000%	3.000000%	3.0027	925	07/13/18	07/13/21	250,000
Wells Fargo Bank	CUSTOMERS BANK	1.900%	1.900000%	5.0411	204	07/09/14	07/23/19	250,000
Frost Bank	DISCOVER BANK	3.000%	3.000000%	3.0055	931	07/18/18	07/19/21	250,000
Raymond James & Assoc.	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	5.0110	606	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	5.0110	606	08/26/15	08/28/20	250,000
Raymond James & Assoc.	FIRST SOURCE BANK	1.800%	1.800000%	4.5123	424	08/26/15	02/28/20	250,000
First Tennessee	FIRST TECHNOLOGY FEDERAL	2.900%	2.900000%	2.0027	563	07/16/18	07/16/20	250,000
First Tennessee	GOLDMAN SACHS BANK	3.050%	3.050000%	3.0055	931	07/18/18	07/19/21	250,000
Wells Fargo Bank	METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	192	07/08/14	07/11/19	248,000
Wells Fargo Bank	OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	204	07/08/14	07/23/19	248,000
Frost Bank	UNITED BANKERS	2.750%	2.750000%	2.2521	669	07/31/18	10/30/20	250,000
Weighted Average			<u>2.365083%</u>	<u>3.9216</u>	<u>544</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  
December 31, 2018  
(Unaudited)

Face Value 09/30/18	Additions	(Maturities)	Amortization of (Premium) Discount	Market Adjustments Increase (Decrease)	Market Value 12/31/18	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
249,702	-	-	-	(599)	249,104	-	249,104	-
247,311	-	-	-	(92)	247,219	-	-	247,219
249,226	-	-	-	(56)	249,171	-	-	249,171
249,699	-	-	-	(598)	249,101	-	249,101	-
247,283	-	-	-	(85)	247,198	-	-	247,198
249,677	-	-	-	(597)	249,081	-	249,081	-
246,182	-	-	-	126	246,308	-	-	246,308
245,255	-	-	-	232	245,487	-	-	245,487
248,429	-	-	-	(53)	248,377	-	-	248,377
250,348	-	-	-	(420)	249,928	-	249,928	-
250,012	-	-	-	(626)	249,386	-	249,386	-
247,081	-	-	-	(25)	247,056	-	-	247,056
247,287	-	-	-	(91)	247,196	-	-	247,196
249,157	-	-	-	(361)	248,796	-	248,796	-
<b>3,476,647</b>	-	-	-	<b>(3,243)</b>	<b>3,473,404</b>	-	<b>1,495,395</b>	<b>1,978,010</b>

Listing of All Municipal Bonds and Ladder Placement  
December 31, 2018  
(Unaudited)

<b>VENDOR</b>	<b>Rating</b>	<b>CUSIP</b>	<b>Description</b>	<b>Coupon</b>	<b>Yield</b>	<b>Duration in Yrs from Purchase</b>	<b>Days To MTY</b>	<b>Purchase Date</b>	<b>Maturity Date /Called Date</b>
Wells Fargo Bank	Aa3/AA	341271AA2	Florida St Brd of Adm Fin Corp Rev (GO)	2.163%	2.16%	2.9836	182	07/07/16	07/01/19
First Tennessee	AA	64966HYE4	New York NY Build America Bonds	5.024%	5.02%	3.6384	1,156	07/12/18	03/01/22
Wells Fargo Bank	AAA	64971QQX4	New York City Transitional Fin Auth Rev Bond	2.150%	2.15%	0.0000	-	07/07/16	11/01/18
First Tennessee	AA/AA+	882806EL2	Texas Tech Univ Revenues 17th Series - TXBL - Series B	1.804%	1.80%	3.4740	46	08/27/15	02/15/19
<b>† Weighted Averages</b>					<b>2.84%</b>	<b>2.4740</b>	<b>362</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  
December 31, 2018  
(Unaudited)

