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# 2018 Investment highlights

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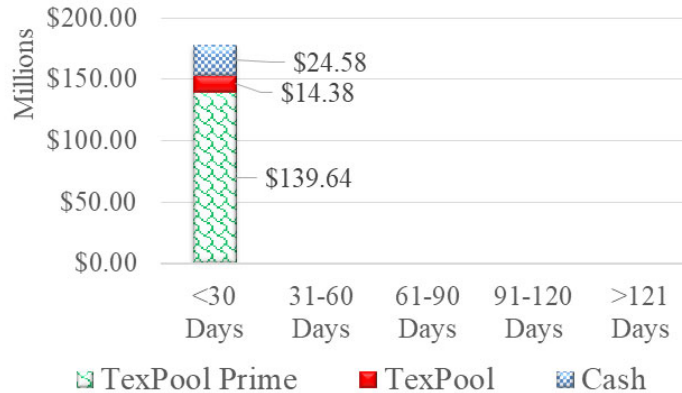
# Quarterly Investment Update

Directly linked to the County Strategic Plan

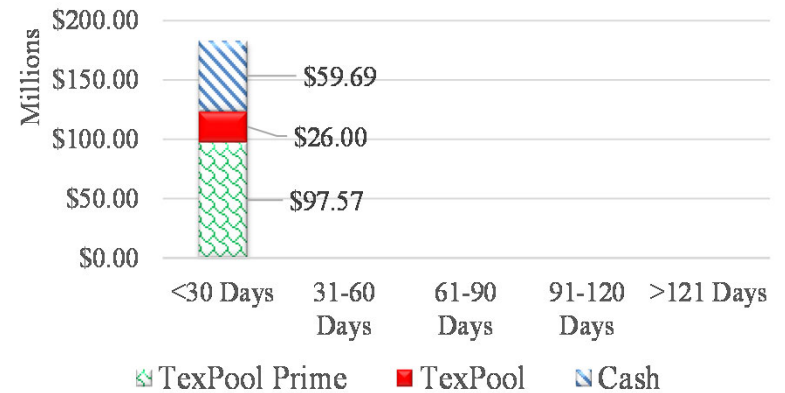
- Goal 1 - Financially Sound County Government



### Investment Maturity Summary September 30, 2018



### Investment Maturity Summary September 30, 2017



Although investments vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each has changed. As of September 30, 2018 the percentages in cash, TexPool, and TexPool Prime were 13.77%, 8.05%, and 78.18%, respectively. The September 30, 2017 percentages in cash, TexPool, and TexPool Prime were 32.57%, 14.19% and 53.24%, respectively.

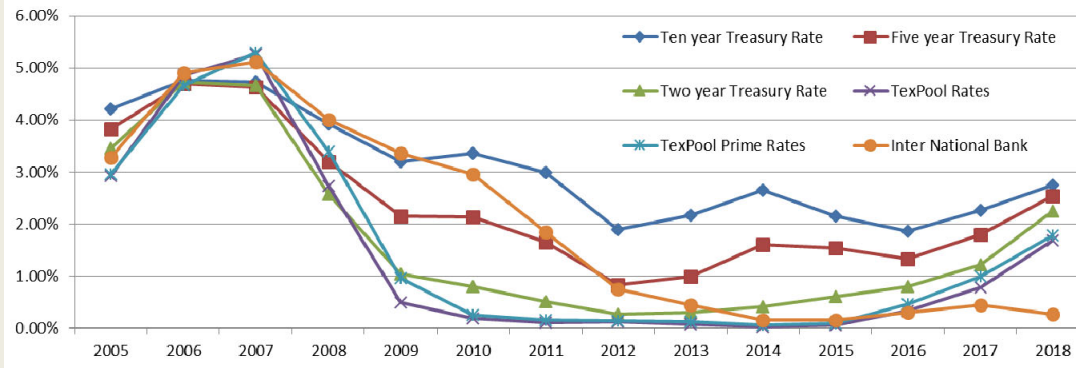
Total investments were \$178,603,145 for September 2018 compared to prior year of \$183,254,827, a decrease of \$ 4,651,682.

