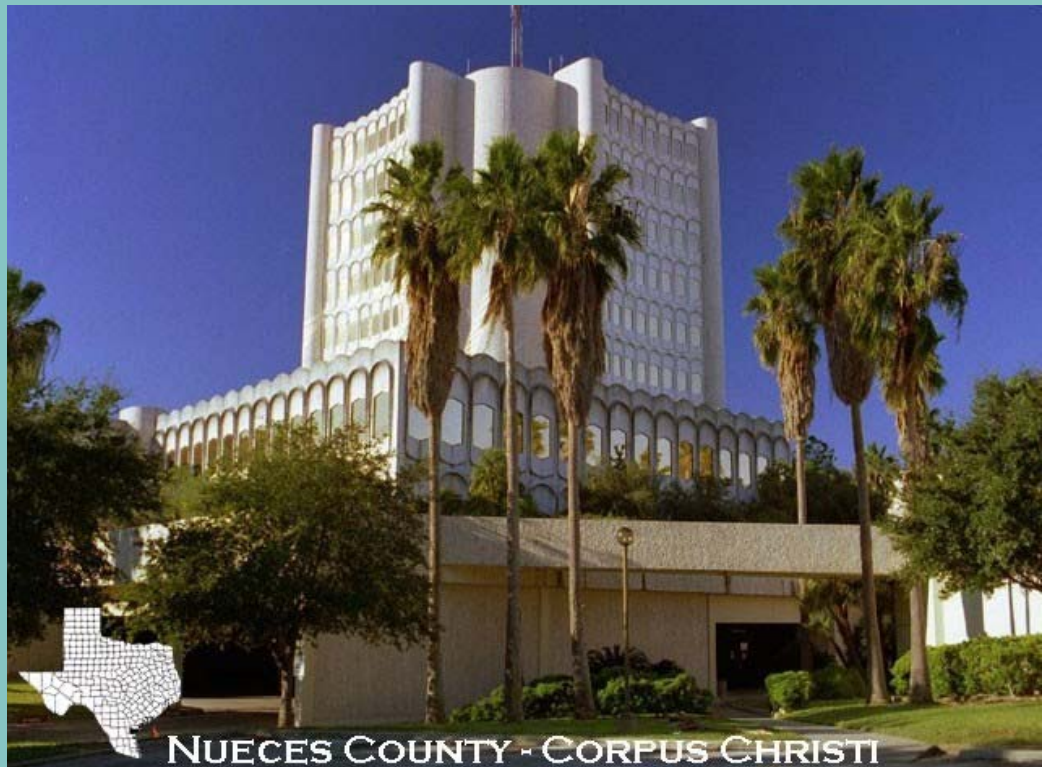


Nueces County Quarterly Investment Report September 30, 2021 (Unaudited)

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



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

Jenny P. Dorsey – County Attorney

Belinda Hinojosa-Persohn – Commissioners Court Administration Interim Manager

Kevin Kieschnick – Tax Assessor/Collector

Dale Atchley, CPA – County Auditor

County Investment Officers

Lorenzo Hernandez, III – Treasury Accountant

Lucio Cruz III – Revenue/Cash Manager

Investment Report to Commissioners Court

As of September 30, 2021

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, 2021 have a current value of \$183,387,199. As compared to last report of June 30, 2021, total balances have increased by \$63,053,023 up from \$120,334,176.

Compliance Measures

- The weighted average maturity of the operating portfolio is 6 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 June 30, 2020, the average maturity increased by 3 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 98.29% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 0.84%, 0.86%, respectively.
- Cash and Cash Equivalents have exceeded the investment policy maximum of 90%. The reason for this can be explained on page 19, the interest rates for Texas Class are .04%, and the interest rates for the depository bank are .01%. With these Low rates, it does not make fiscal sense to reduce liquidity by investing funds in either mid- or long-term investments just yet. 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 September 30, 2021. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$17,634. Compared to the quarterly earnings ending June 30, 2020, earnings show a decrease of \$(78,860), down from \$96,493. The decrease in earnings is due primarily to lower interest rates and no new investments during this period.

