

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

June 2013

	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	POSITIVE	B
Property Tax Collection Analysis	NEUTRAL	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
<b>ENTERPRISE FUND</b>			
Water Billing Analysis	NEGATIVE	NEGATIVE	F
Sewer Billing Analysis	NEGATIVE	POSITIVE	G
Expense Analysis	POSITIVE	NEGATIVE	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	NEGATIVE	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:**

<b>POSITIVE</b>
<b>NEGATIVE</b>
<b>NEUTRAL</b>

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 30, 2013

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,087,063	4,011,751	98.16%	98.87%
Penalties & Interest	55,000	28,301	51.46%	80.59%
Sales Tax	1,365,000	1,079,993	79.12%	72.14%
Franchise Tax	665,000	528,804	79.52%	79.76%
Other Tax	75,000	52,768	70.36%	44.02%
License & Permits	200,000	145,441	72.72%	71.98%
Charges for Services	55,000	29,557	53.74%	60.12%
DOT Fines	100,000	40,132	40.13%	67.54%
Other Municipal Court Fees	608,500	272,065	44.71%	77.44%
Interest Income	3,228	2,940	91.08%	79.42%
Intergovernmental	512,896	364,479	71.06%	72.64%
Other Revenue	43,600	91,275	209.35%	77.46%
Transfers from Enterprise Fund	1,668,673	1,251,505	75.00%	75.00%
Payment for Services-EDC	<u>125,000</u>	<u>93,750</u>	<u>75.00%</u>	<u>75.00%</u>
<b>Total Revenues</b>	<b>9,563,960</b>	<b>7,992,761</b>	<b>83.57%</b>	<b>79.23%</b>

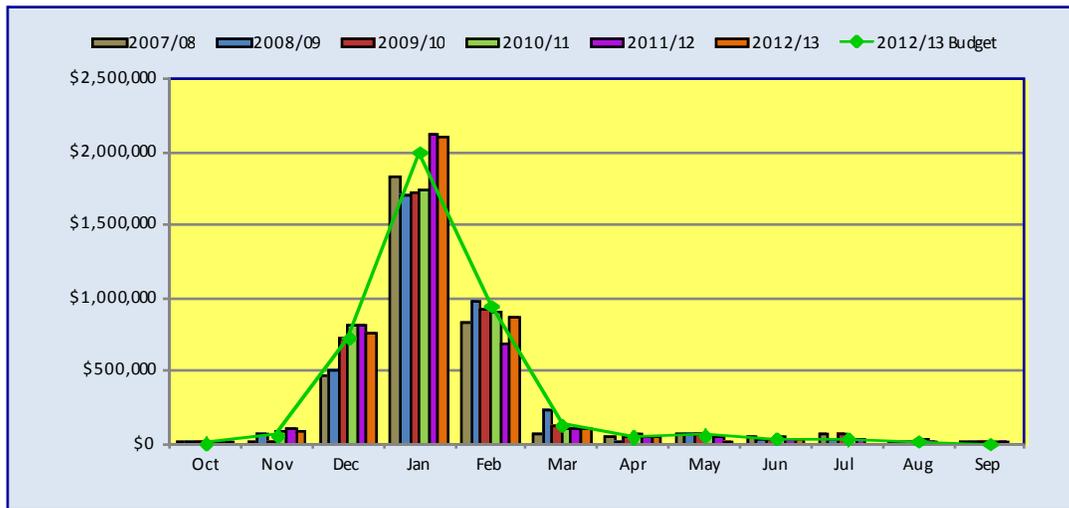
CHART B

## TOTAL EXPENDITURES THROUGH JUNE 30, 2013

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,256,116	4,376,265	69.95%	65.34%
Supplies	334,575	204,583	61.15%	52.73%
Services	2,588,599	1,780,349	68.78%	69.96%
Capital	210,895	89,079	42.24%	4.66%
Oper Transfer to Other Funds	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Total Expenditures</b>	<b>9,390,185</b>	<b>6,450,276</b>	<b>68.69%</b>	<b>64.52%</b>

CHART C

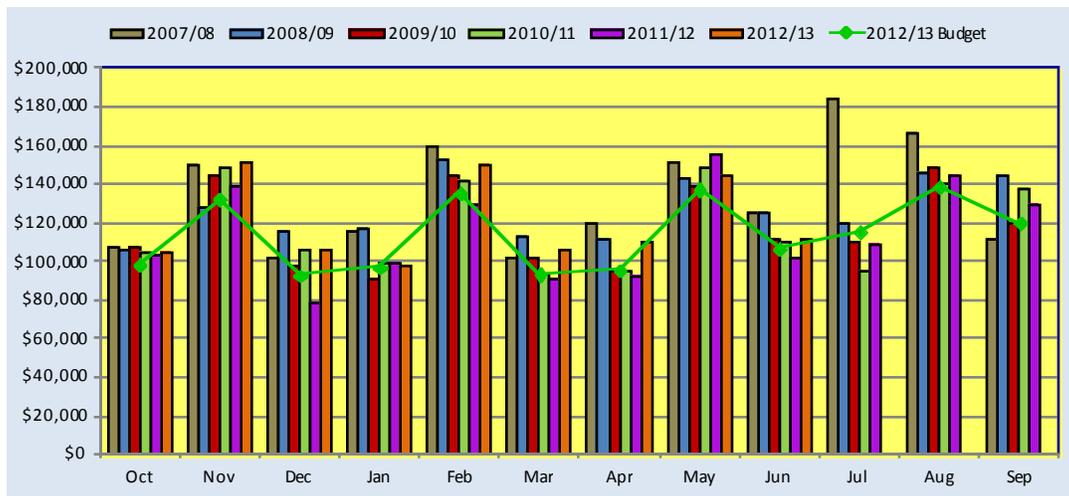
PROPERTY TAX ANALYSIS



2012/13 Budget is divided into months based on the monthly percentages of the last 5 years' collections.

