

Nueces County Quarterly Investment Report September 30, 2016 (Unaudited)

*Prepared by Nueces County
Auditors 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.countyaudit@](mailto:Nueces.countyaudit@nuecesco.com)

nuecesco.com



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

Fedrico Chavera - Revenue/Cash Manager

Lisa Davis – Budget Accountant

Aidee Hernandez – Executive Accountant

Lorenzo Hernandez III – Chief Accountant

Investment Report to Commissioners Court

As of September 30, 2016

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

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

Summary of Cash, Cash Equivalents and Investments

Total cash, cash equivalents, and investments as of September 30, 2016 have a current value of \$74,362,994. As compared to last quarter, total balances have decreased by (\$24,978,886) down from \$99,341,880. The reason for the net decrease is due to the county having limited collections of property taxes and increased spending at fiscal year end.

Compliance Measures

- The weighted average maturity of the operating portfolio is 195 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 98 days, due to increased purchases in July.
- 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 69.18% and the remainder is invested in brokered CDs, municipal bonds, and US Agencies which are 13.1%, 12.15%, and 5.57%, respectively.
- All investments are in compliance with the Public Investment Act and the Nueces County Investment Policy.

Summary of Investment Results

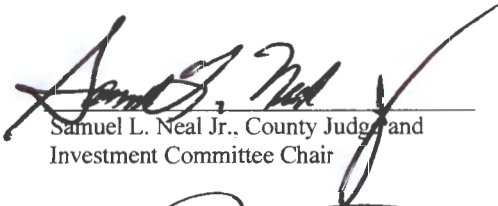
Investment earnings are calculated under Government Accounting Standards Board (GASB) Statement #31. GASB #31 mandates that changes in the fair market value of investments longer than 1 year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and 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, 2016. Brokered CD's, US agencies and Municipal bonds are being carried at market value.

Current quarterly earnings are \$197,970. Compared to the quarter ending September 30, 2015, earnings this quarter shows an increase of \$85,172, up from \$112,970. Current earnings compared to the previous quarter ending June 30 2016 is up \$36,385 which is due primarily to the mark up in market value in the current period.

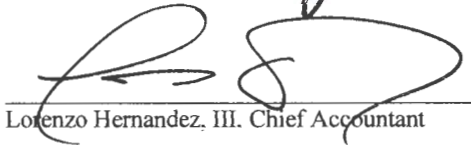
Investment Strategy

Only eligible investments, as defined by the Investment Policy may be used. Preservation and safety of principal is the number one consideration in selecting an investment instrument followed by the availability of funds (liquidity), diversification for further safeguarding of funds and laddering investments with varying maturity dates. While maximizing return on investment is an objective of the county investment policy, safety is always the first consideration in selecting investments.

This report has been prepared jointly by the County Auditors Office and the County Clerk– Treasury Division and in accordance with Government Code 2256.023. The investment committee approved this report on February 9, 2017, and herein presents to the Commissioners Court for final approval. Thank you.



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



Lorenzo Hernandez, III, Chief Accountant



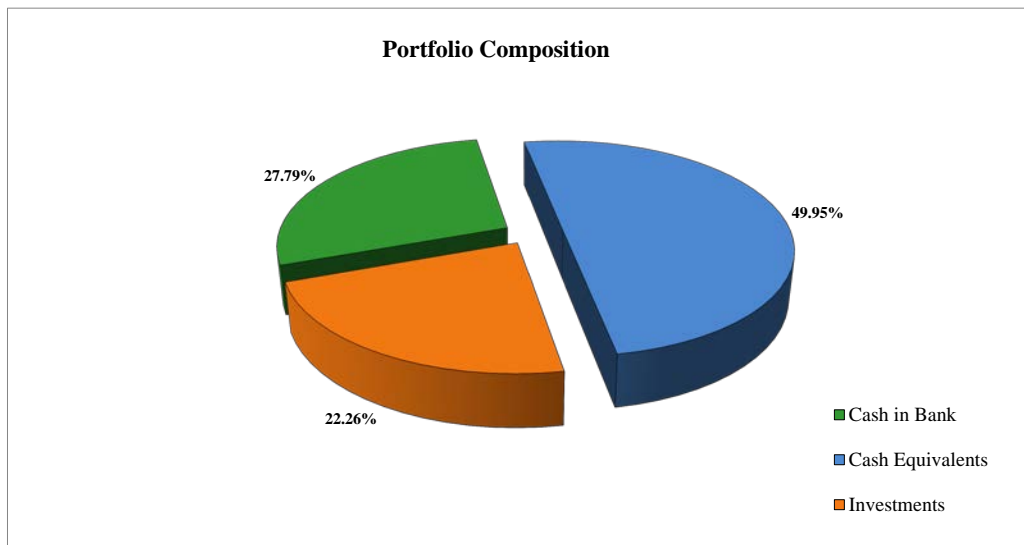
Dale Atchley, CPA, County Auditor



Federico Chavera, Revenue/Cash Manager

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

	Operating Funds		Capital Projects Funds		Debt Service Funds		Other Funds		All Fund Groups Total	
Cash in Bank	\$ 11,363,026	34.48%	\$ 745,831	3.31%	\$ 731,127	20.33%	\$ 7,822,636	51.09%	\$ 20,662,620	27.79%
Cash Equivalents:										
TEXPOOL	1,443,925	4.38%	-	0.00%		0.00%	2,223	0.01%	1,446,148	1.94%
MBIA	<u>13,923,450</u>	42.25%	<u>15,159,389</u>	67.36%	<u>1,830,995</u>	50.93%	<u>4,790,398</u>	31.28%	<u>35,704,232</u>	48.01%
Sub-Total Cash Equivalents	<u>15,367,375</u>	46.63%	<u>15,159,389</u>	67.36%	<u>1,830,995</u>	50.93%	<u>4,792,621</u>	31.29%	<u>37,150,380</u>	49.95%
Investments:										
Brokered CDs	2,644,596	8.03%	2,805,088	12.47%	439,385	12.22%	1,146,664	7.49%	7,035,733	9.46%
Municipal Bonds	2,450,659	7.44%	2,599,381	11.55%	407,164	11.32%	1,062,576	6.94%	6,519,780	8.77%
US Agencies	<u>1,125,567</u>	3.42%	<u>1,193,875</u>	5.31%	<u>187,007</u>	5.20%	<u>488,032</u>	3.19%	<u>2,994,481</u>	4.03%
Sub-Total Investments	<u>6,220,822</u>	18.89%	<u>6,598,344</u>	29.33%	<u>1,033,556</u>	28.74%	<u>2,697,272</u>	17.62%	<u>16,549,994</u>	22.26%
Total Cash, Cash Equivalents & Investments	<u>\$ 32,951,223</u>	100.00%	<u>\$ 22,503,564</u>	100.00%	<u>\$ 3,595,678</u>	100.00%	<u>\$ 15,312,529</u>	100.00%	<u>\$ 74,362,994</u>	100.00%



