SEABROOK

MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY *December 2016*

	Current Month	Year to Date	Chart
GENERAL FUND			
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	NEGATIVE	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	POSITIVE	NEGATIVE	H
HOTEL OCCUPANCY TAX REVENUE			
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
SEDC			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	POSITIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE	Positive = Positive variance as compared to seasonal trend.
NEGATIVE	Negative = Negative variance as compared to seasonal trend.
NEUTRAL	Neutral = Variance is less than 1%

GENERAL FUND

CHART A

TOTAL REVENUE THROUGH DECEMBER 2016

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,531,199	680,118	15.01%	12.76%
Penalities & Interest	39,000	6,090	15.61%	5.55%
Sales Tax	1,661,792	465,829	28.03%	24.99%
Franchise Tax	725,000	219,226	30.24%	21.93%
Other Tax	133,500	0	0.00%	0.00%
License & Permits	220,000	44,576	20.26%	18.09%
Charges for Services	60,500	8,915	14.74%	7.38%
DOT Fines	75,000	28,526	38.03%	18.00%
Other Municipal Court Fees	379,100	96,966	25.58%	19.70%
Interest Income	21,622	6,149	28.44%	8.05%
Intergovernmental	382,184	86,926	22.74%	22.59%
Other Revenue	46,800	8,326	17.79%	0.96%
Transfers from Enterprise Fund	1,767,320	441,830	25.00%	25.00%
Payment for Services-EDC	200,000	50,000	25.00%	25.00%
Total Revenues	10,243,017	2,143,477	20.93%	18.48%

CHART B

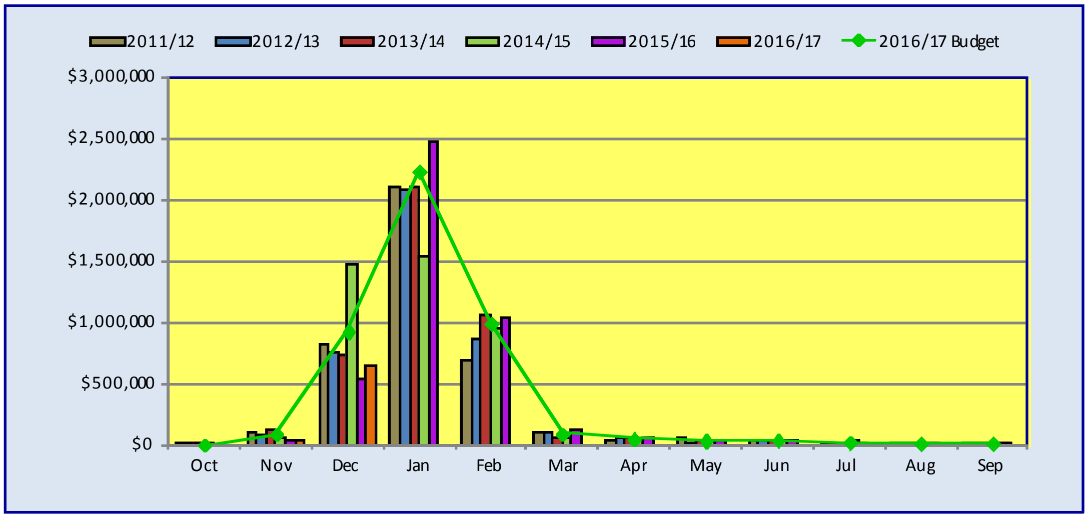
TOTAL EXPENDITURES THROUGH DECEMBER 2016

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,726,025	1,534,961	22.82%	25.39%
Supplies	286,850	40,786	14.22%	19.20%
Services	2,607,862	826,420	31.69%	31.15%
Capital	260,013	64,819	24.93%	33.86%
Total Expenditures	9,880,750	2,466,986	24.97%	27.25%

GENERAL FUND-continued

CHART C

PROPERTY TAX ANALYSIS

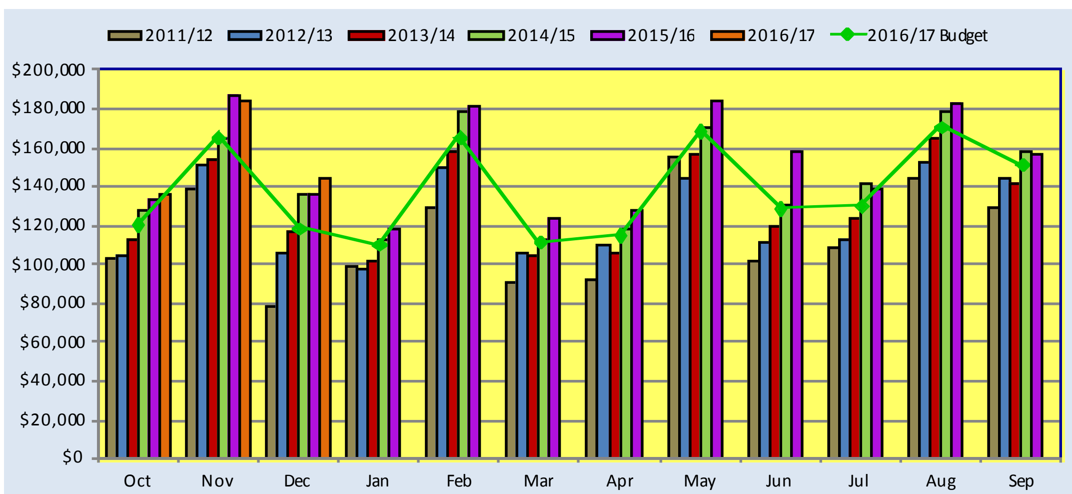


Budget is divided into months based on the monthly percentages of the last 5 years' collections.

