

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

June 2016

|  | Current Month | Year to Date | Chart |
|--|---------------|--------------|-------|
| <b>GENERAL FUND</b>  |               |              |       |
| Total Revenues as a % of Budget Compared to Prior Year     | N/A           | POSITIVE     | A     |
| Total Expenditures as a % Budget Compared to Prior Year    | N/A           | NEUTRAL      | B     |
| Property Tax Collection Analysis                           | POSITIVE      | POSITIVE     | C     |
| Sales Tax Collection Analysis                              | POSITIVE      | POSITIVE     | D     |
| Expenditure Analysis                                       | POSITIVE      | NEGATIVE     | E     |
| <b>ENTERPRISE FUND</b>                                     |               |              |       |
| Water Billing Analysis                                     | NEGATIVE      | NEGATIVE     | F     |
| Sewer Billing Analysis                                     | NEGATIVE      | NEUTRAL      | G     |
| Expense Analysis   | POSITIVE      | POSITIVE     | H     |
| <b>HOTEL OCCUPANCY TAX REVENUE</b>                         |               |              |       |
| Hotel Tax Revenue Analysis (most recent quarter)           | N/A           | N/A          | I     |
| Hotel Tax Revenue Analysis (quarterly comparison for year) | N/A           | N/A          | J     |
| <b>SEDC</b>  |               |              |       |
| Sales Tax Collection Analysis                              | POSITIVE      | POSITIVE     | J     |
| Expenditure Analysis                                       | POSITIVE      | POSITIVE     | K     |
| <b>CRIME DISTRICT</b>                                      |               |              |       |
| Sales Tax Collection Analysis                              | POSITIVE      | POSITIVE     | L     |
| Expenditure Analysis                                       | POSITIVE      | POSITIVE     | M     |
| <b>INVESTMENTS</b>   |               |              |       |
| Investment Report  | N/A           | N/A          | N     |

**PERFORMANCE INDICATORS:**

|          |
|----------|
| POSITIVE |
| NEGATIVE |
| NEUTRAL  |

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

# GENERAL FUND



CHART A

## TOTAL REVENUE THROUGH JUNE 2016

|                                | Budget           | YTD Revenue      | % of Budget Collected | Prior YTD % of Total Collected |
|--------------------------------|------------------|------------------|-----------------------|--------------------------------|
| Ad Valorem Taxes               | 4,358,162        | 4,337,793        | 99.53%                | 98.33%                         |
| Penalties & Interest           | 40,000           | 28,612           | 71.53%                | 73.13%                         |
| Sales Tax                      | 1,600,000        | 1,352,023        | 84.50%                | 90.89%                         |
| Franchise Tax                  | 725,000          | 594,257          | 81.97%                | 77.21%                         |
| Other Tax                      | 150,000          | 79,085           | 52.72%                | 42.37%                         |
| License & Permits              | 225,000          | 103,697          | 46.09%                | 77.39%                         |
| Charges for Services           | 56,000           | 39,299           | 70.18%                | 52.83%                         |
| DOT Fines                      | 30,000           | 69,020           | 230.07%               | 47.73%                         |
| Other Municipal Court Fees     | 369,100          | 319,901          | 86.67%                | 76.20%                         |
| Interest Income                | 750              | 15,333           | 2044.34%              | 54.00%                         |
| Intergovernmental              | 368,184          | 362,933          | 98.57%                | 68.20%                         |
| Other Revenue                  | 32,500           | 42,834           | 131.80%               | 92.19%                         |
| Transfers from Enterprise Fund | 1,756,685        | 1,317,515        | 75.00%                | 75.00%                         |
| Payment for Services-EDC       | <u>200,000</u>   | <u>150,000</u>   | <u>75.00%</u>         | <u>75.00%</u>                  |
| <b>Total Revenues</b>          | <b>9,911,381</b> | <b>8,812,303</b> | <b>88.91%</b>         | <b>83.36%</b>                  |

\$1,600,000 unbudgeted payment from PHA not included for comparison purposes

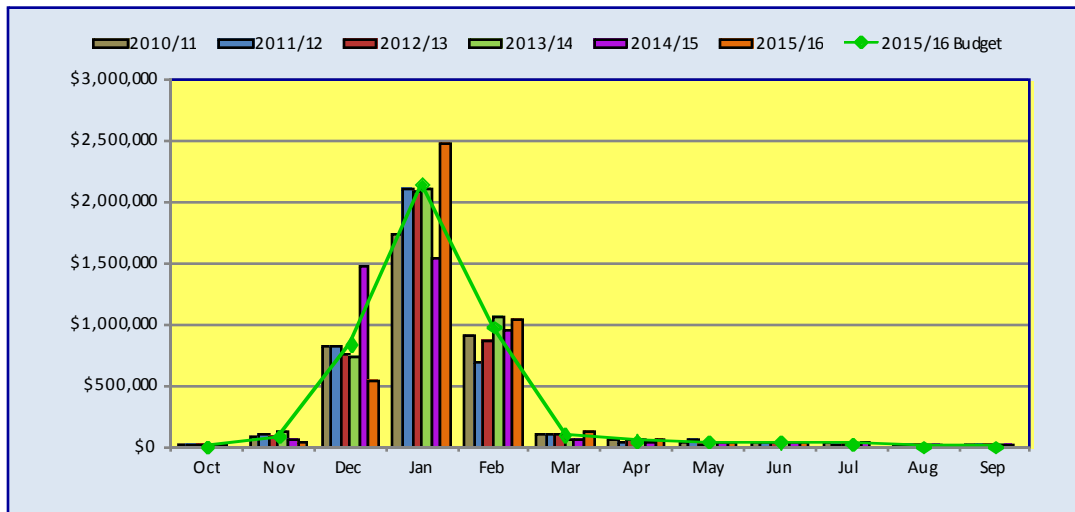
CHART B

## TOTAL EXPENDITURES THROUGH JUNE 2016

|                              | Budget           | YTD Expenditures | % of Budget Expended | Prior YTD % of Total Expended |
|------------------------------|------------------|------------------|----------------------|-------------------------------|
| Personnel                    | 6,576,490        | 4,813,578        | 73.19%               | 77.13%                        |
| Supplies                     | 314,240          | 171,996          | 54.73%               | 71.49%                        |
| Services                     | 2,652,709        | 1,952,449        | 73.60%               | 73.38%                        |
| Capital                      | 247,680          | 292,795          | 118.21%              | 64.02%                        |
| Oper Transfer to Other Funds | 0                | 0                | 0.00%                | 0.00%                         |
| <b>Total Expenditures</b>    | <b>9,791,119</b> | <b>7,230,818</b> | <b>73.85%</b>        | <b>75.55%</b>                 |

