

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

December 2017

	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	POSITIVE	E
<b>ENTERPRISE FUND</b>			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	NEGATIVE	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	NEGATIVE	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 DECEMBER 2017

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	5,123,473	1,861,583	36.33%	12.76%
Penalties & Interest	39,000	4,332	11.11%	5.55%
Sales Tax	1,789,038	461,690	25.81%	24.99%
Franchise Tax	750,000	213,350	28.45%	21.93%
Other Tax	133,500	0	0.00%	0.00%
License & Permits	300,000	65,548	21.85%	18.09%
Charges for Services	65,500	2,707	4.13%	7.38%
DOT Fines	90,000	20,400	22.67%	18.00%
Other Municipal Court Fees	414,000	81,965	19.80%	19.70%
Interest Income	58,656	17,339	29.56%	8.05%
Intergovernmental	378,604	86,651	22.89%	22.59%
Other Revenue	40,800	9,034	22.14%	31.25%
Transfers from Enterprise Fund	1,822,415	455,604	25.00%	25.00%
Payment for Services-EDC	<u>227,542</u>	<u>56,886</u>	<u>25.00%</u>	<u>25.00%</u>
<b>Total Revenues</b>	<b>11,232,528</b>	<b>3,337,087</b>	<b>29.71%</b>	<b>18.48%</b>

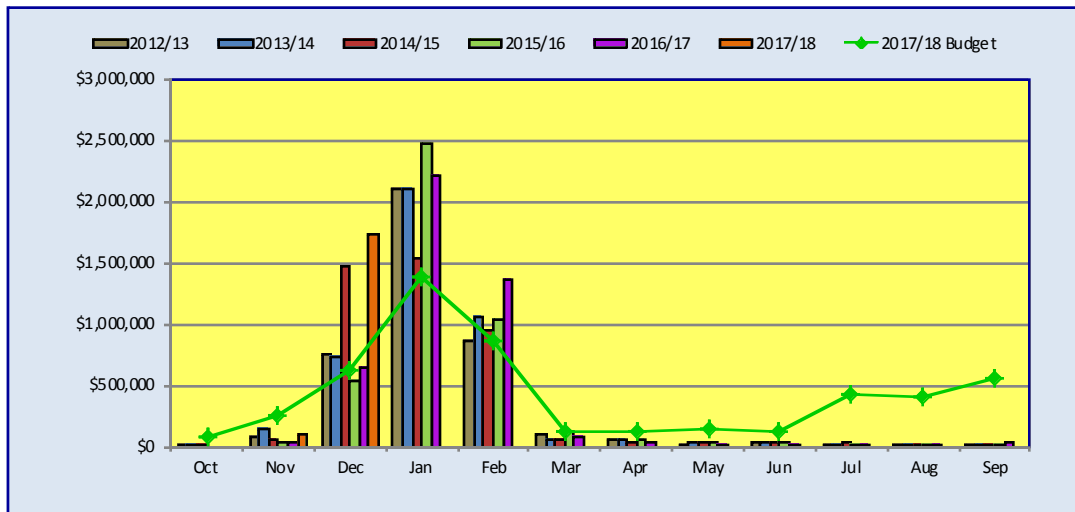
CHART B

## TOTAL EXPENDITURES THROUGH DECEMBER 2017

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	7,565,275	1,709,913	22.60%	23.37%
Supplies	292,800	37,311	12.74%	18.82%
Services	2,699,706	837,140	31.01%	32.66%
Capital	<u>303,064</u>	<u>113,891</u>	<u>37.58%</u>	<u>18.01%</u>
<b>Total Expenditures</b>	<b>10,860,845</b>	<b>2,698,254</b>	<b>24.84%</b>	<b>25.40%</b>

