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Human Resources

Renee Warren
Wheeler County Treasurer

Jenni Spence
Accounts Payable

WHEELER COUNTY QUARTERLY INVESTMENT REPORT – PUBLIC FUNDS INVESTMENT ACT

FY 2024-2025

PERIOD ENDING: 09/30/2025

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 2024-2025** is as follows:

FIRST QTR	\$ 206,497.36
SECOND QTR	\$ 172,619.36
THIRD QTR	\$ 225,785.25
FOURTH QTR	\$ 162,633.29
YTD TOTAL	\$767,535.26

RENEE WARREN
WHEELER COUNTY TREASURER
PUBLIC FUNDS INVESTMENT OFFICER

REPORT APPROVED BY COMMISSIONERS COURT THIS 27th day of October, 2025.

MARGARET DORMAN
WHEELER COUNTY CLERK
Date: October 27th, 2025

NICHOLE MOCK
WHEELER COUNTY AUDITOR
Date: October 27th, 2025

Q4 TOTALS:**FY 2024-25 TOTALS**

<u>MTD</u>	<u>YTD</u>
INT INCOME CKG: \$ 19,119.49	\$ 78,685.27
INT INCOME ICS: \$ 0.00	\$ 0.00
INT TEXPOOL \$ 9.37	\$ 37.01
INT TEXAS CLASS \$ 82,718.66	\$ 330,222.99
INT TEXSTAR \$ 8.98	\$ 36.38
INT TEXPRIME \$ 16,974.76	\$ 69,983.39
INT FINANCIAL NE \$ 24,755.34	\$ 100,430.45
INT LOGIC \$ 18,152.34	\$ 74,939.92
INT TX CLASS GOV \$ 10.23	\$ 41.05
INT LONE STAR INV \$ 884.12	\$ 34,802.18
INT CDs HSB/CENT \$ 0.00	\$ 78,356.62

TOTAL	\$162,633.29	\$767,535.26
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WHEELER COUNTY INVESTMENT PORTFOLIO:
GOVERNMENT INVESTMENT POOLS, SECURITIES,
AND CD ACCOUNT BALANCES AS OF 09/30/2025:

TEXPOOL	\$ 827.36
TEXPOOL PRIME	\$ 1,375,936.10
TEXPOOL AMA AREA	\$ 0.00
TEXAS CLASS	\$ 6,668,277.34
AMERICAN RESCUE PLAN (Subaccount)	\$ 364,162.70
TEXAS CLASS GOVERNMENT	\$ 972.22
TEXSTAR	\$ 836.49
FINANCIAL NORTHEASTERN CDs	\$ 2,669,881.64
FINANCIAL NORTHEASTERN MMF	\$ 173,228.36
LOGIC	\$ 1,490,234.39
LONE STAR INVESTMENT ACCT	\$ * 81,680.32
HAPPY STATE BANK CD PRODUCTS	\$ 2,155,947.94

TOTAL:	<u>\$14,981,984.86</u>
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*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.

****Investment Accounts Daily Rates as of 09/30/2025 and Commercial CD Rates**

Texpool:	4.1779% (.041779)	
Texpool Prime:	4.2891% (.042891)	
TexStar:	4.1519% (.041519)	
Logic:	4.2549% (.042549)	
Texas Class:	4.2637% (.042637)	
Texas Class ARP:	4.2637% (.042637)	
Texas Class Govt:	4.0750% (.040750)	
FNE MMR:	3.2400% (.032400)	
Lone Star Invest	4.2792% (.042792)	
HSB Checking:	2.75% (.0275)	
FNC Brokered CD	4.450%	(American First CR UN Brea, CA redeemed 08/20/25)
FNC Brokered CD	5.150%	(American St Bank Grygla, MN maturing 11/28/2025)
FNC Brokered CD	5.150%	(Morgan Stanley BK, Salt Lake City maturing 11/24/2025)
FNC Brokered CD	5.100%	(Wells Fargo BK NA Sioux Falls, SD maturing 11/14/2025)
FNC Brokered CD	4.400%	(Fivepoint CU Nederland, TX redeemed 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)
FNC Brokered CD	4.100%	(Hope Fed Cr UN Jackson, MS maturing 08/21/2026)
FNC Brokered CD	4.000%	(Southpoint Bank, Birmingham, AL 04/29/27)
FNC Brokered CD	4.150%	(Western Alliance Bank, Phoenix, AZ maturing 09/28/2026)
HSBCD:	4.550%	(.4550) (maturing 05/2026)
HSBCD	4.25%	(0.425) maturing 11/2025)

