



2022 Investment Highlights

1st Quarter ending December 31, 2021

County Auditor's Office

Commissioners Court Meeting

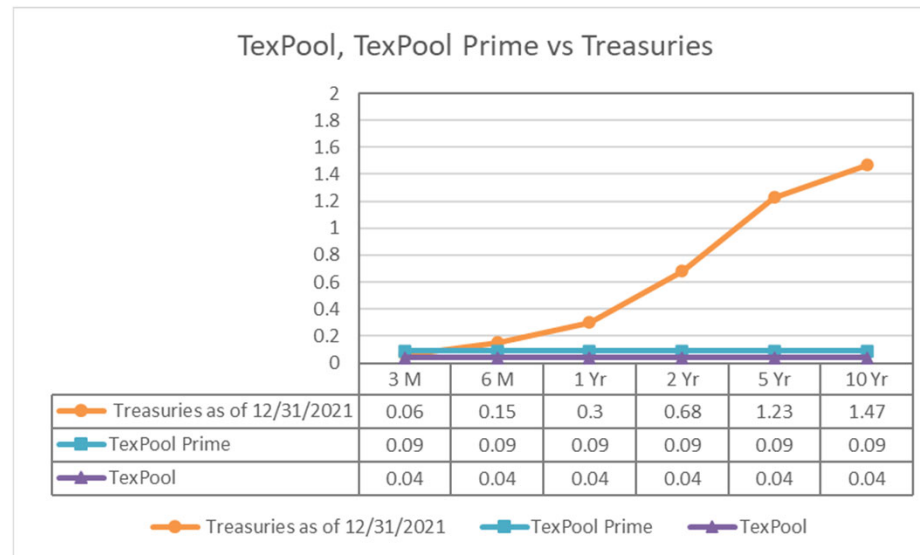
Quarterly Investment Update

Directly linked to the County Strategic Plan

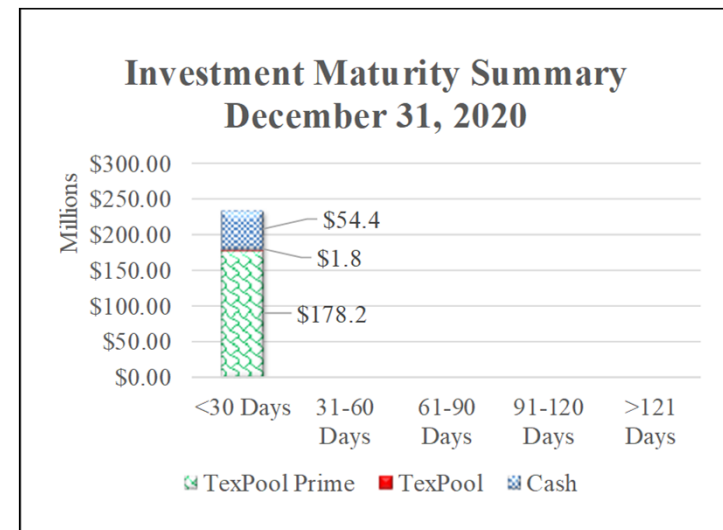
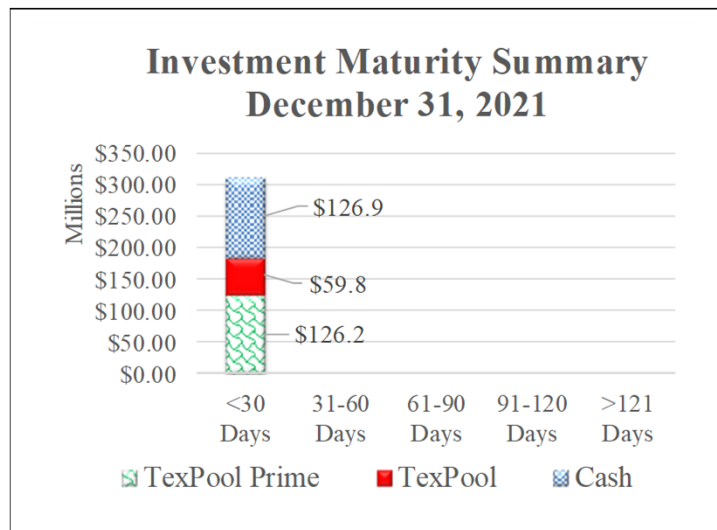
- Investment Goals:
 - Goal 1 - Investing funds on the principles of
 1. Safety
 2. Liquidity
 3. Diversification
 - Goal 2 - Return on Investment