CHART C

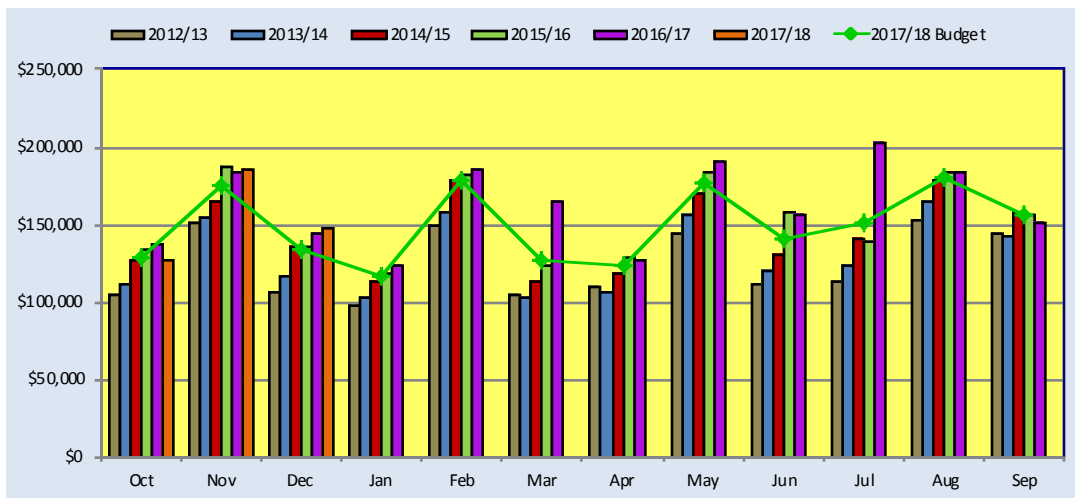
PROPERTY TAX ANALYSIS



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

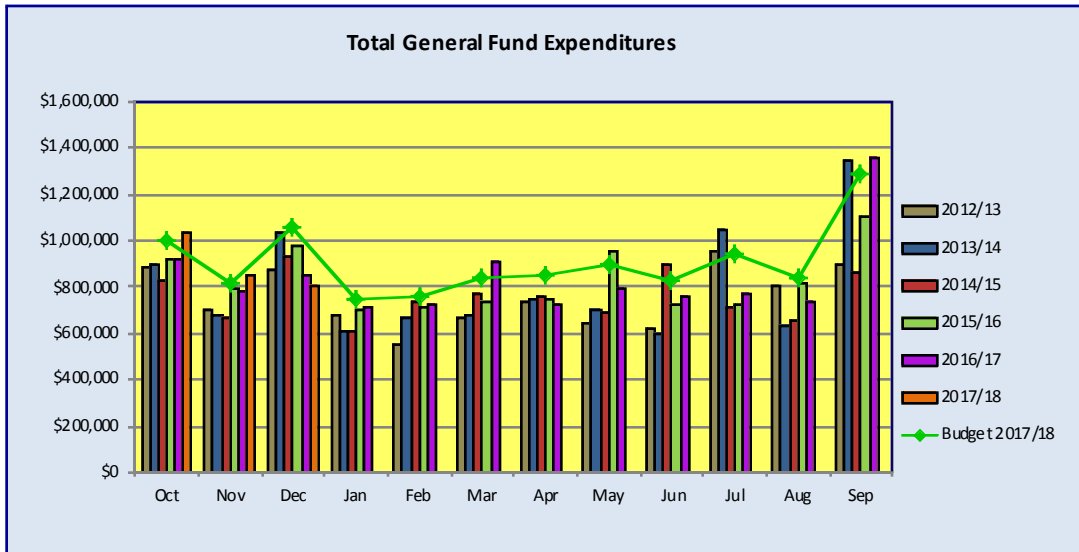
CHART D

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



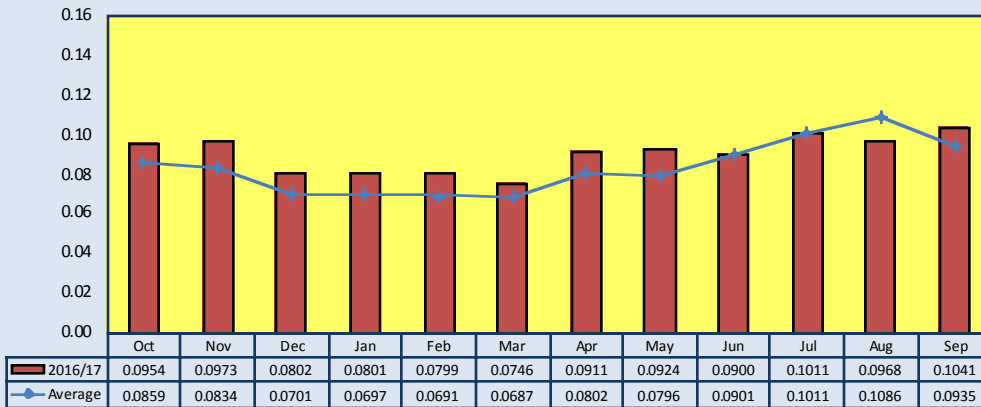
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascapc road construction



