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FEB 14 2017

Commissioners' Court-Regular Meeting

TO: Montgomery County Commissioners' Court

DATE: 02/14/2017

SUBJECT: CONSIDER AND APPROVE THE QUARTERLY INVESTMENT REPORT
FOR QUARTER END DECEMBER 2016.

Attachments

QUARTERLY INVESTMENT REPORT 4Q 2016

qB1

FEB 14 2017



**STEPHANNE DAVENPORT
MONTGOMERY COUNTY TREASURER**

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

January 23, 2017

To: COMMISSIONERS COURT AND INVESTMENT COMMITTEE

From: STEPHANNE DAVENPORT, COUNTY TREASURER

RE: QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING DECEMBER 31,
2016.

I have attached the Quarterly Investment Report for Quarter, October thru December 2016.
Interest earnings on investments for the quarter were as follows:

- \$ 216,931.53 Direct Investments
- 324,564.62 Money Market Funds and Pools
- 871.80 Woodforest General A/C 68080
- 60,520.63 Woodforest General Disbursement A/C 323170

\$ 602,888.58 Total Interest Earned for Quarter October – December 31, 2016.

This represents a high interest of .0.94% (AVG) from Woodforest National Bank to a low interest of 0.080% from Chase.

The interest earned for the prior quarter, July - September –2016 was \$ 353,617.64
Please call if you have any questions.

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

QUARTER ENDING DECEMBER
31, 2016

QUARTERLY INVESTMENT REPORT FOR PERIOD ENDED DECEMBER 31, 2016

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 October through December for the past two years is as follows:

	Avg. Daily Coll. Balance 2016	Last Day of Month	Avg. Daily Coll. Balance 2015	Last Day of Month
October	71,660,636.59	31	79,966,688.49	30
November	61,733,761.37	30	73,581,323.00	30
December	91,678,001.78	30	82,033,721.79	31

We have depository contracts with Woodfores National Bank and JP Morgan Chase bank which was renewed by exercising the option to extend in May 2015. Amegy Bank is the Bank depository for the Tax Assessor-Collector's account and was extended for the two year period as well. All of our depository contracts will expire in May 2017. We will have to go out for bids again in early 2017.

INVESTMENTS

	Amt of Dollars Invested 2016	Amt of Dollars Invested 2015
October	225,718,047.82	160,233,958.46
November	225,816,151.62	160,233,958.46
December	311,099,473.13	214,176,220.27

QUARTER ENDING DECEMBER
31, 2016

PERFORMANCE MEASUREMENT

I currently have \$ 333,040,695.66, invested as of 01/01/2017. This figure includes interest earned at 12/31/2016. \$ 839,335.04 , is invested in Funds Management, Inc. (Cash Account Trust). Breakdown for quarter below:

	Principal	Interest Earned
Combo	0.00	597,844.07
C/P - CO 2006	0.00	43,329.15
C/P - CO 2008	126,000.00	72,161.82

Our funds invested with Funds Management were paid an average for the 30 day period 12/01/16-12/31/16 of 0.46%.

Our funds invested with Provident Institutional Funds (Institutional Money Market Funds) are currently \$4,377,877.51

	Principal	Interest Earned
Combo	3,348,942.75	1,028,934.76

Average yield for the period December 1 - 31, 2016, was 0.32%.

INVESCO (AIM) Institutional Funds currently has \$ 3,220,076.30 invested in it for for quarter below:

	Principal	Interest Earned
Combo	2,060,876.69	1,123,292.94
C/P - CO 2008	0.00	35,906.67

Average yield for the month of December 31, 2016 @ 0.45% (30 day yield).

QUARTER ENDING DECEMBER
31, 2016

Lone Star Investment Pool has \$400,449.70 invested in it.

	Principal	Interest Earned
General Fund	270,441.06	130,008.64

Interest rate for December 2016 was 0.53%

TexStar Investment Pool has \$3,623,433.35 in it. Interest rate for December 2016 was .52%.

