

#3 9135
AUG 08 2017

Consent-Treasurer

Commissioners' Court-Regular Meeting

TO: Montgomery County Commissioners' Court

FROM: Stephanie Davenport, Treasurer

DATE: 08/08/2017

SUBJECT: CONSIDER AND APPROVE THE QUARTERLY INVESTMENT REPORT
FOR QUARTER ENDED JUNE 30, 2017.

Attachments

QUARTERLY INVESTMENT REPORT 2Q 2017

#3 9/35
AUG 08 2017



STEPHANNE DAVENPORT
MONTGOMERY COUNTY TREASURER
501 North Thompson, Suite 201, Conroe, Texas 77305
P.O. Box 1307, Conroe, Texas 77305

July 20, 2017

To: COMMISSIONERS COURT AND INVESTMENT COMMITTEE
From: STEPHANNE DAVENPORT, COUNTY TREASURER
RE: QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING JUNE 30, 2017.

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

\$ -0- Direct Investments
849,327.39 Money Market Funds and Pools
1,217.84 Woodforest General A/C 68080
1,178,148.23 Woodforest General Disbursement A/C 323170
\$1,028,693.46 Total Interest Earned for Quarter April – June 2017.

This represents a high interest of 1.24% (AVG) from Woodforest National Bank to a low interest of 0.668% from BlackRock.

The interest earned for the prior quarter, January – March –2017 was \$ 927,812.38

Please call if you have any questions.

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

QUARTERLY INVESTMENT REPORT FOR PERIOD ENDED JUNE 30, 2017

SUBMITTED TO: COMMISSIONERS COURT, MONTGOMERY COUNTY

PREPARED BY: JAN AVERY, INVESTMENT OFFICER *JA*
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 January through March for the past two years is as follows:

	Avg. Daily Coll. Balance 2017	Last Day of Month	Avg. Daily Coll. Balance 2016	Last Day of Month
APRIL	126,585,699.55	28	81,811,249.28	29
MAY	97,986,008.55	31	77,908,899.73	31
JUNE	90,555,251.35	30	73,845,437.35	30

We have depository contracts with Woodfores National Bank and JP Morgan Chase bank which renewed May 2017 for 4 years. Amegy Bnk is the Bank Depository for the Tax Assessor Collector's accounts and that contract renewed May 2017 for 4 years.

INVESTMENTS

	Amt of Dollars Invested 2017	Amt of Dollars Invested 2016
APRIL	327,941,449.58	317,806,342.53
MAY	328,231,443.69	302,904,350.52
JUNE	328,511,652.81	293,091,604.66

PERFORMANCE MEASUREMENT

I currently have \$ 328,798,552.00 , invested as of 07/01/2017.

This figure includes interest earned at 06/30/2017.

INVESCO (AIM) Institutional Funds currently has \$ 3,193,421.93 invested in it.

Average yield for the month of June 2017 0.68% (30 day yield).

	Principal	Interest Earned
•AIM FUNDS		
Combo	2,060,876.69	1,132,544.56
C/P - CO 2008	0.00	0.68

Our funds invested with Provident Institutional Funds (Institutional Money Market Funds) are currently \$3,685,873.44. Average yield for June 2017 was 0.668%

	Principal	Interest Earned
•BLACKROCK		
Combo	2,644,942.75	1,040,930.69

Our funds invested in Funds Management Inc (ICT) is \$599,661.12

Average yield for June 2017 was 0.80%.

	Principal	Interest Earned
•ICT - CASH ACCOUNT		
Combo	0.00	599,661.12
C/P - CO 2006	Closed	0.00
C/P - CO 2008	Closed	0.00

•Lone Star Investment Pool has \$401,736.85 invested in it.

Interest rate for June 2017 was 0.890%

	Principal	Interest Earned
General Fund	270,441.06	131,295.79

•TexStar Investment Pool has \$3,635,610.67 in it. Interest rate for June 2017 was .9620%.