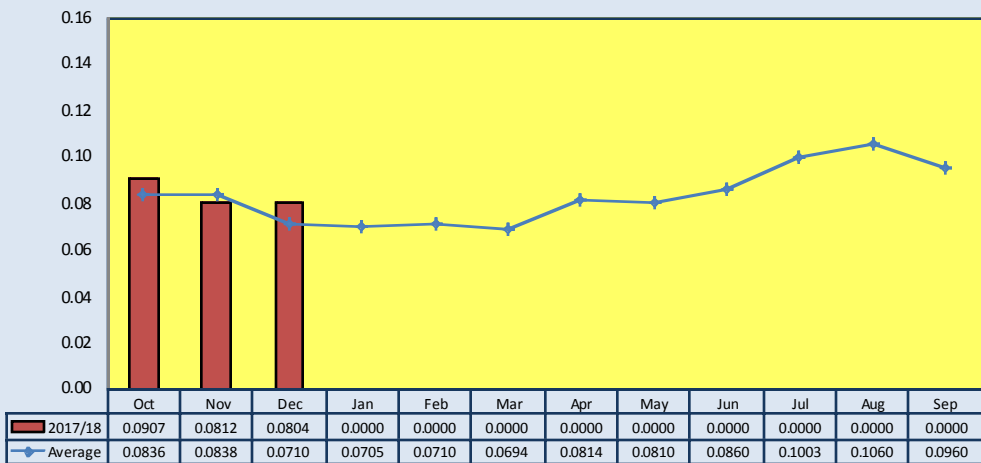
CHART F

WATER BILLING ANALYSIS

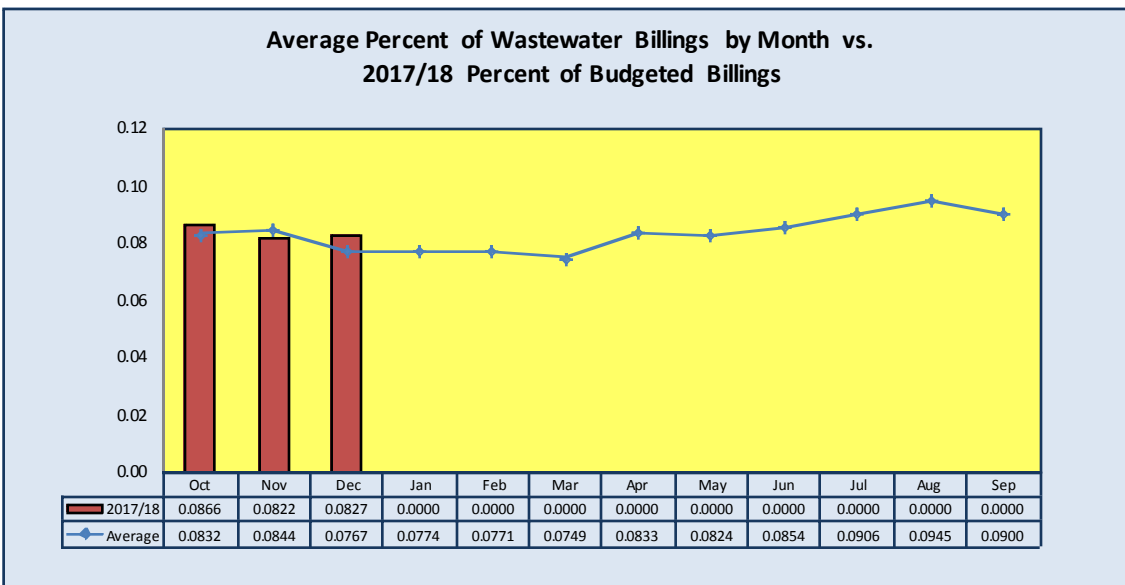
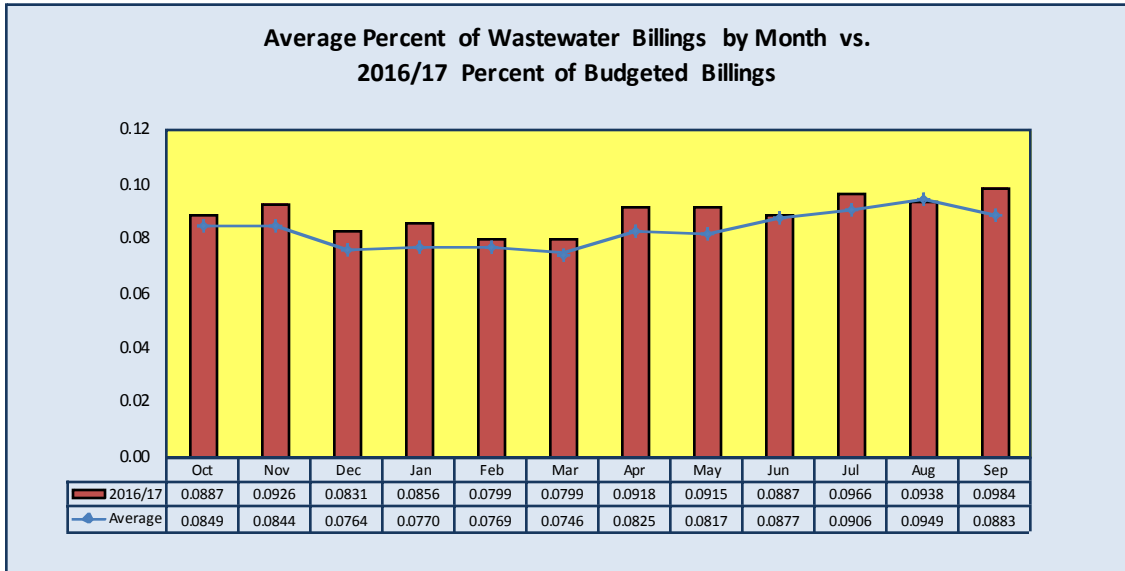
Average Percent of Water Billings by Month vs.  
2016/17 Percent of Budgeted Billings



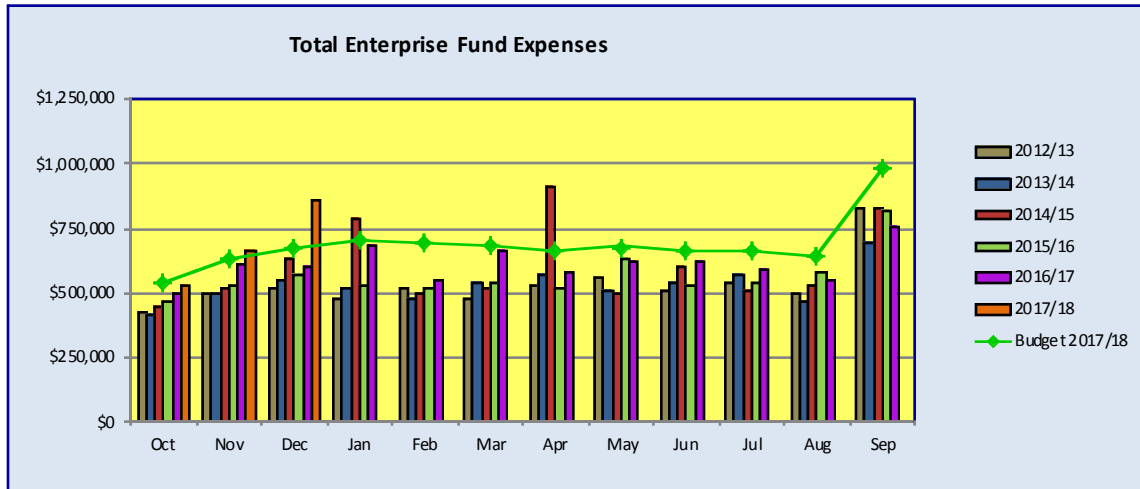
Average Percent of Water Billings by Month vs.  
2017/18 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS