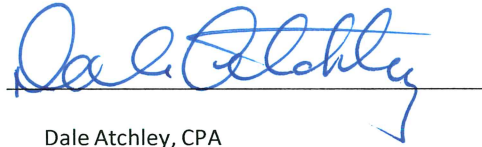
Investment Strategy

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 date TBD and herein presents to the Commissioners Court for final approval. Thank you.




Barbara Canales. - County Judge and
Investment Committee Chair



Dale Atchley, CPA
County Auditor



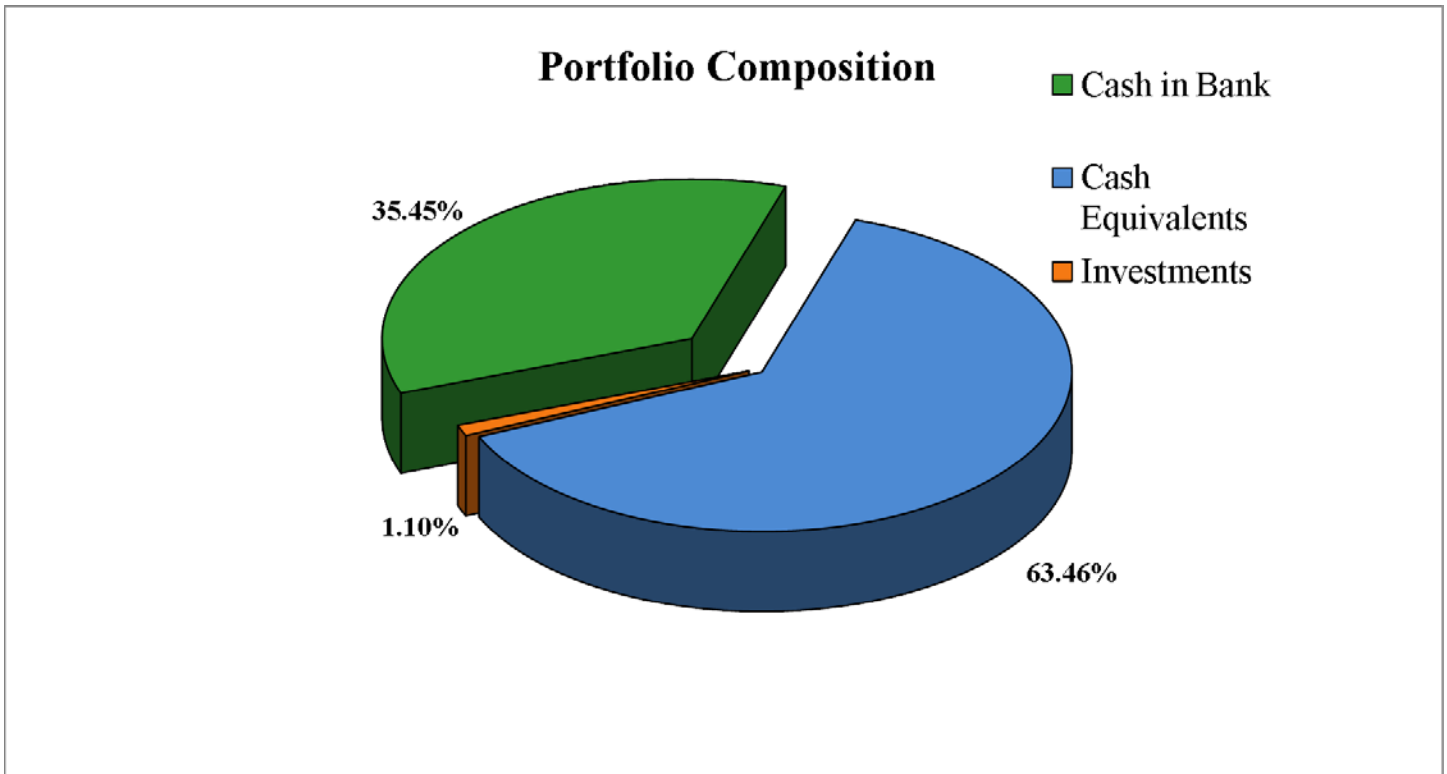
Lorenzo Hernandez, III - Chief Accountant



