



City of Athens

Cash in the Bank and Investments at September 30, 2018

	Beginning Balance 7/1/2018	Jul-18			Aug-18			Sep-18			Ending Balance 9/30/2018
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
PROSPERITY BANK											
General Fund											
General Fund-Operations	1,523,417.16	1,211,845.23	1,217,730.61	481.71	750,678.92	1,043,827.29	444.88	680,740.48	1,059,368.62	289.08	845,755.27
Payroll Clearing	142,275.44	507,921.26	510,643.56	42.08	535,329.97	607,428.32	44.67	496,535.83	561,370.97	15.72	2,619.65
Special Donations Fund	57,011.14	16.85	1,635.06	16.85	12.61	13,858.00	12.61	2,261.27	-	12.47	43,808.81
Accounts Payable Fund	238,379.38	2,309,898.68	2,492,167.13	152.78	1,309,456.73	1,103,024.18	61.20	1,346,600.07	1,177,533.35	125.88	431,610.20
AEDC Payroll Clearing	8,901.82	72,885.95	21,370.92	19.70	14.42	19,462.70	14.42	7.29	26,560.98	7.29	14,414.88
Airport Operations Fund	143,627.87	4,427.64	929.88	43.01	17,759.48	302.91	45.64	6,509.06	150,310.65	22.24	20,780.61
Debt Service Fund											
Interest and Sinking Fund	230,093.89	14,063.01	242,400.00	42.41	4,685.06	2,500.00	0.60	2,363.43	4,500.00	0.54	1,805.39
Special Revenue Funds											
Municipal Court Technology Fund	4,889.24	1.45	-	1.45	1.45	-	1.45	4,687.80	-	1.54	9,579.94
Forfeited Cash-Local	39,227.54	11.66	-	11.66	11.66	-	11.66	11.29	-	11.29	39,262.15
Hotel Motel Fund	513,678.56	30,611.39	117,656.30	140.73	28,960.07	50,310.74	121.63	29,707.07	53,811.35	114.83	381,178.70
Utility Fund											
Utility Fund	1,152,179.80	683,323.34	1,444,038.10	237.58	716,161.86	517,902.88	143.40	750,168.88	485,068.91	211.75	854,823.99
Energy Grants Fund											
Energy Grants Fund	210.71	0.06	-	0.06	0.06	-	0.06	0.03	210.83	0.03	0.03
Airport Grants Fund											
Airport Grants Fund	-	-	-	-	-	-	-	150,007.46	137,300.00	7.46	12,707.46
2004 W/WW Certificates of Obligation											
2004 W/WW Certificates of Obligation	36,050.98	7.75	23,765.04	7.75	3.65	-	3.65	3.54	-	3.54	12,300.88
Downtown Capital Projects Fund											
Downtown Capital Projects Fund	107.65	0.03	-	0.03	0.03	-	0.03	0.03	-	0.03	107.74
Subtotal	\$ 4,090,051.18	\$ 4,835,014.30	\$ 6,072,336.60	\$ 1,197.80	\$ 3,363,075.97	\$ 3,358,617.02	\$ 905.90	\$ 3,469,603.53	\$ 3,656,035.66	\$ 823.69	\$ 2,670,755.70
TEXPOOL INVESTMENTS											
Utility Fund Operating Account											
Utility Fund Operating Account	2,012,677.90	3,230.15	-	3,230.15	3,288.13	-	3,288.13	3,311.43	-	3,311.43	2,022,507.61
Capital Improvement Fund											
Capital Improvement Fund	10,142,909.04	16,218.85	142,607.56	16,218.85	16,327.93	12,996.78	16,327.93	16,355.58	108,851.52	16,355.58	9,927,355.54
General Fund Investments											
General Fund Investments	1,207,107.84	1,937.27	-	1,937.27	1,972.04	-	1,972.04	1,964.22	54,989.69	1,964.22	1,157,991.68
General Fund Emergency Reserve											
General Fund Emergency Reserve	1,835,914.57	2,946.41	-	2,946.41	2,999.33	-	2,999.33	58,032.11	-	3,042.42	1,899,892.42
Subtotal	\$ 15,198,609.35	\$ 24,332.68	\$ 142,607.56	\$ 24,332.68	\$ 24,587.43	\$ 12,996.78	\$ 24,587.43	\$ 79,663.34	\$ 163,841.21	\$ 24,673.65	\$ 15,007,747.25
Totals	\$ 19,288,660.53	\$ 4,859,346.98	\$ 6,214,944.16	\$ 25,530.48	\$ 3,387,663.40	\$ 3,371,613.80	\$ 25,493.33	\$ 3,549,266.87	\$ 3,819,876.87	\$ 25,497.34	\$ 17,678,502.95
Quarterly Interest Earned on Prosperity	\$ 2,927.39	0.109609%									
Quarterly Interest Earned on TexPool	\$ 73,593.76	0.490372%									
Total Interest earned 07/01 - 09/30:	\$ 76,521.15										