Quarterly Investment Update

Rate Comparison



Quarterly Investment Update



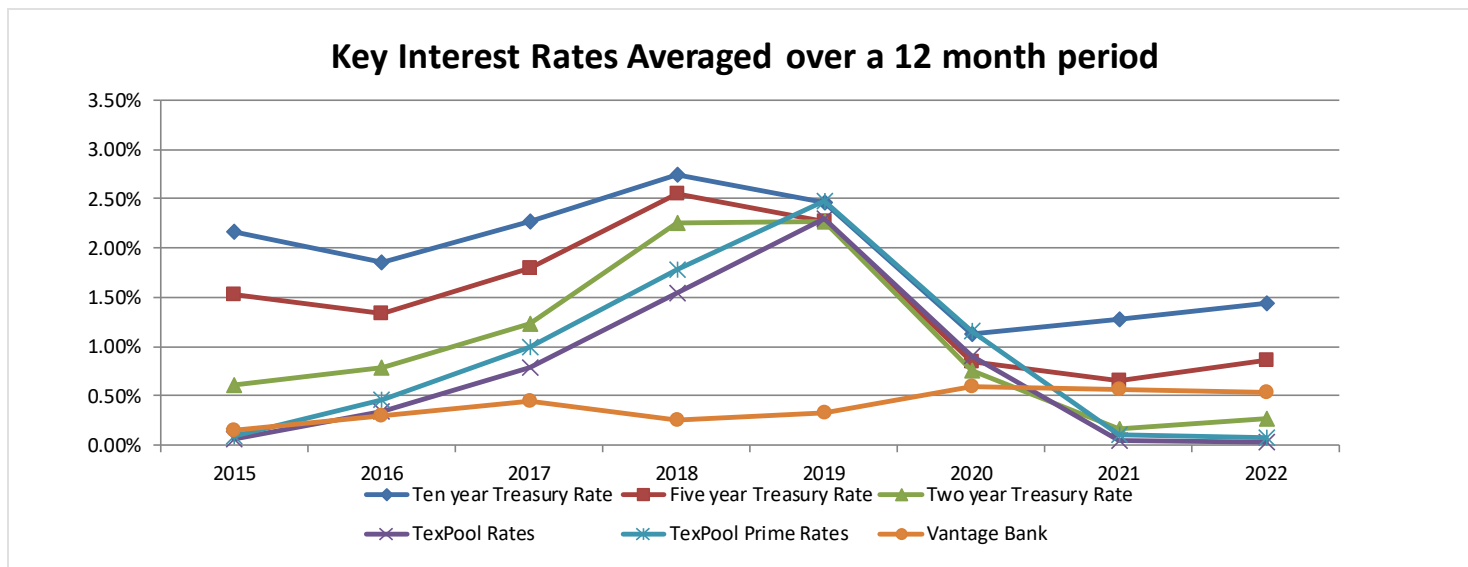
Although investment vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each have changed. As of December 31, 2021, the percentages in cash, TexPool, and TexPool Prime were 40.6%, 19.1%, and 40.3%, respectively. The December 31, 2020, percentages in cash, TexPool, and TexPool Prime were 23.2%, 0.8% and 76.0%, respectively.

Total investments were \$312,954,859 for December 2021 compared to prior year of \$234,399,465, an increase of \$78,555,393, of which \$60.8 million is from the ARPA funds.