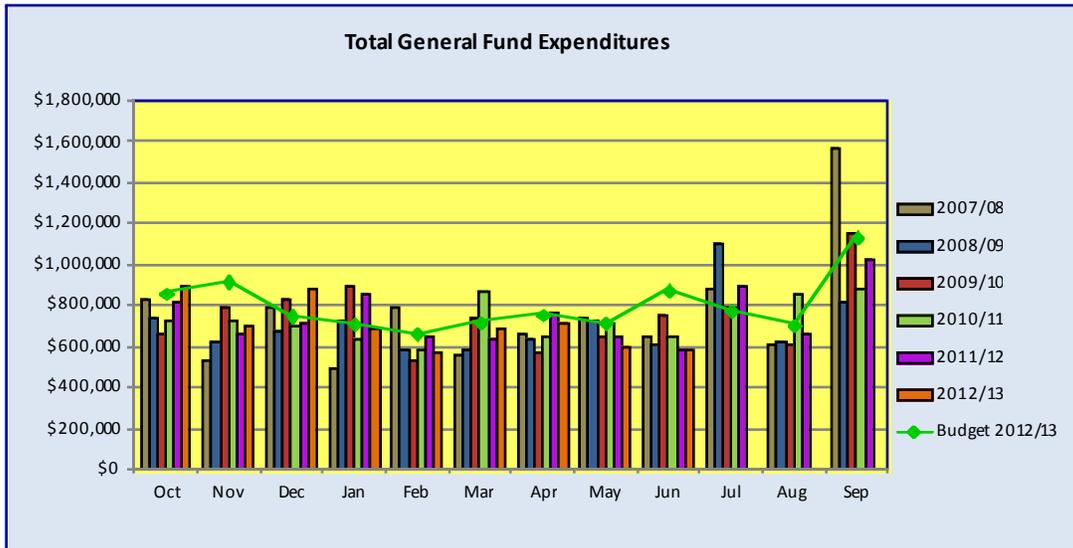
CHART D

SALES TAX ANALYSIS



2012/13 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



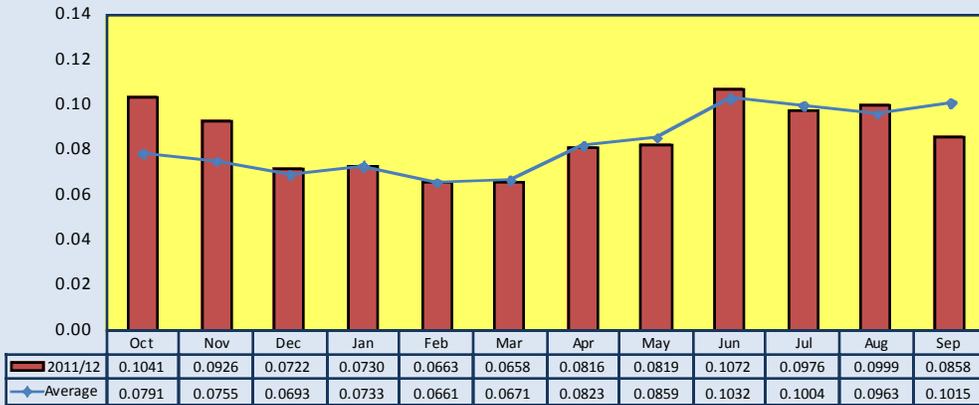
High expenditures in September 2008 are a result of Hurricane Ike.  
High expenditures in September 2010 are due to city hall A/C replacement.



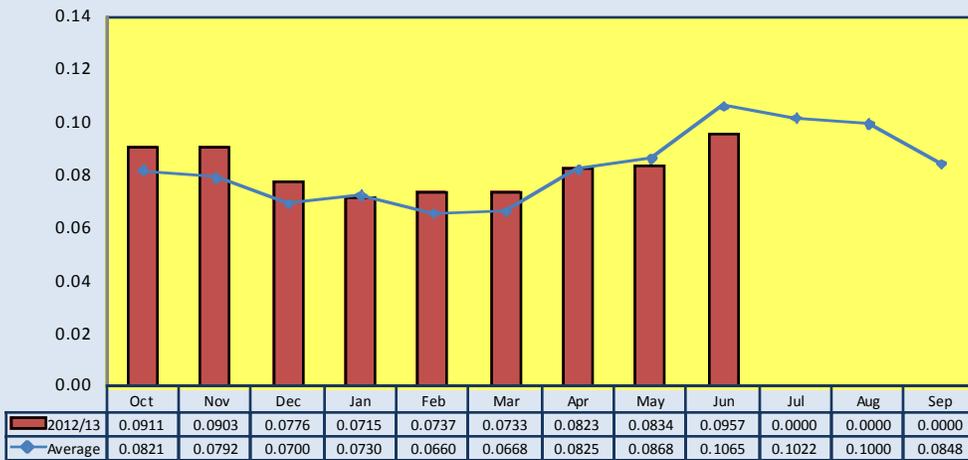
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.  
2011/12 Percent of Budgeted Billings