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

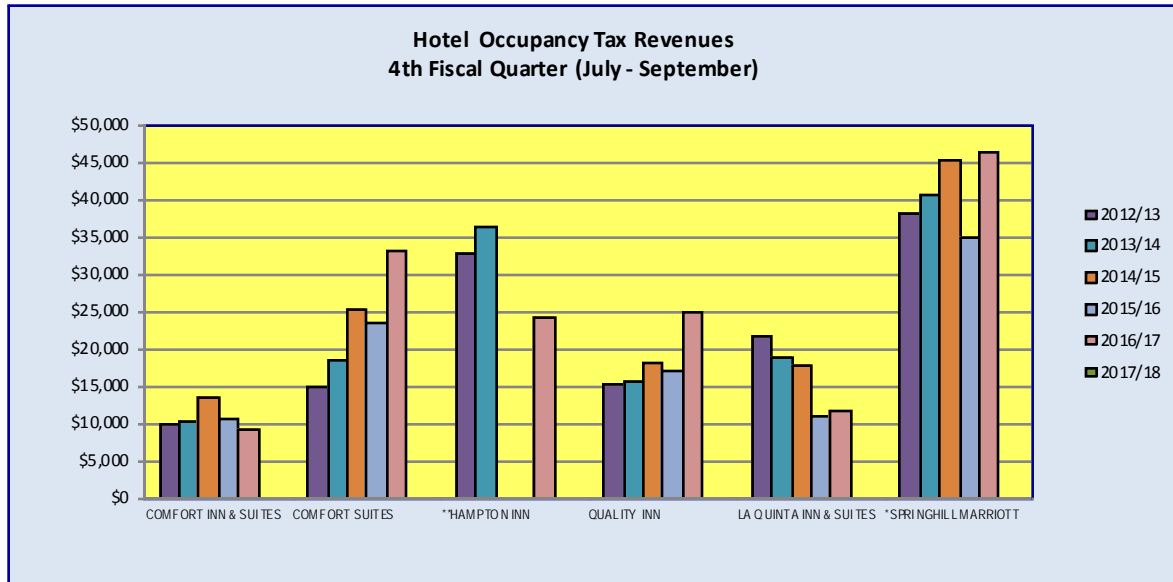
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

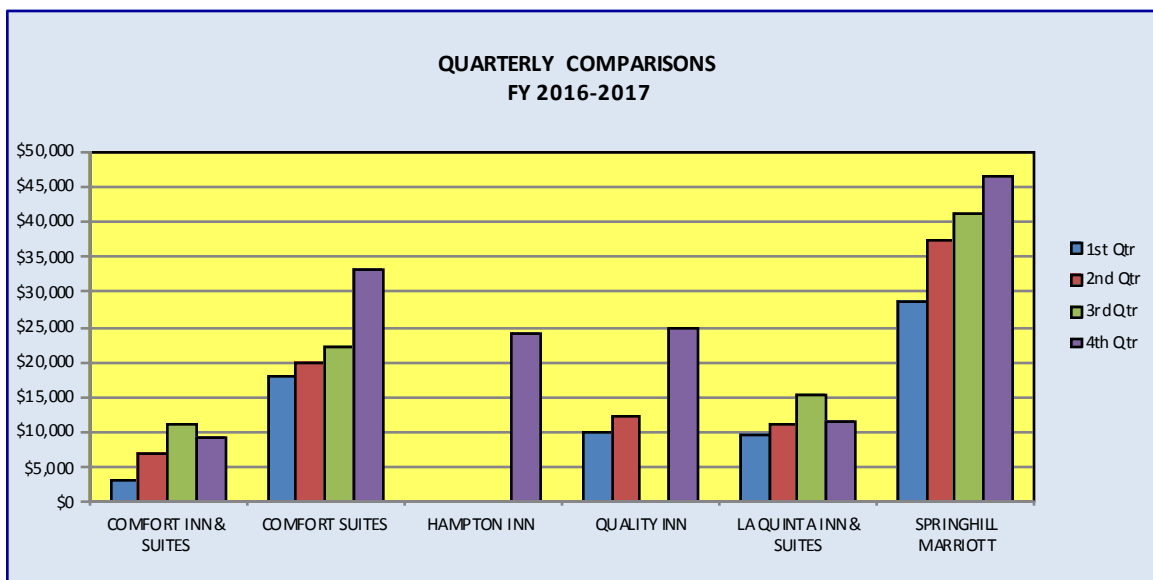


\*Springhill Marriott opened last quarter 2010

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

CHART J

## HOTEL TAX REVENUE



\*\* Hampton Inn closed 3rd quarter 2015 due to fire reopened in 4th quarter 2017



# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

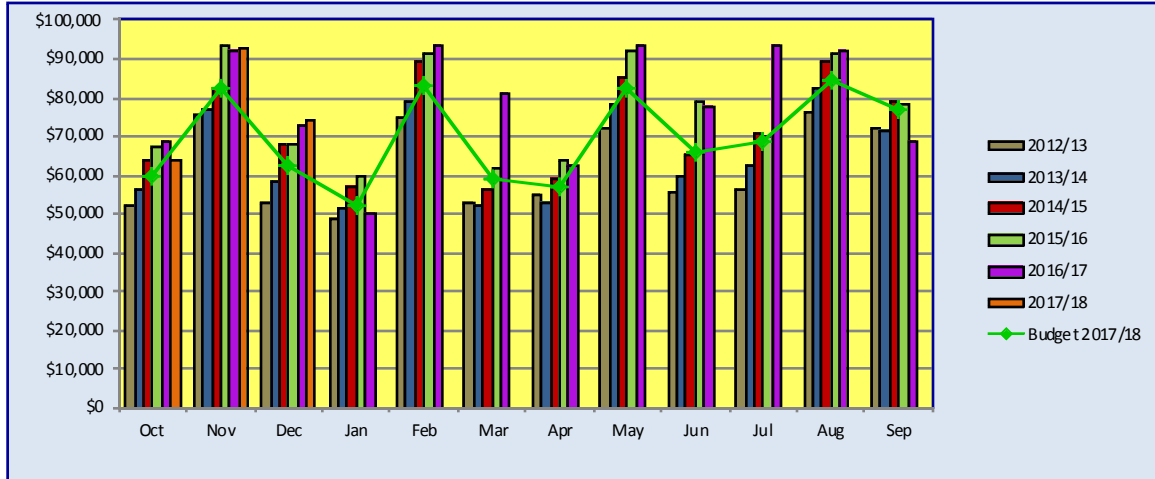
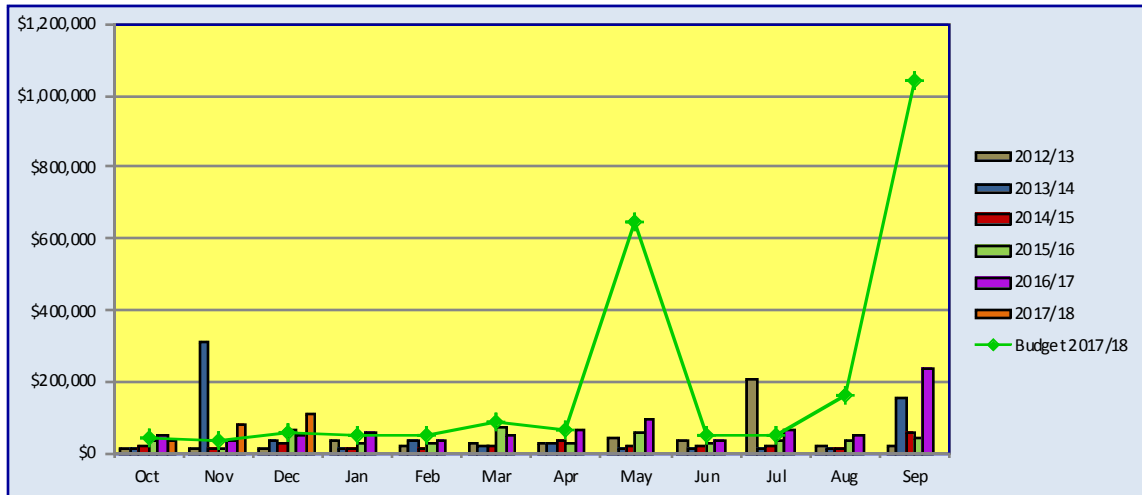


CHART L

## EXPENDITURE ANALYSIS



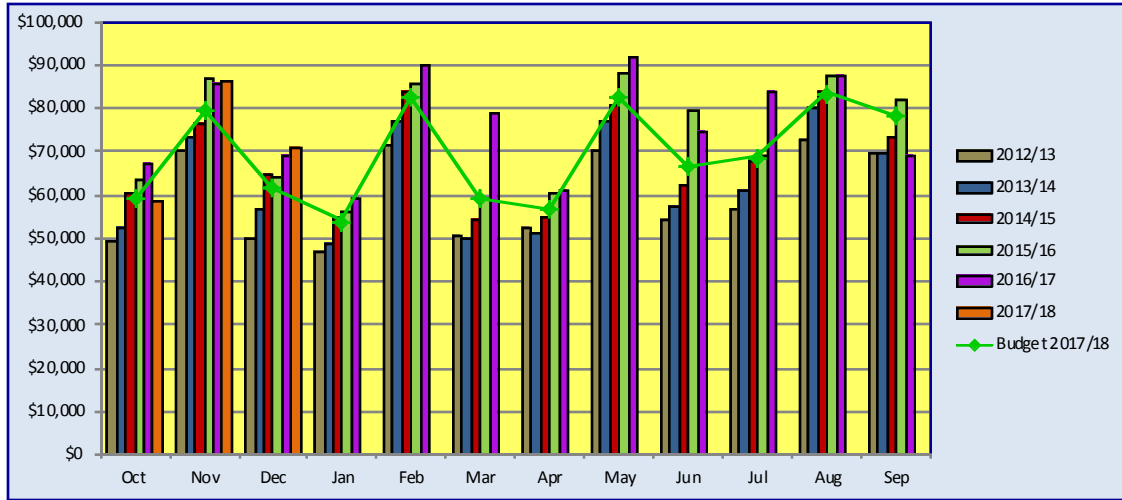
2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146  
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

# CRIME DISTRICT



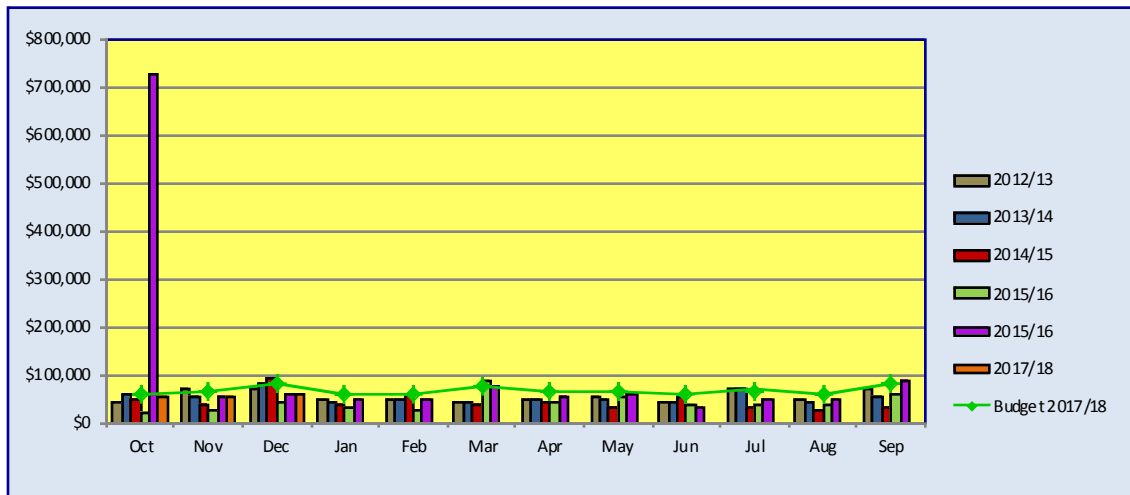
## SALES TAX REVENUE ANALYSIS

CHART M



## EXPENDITURE ANALYSIS

CHART N



Large December expenditures included vehicles. March 2016 includes reallocation of personnel expense.  
 Large October expenditure includes initial payment to PSVERF.

