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NOV 14 2017

Consent-Treasurer

**Commissioners' Court-Regular Meeting**

**TO:** Montgomery County Commissioners' Court

**FROM:** Stephanie Davenport, Treasurer

**DATE:** 11/14/2017

**SUBJECT:** CONSIDER AND APPROVE THE QUARTERLY INVESTMENT REPORT  
FOR QTR ENDED 09/30/17.

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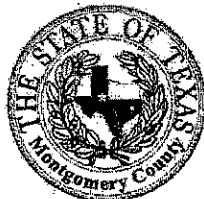
**Attachments**

QUARTERLY INVESTMENT REPORT 3Q 2017

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NOV 14 2017



**STEPHANNE DAVENPORT**  
**MONTGOMERY COUNTY TREASURER**

501 North Thompson, Suite 201, Conroe, Texas 77305  
P.O. Box 1307, Conroe, Texas 77305

October 30, 2017

To: COMMISSIONERS COURT AND INVESTMENT COMMITTEE

From: STEPHANNE DAVENPORT, COUNTY TREASURER

RE: QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING SEPTEMBER 30, 2017.

I have attached the Quarterly Investment Report for Quarter, July through September 2017. Interest earnings on investments for the quarter were as follows:

\$ 7,583.30	Direct Investments
801,231.49	Money Market Funds and Pools
1,199.82	Woodforest General A/C 68080
75,051.85	Woodforest General Disbursement A/C 323170
\$ 885,066.46	Total Interest Earned for Quarter July – September 2017.

This represents a high interest of 1.34% (AVG) from Woodforest National Bank to a low interest of 0.78% from AIM.

The interest earned for the prior quarter, April – June 2017 was \$ 1,028,693.46

Please call if you have any questions.

cc: Phyllis Martin, County Auditor  
J.D. Lambright, County Attorney

**QUARTERLY INVESTMENT REPORT FOR PERIOD ENDED SEPTEMBER 30, 2017**

**SUBMITTED TO: COMMISSIONERS COURT, MONTGOMERY COUNTY**

**PREPARED BY: JAN AVERY, INVESTMENT OFFICER**  
**PREPARED FOR STEPHANNE DAVENPORT, COUNTY TREASURER**

This report is made in accordance with provisions of Govt. code 2256, The Public Funds Investment Act, amended effective September 1, 2011, which require quarterly reporting of investment transactions for county funds to the Commissioners Court. The investments held in Montgomery County's portfolio comply with the Public Funds Investment Act and with the County's Investment Policy and Strategies.

**CASH AVAILABILITY**

Cash in our depository banks is kept at a minimum with excess funds being invested and matured to meet payroll and accounts payable requirements. A cash report is now received daily from Amegy Bank and Woodforest National Bank. The Treasurer's office accesses the Woodforest National Bank and Amegy Bank cash accounts and the Tax Assessor-Collector accesses the account at Amegy Bank on a daily basis. Cash in Woodforest National Bank, our depository bank, for the quarter of July through September for the past two years is as follows:

	Avg. Daily Coll. Balance 2017	Avg. Daily Coll. Balance 2016
JULY	85,723,472.53	73,025,513.07
AUGUST	131,585,811.15	67,893,397.50
SEPTEMBER	129,342,238.44	98,646,168.28

**We have depository contracts with Woodfores National Bank and JP Morgan Chase Bank new contract 05/17 for 4 years.**

**Amegy Bank is the Bank Depository for the Tax Assessor - new contract 5/17 for 4 years**

**INVESTMENTS**

	Amt of Dollars Invested 2017	Amt of Dollars Invested 2016
JULY	328,798,552.00	271,369,577.62
AUGUST	229,351,177.12	251,455,790.38
SEPTEMBER	246,590,901.66	220,665,158.93

**PERFORMANCE MEASUREMENT**

I currently have \$ 226,796,821.17 , invested as of 10/01/2017.

This figure includes interest earned at 09/30/2017.

INVESCO (AIM) Institutional Funds currently has \$ 3,200,687.90 invested in it.  
Average yield for the month of September 2017 0.78% (30 day yield).