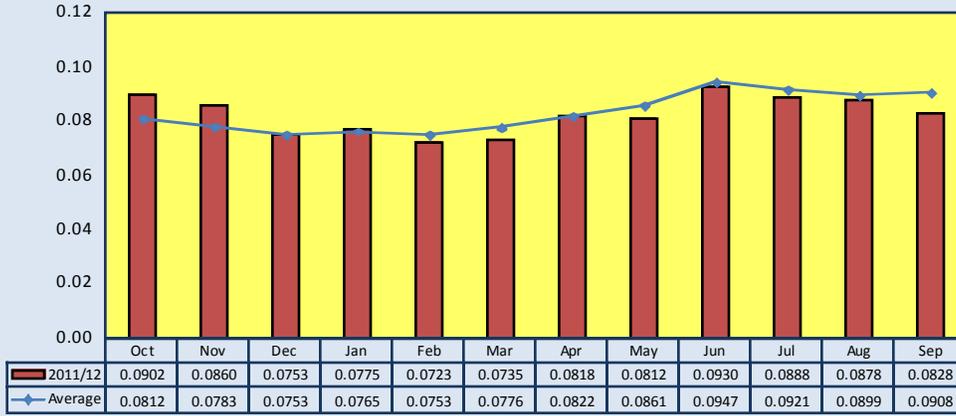


Average Percent of Water Billings by Month vs.  
2012/13 Percent of Budgeted Billings

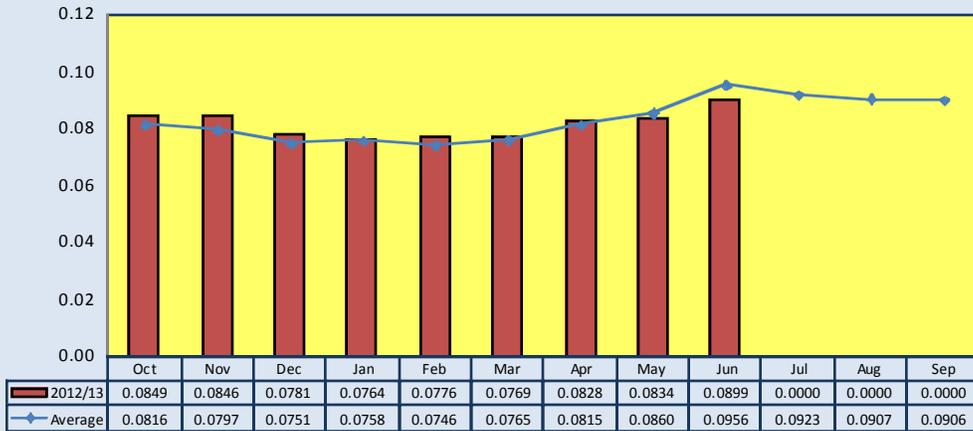


WASTEWATER BILLING ANALYSIS

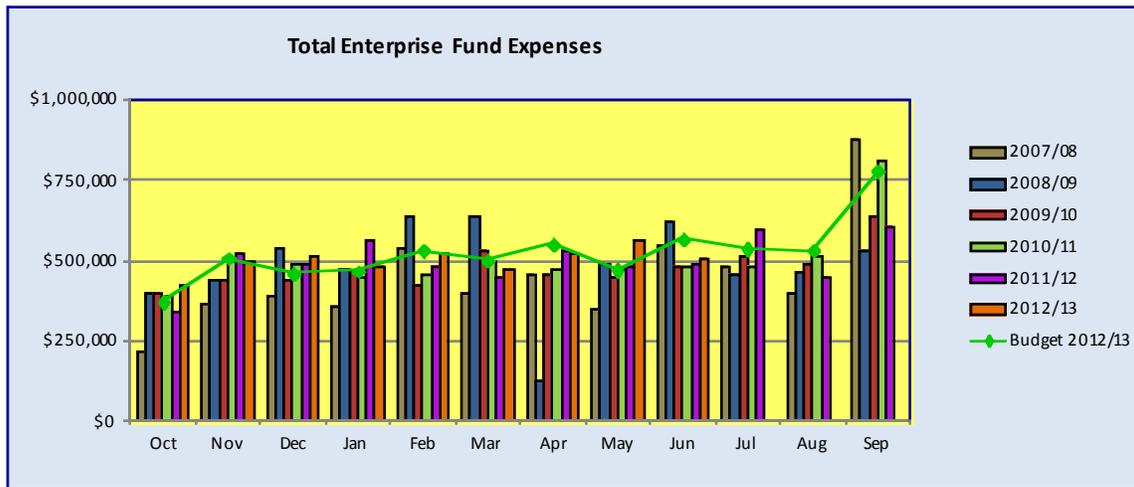
**Average Percent of Wastewater Billings by Month vs. 2011/12 Percent of Budgeted Billings**