The interest earned this fiscal year was \$191,606 compared to last year of \$170,735 an increase of \$20,870 or 12.2%, which is mainly due to the change in investment mix and higher investible balances.

Quarterly Investment Update

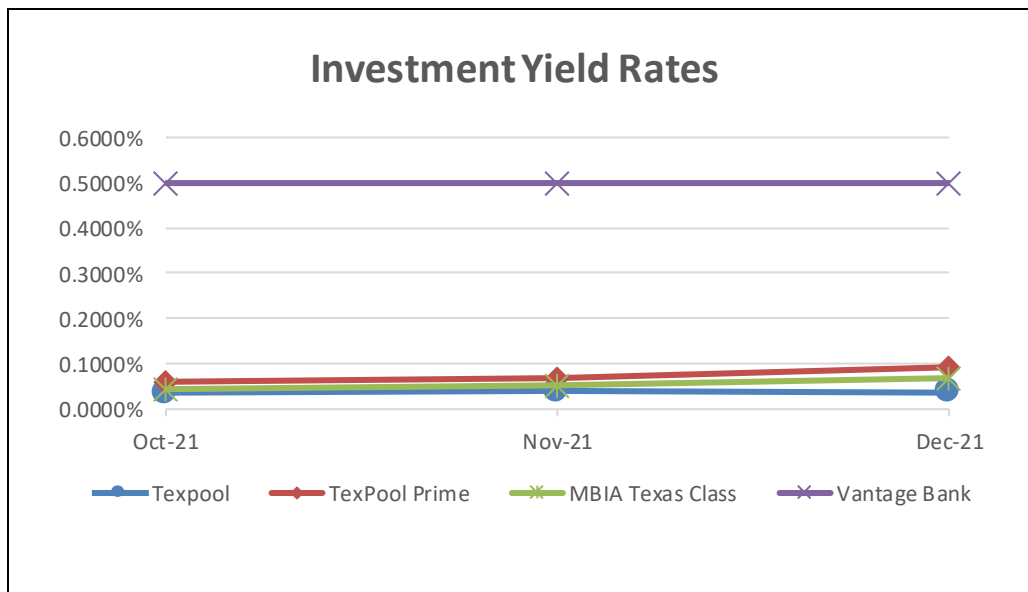
Historical Market Environment



Key Interest Rates Averaged for the 12 Month period (averaged over five years)	
Ten Year Treasury	1.4%
Five Year Treasury	0.9%
Two Year Treasury	0.3%
TexPool	0.03%
TexPool Prime	0.1%
Vantage Bank	0.5%

The year began with the overnight Fed Funds target range at 0.00% to 0.25%. The current expectation is the Federal Reserve will gradually begin increasing overnight rates in the middle of 2022. Despite COVID-19, economic growth continues.

Quarterly Investment Update



Yields for December 2021	
Texas Class (not currently invested in)	0.07%
TexPool Prime	0.09%
TexPool	0.04%
Vantage Bank	0.50%

Above is a comparison of interest rates for the investment pools and Vantage Bank. The two highest yielding pools are TexPool Prime and Texas Class. Both contain Commercial Paper respectively consisting of approximately 69 and 87 percent of each pool's investments.

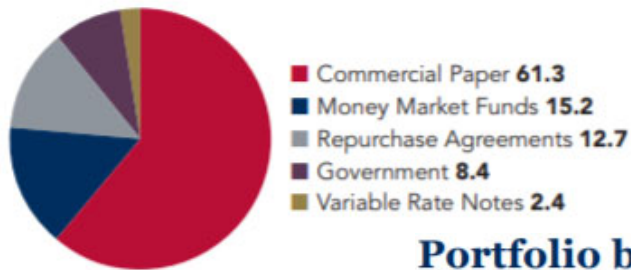
Quarterly Investment Update

Prime Investment Pools

Texpool Prime:

