



INVESTMENT REPORT

March 31, 2019

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended March 31, 2019 is hereby submitted.

The current depository bank for the City of Athens is Prosperity Bank. The City maintains 17 money market accounts and earns a rate determined by the bank (approximately .35%) and to offset banking expenses for all accounts based on daily balance requirements. Interest bearing checking accounts are now considered an investment under the Public Funds Investment Act and per the 2017 legislative changes. See PFIA Section 2256.009(a), “clarifying that interest-bearing bank accounts insured by FDIC or the National Credit Union Share Insurance Fund are authorized investments.” HB 1003 modified in June 2017.

The City received \$12,175,837.20 of bond proceeds in January 2017 for Series 2017 Certificates of Obligations and the monies were deposited into the Capital Improvement Fund in TexPool. The total interest earned at the bank and the pools were \$92,359.46 for the quarter.

TexPool average interest rate was 2.40% for the quarter with a weighted average maturity at 25 days. The total TexPool interest earned was \$87,559.96. TexPool’s liquid asset portfolio seeks to maintain a net asset value of \$1 per unit invested to preserve the principal of all pool participants.

Prosperity Bank earned a quarterly interest of \$4,799.50 for all accounts. The bank accounts are insured by a combination of FDIC insurance and pledged securities which are maintained at the HilltopBancSystems, a Division of Hilltop Securities with coverage at 102%.

This report is in compliance with the City of Athens’ investment policy and the Public Funds Investment Act.

Elizabeth Borstad
City Manager

Mandie Quigg
Investment Officer



City of Athens

Cash in the Bank and Investments at March 31, 2019

	Beginning Balance 01/01/2019	Jan-19			Feb-19			Mar-19			Ending Balance 03/31/2019
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
PROSPERITY BANK											
General Fund											
General Fund #0061	1,210,115.42	1,939,469.01	1,011,078.03	481.04	1,847,222.33	979,645.06	813.69	608,042.41	876,240.82	885.89	2,737,885.26
Payroll Clearing #6471	61,917.66	529,692.04	525,375.76	21.06	522,044.57	522,398.57	25.20	495,006.26	500,932.03	23.95	59,954.17
Special Donations Fund #6551	65,969.26	18.52	7,539.28	18.52	3,298.90	7,679.35	15.12	15.43	3,189.75	15.43	50,893.73
Accounts Payable Fund #7011	251,973.03	1,098,315.73	1,326,923.27	66.96	1,045,244.07	1,034,743.17	72.44	970,950.48	857,853.78	55.31	146,963.09
AEDC Payroll Clearing #0861	7,607.34	75,769.33	21,673.82	19.33	13.51	21,074.19	13.51	8.24	21,004.30	8.24	19,646.11
Airport Fund											
Airport Operations Fund #0811	27,216.55	6,009.29	2,520.47	8.74	8,051.62	8,524.03	8.06	3,662.59	997.21	9.41	32,898.34
Airport Grants Fund #0926	12,718.68	2.09	8,394.00	2.09	1.16	-	1.16	1.29	-	1.29	4,329.22
Debt Service Fund											
Interest and Sinking Fund #6981	294,173.94	286,044.92	247,325.02	84.48	192,269.70	8,425.02	132.97	20,397.11	16,850.04	155.30	520,285.59
Special Revenue Funds											
Municipal Court Technology Fund #0221	9,588.40	2.85	-	2.85	2.58	-	2.58	2.85	-	2.85	9,596.68
Forfeited Cash-Local #0571	39,296.80	11.68	-	11.68	10.55	-	10.55	11.69	-	11.69	39,330.72
Forfeited Cash-Federal #6041	-	-	-	-	-	-	-	-	-	-	-
Hotel Motel Fund #7281	420,191.27	24,106.90	2,609.33	129.64	12,416.31	17,751.37	116.78	21,651.68	11,366.17	132.15	446,639.29
Energy Grants Fund (AO 11.01 GF Grants) #0491	-	-	-	-	-	-	-	-	-	-	-
Downtown Capital Projects Fund #6711	107.83	0.03	-	0.03	0.03	-	0.03	0.03	-	0.03	107.92
Utility Fund											
Utility Fund #6631	1,475,469.47	621,524.20	301,480.22	487.84	612,556.28	752,370.28	438.48	573,332.79	500,410.28	502.50	1,728,621.96
Utility Fund Grants #0651	-	-	-	-	-	-	-	-	-	-	-
2004 W/WW Certificates of Obligation #0141	12,311.74	3.66	-	3.66	3.31	-	3.31	3.66	-	3.66	12,322.37
Subtotal	\$ 3,888,657.39	\$ 4,580,970.25	\$ 3,454,919.20	\$ 1,337.92	\$ 4,243,134.92	\$ 3,352,611.04	\$ 1,653.88	\$ 2,693,086.51	\$ 2,788,844.38	\$ 1,807.70	\$ 5,809,474.45
TEXPOOL INVESTMENTS											
Utility Fund Operating Account #0001	2,033,802.09	4,127.01	-	4,127.01	3,747.67	-	3,747.67	4,190.10	-	4,190.10	2,045,866.87
Capital Improvement Fund #0002	9,754,874.48	19,757.23	32,186.36	19,757.23	17,749.67	113,439.20	17,749.67	19,747.33	30,406.17	19,747.33	9,636,096.98
General Fund Investments #0004	1,164,458.38	2,362.92	-	2,362.92	2,145.73	-	2,145.73	2,399.06	-	2,399.06	1,171,366.09
General Fund Emergency Reserve #0005	1,910,502.24	3,876.77	-	3,876.77	3,520.43	-	3,520.43	3,936.04	-	3,936.04	1,921,835.48
Subtotal	\$ 14,863,637.19	\$ 30,123.93	\$ 32,186.36	\$ 30,123.93	\$ 27,163.50	\$ 113,439.20	\$ 27,163.50	\$ 30,272.53	\$ 30,406.17	\$ 30,272.53	\$ 14,775,165.42
Totals	\$ 18,752,294.58	\$ 4,611,094.18	\$ 3,487,105.56	\$ 31,461.85	\$ 4,270,298.42	\$ 3,466,050.24	\$ 28,817.38	\$ 2,723,359.04	\$ 2,819,250.55	\$ 32,080.23	\$ 20,584,639.87
Quarterly Interest Earned on Prosperity	\$ 4,799.50	0.082615%									
Quarterly Interest Earned on TexPool	\$ 87,559.96	0.592616%									
Total Interest earned 01/01 - 03/31:	\$ 92,359.46										