The interest earned so far this year was \$3,242,378 compared to last year of \$1,501,713 an increase of \$1,740,665 or 215.91%.



# Historical Market Environment

Key Interest Rates Averaged for the Fiscal Year



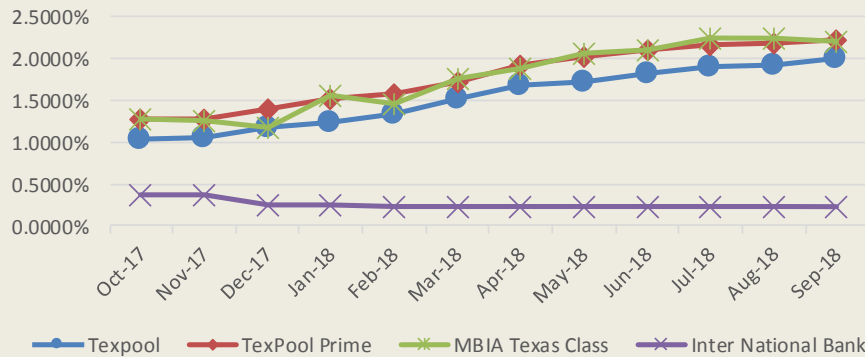
## Key Interest Rates Averaged for the Fiscal Year

Ten Year Treasury	2.74%
Five Year Treasury	2.55%
Two Year Treasury	2.25%
TexPool	1.53%
TexPool Prime	1.78%
Inter National Bank	0.26%

On September 27, 2018, the Federal Open Markets Committee increased the Fed Funds Rate of 2.00 percent by 25 basis points to 2.25. This was the fourth increase in interest rates for this fiscal year.



Investment Yield Rates



Yields for September 2018

Texas Class (not currently invested in)	2.1916%
TexPool Prime	2.2086%
TexPool	1.9953%
Inter National Bank	0.2307%

Above is a comparison of interest rates for the investment pools and Inter National Bank. The two highest yielding pools are TexPool Prime and Texas Class. TexPool Prime and Texas Class both contain Commercial Paper consisting of approximately 37 and 97 percent, respectively of the pools investments.

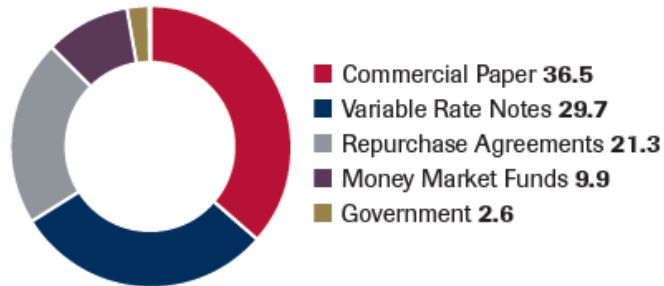


# Prime Investment Pools

## TexPool Prime

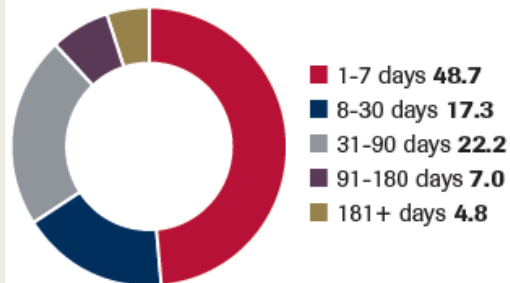
### Portfolio by Type of Investment (%)