# INVESTMENTS



CHART O

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF DECEMBER 2017

1.1764%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Dec)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,472,742.63	(372,146.10)	6,019.22	4,106,615.75	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	2,612,996.06	(154,769.68)	2,760.10	2,460,986.48	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,691,072.16	0.00	2,688.78	2,693,760.94	Water & sewer lines extensions & expansions
PARK FEES	79,284.93	0.00	79.22	79,364.15	Reserved for acquisition & development of park land
SEIZURE	33,856.52	0.00	33.83	33,890.35	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,515.65	0.00	32.49	32,548.14	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,188.90	0.00	15.18	15,204.08	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,159,647.14	(64,000.00)	1,156.41	1,096,803.55	Restricted for promotion of tourism
DEBT SERVICE FUND	1,821,363.49	649,462.13	1,842.59	2,472,668.21	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,581,373.37	(146,000.00)	6,570.64	6,441,944.01	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	1,282,041.18	0.00	1,280.95	1,283,322.13	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	48,207.40	0.00	48.17	48,255.57	Fiber Optics
PD & GF BONDS	0.00	0.00	0.00	0.00	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	423,994.62	(250,000.00)	414.86	174,409.48	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,453.55	0.00	25.43	25,478.98	Fire Engine
LAKESIDE DRIVE CERT DEP	(0.00)	0.00	0.00	(0.00)	
CAROTHERS	77,304.67	0.00	77.24	77,381.91	Carother Facility & Park
ANIMAL	756.28	0.00	0.76	757.04	Animal Shelter Needs - Donation
CRIME DISTRICT	536,541.82	(17,893.68)	519.20	519,167.34	Funds transferred from Bond Mkt Acct to allow liquidity
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	13,472.23	0.00	13.46	13,485.69	
PUBLIC SAFETY	292,424.52	0.00	292.18	292,716.70	Public Safety Needs
MUNI COURT - SECURITY FUND	27,154.15	0.00	27.13	27,181.28	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,120.01	0.00	15.11	15,135.12	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	10,748.90	0.00	10.74	10,759.64	Fund court on technology
PUBLIC SAFETY VERF	500,727.17	13,406.58	513.70	514,647.45	Public Safety Vehicle Equipment Replacement
PEG Fund	113,848.03	0.00	113.75	113,961.78	Public Education and Government Access
STABILIZATION FUND	811,288.75	0.00	810.60	812,099.35	Highway 146 Project
WATER RATE STABILIZATION	70,535.60	0.00	70.48	70,606.08	
<b>TOTAL TEXPOOL FUND</b>	<b>29,098,561.56</b>	<b>(375,000.00)</b>	<b>28,843.86</b>	<b>\$28,752,405.42</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.

*Michael Gibbys*

Finance Director



# Monthly Newsletter: January 2018

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in December 2017:**

**TexPool**  
 Pearland Municipal Management District No. 2  
 Uvalde County Underground Water Conservation District

**TexPool Prime**  
 Town of Little Elm  
 Hurst-Euless-Bedford ISD  
 Uvalde County Underground Water Conservation District  
 Medina County  
 Harris County MUD 396

### Upcoming Events

GIOT 2017 Winter Seminar  
 Jan 28, 2018 - Jan 31, 2018,  
 Austin Convention Center, Austin

TASA Mid-Winter Conference  
 Feb 26, 2018 - Mar 02, 2018,  
 Ft. Worth Convention Center, Ft. Worth

2018 TASBO Annual Conference  
 Apr 15, 2018 - Apr 17, 2018,  
 Renaissance, Austin

### TexPool Advisory Board Members

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

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

## Economic and Market Commentary: Looking toward 2018

January 1, 2018

Two major developments in December—the overhaul of the U.S. federal tax code and a hike by the Federal Reserve—will likely keep both short-term government rates and inflation on a steady march into 2% land in 2018. That's a sunny path to be sure, but there's potential for distractions.

The Federal Reserve is, of course, at the center of it all. Its December Federal Open Market Committee (FOMC) meeting went as expected, resulting in a rate increase (to a range of 1.25-1.50%) and projections for three more in 2018. We think the moves will be front-loaded—happening in March, June and September—leaving open the potential for yet another one of those Fed year-end hikes. But whenever they come, three rate increases would put the short end of the London interbank offered rate (Libor) in a range of 2-2.25%. Indeed, the cash markets could very well have a two handle in 2018.

But as we all know, the Fed can create bumps in the road, and there will be opportunities. One is what the effect will be on the yield curve from the ever-increasing roll-off of its mammoth balance sheet. If the Fed sticks to its announced schedule, it will be reducing reinvestments by \$50 billion a month in the final quarter of 2018 and will have pared

*(continued page 6)*

### Performance as of December 31, 2017

	TexPool	TexPool Prime
Current Invested Balance	\$17,530,157,281.13	\$5,226,591,729.29
Weighted Average Maturity	33	38
Weighted Average Life	89	68
Net Asset Value	0.99992	0.99981
Total Number of Participants	2,445	297
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$16,280,860.32	\$5,603,189.63
Management Fee Collected	\$636,414.54	\$218,791.26
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$16,261,615,415.51	\$4,728,703,689.27
Average Monthly Rate	1.1764%	1.3917%
Average Weighted Average Maturity	33	38
Average Weighted Average Life	93	76

