



# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

May 2014

	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	NEGATIVE	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	NEGATIVE	NEGATIVE	E
<b>ENTERPRISE FUND</b>			
Water Billing Analysis	NEUTRAL	NEUTRAL	F
Sewer Billing Analysis	NEUTRAL	NEUTRAL	G
Expense Analysis	NEUTRAL	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	POSITIVE	POSITIVE	K
<b>CRIME DISTRICT</b>			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	NEGATIVE	NEGATIVE	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 MAY 31, 2014

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,296,867	4,186,510	97.43%	98.12%
Penalties & Interest	45,000	22,476	49.95%	62.53%
Sales Tax	1,442,840	1,010,834	70.06%	65.03%
Franchise Tax	665,000	539,350	81.11%	69.76%
Other Tax	92,000	62,192	67.60%	44.02%
License & Permits	120,000	127,449	106.21%	66.38%
Charges for Services	42,000	21,787	51.87%	37.90%
DOT Fines	60,000	5,559	9.27%	53.79%
Other Municipal Court Fees	380,000	246,338	64.83%	69.52%
Interest Income	5,065	698	13.78%	65.77%
Intergovernmental	523,428	327,769	62.62%	71.56%
Other Revenue	44,100	28,877	65.48%	74.72%
Transfers from Enterprise Fund	1,571,744	1,047,829	66.67%	66.67%
Payment for Services-EDC	<u>125,000</u>	<u>83,333</u>	<u>66.67%</u>	<u>66.67%</u>
Total Revenues	9,413,044	7,711,001	81.92%	79.23%

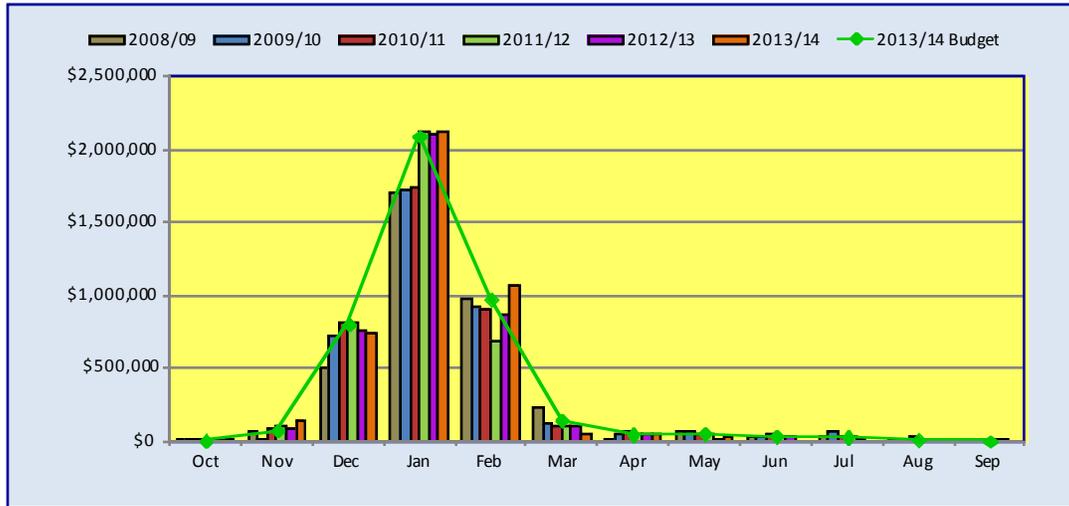
## CHART B

### TOTAL EXPENDITURES THROUGH APRIL 30, 2014

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,414,520	4,144,123	64.61%	65.31%
Supplies	302,702	188,287	62.20%	52.33%
Services	2,449,807	1,617,602	66.03%	65.28%
Capital	220,500	46,500	21.09%	26.56%
Oper Transfer to Other Funds	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>
Total Expenditures	9,387,529	5,996,511	63.88%	63.40%

CHART C

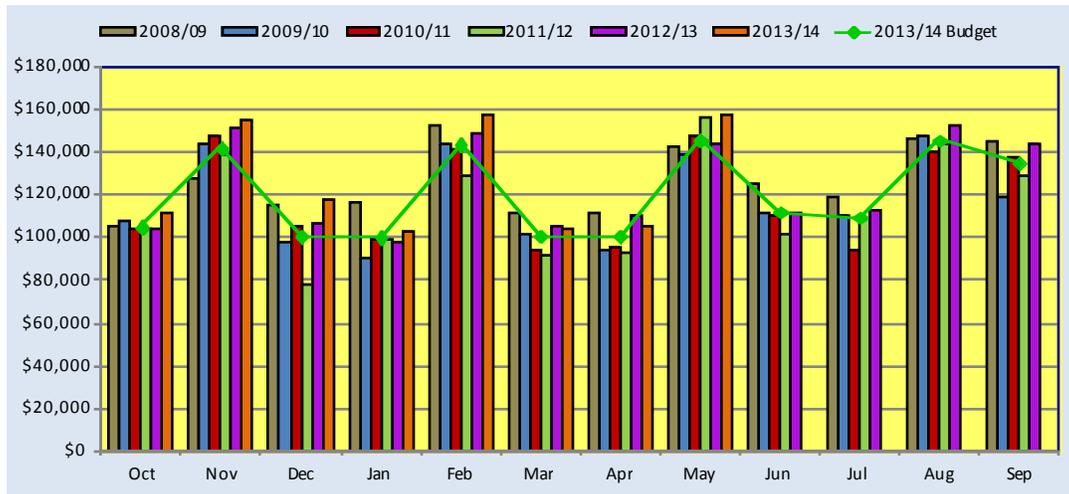
PROPERTY TAX ANALYSIS



2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' collections.