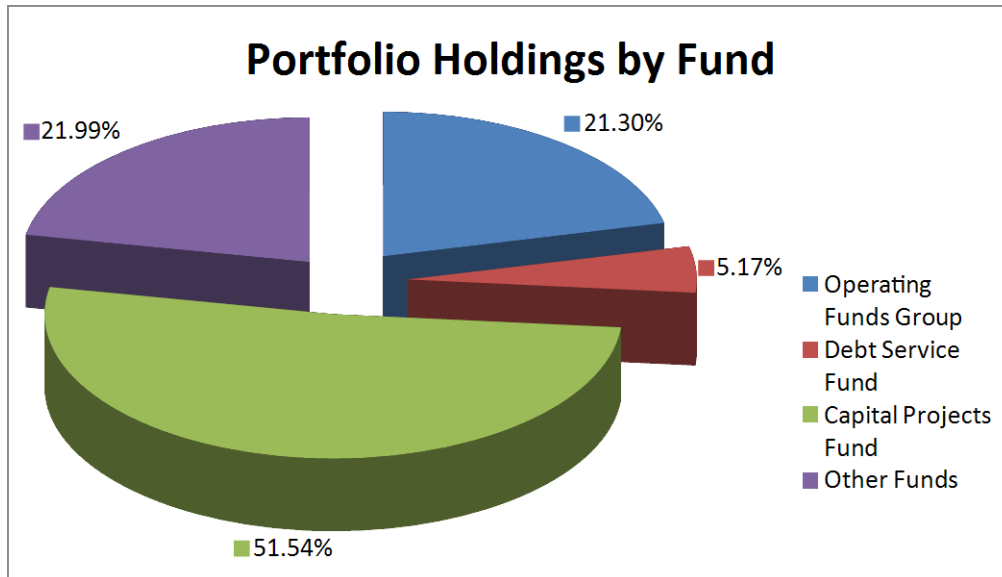
<b>Par Amount</b>	<b>Purchase Price</b>	<b>FMV 09/30/18</b>	<b>Additions (Subtractions)</b>	<b>Market Adjustments Increase (Decrease)</b>	<b>FMV 12/31/18</b>	<b>Short-term Ladder &lt;=12 mos</b>	<b>Mid-term Ladder &gt; 12 mos &lt; 3.5 yrs</b>	<b>Long-term Ladder 3.5 to 5 yrs</b>
1,000,000	1,025,960	996,650	-	570	<b>997,220</b>	-	997,220	-
1,000,000	1,065,640	1,052,090	-	10,060	<b>1,062,150</b>	-	-	1,062,150
1,000,000	1,030,990	999,710	(1,000,000)	290	-	-	-	-
800,000	810,856	797,656	-	1,480	<b>799,136</b>	-	799,136	-
<b>3,800,000</b>	<b>3,933,446</b>	<b>3,846,106</b>	<b>(1,000,000)</b>	<b>12,400</b>	<b>2,858,506</b>	-	<b>1,796,356</b>	<b>1,062,150</b>

**Portfolio Holdings by Fund**

**December 31, 2018**

(Unaudited)