**PROSPERITY BANK
P O DRAWER G
EL CAMPO, TX 77437
979-541-4227 phone
979-543-2971 fax**

April 1, 2019

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$5,809,474.45

Please let me know if you need any additional information. I can be reached at (979) 541-4227.

Sincerely,

Prosperity Bank
Banking Officer
Accounting - Treasury

1301 N. Mechanic
P O Drawer G
El Campo, TX 77437



Pledge Security Listing

March 31, 2019

EL CAMPO, TX

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
CITY OF ATHENS																
2493	31417ADJ5	FNMA #AB3704	FHLB	x	3.00	10/01/2021		AAA	AA+	AAA	HTM	1,707,164	109,414.84	109,732.10	109,457.80	(274.30)
2516	3138AXXQ9	FNMA #AJ6086	FHLB	x	3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	248,221.49	249,727.57	250,784.74	1,057.17
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	1,001,207	390,376.02	393,695.06	383,743.25	(9,951.82)
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	901,188.95	909,164.46	885,662.19	(23,502.27)
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	900,321.81	907,043.54	884,636.26	(22,407.28)
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	388,420.22	394,306.31	393,478.34	(827.97)
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	390,395.70	395,133.53	395,776.32	642.80
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	433,984.30	437,647.32	432,408.14	(5,239.18)
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	359,502.59	363,934.62	358,613.35	(5,321.27)
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	764,641.77	786,337.49	774,228.67	(12,108.81)
4259	3138WFALO	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	292,295.88	293,648.22	290,765.50	(2,882.72)
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	1,343,873.48	1,347,810.68	1,337,780.86	(10,029.82)
Total for CITY OF ATHENS												16,532,179	6,522,637.05	6,588,180.90	6,497,335.42	(90,845.47)

Although the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.

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Monthly Newsletter: April 2019

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in March 2019:

TexPool

Trinity Basin Preparatory Inc
 Gulfgate Redevelopment Authority
 Tarkington ISD
 City of Jonestown
 Five Corners Improvement District
 Lost Creek Limited District
 Red Oak Economic Development Corporation
 Garland ISD/US Bank NA Trustee
 Texas Transportation Commission/US Bank
 NA Trustee
 City of China Grove
 City of Lorenzo
 Paris Junior College
 International Leadership of Texas
 Harris County MUD 179
 Harris County MUD 216
 Harris County MUD 422

TexPool Prime

Trinity Basin Preparatory Inc
 City of Jonestown
 City of Lorenzo
 Freestone County
 Lake Dallas ISD
 Paris Junior College

Upcoming Events

Apr 14, 2019 - Apr 16, 2019,
 Renaissance Austin Hotel, Austin
GFOAT Spring Conference

Apr 15, 2019 - Apr 18, 2019,
 Sheraton Austin Hotel at the Capitol, Austin
**47th Annual County Treasurers Continuing
 Education Seminar**

May 07, 2019 - May 10, 2019,
 Renaissance Austin Hotel, Austin
TACA 2019 Institute

TexPool Advisory Board Members

David Garcia Jerry Dale
 Patrick Krishock David Landeros
 Belinda Weaver Sharon Matthews
 Deborah Laudermilk Vivian Wood

Overseen by the State of Texas Comptroller
 of Public Accounts Glenn Hegar.

