

Q4 2017

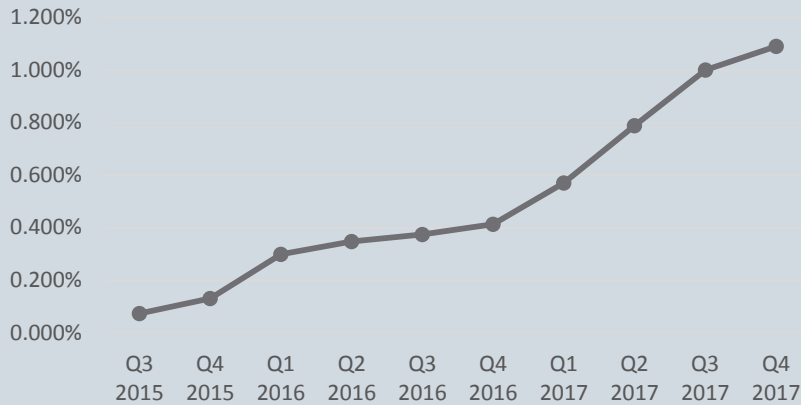
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QUARTERLY INVESTMENT REPORT

# Key Points

- Interest earned on investments during Q4 2017 was \$31,685.
- Average Yield for Q4 2017 was 1.090% on our TexPool investments, which is trending in-line with increases in the 90-day T-bill for the same period. The increase in yield is expected given the climate for increased rates.
- The Federal Reserve raised the target range for the federal funds rate by a quarter point to 1.25-1.5 percent during its December 2017 meeting, saying that the labor market has continued to strengthen and that economic activity has been rising at a solid rate. The central bank has forecast three rate hikes in 2018.

TexPool Quarterly Average Yields



# Q4 2017 Investment Inventory

| City of Fair Oaks Ranch<br>Investment Inventory Report<br>10/1/2017 - 12/31/2017  |        |                  |                  |                   |                   |                   |                       |               |                             |
|---|--------|------------------|------------------|-------------------|-------------------|-------------------|-----------------------|---------------|-----------------------------|
| <b>Governmental Fund Investments</b>  |        |                  |                  |                   |                   |                   |                       |               |                             |
| Security  | Yield  | Beg Bal          | Transfers In/Out | Interest Earnings | Ending Bal        | Ending Market     | Weighted Avg Maturity | Maturity Date | Notes                       |
| Pool (Texpool 004) General  | 1.090% | 4,548,804        | 2,953,922        | 17,990            | 7,520,716         | 7,520,716         | 34 days               | -             |                             |
| Pool (Texpool 006) 2015 CIP Bonds   | 1.090% | 2,896,573        | (310,223)        | 7,626             | 2,593,976         | 2,593,976         | 34 days               | -             |                             |
| Pool (Texpool 007) Debt Service   | 1.090% | 7,244            | 437,168          | 803               | 445,215           | 445,215           | 34 days               | -             |                             |
| Certificate of Deposit (711) Gen  | 0.55%  | 62,507           | -                | -                 | 62,507            | 62,507            | -                     | 10/9/2018     | Interest is earned annually |
| Certificate of Deposit (254) Gen  | 0.55%  | 65,162           | -                | -                 | 65,162            | 65,162            | -                     | 10/9/2018     | Interest is earned annually |
| <b>TOTAL</b>  |        | <b>7,580,290</b> | <b>3,080,867</b> | <b>26,419</b>     | <b>10,687,576</b> | <b>10,687,576</b> | <b>-</b>              |               |                             |
| <b>Utility Fund Investments</b>   |        |                  |                  |                   |                   |                   |                       |               |                             |
| Security  | Yield  | Beg Bal          | Transfers In/Out | Interest Earnings | Ending Bal        | Ending Market     | Weighted Avg Maturity | Maturity Date | Notes                       |
| Pool (Texpool 001) Utility  | 1.090% | 1,304,275        | (230,000)        | 3,480             | 1,077,755         | 1,077,755         | 34 days               | -             |                             |
| Pool (Texpool 002) Water Cap  | 1.090% | 423,080          | (47,716)         | 1,129             | 376,493           | 376,493           | 34 days               | -             |                             |
| Pool (Texpool 003) Sewer Cap  | 1.090% | 233,840          | (6,518)          | 636               | 227,958           | 227,958           | 34 days               | -             |                             |
| Pool (Texpool 005) 1997 CO  | 1.090% | 7,615            | -                | 21                | 7,636             | 7,636             | 34 days               | -             |                             |
| <b>TOTAL</b>  |        | <b>1,968,810</b> | <b>(284,234)</b> | <b>5,266</b>      | <b>1,689,842</b>  | <b>1,689,842</b>  | <b>-</b>              |               |                             |
| This report is in compliance with the City's Investment Policy Section 9 and 11 and Texas Government Code Section 2256.023.   |        |                  |                  |                   |                   |                   |                       |               |                             |
| <b>*Weighted Average Maturity</b>   |        |                  |                  |                   |                   |                   |                       |               |                             |
| <i>Per the city's investment policy, the city will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years. The Weighted Average Maturity of these investments is in compliance with the city's policy.</i> |        |                  |                  |                   |                   |                   |                       |               |                             |
| <b>*Transfers out of Texpool accounts represent vendor payments made, or funding of city operations by transferring funds into our city operating cash account.</b>   |        |                  |                  |                   |                   |                   |                       |               |                             |
| <b>Transfers out of Texpool accounts represent deposits of property tax revenue.</b>  |        |                  |                  |                   |                   |                   |                       |               |                             |