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Wheeler County Treasurer

Annette Walden
Human Resources

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Accounts Payable

WHEELER COUNTY QUARTERLY INVESTMENT REPORT – PUBLIC FUNDS INVESTMENT ACT

FY 2023-2024

PERIOD ENDING: 09/30/2024

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 (**unaudited**) for FY 2023-2024 is as follows:

FIRST QTR	\$ 176,180.21
SECOND QTR	\$ 189,916.73
THIRD QTR	\$ 181,423.25
FOURTH QTR	\$ 176,081.79
YTD TOTAL	\$723,601.98

RENEE WARREN
WHEELER COUNTY TREASURER
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 25th day of November, 2024.

MARGARET DORMAN
WHEELER COUNTY CLERK
Date: November 25th, 2024

NICHOLE MOCK
WHEELER COUNTY AUDITOR
Date: November 25th, 2024

FY-END COPIES PROVIDED TO WHEELER COUNTY PFIA ADVISORY COMMITTEE MEMBERS IN ADDITION TO COMMISSIONERS' COURT.

Q4 TOTALS:**FY 2023-24 TOTALS**

<u>MTD</u>		<u>YTD</u>
INT INCOME CKG:	\$ 6,552.25	\$ 47,257.80
INT INCOME ICS:	\$ 0.00	\$ 0.00
INT TEXPOOL	\$ 10.12	\$ 40.26
INT TEXAS CLASS	\$ 90,528.55	\$ 369,364.40
INT TEXSTAR	\$ 10.53	\$ 41.00
INT TEXPRIME	\$ 17,321.83	\$ 82,445.94
INT FINANCIAL NE	\$ 39,552.05	\$ 61,994.79
INT LOGIC	\$ 18,812.42	\$ 78,889.34
INT TX CLASS GOV	\$ 12.00	\$ 47.54
INT LONE STAR INV	\$ 740.01*	\$ 46,878.14
INT CDs HSB/CENT	\$ 2,542.03	\$ 36,642.77

TOTAL	\$176,081.79	\$723,601.98
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WHEELER COUNTY INVESTMENT PORTFOLIO:
GOVERNMENT INVESTMENT POOLS, SECURITIES,
AND CD ACCOUNT BALANCES AS OF 09/30/2024:

TEXPOOL	\$ 790.65
TEXPOOL PRIME	\$ 1,118,452.71
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 5,585,680.77
AMERICAN RESCUE PLAN (Subaccount)	\$ 503,506.16
TEXAS CLASS GOVERNMENT	\$ 931.17
TEXSTAR	\$ 800.11
FINANCIAL NORTHEASTERN CDs	\$ 1,777,077.67
FINANCIAL NORTHEASTERN MMF	\$ 41,109.79
LOGIC	\$ 1,227,794.47
LONE STAR INVESTMENT ACCT	\$ * 49,071.90
HAPPY STATE BANK CD PRODUCTS	\$ 3,779,644.75

TOTAL: **\$14,084,860.15**

*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 09/30/2024 and Commercial CD Rates**

Texpool:	4.9843%	(.049843)
Texpool Prime:	5.3200%	(.053200)
TexStar:	4.9266%	(.049266)
Logic:	5.0400%	(.050400)
Texas Class:	5.0633%	(.050633)
Texas Class ARP:	5.0633%	(.050633)
Texas Class Govt:	4.8105%	(.048105)
FNE MMR:	4.2300%	(.02300)
HSB Checking:	2.75%	(.0275)
FNC Brokered CD	4.450%	(American First CR UN maturing 08/20/25)
FNC Brokered CD	5.150%	(American St BK 11/28/2025)
FNC Brokered CD	5.400%	(Charles Schwab BK maturing 06/12/2025)
FNC Brokered CD	5.150%	(Morgan Stanley BK maturing 11/24/2025)
FNC Brokered CD	4.950%	(Oregon Cmnty CR UN maturing 02/10/2025)
FNC Brokered CD	1.250%	(PenFed CU maturing 01/31/2025)
FNC Brokered CD	5.100%	(Wells Fargo BK NA maturing 11/14/2025)
FNC Brokered CD	4.400%	(Fivepoint CU maturing 09/12/2025)
HSBCDs	.45%	(.0045) (\$250K each – maturing various mos. 2024-2025)
HSBCD:	5.50%	(.0550) (maturing 11/2025)
HSBCD	5.45%	(.0545) (maturing 11/2024)

****Investment Officer/Treasurer Notes:** Based on comments made at the Fed meeting of Sept. 30, 2024, The Federal Reserve signaled more interest rate cuts are in the pipeline but they may not occur until 2025, this after the Fed cut rates earlier in September by an unusually large margin of a steep half-point. The Fed has sent mixed signals since the end of September, though, as to the direction of future rate adjustments, and recently indicated that rate increases could take place in 2025 depending on the job market and the addition or loss of jobs. The Fed claims its future rate decisions will be data dependent, which will also dictate the speed at which the Fed will continue with rate adjustments. Chairman Powell indicated that, overall, the economy is in good shape, but core inflation did tick up slightly in the recent month, and food and energy prices remain volatile. The unemployment rate ticked down in September to 4.2% from 4.3% but is still nearly a full percentage point higher than the half-century low of 3.4% reached the previous year. Hiring has slowed the past three months – about half its pace of a year ago

Some analysts still project a recession could be on the horizon with a softening of the job market, but the Fed is still confident 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 instruments currently held by the county's depository are still coming due on a monthly basis through the first quarter of 2025, some of these products have been redeemed and re-invested in fixed income products via FNC

and pools that will continue to produce a yield near or above 5% for at least the next 12 months. As these products mature, interest rates may 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.

Per the information contained in this report, the Q4 and FY 2023-24 total investment revenue shows a slight increase to total investment revenue received by the county in FY 2023-24 (723,601.98 for FY 2023-2024, a 7% YOY increase thanks in large part to the maturing and redemption of the \$250,000.00 CD products at HSB and the reinvestment by your investment officer in new brokered CD products in our FNC portfolio, paying significantly higher yields than the fixed .0045 yield that the county was invested in at HSB for the previous two years during the COVID pandemic rate reductions to near zero percent historic lows).

Based on the US 10-year treasury yield (benchmark)¹ range of 4.50%-5.25%, TexPool, TexPool Prime, TexStar, Logic, Texas Class, and Texas Class Govt investment pool accounts continued to see stable yield for the quarter and overall FY ending 09/30/2024.

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%

	FY 2023-24
YEARLY INTEREST INCOME	\$723,601.98
YEAR-OVER-YEAR%↑↓	↑ 7%