CHART C

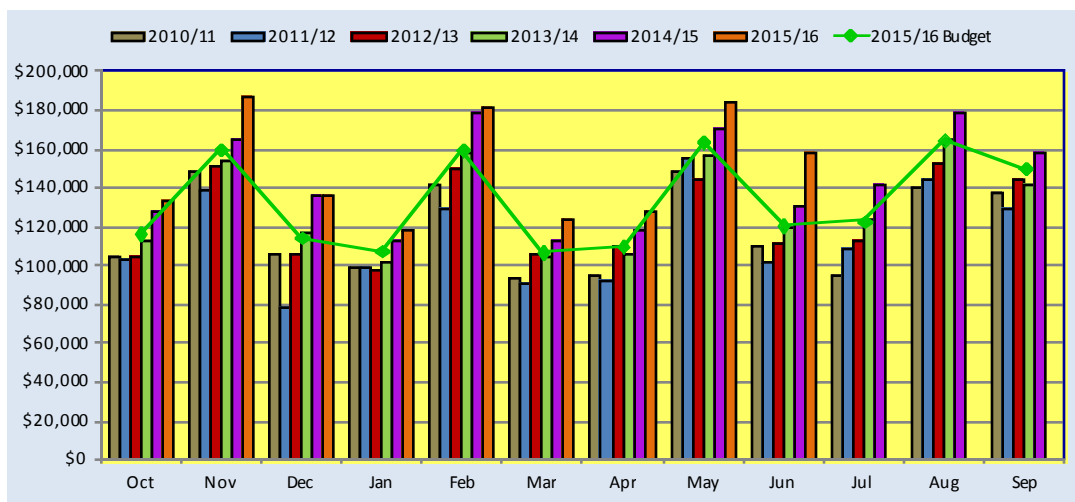
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.  
 2014/15 December collections were higher than the trend but were offset by lower collections in January

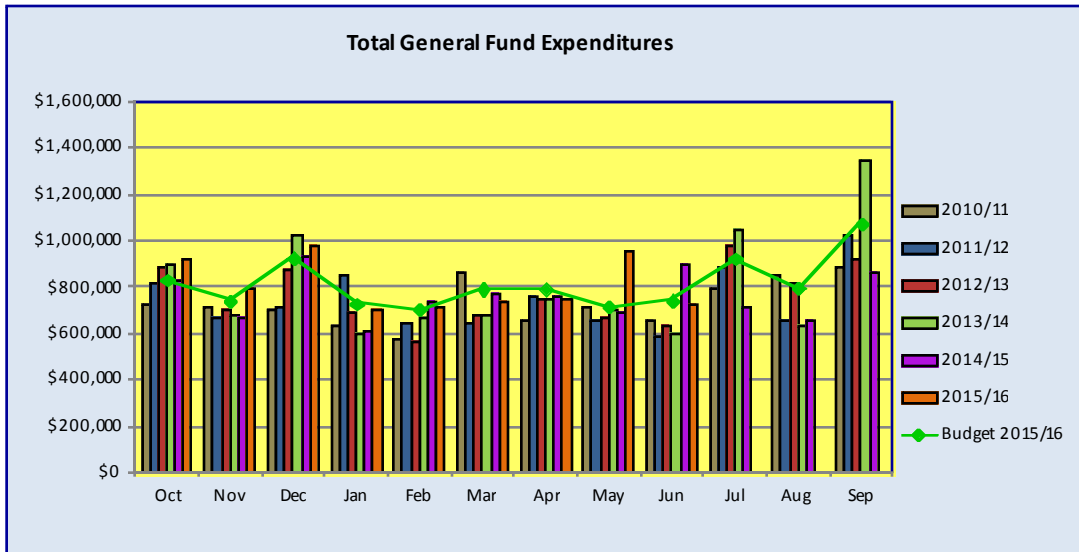
CHART D

SALES TAX ANALYSIS



2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



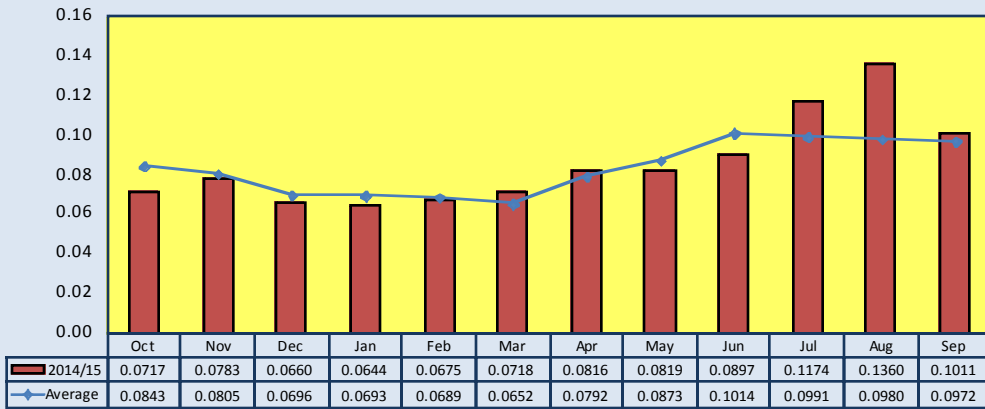
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascapes road construction



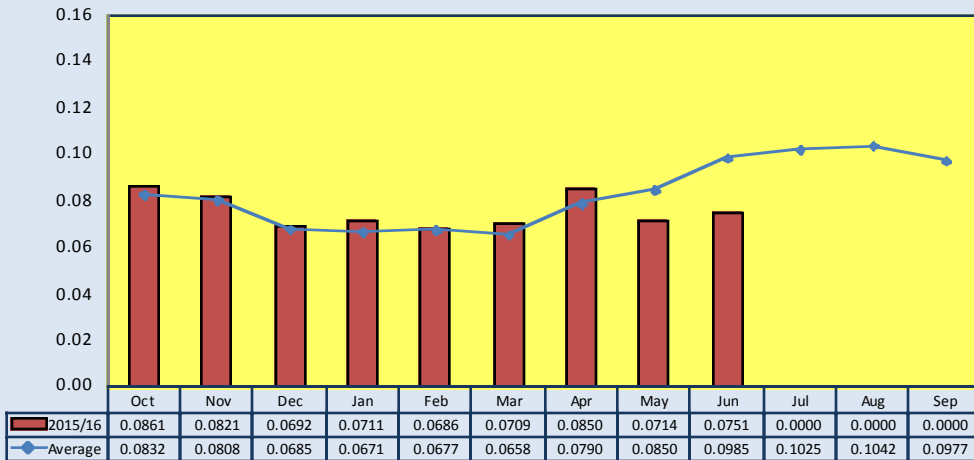
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.  
2014/15 Percent of Budgeted Billings

