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Human Resources

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Accounts Payable

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

FY 2023-2024

PERIOD ENDING: 06/30/2024

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	\$ 181,423.25
FOURTH QTR	\$
<b>YTD TOTAL</b>	<b>\$570,827.47</b>

RENEE WARREN  
WHEELER COUNTY TREASURER  
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 26<sup>th</sup> day of August, 2024.

MARGARET DORMAN  
WHEELER COUNTY CLERK  
Date: August 26th, 2024

**Q3 TOTALS:****FY 2023-24 TOTALS**

<u>MTD</u>		<u>YTD</u>
INT INCOME CKG:	\$ 18,831.35	\$ 40,705.38
INT INCOME ICS:	\$ 0.00	\$ 0.00
INT TEXPOOL	\$ 10.01	\$ 30.14
INT TEXAS CLASS	\$ 98,928.09	\$ 278,835.85
INT TEXSTAR	\$ 10.16	\$ 30.47
INT TEXPRIME	\$ 23,749.30	\$ 65,124.11
INT FINANCIAL NE	\$ 10,410.79	\$ 22,442.74
INT LOGIC	\$ 25,443.97	\$ 60,076.92
INT TX CLASS GOV	\$ 11.86	\$ 35.54
INT LONE STAR INV	\$ 729.53*	\$ 46,138.13
INT CDs HSB/CENT	\$ 3,298.19	\$ 57,408.19

<b>TOTAL</b>	<b>\$181,423.25</b>	<b>\$570,827.47</b>
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**WHEELER COUNTY INVESTMENT PORTFOLIO:**  
**GOVERNMENT INVESTMENT POOLS, SECURITIES,**  
**AND CD ACCOUNT BALANCES AS OF 06/30/2024:**

TEXPOOL	\$ 780.53
TEXPOOL PRIME	\$ 1,451,130.88
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 6,501,928.73
AMERICAN RESCUE PLAN (Subaccount)	\$ 496,729.65
TEXAS CLASS GOVERNMENT	\$ 919.17
TEXSTAR	\$ 789.58
FINANCIAL NORTHEASTERN CDs	\$ 1,524,649.46
FINANCIAL NORTHEASTERN MMF	\$ 35,927.45
LOGIC	\$ 1,608,982.05
LONE STAR INVESTMENT ACCT	\$ * 54,371.20
HAPPY STATE BANK CD PRODUCTS	\$ 4,659,143.76

**TOTAL:** **\$16,335,352.46**

\*New Investment Pool created by Treasurer/Investment Officer 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 at the beginning of each month for distribution to the local jurisdictions from November through February.

**\*\*Investment Accounts Daily Rates as of 06/30/2024 and Commercial CD Rates**

<b>Texpool:</b>	<b>5.3249%</b>	<b>(.053249)</b>
<b>Texpool Prime:</b>	<b>5.4488%</b>	<b>(.054488)</b>
<b>TexStar:</b>	<b>5.3257%</b>	<b>(.053257)</b>
<b>Logic:</b>	<b>5.4181%</b>	<b>(.054181)</b>
<b>Texas Class:</b>	<b>5.7839%</b>	<b>(.057839)</b>
<b>Texas Class ARP:</b>	<b>5.7839%</b>	<b>(.057839)</b>
<b>Texas Class Govt:</b>	<b>5.4842%</b>	<b>(.054842)</b>
<b>FNE MMR:</b>	<b>4.45%</b>	<b>(.0445)</b>
<b>HSB Checking:</b>	<b>2.75%</b>	<b>(.0275)</b>
<b>FNC Brokered CD</b>	<b>4.450%</b>	<b>(American First CR UN maturing 08/20/25)</b>
<b>FNC Brokered CD</b>	<b>5.150%</b>	<b>(American St BK 11/28/2025)</b>
<b>FNC Brokered CD</b>	<b>5.400%</b>	<b>(Charles Schwab BK maturing 06/12/2025)</b>
<b>FNC Brokered CD</b>	<b>5.150%</b>	<b>(Morgan Stanley BK maturing 11/24/2025)</b>
<b>FNC Brokered CD</b>	<b>4.950%</b>	<b>(Oregon Cmnty CR UN maturing 02/10/2025)</b>
<b>FNC Brokered CD</b>	<b>1.250%</b>	<b>(PenFed CU maturing 01/31/2025)</b>
<b>FNC Brokered CD</b>	<b>5.100%</b>	<b>(Wells Fargo BK NA maturing 11/14/2025)</b>
<b>HSBCDs</b>	<b>.45%</b>	<b>(.0045) (\$250K each – maturing various mos. 2024)</b>
<b>HSBCD:</b>	<b>5.50%</b>	<b>(.0550) (maturing 11/2025)</b>
<b>HSBCD</b>	<b>5.45%</b>	<b>(.0545) (maturing 11/2024)</b>

**\*\*Investment Officer/Treasurer Notes:** Based on comments made at the Fed meeting of July 30-31, 2024, a rate cut is more than 75% likely in September, according to market indicators, which would be the first cut since the early days of the Covid pandemic. Based on the downward revisions in employment and the job market, which have been occurring on a monthly basis since the first of the year, and the announcement of 818,000 jobs removed from the labor market by the BLS, some economists believe this may place increasing pressure on the Fed to make multiple rate cuts between September and December of this year – up to 75 basis points.

Fed officials appear to be confident about the direction of inflation, based on the soft job market data and inflation markers showing price pressures easing considerably, although most consumers disagree with the Fed/government's CPI and PPI inflation numbers and outlook. These markers lead most policy analysts to conclude that the Fed will start a policy of easing rates if the data continues with the current trend.

A softening of the job market could indicate a recession on the horizon, per some analysts, but the Fed is still confident, in its July minutes and comments from Chairman Powell, that a recession is not imminent.

Wheeler County continues to invest its reserves in assets that will return the most robust yield based on the products available and will continue to look for ways to lock in higher interest rates for at least the next 6 months to 1 year in order to yield the largest investment income available to the county, while still maintaining a steadfast and constant monitoring of all investment accounts for continued safety and liquidity. As the \$250,000 CD products current held by the county's depository are coming due on a monthly basis through the first quarter of 2025, some of

these products have been invested in fixed income products that will continue to produce a yield near or above 5% for at least the next 12 months. As these products mature, interest rates most likely will have been reduced, albeit at a minimal pace, so the county treasurer/investment officer will continue to advise the court via continued quarterly reports regarding the revenue that can be expected from these investments.

The county treasurer/investment officer expects Q4 and FY 2023-24 total investment revenue to be close to and mirror the total investment revenue received by the county in FY 2022-23 (\$674,618.05 for FY 2022-2023).

**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 see stable or small incremental increases to yield for the quarter ending 06/30/2024.**

**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.**

*R. Wauer  
Co. Treas.*

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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.