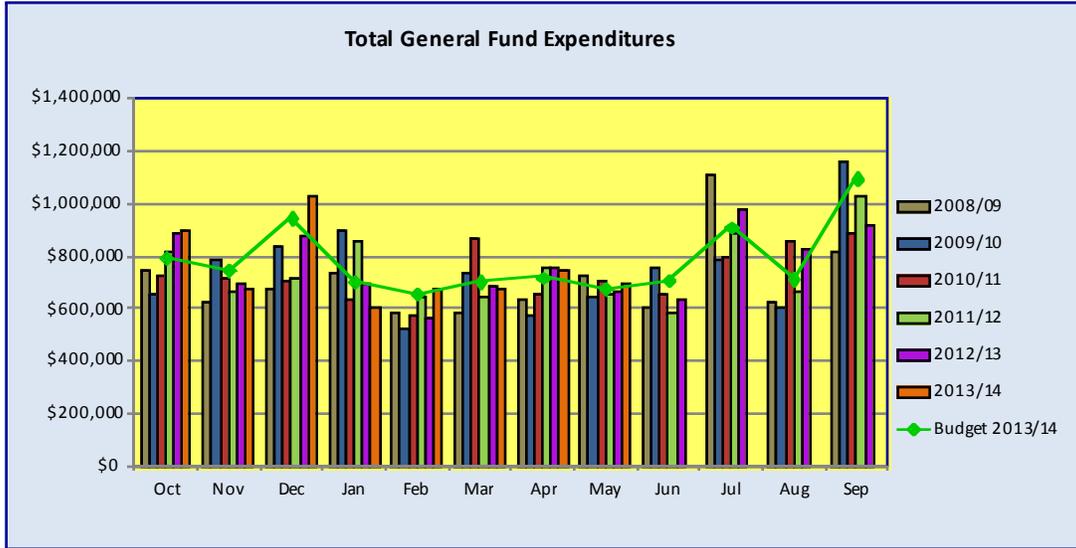
CHART D

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



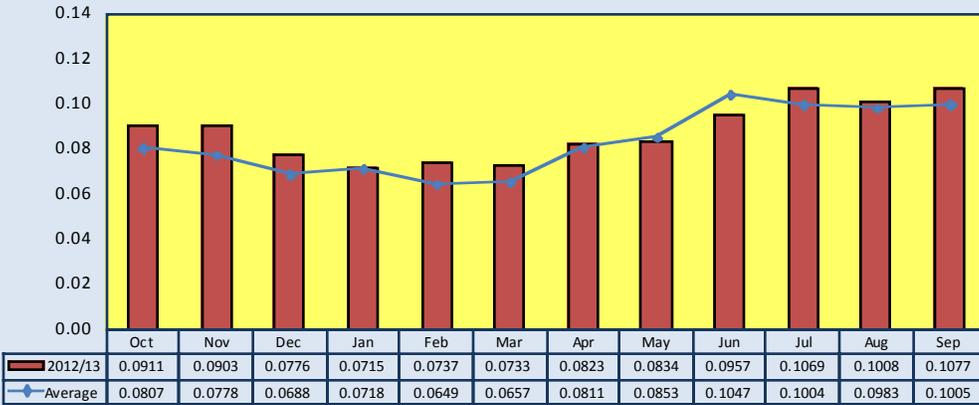
High expenditures in September 2008 are a result of Hurricane Ike.  
High expenditures in September 2010 are due to city hall A/C replacement.