Lucio Cruz, III - Revenue/Cash Manager

Cash, Cash Equivalents and Investments by Fund Group
September 30, 2021
(Unaudited)

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$13,669,980	48.07%	\$22,743,794	27.34%	\$1,216,941	32.07%	\$27,371,173	40.27%	\$65,001,887	35.45%
Cash Equivalents:										
Texas Class	14,184,291	49.87%	59,643,977	71.70%	2,463,909	64.93%	40,074,516	58.95%	116,366,693	63.46%
Sub-Total Cash Equivalents	14,184,291	49.87%	59,643,977	71.70%	2,463,909	64.93%	40,074,516	58.95%	116,366,693	63.46%
Investments:										
Brokered CDs	289,971	1.02%	393,896	0.47%	56,435	1.49%	259,207	0.38%	999,509	0.55%
Municipal Bonds	295,657	1.04%	401,621	0.48%	57,541	1.52%	264,291	0.39%	1,019,110	0.56%
US Agencies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Sub-Total Investments	585,628	2.06%	795,517	0.95%	113,976	3.00%	523,498	0.77%	2,018,619	1.10%
Total Cash, Cash Equivalents & Investments	\$28,439,899	100.00%	\$83,183,288	99.99%	\$3,794,826	100.00%	\$67,969,187	99.99%	\$183,387,199	100.00%



Operating Funds and Other Funds Groups

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

September 30, 2021

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 12,138,264	(250,304)	805,697
Cash Equivalents	12,146,873	110,100	1,481,275
Investments	<u>477,782</u>	<u>8,575</u>	<u>76,306</u>
Total as of September 30, 2021	24,762,920	(131,629)	2,363,279
Total as of September 30, 2020	25,832,829	2,640,469	2,296,367
Increase (Decrease) from one year ago	\$ <u><u>(1,069,909)</u></u>	<u><u>(2,772,098)</u></u>	<u><u>66,912</u></u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 3,805,056	24,294,463	(610,469)
Cash Equivalents	1,416,809	8,652,731	-
Investments	<u>5,857</u>	<u>517,641</u>	<u>-</u>
Total as of September 30, 2021	5,227,722	33,464,835	(610,469)
Total as of September 30, 2020	3,967,034	19,489,959	585,920
Increase (Decrease) from one year ago	\$ <u><u>1,260,688</u></u>	<u><u>13,974,876</u></u>	<u><u>(1,196,388)</u></u>

Law Library	Airport	Inland Parks	Coastal Parks	Total
Fund	Fund	Fund	Fund	
(15,156)	183,399	577,276	230,803	\$ 13,669,980
9,072	50,367	0	386,605	14,184,291
707	-	-	22,258	585,628
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(5,378)	233,765	577,276	639,666	28,439,899
83,388	213,926	363,666	992,812	32,423,458
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>(88,766)</u>	<u>19,839</u>	<u>213,610</u>	<u>(353,146)</u>	<u>\$ (3,983,559)</u>

TJJD Grant	
Fund	Total
(117,878)	\$ 27,371,173
-	10,069,540
-	523,498
<hr/>	<hr/>
(117,878)	37,964,211
359,145	24,402,058
<hr/>	<hr/>
<u>(477,023)</u>	<u>\$ 13,562,153</u>

Portfolio Diversity

Test of Compliance with Investment Policy

All Fund Groups as of September 30, 2021

(Unaudited)

	Current Value	%	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 116,366,693	98.29%	90.00%
Brokered CDs	999,506	0.84%	75.00%
Municipal Bonds	1,019,110	0.86%	75.00%
US Agencies	<u>0</u>	<u>0.00%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	<u>\$ 118,385,309</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, 2021

(Unaudited)