Operating Funds and Other Funds Groups

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

September 30, 2016

Operating Funds:

	General Fund	Road Fund	Stadium/ Fairgrounds Fund
Cash	\$ 7,033,552	3,685,411	(7,106)
Cash Equivalents	12,628,376	84,525	1,990,976
Investments	<u>5,597,069</u>	<u>47,709</u>	<u>340,212</u>
Total as of September 30, 2016	25,258,997	3,817,645	2,324,082
Total as of September 30, 2015	29,675,544	3,809,330	2,365,482
Increase (Decrease) from one year ago	<u>\$ (4,416,547)</u>	<u>8,315</u>	<u>(41,400)</u>

Other Funds:

	Self Insurance Fund	Special Fund	Main Grant Fund
Cash	\$ 1,584,322	5,713,203	525,141
Cash Equivalents	323,498	4,466,900	-
Investments	<u>176,134</u>	<u>2,521,138</u>	<u>-</u>
Total as of September 30, 2016	2,083,954	12,701,241	525,141
Total as of September 30, 2015	2,116,782	16,915,369	985,071
Increase (Decrease) from one year ago	<u>\$ (32,828)</u>	<u>(4,214,128)</u>	<u>(459,930)</u>

Law Library Fund	Airport Fund	Inland Parks Fund	Coastal Parks Fund	Total
102,148	45,874	129,974	373,173	\$ 11,363,026
85,811	16,553	229,118	332,016	15,367,375
48,433	-	-	187,399	6,220,822
236,392	62,427	359,092	892,588	32,951,223
261,560	80,287	264,892	2,355,645	38,812,740
<u>(25,168)</u>	<u>(17,860)</u>	<u>94,200</u>	<u>(1,463,057)</u>	\$ <u>(5,861,517)</u>

TJJD Grant Fund	Total
(30)	\$ 7,822,636
-	4,790,398
-	<u>2,697,272</u>
(30)	15,310,306
(73,266)	19,943,956
<u>73,236</u>	\$ <u>(4,633,650)</u>

Portfolio Diversity

Test of Compliance with Investment Policy

All Fund Groups as of September 30, 2016

(Unaudited)

	<u>Current Value</u>	<u>%</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 37,150,380	69.180%	85.00%
Brokered CDs	7,035,733	13.100%	75.00%
Municipal Bonds	6,519,780	12.150%	75.00%
US Agencies	<u>2,994,481</u>	<u>5.570%</u>	75.00%
Total Cash Equivalents and Investments (excludes cash in bank)	\$ <u><u>53,700,374</u></u>	<u><u>100.00%</u></u>	

Portfolio Liquidity

Test of Compliance with Investment Policy

Weighted Average Days to Maturity

Operating Funds Group as of September 30, 2016

(Unaudited)

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>	<u>Investment Policy Maximum</u>
Cash Equivalents	\$ 37,150,380	1	
Brokered CDs	7,035,733	578	
Municipal Bonds	6,519,780	618	
US Agencies	<u>2,994,481</u>	<u>774</u>	
Total Cash Equivalents and Investments-Operating Fund Group Only (excludes cash in bank)	\$ <u><u>53,700,374</u></u>	<u><u>195</u></u>	<u><u>364</u></u>

Statement of Changes in Investments

as of September 30, 2016

(Unaudited)

	Beginning Balance 06/30/16	Additions	(Subtractions)	Amortization (Premium) Discount	Market Adjustments	Ending Balance 09/30/16
Brokered CDs	\$ 6,469,456	\$ 1,500,000	\$ (1,000,000)	\$ -	\$ 66,277	\$ 7,035,733
Municipal Bonds	4,477,323	2,056,950	-	(9,859)	(4,634)	6,519,780
US Agencies	4,809,416	2,000,000	(3,808,000)	-	(6,935)	2,994,481
Total	\$ 15,756,195	\$ 5,556,950	\$ (4,808,000)	\$ (9,859)	\$ 54,708	\$ 16,549,994

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

(Unaudited)

	Quarterly Comparison			Year-to-Date Comparison		
	07/01/15 09/30/15	07/01/16 09/30/16	Increase/ (Decrease)	10/01/14 09/30/15	10/01/15 09/30/16	Increase/ (Decrease)
Operating Fund Group	\$ 37,469	\$ 83,045	\$ 45,576	\$ 105,978	\$ 261,147	\$ 155,169
Capital Projects Fund Group	50,666	68,280	17,614	75,391	199,320	123,929
Debt Service Fund Group	7,510	12,081	4,571	21,243	37,254	16,011
Other Funds Group	17,153	34,564	17,411	48,366	91,612	43,246
Total	\$ 112,798	\$ 197,970	\$ 85,172	\$ 250,978	\$ 589,333	\$ 338,355

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, 2016
(Unaudited)