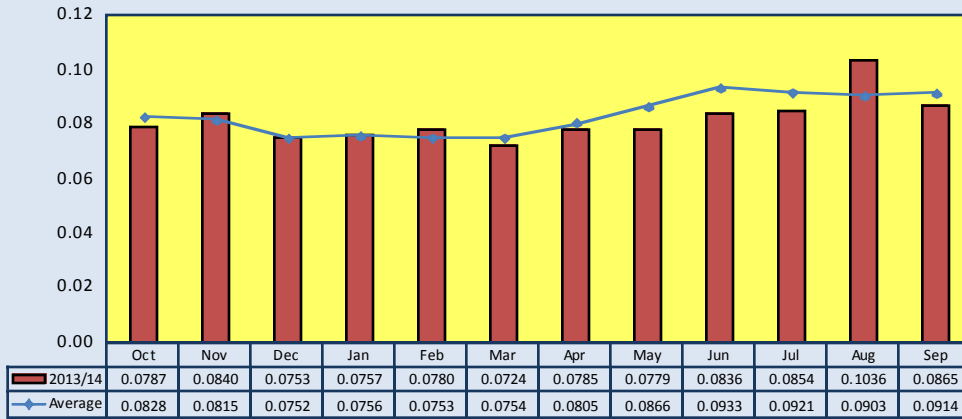


Average Percent of Water Billings by Month vs.  
2015/16 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS

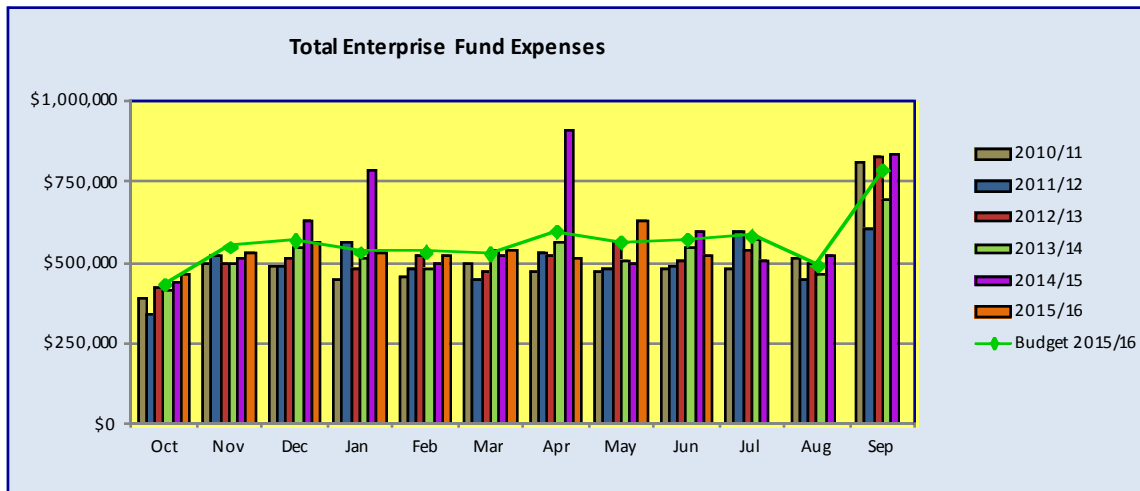
**Average Percent of Wastewater Billings by Month vs. 2014/15 Percent of Budgeted Billings**



**Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings**



EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

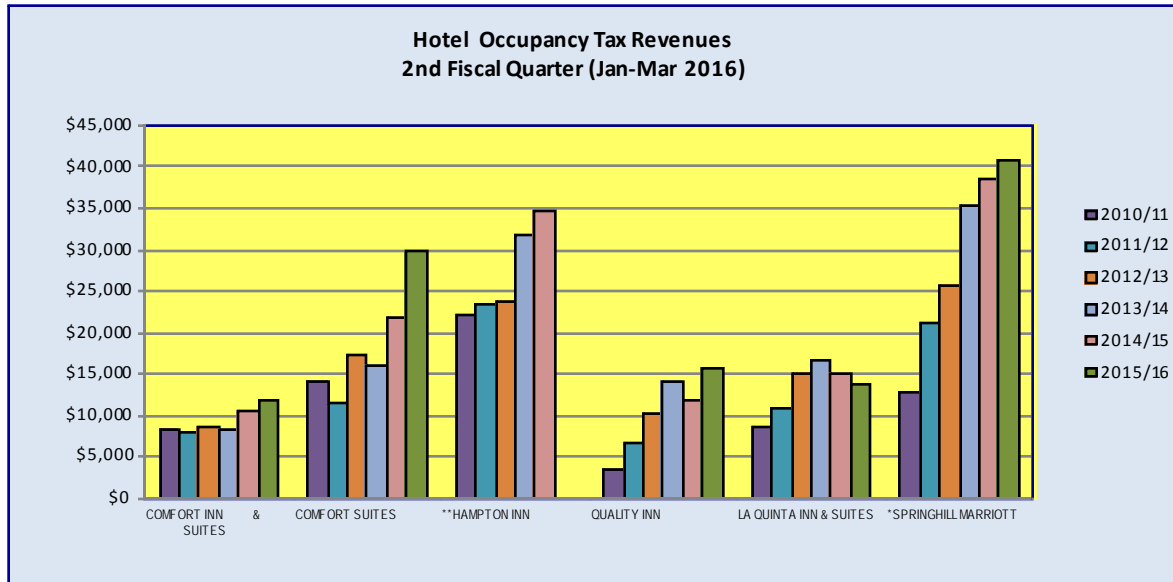
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