INVESTMENT REPORT

September 30, 2018

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended September 30, 2018 is hereby submitted.

The current depository bank for the City of Athens is Prosperity Bank. The City maintains 14 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 \$76,521.15 for the quarter.

TexPool average interest rate was 2.00% for the quarter with a weighted average maturity at 28 days. The total TexPool interest earned was \$73,593.76. 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 \$2,927.39 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

**PROSPERITY BANK
P O DRAWER G
EL CAMPO, TX 77437**

September 30, 2018

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$2,670,755.70

Please let me know if you need any additional information.

Sincerely,

Prosperity Bank
Accounting - Treasury

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



EL CAMPO, TX

Pledge Security Listing

September 30, 2018

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	148,069.98	148,602.91	147,853.07	(749.84)
2516	3138AXXQ9	FNMA AJ6086	FHLB	x	3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	275,503.07	277,266.36	273,181.07	(4,085.29)
3544	31417DRU9	FNMA AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	1,001,207	432,345.04	436,093.70	414,102.10	(21,991.60)
3546	31410LKN1	FNMA 890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	979,399.26	988,343.95	937,749.27	(50,594.68)
3607	3138EKLX1	FNMA AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	979,344.04	986,880.17	936,731.20	(50,148.97)
3997	3138WAR66	FNMA AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	422,708.14	429,280.13	418,073.20	(11,206.93)
3999	3128MMRT2	FHLMC G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	433,360.69	438,806.60	429,006.43	(9,800.16)
4002	31418A6C7	FNMA MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	514,503.66	519,323.96	506,987.58	(12,336.38)
4189	3128MEBZ3	FHLMC G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	392,193.28	397,192.08	378,481.22	(18,710.86)
4238	3128MMTJ2	FHLMC G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	834,628.31	859,056.06	823,652.94	(35,403.11)
4259	3138WFALO	FNMA AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	315,251.04	316,739.03	304,418.22	(12,320.81)
4895	3138WJKU1	FNMA AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	1,417,738.94	1,422,174.65	1,368,578.84	(53,595.81)
Total for CITY OF ATHENS												16,532,179	7,145,045.45	7,219,759.60	6,938,815.14	(280,944.44)

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: October 2018

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in September 2018:

TexPool

Town of Lakewood Village
 North San Gabriel MUD 2
 Southeast Williamson County MUD 1
 Williamson County MUD 32
 Richland Special Utility District
 Upton County ESD 1

TexPool Prime

Town of Lakewood Village
 Bluebonnet Trails Community MHMR Center
 Richland Special Utility District
 Upton County ESD 1

Upcoming Events

Oct 10, 2018 - Oct 12, 2018,
 Fort Worth Convention Center, Ft. Worth
 2018 Texas Municipal League Conference

Oct 16, 2018 - Oct 18, 2018,
 Holiday Inn - San Antonio Riverwalk, San Antonio
 73rd Annual TACA Fall Conference

Oct 24, 2018 - Oct 26, 2018,
 Moody Gardens Hotel, Galveston
 GFOAT Fall Conference

TexPool Advisory Board Members

Jose Elizondo, Jr.	Vivian Wood
Belinda Weaver	Jerry Dale
Patrick Krishock	Sharon Matthews
Michele Tuttle	David Landeros

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: Coming around to our way of thinking

October 1, 2018

In recent weeks, we've begun to see a stirring in the financial press about the renewed worthiness of cash and money markets, especially prime institutional. What was once "in the doldrums," "left for dead" and dealt a "fatal blow" is now regaled with statements such as "prime time returns," "cash comes into focus" and having "increasing attractiveness."