	Principal	Interest Earned
<b>•AIM FUNDS</b>		
Combo	2,060,876.69	1,139,811.21
C/P - CO 2008      closed Aug. 2017	0.00	0.00

Our funds invested with Provident Institutional Funds (Institutional Money Market Funds) are currently \$3,479,842.00. Average yield for September 2017 was 0.90%

	Principal	Interest Earned
<b>•BLACKROCK</b>		
Combo	2,430,942.75	1,048,899.25

Our funds invested in Funds Management Inc (ICT) is \$601,045.95  
Average yield for September 2017 was 0.90%.

	Principal	Interest Earned
<b>•ICT - CASH ACCOUNT</b>		
Combo	0.00	601,045.95
C/P - CO 2006      Closed	0.00	0.00
C/P - CO 2008      Closed	0.00	0.00

•Lone Star Investment Pool has \$402,735.17 invested in it.  
Interest rate for September 2017 was 0.90%

	Principal	Interest Earned
General Fund	270,441.06	132,294.11

•TexStar Investment Pool has \$3,644,949.50 in it. Interest rate for September 2017 was 1.0422%.

	Principal	Interest Earned
	\$3,544,306.78	\$100,642.72

•Logic Account-2012A has \$550,167.84. Interest at September 30, 2017 was 1.27240%

Principal	Interest Earned
\$502,000.00	\$48,167.84

•Logic Account- General Fund has \$20,541,892.61. Interest at September 30, 2017 was 1.27240%.

Principal	Interest Earned
\$19,772,461.02	\$769,431.59

•Logic Account - Road & Bridge has \$ 13,237,571.39. Interest at September 30, 2017 was 01.27240%

Principal	Interest Earned
\$12,885,000.00	\$352,571.39

•Logic Account - Adult Probation has \$1,399,744.33. Interest at September 30, 2017 was 1.27240%.

Principal	Interest Earned
\$1,377,123.47	\$22,620.86

•Logic Account - CP Road Bonds 2016 has \$32,103,054.61. Interest rate September 30, 2017 was 1.27240%

Principal	Interest Earned
\$31,412,000.00	\$691,054.61

•Logic Account - CP Tax Unlimited Road Bonds 2016A has \$69,188,651.50. Interest at September 30, 2017 was 1.27240%

Principal	Interest Earned
\$68,577,473.58	\$611,177.92

•TexPool has \$1,125,120.13. Invested currently. Average monthly yield for September 2017 was 1.02%.

	Principal	Interest Earned
Debt Service	\$ 525,000.00	\$ 30,236.04
Bail Bond	\$ 12,212.88	10 yr Invest. No rec.
Elections	\$ 450,000.00	\$ 13,733.39
General Fund	\$ -	\$ 93,937.82

•Chase Certificate of Deposit has a balance of \$11,312,285.55 at the end of September 2017.

Principal	Interest Earned
\$ 11,102,265.25	\$ 210,020.30

Interest rate for September 1- September 30 for a 6 month CD- Interest 0.66%  
 CD matured 9/04/17 - reinvested 9/18/17 - 6 months @ .89

•Texas Class had \$27,181,599.33 balance as of September 30, 2017.  
Interest rate at the end of September 2017 was 1.24510%.

Principal	Interest Earned
\$26,134,122.22	\$1,047,477.11

•FICA (Federally Insured Cash Account) has a balance of \$ 730,614.00 at the end of September 2017  
Interest rate at the end of September 2017 was 0.87%.

Debt Service	Principal	Interest Earned
	\$665,886.91	\$64,727.09

•FICA (Federal Insured Cash Account) - General Fund has a balance of \$12,676,332.94.  
Interest rate at the end of September 2017 was 0.87%.

Principal	Interest Earned
\$12,500,000.00	\$176,332.94

Direct Investments

	Principal	Maturity
Coastal Securities- Tenn Valley Auth. Bond	\$8,420,526.42	12/15/17
Vining Sparks -FAMCA	\$10,000,000.00	8/2/19
Raymond James - FAMCA	\$7,000,000.00	9/4/15
<b>Total Direct Investments as of September 30, 2017</b>		<b>25,420,526.42</b>

**COLLATERAL ADEQUACY**

Collateral pledged by our depository banks was sufficient for the quarter to cover all accounts in the banks. We submit monthly reports of securities pledged which includes the description of the securities, par and market value of the securities, and bank account balances on each of our depository banks. This information is collected as prescribed by our Investment Policy and submitted to Commissioners Court at the end of each month.