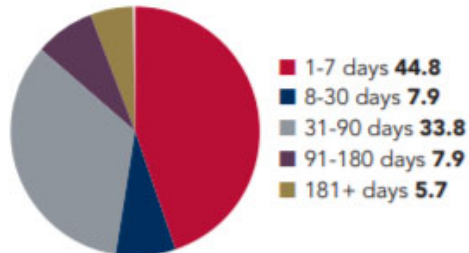
Portfolio by Type of Investment (%)

As of December 31, 2021



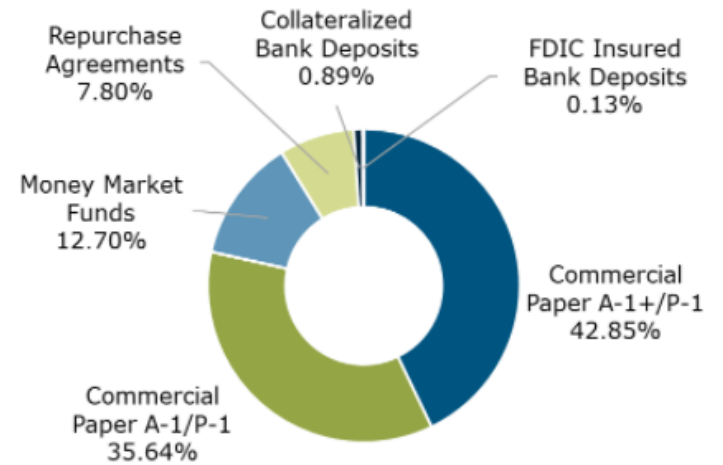
Portfolio by Maturity (%)

As of December 31, 2021



Source: TexPool January 2022 Monthly Newsletter

Texas Class:



Texas CLASS Portfolio Breakdown

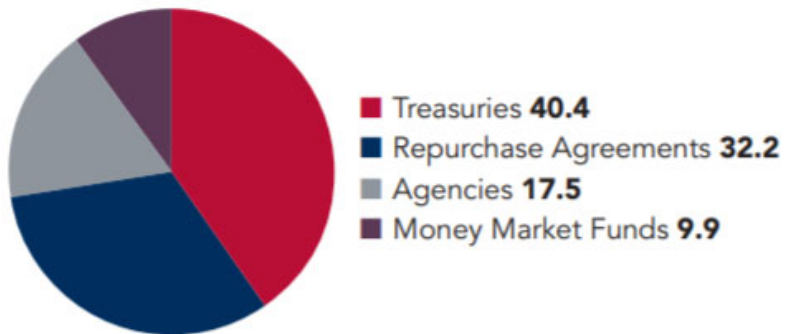
Source: Texas Class Website – Portfolio Characteristics as of December 31 2021