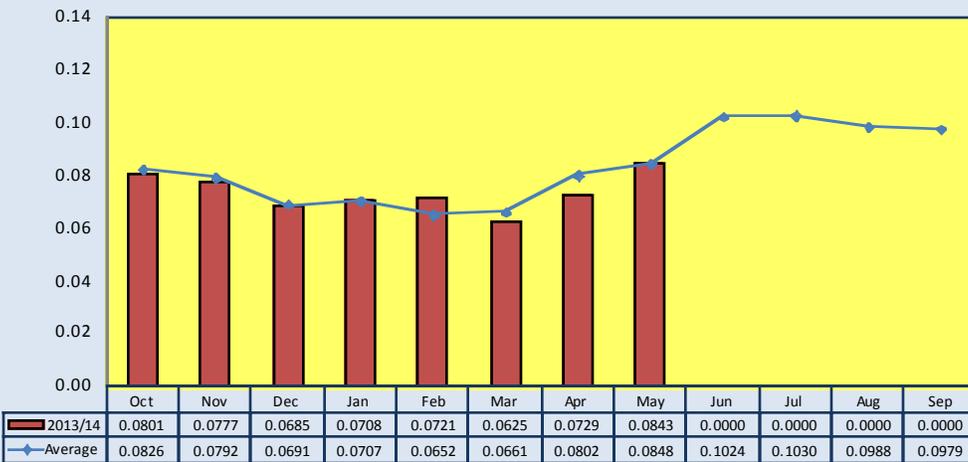
CHART F

WATER BILLING ANALYSIS

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

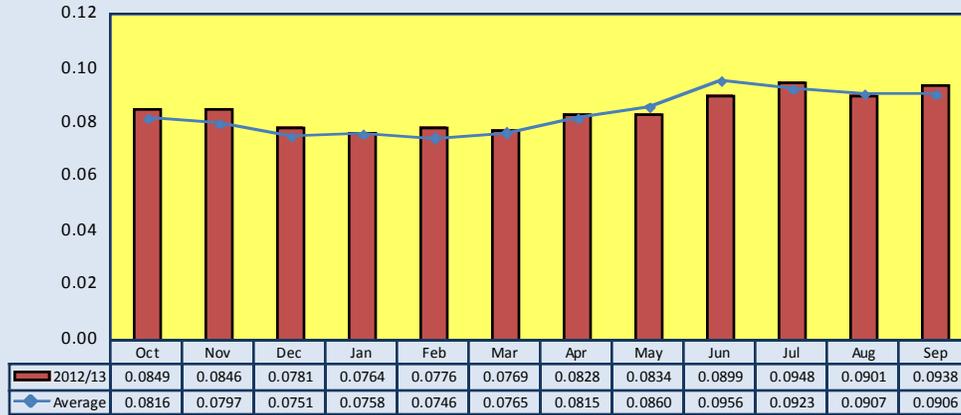


Average Percent of Water Billings by Month vs. 2013/14 Percent of Budgeted Billings

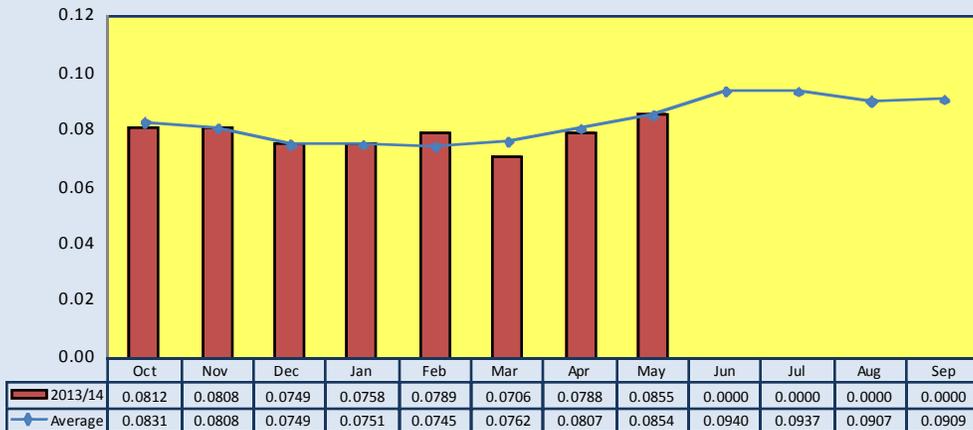


WASTEWATER BILLING ANALYSIS

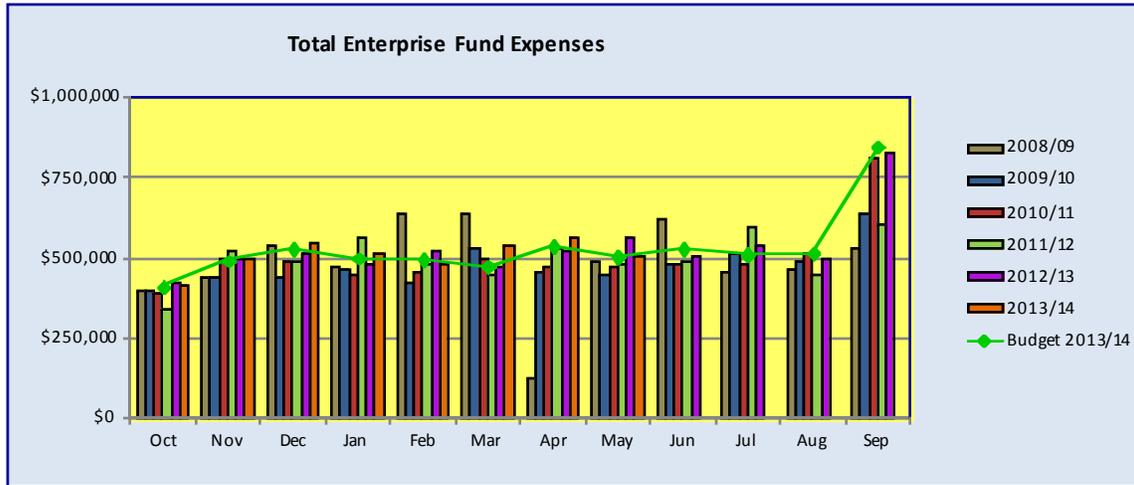
**Average Percent of Wastewater Billings by Month vs. 2012/13 Percent of Budgeted Billings**



**Average Percent of Wastewater Billings by Month vs. 2013/14 Percent of Budgeted Billings**



EXPENDITURE ANALYSIS



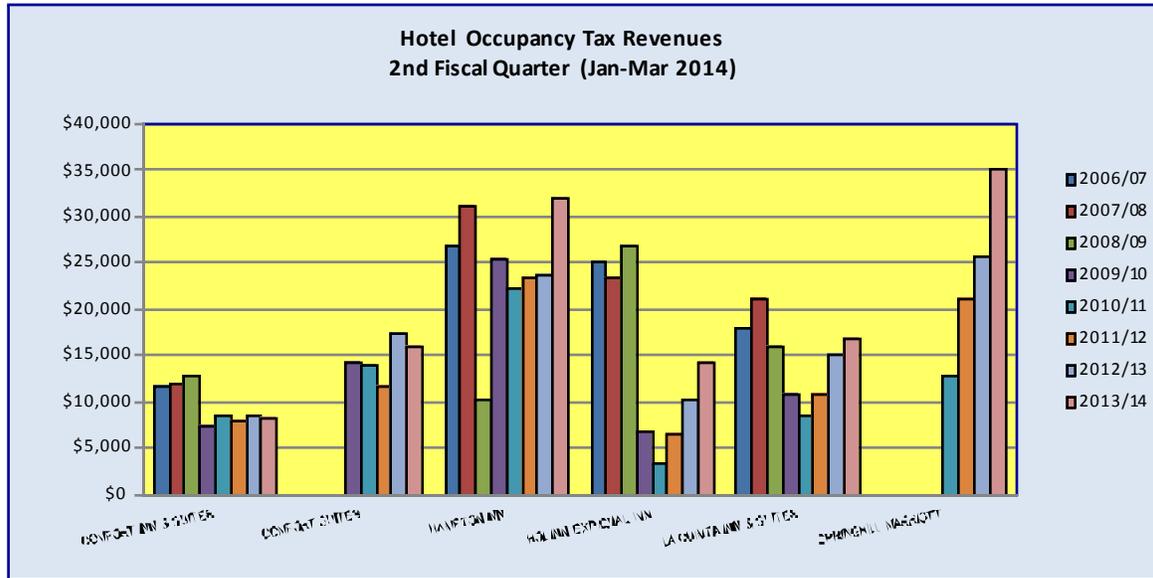
Low expenses April 2009 due to TML insurance reimbursement for IKE  
Sept 2013 and Nov 2013 EXCLUDE property acquisition