VENDOR	Agency Feature B=Bullet C=Call S=Step	CUSIP	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	Par Amount
Wells Fargo Bank	C	67756A2K7	MB	1.000%	0.273100%	1.6384	93	05/14/15	01/01/17	380,000
Coastal Securities	N/A	57582P2Q2	MB	1.000%	0.880000%	2.9233	213	05/30/14	05/01/17	1,250,000
Coastal Securities	N/A	20772JL26	MB	1.284%	0.850000%	1.9205	305	08/31/15	08/01/17	500,000
Wells Fargo Bank	N/A	34074GDG6	MB	2.107%	2.107000%	3.2110	639	04/16/15	07/01/18	1,500,000
Wells Fargo Bank	N/A	64971QQX4	MB	2.150%	0.789000%	2.3205	762	07/07/16	11/01/18	1,000,000
Wells Fargo Bank	N/A	341271AA2	MB	2.163%	1.269000%	2.9836	1,004	07/07/16	07/01/19	1,000,000
Coastal Securities	N/A	882806EL2	MB	1.804%	1.400000%	3.4630	868	08/31/15	02/15/19	800,000
Wells Fargo Bank	N/A	3133EFBS5	FFCB	0.680%	0.680000%	1.8329	276	09/03/15	07/03/17	1,000,000
Raymond James & Assocs	N/A	3133EGLA1	FFCB	1.170%	1.170000%	3.5096	1,200	07/11/16	01/13/20	1,000,000
Wells Fargo Bank	C	3134G6YQ0	FHLMC	1.000%	0.800000%	0.0000	-	05/26/15	08/26/16	3,808,000
Wells Fargo Bank	N/A	3136G3YL3	FNMA	0.900%	0.900000%	2.5534	847	07/07/16	01/25/19	1,000,000
Frost Bank	N/A	08016PBU2	CD	1.000%	1.000000%	0.0000	-	08/31/15	08/30/16	250,000
Frost Bank	N/A	07370TP98	CD	1.000%	1.000000%	0.0000	-	09/02/15	08/31/16	250,000
Frost Bank	N/A	29367RHC3	CD	1.000%	1.000000%	0.0000	-	08/31/15	08/31/16	250,000
Frost Bank	N/A	783861BY2	CD	1.000%	1.000000%	0.0000	-	09/04/15	09/02/16	250,000
Wells Fargo Bank	N/A	78658QNK5	CD	1.000%	1.000000%	1.5068	46	05/15/15	11/15/16	248,000
Wells Fargo Bank	N/A	316041CN0	CD	1.000%	1.000000%	1.5068	52	05/21/15	11/21/16	248,000
Wells Fargo Bank	N/A	59774QEU2	CD	1.000%	1.000000%	1.4575	136	08/31/15	02/13/17	249,000
Raymond James & Assocs	N/A	05580ABL7	CD	1.000%	1.000000%	1.9479	206	05/14/15	04/24/17	248,000
Coastal Securities	N/A	02006LQT3	CD	1.000%	1.000000%	2.0055	227	05/14/15	05/15/17	248,000
Raymond James & Assocs	N/A	02587DXZ6	CD	1.000%	1.000000%	2.0055	227	05/14/15	05/15/17	248,000
Coastal Securities	N/A	254672NM6	CD	1.000%	1.000000%	2.0082	227	05/13/15	05/15/17	248,000
Wells Fargo Bank	N/A	928066AJ8	CD	1.000%	1.000000%	1.7973	255	08/26/15	06/12/17	249,000
Wells Fargo Bank	N/A	33610RPP2	CD	1.000%	1.000000%	3.0466	297	07/08/14	07/24/17	248,000
Wells Fargo Bank	N/A	63969AAU8	CD	1.000%	1.000000%	5.0384	361	09/13/12	09/26/17	250,000
Wells Fargo Bank	N/A	12325EFN7	CD	1.000%	1.000000%	5.0438	363	09/13/12	09/28/17	250,000
Raymond James & Assocs	N/A	48125T6N0	CD	1.000%	1.000000%	2.9863	557	04/16/15	04/10/18	248,000
Frost Bank	N/A	02006LG49	CD	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18	250,000
Frost Bank	N/A	254672B80	CD	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18	250,000

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

Purchase Price	FMV 06/30/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
392,171	383,705	-	(1,866)	(193)	381,645	-	381,645	-
1,254,300	1,253,375	-	(368)	(1,619)	1,251,388	-	1,251,388	-
501,420	501,490	-	(185)	(690)	500,615	-	500,615	-
1,523,670	1,523,985	-	(1,844)	6,359	1,528,500	-	1,528,500	-
1,030,990	-	1,030,990	(2,916)	(6,274)	1,021,800	-	1,021,800	-
1,025,960	-	1,025,960	(1,894)	(4,506)	1,019,560	-	1,019,560	-
810,856	814,768	-	(785)	2,289	816,272	-	816,272	-
1,000,000	1,000,224	-	-	321	1,000,545	-	1,000,545	-
1,000,000	-	1,000,000	-	(3,068)	996,932	-	-	996,932
3,808,000	3,809,192	(3,808,000)	-	(1,192)	-	-	-	-
1,000,000	-	1,000,000	-	(2,996)	997,004	-	997,004	-
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	-	-	53	248,053	-	248,053	-
248,000	248,000	-	-	63	248,063	-	248,063	-
249,000	249,000	-	-	340	249,340	-	249,340	-
246,879	247,530	-	-	654	248,184	-	248,184	-
248,000	248,000	-	-	471	248,471	-	248,471	-
248,000	248,000	-	-	471	248,471	-	248,471	-
248,000	248,000	-	-	471	248,471	-	248,471	-
249,000	249,000	-	-	798	249,798	-	249,798	-
248,000	248,000	-	-	878	248,878	-	248,878	-
250,000	250,000	-	-	256	250,256	-	-	250,256
250,000	250,000	-	-	494	250,494	-	-	250,494
248,000	247,926	-	-	265	248,191	-	248,191	-
250,000	-	250,000	-	225	250,225	-	250,225	-
250,000	-	250,000	-	225	250,225	-	250,225	-