Operated under the supervision of the
 Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: Reset and assess

April 1, 2019

The Fed essentially used its March Federal Open Market Committee (FOMC) meeting to reboot its message after its dramatic policy shift over the last two quarters in viewpoint, actions and projections. The connection between it and the markets had not been clear enough. Yes, investors seem appreciative of policymakers' sensitivity to real-time economic developments rather than stubbornly sticking to academic theory, but the change from projecting three rate hikes in 2019 to maybe none—we still think one—over a time period of about two quarters has been a lot for all to process.

The good news is that the maneuvering has been based on data, and presumably the FOMC will not stray from that approach. (Just because the Fed says it is data-dependent doesn't mean all its decisions line up with economic numbers—trends are hard to follow in the moment.) While it would need strong, repeated communication to set up a hike in the next six months, Chair Jerome Powell has positioned the Fed to credibly act in either direction. It could feasibly dial back stimulus or push it forward.

But not hiking rates does not mean a pause in policy, and we are not just talking about the Fed announcing it will stop trimming its balance sheet holdings by fall (quantitative tapering continues with \$50 billion rolled off in March and April). Forgoing a rate hike amid the ongoing massive fiscal policy stimulus is a form of easing. It could come back to

(continued page 6)

Performance as of March 31, 2019

	TexPool	TexPool Prime
Current Invested Balance	\$22,993,704,344.14	\$7,125,800,295.43
Weighted Average Maturity**	27	39
Weighted Average Life**	89	66
Net Asset Value	0.99996	1.00000
Total Number of Participants	2547	376
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$48,207,172.35	\$15,867,525.12
Management Fee Collected	\$875,383.80	\$358,655.17
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$23,505,157,775.42	\$7,212,305,711.32
Average Monthly Rate*	2.42%	2.59%
Average Weighted Average Maturity**	26	32
Average Weighted Average Life**	82	58

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

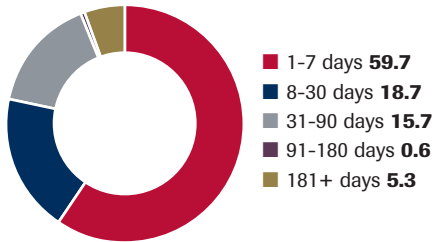
**See page 2 for definitions.

Past performance is no guarantee of future results.



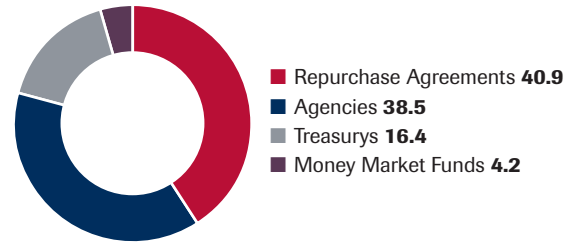
Portfolio by Maturity (%)

As of March 31, 2019



Portfolio by Type of Investment (%)

As of March 31, 2019



Portfolio Asset Summary as of March 31, 2019

	Book Value	Market Value
Uninvested Balance	1,257,039.04	1,257,039.04
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	33,380,936.21	33,380,936.21
Interest and Management Fees Payable	-48,207,971.14	-48,207,971.14
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-83,457.21	-83,457.21
Repurchase Agreements	9,408,575,000.00	9,408,575,000.00
Mutual Fund Investments	955,074,000.00	955,074,000.00
Government Securities	8,865,257,094.08	8,864,510,060.19
U.S. Treasury Inflation Protected Securities	1,258,484,423.68	1,258,180,469.98
US Treasury Bills	1,236,841,126.22	1,236,866,366.67
US Treasury Notes	1,283,126,153.26	1,283,314,312.10
Total	\$22,993,704,344.14	\$22,992,866,755.84

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	595	\$8,014,896,442.97
Higher Education	59	\$1,048,005,894.99
Healthcare	84	\$1,065,454,838.24
Utility District	807	\$2,947,257,944.64
City	470	\$5,139,282,305.65
County	186	\$2,552,916,708.33
Other	346	\$2,225,828,163.14