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

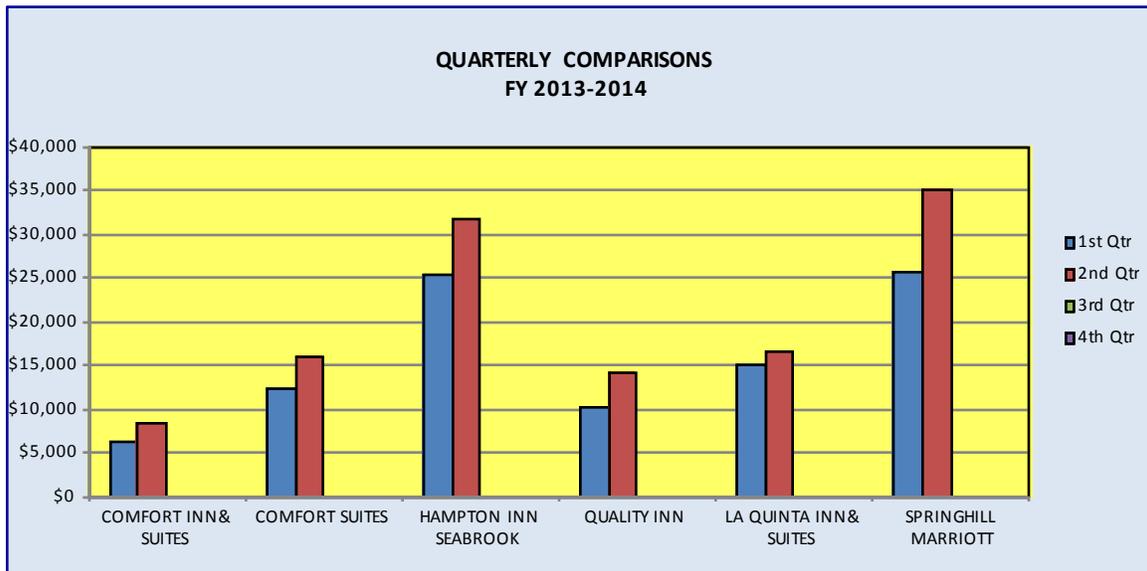


\*Comfort Suites-Bayport Blvd. opened 2008/09

\*\* Springhill Marriott opened last quarter 2010

CHART J

## HOTEL TAX REVENUE



# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

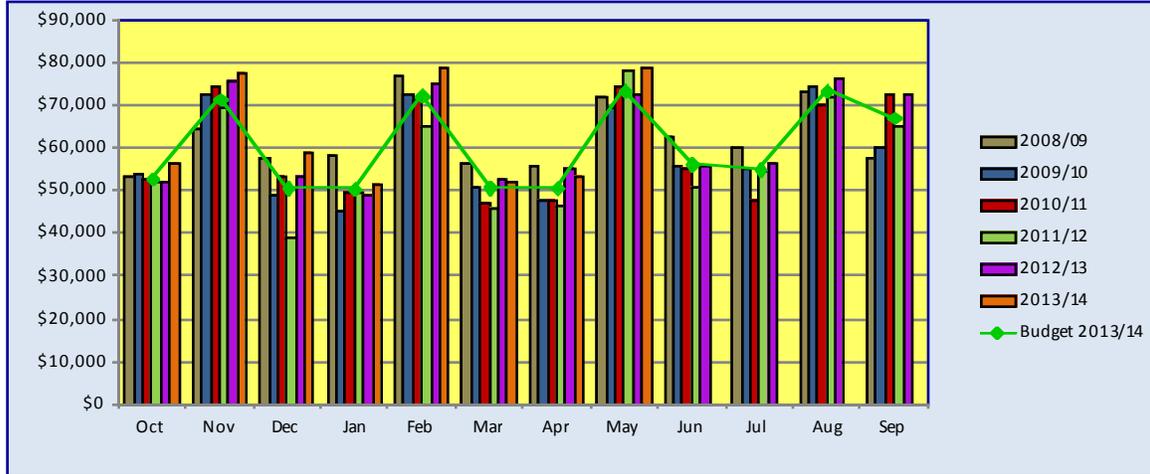
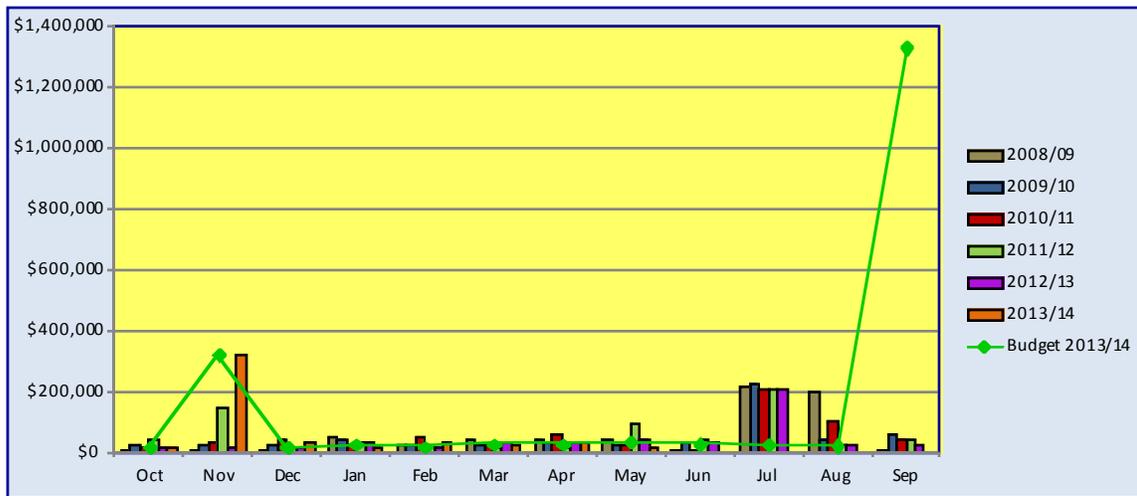