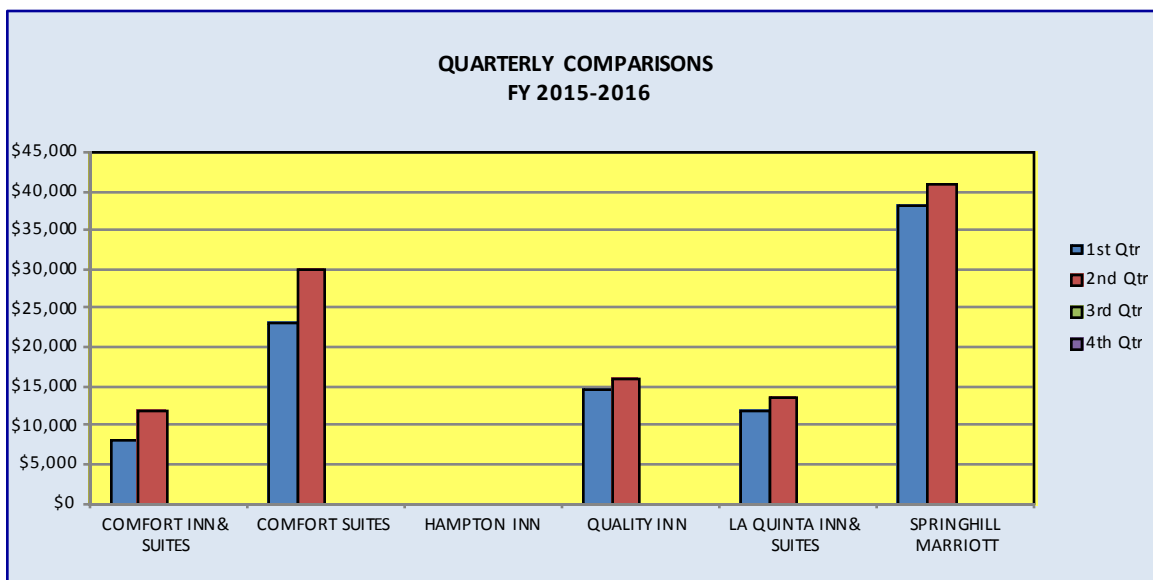


\*Springhill Marriott opened last quarter 2010

\*\* Hampton Inn closed 3rd quarter 2015 due to fire

CHART J

## HOTEL TAX REVENUE



\*\* Hampton Inn closed 3rd quarter 2015 due to fire



# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

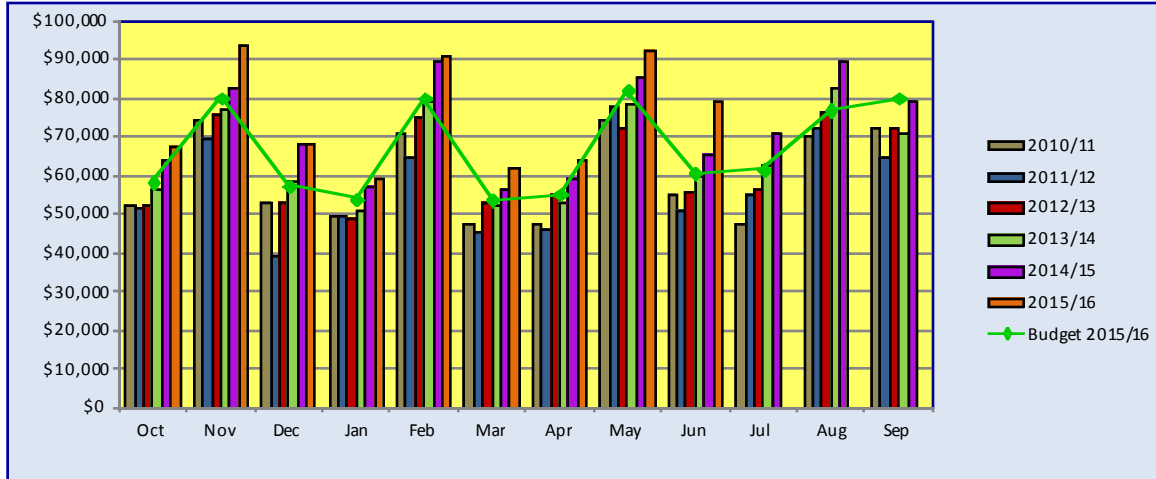
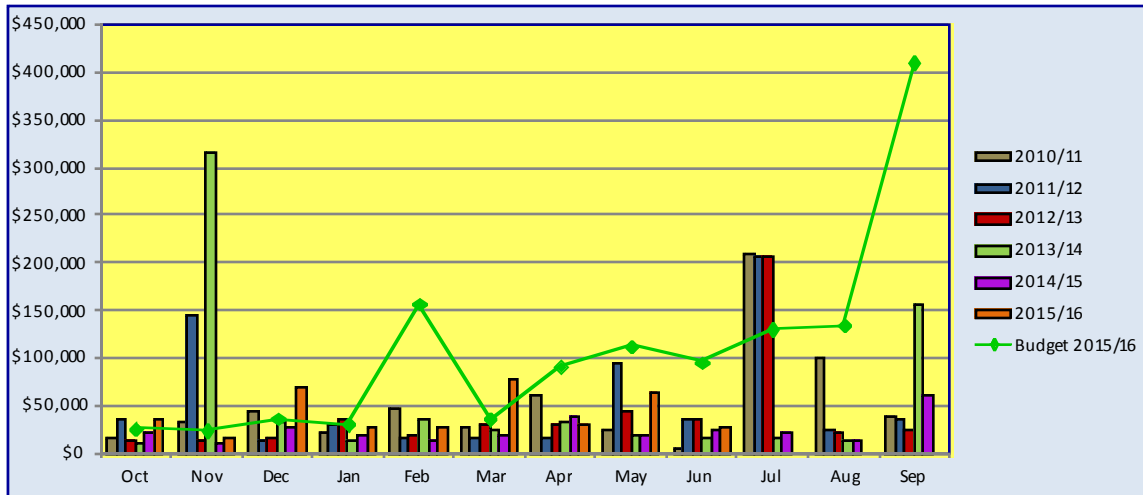


CHART L

## EXPENDITURE ANALYSIS



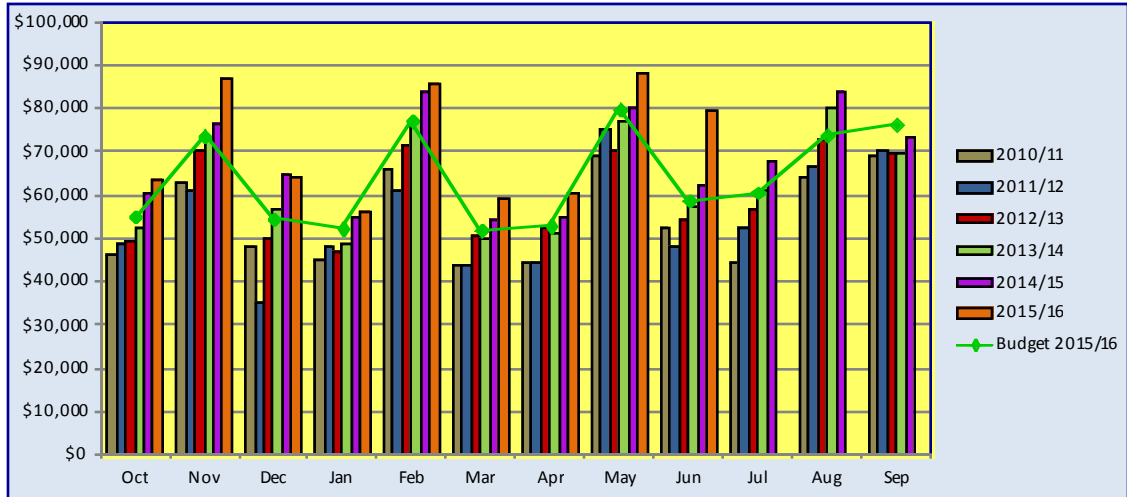
2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146  
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