	Fair Value	Weighted Average Days to Maturity	Investment Policy Maximum
	<u> </u>	<u> </u>	<u> </u>
Cash Equivalents	\$ 116,366,693	1	
Brokered CDs	999,506	462	
Municipal Bonds	1,019,110	152	
US Agencies	<u>-</u>	<u>0</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	<u>\$ 118,385,309</u>	<u>6</u>	<u>364</u>

Statement of Changes in Investments

as of September 30, 2021

(Unaudited)

	Beginning Balance 07/01/2021	Additions	(Subtractions)	Market Adjustment	Ending Balance 09/30/2021
Brokered CDs	\$ 1,001,261	\$ 1,000,000	\$ (1,000,000.00)	\$ (1,755)	\$ 999,506
Municipal Bonds	1,031,250	-		(12,140)	1,019,110
US Agencies	0	-	-		0
Total	\$ 2,032,511	\$ 1,000,000	\$ (1,000,000.00)	\$ (13,895)	\$ 2,018,616

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	07/01/2020 09/30/2020	07/01/2021 09/30/2021	Increase/ (Decrease)	10/1/2019 09/30/2020	10/01/2020 09/30/2021	Increase/ (Decrease)
Operating Fund Group	\$ 29,888	\$ 2,426	\$ (27,463)	\$ 521,706	\$ 20,667	\$ (501,040)
Capital Projects Fund Group	51,169	8,803	(42,367)	744,458	50,878	(693,580)
Debt Service Fund Group	4,205	383	(3,821)	84,891	3,294	(81,596)
Other Funds Group	11,231	6,022	(5,209)	271,472	19,582	(251,890)
Total	\$ 96,493	\$ 17,634	\$ (78,860)	\$ 1,622,527	\$ 94,421	\$ (1,528,106)

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, 2021
(Unaudited)

VENDOR	CUSIP	Desc	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
First Tennessee	64966HYE4	MB	5.024000%	0.4164	152	07/12/18	03/01/22
Raymond James & Assoc.	02007GDU4	CD	3.000000%	0.0000	-	07/12/18	07/12/21
Raymond James & Assoc.	17312QP60	CD	3.000000%	0.0000	-	07/13/18	07/13/21
Frost Bank	254673RS7	CD	3.000000%	0.0000	-	07/18/18	07/19/21
First Tennessee	38148PS32	CD	3.050000%	0.0000	-	07/18/18	07/19/21
Frost Bank	856528DR2	CD	0.150000%	1.5753	575	07/30/21	04/28/23
Wells Fargo Bank	004000BJ3	CD	0.150000%	1.5096	487	07/28/21	01/30/23
Raymond James & Assoc.	38149MXC2	CD	0.125000%	1.0000	301	07/28/21	07/28/22
Wells Fargo Bank	90348JQ94	CD	0.200000%	1.5096	487	07/28/21	01/30/23
Weighted Averages †			2.730917%	0.2082	204.8333	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 maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase

Listing of All Investments and Ladder Placement
September 30, 2021
(Unaudited)

Par Amount	Purchase Price	FMV 6/30/21	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/2021	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
1,000,000	1,065,640	1,031,250	-	-	(12,140)	1,019,110	1,019,110	-	-
250,000	250,000	250,246	(250,000)	-	(246)	-	-	-	-
250,000	250,000	250,266	(250,000)	-	(266)	-	-	-	-
250,000	250,000	250,389	(250,000)	-	(389)	-	-	-	-
250,000	250,000	250,360	(250,000)	-	(360)	-	-	-	-
250,000	250,000	249,556			32	249,587	-	249,587	-
250,000	250,000	249,788			69	249,857	-	249,857	-
250,000	250,000	250,037			2	250,039	250,039	-	-
250,000	250,000	249,977			46	250,023	-	250,023	-
3,000,000	3,065,640	3,031,868	(1,000,000)	-	(13,252)	2,018,616	1,269,149	749,467	-

Investment Ladder Targets	<u>7,000,000</u>	<u>25,000,000</u>	<u>8,000,000</u>
Investment Funds: Available/(Exceeded)	<u>5,730,851</u>	<u>24,250,533</u>	<u>8,000,000</u>