2014/15 December collections were higher than the trend but were offset by lower collections in January

CHART D

SALES TAX ANALYSIS

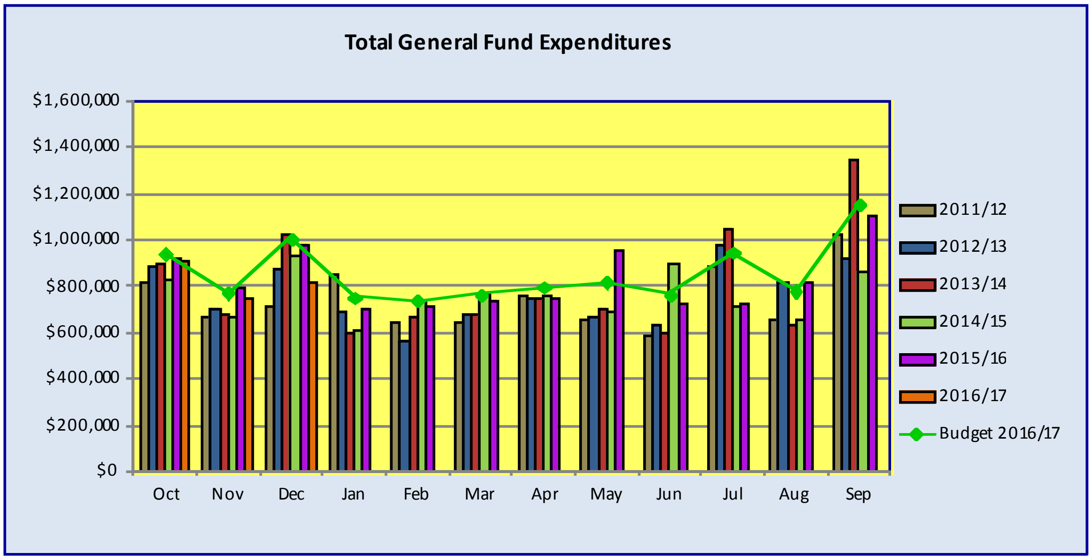


2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

GENERAL FUND-continued

CHART E

EXPENDITURE ANALYSIS



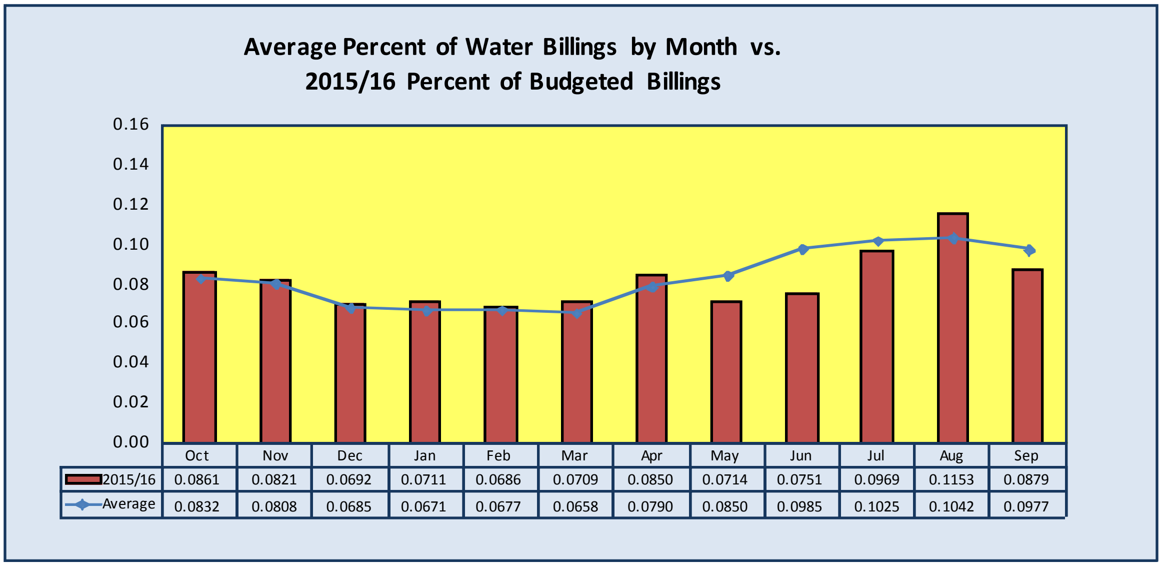
High expenditures in September 2010 are due to city hall A/C replacement.

