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MAY 10 2016

Consent-Treasurer

Commissioners' Court-Regular Meeting

TO: Montgomery County Commissioners' Court

FROM: Stephanie Davenport, Treasurer

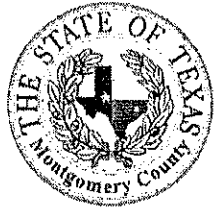
DATE: 05/10/2016

SUBJECT: CONSIDER AND APPROVE THE ACCEPTANCE OF THE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING MARCH 2016.

Attachments

QUARTERLY INVESTMENT REPORT 1Q 2016

MAY 10 2016



**STEPHANNE DAVENPORT
MONTGOMERY COUNTY TREASURER**

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

April 06, 2016

To: COMMISSIONERS COURT AND INVESTMENT COMMITTEE
From: STEPHANNE DAVENPORT, COUNTY TREASURER
RE: QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2016

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

- \$ 22,872.22 Direct Investments
- 102,479.28 Money Market Funds and Pools
- 377.90 Woodforest General A/C 68080
- 74,184.41 Woodforest General Disbursement A/C 323170

\$ 381,368.20 Total Interest Earned for Quarter January – March 31, 2016.

This represents a high interest of .80% (AVG) from Woodforest National Bank to a low interest of 0.080% from Chase.

The interest earned for the prior quarter, October – December 2015 was \$.178,695.29
Please call if you have any questions.

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

QUARTERLY INVESTMENT REPORT FOR PERIOD ENDED MARCH 31, 2016

SUBMITTED TO: COMMISSIONERS COURT, MONTGOMERY COUNTY

**PREPARED BY: JAN AVERY, ASST. 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 January through March 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
January	82,760,318.79	29	68,318,972.15	30
February	79,396,260.61	29	72,437,617.64	28
March	82,826,464.65	31	66,337,087.72	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
January	334,062,080.09	272,027,043.44
February	342,607,004.95	262,543,901.14
March	327,806,342.53	255,580,203.93

PERFORMANCE MEASUREMENT

I currently have \$ 327,806,342.53 , invested as of 04/01/2016. This figure includes interest earned at 03/31/2016. \$ 1,446,367.98 , is invested in Funds Management, Inc. (Cash Account Trust). Breakdown for quarter below:

	Principal	Interest Earned
Combo	0.00	596,450.03
Road Bonds 2003A	0.00	0.00
C/P - CO 2006	0.00	43,228.11
C/P - Road Bonds (FR) 2006A	0.00	0.00
C/P - Road Bonds (VR) 2006B	0.00	299,179.34
C/P - CO 2008	126,000.00	71,699.75
C/P - Road Bonds (VR) 2008B	196,227.91	113,582.84

Our funds invested with Funds Management were paid an average for the 30 day period 03/01/16-03/31/16 of 0.27%.

Our funds invested with Provident Institutional Funds (Institutional Money Market Funds) are currently \$4,624,678.60.

	Principal	Interest Earned
Combo	3,605,942.75	1,018,735.85

Average yield for the period March 1 - 31, 2016, was 0.20%.

INVESCO (AIM) Institutional Funds currently has \$ 3,238,231.94 invested in it for for quarter below:

	Principal	Interest Earned
Combo	2,085,468.96	1,116,927.96
C/P - CO 2008	0.00	35,835.02

Average yield for the month of March 2016 0.20% (31 day yield).

Lone Star Investment Pool has \$399,300.33 invested in it.

	Principal	Interest Earned
General Fund	270,441.06	128,859.27

Interest rate for March 2016 was 0.33%

TexStar Investment Pool has \$3,612,400.87 in it. Interest rate for March 2016 was .35%.

Principal	Interest Earned
\$3,544,306.78	\$68,094.09

Logic Account-2012A has \$862,666.36. Interest at March 31, 2016 was .53%

Principal	Interest Earned
\$823,000.00	\$39,666.36

Logic Account- General Fund has \$52,901,161.11 . Interest at March 31, 2016 was 0.53%.

Principal	Interest Earned
\$52,772,461.02	\$128,700.09

Logic Account - Road & Bridge has \$ 24,565,360.95. Interest at March 31, 2016 was 0.53%.

	Principal	Interest Earned
Opened 7/01/14	\$24,500,000.00	\$65,360.95

Logic Account - Adult Probation has \$1,381,059.59. Interest at March 31, 2016 was 0.53%.

	Principal	Interest Earned
Opened 8/01/14	\$1,377,123.47	\$3,936.12

TexPool has \$1,115,338.67 invested currently.

	Principal	Interest Earned
Debt Service	\$ 525,000.00	\$ 25,409.03
Bail Bond	\$ 12,106.70	10 year investment, no records
Elections	\$ 450,000.00	\$ 9,701.83
General Fund	\$ -	\$ 93,121.11

Tex Pool's average monthly yield for March 2016 on a simple basis , was 0.33%.

Chase High Balance Savings Account has a balance of \$12,073,169.01 at the end of March 2016.

Principal	Interest Earned
\$ 11,913,226.89	\$ 159,942.12

Interest rate at the end of March 2016 was 0.08%

Texas Class had \$54,437,590.87 balance as of March 31, 2016.

Principal	Interest Earned
\$54,172,872.22	\$264,718.65

Interest rate at the end of March 2016 was .54%

FICA (Federally Insured Cash Account) has a balance of \$ 7,525,691.49 at the end of March 2016

Debt Service Opened 8/28/13	Principal	Interest Earned
	\$7,485,318.12	\$40,373.37

Interest rate at the end of March 2016 was 0.27%.

FICA (Federal Insured Cash Account) - General Fund has a balance of \$27,566,941.44 at the end of March 2016.

Opened 5/14/14	Principal	Interest Earned
	\$27,500,000.00	\$66,941.44

Interest rate at the end of March 2016 was 0.27%.

Direct Investments

	Principal	Maturity	Interest Earned
Oppenheimer - FMAC- .63%	9,956,083.33	9/26/16	
Oppenheimer - FMAC- .668360%3%	9,947,111.11	10/17/16	
Oppenheimer-FMAC-0.72470%	9,935,200.00	11/30/16	
First Southwest- FHLB- 0.79161%	9,985,190.69	12/28/16	
Coastal Securities-FMAC- 0.75658%	9,925,177.78	12/29/16	
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	
Total Direct Investments as of March 31, 2016			72,266,361.22

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 MARCH 31, 2016

	Cash Account Trust Funds Management	BlackRock Provident	INVESCO AIM	Combo
Beginning Balance				
January 1, 2016	596,081.87	4,622,444.18	3,200,888.42	0.00
Additions:				
January	0.00	0.00	0.00	0.00
January Interest	108.76	625.80	373.15	0.00
February	0.00	0.00	0.00	0.00
February Interest	122.25	751.43	524.84	0.00
March	0.00	0.00	0.00	0.00
March Interest	137.15	857.19	610.51	0.00
Withdrawals:				
January	0.00	0.00	0.00	0.00
February	0.00	0.00	0.00	0.00
March	0.00	0.00	0.00	0.00
Ending Balance				
March 31, 2016	596,450.03	4,624,678.60	3,202,396.92	0.00

Stephanne Davenport
County Treasurer