Listing of All Broked CDs and Ladder Placement
September 30, 2021
(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%	0.0000	-	07/10/18	07/12/21	250,000
Raymond James & Assoc.	CITIBANK NA	3.000%	3.000000%	0.0000	-	07/10/18	07/13/21	250,000
Frost Bank	DISCOVER BANK	3.000%	3.000000%	0.0000	-	07/11/18	07/19/21	250,000
First Tennessee	GOLDMAN SACHS BANK	3.050%	3.050000%	0.0000	-	07/10/18	07/19/21	250,000
Frost Bank	STATE BANK OF TEXAS/DAL	0.150%	0.150000%	1.5753	575	07/30/21	04/28/23	250,000
wells fargo	AACADEMY BANK NA CD	0.150%	0.150000%	1.3342	487	07/28/21	01/30/23	250,000
Raymond James & Assoc.	GOLDMAN SACHS BANK	0.125%	0.125000%	0.8247	301	07/28/21	07/28/22	250,000
wells fargo	UBS Bank USA CD	0.200%	0.200000%	1.3342	487	07/28/21	01/30/23	250,000
Weighted Average			1.584375%	0.6336	231	TOTAL		2,000,000

† 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
September 30, 2021
(Unaudited)

Face Value 3/31/21	Additions	(Maturities)	Amortization of (Premium) Discount	Market Adjustments Increase (Decrease)	Market Value 06/30/21	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
250,246	-	(250,000)	-	(246)	(0)	(0)	-	-
250,266	-	(250,000)	-	(266)	0	0	-	-
250,389	-	(250,000)	-	(389)	0	0	-	-
250,360	-	(250,000)	-	(360)	(0)	(0)	-	-
249,556				32	249,587	-	249,587	-
249,788				69	249,857	-	249,857	-
250,037				2	250,039	250,039	-	-
249,977				46	250,023	-	250,023	-
2,000,618	-	(1,000,000)	-	(1,112)	999,506	250,039	749,467	-

Listing of All Municipal Bonds and Ladder Placement
September 30, 2021
(Unaudited)

VENDOR	Rating	Description	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
First Tennessee	AA	New York NY Build America Bonds	5.024%	5.02%	0.4164	152	07/12/18	03/01/22
† Weighted Averages				5.02%	0.4164	152	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, 2021
(Unaudited)

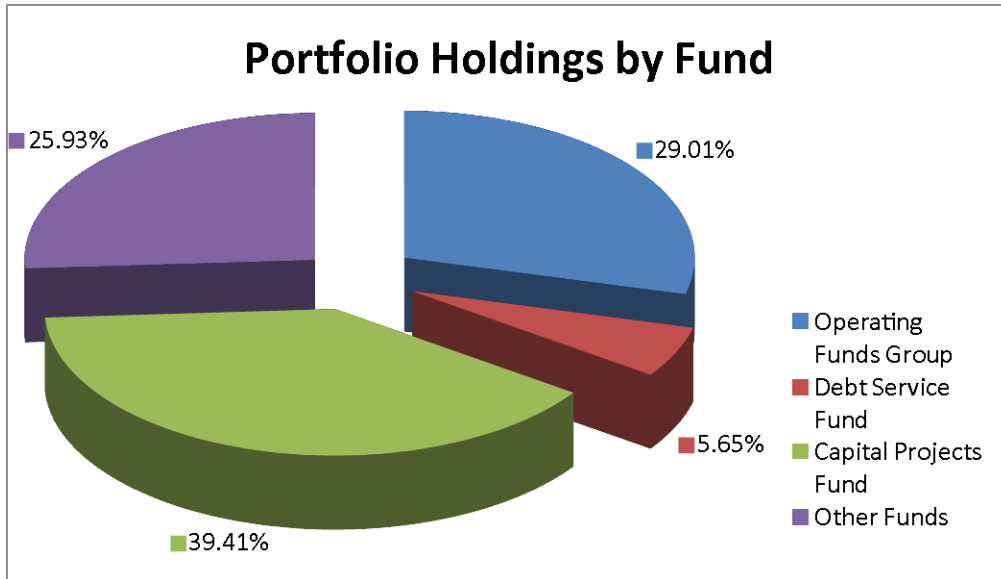
Par Amount	Purchase Price	FMV 06/30/21	Additions (Subtractions)	Market Adjustments Increase (Decrease)	FMV 09/30/21	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
1,000,000	1,065,640	1,031,250	-	(12,140)	1,019,110	1,019,110	-	-
1,000,000	1,065,640	1,031,250	-	(12,140)	1,019,110	1,019,110	-	-

