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Accounts Payable

## WHEELER COUNTY QUARTERLY INVESTMENT REPORT – PUBLIC FUNDS INVESTMENT ACT

FY 2023-2024

PERIOD ENDING: 03/31/2024

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 2023-2024 is as follows:

FIRST QTR	\$ 199,487.49
SECOND QTR	\$ 189,916.73
THIRD QTR	\$
FOURTH QTR	\$
<b>YTD TOTAL</b>	<b>\$389,404.22</b>

  
RENEE WARREN  
WHEELER COUNTY TREASURER  
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 13<sup>th</sup> day of May, 2024.

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MARGARET DORMAN  
WHEELER COUNTY CLERK  
Date: May 13th, 2024

## Q2 TOTALS:

## FY 2023-24 TOTALS

<u>MTD</u>		<u>YTD</u>
INT INCOME CKG:	\$ 16,257.53	\$ 21,874.03
INT INCOME ICS:	\$ 0.00	\$ 0.00
INT TEXPOOL	\$ 10.01	\$ 20.13
INT TEXAS CLASS	\$ 94,678.10	\$ 179,907.76
INT TEXSTAR	\$ 10.14	\$ 20.31
INT TEXPRIME	\$ 21,680.02	\$ 41,374.81
INT FINANCIAL NE	\$ 2,522.65	\$ 12,031.95
INT LOGIC	\$ 21,406.42	\$ 34,632.95
INT TX CLASS GOV	\$ 11.85	\$ 23.68
INT LONE STAR INV	\$ 25,071.29	\$ 45,408.60*
INT CDs HSB/CENT	\$ 8,268.72	\$ 54,110.00

<b>TOTAL</b>	<b>\$189,916.73</b>	<b>\$389,404.22</b>
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## WHEELER COUNTY INVESTMENT PORTFOLIO: GOVERNMENT INVESTMENT POOLS, SECURITIES, AND CD ACCOUNT BALANCES AS OF 03/31/2024:

TEXPOOL	\$ 770.52
TEXPOOL PRIME	\$ 2,102,381.58
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 7,359,668.38
AMERICAN RESCUE PLAN (Subaccount)	\$ 490,071.91
TEXAS CLASS GOVERNMENT	\$ 907.31
TEXSTAR	\$ 779.42
FINANCIAL NORTHEASTERN CDs	\$ 772,224.62
FINANCIAL NORTHEASTERN MMF	\$ 26,003.83
LOGIC	\$ 2,083,538.08
LONE STAR INVESTMENT ACCT	\$ 45,408.60*
HAPPY STATE BANK CD PRODUCTS	\$ 5,123,152.03

<b>TOTAL:</b>	<b><u>\$18,004,906.28</u></b>
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\*Investment Pool created by Treasurer/Investment Officer in the Fall of 2023 under authority of the Wheeler County Commissioners' Court and the agreement of the Public Funds Investment Committee (property tax collected and invested monthly). The funds in this account are fluid, and the principal is transferred back to the tax division account as needed for distribution to the local jurisdictions.

**\*\*Investment Accounts Daily Rates as of 03/31/2024 and Commercial CD Rates**

<b>Texpool:</b>	<b>5.3350%</b>	<b>(.053350)</b>
<b>Texpool Prime:</b>	<b>5.4466%</b>	<b>(.054466)</b>
<b>TexStar:</b>	<b>5.2986%</b>	<b>(.052986)</b>
<b>Logic:</b>	<b>5.4916%</b>	<b>(.054916)</b>
<b>Texas Class:</b>	<b>5.4562%</b>	<b>(.054562)</b>
<b>Texas Class ARP:</b>	<b>5.4562%</b>	<b>(.054562)</b>
<b>Texas Class Govt:</b>	<b>5.2620%</b>	<b>(.052620)</b>
<b>FNE MMR:</b>	<b>5.16%</b>	<b>(.0516)</b>
<b>HSB Checking:</b>	<b>2.67%</b>	<b>(.0267)</b>
<b>FNC Brokered CD</b>	<b>2.95%</b>	<b>(Ally Bank maturing 05/20/2024)</b>
<b>FNC Brokered CD</b>	<b>2.85%</b>	<b>(Barclay's Bank maturing 05/20/2024)</b>
<b>FNC Brokered CD</b>	<b>1.25%</b>	<b>(PenFed CU maturing 01/31/2025)</b>
<b>FNC Brokered CD</b>	<b>4.95%</b>	<b>(Oregon Community CU maturing 02/10/2025)</b>
<b>HSBCDs</b>	<b>.45%</b>	<b>(.0045) (\$250K each – maturing various mos. 2024)</b>
<b>HSBCD:</b>	<b>5.05%</b>	<b>(.0505) (maturing 05/2024)</b>
<b>HSBCD</b>	<b>4.27%</b>	<b>(.0427) (maturing 05/2024)</b>

**\*\*Investment Officer/Treasurer Notes:** At the May 1, 2024 meeting of the Fed Governors, the Federal Reserve said it would hold its key interest rate steady for the six-straight meeting, with no rate cut on the table for several months, at least.

Just six weeks ago, Fed Chair Jerome Powell and his colleagues indicated three rate cuts were on the horizon for this year, but due to the continuing economic expansion, three rate cuts look to be very much in doubt.

A slew of hotter-than-expected economic data has given the Fed no reason to give the economy an assist by cutting rates after hiking them so aggressively over the past two years. Questions have even begun to arise as to whether the economy is so hot that the Fed may need to return to rate hikes, but Chairman Powell dispelled this theory in his post-meeting press conference.

In support of its current goals, the Fed decided to maintain the target range for fed funds rate at 5.25% to 5.50%. The board does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving at a sustained rate toward 2 percent. The core inflation rate has steadily risen since January 2024 to 3.8% as of the end of March. This is still higher than the target rate of 2 percent, which has forced the Fed to hold interest rates steady to fight the still-too-high inflation rate.

Based on the above information, Wheeler County can expect its investments to maintain current rates of return based on the rates set forth above, with slight fluctuations up or down, for the next six months, but there is much speculation that the Fed, historically considered an apolitical body, might move into political sphere and price in an interest rate reduction one time prior to the November 2024 general election. This would be good news to the commercial and residential housing markets, which are currently suffering from elevated mortgage rates which are

depressing both markets at this time, which has had some adverse effects on the broader economy.

**Based on the US 10-year treasury yield (benchmark)<sup>1</sup> range of 5.25-5.50%, TexPool, TexPool Prime, TexStar, Logic, Texas Class, and Texas Class Govt investment pool accounts continued to experience a healthy yield for the quarter ending 03/31/2024.**

**All investment pool accounts listed above are AAAM<sup>2</sup> rated by Standard & Poor's, the highest rating a local government invest pool can achieve.**

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<sup>1</sup> 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.

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