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WHEELER COUNTY QUARTERLY INVESTMENT REPORT – PUBLIC FUNDS INVESTMENT ACT

FY 2022-2023

PERIOD ENDING: 09/30/2023

This report is made in accordance with provisions of Government Code 2256, The Public Funds Investment Act, which requires quarterly reports for county funds to the Commissioners' Court.

The investments held in Wheeler County's portfolio comply with the Public Funds Investment Act and with the County's investment policy and strategies.

Cash Availability

Cash balances are monitored by the investment officer on a daily basis.

Summary

The total interest income earned per quarter for FY 2022-2023 is as follows:

FIRST QTR	\$ 122,760.91
SECOND QTR	\$ 167,729.82
THIRD QTR	\$ 166,863.97
FOURTH QTR	\$ 217,263.35*
YTD TOTAL	\$674,618.05

RENEE WARREN
WHEELER COUNTY TREASURER
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 13th day of November, 2023.

MARGARET DORMAN
WHEELER COUNTY CLERK

NICHOLE MOCK
COUNTY AUDITOR

*Includes matured unpaid interest of \$74,823.96 on Centennial CD's x2

Q4 TOTALS:**FY 2022-23 TOTALS**

INT INCOME CKG:	\$ 6,364.07	\$ 39,854.33
INT INCOME ICS:	\$ 0.00	\$ 0.00
INT TEXPOOL	\$ 9.86	\$ 33.16
INT TEXAS CLASS	\$ 87,469.13	\$ 346,103.37
INT TEXSTAR	\$ 9.91	\$ 33.49
INT TEXPRIME	\$ 25,397.43	\$ 104,593.03
INT FINANCIAL NE	\$ 6,541.10	\$ 25,064.36
INT LOGIC	\$ 13,233.75	\$ 66,308.76
INT TX CLASS GOV	\$ 11.30	\$ 37.92
INT CDs HSB/CENT	\$ 78,226.80 (Jul-Oct monthly +acc/unp)	\$ 92,589.63

TOTAL	\$217,263.35	\$674,618.05
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WHEELER COUNTY INVESTMENT PORTFOLIO:
GOVERNMENT INVESTMENT POOLS, SECURITIES,
AND CD ACCOUNT BALANCES AS OF 09/30/2023:

TEXPOOL	\$ 750.39
TEXPOOL PRIME	\$ 1,336,006.77
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 5,043,580.26
AMERICAN RESCUE PLAN (Subaccount)	\$ 508,675.61
TEXAS CLASS GOVERNMENT	\$ 883.63
TEXSTAR	\$ 759.11
FINANCIAL NORTHEASTERN CDs	\$ 747,200.05
FINANCIAL NORTHEASTERN MMF	\$ 12,992.62
LOGIC	\$ 623,905.13
HAPPY STATE BANK CD PRODUCTS	\$ 5,090,261.38**

TOTAL: **\$13,365,014.95**

****Investment Accounts Daily Rates as of 09/30/2023 and Commercial CD Rates**

Texpool:	5.3547% (.053547)
Texpool Prime:	5.5512% (.055512)
TexStar:	5.3105% (.053105)
Logic:	5.5473% (.055473)
Texas Class:	5.5358% (.055358)
Texas Class ARP:	5.5358% (.055358)

Texas Class Govt:	5.1840%	(.051840)
FNE MMR:	4.43%	(.0443)
HSB Checking:	2.75%	(.0275)
FNC Brokered CD	2.95%	(Ally Bank maturing 05/20/2024)
FNC Brokered CD	2.85%	(Barclay's Bank maturing 05/20/2024)
FNC Brokered CD	1.25%	(PenFed CU maturing 01/31/2025)
FNC Brokered CD	4.90%	(Valley Strong CU maturing 01/31/2024)
HSBCDs	.45%	(.0045) (\$250K each – maturing various mos. 2024)
HSBCD:	5.05%	(.0505) (maturing 11/2023)
HSBCD	4.27%	(.0427) (maturing 05/2024)

****Investment Officer/Treasurer Notes:** At their November 2023 meeting, the Federal Reserve held steady on rates for a second-straight time and kept the federal funds target rate at 5.25% to 5.50%. Fed Chair Powell stressed that the central bank is not considering a rate cut in the near future, and it won't consider a rate cut until inflation is brought under control (<2%). The fed made no public decision on how it will proceed at its December meeting. Most economists agree that rates will likely hold at the current target range well into next year – according to the Fed, a transition to rate cuts in the near future is not an expectation at this time unless a more pronounced economic slowdown caused by the impact of higher interest rates occurs in 2024.

Based on the foregoing and review of the Federal Reserve's comments after its Nov. 1, 2023 meeting, pursuant to the information coming from the Federal Reserve at this time, it is the opinion of the treasurer/county investment officer that the Fed is unable or unwilling to project, nor can they predict, what the bond market will do next year, making it very difficult for the county to accurately predict the revenue growth and earnings potential from the county's current investment assets. The investment officer's recommendation to the commissioner's court and investment committee is to continue with the well-diversified portfolio listed in this report and currently held by the county with the marginal expectation that healthy revenue earnings will continue through most of 2024.

Based on the US 10-year treasury yield (benchmark)¹ range of 5.25-5.50%, TexPool, TexPool Prime, TexStar, Logic, Texas Class, and Texas Class Govt investment pool accounts continued to see small incremental increases to yield for the quarter ending 09/30/2023.

All investment pool accounts listed above are AAAM² rated by Standard & Poor's, the highest rating a local government invest pool can achieve.

¹ The primary Treasury debt contract that the market refers to when discussing how Treasuries are performing. The 10-year Treasury note is the current benchmark; as the benchmark, it is the most frequently used instrument for hedging purposes.

² AAAM S&P rating indicates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

INVESTMENT INCOME YEAR-BY-YEAR COMPARISON (SIX YEARS)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
YEARLY INTEREST INCOME	\$35,478.05	\$112,791.68	\$236,086.26	\$307,953.99	\$40,543.42	\$100,854.33	\$674,618.05
YEAR-OVER-YEAR%↑↓	29%	218%	109%	31%	↓87%	↑149%	↑569%