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

VENDOR	Agency Feature B=Bullet C=Call S=Step	CUSIP	Desc	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	Par Amount
Frost Bank	N/A	27113PBH3	CD	0.800%	0.800000%	1.7178	543	07/08/16	03/27/18	250,000
Frost Bank	N/A	337630BA4	CD	0.800%	0.800000%	1.5425	479	07/08/16	01/22/18	250,000
Frost Bank	N/A	33944LAS2	CD	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18	250,000
Frost Bank	N/A	80280JPC9	CD	0.700%	0.700000%	0.7507	195	07/13/16	04/13/17	250,000
Frost Bank	N/A	38148JRJ2	CD	1.000%	1.000000%	3.0055	570	04/22/15	04/23/18	248,000
Wells Fargo Bank	N/A	140420UW8	CD	1.000%	1.000000%	3.0274	704	08/26/15	09/04/18	248,000
Wells Fargo Bank	N/A	591803BD2	CD	1.000%	1.000000%	5.0110	1,014	07/08/14	07/11/19	248,000
Wells Fargo Bank	N/A	06740KHF7	CD	1.000%	1.000000%	5.0247	1,019	07/08/14	07/16/19	248,000
Wells Fargo Bank	N/A	23204HBU1	CD	1.000%	1.000000%	5.0411	1,026	07/09/14	07/23/19	248,000
Wells Fargo Bank	N/A	677721CE0	CD	1.000%	1.000000%	5.0438	1,026	07/08/14	07/23/19	248,000
Raymond James & Associates	N/A	140420UT5	CD	1.000%	1.000000%	3.9890	1,060	08/31/15	08/26/19	250,000
Raymond James & Associates	N/A	33646CFN9	CD	1.000%	1.000000%	4.9973	1,428	08/31/15	08/28/20	250,000
Raymond James & Associates	N/A	29976DA59	CD	1.000%	1.000000%	4.9973	1,428	08/31/15	08/28/20	250,000
Raymond James & Associates	N/A	307814DF7	CD	1.000%	1.000000%	4.9973	1,428	08/31/15	08/28/20	250,000
Weighted Averages †				1.007694%	2.2139	484	Totals	21,208,000		

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, 2016
(Unaudited)

Purchase Price	FMV 06/30/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
250,000	-	250,000	-	81	250,081	-	250,081	-
250,000	-	250,000	-	250	250,250	-	250,250	-
250,000	-	250,000	-	257	250,257	-	250,257	-
250,000	-	250,000	-	52	250,052	250,052	-	-
248,000	248,000	-	-	1,096	249,096	-	249,096	-
248,000	248,000	-	-	3,541	251,541	-	251,541	-
248,000	248,000	-	-	889	248,889	-	-	248,889
248,000	248,000	-	-	6,172	254,172	-	-	254,172
248,000	248,000	-	-	6,286	254,286	-	-	254,286
248,000	248,000	-	-	6,304	254,304	-	-	254,304
250,000	250,000	-	-	7,105	257,105	-	-	257,105
250,000	250,000	-	-	8,618	258,618	-	-	258,618
250,000	250,000	-	-	9,716	259,716	-	-	259,716
250,000	250,000	-	-	10,246	260,246	-	-	260,246

21,316,246	15,756,195	748,950	(9,859)	54,708	16,549,994	250,052	12,754,924	3,545,018	
						Investment Ladder Targets.....	7,000,000	25,000,000	8,000,000
						Investment Funds: Available/(Exceeded)	6,749,948	12,245,076	4,454,982

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

VENDOR	CUSIP	FDIC Cert#	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
Frost Bank	08016PBU2	58165	BELMONT BANK & TRUST CO	0.550%	0.550000%	0.0000	-	08/31/15	08/30/16
Frost Bank	07370TP98	57833	BEAL BANK SSB	0.600%	0.600000%	0.0000	-	09/02/15	08/31/16
Frost Bank	29367RHC3	24786	ENTERPRISE BANK / PA	0.400%	0.400000%	0.0000	-	08/31/15	08/31/16
Frost Bank	783861BY2	11124	S & T BANK	0.550%	0.550000%	0.0000	-	09/04/15	09/02/16
Wells Fargo	78658QNK5	26876	SAFRA NATIONAL BANK	0.550%	0.550000%	1.5068	46	05/15/15	11/15/16
Wells Fargo	316041CN0	21440	FIDELITY BANK ATLANTA	0.550%	0.550000%	1.5068	52	05/21/15	11/21/16
Wells Fargo	59774QEU2	1040	MIDLAND STATES BANK	0.900%	0.900000%	1.4575	136	08/31/15	02/13/17
Raymond James	05580ABL7	35141	BMW BANK NORTH AMERICA	0.700%	0.934600%	1.9479	206	05/14/15	04/24/17
Coastal Securities	02006LQT3	35141	ALLY BANK	0.950%	0.950000%	2.0055	227	05/14/15	05/15/17
Raymond James	02587DXZ6	27471	AMERICAN EXPRESS CENTURION	1.000%	1.000000%	2.0055	227	05/14/15	05/15/17
Coastal Securities	254672NM6	5649	DISCOVER BANK	0.950%	0.950000%	2.0082	227	05/13/15	05/15/17
Wells Fargo	928066AJ8	58824	VIRGINIA PARTNERS BANK	0.900%	0.900000%	1.7973	255	08/26/15	06/12/17
Wells Fargo	33610RPP2		FIRST PREMIER BANK	1.000%	1.000000%	3.0466	297	07/08/14	07/24/17
Wells Fargo	63969AAU8		NEBRASKA STATE B&T	0.850%	0.850000%	5.0384	361	09/13/12	09/26/17
Wells Fargo	12325EFN7		BUSINESS BANK OF ST LOUIS	0.950%	0.950000%	5.0438	363	09/13/12	09/28/17
Raymond James	48125T6N0	628	JP MORGAN CHASE BANK	1.000%	1.430000%	2.9863	557	04/16/15	04/10/18
Frost Bank	02006LG49	57803	ALLY BANK	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18
Frost Bank	254672B80	5649	DISCOVER BANK	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18
Frost Bank	27113PBH3		EAST BOSTON SAV BK	0.800%	0.800000%	1.7178	543	07/08/16	03/27/18
Frost Bank	337630BA4	33510	FIRST TRUST SAV BK	0.800%	0.800000%	1.5425	479	07/08/16	01/22/18
Frost Bank	33944LAS2	58074	FLINT COMMUNITY BK	0.750%	0.750000%	1.5260	473	07/08/16	01/16/18
Frost Bank	80280JPC9	22950	SANTANDER BANK NA	0.700%	0.700000%	0.7507	195	07/13/16	04/13/17
Frost Bank	38148JRJ2	33124	GOLMAN SACHS BANK USA	1.500%	1.500000%	3.0055	570	04/22/15	04/23/18

