



Quarterly Investment Report



**For the period ended December 31, 2017
(Unaudited)**

Prepared by: Edward A. Dion, County Auditor
800 East Overland, Room 406
El Paso, Texas 79901-2407
(915)546-2040



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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EL PASO, TEXAS 79901-2407
(915) 546-2040
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February 6, 2018

The Honorable Ruben John Vogt
County Judge
and County Commissioners
County of El Paso
Room 301 County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

Dear County Judge and Commissioners:

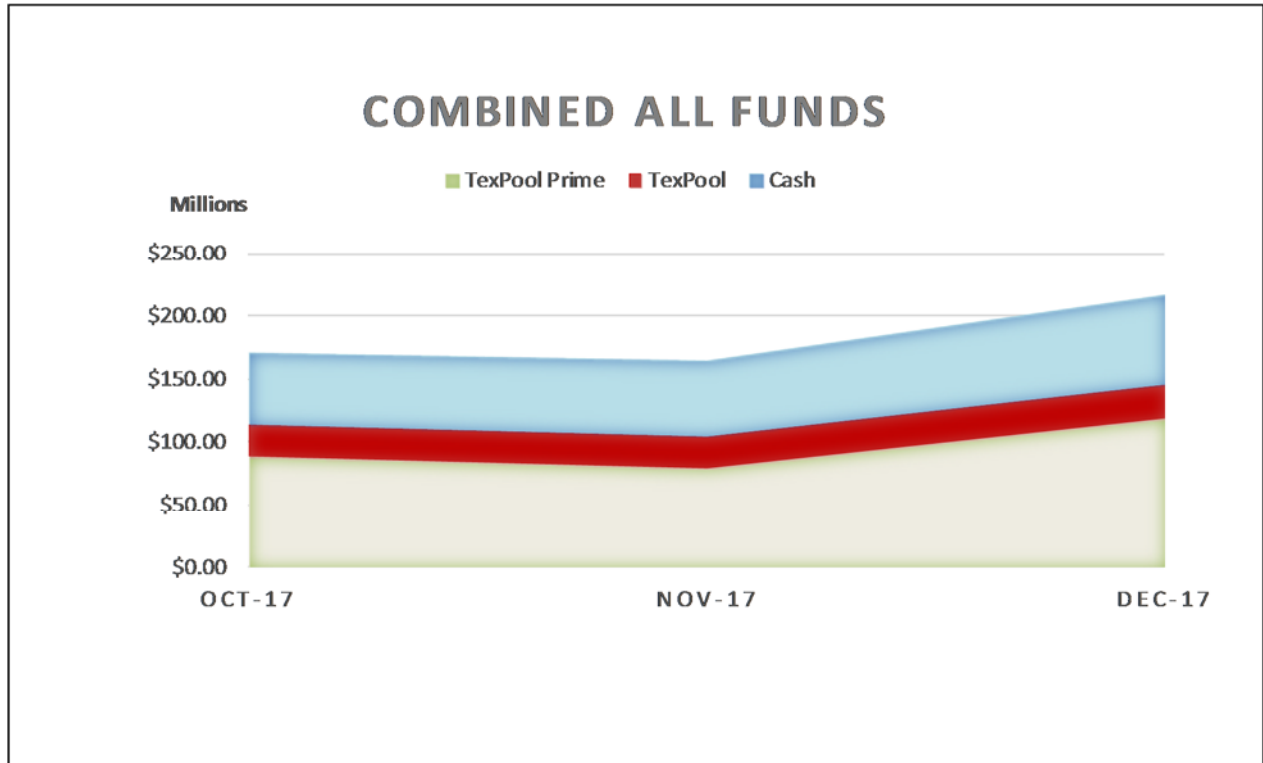
A report of the investment transactions for the 1st quarter and three months ended December 31, 2017, is herewith submitted. All investments have been made in compliance with the County's investment policy and pursuant to *Texas Government Code, Title 10, §2256.023*. TexPool, an investment pool authorized under the *Texas Government Code, Title 10, §2256.016* and managed by Federated Investors, Incorporated, has affirmed adherence to the County's investment policy and the provisions of the *Texas Government Code, Title 10, §2256.023(8) (a) and (b)*.

The County's combined investment portfolio including cash had an October 1, 2017, book value of \$183,398,624 and a December 31, 2017, book value of \$216,244,563. General Fund investments, including cash, as of December 31, 2017, totaled \$114,966,774, when compared to the December 31, 2017, total of \$111,116,969 is an increase of \$3,849,804 or 3.46 percent over the prior year. December 2016 Ad Valorem Tax revenue totaled \$79,389,983 when compared to December 2017 receipts of \$72,726,321 resulted in a decrease of \$6,663,662 or 8.39 percent. This decrease is partially due to a timing difference on when tax revenue was received. General fund revenue and expenditure totals for the three months ended December 31, 2017, were \$80,424,319 and \$50,432,718, respectively, which resulted in revenues over expenditures of \$29,991,601.

The unaudited book and fair market values of the combined investment portfolio including cash for each month from October 31, 2017, through December 31, 2017, are presented below:

Month	Book Value	Fair Market Value
October 31, 2017	\$171,109,023	\$171,248,204
November 30, 2017	\$163,982,348	\$164,101,993
December 31, 2017	\$216,244,563	\$216,379,649

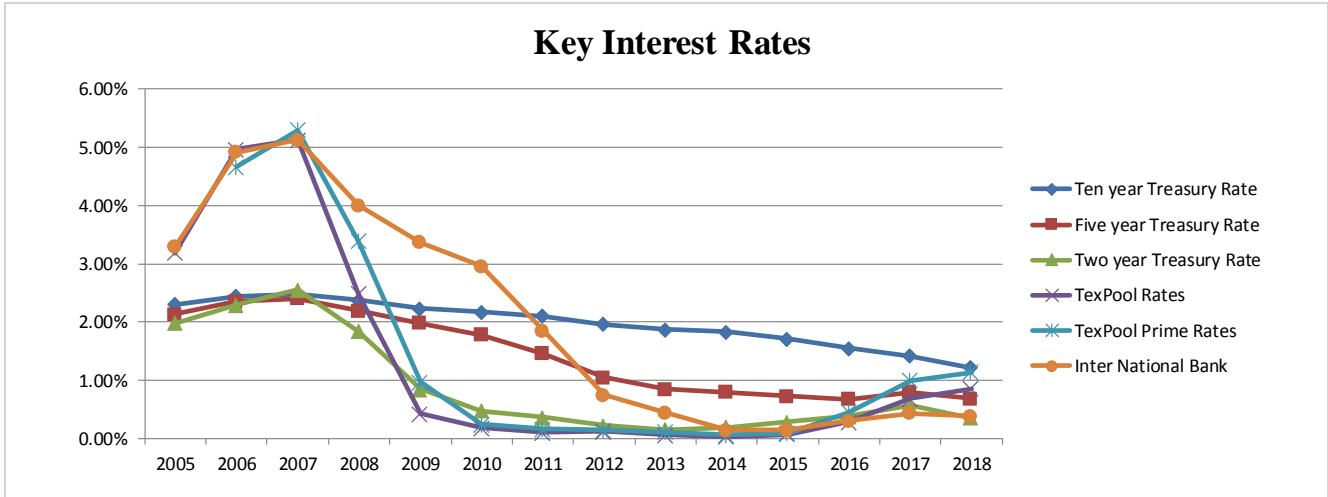
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The County's major source of cash inflows is Ad Valorem taxes, of which the majority is received in late December through mid-February. The second major source of revenue is sales tax revenue, which is received monthly throughout the year.