Portfolio Holdings by Fund

September 30, 2021

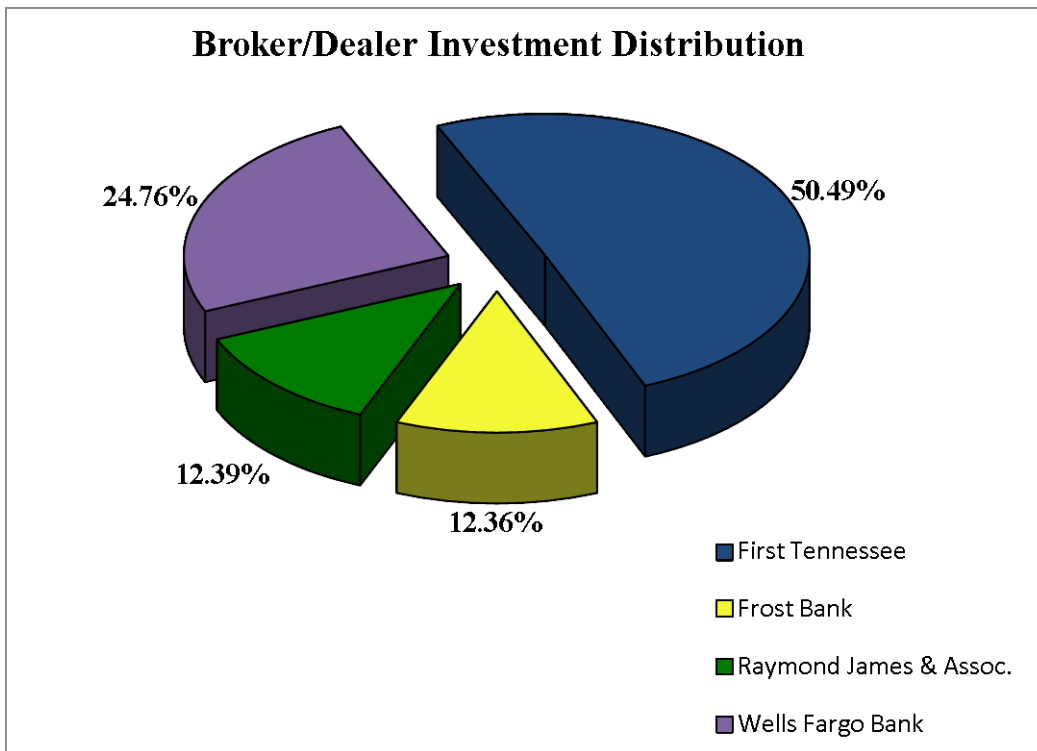
(Unaudited)

Fund	Operating Funds Groups:		
11	General Fund	\$477,781	23.67%
12	Road & Bridge Fund	8,575	0.42%
14	Stadium & Fairgrounds Fund	76,306	3.78%
15	Law Library Fund	707	0.04%
18	Coastal Parks Fund	<u>22,258</u>	<u>1.10%</u>
	Sub-Total Operating Funds	\$585,627	29.01%
09	Debt Service Fund	113,976	5.65%
19	Capital Projects Fund	795,516	39.41%
	Other Funds Groups:		
10	Self Insurance Fund	5,857	0.29%
13	Special Revenue Fund	<u>517,640</u>	<u>25.64%</u>
	Sub-total Other Funds	523,497	25.93%
	Total Holdings at Current Market Value	<u><u>\$2,018,616</u></u>	<u><u>100.00%</u></u>