Investment reports for the first and end of the quarter are attached.

**SAS 99**

SAS 99 requires the auditor to identify and assess risk that may result in a misstatement due to fraud. The Treasurer, as the Chief Investment Officer, acknowledges that risks may occur. Risks may be associated with the selection of broker/dealers, diversification of investments and investment limitations. Through adherence to the Investment Policy and the Internal Controls listed in the policy, these risks are reduced. The Treasurer is actively reducing investment risk in several ways. Applications for broker/dealers are reviewed and selected by the Treasurer and the Investment Committee. A new position was established for an Assistant Investment Officer to analyze and assist with investments. To reduce the risk of diversification of investments and investment limitations, reports of investments purchased are prepared for Commissioners Court and audited by the Auditor's office. Lastly, to protect against potential fraud and embezzlement, the investments are secured through third party custody and safekeeping procedures. These programs and controls should mitigate the risk that may result in a misstatement due to fraud.

**POOLED FUNDS  
 QUARTER ENDING SEPTEMBER 30, 2017**

	<b>Cash Account Trust Funds Management</b>	<b>BlackRock Provident</b>	<b>INVESCO AIM</b>
<b>Beginning Balance</b>			
July 1, 2017	599,661.12	3,685,873.44	3,193,421.25
<b>Additions:</b>			
July	0.00	0.00	0.00
July Interest	457.12	2,689.89	2,387.16
August	0.00	0.00	0.00
August Interest	467.90	2,657.19	2,460.93
September	0.00	0.00	0.00
September Interest	459.81	2,621.48	2,418.56
<b>Withdrawals:</b>			
July	0.00	214,000.00	0.00
August	0.00	0.00	0.00
September	0.00	0.00	0.00
<b>Ending Balance</b>			
09/30/17	601,045.95	3,479,842.00	3,200,687.90

Stephanne Davenport  
 County Treasurer



DIRECT INVESTMENTS

QUARTER ENDING SEPTEMBER 30, 2017

Direct Investments  
**Beginning Balance** 30,938,124.73  
April 1, 2017

**Details**

Total Cost

Coastal Securities	0.62755 Treas	10,014,397.32
First Southwest	0.69 FFCB	12,503,200.99
Coastal Securities	0.975 TVA	8,420,526.42
Matured		(10,014,397.32)
Matured		(12,503,200.99)
Vining Sparks	1.45 FAMCA	10,000,000.00
Raymond James	1.30 FAMCA	7,000,000.00

**Ending Balance**  
September 30, 2017

**25,420,526.42**

**BREAKDOWN AS OF 9/30/17**

WOODFOREST GENERAL FUND ACCT xx31	\$19,991,356.73
WOODFOREST GENERAL FUND ACCT XX8C	\$296,535.04
WOODFOREST ALL ACCOUNTS	\$133,778,449.04
WOODFOREST CD'S	\$395,712.27
WOODFOREST CLOSING LEDGER + CD.	\$134,174,161.31

Total Investments	226,793,466.09
Total Woodforest	\$134,174,161.31
	360,967,627.40

\$13,406,946.94 FICA- MM Funds	3.71%	1
\$402,735.17 Lone Star	0.11%	2
\$1,125,120.13 TexPool	0.31%	3
\$27,181,599.33 Texas Class	7.53%	4
\$3,644,949.50 Tex Star	1.01%	5
\$137,021,082.28 Logic	37.96%	6
\$7,281,575.85 Mutual Funds / Money Market	2.02%	7
\$11,308,930.47 Cert. of Deposits	3.13%	8
\$25,420,526.42 Direct Investment	7.04%	9
<b>\$134,174,161.31 Woodforest Accounts</b>	<b>37.17%</b>	<b>10</b>
<b>\$360,967,627.40</b>	<b>100.00%</b>	