CHART L

## EXPENDITURE ANALYSIS



2013/14 September reflects appropriations for Waterfront Construction and Business relocation off HWY 146  
 High exp in Nov 2011 was due to Gateway sign.

# CRIME DISTRICT



CHART M

## SALES TAX REVENUE ANALYSIS

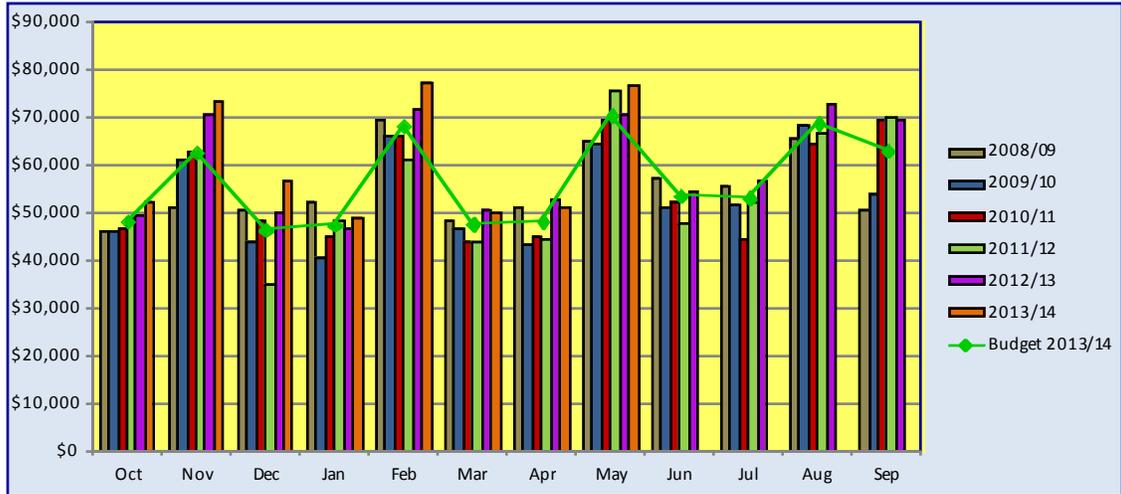
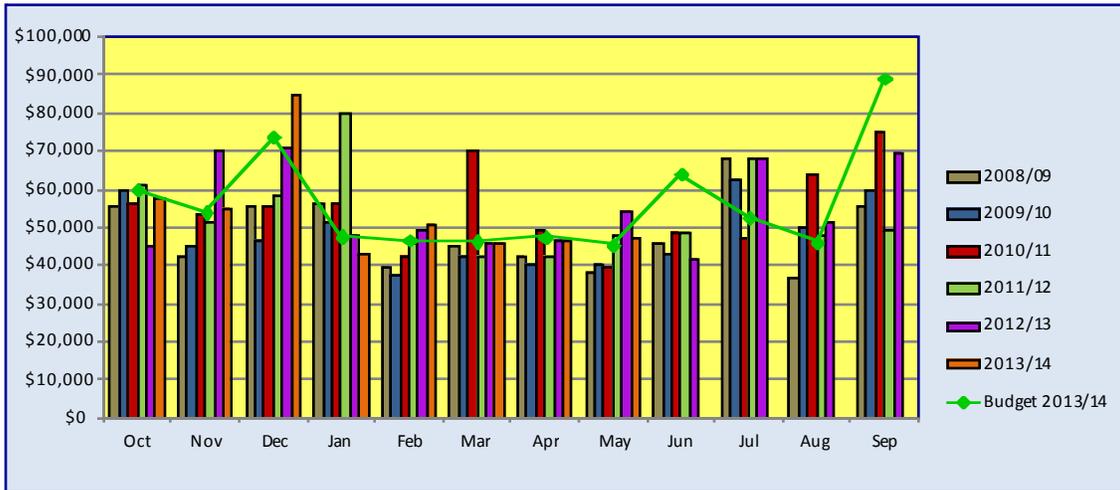