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

Purchase Price at Par	Face Value 06/30/16	Additions	(Maturities)	Amortization of (Premium) Discount	Market Adjustments Increase (Decrease)	Face Value 09/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
250,000	250,000	-	(250,000)	-	-	-	-	-	-
250,000	250,000	-	(250,000)	-	-	-	-	-	-
250,000	250,000	-	(250,000)	-	-	-	-	-	-
250,000	250,000	-	(250,000)	-	-	-	-	-	-
248,000	248,000	-	-	-	53	248,053	-	248,053	-
248,000	248,000	-	-	-	63	248,063	-	248,063	-
249,000	249,000	-	-	-	340	249,340	-	249,340	-
246,879	247,530	-	-	-	654	248,184	-	248,184	-
248,000	248,000	-	-	-	471	248,471	-	248,471	-
248,000	248,000	-	-	-	471	248,471	-	248,471	-
248,000	248,000	-	-	-	471	248,471	-	248,471	-
249,000	249,000	-	-	-	798	249,798	-	249,798	-
248,000	248,000	-	-	-	878	248,878	-	248,878	-
250,000	250,000	-	-	-	256	250,256	-	-	250,256
250,000	250,000	-	-	-	494	250,494	-	-	250,494
248,000	247,926	-	-	-	265	248,191	-	248,191	-
250,000	-	250,000	-	-	225	250,225	-	250,225	-
250,000	-	250,000	-	-	225	250,225	-	250,225	-
250,000	-	250,000	-	-	81	250,081	-	250,081	-
250,000	-	250,000	-	-	250	250,250	-	250,250	-
250,000	-	250,000	-	-	257	250,257	-	250,257	-
250,000	-	250,000	-	-	52	250,052	250,052	-	-
248,000	248,000	-	-	-	1,096	249,096	-	249,096	-

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

VENDOR	CUSIP	FDIC Cert#	Bank Issuing CD	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date
Wells Fargo	140420UW8	33954	CAPITAL ONE BANK USA NA	1.600%	1.600000%	3.0274	704	08/26/15	09/04/18
Wells Fargo	591803BD2		METROPOLITAN CAPITAL BANK	1.850%	1.850000%	5.0110	1,014	07/08/14	07/11/19
Wells Fargo	06740KHF7		BARCLAYS BANK DELAWARE	2.050%	2.050000%	5.0247	1,019	07/08/14	07/16/19
Wells Fargo	23204HBU1		CUSTOMERS BANK	1.900%	1.900000%	5.0411	1,026	07/09/14	07/23/19
Wells Fargo	677721CE0		OHIO VALLEY BANK GALLIP	1.800%	1.800000%	5.0438	1,026	07/08/14	07/23/19
Raymond James	140420UT5	33954	CAPITAL ONE BANK USA NA	2.100%	2.100000%	3.9890	1,060	08/31/15	08/26/19
Raymond James	33646CFN9	9087	FIRST SOURCE BANK	1.800%	1.800000%	4.9973	1,428	08/31/15	08/28/20
Raymond James	29976DA59	34775	EVERBANK / JACKSONVILLE FL	2.050%	2.050000%	4.9973	1,428	08/31/15	08/28/20
Raymond James	307814DF7	13046	FARMERS & MERCHANT BK WISC	1.850%	1.850000%	4.9973	1,428	08/31/15	08/28/20
Weighted Average					1.128098%	2.6261	509	TOTAL	

† 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, 2016
(Unaudited)

Purchase Price at Par	Face Value 06/30/16	Additions	(Maturities)	Amortization of (Premium) Discount	Market Adjustments Increase (Decrease)	Face Value 09/30/16	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	-	-	-	3,541	251,541	-	251,541	-
248,000	248,000	-	-	-	889	248,889	-	-	248,889
248,000	248,000	-	-	-	6,172	254,172	-	-	254,172
248,000	248,000	-	-	-	6,286	254,286	-	-	254,286
248,000	248,000	-	-	-	6,304	254,304	-	-	254,304
250,000	250,000	-	-	-	7,105	257,105	-	-	257,105
250,000	250,000	-	-	-	8,618	258,618	-	-	258,618
250,000	250,000	-	-	-	9,716	259,716	-	-	259,716
250,000	250,000	-	-	-	10,246	260,246	-	-	260,246
7,968,879	6,469,456	1,500,000	(1,000,000)	-	66,277	7,035,733	250,052	4,237,595	2,548,086

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

VENDOR	Rating	CUSIP	Description	Coupon	Yield	Duration in Yrs from Purchase	Days To MTY	Purchase Date	Maturity Date /Called Date	OPTIONAL Call Date
Wells Fargo	Aa2/AA-	67756A2K7	Ohio State Higher Education Fac Comm - Callable Anytime	0.751%	0.273100%	1.6384	93	05/14/15	01/01/17	
Coastal Securities	Aa1/AA+	57582P2Q2	Municipal Bond - Massachusetts State (GO) TXBL	1.000%	0.880000%	2.9233	213	05/30/14	05/01/17	
Coastal Securities	AA3/AA	20772JL26	Municipal Bond - Connecticut State (GO) TXBL - B	1.000%	0.850000%	1.9205	305	08/31/15	08/01/17	
Wells Fargo	Aa3/AA-	34074GDG6	Florida State Hurricane Catastrophe Fund Fin Corp	2.107%	2.107000%	3.2110	639	04/16/15	07/01/18	
Wells Fargo	AAA	64971QQX4	New York City Transit Fin Auth	2.150%	0.789000%	2.3205	762	07/07/16	11/01/18	
Wells Fargo	Aa3/AA	341271AA2	Florida St Brd of Adm Finance Corp Revenue	2.163%	1.269000%	2.9836	1,004	07/07/16	07/01/19	
Coastal Securities	AA/AA+	882806EL2	Texas Tech Univ Revenues 17th Series - TXBL - Series B	1.804%	1.400000%	3.4630	868	08/31/15	02/15/19	
† Weighted Averages					1.239079%	2.8193	602	Totals		