Quarterly Investment Update

TexPool

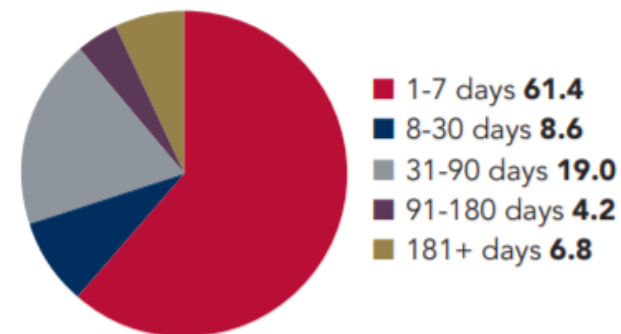
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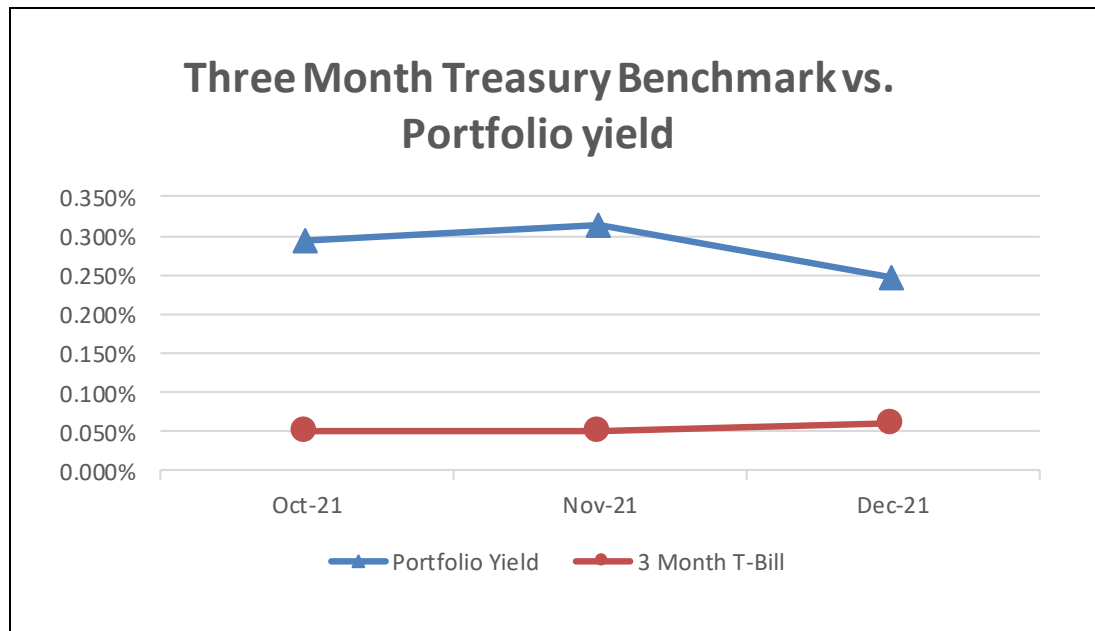
Portfolio by Maturity (%)

As of December 31, 2021



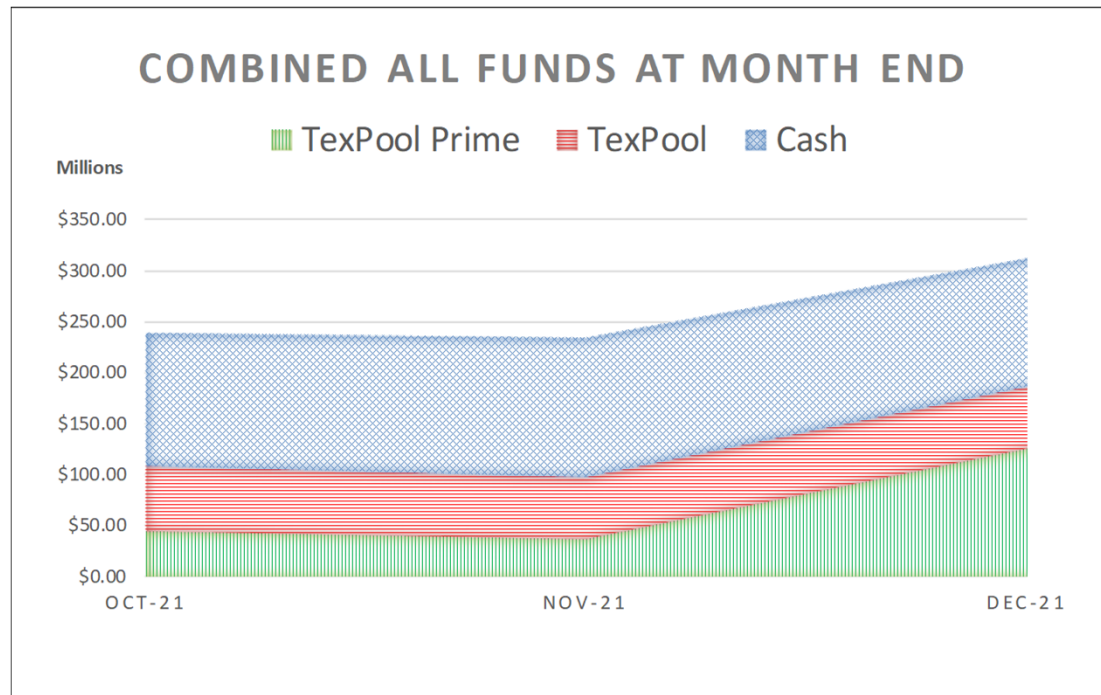
Source: TexPool January 1, 2022 Monthly Newsletter