**Average Percent of Wastewater Billings by Month vs. 2012/13 Percent of Budgeted Billings**



EXPENDITURE ANALYSIS



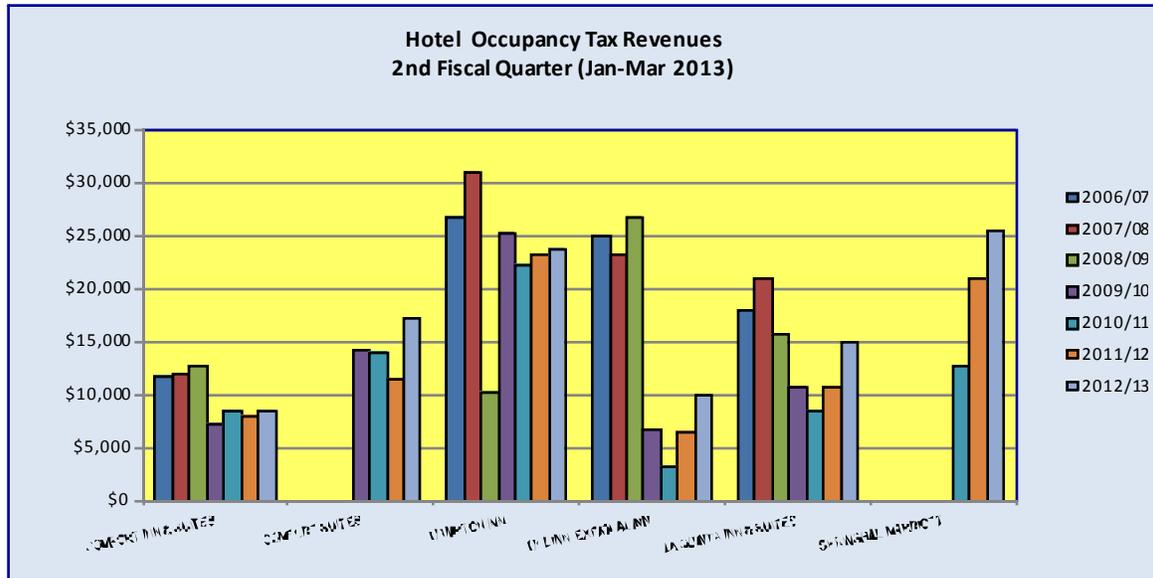
Low expenses April 2009 due to TML insurance reimbursement for IKE