****Investment Officer/Treasurer Notes:** At its September meeting, for the first time this year, the Federal Reserve announced a rate cut following its September 16-17 policy meeting, lowering the federal funds target rate by 25 basis points, from 4.25%-4.50% to 4.00%-4.25%.

This decision signals a policy shift ending the Fed's pause on rate cuts, the last of which occurred on December 18, 2024.

By lowering interest rates, the Federal Reserve aims to stimulate borrowing, investing, and consumer spending, all critical economic growth drivers. Policymakers believe the risks of inaction now outweigh the risks of acting too soon.

After aggressively raising interest rates throughout 2022 and 2023 to combat post-pandemic inflation, the Fed held rates steady for most of 2024 and almost three quarters of 2025.

Before this meeting, the federal funds rate had remained unchanged at 4.25%-4.50% since December 2024.

Before the Fed decides to lower interest rates, certain factors must be in place:

1. Inflation Rate
2. Economic Growth
3. Employment Levels

4. Global Economic Conditions

5. Financial Market Stability

The next Federal Reserve policy committee meeting is scheduled for October 28-29. The Fed is widely expected to cut the fed funds rate by a quarter of a percentage point to a range of 3.75%-4.00%. Fed officials have indicated they have begun cutting rates because they are concerned about signs of weakness in the labor market and want to lower borrowing costs to encourage hiring.

Financial markets have priced in a 97% chance of a quarter-point rate cut with many economists commenting the October cut is a “done deal.”

Job growth nearly came to a halt this summer as tariffs pushed up prices and squeezed consumer budgets.

Currently, the economy is facing a rare situation where inflation and the job market are worsening at the same time, posing a dilemma for the Fed as to which problem to tackle first. Officials have been split on what approach to take. Some have advocated for further rate cuts in the coming months, while others view inflation as a greater threat and would like to keep rates higher for longer.

If the Fed lowers its key rate as expected, interest costs on many kinds of short-term debt would fall. That includes credit cards, car loans, and anything tied to bank prime rates, which are often set at a certain percentage above the fed funds rate. On the other hand, returns on CDs and high-yield savings accounts would also decrease, and inflation could rise further.

Based on the US 10-year treasury yield (benchmark)¹ range of 4.00%-4.25%, TexPool, TexPool Prime, TexStar, Logic, Texas Class, and Texas Class Govt investment pool accounts continued to see stable yield for the quarter ending 09/30/2025.

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 (7 YEARS)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
YEARLY INTEREST INCOME	\$236,086.26	\$307,953.99	\$40,543.42	\$100,854.33	\$674,618.05	\$723,601.98	\$767,535.26
YEAR- OVER- YEAR%↑↓	109%	31%	↓87%	↑149%	↑569%	↑ 7%	↑ 6.07%

WHEELER COUNTY COMMISSIONERS COURT

HON. PAT MCDOWELL, COUNTY JUDGE

HON. JACKIE DON MAY,
COMMISSIONER, PCT 1

HON. CECIL GAITHER, SR.,
COMMISSIONER, PCT 3

HON. PHILLIP GAINES,
COMMISSIONER, PCT 2

HON. JOHN WALKER,
COMMISSIONER, PCT 4