*\*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.*

*\*\*See page 2 for definitions.*

*Past performance is no guarantee of future results.*

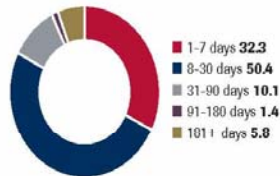
TexPool Participant Services  
 1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
 Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

Managed and  
 Serviced by **Federated**  
 G35884-24 (1/18)



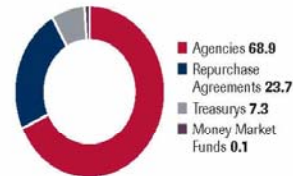
### Portfolio by Maturity (%)

As of December 31, 2017



### Portfolio by Type of Investment (%)

As of December 31, 2017



### Portfolio Asset Summary as of December 31, 2017

	Book Value	Market Value
Uninvested Balance	-\$5,514.92	-\$5,514.92
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	15,186,558.10	15,186,558.10
Interest and Management Fees Payable	-18,282,851.92	-18,282,851.92
Payable for Investments Purchased	-71,671,400.00	-71,671,400.00
Accrued Expenses & Taxes	-68,067.51	-68,067.51
Repurchase Agreements	4,163,454,000.00	4,163,454,000.00
Mutual Fund Investments	15,022,103.88	15,022,103.88
Government Securities	12,135,038,153.90	12,134,295,869.39
U.S. Treasury Inflation Protected Securities	1,088,050,752.18	1,088,885,115.70
US Treasury Bills	0.00	0.00
US Treasury Notes	200,417,546.42	200,000,000.00
<b>Total</b>	<b>\$17,530,157,281.13</b>	<b>\$17,528,835,813.72</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	583	\$8,083,121,757.16
Higher Education	57	\$940,124,406.40
Health Care	81	\$551,752,752.84
Utility District	770	\$2,379,406,900.51
City	457	\$4,109,097,858.79
County	185	\$1,870,531,748.69
Other	312	\$1,573,487,444.77

### \*\*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.



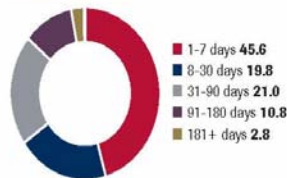
Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
12/1	1.0704%	0.000029325	\$14,923,237,150.66	0.99991	33	100
12/2	1.0704%	0.000029325	\$14,923,237,150.66	0.99991	33	100
12/3	1.0704%	0.000029325	\$14,923,237,150.66	0.99991	33	100
12/4	1.0770%	0.000029508	\$14,898,891,800.07	0.99990	32	98
12/5	1.0762%	0.000029485	\$14,929,281,007.23	0.99990	31	97
12/6	1.0792%	0.000029567	\$14,983,125,767.73	0.99990	31	96
12/7	1.0795%	0.000029574	\$15,027,728,243.81	0.99990	31	95
12/8	1.0885%	0.000029821	\$15,167,656,532.43	0.99990	33	98
12/9	1.0885%	0.000029821	\$15,167,656,532.43	0.99990	33	98
12/10	1.0885%	0.000029821	\$15,167,656,532.43	0.99990	33	98
12/11	1.0918%	0.000029913	\$15,189,256,010.78	0.99990	30	95
12/12	1.0965%	0.000030041	\$15,446,143,821.05	0.99990	31	92
12/13	1.1122%	0.000030470	\$15,545,326,818.33	0.99987	31	90
12/14	1.1769%	0.000032240	\$15,586,875,196.69	0.99988	32	95
12/15	1.1665%	0.000031959	\$16,137,570,879.23	0.99987	32	94
12/16	1.1665%	0.000031959	\$16,137,570,879.23	0.99987	32	94
12/17	1.1665%	0.000031959	\$16,137,570,879.23	0.99987	32	94
12/18	1.3223%	0.000036228	\$16,655,301,078.14	0.99989	30	90
12/19	1.2462%	0.000034143	\$17,018,058,719.27	0.99988	30	83
12/20	1.2405%	0.000033986	\$16,818,306,334.36	0.99988	34	93
12/21	1.2484%	0.000034202	\$17,427,706,137.92	0.99990	34	88
12/22	1.2485%	0.000034205	\$17,644,526,729.36	0.99991	35	91
12/23	1.2485%	0.000034205	\$17,644,526,729.36	0.99991	35	91
12/24	1.2485%	0.000034205	\$17,644,526,729.36	0.99991	35	91
12/25	1.2485%	0.000034205	\$17,644,526,729.36	0.99991	35	91
12/26	1.2696%	0.000034783	\$17,670,998,017.39	0.99990	33	89
12/27	1.2696%	0.000034784	\$17,648,866,580.23	0.99990	32	89
12/28	1.2722%	0.000034854	\$17,410,239,900.03	0.99989	32	89
12/29	1.2803%	0.000035078	\$17,530,157,281.13	0.99992	33	89
12/30	1.2803%	0.000035078	\$17,530,157,281.13	0.99992	33	89
12/31	1.2803%	0.000035078	\$17,530,157,281.13	0.99992	33	89
<b>Average:</b>	<b>1.1764%</b>	<b>0.000032231</b>	<b>\$16,261,615,415.51</b>	<b>0.99990</b>	<b>33</b>	<b>93</b>



## TEXPOOL PRIME

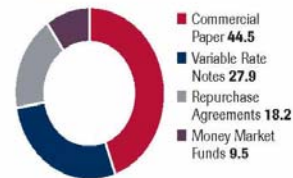
### Portfolio by Maturity (%)