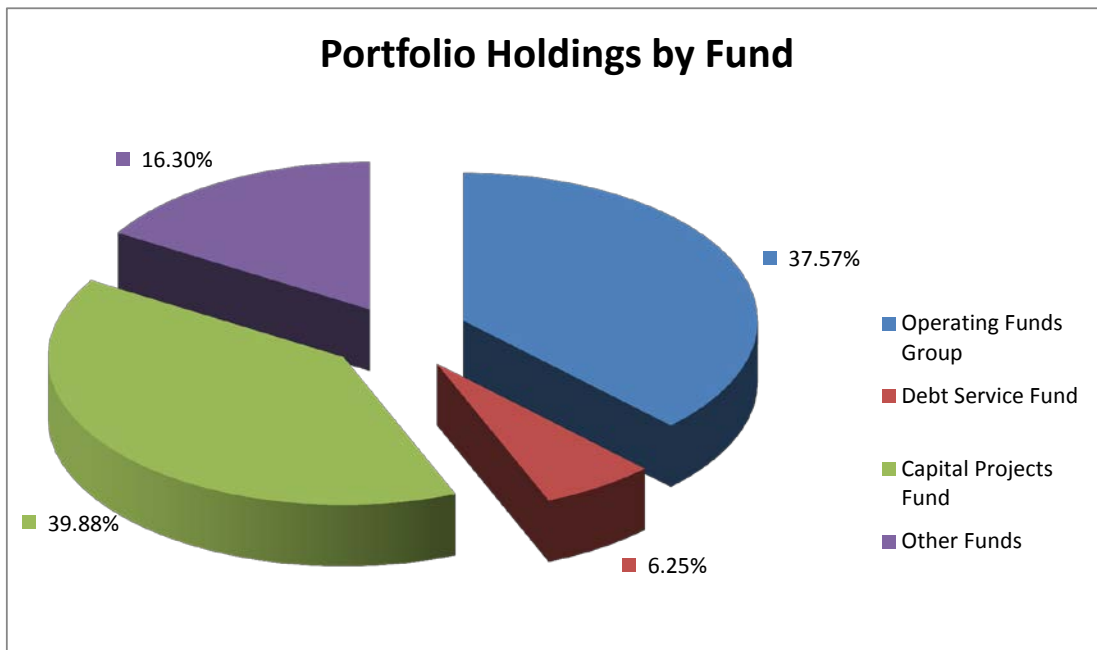
† Weighted Averages are based on investment holdings as of the last day of the quarter using actual days remaining to maturity and are calculated based on Yields, Duration, Days to Maturity, Purchase Prices, and Total Purchase Price.

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

Par Amount	Purchase Price	FMV 06/30/16	Additions (Subtractions)	Amortization (Premium) Discount	Market Adjustments Increase (Decrease)	FMV 09/30/16	Short-term Ladder <=12 mos	Mid-term Ladder > 12 mos < 3.5 yrs	Long-term Ladder 3.5 to 5 yrs
380,000	392,171	383,705	-	(1,866)	(193)	381,645	-	381,645	-
1,250,000	1,254,369	1,253,375	-	(368)	(1,619)	1,251,388	-	1,251,388	-
500,000	501,420	501,490	-	(185)	(690)	500,615	-	500,615	-
1,500,000	1,523,670	1,523,985	-	(1,844)	6,359	1,528,500	-	1,528,500	-
1,000,000	1,030,990	-	1,030,990	(2,916)	(6,274)	1,021,800	-	1,021,800	-
1,000,000	1,025,960	-	1,025,960	(1,894)	(4,506)	1,019,560	-	1,019,560	-
800,000	810,856	814,768	-	(785)	2,289	816,272	-	816,272	-
6,430,000	6,539,436	4,477,323	2,056,950	(9,859)	(4,634)	6,519,780	-	6,519,780	-

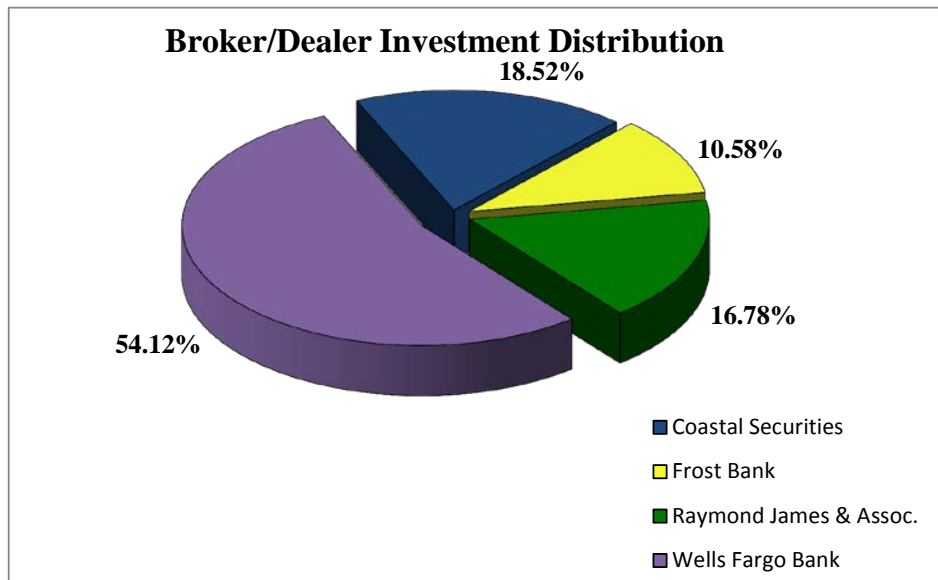
Portfolio Holdings by Fund
September 30, 2016
(Unaudited)