CHART N

## EXPENDITURE ANALYSIS



# INVESTMENTS



CHART 0

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF MAY 2014

0.0244%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted May)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	5,207,856.79	(132,696.89)	109.41	5,075,269.31	Working capital
ENTERPRISE FUND - UNRESTRIC	2,048,226.82	90,945.53	46.56	2,139,218.91	Working capital
ENTERPRISE FUND - RESTRICTE	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,211,436.75	0.00	45.89	2,211,482.64	Water & sewer lines extensions & expansions
PARK FEES	5,718.42	0.00	0.12	5,718.54	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,122.75	0.00	0.31	15,123.06	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	42,083.57	0.00	0.87	42,084.44	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	990,106.55	26,758.72	20.97	1,016,886.24	Restricted for promotion of tourism
DEBT SERVICE FUND	2,880,703.47	10,781.89	59.79	2,891,545.15	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	382,070.26	0.00	7.93	382,078.19	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	134,362.19	(60,000.00)	2.22	74,364.41	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	(0.00)	0.00	0.00	(0.00)	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	2,570.31	0.00	0.05	2,570.36	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	332,659.12	0.00	6.90	332,666.02	
CAROTHERS	25,002.17	0.00	0.52	25,002.69	
CRIME DISTRICT	253,390.56	(3,807.42)	5.25	249,588.39	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,007,239.96	68,018.17	25.61	1,075,283.74	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONI	0.00	0.00	incl in above	0.00	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	44,082.84	0.00	0.91	44,083.75	
PUBLIC SAFETY	153,941.48	0.00	3.19	153,944.67	
MUNI COURT - SECURITY FUND	21,659.56	0.00	0.45	21,660.01	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	9,624.15	0.00	0.20	9,624.35	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,483.82	0.00	0.13	6,483.95	
PEG Fund	0.00	0.00	0.00	0.00	
STABILIZATION FUND	801,458.04	0.00	16.63	801,474.67	
<b>TOTAL TEXPOOL FUND</b>	<b>17,055,799.58</b>	<b>(0.00)</b>	<b>353.91</b>	<b>\$17,056,153.49</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 May 2014:

### TexPool

Williamson County MUD 12  
Williamson County MUD 13  
Siena MUD 1  
Siena MUD 2

### TexPool Prime

Dallas ISD  
Goose Creek ISD

### Upcoming Events

06/12/14 - 06/15/14

AWBD Conference  
Ft. Worth

06/18/14 - 06/20/14

TASBO Summer Conference  
Frisco

06/18/14 - 06/20/14

TACCBO Conference  
Galveston

07/13/14 - 07/15/2014

TASSCUBO Summer Conference  
Austin

### TexPool Advisory Board Members

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

Oversen 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

## Federated®

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G35884-24 (6/14)

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## Monthly Newsletter June 2014

# Economic and Market Commentary

## Month in Cash: Wanted—More Fed governors

June 1, 2014

Companies and hockey teams adapt well to being shorthanded, but when votes are involved or diverse viewpoints are needed, being even one person down can create problems. So it has been for some time now at the Federal Reserve (Fed) as the molasses pace of confirmation has left the central bank short-staffed for months.

It still has three seats out of seven open on its board of governors, nearly a majority, and that's only the case because the Senate confirmed Stanley Fischer to the board the day that governor Jeremy Stein stepped down, Wednesday, May 28.

Considering that the governors of the board make up a majority of the twelve member crucial monetary policy-making Federal Open Market Committee (FOMC) (the others being the presidents of some of the regional Fed banks), three open seats represents a significant shortage that has serious consequences from the standpoint of the U.S. economy, not to mention the world.

Even if new voices on the FOMC didn't alter a particular vote on policy which is still data driven, we at least would get more viewpoints in speeches, in published dissents and in the influential "dots" chart of rising interest rate projections. Certainly the last release of the chart had a major impact on the market in March. Eventually things calmed down and the market deemphasized it, but the dots matrix offered a window into what the entirety of the committee thought. The full complement of policymakers might have pushed it more bullish from the standpoint of rates rising sooner, which we felt was the case. Or it could have had the opposite effect, depending on who those three would have been. Until the rest of the confirmations happen, the dots chart potentially could be skewed. It is an angle that has potential bearing on the world economy.

And the absence of a vice chair after Yellen left that position to lead the Fed has put a vacancy in a key position. Presumably we will have Fischer, former governor of the Bank of Israel, announced as vice chair soon. He adds an element of cautiousness about rates staying too low for too long. Fisher has spoken out on concerns with the QE program, that being able to unwind and control inflation all at the same time after years of stimulation might be a difficult process. That's a different viewpoint. So the more voices on the FOMC, the better balanced the output will be.

In the meantime, there hasn't been much rate change in the marketplace. The London interbank offered rate (Libor) was completely unchanged and Treasury bills were around a basis point lower. We have not altered our weighted average maturity

(continued page 6)

### PERFORMANCE AS OF MAY 31, 2014

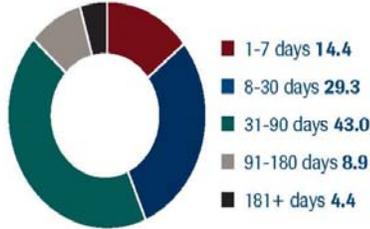
	TexPool	TexPool Prime
Current Invested Balance	\$15,131,495,410.88	\$983,590,273.32
Weighted Average Maturity (1)*	55 Days	41 Days
Weighted Average Maturity (2)*	87 Days	47 Days
Net Asset Value	1.00005	1.00002
Total Number of Participants	2,312	173
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$327,858.21	\$51,187.29
Management Fee Collected	\$635,465.36	\$57,206.65
Standard & Poor's Current Rating	AAAm	AAAm