Quarterly Investment Update



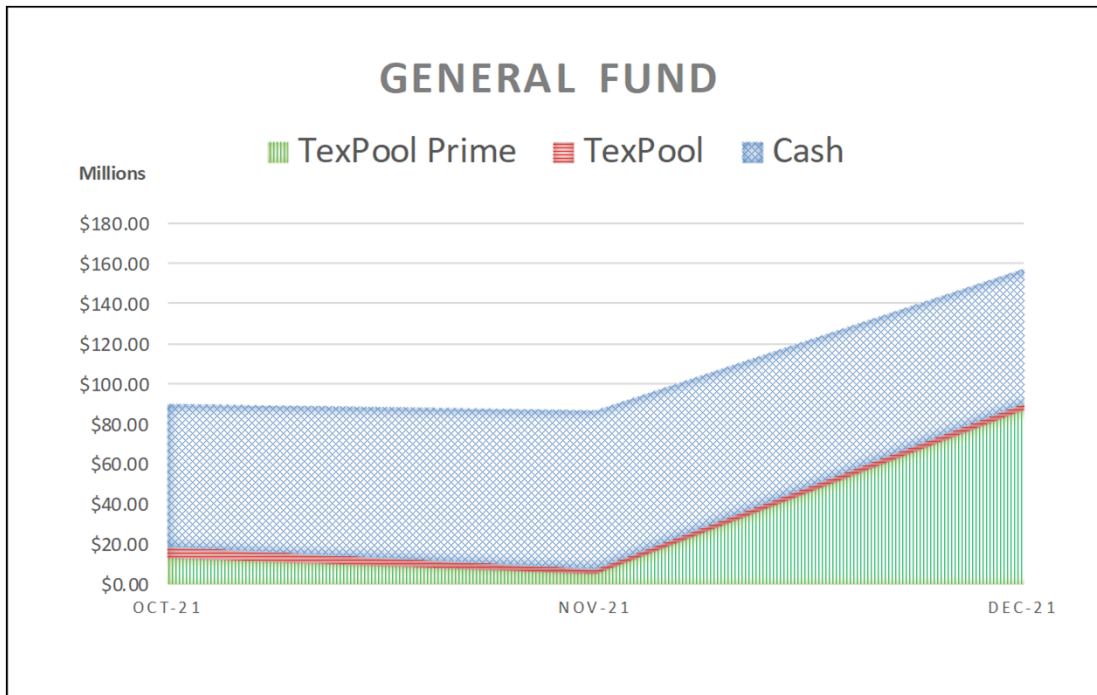
The County had a weighted average yield of 0.25% as of December 31, 2021, compared to the 90-day treasury benchmark of 0.06% resulting in the County being 19 basis points above the benchmark for the month.