Hmmm. This all sounds strangely familiar. Might that be because we at Federated—not to mention this column—have been saying this for months and quarters? What a Bloomberg article recently called, "Rising rates lift relative appeal of cash to decade high," we have said in marketing campaigns and presentations for some time. In particular, our mandate has been to focus liquidity clients on the comparisons between banks and prime. It's important to remember that, industry-wide, prime products tend to be more responsive than bank deposits to rising rates because they trade using the London interbank offered rate (Libor), which traditionally traces Fed hikes faster and that money funds provide a market rate, not an administrative one chosen by a bank or similar institution. It's a reason assets are flowing back into prime money funds in general; diversification is another one.

(continued page 6)

Performance as of September 30, 2018

	TexPool	TexPool Prime
Current Invested Balance	\$16,556,661,095.59	\$4,680,947,451.00
Weighted Average Maturity	28	37
Weighted Average Life	104	61
Net Asset Value	0.99991	1.000000
Total Number of Participants	2505	341
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$27,134,867.55	\$8,784,475.31
Management Fee Collected	\$605,613.87	\$228,988.75
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$16,565,748,581.27	\$4,856,373,834.63
Average Monthly Rate	2.00%	2.21%
Average Weighted Average Maturity	28	30
Average Weighted Average Life	105	55

*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.

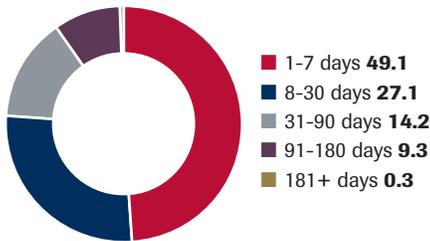
**See page 2 for definitions.

Past performance is no guarantee of future results.



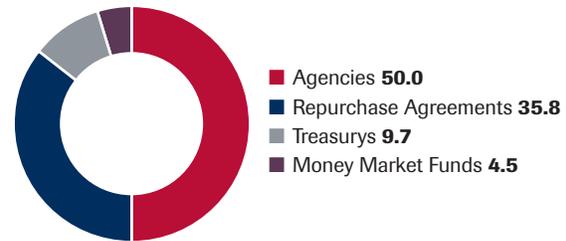
Portfolio by Maturity (%)

As of September 30, 2018



Portfolio by Type of Investment (%)

As of September 30, 2018



Portfolio Asset Summary as of September 30, 2018

	Book Value	Market Value
Uninvested Balance	-\$1,411.55	-\$1,411.55
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	12,389,555.74	12,389,555.74
Interest and Management Fees Payable	-27,140,026.49	-27,140,026.49
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-61,686.27	-61,686.27
Repurchase Agreements	5,934,626,000.00	5,934,626,000.00
Mutual Fund Investments	742,506,103.88	742,506,103.88
Government Securities	8,288,897,364.48	8,287,559,667.75
U.S. Treasury Inflation Protected Securities	79,994,279.53	80,007,980.00
US Treasury Bills	1,457,678,091.94	1,457,462,555.57
US Treasury Notes	67,772,823.33	67,755,625.00
Total	\$16,556,661,094.59	\$16,555,104,363.63

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	589	\$4,800,772,351.43
Higher Education	57	\$671,550,445.95
Healthcare	83	\$538,676,084.63
Utility District	796	\$2,388,459,329.08
City	461	\$4,065,065,846.52
County	186	\$1,661,379,828.64
Other	333	\$2,428,327,476.73