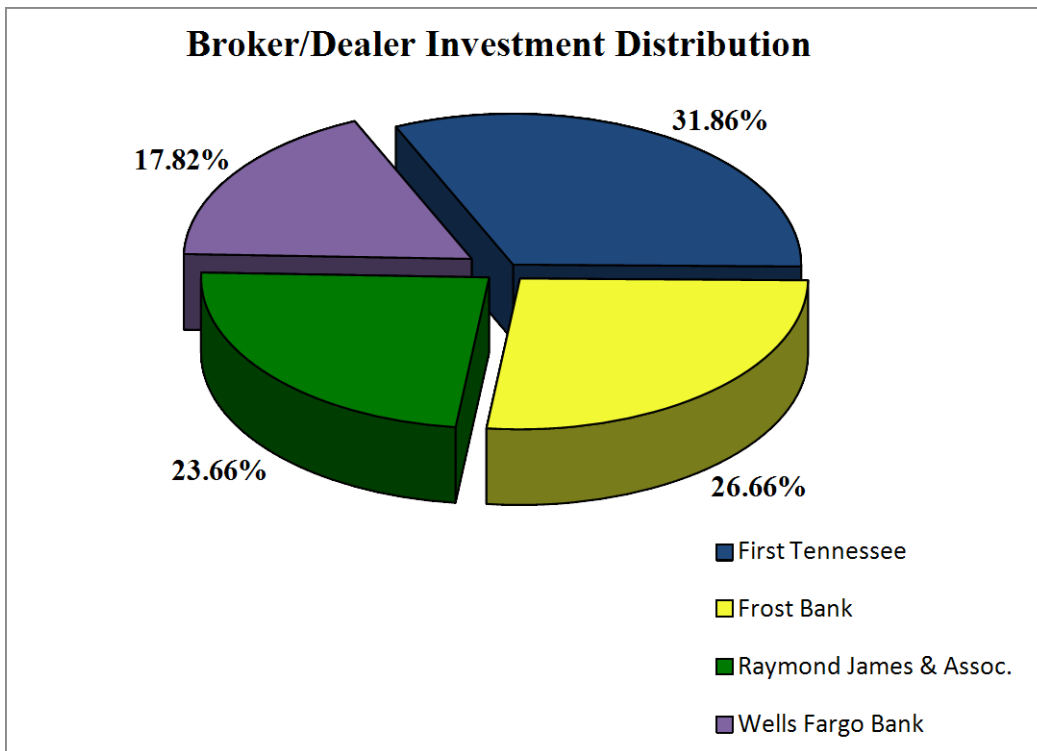
<b>Fund</b>	<b>Operating Funds Groups:</b>		
11	General Fund	\$2,687,161	16.04%
12	Road & Bridge Fund	65,152	0.39%
14	Stadium & Fairgrounds Fund	579,756	3.46%
15	Law Library Fund	66,140	0.39%
16	Airport Fund	-	0.00%
17	Inland Parks Fund	-	0.00%
18	Coastal Parks Fund	169,110	1.01%
	<b>Sub-Total Operating Funds</b>	<b>\$3,567,319</b>	<b>21.30%</b>
<b>09</b>	<b>Debt Service Fund</b>	<b>865,958</b>	<b>5.17%</b>
<b>19</b>	<b>Capital Projects Fund</b>	<b>8,633,700</b>	<b>51.54%</b>
	<b>Other Funds Groups:</b>		
10	Self Insurance Fund	240,527	1.44%
13	Special Revenue Fund	3,442,831	20.55%
	<b>Sub-total Other Funds</b>	<b>3,683,357</b>	<b>21.99%</b>
	<b>Total Holdings at Current Market Value</b>	<b>\$16,750,335</b>	<b>100.00%</b>





**Distribution of Investments by  
Broker/Dealer/Financial Institutions  
December 31, 2018  
(Unaudited)**

	Fair Market Value	Distribution %
First Tennessee	\$5,336,850	31.86%
Frost Bank	4,466,289	26.66%
Raymond James & Assoc.	3,962,299	23.66%
Wells Fargo Bank	2,984,897	17.82%
<b>Total</b>	<b>\$16,750,335</b>	<b>100.00%</b>