High expenditures in September 2014 are due to Seascape road construction

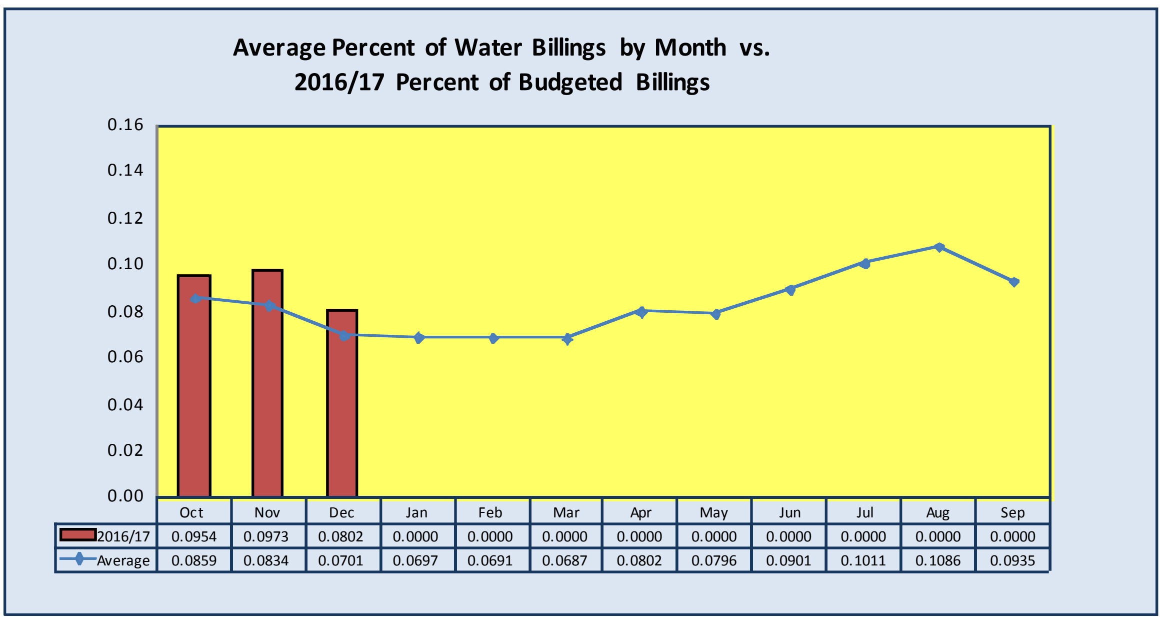
ENTERPRISE FUND

CHART F

WATER BILLING ANALYSIS



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2015/16	0.0861	0.0821	0.0692	0.0711	0.0686	0.0709	0.0850	0.0714	0.0751	0.0969	0.1153	0.0879
Average	0.0832	0.0808	0.0685	0.0671	0.0677	0.0658	0.0790	0.0850	0.0985	0.1025	0.1042	0.0977



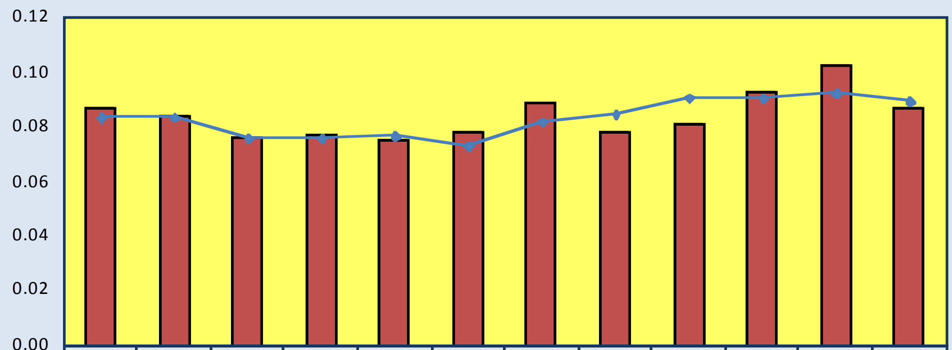
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2016/17	0.0954	0.0973	0.0802	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Average	0.0859	0.0834	0.0701	0.0697	0.0691	0.0687	0.0802	0.0796	0.0901	0.1011	0.1086	0.0935

ENTERPRISE FUND-continued

CHART G

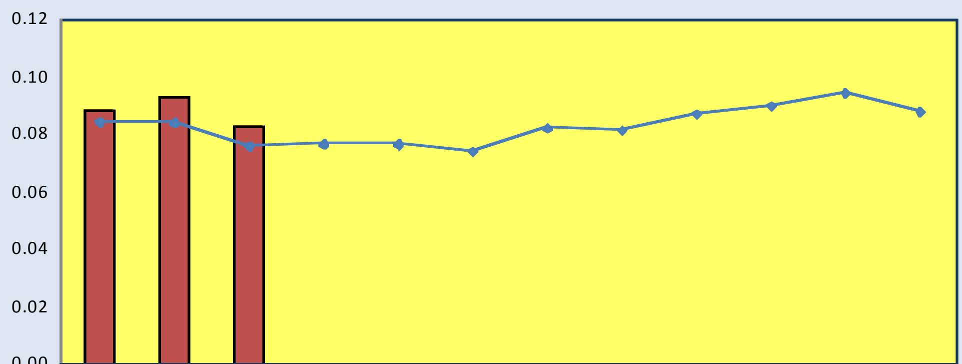
WASTEWATER BILLING ANALYSIS

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



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2015/16	0.0865	0.0836	0.0758	0.0772	0.0748	0.0779	0.0885	0.0777	0.0812	0.0931	0.1022	0.0865
Average	0.0835	0.0835	0.0760	0.0760	0.0768	0.0732	0.0821	0.0848	0.0912	0.0908	0.0925	0.0896

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

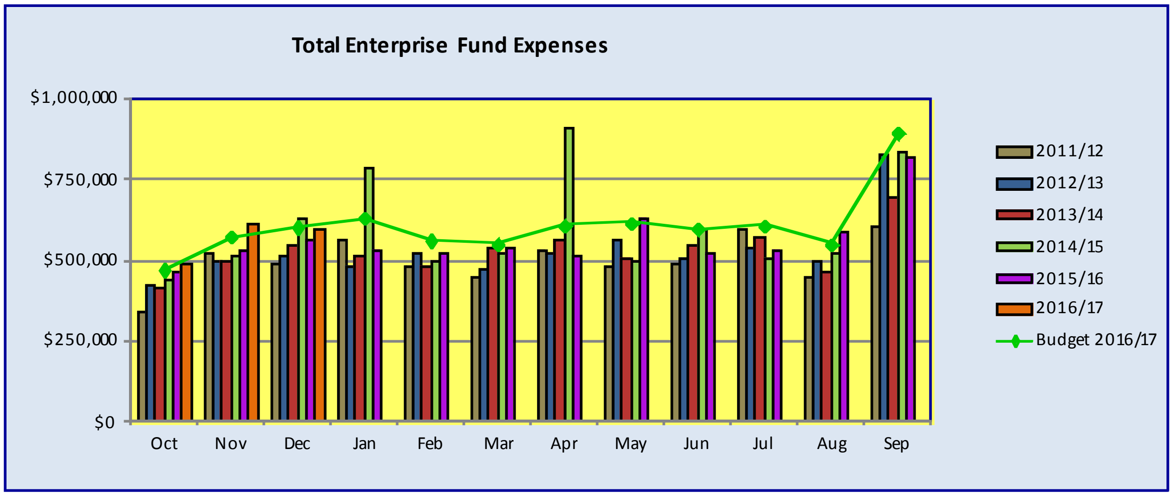


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2016/17	0.0887	0.0926	0.0831	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Average	0.0849	0.0844	0.0764	0.0770	0.0769	0.0746	0.0825	0.0817	0.0877	0.0906	0.0949	0.0883