# CRIME DISTRICT



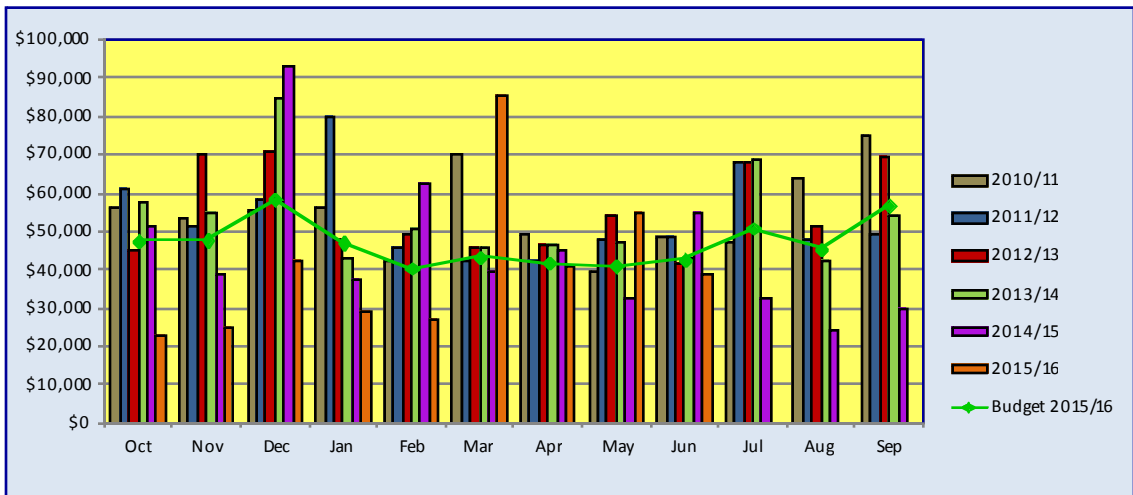
## SALES TAX REVENUE ANALYSIS

CHART M



## EXPENDITURE ANALYSIS

CHART N



Large December expenditures included vehicles. March 2016 includes reallocation of personnel expense.

# INVESTMENTS



CHART 0

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF JUNE 2016  
0.0036%

|                              | BEGINNING<br>BALANCE | TRANSFER<br>IN/(OUT) | INT EARNED<br>(Posted June) | ENDING<br>BALANCE      | PURPOSE OF<br>FUND   |
|------------------------------|----------------------|----------------------|-----------------------------|------------------------|--|
| GENERAL FUND - UNRESTRICTED  | 6,877,096.46         | (253,007.19)         | 2,547.92                    | 6,626,637.19           | Working capital  |
| GENERAL FUND - RESTRICTED    | 1,600,000.00         | 0.00                 | incl in above               | 1,600,000.00           |  |
| ENTERPRISE FUND - UNRESTRIC  | 1,979,745.52         | 127,485.27           | 652.36                      | 2,107,883.15           | Working capital  |
| ENTERPRISE FUND - RESTRICTEI | 300,000.00           | 0.00                 | incl in above               | 300,000.00             | Customer liability   |
| CAPITAL IMPACT FEES          | 2,471,048.41         | 0.00                 | 737.79                      | 2,471,786.20           | Water & sewer lines extensions & expansions                |
| PARK FEES                    | 113,267.54           | (30,000.00)          | 30.80                       | 83,298.34              | Reserved for acquisition & development of park land        |
| SEIZURE                      | 70,155.90            | 22,595.95            | 27.69                       | 92,779.54              | Solely to purchase equipment for Law Enforcement           |
| CHILD SAFETY PROGRAMS        | 32,195.19            | 0.00                 | 9.61                        | 32,204.80              | Reserved for Child Safety/School Zones                     |
| FEDERAL SEIZURE              | 15,039.20            | 0.00                 | 4.49                        | 15,043.69              | Criminal Investigation - Federal Funds                     |
| HOTEL/MOTEL FUND             | 1,249,216.63         | (710.76)             | 372.77                      | 1,248,878.64           | Restricted for promotion of tourism                        |
| DEBT SERVICE FUND            | 3,337,622.18         | 20,995.70            | 996.73                      | 3,359,614.61           | Restricted for General fund reserves & yearly debt service |
| WTR/SWR BONDS                | 2,760,409.33         | 0.00                 | 824.19                      | 2,761,233.52           | Funds transferred from Bond Mkt Acct to allow liquidity    |
| IT BONDS                     | 72,610.70            | 0.00                 | 21.68                       | 72,632.38              | Fiber Optics   |
| PD & GF BONDS                | 6,581,466.14         | 0.00                 | 1,965.05                    | 6,583,431.19           | Public Wokrks Facility                                     |
| FIRE BONDS                   | 23,623.46            | 0.00                 | 7.05                        | 23,630.51              | Fire Engine  |
| PARK BONDS                   | 22.45                | (22.45)              | 0.01                        | 0.01                   | Splash Pad   |
| LIBRARY BONDS                | 70.67                | 0.00                 | 0.02                        | 70.69                  | Funds transferred from Bond Mkt Acct to allow liquidity    |
| LAKESIDE DRIVE CERT DEP      | 128,247.43           | (40,000.00)          | 34.27                       | 88,281.70              |  |
| CAROTHERS                    | 85,478.44            | (5,941.04)           | 25.48                       | 79,562.88              |  |
| CRIME DISTRICT               | 825,972.64           | 96,752.05            | 246.77                      | 922,971.46             | Funds transferred from Bond Mkt Acct to allow liquidity    |
| SEDC II - UNRESTRICTED       | 2,939,156.83         | 61,852.47            | 942.89                      | 3,001,952.19           | Seabrook Economic Development Corporation II               |
| SEDC II - RESTRICT FOR EMERG | 180,000.00           | 0.00                 | incl in above               | 180,000.00             | Emergency Reserve  |
| STEP FUND                    | 70,611.30            | 0.00                 | 21.08                       | 70,632.38              |  |
| PUBLIC SAFETY                | 213,699.36           | 0.00                 | 63.80                       | 213,763.16             |  |
| MUNI COURT - SECURITY FUND   | 23,848.70            | 0.00                 | 7.12                        | 23,855.82              | Funds from fines to be used for security                   |
| COURT - TIME PAYMENT FEES    | 14,971.01            | 0.00                 | 4.47                        | 14,975.48              | Funds from fines to be used to improve court               |
| MUNI COURT - TECHNOLOGY FUNI | 6,359.44             | 0.00                 | 1.90                        | 6,361.34               |  |
| PEG Fund                     | 88,782.89            | 0.00                 | 26.51                       | 88,809.40              |  |
| STABILIZATION FUND           | 803,292.94           | 0.00                 | 239.84                      | 803,532.78             |  |
| <b>TOTAL TEXPOOL FUND</b>    | <b>32,864,010.76</b> | <b>0.00</b>          | <b>9,812.29</b>             | <b>\$32,873,823.05</b> |  |