Quarterly Investment Update



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

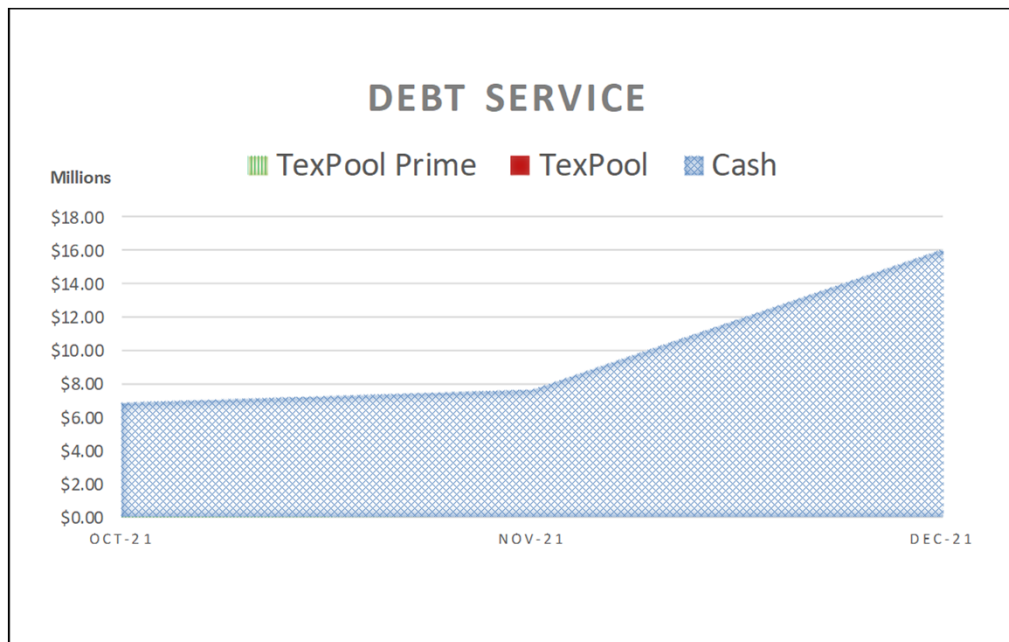
Quarterly Investment Update



Date	Millions
October 31, 2021	\$90.0
November 30	\$86.8
December 31	\$157.0

- Investable funds reach their lowest point in mid-December and increase 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.