ENTERPRISE FUND-continued

CHART H

EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

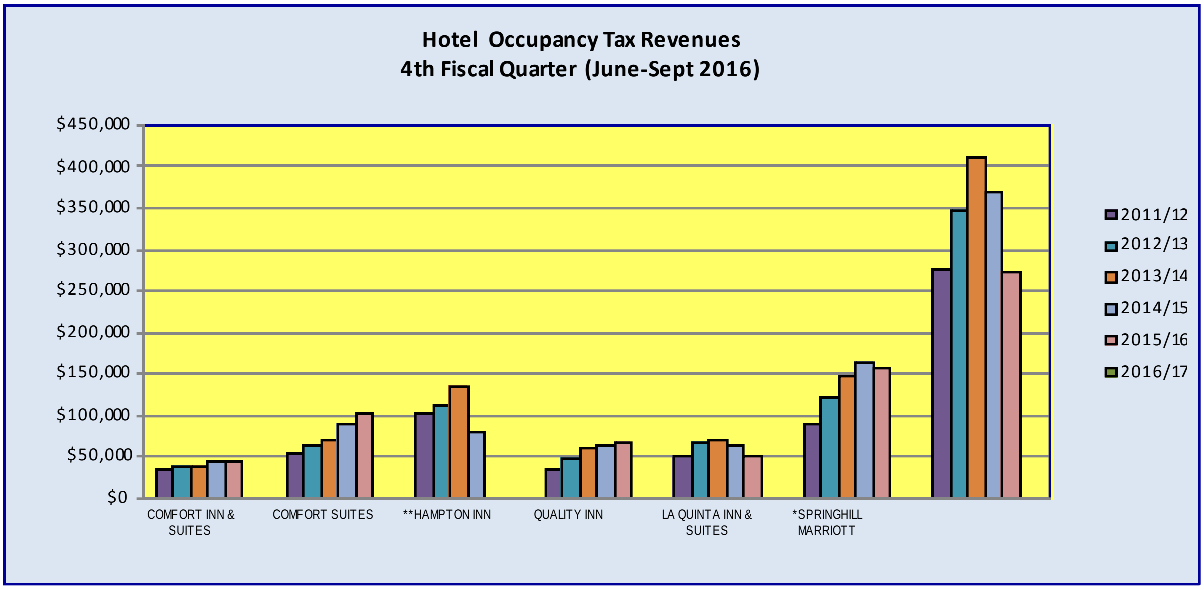
December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND

CHART I

HOTEL TAX REVENUE ANALYSIS

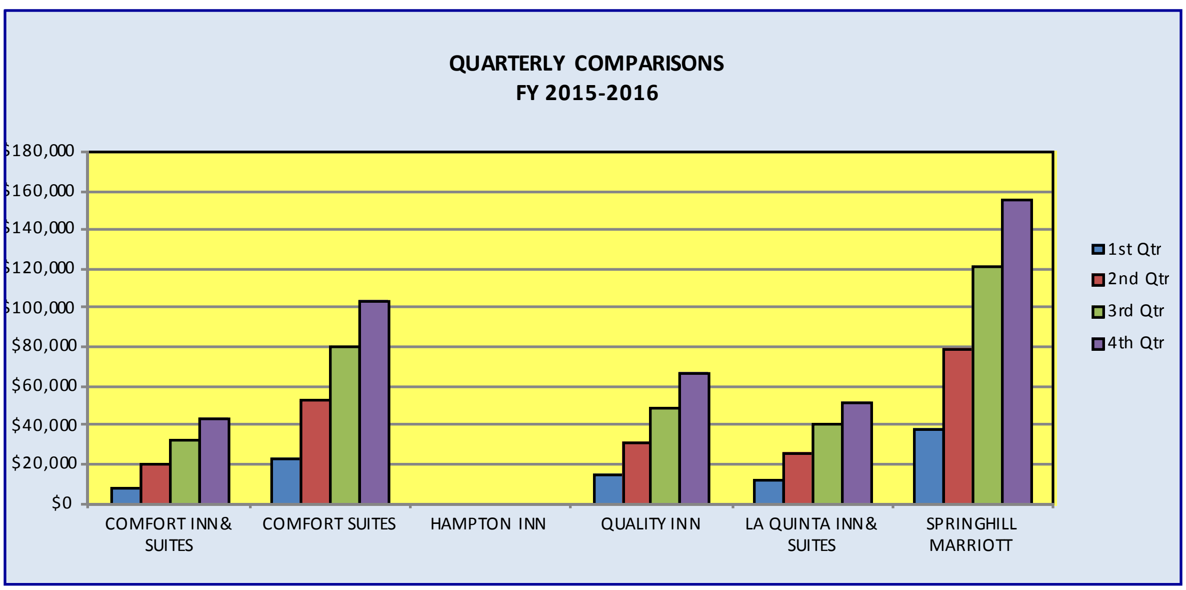


*Springhill Marriott opened last quarter 2010

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

CHART J

HOTEL TAX REVENUE



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

SEABROOK EDC

CHART K

SALES TAX REVENUE ANALYSIS

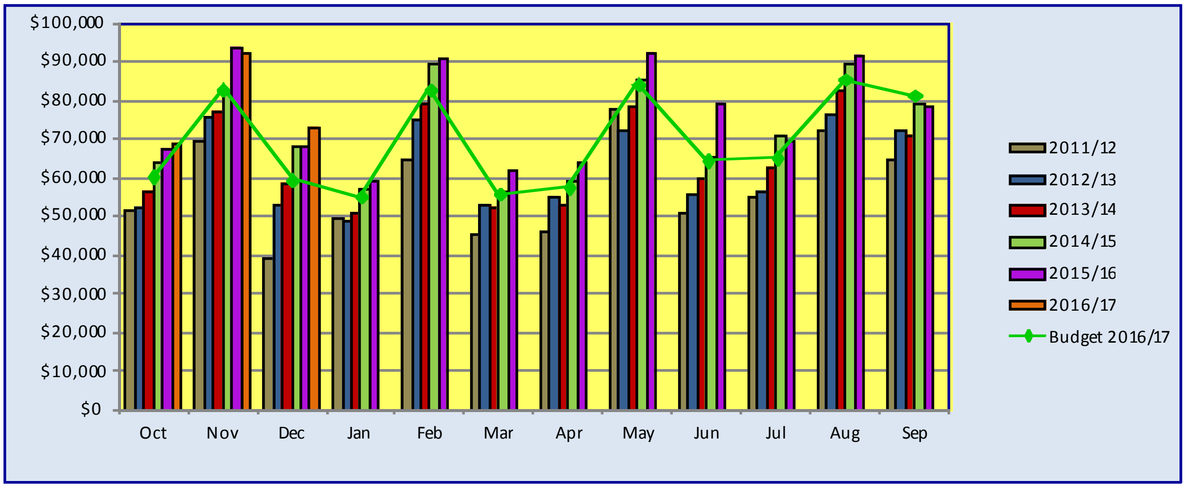
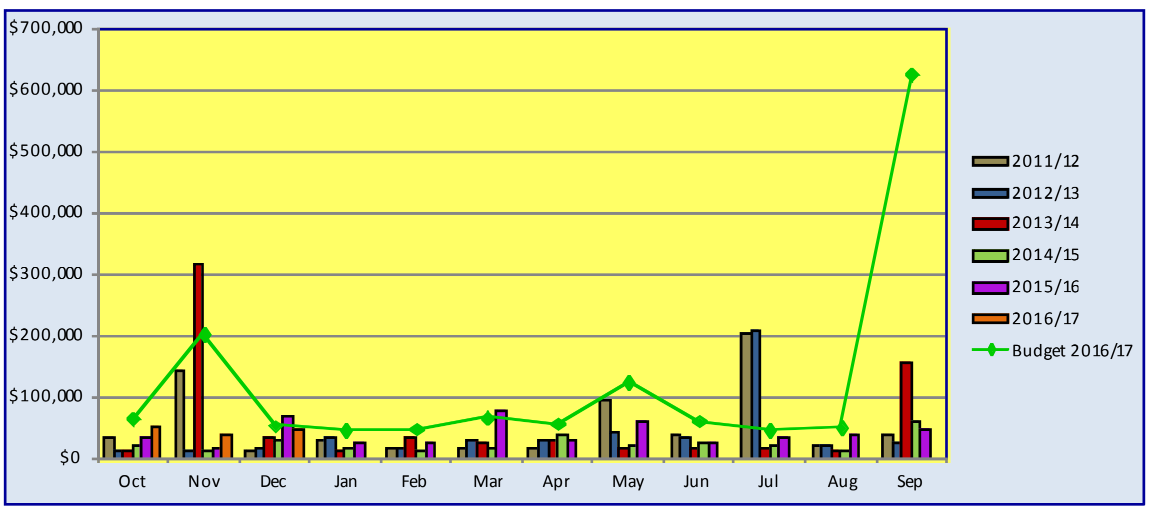


CHART L

EXPENDITURE ANALYSIS



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

CRIME DISTRICT

CHART M

SALES TAX REVENUE ANALYSIS

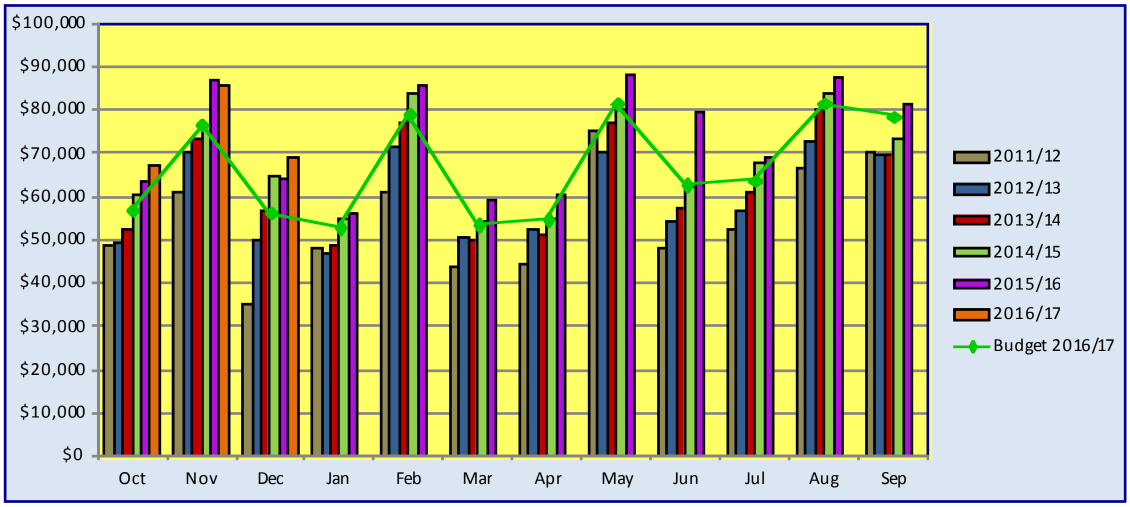
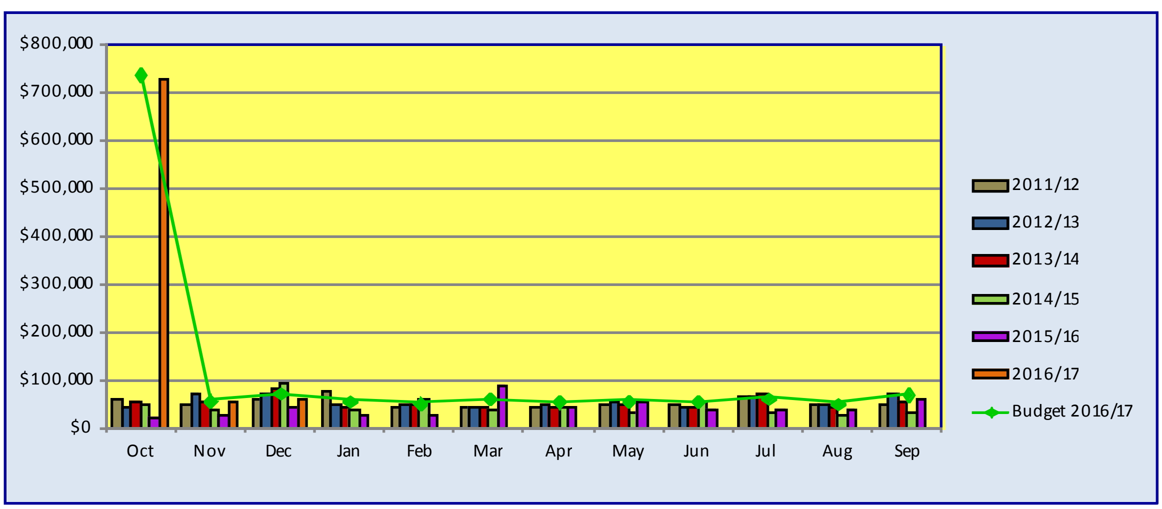