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

*Pam Lab*

Finance Director



# Monthly Newsletter: July 2016

## ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in June 2016:

### TexPool

Travis County MUD 22  
City of Pharr

### TexPool Prime

Godley ISD  
Cross Timbers Water Supply Corp  
City of Belton

### Upcoming Events

7/10/16 - 7/12/16  
TASSCUBO Summer Workshop  
Horseshoe Bay

8/24/16 - 8/26/16  
TAC Legislative Conference  
Austin

9/19/16 - 9/22/16  
CIAT Annual Conference  
South Padre

### TexPool Advisory Board Members

|                    |                 |
|--------------------|-----------------|
| Jose Elizondo, Jr. | Vivian Wood     |
| Georgia Sanchez    | 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

For more information visit [www.texpool.com](http://www.texpool.com).

## Economic and Market Commentary: Money funds anchored during Brexit

July 1, 2016

Of all the nautical slang that has stuck around from the days when Britain ruled the high seas, "Keeping an even keel" most describes how money markets reacted to the shock of Brexit. The Leave vote caused tremendous volatility in the equity markets—plenty of investors abandoning ship—but didn't produce unusual flows or activity for cash managers. Our dollar and sterling products have behaved normally. It is, of course, often the case that volatility drives investors and brokers to take money out of equities and into money funds, but that didn't happen in any meaningful way after the unexpected outcome of the referendum. In fact, one way of judging the severity of a financial upheaval is the volume of flows into money funds. The greater the amount, the more serious the panic. So it was no surprise to us that equities rallied only a few days after they plunged in the immediate aftermath of the announcement that the U.K. will leave the European Union.

Actually, much of the activity since that announcement can be attributed to the run-up to quarter-end, with its typical reduced supply and higher rates. To be sure, overnight rates were elevated on Friday in part because banks were willing to make repo transactions early in the process due to Brexit. Everyone wanted to make sure they were funded rather than shopping around for a few more basis points. For banks, the winning path for liquidity has traditionally been not to hesitate in obtaining repo capital when there is turmoil and uncertainty, and that was the track most banks took.

(continued page 6)

### Performance as of June 30, 2016

|                                     | TexPool             | TexPool Prime      |
|-------------------------------------|---------------------|--------------------|
| Current Invested Balance            | \$14,649,408,623.98 | \$2,238,284,438.83 |
| Weighted Average Maturity**         | 46 Days             | 36 Days            |
| Weighted Average Life**             | 79 Days             | 43 Days            |
| Net Asset Value                     | 1.00015             | 1.00018            |
| Total Number of Participants        | 2,361               | 207                |
| Management Fee on Invested Balance  | 0.0473%             | 0.0638%            |
| Interest Distributed                | \$4,433,760.68      | \$970,404.51       |
| Management Fee Collected            | \$538,729.12        | \$84,449.40        |
| Standard & Poor's Current Rating    | AAAm                | AAAm               |
| <b>Month Averages</b>               |                     |                    |
| Average Invested Balance            | \$14,878,300,278.65 | \$2,128,400,237.91 |
| Average Monthly Rate*               | 0.36%               | 0.55%              |
| Average Weighted Average Maturity** | 47 Days             | 40 Days            |
| Average Weighted Average Life**     | 82 Days             | 49 Days            |

\*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.

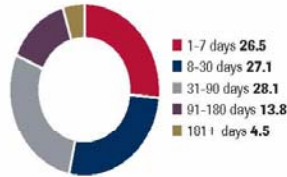
TexPool Participant Services  
1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · [TexPool.com](http://TexPool.com)

Managed and  
Served by **Federated**  
G35884-24 (7/16)



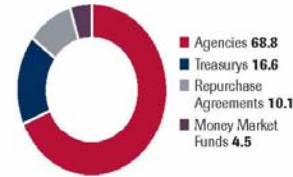
### Portfolio by Maturity (%)

As of June 30, 2016



### Portfolio by Type of Investment (%)

As of June 30, 2016



### Portfolio Asset Summary as of June 30, 2016

|                                      | Book Value                 | Market Value               |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance                   | 47,679.80                  | 47,679.80                  |
| Receivable for Investments Sold      | 0.00                       | 0.00                       |
| Accrual of Interest Income           | 16,834,712.43              | 16,834,712.43              |
| Interest and Management Fees Payable | -4,433,755.77              | -4,433,755.77              |
| Payable for Investments Purchased    | -148,846,666.64            | -148,846,666.64            |
| Accrued Expenses & Taxes             | -17,650.27                 | -17,650.27                 |
| Repurchase Agreements                | 1,487,900,000.00           | 1,487,900,000.00           |
| Mutual Fund Investments              | 670,022,103.88             | 670,022,103.88             |
| Government Securities                | 7,211,885,357.05           | 7,213,300,946.63           |
| US Treasury Bills                    | 0.00                       | 0.00                       |
| US Treasury Notes                    | 5,417,016,843.50           | 5,417,756,659.50           |
| <b>Total</b>                         | <b>\$14,649,408,623.98</b> | <b>\$14,651,564,029.56</b> |

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  | 575                    | \$4,322,314,261.90 |
| Higher Education | 57                     | \$1,238,139,578.65 |
| Healthcare       | 81                     | \$589,917,550.71   |
| Utility District | 740                    | \$2,208,169,198.21 |
| City             | 455                    | \$3,808,282,255.54 |
| County           | 180                    | \$1,217,768,083.16 |
| Other            | 273                    | \$1,963,709,133.70 |