Although interest rates remain at low levels, the Fed raised the Fed Funds Rate on December 13, 2017 by 25 basis points to 1.5 percent. This is the fifth time since December 2015 and third time in 2017 that the Fed has raised rates. The average interest rates for TexPool, TexPool Prime and Inter National Bank for the Period of October 1, 2017, through December 31, 2017 were 1.0863, 1.3154, and 0.2724 percent, respectively.

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Portfolio interest for TexPool, TexPool Prime, and cash are presented below:

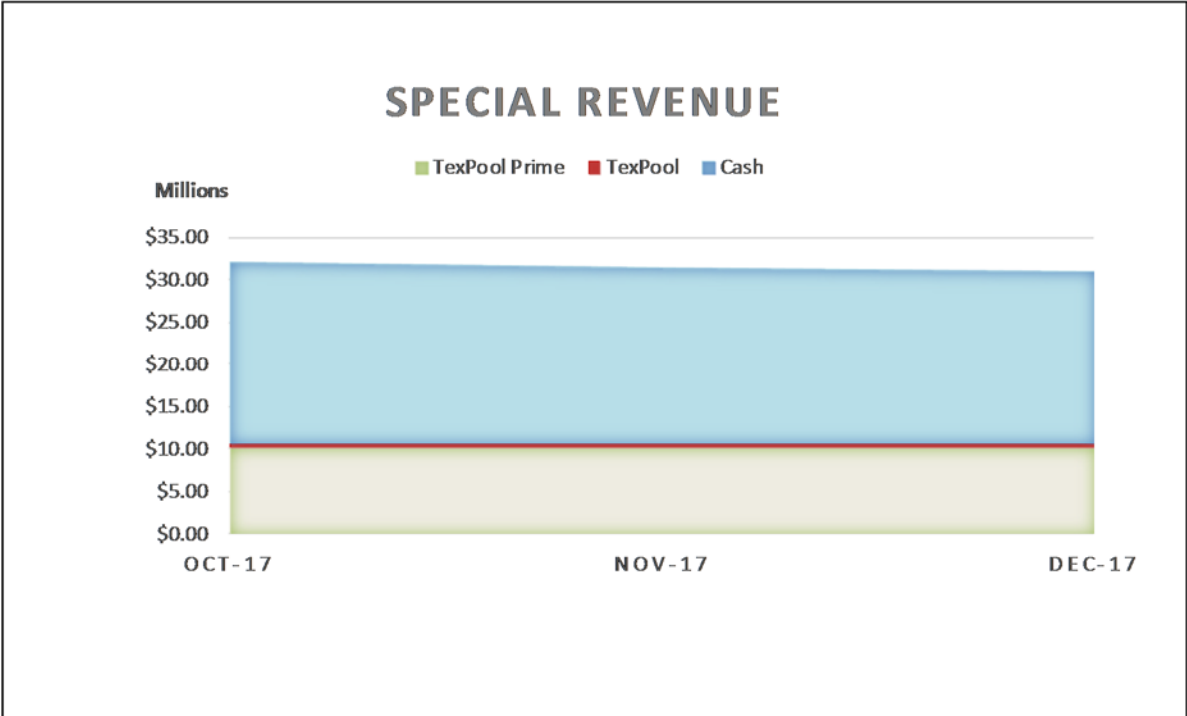
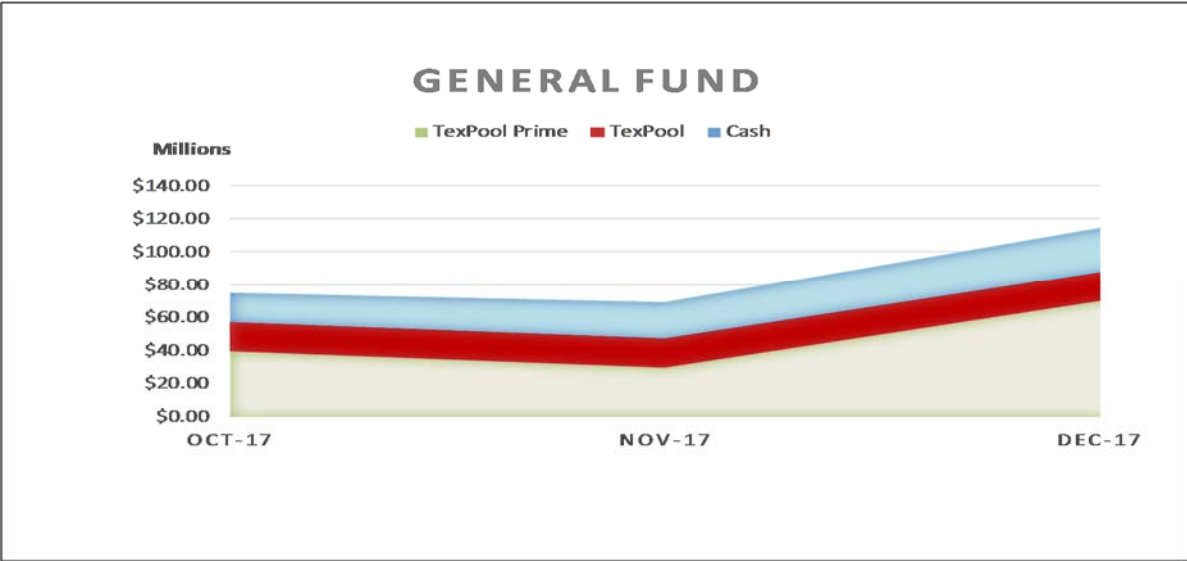
<u>Quarter</u>	<u>Investment Pools</u>	<u>Cash</u>	<u>Total</u>
First Quarter	<u>\$355,299</u>	<u>\$38,613</u>	<u>\$393,912</u>
Total FY2017	<u>\$355,299</u>	<u>\$38,613</u>	<u>\$393,912</u>

The Weighted Average Maturity (WAM) is the sum of the number of days to maturity of each security times the book value for the security for all investments divided by the combined book value of the portfolio. The Net Asset Value (NAV) is the market value of the portfolio divided by the book value of the portfolio. The Weighted Average Yield (WAY) is the sum of the purchase yield times the par value for each security divided by the sum of the par values for each security. The Portfolio Yield (PY) is the sum of the market yields at the end of the month, times the par value for each security divided by the sum of the par values for each security, which are shown below by month.