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
3/1	2.4010%	0.000065781	\$23,857,223,831.36	0.99995	25	78
3/2	2.4010%	0.000065781	\$23,857,223,831.36	0.99995	25	78
3/3	2.4010%	0.000065781	\$23,857,223,831.36	0.99995	25	78
3/4	2.3696%	0.000064921	\$23,739,522,760.70	0.99995	25	76
3/5	2.3883%	0.000065434	\$23,712,191,646.89	0.99995	25	80
3/6	2.3870%	0.000065396	\$23,766,894,712.01	0.99995	25	81
3/7	2.3942%	0.000065594	\$23,704,511,143.06	0.99995	25	81
3/8	2.3925%	0.000065548	\$23,738,879,747.65	0.99995	25	82
3/9	2.3925%	0.000065548	\$23,738,879,747.65	0.99995	25	82
3/10	2.3925%	0.000065548	\$23,738,879,747.65	0.99995	25	82
3/11	2.3954%	0.000065627	\$23,757,748,359.91	0.99995	23	79
3/12	2.3929%	0.000065558	\$23,735,343,610.72	0.99995	25	80
3/13	2.4029%	0.000065833	\$23,705,098,703.62	0.99995	26	81
3/14	2.4057%	0.000065909	\$23,644,800,903.19	0.99995	26	81
3/15	2.4206%	0.000066317	\$23,625,293,871.52	0.99995	26	82
3/16	2.4206%	0.000066317	\$23,625,293,871.52	0.99995	26	82
3/17	2.4206%	0.000066317	\$23,625,293,871.52	0.99995	26	82
3/18	2.4098%	0.000066023	\$23,667,905,877.41	0.99995	25	81
3/19	2.4111%	0.000066057	\$23,547,855,082.07	0.99995	26	81
3/20	2.4349%	0.000066710	\$23,470,162,501.18	0.99995	27	82
3/21	2.4312%	0.000066607	\$23,405,177,085.04	0.99994	27	83
3/22	2.4124%	0.000066094	\$23,284,355,104.70	0.99994	28	83
3/23	2.4124%	0.000066094	\$23,284,355,104.70	0.99994	28	83
3/24	2.4124%	0.000066094	\$23,284,355,104.70	0.99994	28	83
3/25	2.4005%	0.000065767	\$23,286,201,160.99	0.99994	27	82
3/26	2.4189%	0.000066272	\$23,174,978,749.75	0.99994	27	82
3/27	2.4301%	0.000066577	\$23,008,633,953.89	0.99996	27	88
3/28	2.4483%	0.000067076	\$22,834,494,089.48	0.99996	27	88
3/29	2.5026%	0.000068565	\$22,993,704,344.14	0.99996	27	89
3/30	2.5026%	0.000068565	\$22,993,704,344.14	0.99996	27	89
3/31	2.5026%	0.000068565	\$22,993,704,344.14	0.99996	27	89
Average:	2.4164%	0.000066202	\$23,505,157,775.42	.99995	26	82

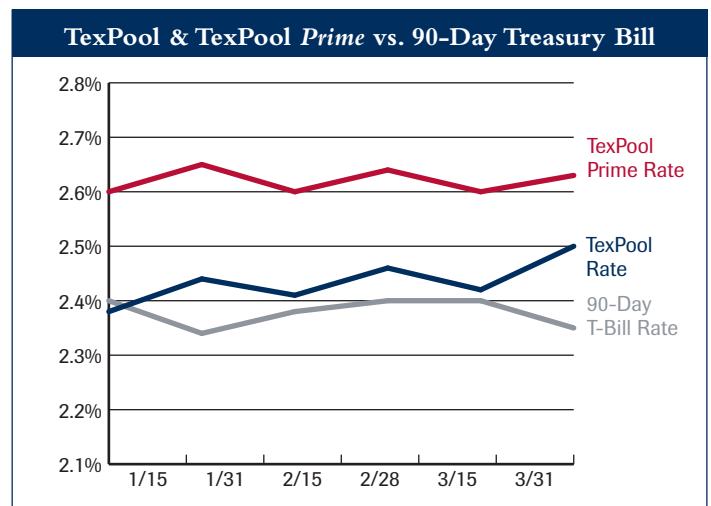


Participant Services
 1001 Texas Ave. 14th Floor
 Houston, TX 77002

bite policymakers at some point if they feel the economy needs more accommodation and they don't have much room to cut rates.

This is why we think the Fed is likely to hike at least once more in this cycle, and why we think the market is too focused on the FOMC statement's dramatically lower fed funds rate, inflation and GDP projections and is expecting too low of a path. The forward markets are pricing in a chance of rate cuts in 2020. We think the U.S. economy is not out of steam just yet. Despite a negative inflection in the yield curve, there isn't evidence of an imminent recession. One thing to consider: if the last 6-month period held so much drama, so could the next.

Over the month of March, 1-, 3- and 6-month London interbank offered rates (Libor) slipped, ending at 2.50%, 2.59% and 2.64, respectively. The weighted average maturity (WAM) of TexPool in March was 26 days, lower than that of TexPool Prime which was 32 days.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.