CHART N

EXPENDITURE ANALYSIS



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 2016
0.4570%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Dec)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,008,228.00	(82,509.70)	2,227.27	3,927,945.57	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRICT	2,099,823.83	(141,686.42)	877.16	1,959,014.57	Working capital
ENTERPRISE FUND - RESTRICTED	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,430,394.68	0.00	943.37	2,431,338.05	Water & sewer lines extensions & expansions
PARK FEES	64,423.32	0.00	25.01	64,448.33	Reserved for acquisition & development of park land
SEIZURE	33,586.38	0.00	13.04	33,599.42	Soley to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,256.24	0.00	12.52	32,268.76	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,067.72	0.00	5.85	15,073.57	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,199,230.92	(10,771.36)	468.85	1,188,928.41	Restricted for promotion of tourism
DEBT SERVICE FUND	1,810,224.13	277,326.88	706.29	2,088,257.30	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,954,994.64	0.00	2,699.63	6,957,694.27	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	2,765,642.67	(20,000.00)	1,073.24	2,746,715.91	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	57,743.28	0.00	22.41	57,765.69	Fiber Optics
PD & GF BONDS	4,943,777.55	(40,000.00)	1,918.44	4,905,695.99	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reserve)	776,995.62	0.00	301.60	777,297.22	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,250.47	0.00	9.80	25,260.27	Fire Engine
LAKESIDE DRIVE CERT DEP	134.22	0.00	0.05	134.27	
CAROTHERS	77,186.97	0.00	29.96	77,216.93	
ANIMAL	750.25	0.00	0.29	750.54	Animal Shelter Needs - Donation
CRIME DISTRICT	1,087,159.54	(693,534.33)	411.74	394,036.95	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	3,189,065.53	29,324.93	1,309.76	3,219,700.22	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONDS	0.00	0.00	incl in above	0.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERGEN(	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	21,354.68	0.00	8.29	21,362.97	
PUBLIC SAFETY	234,104.73	0.00	90.87	234,195.60	Public Safety Needs
MUNI COURT - SECURITY FUND	34,420.37	0.00	13.36	34,433.73	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	14,999.38	0.00	5.82	15,005.20	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUND	26,390.98	(8,150.00)	7.15	18,248.13	
PUBLIC SAFETY VERF	0.00	690,000.00	9.06	690,009.06	Public Safety Vehicle Equipment Replacement
PEG Fund	91,938.32	0.00	35.69	91,974.01	
STABILIZATION FUND	804,815.85	0.00	312.39	805,128.24	
TOTAL TEXPOOL FUND	34,879,960.27	0.00	13,538.91	$34,893,499.18	

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 Gibbs

Finance Director

Finance Director

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Monthly Newsletter: January 2017

ANNOUNCEMENTS

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

TexPool
Paint Creek ISD
Fort Bend County MUD 172

TexPool *Prime*
Lamar University
Paint Creek ISD

Upcoming Events

Jan 29, 2017 - Jan 31, 2017
TASA MidWinter Conference
Austin

Feb 27, 2017 - Mar 03, 2017
TASBO Annual Conference
Austin

Apr 09, 2017 - Apr 11, 2017
GFOAT Spring Conference
Austin

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

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

For more information visit www.texpool.com.

Economic and Market Commentary: 2017 Outlook

January 1, 2017

The Federal Reserve met expectations—essentially 100% of them—by hiking its target rate in mid-December. That's good news, of course, but don't get used to expectations being met in 2017. It is setting up to be volatile, with expectations a little too positive amid many unknowns. One uncertainty is the tease the Federal Open Market Committee gave with new "dot plot" projections indicating the potential for three hikes in 2017. The market seems to have bought it. We still think two are more likely, although coming in March and September rather than June and December. That shift would leave open the possibility for a third move in December.