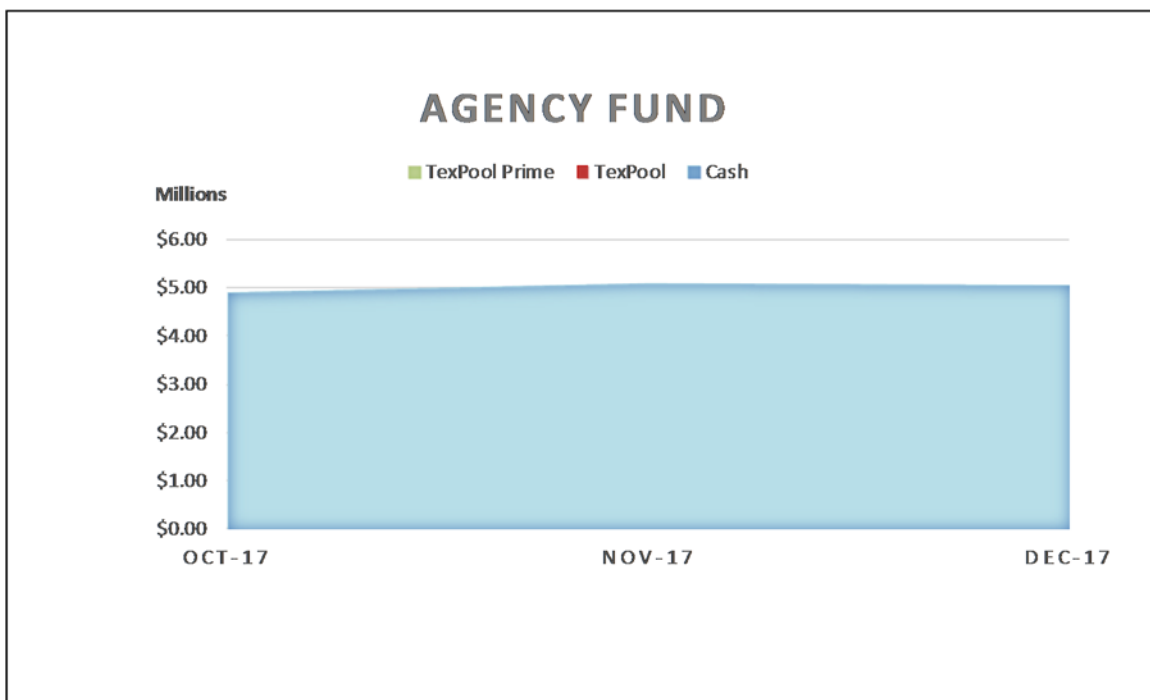
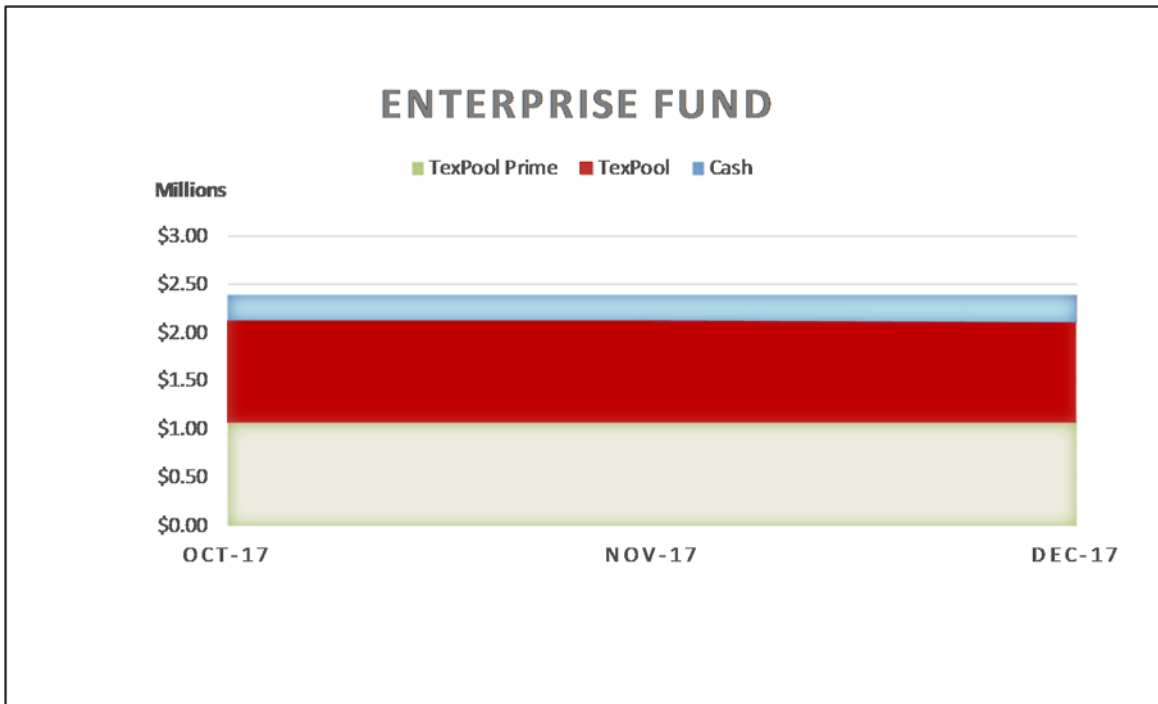
<u>Month</u>	<u>WAM</u>	<u>NAV</u>	<u>WAY</u>	<u>PY</u>
October 31, 2017	1.00	1.0008	0.8990	0.8990
November 30, 2017	1.00	1.0007	0.8754	0.8754
December 31, 2017	1.00	1.0006	0.9965	0.9965

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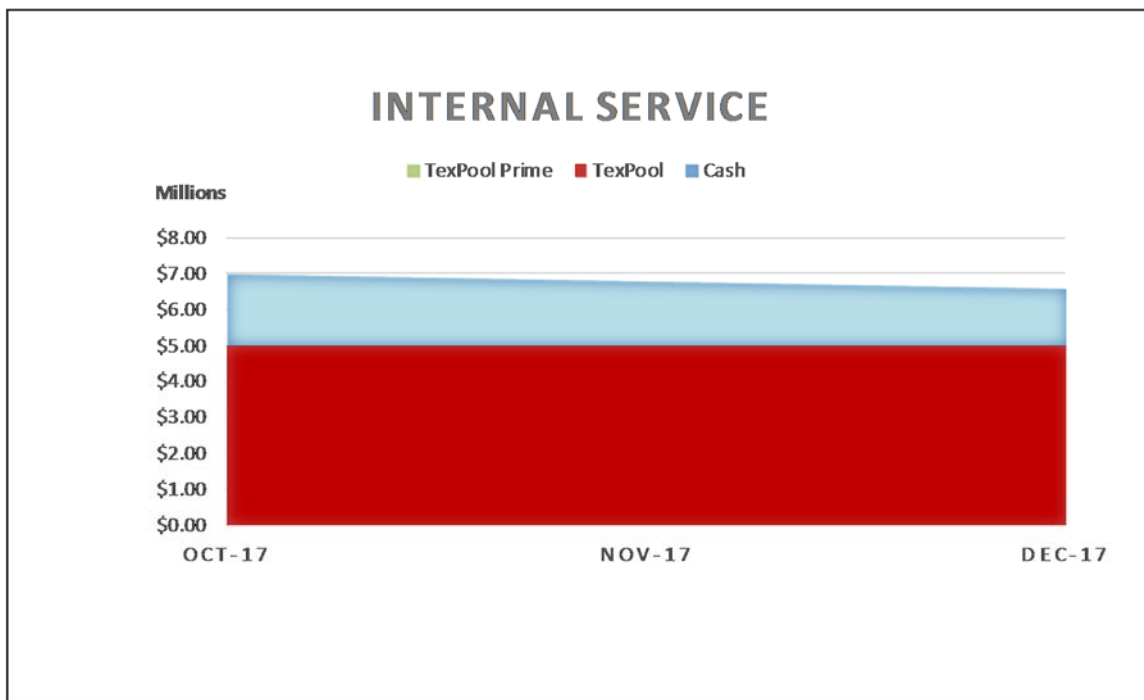
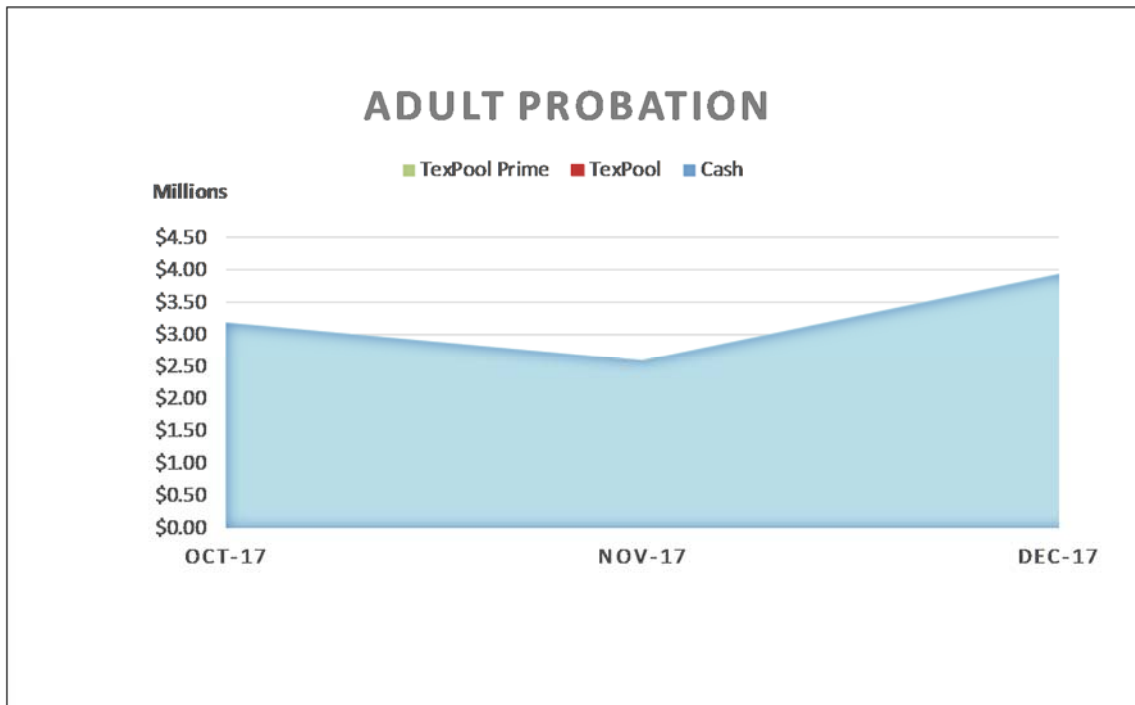
The following graphs display the invested balances of each of the funds for the period of October 2017 through December 2017.