As of September 30, 2018



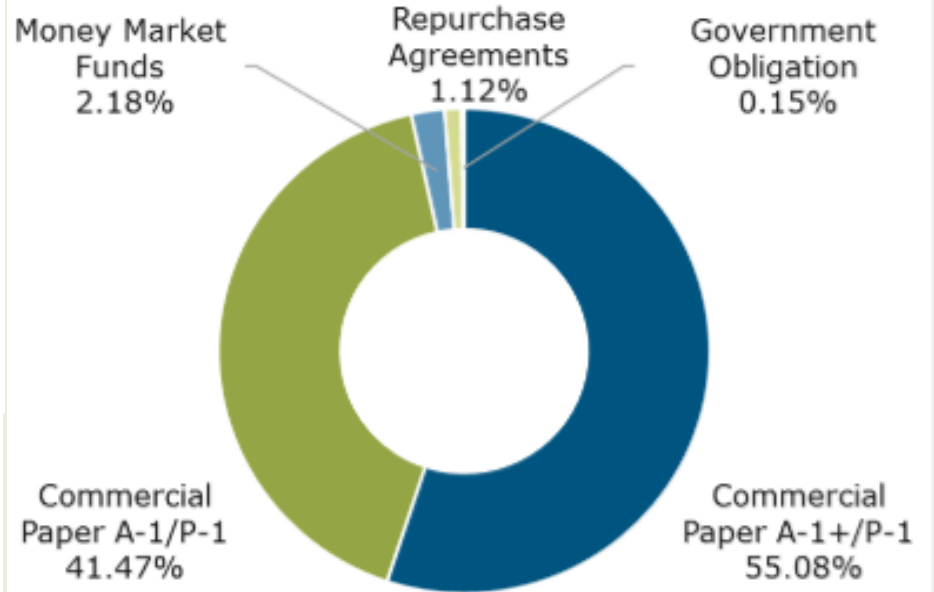
### Portfolio by Maturity (%)

As of September 30, 2018



Source: TexPool September 2018 Monthly Newsletter

## Texas Class



## Texas CLASS Portfolio Breakdown

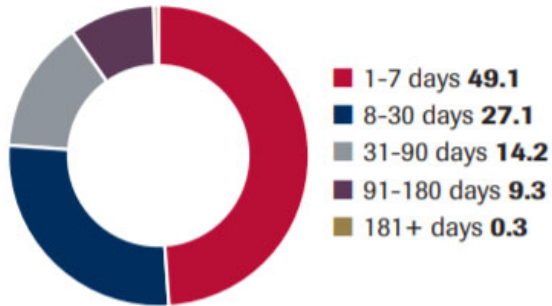
Source: Texas Class Website – Portfolio Characteristics  
September 2018



# TexPool

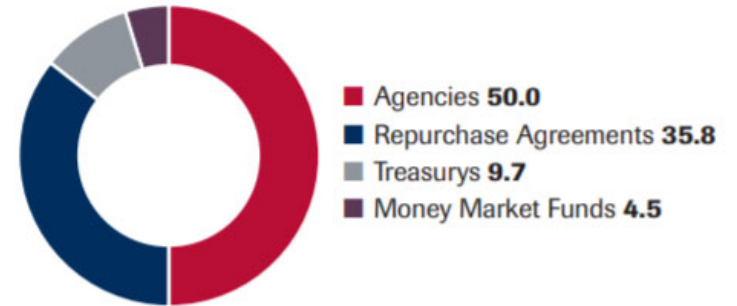
## Portfolio by Maturity (%)