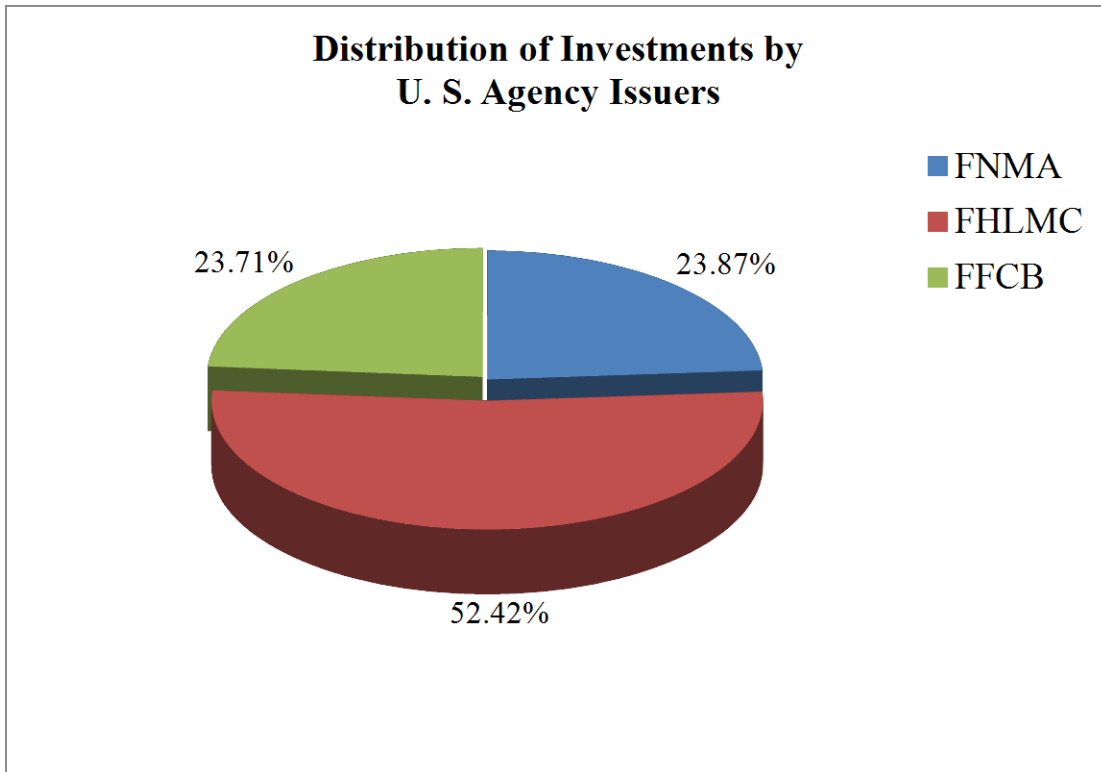
## Distribution of Investments by

U. S Agencies Issuers

December 31, 2018

(Unaudited)

<u>Agency</u>		<u>Fair Market Value</u>	<u>Distribution %</u>
Fannie Mae	FNMA	2,487,150	23.87%
Fed Home Loan Freddie Mac	FHLMC	5,461,533	52.42%
Federal Farm Credit Bank	FFCB	2,469,743	23.71%
		<u>\$10,418,426</u>	<u>100.00%</u>