The largest variable is the fiscal policy the Trump administration will officially propose. We know less about his plans than those of any incoming administration in recent times. That spells volatility, even though its impact won't be felt immediately. We have been conditioned in recent years to look to monetary policy alone for action on the economy. Now we should finally have real fiscal changes to consider. Expectations again play a role as people have high hopes for the positives Trump could serve up. We hope those will be met and that the Fed will keep its upward momentum, but there is plenty of room for disappointment. Remember, this is a Fed that has been reactive to conditions in the global markets, often allowing them to influence its decisions. In 2016 alone, it didn't tighten due to the volatility

(continued page 6)

Performance as of December 31, 2016

	TexPool	TexPool *Prime*
Current Invested Balance	$15,967,120,164.89	$2,987,613,836.55
Weighted Average Maturity**	43 Days	47 Days
Weighted Average Life**	85 Days	63 Days
Net Asset Value	1.00014	1.00018
Total Number of Participants	2,382	227
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	$5,607,540.15	$1,927,781.21
Management Fee Collected	$541,903.77	$129, 943.91
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	$14,447,399,311.06	$2,779,539,651.57
Average Monthly Rate*	0.46%	0.81%
Average Weighted Average Maturity**	43	50
Average Weighted Average Life**	90	69

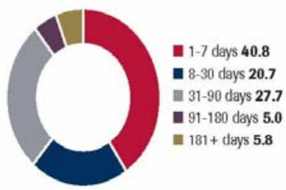
** This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.*
*** See page 2 for definitions.*
Past performance is no guarantee of future results.

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 (1/17)

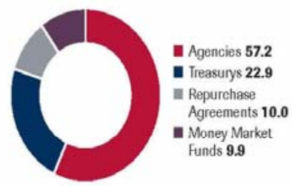
Portfolio by Maturity (%)

As of December 31, 2016



Portfolio by Type of Investment (%)

As of December 31, 2016



Portfolio Asset Summary as of December 31, 2016

	Book Value	Market Value
Uninvested Balance	-$188,185.17	-$188,185.17
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	20,111,806.92	20,111,806.92
Interest and Management Fees Payable	-5,608,147.74	-5,608,147.74
Payable for Investments Purchased	-299,653,500.00	-299,653,500.00
Accrued Expenses & Taxes	-36,518.42	-36,518.42
US Treasury Inflation Protected Securities	332,224,197.59	332,055,922.04
Repurchase Agreements	1,621,673,000.00	1,621,673,000.00
Mutual Fund Investments	1,615,022,103.88	1,615,022,103.88
Government Securities	9,297,905,563.28	9,300,323,053.14
US Treasury Bills	459,678,116.76	459,687,497.06
US Treasury Notes	2,925,991,727.79	2,925,774,236.00
Total	**$15,967,120,164.89**	**$15,969,161,267.71**

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	577	$5,142,342,217.65
Higher Education	57	$1,034,870,527.00
Healthcare	81	$545,085,489.63
Utility District	749	$2,149,185,333.79
City	455	$3,908,207,804.17
County	182	$1,647,939,101.91
Other	281	$1,531,231,639.77

****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.

TEXPOOL

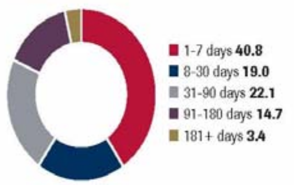
Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
12/1	0.4086%	0.000011195	$13,758,416,298.00	1.00014	46	92
12/2	0.4300%	0.000011781	$13,590,040,754.00	1.00017	49	100
12/3	0.4300%	0.000011781	$13,590,040,754.00	1.00017	49	100
12/4	0.4300%	0.000011781	$13,590,040,754.00	1.00017	49	100
12/5	0.4286%	0.000011743	$13,643,724,340.00	1.00017	47	97
12/6	0.4316%	0.000011824	$13,614,242,931.00	1.00015	47	97
12/7	0.4311%	0.000011811	$13,650,880,544.00	1.00015	47	97
12/8	0.4331%	0.000011867	$13,605,909,618.00	1.00013	47	96
12/9	0.4277%	0.000011719	$13,934,567,874.00	1.00011	45	94
12/10	0.4277%	0.000011719	$13,934,567,874.00	1.00011	45	94
12/11	0.4277%	0.000011719	$13,934,567,874.00	1.00011	45	94
12/12	0.4279%	0.000011724	$13,952,989,985.00	1.00010	43	90
12/13	0.4319%	0.000011833	$13,935,369,383.00	1.00008	43	95
12/14	0.4337%	0.000011881	$13,921,713,050.00	1.00009	43	94
12/15	0.4649%	0.000012736	$13,957,940,364.00	1.00010	42	93
12/16	0.4719%	0.000012930	$13,961,434,108.00	1.00015	42	94
12/17	0.4719%	0.000012930	$13,961,434,108.00	1.00015	42	94
12/18	0.4719%	0.000012930	$13,961,434,108.00	1.00015	42	94
12/19	0.4810%	0.000013177	$13,984,890,691.00	1.00015	40	91
12/20	0.4768%	0.000013062	$14,206,281,527.00	1.00013	39	89
12/21	0.4745%	0.000013001	$14,689,509,545.00	1.00013	38	83
12/22	0.4852%	0.000013292	$14,838,900,500.00	1.00012	39	85
12/23	0.4850%	0.000013288	$15,290,234,269.00	1.00012	39	84
12/24	0.4850%	0.000013288	$15,290,234,269.00	1.00012	39	84
12/25	0.4850%	0.000013288	$15,290,234,269.00	1.00012	39	84
12/26	0.4850%	0.000013288	$15,290,234,269.00	1.00012	39	84
12/27	0.4867%	0.000013334	$16,140,395,322.00	1.00011	35	76
12/28	0.4877%	0.000013362	$16,153,729,967.00	1.00011	35	77
12/29	0.4974%	0.000013628	$16,261,178,964.00	1.00010	40	81
12/30	0.4790%	0.000013123	$15,967,120,164.89	1.00014	43	85
12/31	0.4790%	0.000013123	$15,967,120,164.89	1.00014	43	85
Average:	**0.4570%**	**0.000012521**	**$14,447,399,311.06**	**1.00013**	**43**	**90**

TexPool *PRIME*

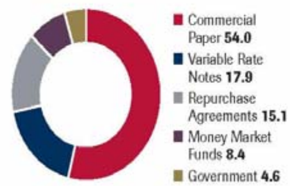
Portfolio by Maturity (%)