**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
9/1	1.9641%	0.000053811	\$17,069,457,092.99	1.00002	28	104
9/2	1.9641%	0.000053811	\$17,069,457,092.99	1.00002	28	104
9/3	1.9641%	0.000053811	\$17,069,457,092.99	1.00002	28	104
9/4	1.9925%	0.000054589	\$16,757,851,116.53	0.99995	28	104
9/5	1.9611%	0.000053729	\$16,767,749,101.48	0.99995	28	104
9/6	1.9573%	0.000053624	\$16,689,817,551.18	0.99995	27	105
9/7	1.9591%	0.000053674	\$16,603,783,379.85	0.99994	27	105
9/8	1.9591%	0.000053674	\$16,603,783,379.85	0.99994	27	105
9/9	1.9591%	0.000053674	\$16,603,783,379.85	0.99994	27	105
9/10	1.9614%	0.000053738	\$16,535,619,519.65	0.99994	27	103
9/11	1.9636%	0.000053797	\$16,514,566,772.00	0.99994	26	105
9/12	1.9651%	0.000053838	\$16,508,440,699.61	0.99994	26	105
9/13	1.9725%	0.000054040	\$16,400,954,111.49	0.99994	28	106
9/14	1.9780%	0.000054193	\$16,425,316,113.09	0.99991	29	108
9/15	1.9780%	0.000054193	\$16,425,316,113.09	0.99991	29	108
9/16	1.9780%	0.000054193	\$16,425,316,113.09	0.99991	29	108
9/17	1.9934%	0.000054614	\$16,409,336,063.91	0.99991	26	106
9/18	1.9842%	0.000054363	\$16,391,712,815.22	0.99991	27	105
9/19	1.9800%	0.000054246	\$16,305,425,511.32	0.99991	27	106
9/20	1.9808%	0.000054268	\$16,359,144,458.28	0.99990	28	106
9/21	1.9846%	0.000054372	\$16,272,836,441.30	0.99989	29	107
9/22	1.9846%	0.000054372	\$16,272,836,441.30	0.99989	29	107
9/23	1.9846%	0.000054372	\$16,272,836,441.30	0.99989	29	107
9/24	2.0078%	0.000055009	\$16,199,456,295.12	0.99989	27	105
9/25	1.9934%	0.000054614	\$16,942,000,447.01	0.99990	28	99
9/26	2.0195%	0.000055329	\$16,794,535,441.07	0.99990	28	103
9/27	2.0954%	0.000057409	\$16,611,685,168.82	0.99990	28	103
9/28	2.1244%	0.000058202	\$16,556,661,094.59	0.99991	28	104
9/29	2.1244%	0.000058202	\$16,556,661,094.59	0.99991	28	104
9/30	2.1244%	0.000058202	\$16,556,661,094.59	0.99991	28	104
Average:	1.9953%	0.000054665	\$16,565,748,581.27	.99993	28	105



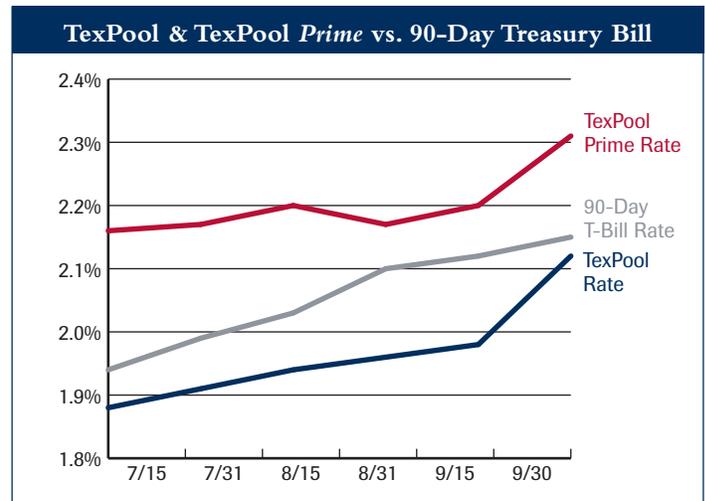
Participant Services
1001 Texas Ave. 14th Floor
Houston, TX 77002

Well, better late than never for the popular press, which Reuters colorfully said a few days before the Federal Open Market Committee (FOMC) raised rates in its September meeting: With the “anticipated rate action, cash will join the party.”

In addition to a much-expected 25-basis-point hike in the target range to 2-2.25%, the FOMC summary of economic projections indicated it expects one more hike before the end of 2018 and three similar hikes in 2019. The forecast extended to 2021 this time, with a rate of 3.4% implying no additional tightening.

A bit of inside baseball is that the Fed did not choose to further lower the interest paid on excess reserves (IOER) target compared to the upper end of the fed funds rate. Both rose a quarter point, so the difference between them remains 20 basis points.

We would expect yields on prime securities to continue to move higher over the fourth quarter and issuance of Treasuries to remain strong. Given the outlook for higher rates, we continue to invest in floating-rate securities and maintain the weighted average maturity (WAM) of our prime funds in a 30-40 day range and 25-35 days for government funds, with our municipal call shifting down five days to 25-35. Libor rose over the month, with 1-month at 2.26%, 3-month at 2.40% and 6-month at 2.60%.



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.