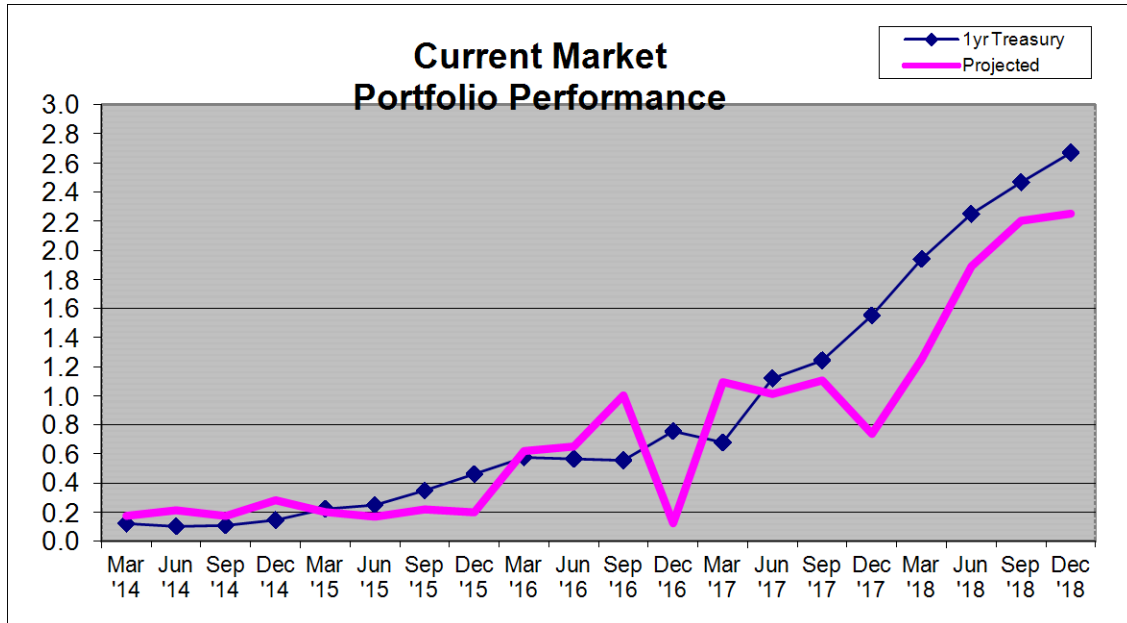


**Investments Performance  
Compared to One-Year Treasury  
December 31, 2018  
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
Dec-13	0.049%	0.216%	0.123%
Mar-14	0.036%	0.176%	0.123%
Jun-14	0.057%	0.214%	0.103%
Sep-14	0.047%	0.175%	0.110%
Dec-14	0.063%	0.283%	0.147%
Mar-15	0.050%	0.234%	0.223%
Jun-15	0.042%	0.171%	0.250%
Sep-15	0.055%	0.209%	0.350%
Dec-15	0.050%	0.210%	0.463%
Mar-16	0.155%	0.626%	0.577%
Jun-16	0.163%	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%

\* 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)