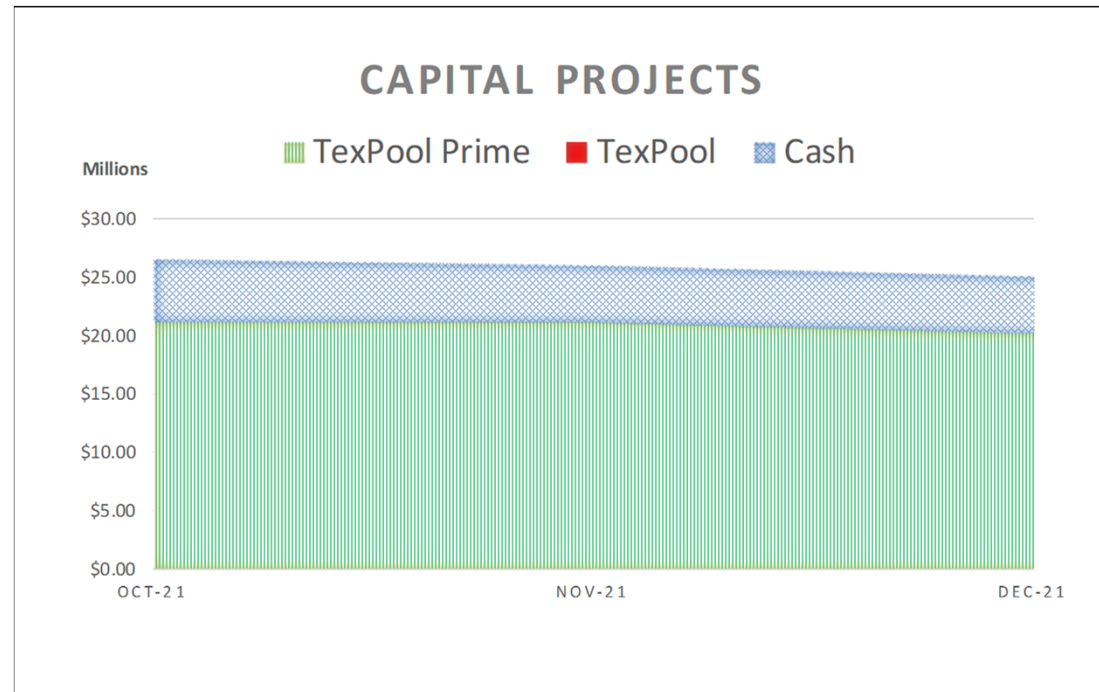
Quarterly Investment Update



Date	Millions
October 31, 2021	\$6.9
November 30	\$7.6
December 31	\$16.0

- 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 16th the day after our final interest payment for the fiscal year is made.

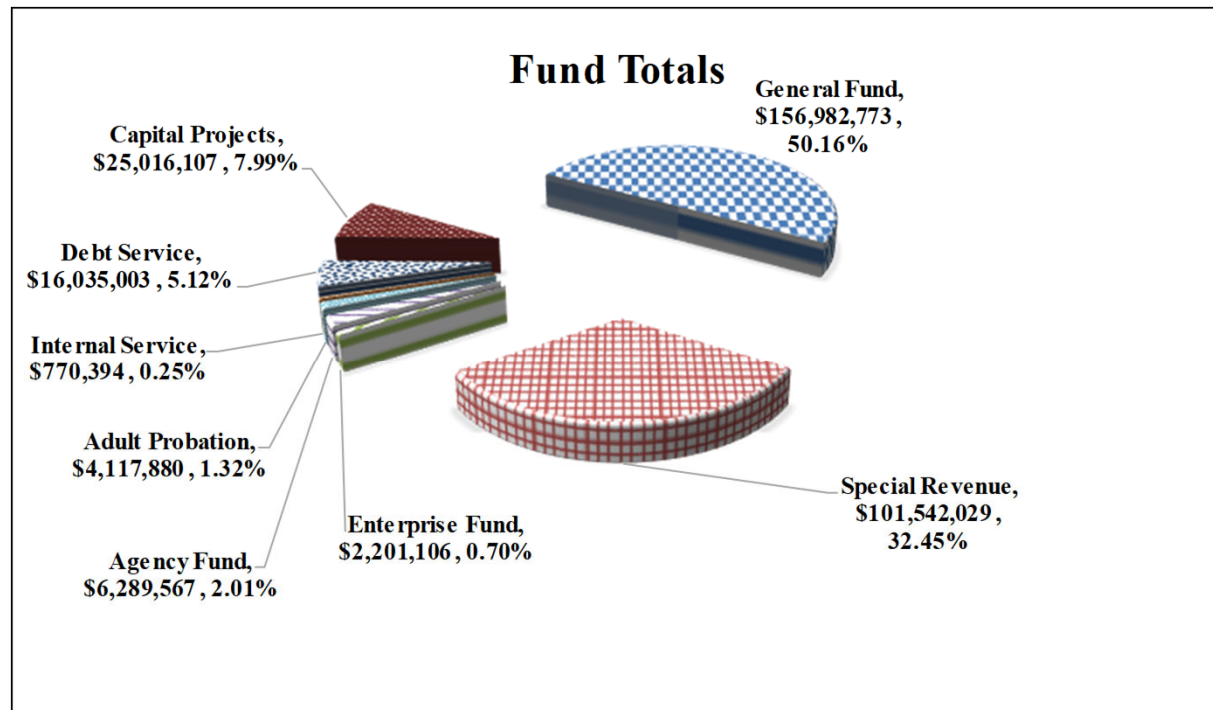
Quarterly Investment Update



The primary funding sources for the Capital Projects Fund are bond proceeds and the two cents from the Maintenance and Operations portion of the Ad Valorem taxes which funds the Capital Improvement Fund.

Quarterly Investment Update

Investments by Fund Type as of December 31, 2021





Questions