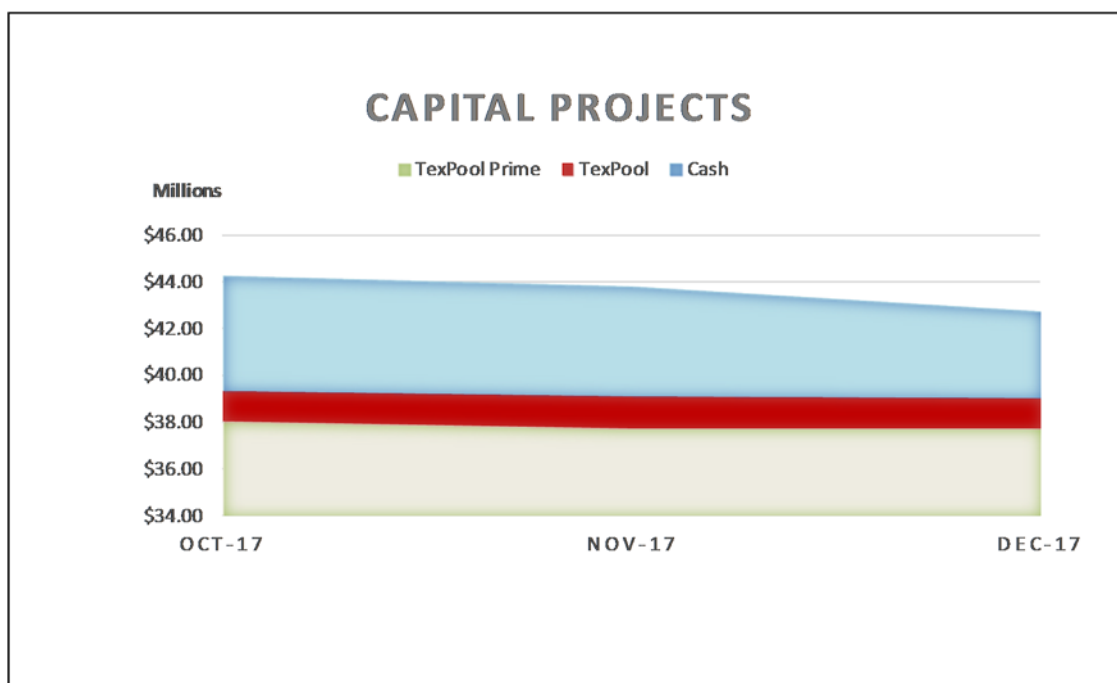
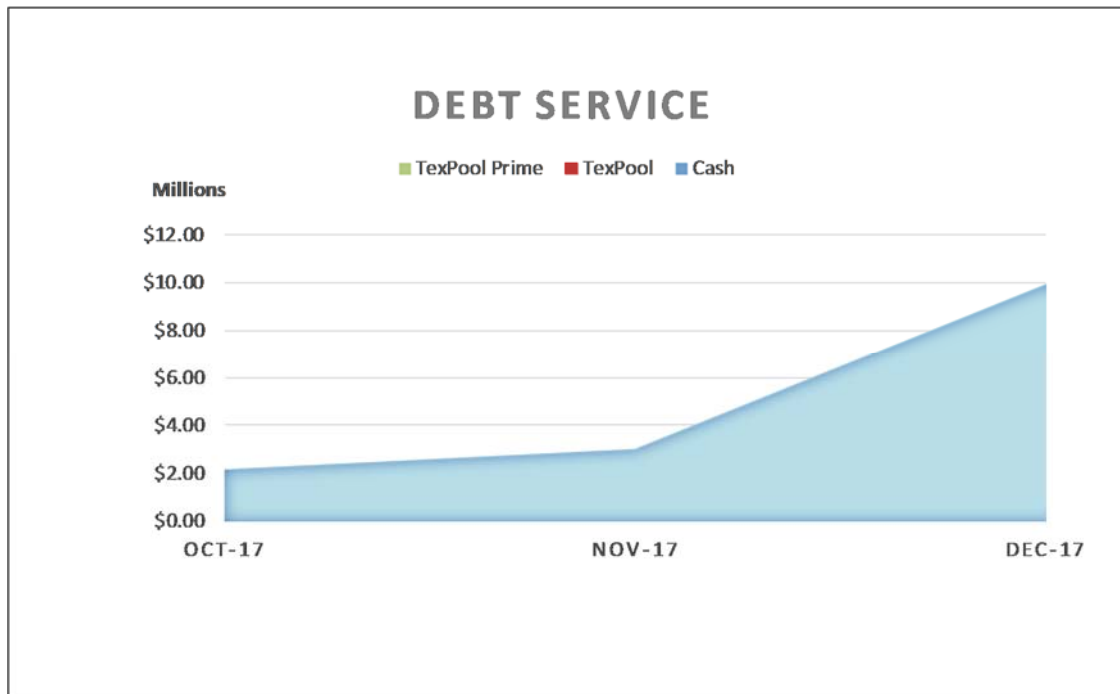
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During the three months ended December 31, 2017, the County earned investment interest \$393,912, which when compared to the \$163,082 earned during same three month period in the prior year is an increase of \$230,830 or an increase of 141.54 percent. The County benchmarks the portfolio performance against a moving average securities benchmark consisting of the average monthly market yields on the 90-day Treasury bill. Based on the County's current investment structure, the portfolio yield has, on average was less than the benchmark rate by 3.03 basis points due to an increase in the yield on the 90-day Treasury bill on December 13, 2017 and a change in the portfolio's investment ratios as funds were being spent down. On December 22, 2017 the TexPool, TexPool Prime and bank balances were \$25,997,236, \$68,634,641 and \$58,841,951 or 16.94%, 44.72%, and 38.34%, respectively of all investments for the consolidated account. As funds were spent down during the quarter the ratio of TexPool, TexPool Prime and cash changed with the cash ratio increasing and the TexPool, TexPool Prime ratios decreasing, until the County started receiving Ad Valorem tax revenue on and after December 27, 2017.