### \*\*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.

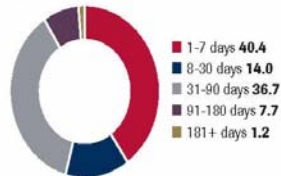


| Daily Summary   |                                   |                    |                            |                |           |           |
|-----------------|-----------------------------------|--------------------|----------------------------|----------------|-----------|-----------|
| Date            | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor    | TexPool Invested Balance   | NAV            | WAM Days  | WAL Days  |
| 6/1             | 0.3576%                           | 0.000009797        | \$15,068,491,068.78        | 1.00007        | 45        | 82        |
| 6/2             | 0.3529%                           | 0.000009669        | \$15,017,222,018.31        | 1.00007        | 45        | 81        |
| 6/3             | 0.3550%                           | 0.000009726        | \$14,965,804,997.64        | 1.00010        | 47        | 84        |
| 6/4             | 0.3550%                           | 0.000009726        | \$14,965,804,997.64        | 1.00010        | 47        | 84        |
| 6/5             | 0.3550%                           | 0.000009726        | \$14,965,804,997.64        | 1.00010        | 47        | 84        |
| 6/6             | 0.3549%                           | 0.000009724        | \$14,968,605,412.02        | 1.00011        | 45        | 81        |
| 6/7             | 0.3588%                           | 0.000009830        | \$14,969,756,589.54        | 1.00012        | 48        | 84        |
| 6/8             | 0.3594%                           | 0.000009847        | \$15,114,613,274.71        | 1.00011        | 47        | 82        |
| 6/9             | 0.3614%                           | 0.000009902        | \$14,877,941,862.81        | 1.00010        | 47        | 82        |
| 6/10            | 0.3627%                           | 0.000009937        | \$14,908,716,193.91        | 1.00011        | 47        | 83        |
| 6/11            | 0.3627%                           | 0.000009937        | \$14,908,716,193.91        | 1.00011        | 47        | 83        |
| 6/12            | 0.3627%                           | 0.000009937        | \$14,908,716,193.91        | 1.00011        | 47        | 83        |
| 6/13            | 0.3645%                           | 0.000009986        | \$14,915,638,708.54        | 1.00012        | 46        | 81        |
| 6/14            | 0.3672%                           | 0.000010061        | \$14,829,997,741.09        | 1.00011        | 46        | 80        |
| 6/15            | 0.3685%                           | 0.000010096        | \$14,832,179,026.65        | 1.00012        | 46        | 80        |
| 6/16            | 0.3679%                           | 0.000010079        | \$14,800,963,678.68        | 1.00012        | 47        | 81        |
| 6/17            | 0.3646%                           | 0.000009988        | \$14,748,407,171.93        | 1.00013        | 48        | 82        |
| 6/18            | 0.3646%                           | 0.000009988        | \$14,748,407,171.93        | 1.00013        | 48        | 82        |
| 6/19            | 0.3646%                           | 0.000009988        | \$14,748,407,171.93        | 1.00013        | 48        | 82        |
| 6/20            | 0.3655%                           | 0.000010014        | \$14,785,582,061.17        | 1.00012        | 46        | 80        |
| 6/21            | 0.3629%                           | 0.000009942        | \$14,795,929,913.88        | 1.00012        | 45        | 78        |
| 6/22            | 0.3601%                           | 0.000009866        | \$14,690,745,330.61        | 1.00011        | 49        | 83        |
| 6/23            | 0.3611%                           | 0.000009894        | \$14,618,346,535.18        | 1.00008        | 49        | 83        |
| 6/24            | 0.3712%                           | 0.000010169        | \$14,904,085,943.87        | 1.00011        | 49        | 83        |
| 6/25            | 0.3712%                           | 0.000010169        | \$14,904,085,943.87        | 1.00011        | 49        | 83        |
| 6/26            | 0.3712%                           | 0.000010169        | \$14,904,085,943.87        | 1.00011        | 49        | 83        |
| 6/27            | 0.3769%                           | 0.000010325        | \$14,957,083,881.48        | 1.00012        | 46        | 80        |
| 6/28            | 0.3684%                           | 0.000010094        | \$14,949,262,468.87        | 1.00014        | 46        | 80        |
| 6/29            | 0.3647%                           | 0.000009992        | \$14,636,297,240.99        | 1.00015        | 46        | 80        |
| 6/30            | 0.3648%                           | 0.000009994        | \$14,649,408,623.98        | 1.00015        | 46        | 79        |
| <b>Average:</b> | <b>0.3633%</b>                    | <b>0.000009952</b> | <b>\$14,878,300,278.65</b> | <b>1.00011</b> | <b>47</b> | <b>82</b> |

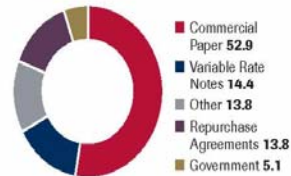


**TEXPOOL PRIME**

**Portfolio by Maturity (%)**  
As of June 30, 2016



**Portfolio by Type of Investment (%)**  
As of June 30, 2016



**Portfolio Asset Summary as of June 30, 2016**

|                                      | Book Value                | Market Value              |
|--------------------------------------|---------------------------|---------------------------|
| Uninvested Balance                   | -245.35                   | -245.35                   |
| Receivable for Investments Sold      | 0.00                      | 0.00                      |
| Accrual of Interest Income           | 1,234,510.24              | 1,234,510.24              |
| Interest and Management Fees Payable | -870,403.73               | -870,403.73               |
| Payable for Investments Purchased    | 0.00                      | 0.00                      |
| Accrued Expenses & Taxes             | -3,026.84                 | -3,026.84                 |
| Repurchase Agreements                | 308,060,000.00            | 308,060,000.00            |
| Commercial Paper                     | 1,185,116,464.64          | 1,185,409,904.45          |
| Bank Instruments                     | 55,019,520.87             | 55,049,315.00             |
| Mutual Fund Investments              | 309,018,802.03            | 309,018,802.03            |
| Government Securities                | 59,397,650.98             | 59,362,210.65             |
| Variable Rate Notes                  | 321,411,165.89            | 321,517,519.00            |
| <b>Total</b>                         | <b>\$2,238,284,438.83</b> | <b>\$2,238,678,585.45</b> |

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 Prime. The assets of TexPool Prime are the only source of payments to the Participants. 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  | 87                     | \$1,175,662,945.64 |
| Higher Education | 9                      | \$185,446,300.78   |
| Healthcare       | 10                     | \$34,266,835.36    |
| Utility District | 9                      | \$153,671,415.27   |
| City             | 43                     | \$378,861,451.60   |
| County           | 25                     | \$177,847,734.03   |
| Other            | 24                     | \$152,477,537.66   |