### Month Averages

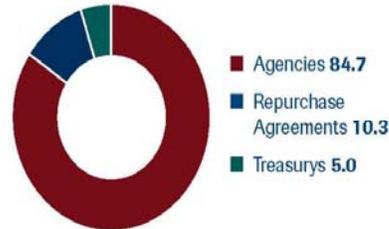
Average Invested Balance	\$15,784,381,783.29	\$1,048,107,275.92
Average Monthly Yield, on a simple basis (3)*	0.02%	0.06%
Average Weighted Average Maturity (1)*	54 Days	44 Days
Average Weighted Average Maturity (2)*	85 Days	51 Days

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

## Portfolio by Maturity (%) As of May 31, 2014



## Portfolio by Type of Investment (%) As of May 31, 2014



### PORTFOLIO ASSET SUMMARY AS OF MAY 31, 2014

	Book Value	Market Value
Uninvested Balance	\$0,793.56	\$0,793.56
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	7,960,267.59	7,960,267.59
Interest and Management Fees Payable	-327,705.40	-327,705.40
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	1,560,830,000.00	1,560,828,550.00
Mutual Fund Investments	0.00	0.00
Government Securities	12,623,209,284.91	12,623,673,353.04
US Treasury Bills	0.00	0.00
US Treasury Notes	930,793,770.22	930,752,458.00
<b>Total</b>	<b>\$15,131,495,410.88</b>	<b>\$15,132,116,716.79</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	574	\$4,762,581,588.11
Higher Education	56	\$1,118,444,931.15
Healthcare	80	\$567,092,307.84
Utility District	712	\$1,933,379,538.09
City	450	\$4,138,067,293.67
County	174	\$1,307,714,058.84
Other	266	\$1,303,277,518.14

#### 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)
5/1	0.0268%	0.000000735	\$16,202,212,726.33	1.00003	55	86
5/2	0.0274%	0.000000750	\$16,232,078,130.54	1.00005	56	87
5/3	0.0274%	0.000000750	\$16,232,078,130.54	1.00005	56	87
5/4	0.0274%	0.000000750	\$16,232,078,130.54	1.00005	56	87
5/5	0.0257%	0.000000703	\$16,168,529,806.07	1.00005	54	86
5/6	0.0256%	0.000000700	\$16,164,014,469.05	1.00005	53	85
5/7	0.0252%	0.000000690	\$16,138,319,443.01	1.00006	52	84
5/8	0.0252%	0.000000690	\$16,061,590,068.91	1.00005	52	84
5/9	0.0250%	0.000000684	\$16,101,821,875.19	1.00005	51	83
5/10	0.0250%	0.000000684	\$16,101,821,875.19	1.00005	51	83
5/11	0.0250%	0.000000684	\$16,101,821,875.19	1.00005	51	83
5/12	0.0245%	0.000000672	\$16,064,370,434.67	1.00005	49	80
5/13	0.0260%	0.000000713	\$16,064,160,423.35	1.00004	51	81
5/14	0.0250%	0.000000685	\$16,017,089,728.13	1.00005	51	80
5/15	0.0242%	0.000000662	\$15,751,598,591.63	1.00006	55	86
5/16	0.0235%	0.000000643	\$15,732,658,561.02	1.00005	54	86
5/17	0.0235%	0.000000643	\$15,732,658,561.02	1.00005	54	86
5/18	0.0235%	0.000000643	\$15,732,658,561.02	1.00005	54	86
5/19	0.0250%	0.000000684	\$15,653,773,598.58	1.00005	53	83
5/20	0.0242%	0.000000662	\$15,592,043,598.12	1.00005	55	85
5/21	0.0237%	0.000000649	\$15,535,089,833.15	1.00004	56	88
5/22	0.0252%	0.000000690	\$15,400,415,110.69	1.00004	56	88
5/23	0.0228%	0.000000624	\$15,460,297,647.63	1.00004	55	86
5/24	0.0228%	0.000000624	\$15,460,297,647.63	1.00004	55	86
5/25	0.0228%	0.000000624	\$15,460,297,647.63	1.00004	55	86
5/26	0.0228%	0.000000624	\$15,460,297,647.63	1.00004	55	86
5/27	0.0221%	0.000000605	\$15,464,468,476.65	1.00004	52	82
5/28	0.0210%	0.000000574	\$15,387,560,089.91	1.00005	56	87
5/29	0.0218%	0.000000596	\$15,346,741,771.07	1.00005	55	86
5/30	0.0239%	0.000000656	\$15,131,495,410.88	1.00005	55	87
5/31	0.0239%	0.000000656	\$15,131,495,410.88	1.00005	55	87
<b>Average</b>	<b>0.0244%</b>	<b>0.000000669</b>	<b>\$15,784,381,783.29</b>	<b>1.00005</b>	<b>54</b>	<b>85</b>

# TEXPOOL PRIME

June 2014

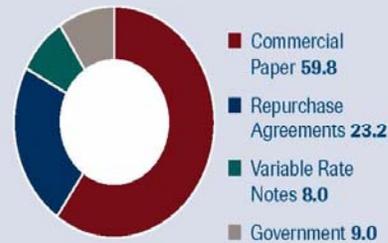
## Portfolio by Maturity (%)