If you have any questions concerning this information, please contact Mr. James Utterback, manager - financial/analysis/reporting/audit, at extension 3267 or me.



Barbara Franco
County Auditor
First Assistant

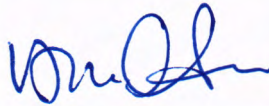


Victor Perez
Director
Financial Operations

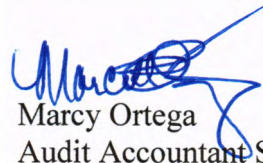


James Utterback
Manager
Financial Analysis/
Reporting/Audit Manager

Linda Hemme
Audit Accountant Senior



Yvonne Garcia
Audit Accountant Senior



Marcy Ortega
Audit Accountant Senior

Very truly yours,



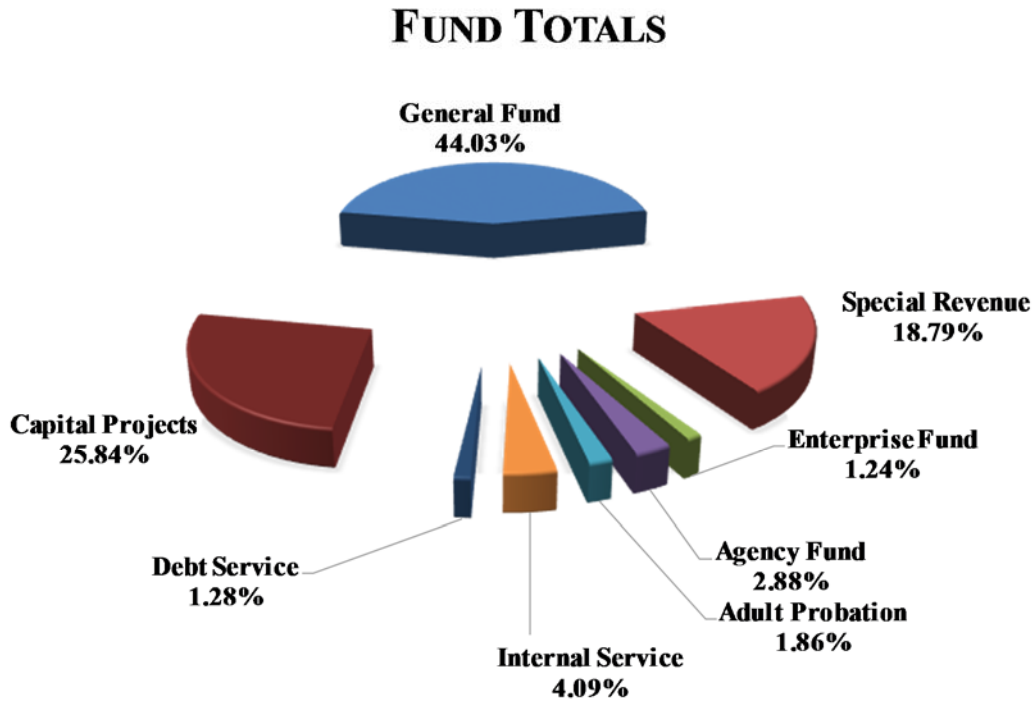
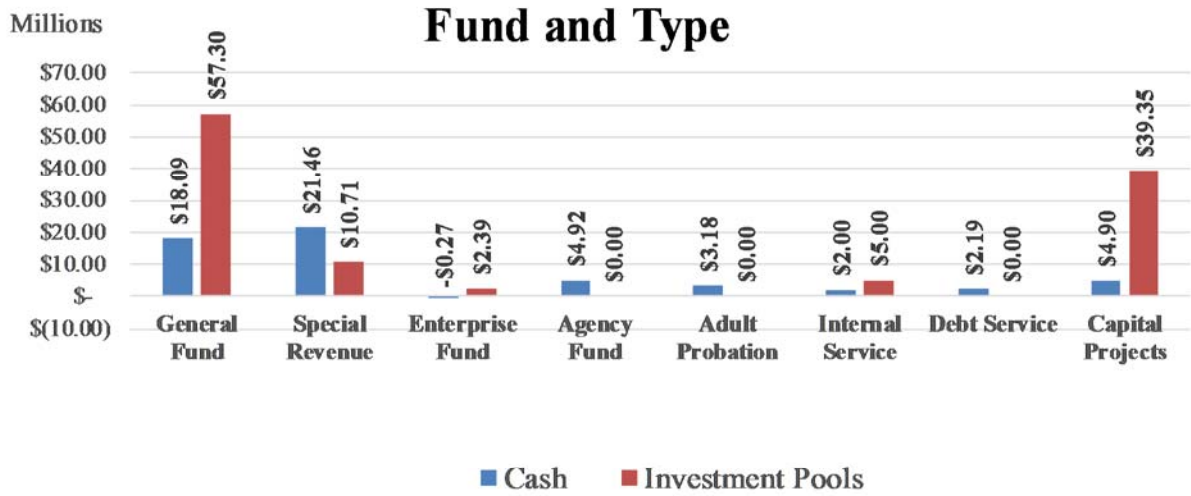
Edward A. Dion
County Auditor

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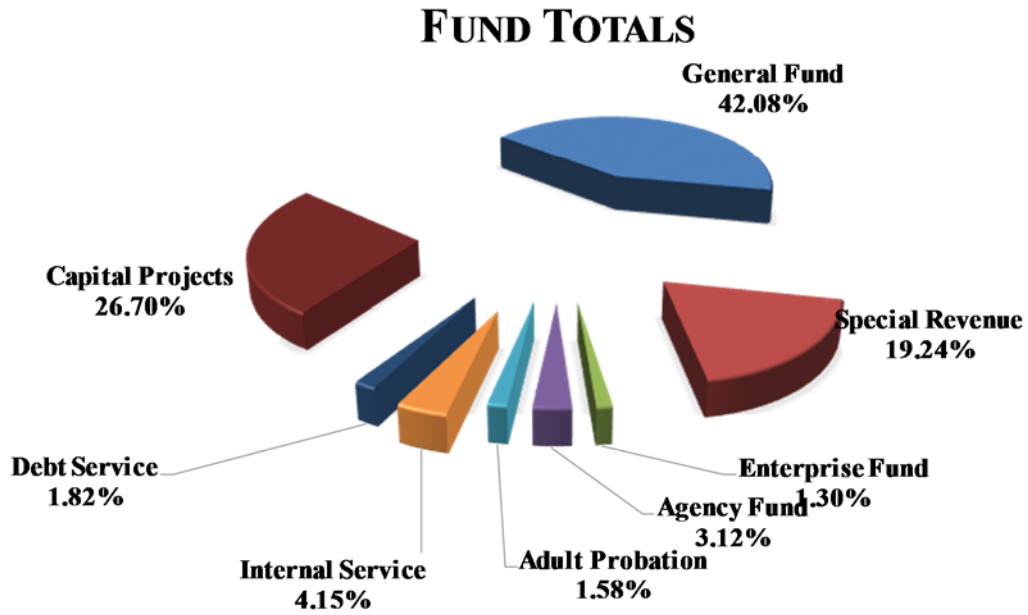
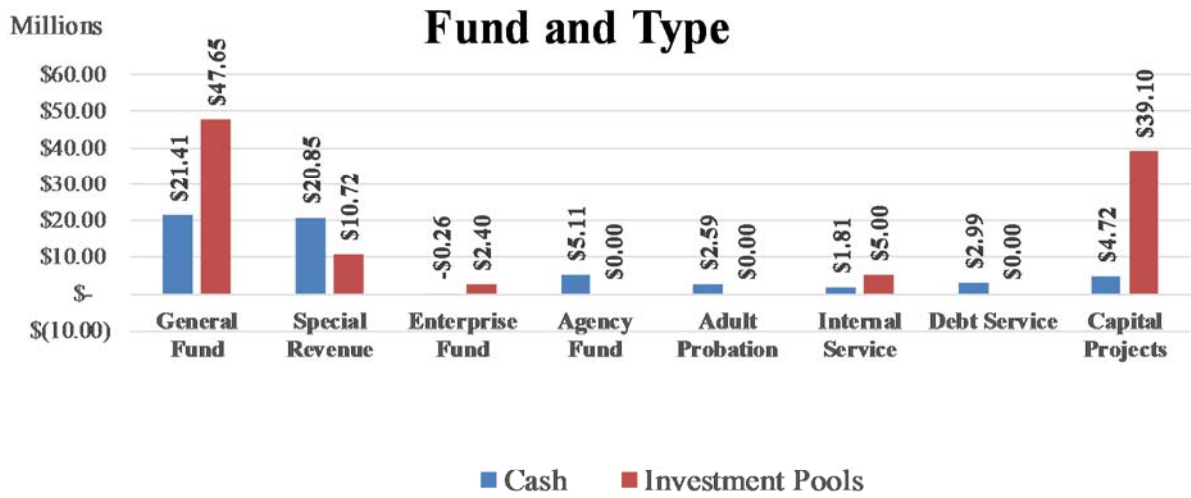
Attachments