## TEXPOOL PRIME

### Daily Summary

| Date            | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor    | TexPool Prime Invested Balance | NAV            | WAM Days  | WAL Days  |
|-----------------|-----------------------------------|--------------------|--------------------------------|----------------|-----------|-----------|
| 6/1             | 0.5431%                           | 0.000014879        | \$2,112,329,888.88             | 1.00020        | 40        | 50        |
| 6/2             | 0.5409%                           | 0.000014816        | \$2,106,808,820.02             | 1.00020        | 40        | 50        |
| 6/3             | 0.5514%                           | 0.000015108        | \$2,082,401,006.62             | 1.00016        | 43        | 53        |
| 6/4             | 0.5514%                           | 0.000015108        | \$2,082,401,006.62             | 1.00016        | 43        | 53        |
| 6/5             | 0.5514%                           | 0.000015108        | \$2,082,401,006.62             | 1.00016        | 43        | 53        |
| 6/6             | 0.5463%                           | 0.000014967        | \$2,079,732,289.05             | 1.00020        | 40        | 50        |
| 6/7             | 0.5462%                           | 0.000014864        | \$2,080,574,280.70             | 1.00019        | 40        | 50        |
| 6/8             | 0.5495%                           | 0.000015056        | \$2,085,838,897.19             | 1.00021        | 40        | 49        |
| 6/9             | 0.5510%                           | 0.000015097        | \$2,095,589,357.92             | 1.00020        | 40        | 50        |
| 6/10            | 0.5454%                           | 0.000014943        | \$2,133,997,834.01             | 1.00018        | 41        | 50        |
| 6/11            | 0.5454%                           | 0.000014943        | \$2,133,997,834.01             | 1.00018        | 41        | 50        |
| 6/12            | 0.5454%                           | 0.000014943        | \$2,133,997,834.01             | 1.00018        | 41        | 50        |
| 6/13            | 0.5528%                           | 0.000015145        | \$2,118,339,862.35             | 1.00021        | 39        | 48        |
| 6/14            | 0.5417%                           | 0.000014840        | \$2,168,616,501.92             | 1.00020        | 38        | 46        |
| 6/15            | 0.5512%                           | 0.000015101        | \$2,127,285,292.57             | 1.00020        | 40        | 48        |
| 6/16            | 0.5518%                           | 0.000015119        | \$2,138,048,484.95             | 1.00020        | 39        | 47        |
| 6/17            | 0.5520%                           | 0.000015123        | \$2,112,431,979.46             | 1.00018        | 41        | 51        |
| 6/18            | 0.5520%                           | 0.000015123        | \$2,112,431,979.46             | 1.00018        | 41        | 51        |
| 6/19            | 0.5520%                           | 0.000015123        | \$2,112,431,979.46             | 1.00018        | 41        | 51        |
| 6/20            | 0.5629%                           | 0.000015423        | \$2,109,482,820.22             | 1.00020        | 40        | 49        |
| 6/21            | 0.5549%                           | 0.000015204        | \$2,106,145,659.08             | 1.00020        | 40        | 48        |
| 6/22            | 0.5556%                           | 0.000015223        | \$2,105,854,467.46             | 1.00019        | 39        | 48        |
| 6/23            | 0.5580%                           | 0.000015288        | \$2,122,861,860.71             | 1.00019        | 38        | 47        |
| 6/24            | 0.5702%                           | 0.000015621        | \$2,188,787,089.75             | 1.00017        | 38        | 46        |
| 6/25            | 0.5702%                           | 0.000015621        | \$2,188,787,089.75             | 1.00017        | 38        | 46        |
| 6/26            | 0.5702%                           | 0.000015621        | \$2,188,787,089.75             | 1.00017        | 38        | 46        |
| 6/27            | 0.5814%                           | 0.000015930        | \$2,172,233,366.35             | 1.00019        | 38        | 46        |
| 6/28            | 0.5701%                           | 0.000015620        | \$2,155,835,619.48             | 1.00018        | 38        | 46        |
| 6/29            | 0.5698%                           | 0.000015612        | \$2,175,291,520.30             | 1.00019        | 38        | 45        |
| 6/30            | 0.5656%                           | 0.000015497        | \$2,238,284,438.83             | 1.00018        | 36        | 43        |
| <b>Average:</b> | <b>0.5550%</b>                    | <b>0.000015206</b> | <b>\$2,128,400,237.91</b>      | <b>1.00019</b> | <b>40</b> | <b>49</b> |



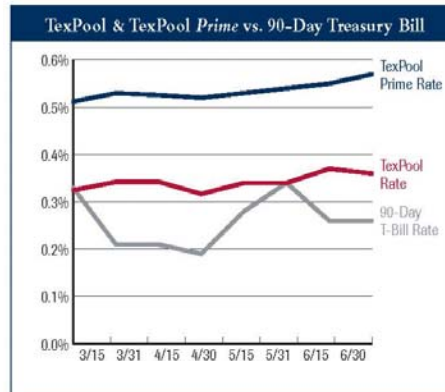


Participant Services  
1001 Texas Ave. 14th Floor  
Houston, TX 77002

But liquidity was never an issue—even participation in the reverse repo facility was not out of the norm. After the shock of the referendum began to dissipate, typical quarter-end pressures clearly became the dominating factor for rates. The Independence Day holiday weekend is a complication, but operations will likely return to business-as-usual July 5. Also, it is important to keep in mind that the U.K.'s extrication from the EU will be a drawn-out process, probably over two years. Nothing is going to happen quickly.

There are several long-term implications of Brexit. Money market funds registered in the U.K. will have to review the situation, but the vast majority are not domiciled there. As is the case with most firms, we will closely monitor and frequently assess the credit of U.K. banks, which we use and will continue to use. If it looks like the world is renegotiating in a way that's problematic for them, we will take that into account as we update our credit views.

Then there's the Federal Reserve. Cash managers would love this to be a medium-term and not a long-term issue. The outlook before the British vote was for a September move, and the London interbank offered rate (Libor) reflected that. But the shock of the Leave vote sunk that chance and pushed Libor down. We have not changed our Weighted Average Maturity (WAM) target ranges and have found value in some longer-dated fixed pieces. However, we think a rate hike is not off the table for 2016, just that the bar has been raised considerably. If the U.S. labor market returns to its recent strength and other economic data impresses, the Fed could well navigate through the headwinds.



*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.*