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

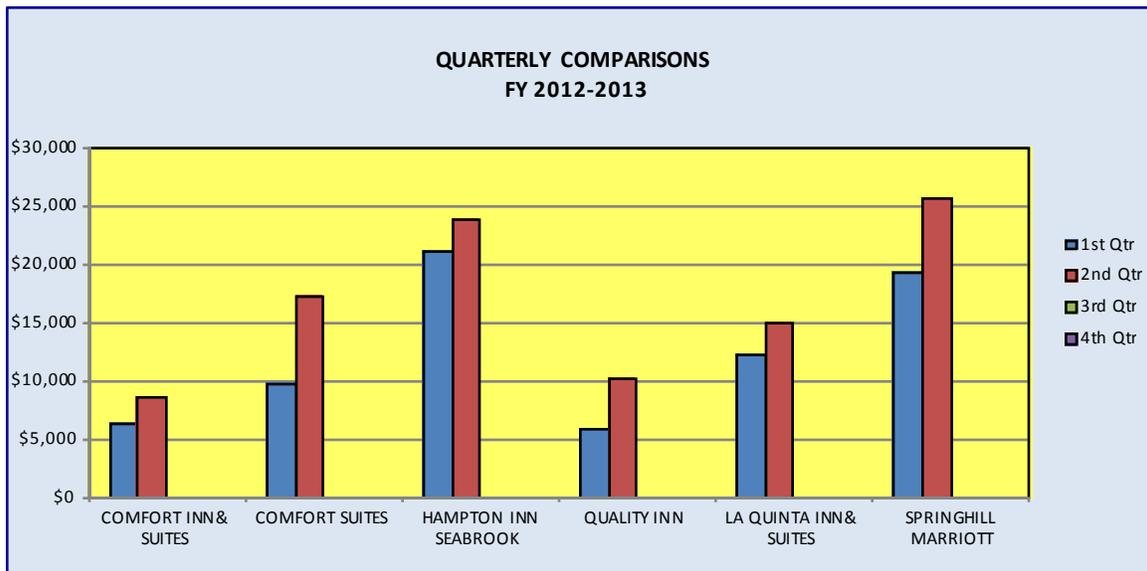


\*Comfort Suites-Bayport Blvd. opened 2008/09

\*\* Springhill Marriott opened last quarter 2010

CHART J

## HOTEL TAX REVENUE



# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

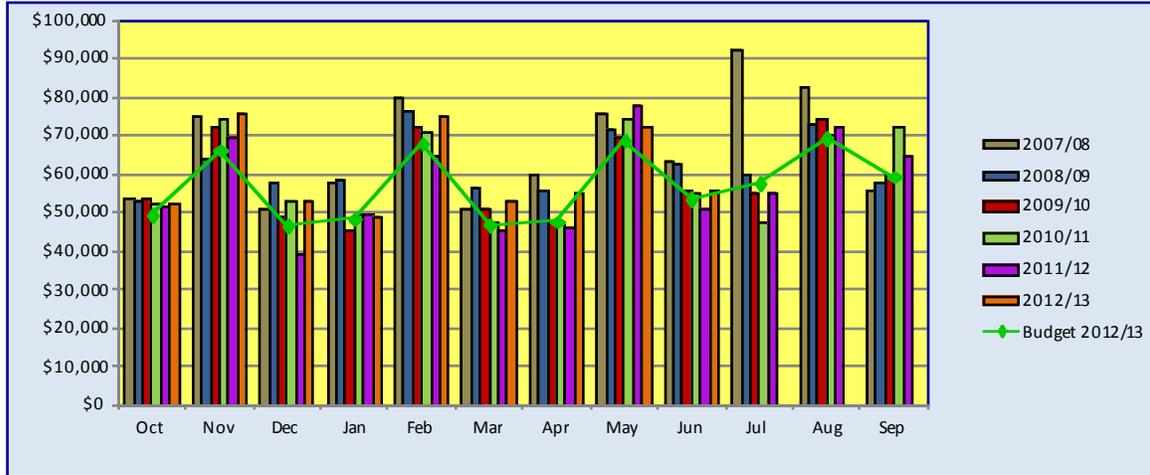
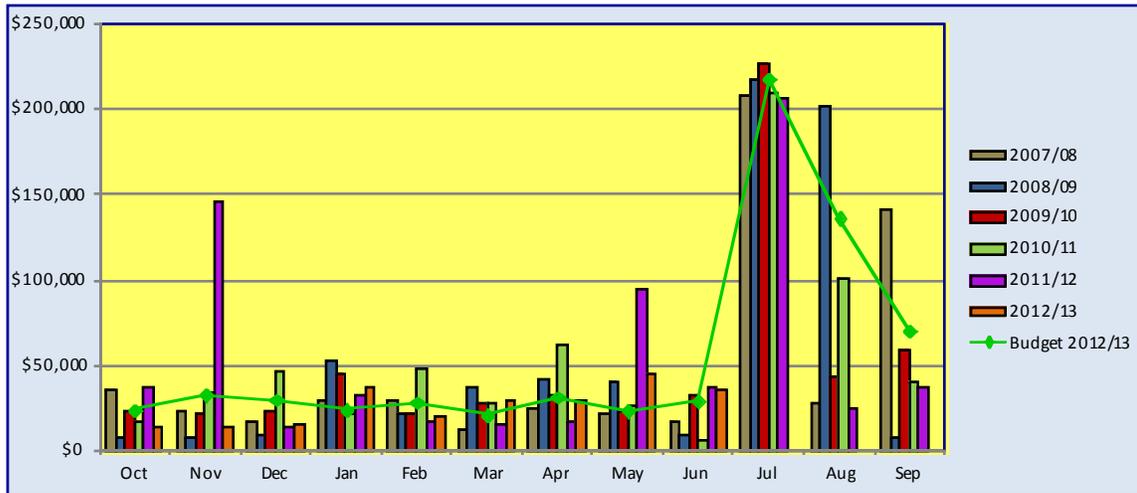


CHART L

## EXPENDITURE ANALYSIS



2012/13 expenditure budget above does include \$900k appropriated for the Waterfront Project.  
 High exp in Nov 2011 was due to Gateway sign.



# INVESTMENTS



CHART O

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF JUNE 2013

0.0576%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted June)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,562,440.64	(93,753.76)	218.48	4,468,905.36	Working capital
ENTERPRISE FUND - UNRESTRIC	3,049,343.65	208,746.80	158.55	3,258,249.00	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,230,614.49	0.00	105.67	2,230,720.16	Water & sewer lines extensions & expansions
PARK FEES	15,713.13	0.00	0.74	15,713.87	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,117.15	0.00	0.72	15,117.87	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	136,241.08	0.00	6.45	136,247.53	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	767,076.34	0.00	36.34	767,112.68	Restricted for promotion of tourism
DEBT SERVICE FUND	2,881,931.60	(9,639.66)	136.10	2,872,428.04	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	381,928.73	0.00	18.10	381,946.83	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	544,247.20	(150,000.00)	22.93	394,270.13	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	39.71	0.00	0.00	39.71	Funds transferred from Bond Mkt Acct to allow liquidity
PINE GULLY PARK BONDS	0.00	0.00	0.00	0.00	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	5,908.89	0.00	0.28	5,909.17	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	232,545.01	0.00	11.02	232,556.03	
CRIME DISTRICT	85,354.69	(1,108.65)	3.99	84,250.03	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	2,004,387.36	45,755.27	115.21	2,050,257.84	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONI	223,755.00	0.00	incl in above	223,755.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	64,063.97	0.00	3.03	64,067.00	
PUBLIC SAFETY	65,139.53	0.00	3.09	65,142.62	
MUNI COURT - SECURITY FUND	25,650.90	0.00	1.22	25,652.12	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	10,032.11	0.00	0.48	10,032.59	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	8,481.14	0.00	0.40	8,481.54	
STABILIZATION FUND	801,161.20	0.00	37.95	801,199.15	
<b>TOTAL TEXPOOL FUND</b>	<b>18,591,173.52</b>	<b>(0.00)</b>	<b>880.75</b>	<b>\$18,592,054.27</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