**Distribution of Investments by
Broker/Dealer/Financial Institutions
September 30, 2021
(Unaudited)**

	Fair Market Value	Distribution %
First Tennessee	\$1,019,110	50.49%
Frost Bank	\$249,587	12.36%
Raymond James & Assoc.	\$250,039	12.39%
Wells Fargo Bank	\$499,880	24.76%
Total	\$2,018,616	100.00%

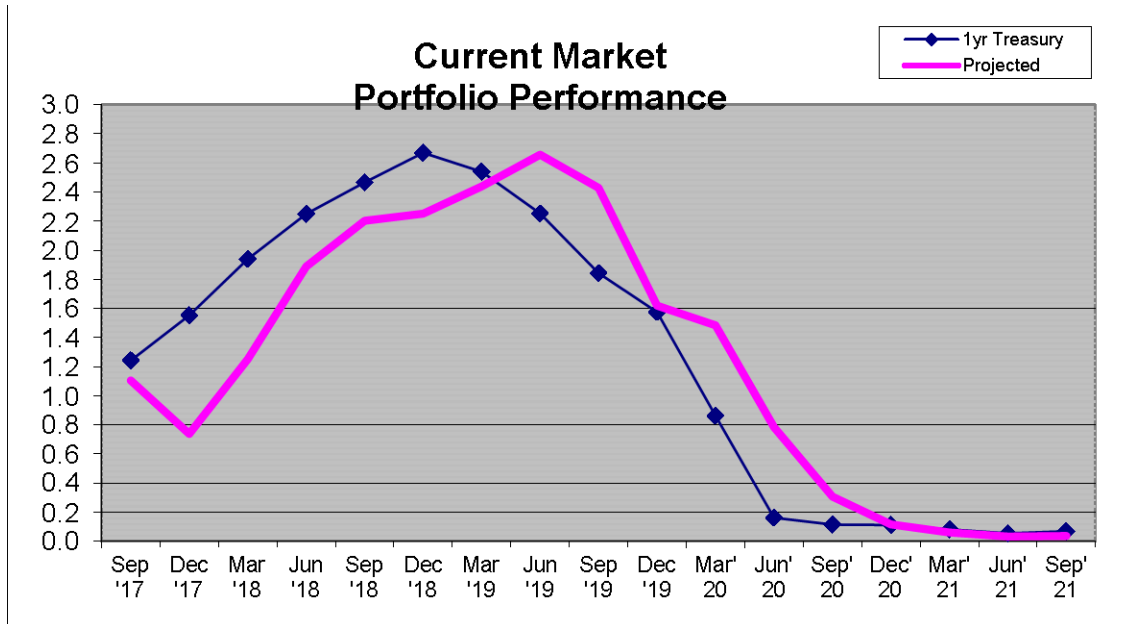


**Investments Performance
Compared to One-Year Treasury
September 30, 2021
(Unaudited)**

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
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	0.664%	2.657%	2.253%
Sep-19	0.607%	2.429%	1.843%
Dec-19	0.405%	1.620%	1.576%
Mar-20	0.371%	1.485%	0.863%
Jun-20	0.196%	0.785%	0.163%
Sep-20	0.077%	0.308%	0.116%
Dec-20	0.029%	0.117%	0.113%
Mar-21	0.016%	0.062%	0.083%
Jun-21	0.008%	0.034%	0.056%
Sep-21	0.010%	0.038%	0.076%