cc: The Honorable Jo Anne Bernal, County Attorney
Mrs. Lee Shapleigh, Assistant County Attorney
Mrs. Betsy Keller, Chief Administrator
Mr. Wallace Hardgrove, Executive Director Budget & Fiscal Policy

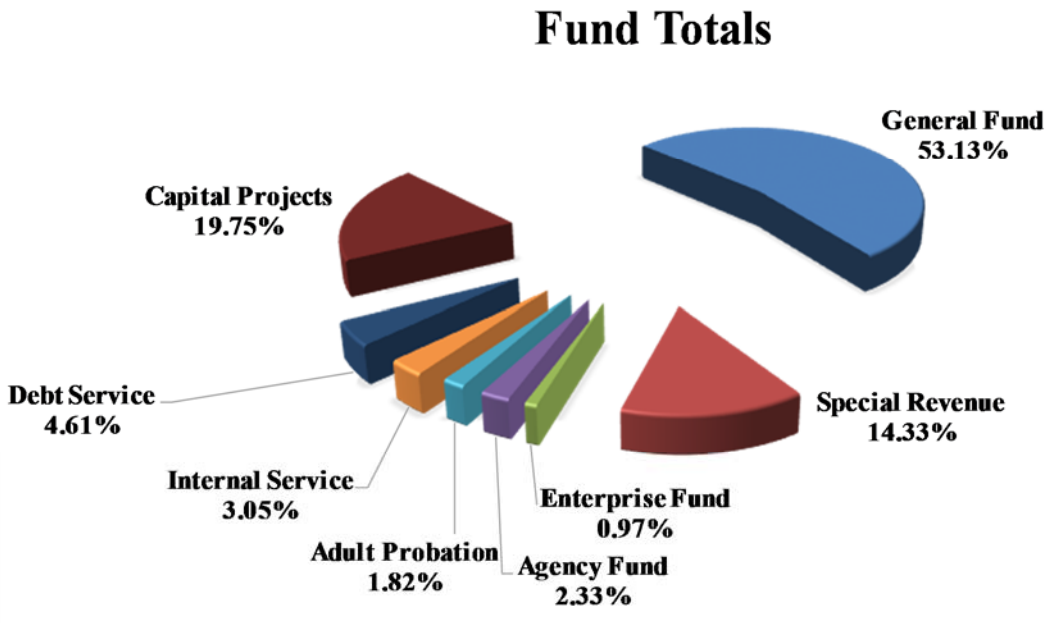
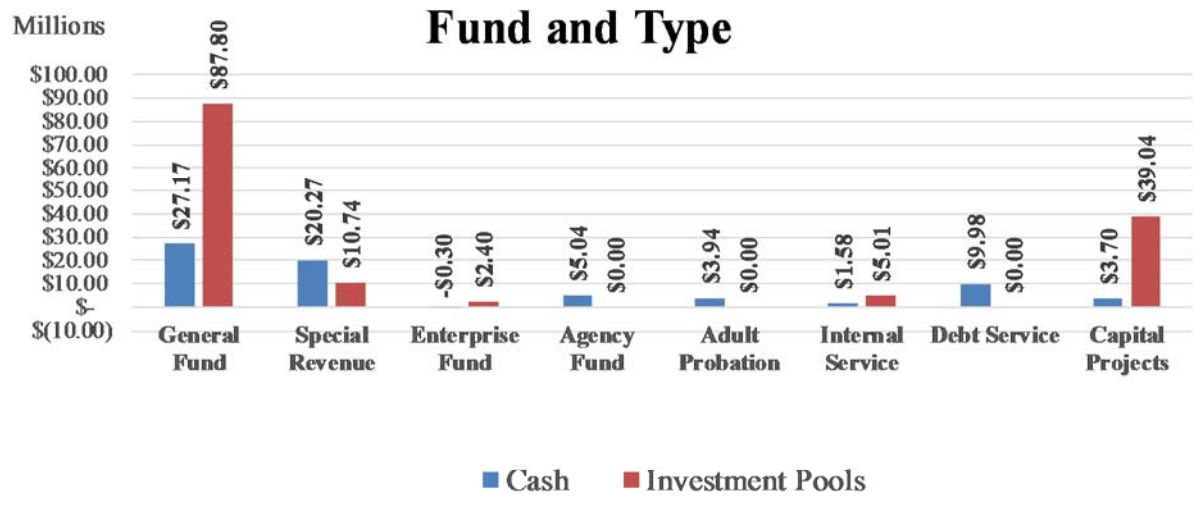
Total Investments at Market Value as of October 31, 2017



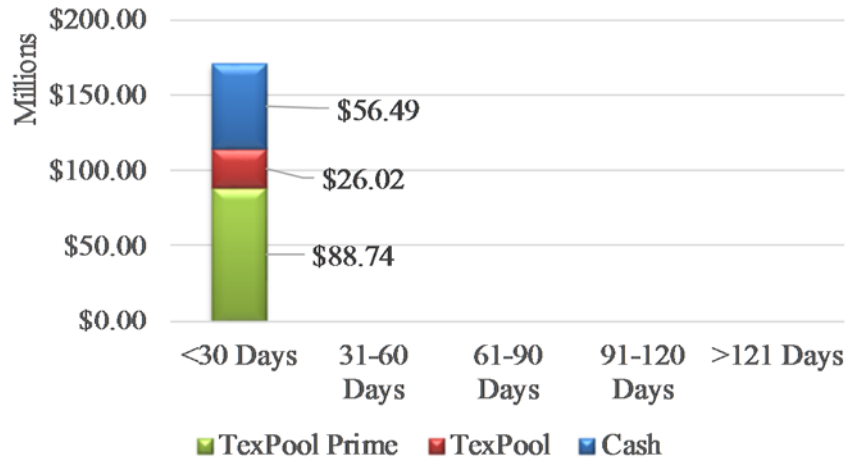
Total Investments at Market Value as of November 30, 2017