	Principal	Interest Earned
	\$3,544,306.78	\$79,126.57

Logic Account-2012A has \$645,304.49. Interest at December 31, 2016 was .92%

	Principal	Interest Earned
	\$602,000.00	\$43,304.49

Logic Account- General Fund has \$17,007,736.33 . Interest at December 31, 2016 was 0.92%.

	Principal	Interest Earned
	\$16,772,461.02	\$235,275.31

Logic Account - Road & Bridge has \$ 24,691,212.79. Interest at December 31, 2016 was 0.92%.

	Principal	Interest Earned
Opened 7/01/14	\$24,500,000.00	\$191,212.79

Logic Account - Adult Probation has \$1,388,134.95. Interest at December 31, 2016 was 0.92%.

	Principal	Interest Earned
Opened 8/01/14	\$1,377,123.47	\$11,011.48

Logic Account - CP Road Bonds 2016 has \$ 55,242,232.38 in it. Interest at December 31, 2016 was 0.92%

	Principal	Interest Earned
	\$54,900,000.00	\$342,232.38

Logic Account-CP TX Unlimited Road Bonds 2016A has \$71,599,205.46. Interest at december31, 2016 was 0.92%

	Principal	Interest Earned
	\$71,579,473.58	\$19,731.88

TexPool has \$1,118,519.97 invested currently.

	Principal	Interest Earned
Debt Service	\$ 525,000.00	\$ 26,979.07
Bail Bond	\$ 12,141.04	10 year investment, no records
Elections	\$ 450,000.00	\$ 11,013.14
General Fund	\$ -	\$ 93,386.72

Tex Pool's average monthly yield for December 2016 on a simple basis , was 0.49%.

**QUARTER ENDING DECEMBER
31, 2016**

Chase High Balance Savings Account has a balance of \$11,307,152.50 at the end of December 2016.

	Principal	Interest Earned
\$	11,140,226.89	\$ 166,925.61

Interest rate at the end of December 2016 was 0.08%

Texas Class had \$64,674,259.45 balance as of December 31, 2016.

	Principal	Interest Earned
	\$64,204,122.22	\$470,137.23

Interest rate at the end of December 2016 was .92%

FICA (Federally Insured Cash Account) has a balance of \$ 7,542,298.09 at the end of December 2016

Debt Service Opened 8/28/13	Principal	Interest Earned
	\$7,485,318.12	\$56,979.97

Interest rate at the end of December 2016 was 0.45%.

FICA (Federal Insured Cash Account) - General Fund has a balance of \$12,612,940.93 at the end of December 2016.

Opened 5/14/14	Principal	Interest Earned
	\$12,500,000.00	\$112,940.93

Interest rate at the end of December 2016 was 0.45%.

Direct Investments

	Principal	Interest Earned		Maturity
Coastal Securities- Treas. Note-0.62787%	10,014,397.32			1/15/17
First Southwest - FFCB- 0.69000%	12,503,200.99			1/17/2017
Coastal - Tenn Valley Auth Bond	8,420,526.42			12/15/2017
Total Direct Investments as of December 31, 2016				30,938,124.73

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.

QUARTER ENDING DECEMBER
31, 2016

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.

QUARTER ENDING DECEMBER
31, 2016
POOLED FUNDS

	Cash Account Trust Funds Management	BlackRock Provident	INVESCO AIM	
Beginning Balance				
October 1, 2016	597,347.25	4,374,110.12	3,181,916.70	
Additions:				Combo
Oct	0.00	0.00	0.00	0.00
Oct Interest	156.83	1,244.12	702.00	
Nov	0.00	0.00	0.00	
Nov Interest	148.03	1,130.33	648.65	0.00
Dec	0.00	0.00	0.00	0.00
Dec Interest	191.96	1,392.94	902.28	0.00
Withdrawals:				0.00
October	0.00	0.00	0.00	0.00
November	0.00	0.00	0.00	
December	0.00	0.00	0.00	0.00
Ending Balance				0.00
December 31, 2016	597,844.07	4,377,877.51	3,184,169.63	0.00
				0.00
				0.00

Stephanne Davenport
County Treasurer