*As of September 30, 2018*

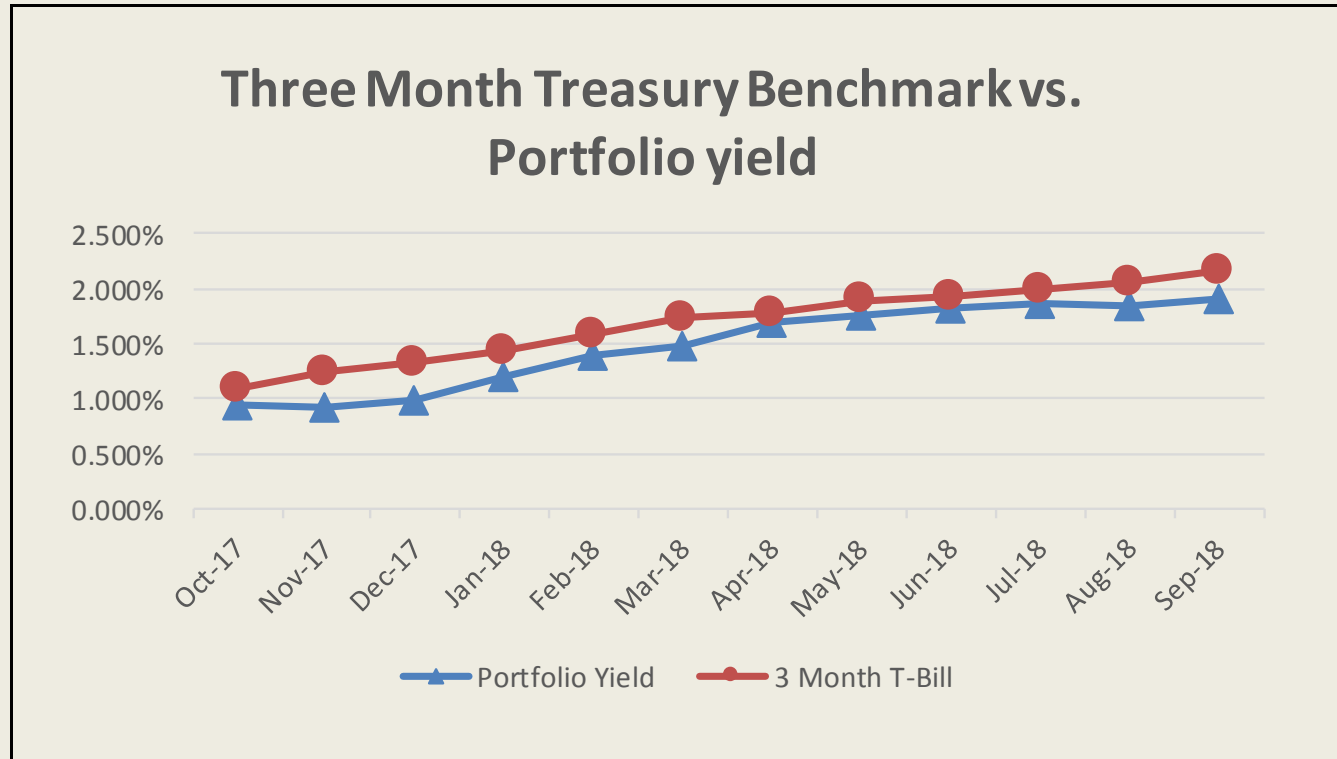


## Portfolio by Type of Investment (%)

*As of September 30, 2018*



Source: TexPool September 2018 Monthly Newsletter

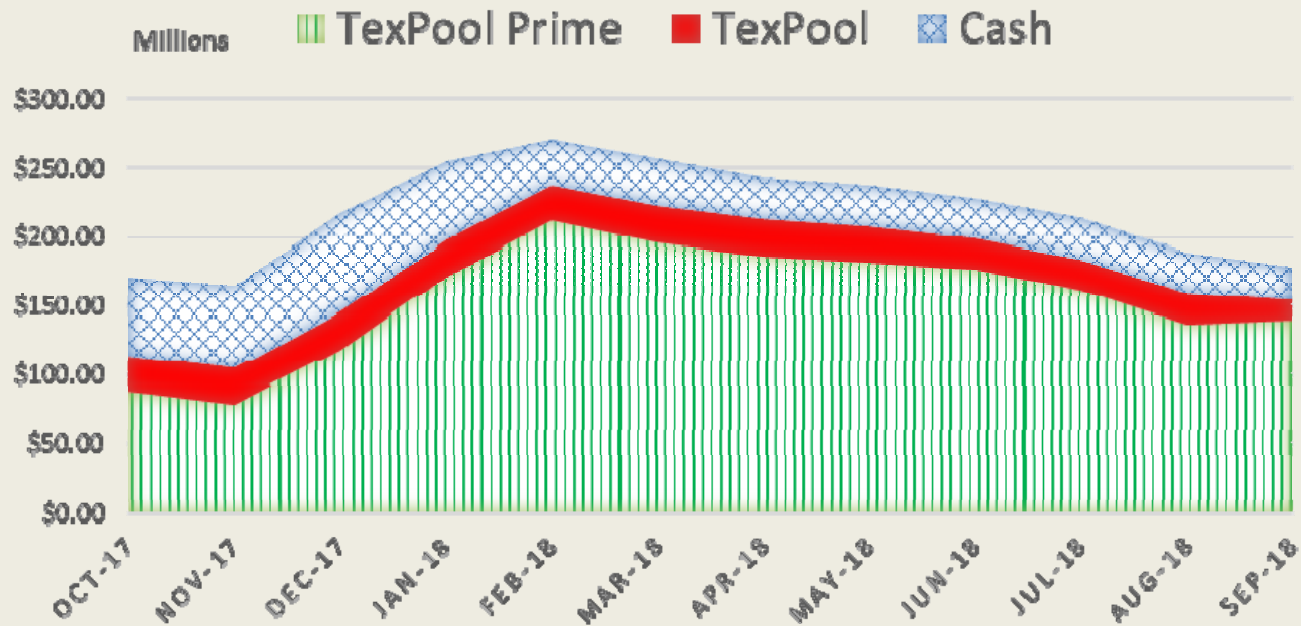


The County had an weighted average yield 1.919% as of September 30, 2018 to the 90-day treasury benchmark of 2.170% resulting