	Principal	Interest Earned
	\$3,544,306.78	\$91,303.89

•Logic Account-2012A has \$548,420.21. Interest at June 30, 2017 was 1.2202%

Principal	Interest Earned
\$502,000.00	\$46,420.21

•Logic Account- General Fund has \$77,376,640.07. Interest at June 30, 2017 was 1.2202%.

Principal	Interest Earned
\$76,772,461.02	\$604,179.05

•Logic Account - Road & Bridge has \$ 18,805,773.29. Interest at June 30, 2017 was 01.2202%.

Principal	Interest Earned
\$18,500,000.00	\$305,773.29

•Logic Account - Adult Probation has \$1,395,298.02. Interest at June 30, 2017 was 1.2202%.

Principal	Interest Earned
\$1,377,123.47	\$18,174.55

•Logic Account - CP Road Bonds 2016 has \$36,045,655.37. Interest rate June 30, 2017 was 1.2202%

Principal	Interest Earned
\$35,460,000.00	\$585,655.37

•Logic Account - CP Tax Unlimited Road Bonds 2016A has \$71,854,430.46.
Interest at June 30, 2017 was 1.2202%

Principal	Interest Earned
\$71,465,473.58	\$388,956.88

•TexPool has \$1,122,303.35. invested currently. Average monthly yield for June 2017 was 0.950%.

	Principal	Interest Earned
Debt Service	\$ 525,000.00	\$ 28,846.00
Bail Bond	\$ 12,182.25	10 year investment, no records
Elections	\$ 450,000.00	\$ 12,572.46
General Fund	\$ -	\$ 93,702.64

•Chase Certificate of Deposit has a balance of \$11,334,005.46 at the end of June 2017.

Principal	Interest Earned
\$ 11,140,226.89	\$ 193,778.57

Interest rate for June 1- June 30 for a 6 month CD- Interest 0.66%

•Texas Class had \$77,001,707.81 balance as of June 30, 2017.
Interest rate at the end of June 2017 was 1.17%.

Principal	Interest Earned
\$76,134,122.22	\$867,585.59

•FICA (Federally Insured Cash Account) has a balance of \$ 729,008.61 at the end of June 2017.
Interest rate at the end of June 2017 was 0.85%.

Debt Service

Principal	Interest Earned
\$665,886.91	\$63,121.70

•FICA (Federal Insured Cash Account) - General Fund has a balance of \$12,648,478.92.
Interest rate at the end of June 2017 was 0.85%.

Principal	Interest Earned
\$12,500,000.00	\$148,478.92

Direct Investments

Coastal Securities- Tenn Valley Auth. Bond	\$8,420,526.42	Maturity 12/15/17
Total Direct Investments as of June 30, 2017		8,420,526.42

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 JUNE 30, 2017**

	Cash Account Trust Funds Management	BlackRock Provident	INVESCO AIM
Beginning Balance April 1, 2017	598,592.20	4,383,208.58	3,187,878.23
Additions:			
April	0.00	0.00	0.00
April Interest	322.85	2,181.08	1,642.71
May	0.00	0.00	0.00
May Interest	349.90	2,088.09	1,831.06
June	0.00	0.00	0.00
June Interest	396.17	2,395.69	2,069.25
Withdrawals:			
April	0.00	704,000.00	0.00
May	0.00	0.00	0.00
June	0.00	0.00	0.00
Ending Balance June 30, 2017	599,661.12	3,685,873.44	3,193,421.25


 Stephanie Davenport
 County Treasurer

DIRECT INVESTMENTS

QUARTER ENDING JUNE 30, 2017

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

Details

			Total Cost	Return .Par & Coupon Payments
Coastal Securities	0.62755 Treas			
First Southwest	0.69 FFCB		10,014,397.32	
Coastal Securities	0.975 TVA		12,503,200.99	10,075,000.00
Matured			8,420,526.42	12,585,000.00
Matured			(10,014,397.32)	8,500,000.00
			(12,503,200.99)	(10,075,000.00)
				(12,585,000.00)

Ending Balance 8,420,526.42
June 30, 2017