# TEXPOOL

## ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in June 2013:

- TexPool
- City of Edinburg
- Dickinson EDC
- Orange County Navigation & Port District

- TexPool Prime
- City of Dallas

## Upcoming Events

07/21/13 - 07/23/13  
TASSCUBO Summer Conference,  
Grapevine

08/28/13 - 08/30/13  
TAC Conference,  
Austin

## TexPool Advisory Board Members

R.C. Allen	LaVonne Mason
Pati Buchenau	John McGrane
Jose Elizondo, Jr.	Clay McPhail
Ron Leverett	Vivian Wood

Overseen by the State of Texas Comptroller of Public Accounts Susan Combs.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company.

## Additional information regarding TexPool is available upon request:

www.texpool.com  
1-866-839-7665  
(1-866-TEX-POOL)  
Fax: 866-839-3291

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## Monthly Newsletter July 2013

# Economic and Market Commentary

## Month in Cash: Second Guessing the Fed

July 1, 2013

Federal Reserve Chairman Ben Bernanke's delivery of his opening statement as the Federal Open Market Committee (FOMC) wrapped up its two-day meeting on June 19 did not flow as smoothly as his past post-FOMC presentations, giving a sense he might not have been fully on board with the language he was asked to read. The statement was, however, a representation of sentiment across the policy-setting committee. It was also in line with what we've been saying for some time—while it's not being reflected in inflationary levels, keeping rates this low for so long is dangerous, and in light of the progress we've seen in the economic recovery this year, tapering of quantitative easing measures is likely to start in the second half of 2013. It's important to note, as Bernanke did in his press conference, that tapering of QE does not amount to tightening of monetary policy—it's just reduced easing. Further, the Fed cutting back on purchases of Treasury bonds and mortgage-backed securities is not slamming on the brakes, it's more like easing off the accelerator. The strategy can be adjusted, or even reversed, if economic data starts turning downward again.

Despite a steady stream of indications over the past few months that the Fed was heading down this path, many were taken aback by the Fed chairman's openness. Nobody likes surprises, and ripple effects spread quickly across all sectors of the markets. Luckily, the upheaval being seen in the bond markets hasn't played through to the money market yield curve. Rates at the short end have suffered by just a couple basis points, with the London interbank offered rates (Libor) curve steepening out one to three basis points in some places—minor effects compared with what is happening in the ten-year range of the bond market.

The scramble in the markets to react, and even overreact, to the Fed's moves also presented a buying opportunity. Federal funds futures had for some time been pricing in adjustments to the federal funds rate to take place somewhere around the beginning of 2015, but during the past month, those futures contracts have slid forward, toward an anticipated mid-late 2014 adjustment to rates. The opportunity comes because that move might not be warranted—Bernanke made it clear that QE and the federal funds rate are two different issues, and a change to the actual target rate was still "far in the future." In the period since the FOMC statement and Bernanke's press conference, two separate Fed officials have stepped forward to warn that these moves were out of line with the Fed's thinking.

(continued page 6)

## PERFORMANCE AS OF JUNE 30, 2013

	TexPool	TexPool Prime
Current Invested Balance	\$15,433,155,551.05	\$998,192,422.65
Weighted Average Maturity (1)*	52 Days	43 Days
Weighted Average Maturity (2)*	77 Days	53 Days
Net Asset Value	1.00003	1.00006
Total Number of Participants	2,288	161
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$738,408.03	\$71,919.49
Management Fee Collected	\$607,509.08	\$52,376.46
Standard & Poor's Current Rating	AAAm	AAAm

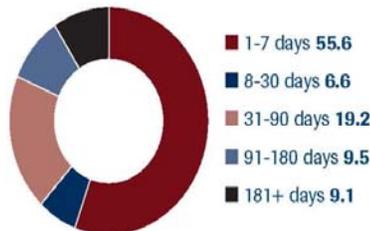
## Month Averages

Average Invested Balance	\$15,594,799,438.49	\$996,943,060.85
Average Monthly Yield, on a simple basis (3)*	0.06%	0.09%
Average Weighted Average Maturity (1)*	52 Days	41 Days
Average Weighted Average Maturity (2)*	78 Days	52 Days

\*Definitions for Average Monthly Yield and Weighted Average Maturity can be found on page 2.