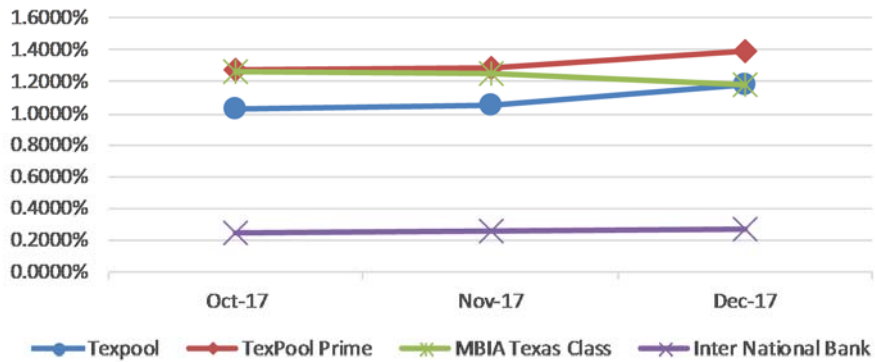
Total Investments at Market Value as of December 31, 2017



Investment Maturity Summary



Investment Yield Rates



Three Month Treasury Benchmark vs. Portfolio yield



Cash Balances By Fund

For the Month Ended October 31, 2017

Fund	Beginning Balance	Receipts	Disbursements	Interest	Ending Balance
General Fund	\$19,404,548.91	\$19,679,145.39	\$20,994,503.24	\$4,032.81	\$18,093,223.87
Special Revenue	21,070,306.66	2,343,222.38	2,153,090.84	3,922.35	21,264,360.55
Special Revenue - Grants	(46,403.87)	2,002,526.07	1,758,527.17	326.24	197,921.27
Enterprise Fund	815,407.77	79,249.75	1,165,594.37	45.92	(270,890.93)
Agency Funds	5,040,437.07	2,939,824.97	3,056,374.42	721.11	4,924,608.73
Agency Funds - Adult Prob.	3,971,940.54	545,635.31	1,337,323.15	461.30	3,180,714.00
Internal Service	2,335,399.58	1,614,049.76	1,948,500.56	228.35	2,001,177.13
Debt Service	2,068,175.81	125,430.20	-	191.52	2,193,797.53
Capital Projects	5,163,832.18	159,731.49	421,399.78	1,015.01	4,903,178.90
Total All Accounts	\$59,823,644.65	\$29,488,815.32	\$32,835,313.53	\$10,944.61	\$56,488,091.05

Cash Balances By Fund

For the Month Ended November 30, 2017

Fund	Beginning Balance	Receipts	Disbursements	Interest	Ending Balance
General Fund	\$18,093,223.87	\$26,203,859.76	\$22,890,728.22	\$4,333.38	\$21,410,688.79
Special Revenue	21,264,360.55	1,537,375.72	2,074,530.47	3,789.75	20,730,995.55
Special Revenue - Grants	197,921.27	1,776,439.37	1,852,578.02	296.01	122,078.63
Enterprise Fund	(270,890.93)	86,534.03	79,481.77	46.38	(263,792.29)
Agency Funds	4,924,608.73	3,445,734.12	3,257,245.70	678.84	5,113,775.99
Agency Funds - Adult Prob.	3,180,714.00	1,100,299.33	1,687,379.36	319.55	2,593,953.52
Internal Service	2,001,177.13	1,709,539.69	1,902,979.24	199.89	1,807,937.47
Debt Service	2,193,797.53	799,694.88	-	606.40	2,994,098.81
Capital Projects	4,903,178.90	5,223,075.08	5,403,485.82	1,107.58	4,723,875.74
Total All Accounts	\$56,488,091.05	\$41,882,551.98	\$39,148,408.60	\$11,377.78	\$59,233,612.21

Cash Balances By Fund

For the Month Ended December, 2017

Fund	Beginning Balance	Receipts	Disbursements	Interest	Ending Balance
General Fund	\$21,410,688.79	\$76,222,486.85	\$70,474,786.91	\$7,265.03	\$27,165,653.76
Special Revenue	20,730,995.55	1,373,262.04	2,004,407.72	4,216.37	20,104,066.24
Special Revenue - Grants	122,078.63	1,919,358.93	1,874,658.57	321.07	167,100.06
Enterprise Fund	(263,792.29)	88,591.72	122,777.91	55.57	(297,922.91)
Agency Funds	5,113,775.99	3,100,879.81	3,174,709.93	753.31	5,040,699.18
Agency Funds - Adult Prob.	2,593,953.52	2,832,768.34	1,482,264.80	370.40	3,944,827.46
Internal Service	1,807,937.47	1,669,944.96	1,894,435.17	153.96	1,583,601.22
Debt Service	2,994,098.81	6,988,344.14	-	2,205.87	9,984,648.82
Capital Projects	4,723,875.74	100,905.28	1,125,930.17	948.86	3,699,799.71
Total All Accounts	\$59,233,612.21	\$94,296,542.07	\$82,153,971.18	\$16,290.44	\$71,392,473.54

Investment Pool Additions and Deletions by Fund For the Quarter Ended December 31, 2017

Fund	Balance As Of 9/30/2017	Deposits	Withdrawals	Interest	Balance As Of 12/31/2017
General Fund	\$67,080,634.86	\$50,550,000.00	\$30,000,000.00	\$170,484.98	\$87,801,119.84
Special Revenue	10,700,207.03			35,191.00	10,735,398.03
Enterprise Fund	1,328,973.48	1,064,000.00		6,765.74	2,399,739.22
Internal Service	4,996,229.64			13,696.84	5,009,926.48
Capital Projects	39,461,831.93		550,000.00	129,160.18	39,040,992.11
Total All Accounts	\$123,567,876.94	\$51,614,000.00	\$30,550,000.00	\$355,298.74	\$144,987,175.68

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Fund For the Month Ended October 31, 2017

Fund	Balance As Of 9/30/2017	Deposits	Withdrawals	Interest	Balance As Of 10/31/2017
General Fund	\$67,080,634.86	\$150,000.00	\$10,000,000.00	\$68,269.92	\$57,298,904.78
Special Revenue	10,700,207.03			11,441.42	10,711,648.45
Enterprise Fund	1,328,973.48	1,064,000.00		1,904.72	2,394,878.20
Internal Service	4,996,229.64			4,378.16	5,000,607.80
Capital Projects	39,461,831.93		150,000.00	42,242.10	39,354,074.03
Total All Accounts	\$123,567,876.94	\$1,214,000.00	\$10,150,000.00	\$128,236.32	\$114,760,113.26

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Fund For the Month Ended November 30, 2017

Fund	Balance As Of 10/31/2017	Deposits	Withdrawals	Interest	Balance As Of 11/30/2017
General Fund	\$57,298,904.78	\$300,000.00	\$10,000,000.00	\$49,445.26	\$47,648,350.04
Special Revenue	10,711,648.45			11,181.61	10,722,830.06
Enterprise Fund	2,394,878.20			2,271.04	2,397,149.24
Internal Service	5,000,607.80			4,318.05	5,004,925.85
Capital Projects	39,354,074.03		300,000.00	41,051.15	39,095,125.18
Total All Accounts	\$114,760,113.26	\$300,000.00	\$10,300,000.00	\$108,267.11	\$104,868,380.37

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Fund For the Month Ended December 31, 2017

Fund	Balance As Of 11/30/2017	Deposits	Withdrawals	Interest	Balance As Of 12/31/2017
General Fund	\$47,648,350.04	\$50,100,000.00	\$10,000,000.00	\$52,769.80	\$87,801,119.84
Special Revenue	10,722,830.06			12,567.97	10,735,398.03
Enterprise Fund	2,397,149.24			2,589.98	2,399,739.22
Internal Service	5,004,925.85			5,000.63	5,009,926.48
Capital Projects	39,095,125.18		100,000.00	45,866.93	39,040,992.11
Total All Accounts	\$104,868,380.37	\$50,100,000.00	\$10,100,000.00	\$118,795.31	\$144,987,175.68