the County being 25.10 basis points below the benchmark for the month, due to the low interest rate of 0.2336% in the bank.





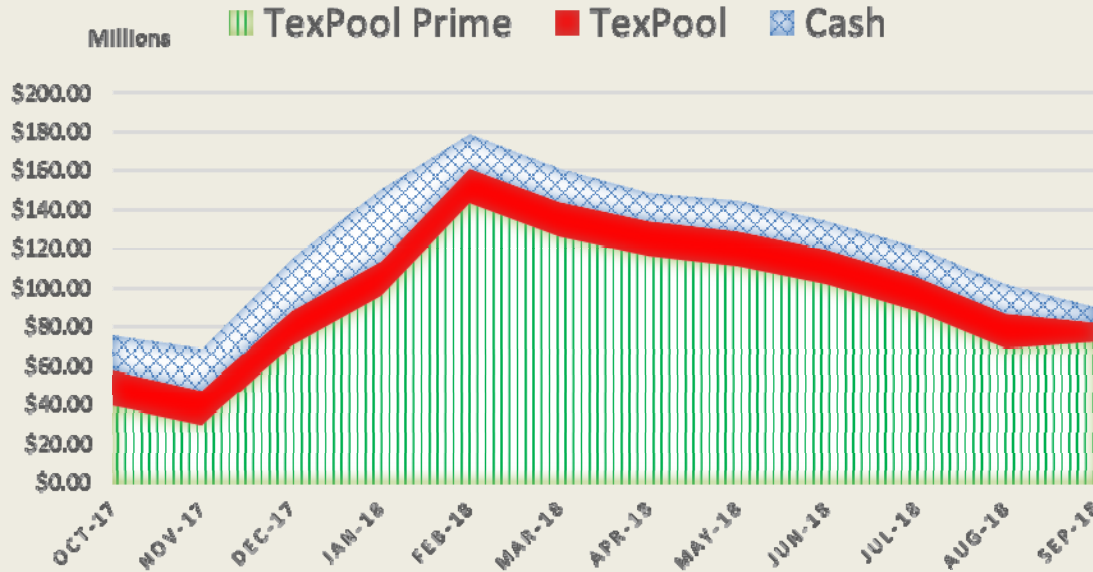
## COMBINED ALL FUNDS



The County's investable funds include the General Fund, Special Revenue Fund, Capital Projects, Internal Service, Enterprise Fund, Debt Service, and Agency Fund.