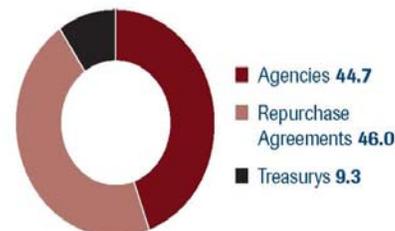
## Portfolio by Maturity (%)

As of June 30, 2013



## Portfolio by Type of Investment (%)

As of June 30, 2013



### PORTFOLIO ASSET SUMMARY AS OF JUNE 30, 2013

	Book Value	Market Value
Uninvested Balance	-\$608,163.30	-\$608,163.30
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	17903,813.45	17903,813.45
Interest and Management Fees Payable	-738,019.47	-738,019.47
Payable for Investments Purchased	-150,000,000.00	-150,000,000.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	7,156,496,000.00	7,156,390,250.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,956,251,074.12	6,956,932,639.15
US Treasury Bills	0.00	0.00
US Treasury Notes	1,453,850,846.25	1,453,824,297.12
<b>Total</b>	<b>\$15,433,155,551.05</b>	<b>\$15,433,704,816.96</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	571	\$5,229,971,002.86
Higher Education	56	\$1,178,468,036.01
Healthcare	80	\$540,488,360.35
Utility District	700	\$1,706,436,901.89
City	446	\$4,212,998,415.51
County	174	\$1,330,286,392.01
Other	281	\$1,234,489,457.76

#### Definition of Weighted Average Maturity (1) & (2)

\*(1) "WAM Days" 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.

\*(2) "WAM Days" is calculated in the same manner as the described in footnote 1, 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.

#### Definition of Average Monthly Yield (3)

\*(3) This current yield for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

# TEXPOOL

## DAILY SUMMARY

Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
06/01	0.0665%	0.000001821	\$15,897,688,295.26	1.00007	53	80
06/02	0.0665%	0.000001821	\$15,897,688,295.26	1.00007	53	80
06/03	0.0621%	0.000001701	\$15,708,952,621.43	1.00008	51	78
06/04	0.0653%	0.000001788	\$15,741,517,302.92	1.00009	54	79
06/05	0.0595%	0.000001629	\$15,642,516,790.68	1.00009	54	80
06/06	0.0593%	0.000001625	\$15,642,190,166.32	1.00009	53	79
06/07	0.0605%	0.000001657	\$15,563,724,003.10	1.00009	53	79
06/08	0.0605%	0.000001657	\$15,563,724,003.10	1.00009	53	79
06/09	0.0605%	0.000001657	\$15,563,724,003.10	1.00009	53	79
06/10	0.0555%	0.000001521	\$15,614,778,227.60	1.00009	51	78
06/11	0.0507%	0.000001388	\$15,592,558,729.90	1.00009	52	78
06/12	0.0535%	0.000001466	\$15,555,740,310.31	1.00008	52	79
06/13	0.0534%	0.000001463	\$15,590,135,406.78	1.00009	51	78
06/14	0.0543%	0.000001489	\$15,647,299,455.69	1.00009	51	80
06/15	0.0543%	0.000001489	\$15,647,299,455.69	1.00009	51	80
06/16	0.0543%	0.000001489	\$15,647,299,455.69	1.00009	51	80
06/17	0.0563%	0.000001543	\$15,662,968,064.61	1.00009	49	77
06/18	0.0604%	0.000001655	\$15,603,191,917.15	1.00007	49	77
06/19	0.0557%	0.000001527	\$15,584,306,182.38	1.00008	50	77
06/20	0.0541%	0.000001483	\$15,563,506,738.52	1.00007	50	78
06/21	0.0542%	0.000001484	\$15,480,171,343.77	1.00008	50	78
06/22	0.0542%	0.000001484	\$15,480,171,343.77	1.00008	50	78
06/23	0.0542%	0.000001484	\$15,480,171,343.77	1.00008	50	78
06/24	0.0566%	0.000001552	\$15,413,596,183.96	1.00007	51	78
06/25	0.0511%	0.000001400	\$15,668,345,499.78	1.00006	51	77
06/26	0.0483%	0.000001323	\$15,518,669,137.09	1.00006	52	78
06/27	0.0489%	0.000001339	\$15,572,582,224.06	1.00007	52	77
06/28	0.0662%	0.000001813	\$15,433,155,551.05	1.00003	52	77
06/29	0.0662%	0.000001813	\$15,433,155,551.05	1.00003	52	77
06/30	0.0662%	0.000001813	\$15,433,155,551.05	1.00003	52	77
<b>Average</b>	<b>0.0576%</b>	<b>0.000001579</b>	<b>\$15,594,799,438.49</b>	<b>1.00008</b>	<b>52</b>	<b>78</b>

# TEXPOOL PRIME

July 2013

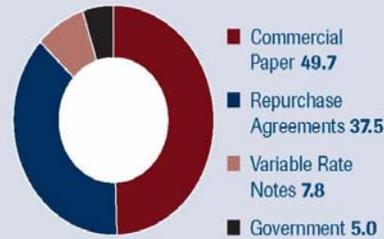
## Portfolio by Maturity (%)