Fund	Operating Funds Groups:		
11	General Fund	\$ 5,597,069	33.83%
12	Road & Bridge Fund	47,709	0.29%
14	Stadium & Fairgrounds Fund	340,212	2.06%
15	Law Library Fund	48,433	0.29%
16	Airport Fund	-	0.00%
17	Inland Parks Fund	-	0.00%
18	Coastal Parks Fund	187,399	1.10%
	Sub-Total Operating Funds	<u>\$ 6,220,822</u>	<u>37.57%</u>
09	Debt Service Fund	1,033,556	6.25%
19	Capital Projects Fund	6,598,344	39.88%
	Other Funds Groups:		
10	Self Insurance Fund	176,134	1.06%
13	Special Revenue Fund	2,521,138	15.24%
	Sub-total Other Funds	<u>2,697,272</u>	<u>16.30%</u>
	Total Holdings at Current Market Value	<u><u>\$ 16,549,994</u></u>	<u><u>100.00%</u></u>



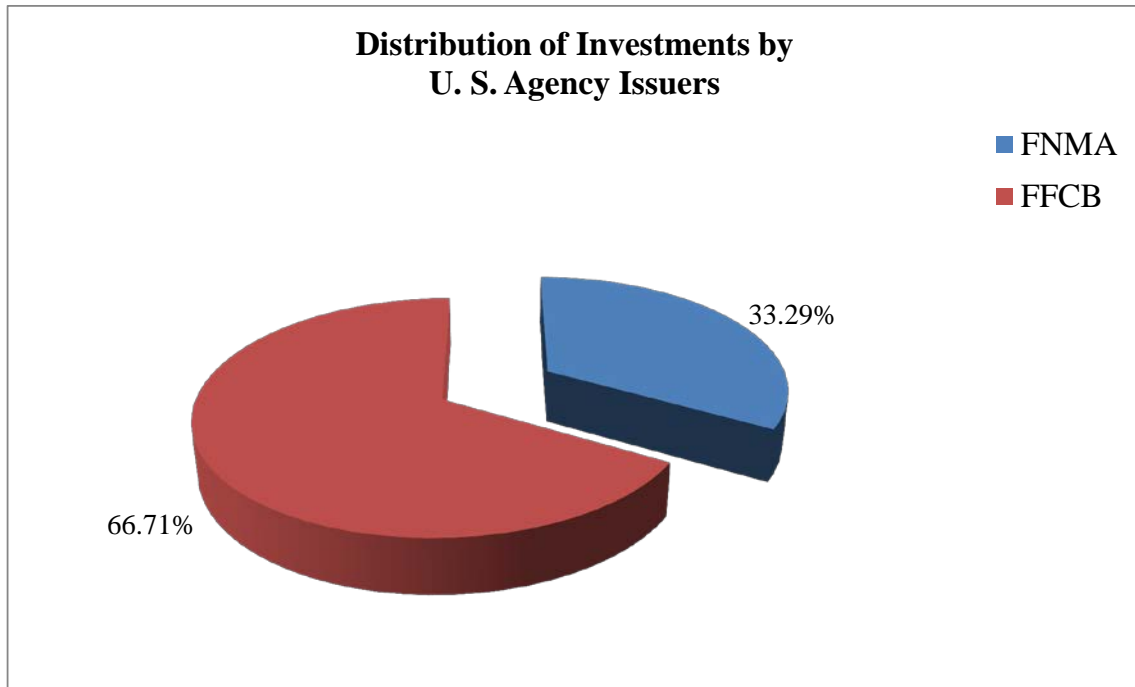
**Distribution of Investments by
Broker/Dealer/Financial Institutions
September 30, 2016
(Unaudited)**

	<u>Fair Market Value</u>	<u>Distribution %</u>
Coastal Securities	\$ 3,065,217	18.52%
Frost Bank	1,750,186	10.58%
Raymond James & Assoc.	2,777,463	16.78%
Wells Fargo Bank	8,957,128	54.12%
Total	<u>\$ 16,549,994</u>	<u>100.00%</u>



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

<u>Agency</u>		<u>Fair Market Value</u>	<u>Distribution %</u>
Fannie Mae	FNMA	997,004	33.29%
Federal Farm Credit Bank	FFCB	1,997,477	66.71%
		<u>\$ 2,994,481</u>	<u>100.00%</u>

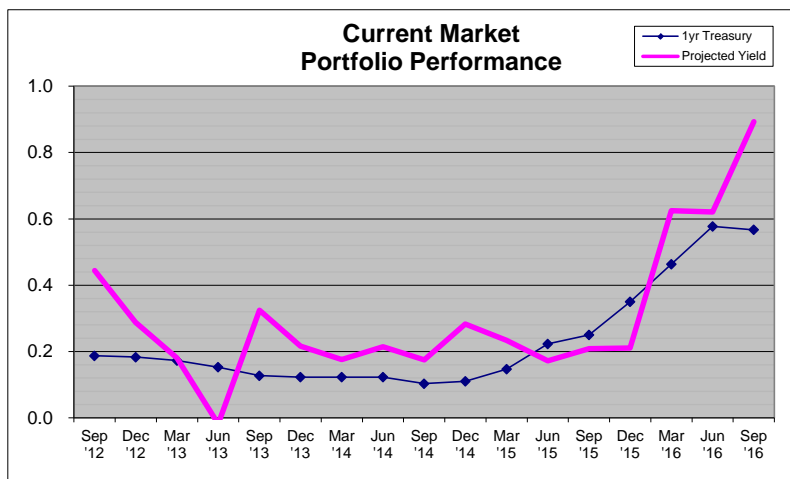


**Investments Performance
Compared to One-Year Treasury**
September 30, 2016
(Unaudited)

Quarter Ended	County Qrtly Avg Yield	Projected Annual County Yield	* 1yr Treasury
Jun-12	0.103%	0.413%	0.187%
Sep-12	0.119%	0.443%	0.183%
1-Dec	0.072%	0.288%	0.173%
Mar-13	0.045%	0.181%	0.153%
Jun-13	0.005%	-0.018%	0.127%
Sep-13	0.081%	0.324%	0.123%
Dec-13	0.054%	0.216%	0.123%
Mar-14	0.044%	0.176%	0.123%
Jun-14	0.054%	0.214%	0.103%
Sep-14	0.044%	0.175%	0.110%
Dec-14	0.071%	0.283%	0.147%
Mar-15	0.059%	0.234%	0.223%
Jun-15	0.043%	0.172%	0.250%
Sep-15	0.052%	0.209%	0.350%
Dec-15	0.053%	0.210%	0.463%
Mar-16	0.160%	0.625%	0.577%
Jun-16	0.155%	0.621%	0.567%
Sep-16	0.223%	0.893%	0.560%