## GENERAL FUND

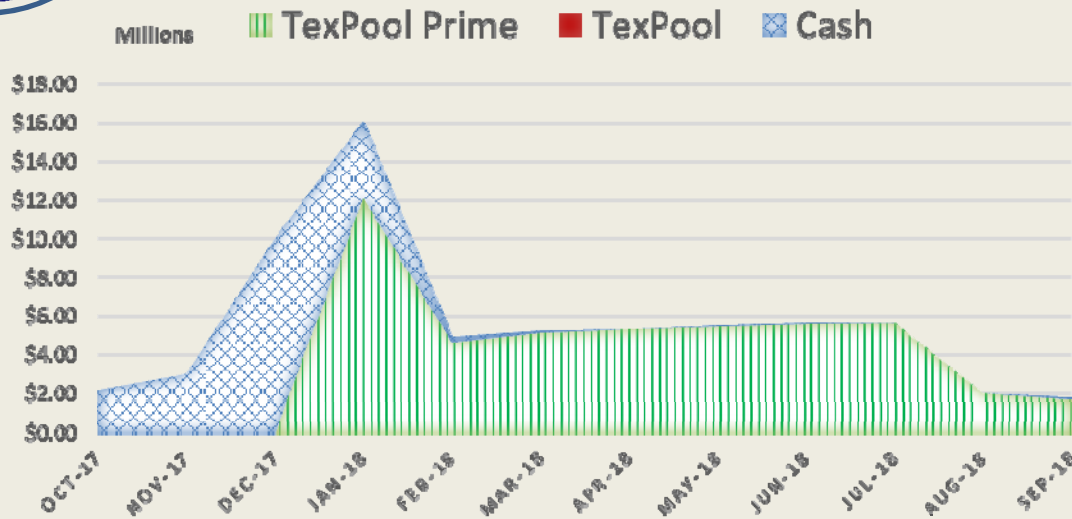


Date	Millions
October 31, 2017	\$75.4
November 30	\$69.1
December 31	\$115.0
January 31, 2018	\$150.1
February 28	\$178.4
March 31	\$160.4
April 30	\$148.1
May 31	\$144.0
June 30	\$133.5
July 31	\$120.4
August 31	\$101.8
September 30	\$89.9

- Investable funds reaches their lowest point in mid-December and increases from late December through mid-February.
- After reaching its peak for investable funds in February the general fund declines throughout the year until it reaches the low point in mid-December.