As of December 31, 2017



### Portfolio by Type of Investment (%)

As of December 31, 2017



### Portfolio Asset Summary as of December 31, 2017

	Book Value	Market Value
Uninvested Balance	\$1,880.92	\$1,880.92
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,700,284.05	1,700,284.05
Interest and Management Fees Payable	-5,603,813.84	-5,603,813.84
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-25,252.26	-25,252.26
Repurchase Agreements	951,884,000.00	951,884,000.00
Commercial Paper	2,324,850,399.55	2,323,844,728.91
Bank Instruments	0.00	0.00
Mutual Fund Investments	497,099,999.35	497,002,497.80
Government Securities	0.00	0.00
Variable Rate Notes	1,456,684,231.52	1,456,667,795.00
<b>Total</b>	<b>\$5,226,591,729.29</b>	<b>\$5,225,472,120.58</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	102	\$2,034,910,132.62
Higher Education	15	\$683,553,785.31
Health Care	11	\$297,585,778.12
Utility District	24	\$346,731,604.83
City	60	\$768,278,582.46
County	34	\$412,809,158.60
Other	51	\$678,706,210.08



## TEXPOOL PRIME

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
12/1	1.3067%	0.000035799	\$4,359,830,420.13	0.99996	39	83
12/2	1.3067%	0.000035799	\$4,359,830,420.13	0.99996	39	83
12/3	1.3067%	0.000035799	\$4,359,830,420.13	0.99996	39	83
12/4	1.3113%	0.000035927	\$4,363,215,843.28	0.99999	38	80
12/5	1.3090%	0.000035864	\$4,393,734,113.67	0.99998	38	79
12/6	1.3177%	0.000036102	\$4,398,784,834.08	0.99998	38	80
12/7	1.3231%	0.000036248	\$4,364,573,108.22	0.99997	38	80
12/8	1.3155%	0.000036042	\$4,436,639,975.23	0.99993	38	79
12/9	1.3155%	0.000036042	\$4,436,639,975.23	0.99993	38	79
12/10	1.3155%	0.000036042	\$4,436,639,975.23	0.99993	38	79
12/11	1.3186%	0.000036127	\$4,472,891,058.87	0.99995	36	77
12/12	1.3014%	0.000035655	\$4,732,063,767.87	0.99994	35	73
12/13	1.3222%	0.000036226	\$4,719,138,735.50	0.99991	38	75
12/14	1.4018%	0.000038405	\$4,732,628,049.70	0.99988	39	77
12/15	1.4092%	0.000038608	\$4,712,722,744.15	0.99982	39	77
12/16	1.4092%	0.000038608	\$4,712,722,744.15	0.99982	39	77
12/17	1.4092%	0.000038608	\$4,712,722,744.15	0.99982	39	77
12/18	1.4159%	0.000038791	\$4,908,865,464.35	0.99987	37	72
12/19	1.4390%	0.000039424	\$4,803,842,677.39	0.99986	38	74
12/20	1.4377%	0.000039388	\$4,782,090,851.29	0.99984	39	74
12/21	1.4481%	0.000039675	\$4,814,175,767.35	0.99982	39	75
12/22	1.4555%	0.000039877	\$4,907,402,922.90	0.99978	40	74
12/23	1.4555%	0.000039877	\$4,907,402,922.90	0.99978	40	74
12/24	1.4555%	0.000039877	\$4,907,402,922.90	0.99978	40	74
12/25	1.4555%	0.000039877	\$4,907,402,922.90	0.99978	40	74
12/26	1.5225%	0.000041713	\$5,034,835,698.83	0.99985	37	69
12/27	1.4723%	0.000040337	\$5,079,560,718.67	0.99983	36	68
12/28	1.4613%	0.000040035	\$5,152,447,380.21	0.99984	35	67
12/29	1.4746%	0.000040400	\$5,226,591,729.29	0.99981	38	68
12/30	1.4746%	0.000040400	\$5,226,591,729.29	0.99981	38	68
12/31	1.4746%	0.000040400	\$5,226,591,729.29	0.99981	38	68
<b>Average:</b>	<b>1.3917%</b>	<b>0.000038128</b>	<b>\$4,728,703,689.27</b>	<b>0.99988</b>	<b>38</b>	<b>76</b>



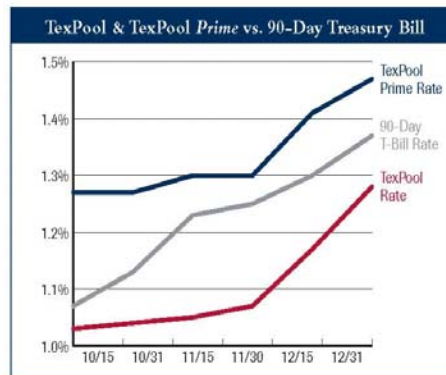


Participant Services  
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\$450 billion from the start of the program in October 2017. That's a significant amount in total, and the slow rise means supply will be in constant change and no one knows exactly how the markets will react.

Another continuing Fed issue is the number of empty seats on its board of governors. When the board is at full strength, the governors make up the majority of the policy-setting FOMC compared to the presidents of the regional Fed branches. There is potential for risk in 2018 if we have four open posts out of a 12-member capacity, especially if New York Fed President William Dudley makes good on his plan to retire soon. Monetary policy—particularly as policymakers head into the uncharted territory of paring the large balance sheet—should be navigated with a full crew.

The effect of tax reform on money markets also is an unknown, but ultimately, we don't expect much change from the environment of the latter half of 2017. The U.S. economy is gaining momentum and Labor remains supportive (1-month rising from 1.35% to 1.57% and 3-month from 1.48% to 1.69%). Because of year-end activity, we shortened the weighted average maturity (WAM) of TexPool Prime to 38 days. The short end of the Treasury curve rose slightly in December, with 1-month and 3-month Treasury yields rising from 1.17% to 1.25% and 1.29% to 1.45%, respectively.



*90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.*

*Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.*

*Past performance is no guarantee of future results.*