As of May 31, 2014



## Portfolio by Type of Investment (%)

As of May 31, 2014



### PORTFOLIO ASSET SUMMARY AS OF May 31, 2014

	Book Value	Market Value
Uninvested Balance	-\$504.80	-\$504.80
Accrual of Interest Income	269,018.20	269,018.20
Interest and Management Fees Payable	-51,187.38	-51,187.38
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	230,516,000.00	230,516,000.00
Commercial Paper	583,277,774.33	583,293,403.00
Bank Instruments	0.00	0.00
Mutual Fund Investments	0.00	0.00
Government Securities	124,679,172.97	124,691,018.00
Variable Rate Notes	44,900,000.00	44,897,178.00
<b>Total</b>	<b>\$993,590,273.32</b>	<b>\$993,614,925.02</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	79	\$504,626,055.39
Higher Education	8	\$47,862,531.12
Healthcare	8	\$8,426,351.07
Utility District	5	\$51,509,064.95
City	34	\$122,843,818.68
County	19	\$140,338,906.46
Other	20	\$117,984,899.13

# 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)
5/1	0.0569%	0.000001613	\$1,069,601,278.91	0.99998	49	57
5/2	0.0576%	0.000001578	\$1,068,932,469.42	1.00003	49	57
5/3	0.0576%	0.000001578	\$1,068,932,469.42	1.00003	49	57
5/4	0.0576%	0.000001578	\$1,068,932,469.42	1.00003	49	57
5/5	0.0575%	0.000001575	\$1,069,422,949.53	1.00004	49	55
5/6	0.0566%	0.000001552	\$1,068,290,917.43	1.00004	48	55
5/7	0.0583%	0.000001597	\$1,065,586,886.87	1.00004	48	54
5/8	0.0557%	0.000001525	\$1,058,313,678.55	1.00004	48	55
5/9	0.0565%	0.000001547	\$1,053,293,493.42	1.00003	48	55
5/10	0.0565%	0.000001547	\$1,053,293,493.42	1.00003	48	55
5/11	0.0565%	0.000001547	\$1,053,293,493.42	1.00003	48	55
5/12	0.0507%	0.000001390	\$1,091,133,156.72	1.00004	44	50
5/13	0.0580%	0.000001590	\$1,087,024,102.92	1.00004	43	50
5/14	0.0548%	0.000001501	\$1,078,686,867.27	1.00003	44	51
5/15	0.0533%	0.000001461	\$1,066,267,473.28	1.00004	44	50
5/16	0.0561%	0.000001538	\$1,025,751,327.19	1.00003	45	52
5/17	0.0561%	0.000001538	\$1,025,751,327.19	1.00003	45	52
5/18	0.0561%	0.000001538	\$1,025,751,327.19	1.00003	45	52
5/19	0.0604%	0.000001656	\$1,023,749,802.99	1.00003	43	49
5/20	0.0543%	0.000001467	\$1,029,184,262.64	1.00003	42	48
5/21	0.0561%	0.000001536	\$1,024,846,158.84	1.00002	42	48
5/22	0.0553%	0.000001514	\$1,026,678,407.47	1.00003	41	47
5/23	0.0567%	0.000001553	\$1,021,969,843.79	1.00002	41	47
5/24	0.0567%	0.000001553	\$1,021,969,843.79	1.00002	41	47
5/25	0.0567%	0.000001553	\$1,021,969,843.79	1.00002	41	47
5/26	0.0567%	0.000001553	\$1,021,969,843.79	1.00002	41	47
5/27	0.0611%	0.000001675	\$1,020,810,601.50	1.00002	38	43
5/28	0.0588%	0.000001611	\$1,029,343,350.66	1.00003	37	42
5/29	0.0645%	0.000001766	\$1,023,093,866.13	1.00003	40	46
5/30	0.0665%	0.000001822	\$993,590,273.32	1.00002	41	47
5/31	0.0665%	0.000001822	\$993,590,273.32	1.00002	41	47
<b>Average</b>	<b>0.0576%</b>	<b>0.000001577</b>	<b>\$1,048,107,275.92</b>	<b>1.00003</b>	<b>44</b>	<b>51</b>

# TEXPOOL

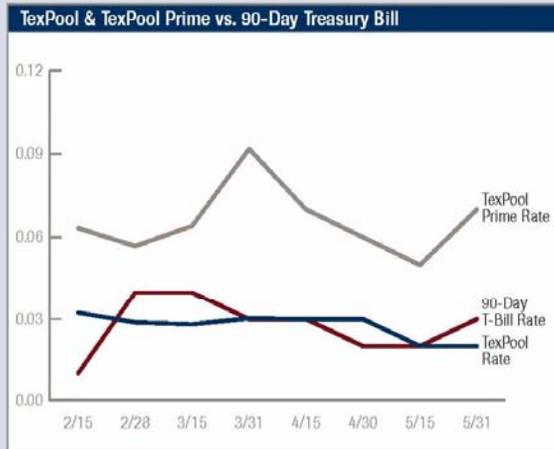
Participant Services  
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Houston, TX 77002

*(continued from page 1)*

(WAM) targets at this point because the yield curve has not changed based on any kind of expectations of future tightening at this point.

Repo continues to be driven by the overnight fixed-rate reverse repo facility from the New York Fed at five basis points. Probably over the course of the last month we have seen more people going to this and abandoning at least some of their traditional counterparts to a larger degree than we had in the past. We haven't seen major players leave the repo market, but certainly the banking regulations and how they are impacted by capital, leverage and liquidity requirements is allowing them to reduce their book and the Fed is taking over some of that supply.

Still supply remains an issue. The New York Fed puts out \$180-\$200 billion per day pretty steadily and with the taper reducing the Fed's asset purchases down to \$45 billion a month from \$85, we have an additional \$40 billion each month. That should be a lot, but offsetting it has been the cutback in Treasury supply in the month of April and continuing into the month of May because of strong tax receipts that the Treasury received. So supply is not as great as it seems when you first look at it.



*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.*