## DEBT SERVICE

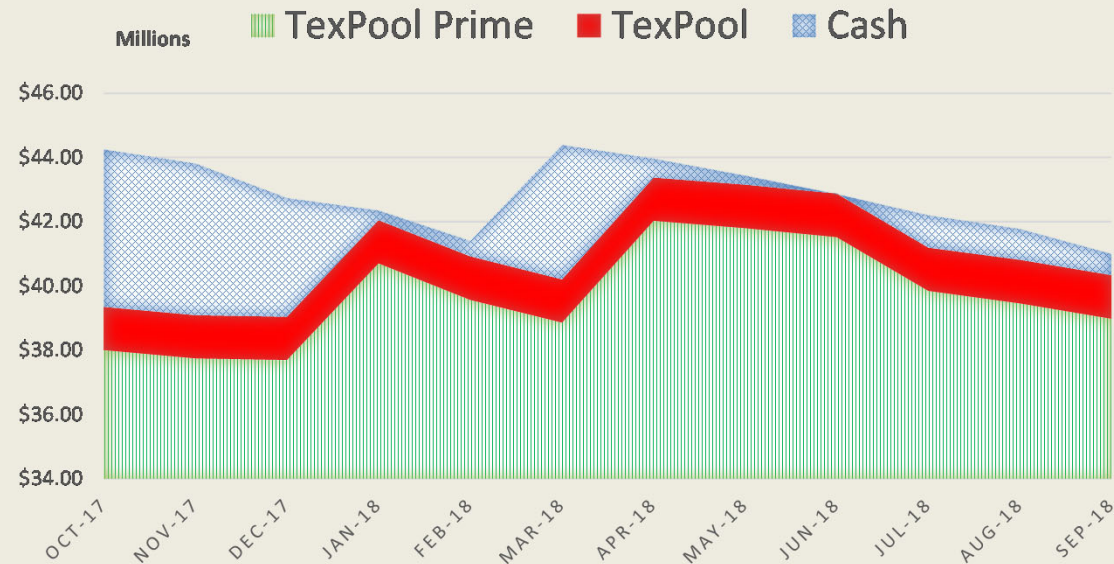


Date	Millions
October 31, 2017	\$2.2
November 30	\$3.0
December 31	\$10.0
January 31, 2018	\$16.0
February 28	\$5.0
March 31	\$5.2
April 30	\$5.3
May 31	\$5.5
June 30	\$6.0
July 31	\$5.6
August 31	\$2.0
September 30	\$1.8

- Debt Service follows the same cash inflow pattern as the General Fund.
- Disbursements occur in February, March, August, and September.
- The low point for the debt service fund is September 16<sup>th</sup> the day after our final interest payment for the fiscal year is made.