* 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

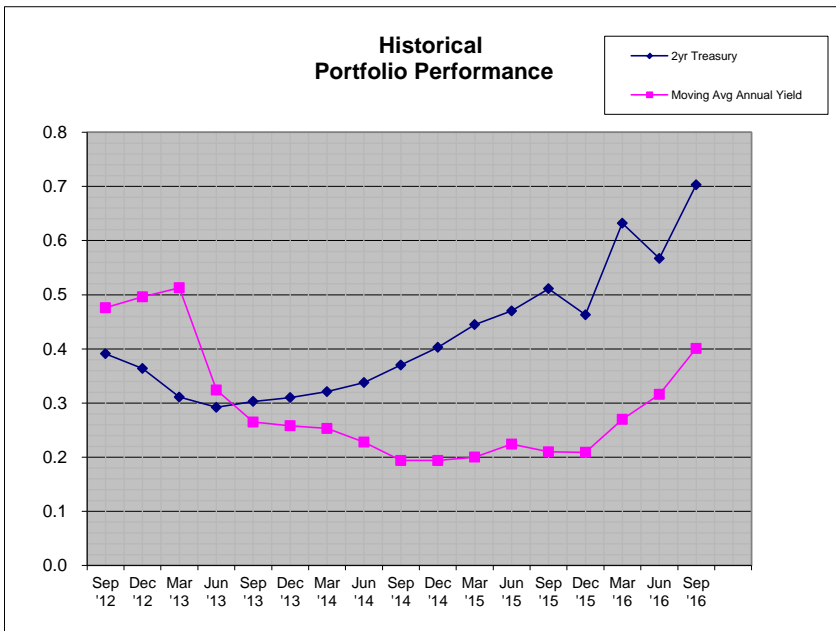


**Investments Performance
Compared to Two-Year Treasury
September 30, 2016
(Unaudited)**

Quarter Ended	County Two Year Moving Avg Annual Yield	* 2 yr Treasury (CMT)
Sep-12	0.476%	0.391%
Dec-12	0.496%	0.364%
Mar-13	0.513%	0.311%
Jun-13	0.324%	0.292%
Sep-13	0.265%	0.303%
Dec-13	0.258%	0.310%
Mar-14	0.253%	0.321%
Jun-14	0.280%	0.334%
Sep-14	0.194%	0.370%
Dec-14	0.194%	0.403%
Mar-15	0.200%	0.445%
Jun-15	0.228%	0.470%
Sep-15	0.210%	0.511%
Dec-15	0.209%	0.574%
Mar-16	0.226%	0.632%
Sep-16	0.401%	0.725%

* 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, 2016

(Unaudited)

<u>Month</u>	<u>TexPool Average Monthly Rates</u>	<u>TexPool Prime Average Monthly Rates</u>	<u>MBIA Average Monthly Rates</u>	<u>Depository (Note 1) Bank Rates</u>
September '12	0.1572%	0.1821%	0.23%	0.01%
October '12	0.1657%	0.1864%	0.21%	0.01%
November '12	0.1564%	0.1766%	0.19%	0.01%
December '12	0.1506%	0.1701%	0.21%	0.01%
January '13	0.0986%	0.1219%	0.18%	0.01%
February '13	0.0935%	0.1180%	0.17%	0.01%
March '13	0.1047%	0.1354%	0.17%	0.01%
April '13	0.1022%	0.1264%	0.16%	0.01%
May '13	0.0715%	0.1032%	0.16%	0.01%
June '13	0.0576%	0.0878%	0.16%	0.01%
July '13	0.0531%	0.0765%	0.14%	0.01%
August '13	0.0437%	0.0705%	0.10%	0.01%
September '13	0.0394%	0.0658%	0.09%	0.01%
October '13	0.4980%	0.8630%	0.09%	0.01%
November '13	0.0446%	0.0771%	0.10%	0.01%
December '13	0.0372%	0.0657%	0.10%	0.01%
January '14	0.0273%	0.0464%	0.10%	0.01%
February '14	0.0283%	0.0532%	0.10%	0.01%
March '14	0.0299%	0.0671%	0.10%	0.01%
April '14	0.0336%	0.0674%	0.10%	0.01%
May '14	0.0244%	0.0676%	0.10%	0.01%
June '14	0.0284%	0.0644%	0.10%	0.01%
July '14	0.0313%	0.0576%	0.10%	0.01%
August '14	0.0353%	0.0594%	0.10%	0.01%
September '14	0.0333%	0.0582%	0.10%	0.01%
October '14	0.0268%	0.0628%	0.10%	0.01%
November '14	0.0286%	0.0714%	0.10%	0.01%
December '14	0.0418%	0.0754%	0.10%	0.01%
January '15	0.0465%	0.0706%	0.10%	0.01%
February '15	0.0441%	0.0826%	0.10%	0.01%
March '15	0.0480%	0.0880%	0.12%	0.01%
April '15	0.0524%	0.0984%	0.14%	0.01%
May '15	0.0553%	0.1030%	0.14%	0.01%
June '15	0.0500%	0.1063%	0.15%	0.01%
July '15	0.0630%	0.1150%	0.16%	0.01%
August '15	0.0716%	0.1398%	0.18%	0.01%
September '15	0.0850%	0.1591%	0.19%	0.01%
October '15	0.9660%	0.1649%	0.21%	0.01%
November '15	0.1100%	0.1830%	0.24%	0.01%
December '15	0.1863%	0.2776%	0.29%	0.01%
January '16	0.2674%	0.4056%	0.42%	0.01%
February '16	0.3010%	0.4673%	0.49%	0.01%
March '16	0.3273%	0.5135%	0.54%	0.01%
April '16	0.3380%	0.5192%	0.57%	0.01%
May '16	0.3399%	0.5304%	0.59%	0.01%
June '16	0.3633%	0.5550%	0.63%	0.01%
July '16	0.3690%	0.5718%	0.64%	0.01%
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%

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.