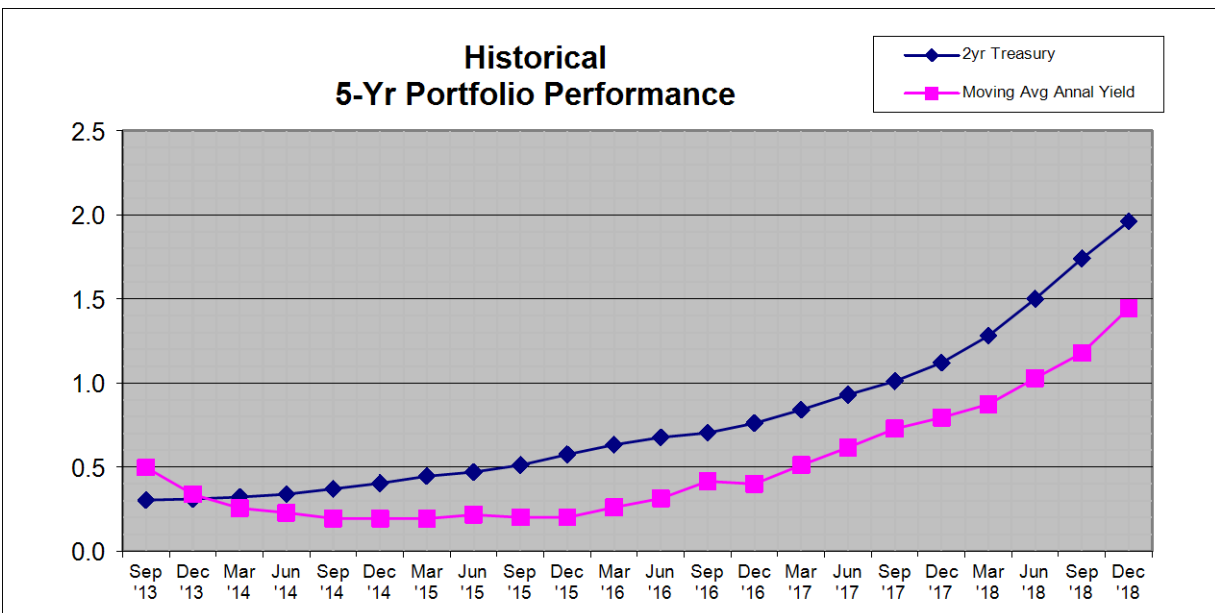


**Investments Performance  
Compared to Two-Year Treasury  
December 31, 2018  
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Dec-13	0.337%	0.310%
Mar-14	0.253%	0.321%
Jun-14	0.228%	0.338%
Sep-14	0.194%	0.370%
Dec-14	0.194%	0.403%
Mar-15	0.193%	0.445%
Jun-15	0.216%	0.470%
Sep-15	0.200%	0.511%
Dec-15	0.200%	0.574%
Mar-16	0.260%	0.632%
Jun-16	0.313%	0.676%
Sep-16	0.415%	0.703%
Dec-16	0.399%	0.760%
Mar-17	0.511%	0.840%
Jun-17	0.616%	0.930%
Sep-17	0.727%	1.010%
Dec-17	0.794%	1.120%
Mar-18	0.873%	1.280%
Jun-18	1.028%	1.500%
Sep-18	1.178%	1.740%
Dec-18	1.444%	1.960%

\* 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**

**December 31, 2018**

**(Unaudited)**

<u>Month</u>	<u>TexPool Average Monthly Rates</u>	<u>TexPool Prime Average Monthly Rates</u>	<u>Texas Class Average Monthly Rates</u>	<u>Depository (Note 1) Bank Rates</u>
September '15	0.0850%	0.1591%	0.19%	0.01%
October '15	0.9660%	0.1649%	0.21%	0.01%
November '15	0.1100%	0.1830%	0.24%	0.01%
December '15	0.1863%	0.2776%	0.29%	0.01%
January '16	0.2674%	0.4056%	0.42%	0.01%
February '16	0.3010%	0.4673%	0.49%	0.01%
March '16	0.3273%	0.5135%	0.54%	0.01%
April '16	0.3380%	0.5192%	0.57%	0.01%
May '16	0.3399%	0.5304%	0.59%	0.01%
June '16	0.3633%	0.5550%	0.63%	0.01%
July '16	0.3690%	0.5718%	0.64%	0.01%
August '16	0.3737%	0.6010%	0.70%	0.01%
September '16	0.3799%	0.7068%	0.77%	0.01%
October '16	0.3828%	0.7230%	0.83%	0.01%
November '16	0.3987%	0.7402%	0.90%	0.01%
December '16	0.4570%	0.8148%	0.89%	0.01%
January '17	0.5385%	0.8992%	0.96%	0.10%
February '17	0.5591%	0.9322%	0.97%	0.17%
March '17	0.6222%	0.9665%	1.00%	0.17%
April '17	0.7121%	1.0477%	1.06%	0.18%
May '17	0.7689%	1.0683%	1.09%	0.46%
June '17	0.8817%	1.3710%	1.13%	0.55%
July '17	0.9714%	1.2082%	1.18%	0.64%
August '17	0.6689%	1.2418%	1.23%	0.72%
September '17	1.0151%	1.2644%	1.25%	0.68%
October '17	1.0318%	1.2720%	1.27%	0.69%
November '17	1.0506%	1.2826%	1.30%	0.73%
December '17	1.1784%	1.3917%	1.41%	0.88%
January '18	1.2890%	1.5156%	1.56%	0.99%
February '18	1.3438%	1.5747%	1.62%	1.08%
March '18	1.5156%	1.7066%	1.75%	1.36%
April '18	1.6704%	1.9264%	1.95%	1.41%
May '18	1.7159%	2.0196%	2.06%	1.41%
June '18	1.8110%	2.0196%	2.16%	1.52%
July '18	1.8896%	2.1642%	2.24%	1.55%
August '18	1.9205%	2.1805%	2.24%	1.61%
September '18	1.9953%	2.2086%	2.26%	1.68%
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%

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.