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WHEELER COUNTY QUARTERLY INVESTMENT REPORT – PUBLIC FUNDS INVESTMENT ACT

FY 2024-2025

PERIOD ENDING: 12/31/2024

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

FIRST QTR	\$ 206,497.36
SECOND QTR	\$
THIRD QTR	\$
FOURTH QTR	\$
YTD TOTAL	\$206,497.36

RENEE WARREN
WHEELER COUNTY TREASURER
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 10th day of March, 2025.

MARGARET DORMAN
WHEELER COUNTY CLERK
Date: March 10th, 2025

Q1 TOTALS:

FY 2024-25 TOTALS

	<u>MTD</u>	<u>YTD</u>
INT INCOME CKG:	\$ 13,134.30	\$ 13,134.30
INT INCOME ICS:	\$ 0.00	\$ 0.00
INT TEXPOOL	\$ 9.55	\$ 9.55
INT TEXAS CLASS	\$ 77,012.33	\$ 77,012.33
INT TEXSTAR	\$ 9.58	\$ 9.58
INT TEXPRIME	\$ 15,063.86	\$ 15,063.86
INT FINANCIAL NE	\$ 20,497.26	\$ 20,497.26
INT LOGIC	\$ 16,382.45	\$ 16,382.45
INT TX CLASS GOV	\$ 10.88	\$ 10.88
INT LONE STAR INV	\$ 24,076.81	\$ 24,076.81
INT CDs HSB/CENT	\$ 40,300.34	\$ 40,300.34

TOTAL \$206,497.36 \$206,497.36

**WHEELER COUNTY INVESTMENT PORTFOLIO:
GOVERNMENT INVESTMENT POOLS, SECURITIES,
AND CD ACCOUNT BALANCES AS OF 12/31/2024:**

TEXPOOL	\$ 800.20
TEXPOOL PRIME	\$ 1,383,516.57
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 6,194,843.65
AMERICAN RESCUE PLAN (Subaccount)	\$ 508,778.84
TEXAS CLASS GOVERNMENT	\$ 942.05
TEXSTAR	\$ 809.69
FINANCIAL NORTHEASTERN CDs	\$ 1,996,970.04
FINANCIAL NORTHEASTERN MMF	\$ 345,191.83
LOGIC	\$ 1,494,176.92
LONE STAR INVESTMENT ACCT	\$ *545,900.64
HAPPY STATE BANK CD PRODUCTS	\$ 2,880,080.71

TOTAL: \$15,352,011.14

*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 12/31/2024 and Commercial CD Rates**

Texpool:	4.5610%	(.045610)
Texpool Prime:	4.6947%	(.046947)
TexStar:	4.4933%	(.044933)
Logic:	4.6254%	(.046254)
Texas Class:	4.6458%	(.046458)
Texas Class ARP:	4.6458%	(.046458)
Texas Class Govt:	4.3429%	(.043429)
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)
FNC Brokered CD	4.200%	(Merrick Bk South Jordan Utah maturing 06/11/2026)
FNC Brokered CD	4.250%	(Preferred Bk Los Angeles, CA maturing 08/28/2026)
HSBCDs	.45%	(.0045) (\$250K each – maturing various mos. 2024-2025)
HSBCD:	5.50%	(.0550) (maturing 11/2025)
HSBCD	4.69%	(.0469) (maturing 05/2025)

****Investment Officer/Treasurer Notes:** Based on comments made at the Fed meeting in January of this year, The Federal Reserve signaled more interest rate cuts are in the pipeline but they may not occur until 2025, this after the Fed Federal Reserve officials in January agreed they would need to see inflation come down more before lowering interest rates further, and expressed concern about the impact President [Donald Trump](#)'s tariffs would have in making that happen, according to meeting minutes.

Policymakers on the Federal Open Market Committee unanimously decided at the meeting to hold their key policy rate steady after three consecutive cuts totaling a full percentage point in 2024.

In reaching the decision, members commented on the potential impacts from the new administration, including chatter about the tariffs as well as the impact from reduced regulations and taxes. The committee noted that current policy is “significantly less restrictive” than it had been before the rate cuts, giving members time to evaluate conditions before making any additional moves.

Members said that the current policy provides “time to assess the evolving outlook for economic activity, the labor market, and inflation, with the vast majority pointing to a still-restrictive policy stance. Participants indicated that, provided the economy remained near maximum

employment, they would want to see further progress on inflation before making additional adjustments to the target range for the federal funds rate.“

Officials noted concerns they had about the potential for policy changes to keep inflation above the Fed’s target.

The president already has instituted some tariffs but in recent days has threatened to expand them.

Since the meeting, most central bank officials have spoken in cautious tones about where policy is headed from here. Most view the current level of rates in a position where they can take their time when evaluating how to proceed.

In addition to the general focus Fed officials put on employment and inflation, Trump’s plans for fiscal and trade policies have added a wrinkle into the considerations.

On the flip side of worries over tariffs and inflation, the minutes noted “substantial optimism about the economic outlook, stemming in part from an expectation of an easing in government regulations or changes in tax policies.“

Many economists expect tariffs that Trump plans on launching to aggravate inflation, though Fed policymakers have said their response would be dependent on whether they are one-time increases or if they generate more underlying inflation that would necessitate a policy response.

Inflation indicators lately have been mixed, with consumer prices rising more than expected in January but wholesale prices indicating softer pipeline pressures.

Fed Chair [Jerome Powell](#) has generally avoided speculation on the impact the tariffs would have. However, other officials have expressed concern and conceded that Trump’s moves could impact policy, possibly delaying rate cuts further. Market pricing currently is anticipating the next reduction to come in July or September.

The Fed’s benchmark overnight borrowing rate is currently targeted between 4.25%-4.5%.

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.

Based on the US 10-year treasury yield (benchmark)¹ range of 4.25%-4.50%, TexPool, TexPool Prime, TexStar, Logic, Texas Class, and Texas Class Govt investment pool accounts continued to see stable yield for the quarter ending 12/31/2024.

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.