* 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

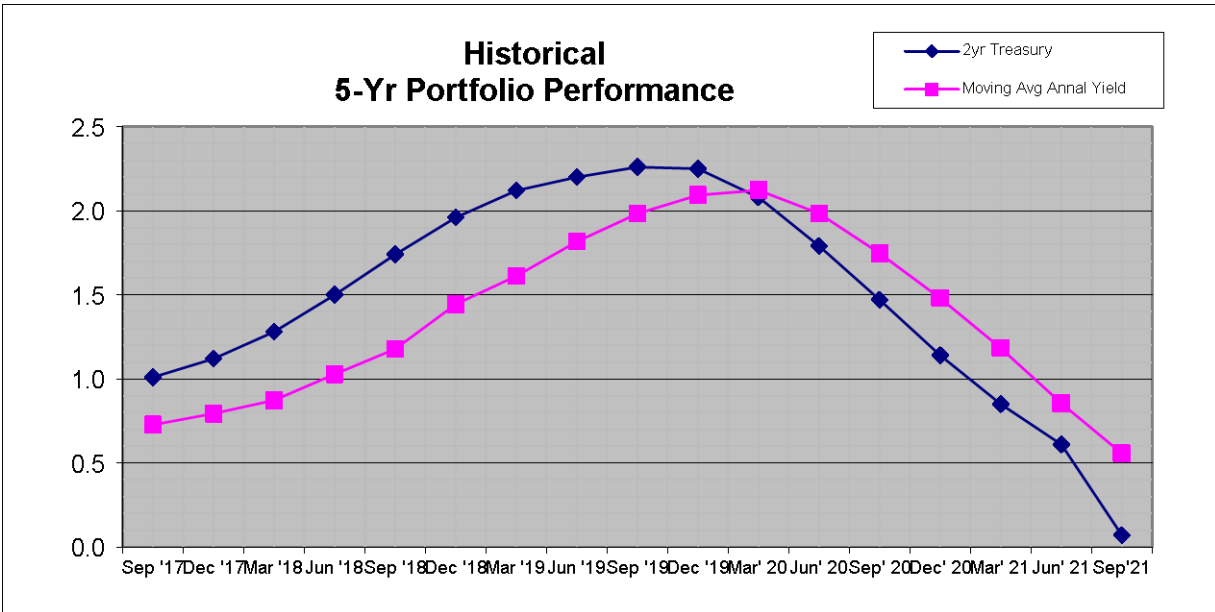


**Investments Performance
Compared to Two-Year Treasury
September 31, 2021
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Sep-18	1.178%	1.740%
Dec-18	1.444%	1.960%
Mar-19	1.612%	2.120%
Jun-19	1.817%	2.200%
Sep-19	1.983%	2.260%
Dec-19	2.093%	2.250%
Mar-20	2.122%	2.080%
Jun-20	1.984%	1.790%
Sep-20	1.747%	1.470%
Dec-20	1.480%	1.140%
Mar-21	1.183%	0.850%
Jun-21	0.855%	0.610%
Sep-21	0.556%	0.070%

* 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 31, 2021

(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 '19	2.1635%	2.2749%	2.20%	1.60%
October '19	1.9115%	2.0701%	2.09%	1.30%
November '19	1.6774%	1.8665%	1.94%	1.19%
December '19	1.6226%	1.8006%	1.88%	1.19%
January '20	1.5925%	1.8006%	1.82%	1.19%
February '20	1.5908%	1.7636%	1.74%	1.18%
March '20	1.0034%	1.3354%	1.23%	1.19%
April '20	0.4552%	0.9409%	1.02%	0.12%
May '20	0.2685%	0.7532%	0.65%	-0.20%
June '20	0.2165%	0.5240%	0.57%	0.01%
July '20	0.2082%	0.4179%	0.45%	0.01%
August '20	0.1768%	0.3404%	0.32%	0.01%
September '20	0.1474%	0.2619%	0.25%	0.01%
October '20	0.1335%	0.2281%	0.18%	0.01%
November '20	0.1231%	0.1625%	0.15%	0.01%
December '20	0.0909%	0.1431%	0.14%	0.01%
January '21	0.0793%	0.1192%	0.13%	0.01%
February '21	0.0431%	0.0973%	0.11%	0.01%
March '21	0.0187%	0.0916%	0.11%	0.01%
April '21	0.0135%	0.0830%	0.08%	0.01%
May'21	0.0102%	0.0777%	0.08%	0.01%
June'21	0.0131%	0.0708%	0.06%	0.01%
July'21	0.0189%	0.0655%	0.06%	0.01%
August'21	0.0222%	0.0618%	0.05%	0.01%
September'21	0.0279%	0.0629%	0.04%	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.