As of June 30, 2013



## Portfolio by Type of Investment (%)

As of June 30, 2013



### PORTFOLIO ASSET SUMMARY AS OF JUNE 30, 2013

	Book Value	Market Value
Uninvested Balance	-\$575,780.38	-\$575,780.38
Accrual of Interest Income	379,823.92	379,823.92
Interest and Management Fees Payable	-71,920.77	-71,920.77
Payable for Investments Purchased	-10,000,000.00	-10,000,000.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	378,516,000.00	378,516,000.00
Commercial Paper	500,675,089.96	500,710,213.50
Bank Instruments	0.00	0.00
Mutual Fund Investments	0.00	0.00
Government Securities	70,469,209.92	70,485,440.00
Variable Rate Notes	58,800,000.00	58,804,740.00
<b>Total</b>	<b>\$908,192,422.65</b>	<b>\$908,248,516.27</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	72	\$421,358,793.10
Higher Education	8	\$52,058,978.69
Healthcare	8	\$37,711,731.97
Utility District	5	\$45,674,626.15
City	31	\$124,215,655.56
County	19	\$154,272,846.24
Other	18	\$162,898,159.47

# TEXPOOL PRIME

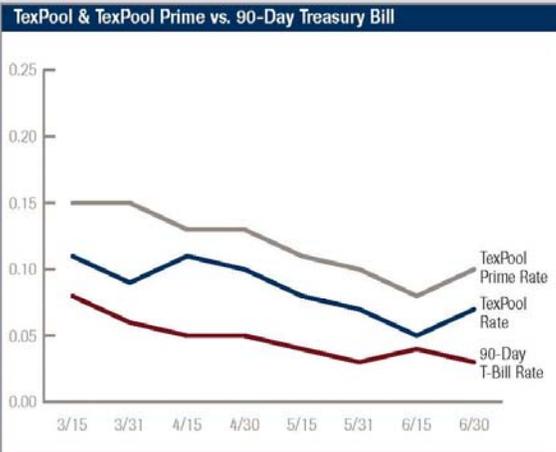
DAILY SUMMARY						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Prime Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
06/01	0.1036%	0.000002839	\$1,002,605,176.09	1.00007	41	53
06/02	0.1036%	0.000002839	\$1,002,605,176.09	1.00007	41	53
06/03	0.1033%	0.000002829	\$1,002,073,089.68	1.00008	38	51
06/04	0.1081%	0.000002962	\$1,001,014,535.99	1.00007	38	50
06/05	0.0927%	0.000002540	\$998,703,156.37	1.00008	37	49
06/06	0.0947%	0.000002594	\$998,788,322.62	1.00008	36	49
06/07	0.0932%	0.000002554	\$997,501,468.84	1.00007	41	53
06/08	0.0932%	0.000002554	\$997,501,468.84	1.00007	41	53
06/09	0.0932%	0.000002554	\$997,501,468.84	1.00007	41	53
06/10	0.0775%	0.000002124	\$996,236,234.38	1.00007	39	51
06/11	0.0842%	0.000002307	\$995,784,875.38	1.00007	43	53
06/12	0.0846%	0.000002319	\$999,408,166.37	1.00007	42	52
06/13	0.0859%	0.000002353	\$999,660,207.98	1.00008	42	52
06/14	0.0832%	0.000002280	\$983,111,770.22	1.00007	43	54
06/15	0.0832%	0.000002280	\$983,111,770.22	1.00007	43	54
06/16	0.0832%	0.000002280	\$983,111,770.22	1.00007	43	54
06/17	0.0999%	0.000002738	\$989,134,330.53	1.00008	40	51
06/18	0.0822%	0.000002526	\$984,829,724.51	1.00008	40	50
06/19	0.0820%	0.000002246	\$987,957,774.40	1.00008	39	50
06/20	0.0707%	0.000001938	\$1,017,683,778.49	1.00007	38	48
06/21	0.0768%	0.000002104	\$1,002,043,075.87	1.00007	39	49
06/22	0.0768%	0.000002104	\$1,002,043,075.87	1.00007	39	49
06/23	0.0768%	0.000002104	\$1,002,043,075.87	1.00007	39	49
06/24	0.0822%	0.000002251	\$998,430,684.17	1.00007	40	50
06/25	0.0775%	0.000002123	\$999,379,994.54	1.00006	42	52
06/26	0.0651%	0.000001783	\$1,000,790,464.10	1.00007	43	53
06/27	0.0676%	0.000001853	\$1,000,659,920.98	1.00007	43	52
06/28	0.0995%	0.000002726	\$998,192,422.65	1.00006	43	53
06/29	0.0995%	0.000002726	\$998,192,422.65	1.00006	43	53
06/30	0.0995%	0.000002726	\$998,192,422.65	1.00006	43	53
<b>Average</b>	<b>0.0878%</b>	<b>0.000002405</b>	<b>\$996,943,060.85</b>	<b>1.00007</b>	<b>41</b>	<b>52</b>

# TEXPOOL

Participant Services  
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*(continued from page 1)*

Repo rates remained very, very low throughout June, ending the month in the one to three basis point range. A number of factors are coming together, however, as we head into July, to provide some expected relief. With the end of second quarter 2013, and some supply coming into the marketplace, we should see repos trading in the high single digits soon. Repos should also get some help, surprisingly, from the \$59.4 billion dividend payment from Fannie Mae to the U.S. Treasury. The Fannie Mae payment had initially been seen as a negative for repo rates, as it could reduce the Treasury's need for short-term financing, but the Treasury has since provided guidance that even with the influx of Fannie Mae money, it would still need to go to the markets for short-term cash. With that assurance, the net effect then is that Fannie Mae will be moving out of the cash market and the repo space, allowing some breathing room for others.



*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.*