As of December 31, 2016



Portfolio by Type of Investment (%)

As of December 31, 2016



Portfolio Asset Summary as of December 31, 2016

	Book Value	Market Value
Uninvested Balance	$72.16	$72.16
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,256,358.23	1,256,358.23
Interest and Management Fees Payable	-1,927,784.22	-1,927,784.22
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-9,053.60	-9,053.60
Repurchase Agreements	451,986,000.00	451,986,000.00
Commercial Paper	1,612,122,632.26	1,612,319,419.25
Bank Instruments	0.00	0.00
Mutual Fund Investments	252,099,980.05	252,091,990.80
Government Securities	136,830,729.51	136,814,214.00
Variable Rate Notes	535,254,902.16	535,633,735.00
Total	**$2,987,613,836.55**	**$2,988,164,951.62**

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	92	$1,530,246,336.72
Higher Education	11	$160,513,998.50
Healthcare	11	$224,082,547.26
Utility District	10	$252,235,839.84
City	46	$379,098,787.52
County	28	$200,813,823.67
Other	29	$240,635,389.55

TEXPOOL

TexPool *PRIME*

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool *Prime* Invested Balance	NAV	WAM Days	WAL Days
12/1	0.7585%	0.000020781	$2,499,523,490.00	1.00032	50	69
12/2	0.7340%	0.000020110	$2,620,188,073.00	1.00028	48	68
12/3	0.7340%	0.000020110	$2,620,188,073.00	1.00028	48	68
12/4	0.7340%	0.000020110	$2,620,188,073.00	1.00028	48	68
12/5	0.7285%	0.000019959	$2,661,232,593.00	1.00030	46	65
12/6	0.7631%	0.000020907	$2,626,256,213.00	1.00031	49	70
12/7	0.7455%	0.000020425	$2,681,508,816.00	1.00032	48	70
12/8	0.7558%	0.000020706	$2,735,543,676.00	1.00030	50	71
12/9	0.7579%	0.000020765	$2,783,769,503.00	1.00027	52	72
12/10	0.7579%	0.000020765	$2,783,769,503.00	1.00027	52	72
12/11	0.7579%	0.000020765	$2,783,769,503.00	1.00027	52	72
12/12	0.7750%	0.000021234	$2,782,964,004.00	1.00028	50	70
12/13	0.7776%	0.000021304	$2,799,526,288.00	1.00027	51	69
12/14	0.7975%	0.000021848	$2,755,613,142.00	1.00028	52	71
12/15	0.8273%	0.000022665	$2,783,247,356.00	1.00020	51	70
12/16	0.8403%	0.000023023	$2,775,891,766.00	1.00016	52	71
12/17	0.8403%	0.000023023	$2,775,891,766.00	1.00016	52	71
12/18	0.8403%	0.000023023	$2,775,891,766.00	1.00016	52	71
12/19	0.8523%	0.000023351	$2,754,552,130.00	1.00021	50	69
12/20	0.8602%	0.000023568	$2,772,891,707.00	1.00021	50	68
12/21	0.8620%	0.000023616	$2,792,349,049.00	1.00021	50	68
12/22	0.8568%	0.000023474	$2,869,008,853.00	1.00018	48	66
12/23	0.8794%	0.000024093	$2,858,208,553.00	1.00014	51	69
12/24	0.8794%	0.000024093	$2,858,208,553.00	1.00014	51	69
12/25	0.8794%	0.000024093	$2,858,208,553.00	1.00014	51	69
12/26	0.8794%	0.000024093	$2,858,208,553.00	1.00014	51	69
12/27	0.8770%	0.000024028	$2,862,828,710.00	1.00019	48	65
12/28	0.8870%	0.000024300	$2,888,275,432.00	1.00019	48	65
12/29	0.8865%	0.000024287	$2,952,797,832.00	1.00019	47	64
12/30	0.8670%	0.000023754	$2,987,613,836.55	1.00018	47	63
12/31	0.8670%	0.000023754	$2,987,613,836.55	1.00018	47	63
Average:	**0.8148%**	**0.000022323**	**$2,779,539,651.68**	**1.00023**	**50**	**69**

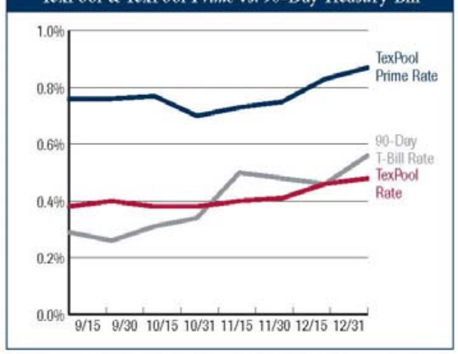
Participant Services
1001 Texas Ave. 14th Floor
Houston, TX 77002

associated with China or the surprise of Brexit. It might not take much to throw the Fed off course again.

But the most significant element in 2017 could relate to regulation—specifically the peeling back of some. This would be a boon to cash managers. While the recent money market reform is likely to remain, other regulations also have impacted us. Over the course of 2016, banking regulators influenced the patterns and predictability of issuers, leading many to cut back issuance lest they not have the required liquidity levels. This uncertainty was detrimental to the industry; money markets need short-term financing to work smoothly. It would help tremendously if banks were able to issue more 1-, 2- and 3-month commercial paper and CDs without worrying about being penalized. Thankfully, the U.S. Treasury stepped in and issued more bills and notes to bridge the gaps in 2016. But if banking regulations get rolled back to some degree, it should make for a more productive world for money market pools.

Don't let the specifics we have mentioned above be the trees that cause you to lose sight of the forest. Overall, we are positive about 2017 and see upward steps for money market pools as yields most likely will increase as we get Fed moves. December ended the year on an upbeat note, and it may very well be a happy new one.

TexPool & TexPool *Prime* vs. 90-Day Treasury Bill



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.