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Account For the Month Ended October 31, 2017

Account	Balance As Of 9/30/2017	Deposits	Withdrawals	Interest	Balance As Of 10/31/2017
Texpool Prime-General Fund	\$49,479,739.10		\$10,000,000.00	\$52,761.28	\$39,532,500.38
Texpool Prime-Vista Del Este Water System Replenishment		\$1,064,000.00		740.14	\$1,064,740.14
Texpool Prime-CP-County Tax Capital Projects 2007A	335,851.27			362.83	336,214.10
Texpool Prime-Project Care Electric	5,063,369.93			5,470.05	5,068,839.98
Texpool Prime-Road & Bridges	5,057,402.41			5,463.61	5,062,866.02
Texpool Prime-CP Capital Project 2012	29,110,562.01			31,448.69	29,142,010.70
Texpool Prime-CP-Co. Capital Improvement	3,512,412.67			3,794.53	3,516,207.20
Texpool Prime-Capital Projects-Tax Capital Projects 2016C	2,004,521.59			2,165.52	2,006,687.11
Texpool Prime-Capital Projects-Capital Projects 2016D	3,006,782.38			3,248.28	3,010,030.66
Texpool-General Fund	17,600,895.76	150,000.00		15,508.64	17,766,404.40
Texpool-East Montana Enterprise	1,236,899.71			1,083.90	1,237,983.61
Texpool-East Montana Reserve	92,073.77			80.68	92,154.45
Texpool-Road & Bridge	275,181.79			241.14	275,422.93
Texpool-County Law Library	38,424.04			33.67	38,457.71
Texpool-Commissary Profit	185,641.68			162.68	185,804.36
Texpool-Project Care Electric	37,977.13			33.28	38,010.41
Texpool-County Attorney Commissions	42,210.05			36.99	42,247.04
Texpool-Capital Projects- Capital Improvement Fund	163,231.15			143.04	163,374.19
Texpool-Capital Projects-County Capital Projects 2007	1,328,470.86		150,000.00	1,079.21	1,179,550.07
Total For Consolidated Account	\$118,571,647.30	\$1,214,000.00	\$10,150,000.00	\$123,858.16	\$109,759,505.46
Separate Accounts					
Texpool-Health & Life	\$4,996,229.64			\$4,378.16	\$5,000,607.80
Total For Separate Accounts	\$4,996,229.64			\$4,378.16	\$5,000,607.80
Total All Accounts	\$123,567,876.94	\$1,214,000.00	\$10,150,000.00	\$128,236.32	\$114,760,113.26

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Account For the Month Ended November 30, 2017

Account	Balance As Of 10/31/2017	Deposits	Withdrawals	Interest	Balance As Of 11/30/2017
Texpool Prime-General Fund	\$39,532,500.38	\$300,000.00	\$10,000,000.00	\$34,103.88	\$29,866,604.26
Texpool Prime-Vista Del Este Water System Replenishment	1,064,740.14			1,122.45	\$1,065,862.59
Texpool Prime-CP-County Tax Capital Projects 2007A	336,214.10			354.44	336,568.54
Texpool Prime-Project Care Electric	5,068,839.98			5,343.56	5,074,183.54
Texpool Prime-Road & Bridges	5,062,866.02			5,337.27	5,068,203.29
Texpool Prime-CP Capital Project 2012	29,142,010.70		300,000.00	30,541.69	28,872,552.39
Texpool Prime-CP-Co. Capital Improvement	3,516,207.20			3,706.78	3,519,913.98
Texpool Prime-Capital Projects-Tax Capital Projects 2016C	2,006,687.11			2,115.45	2,008,802.56
Texpool Prime-Capital Projects-Capital Projects 2016D	3,010,030.66			3,173.17	3,013,203.83
Texpool-General Fund	17,766,404.40			15,341.38	17,781,745.78
Texpool-East Montana Enterprise	1,237,983.61			1,069.01	1,239,052.62
Texpool-East Montana Reserve	92,154.45			79.58	92,234.03
Texpool-Road & Bridge	275,422.93			237.83	275,660.76
Texpool-County Law Library	38,457.71			33.21	38,490.92
Texpool-Commissary Profit	185,804.36			160.44	185,964.80
Texpool-Project Care Electric	38,010.41			32.82	38,043.23
Texpool-County Attorney Commissions	42,247.04			36.48	42,283.52
Texpool-Capital Projects- Capital Improvement Fund	163,374.19			141.07	163,515.26
Texpool-Capital Projects-County Capital Projects 2007	1,179,550.07			1,018.55	1,180,568.62
Total For Consolidated Account	\$109,759,505.46	\$300,000.00	\$10,300,000.00	\$103,949.06	\$99,863,454.52
Separate Accounts					
Texpool-Health & Life	\$5,000,607.80			\$4,318.05	\$5,004,925.85
Total For Separate Accounts	\$5,000,607.80			\$4,318.05	\$5,004,925.85
Total All Accounts	\$114,760,113.26	\$300,000.00	\$10,300,000.00	\$108,267.11	\$104,868,380.37

TexPool investments are considered to be cash equivalents and are maintained at market value.

Investment Pool Additions and Deletions by Account

For the Month Ended December 31, 2017

Account	Balance As Of 11/30/2017	Deposits	Withdrawals	Interest	Balance As Of 12/31/2017
Texpool Prime-General Fund	\$29,866,604.26	\$50,100,000.00	\$10,000,000.00	\$35,003.20	\$70,001,607.46
Texpool Prime-Vista Del Este Water System Replenishment	1,065,862.59			1,259.82	\$1,067,122.41
Texpool Prime-CP-County Tax Capital Projects 2007A	336,568.54			397.81	336,966.35
Texpool Prime-Project Care Electric	5,074,183.54			5,997.54	5,080,181.08
Texpool Prime-Road & Bridges	5,068,203.29			5,990.48	5,074,193.77
Texpool Prime-CP Capital Project 2012	28,872,552.39		100,000.00	34,029.88	28,806,582.27
Texpool Prime-CP-Co. Capital Improvement	3,519,913.98			4,160.44	3,524,074.42
Texpool Prime-Capital Projects-Tax Capital Projects 2016C	2,008,802.56			2,374.35	2,011,176.91
Texpool Prime-Capital Projects-Capital Projects 2016D	3,013,203.83			3,561.52	3,016,765.35
Texpool-General Fund	17,781,745.78			17,766.60	17,799,512.38
Texpool-East Montana Enterprise	1,239,052.62			1,238.00	1,240,290.62
Texpool-East Montana Reserve	92,234.03			92.16	92,326.19
Texpool-Road & Bridge	275,660.76			275.43	275,936.19
Texpool-County Law Library	38,490.92			38.46	38,529.38
Texpool-Commissary Profit	185,964.80			185.81	186,150.61
Texpool-Project Care Electric	38,043.23			38.00	38,081.23
Texpool-County Attorney Commissions	42,283.52			42.25	42,325.77
Texpool-Capital Projects- Capital Improvement Fund	163,515.26			163.38	163,678.64
Texpool-Capital Projects-County Capital Projects 2007	1,180,568.62			1,179.55	1,181,748.17
Total For Consolidated Account	\$99,863,454.52	\$50,100,000.00	\$10,100,000.00	\$113,794.68	\$139,977,249.20
Separate Accounts					
Texpool-Health & Life	\$5,004,925.85			\$5,000.63	\$5,009,926.48
Total For Separate Accounts	\$5,004,925.85			\$5,000.63	\$5,009,926.48
Total All Accounts	\$104,868,380.37	\$50,100,000.00	\$10,100,000.00	\$118,795.31	\$144,987,175.68

TexPool investments are considered to be cash equivalents and are maintained at market value.