## CAPITAL PROJECTS

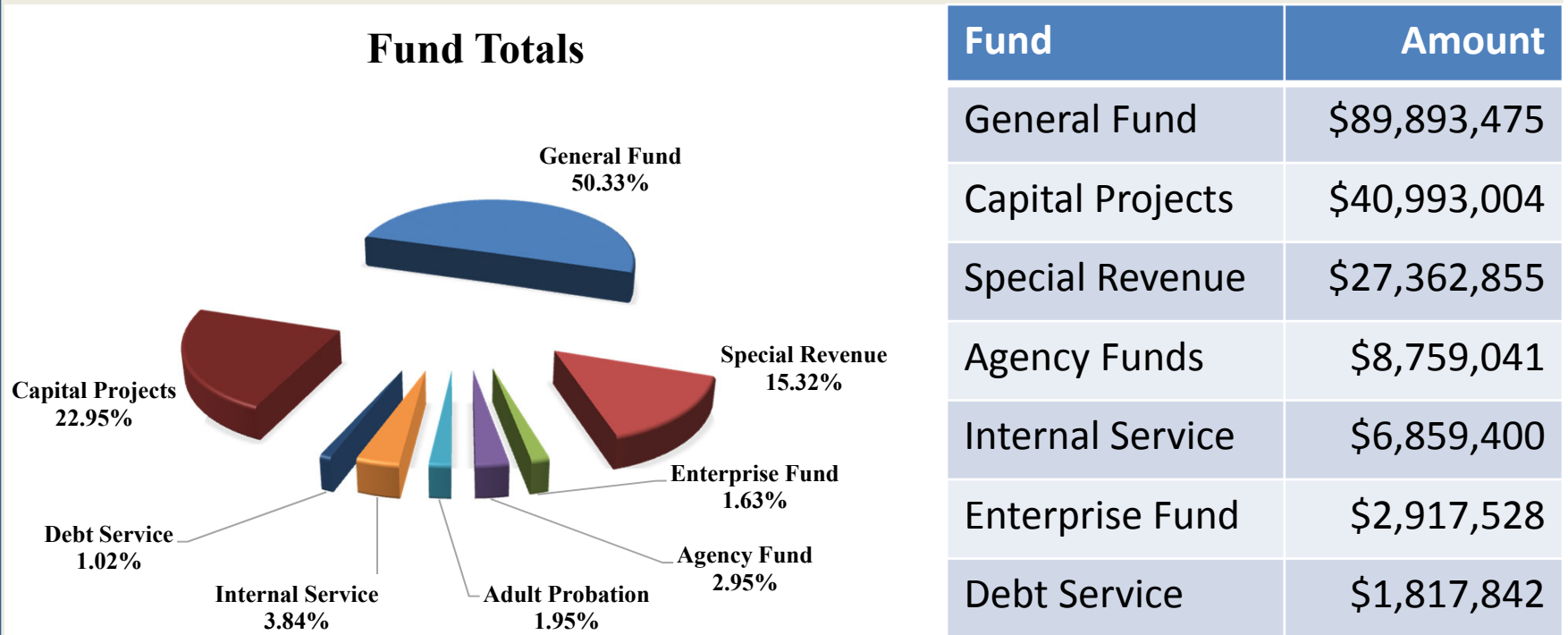


- The primary funding sources for the Capital Projects Fund is bond proceeds and the one cent from the Maintenance and Operations portion of the Ad Valorem taxes which funds the Capital Improvement Fund.
- The increase in March was due to the transfer of the one cent for small Capital Improvements of \$3,974,542 from General Fund to Capital Projects.



# Investments by Fund Type

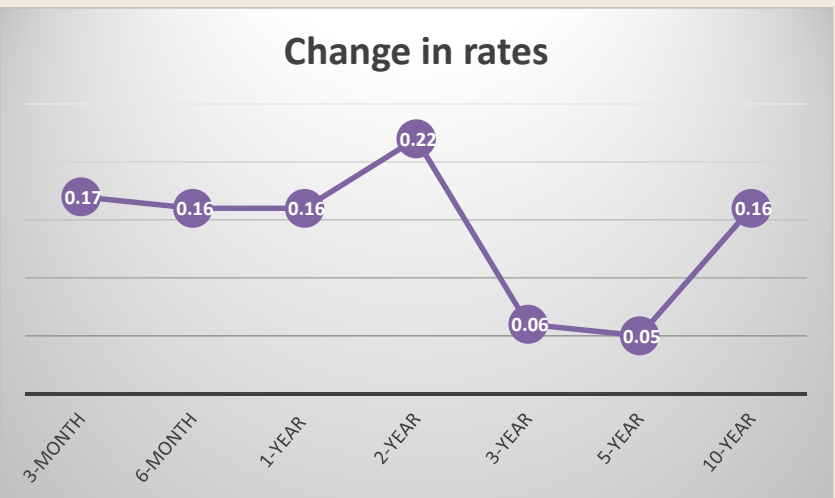
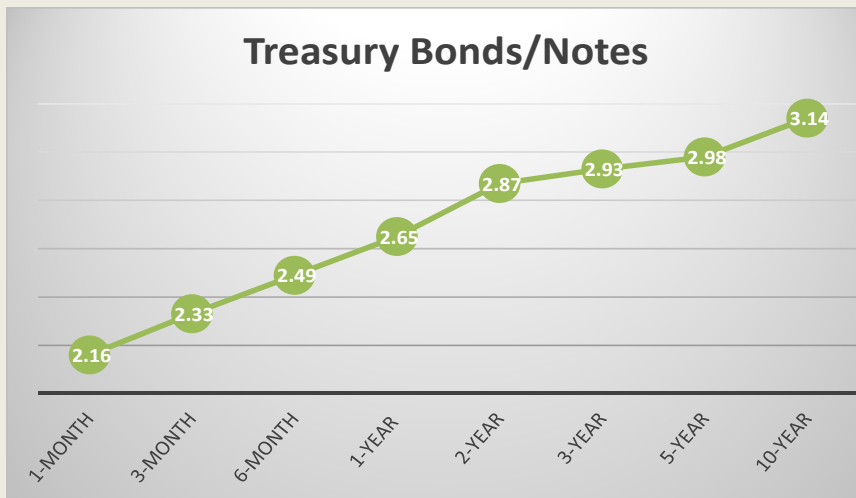
- As of September 30, 2018, the fund balances were:





# The Market

- October 31, 2018 rates
  - TexPool daily rate 2.175%, October monthly average rate 2.1438%.
  - TexPool Prime daily rate 2.3707%, October monthly average rate 2.3317%.
  - Treasury Bill/Note rates





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# Questions?

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