

CITY OF BRYAN
INVESTMENT COMMITTEE AGENDA
January 30, 2019 at 4:00 PM
Room 305, Municipal Office Building

- A. Welcome.
- B. Review and approve minutes from October 31, 2018 Investment Committee meeting
- C. Review BTU and City of Bryan December 31, 2018 Investment Reports and supplemental information
- D. Review Training Presentation Requested by City Secretary's Office
- E. Other new business
- F. Schedule next quarterly meeting (Currently scheduled for Wednesday, April 24, 2019)
- G. Adjourn

MEMO

TO: City of Bryan Investment Committee

FROM: Joe Hegwood - Chief Financial Officer



SUBJECT: Investment Report at 12/31/18

DATE: January 30, 2019

Attached are the City of Bryan and the BTU City and Rural Investment Reports for the quarter ended December 31, 2018. This report is submitted in compliance with the City of Bryan's Investment Policy. It is the policy of the City of Bryan to invest public funds in a manner that will ensure the preservation of capital, meet daily cash flow demands, conform to all applicable State and Local statutes governing the investment of public funds and provide reasonable investment returns. Included along with the Investment Report is supplemental information comprised of an Investment Safekeeping Report, a Depository Collateralization Summary and Cash Flow Projections.

During the quarter, the City of Bryan's investment balance increased by \$14.7 million due to property tax collections. The City's weighted average maturity is 242 days and yield to maturity on investments is approximately 1.919%.

During the quarter, BTU's combined City & Rural investment balance increased by \$71.7 million due to the issuance of \$41.9 million of bonds at BTU City and \$17.7 million at BTU Rural plus higher revenues driven by summer sales. BTU's weighted average maturity is 285 days for BTU-City and 152 days for BTU-Rural. Yield-to-maturity on investments is approximately 2.143% for BTU-City and 2.172% for BTU-Rural.

CITY OF BRYAN, TEXAS
INVESTMENT COMMITTEE MEETING MINUTES
January 30, 2019

The committee met on Wednesday, October 31, 2018 with committee members Aliza Dirden and Joe Salvato and staff members Joe Hegwood, and Carol Carey in attendance. The meeting was called to order by Joe Hegwood at 4:00 p.m.

Minutes from the previous meeting, July 18, 2018, were reviewed and approved.

Led by Joe Hegwood, committee members then reviewed and approved the following:

BTU and City of Bryan quarterly investment report dated September 30, 2018.

City Council approval of FY19 Investment Policy

The next quarterly meeting was scheduled for January 30, 2019 at 4 p.m.

There being no other business, the meeting adjourned at 4:30 p.m.

City of Bryan

Investment Report
As of December 31, 2018



CITY OF BRYAN
The Good Life, Texas Style.™

Unaudited

City of Bryan Portfolio
Quarterly Summary

| Total Portfolio Summary | | | | |
|----------------------------------|----|-----------------------------|----------------------------|----------------------|
| | | Current Month 12/31/2018 | Prior Quarter 9/30/2018 | Change From Prior |
| Book Value | \$ | 110,902,389 | \$ 96,207,264 | \$ 14,695,125 |
| Market Value | | 110,446,133 | 95,454,855 | 14,991,278 |
| Market Value% | | 99.589% | 99.218% | 0.371% |
| Weighted Average Maturity - Days | | 242 days | 297 days | -55. days |
| Weighted Average Yield | | 1.919% | 1.540% | 0.379% |
| 6 month Treasury Bill | | 2.560% | 2.360% | 0.200% |
| Fed Funds Target Rate | | 2.250%-2.500% | 2.000%-2.250% | 0.250% |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|----------------------|-----------------------|-----------------|------------------------------|---------------------------|
| Pooled | \$ 45,761,420 | 41.263% | 1 | 2.306% |
| Agency | 29,032,910 | 26.179% | 760 | 1.695% |
| Treasury | 29,796,886 | 26.868% | 50 | 1.870% |
| Bank Deposit | 3,308,758 | 2.983% | 1 | 0.000% |
| Money Market Account | 3,002,416 | 2.707% | 1 | 0.500% |
| | \$ 110,902,389 | 100.000% | 242 | 1.919% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|---------------------|-----------------------|-----------------|------------------------------|---------------------------|
| FNMA | \$ 6,992,963 | 6.306% | 568 | 1.548% |
| FHLB | 15,049,224 | 13.570% | 1037 | 1.921% |
| FFCB | 3,001,616 | 2.707% | 182 | 1.040% |
| FHLMC | 3,989,108 | 3.597% | 487 | 1.588% |
| Treasury | 29,796,886 | 26.868% | 50 | 0.973% |
| BB&T - Depository | 3,308,758 | 2.983% | 1 | 0.000% |
| BB&T - Money Market | 3,002,416 | 2.707% | 1 | 0.500% |
| TexSTAR | 43,317,621 | 39.059% | 1 | 2.307% |
| TexPool | 2,443,799 | 2.204% | 1 | 2.287% |
| | \$ 110,902,389 | 100.000% | 242 | 1.919% |

| Maturity Breakdown: | Book Value | Percent |
|---------------------|-----------------------|-----------------|
| Less Than 90 Days | \$ 75,023,418 | 67.648% |
| 90 to 180 Days | - | 0.000% |
| 181 to 365 Days | 12,847,895 | 11.585% |
| More Than 365 Days | 23,031,076 | 20.767% |
| | \$ 110,902,389 | 100.000% |
| | \$ - | |

| Call Breakdown: | Book Value | Percent |
|--------------------|---------------------|-----------------|
| Less Than 90 Days | 4,000,000 | 100.000% |
| 90 to 180 Days | - | 0.000% |
| 181 to 365 Days | - | 0.000% |
| More Than 365 Days | - | 0.000% |
| | \$ 4,000,000 | 100.000% |

City of Bryan Portfolio
Detailed Holdings as of
12/31/2018

| Description | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | Book Value | Mkt Price | Mkt Value | Days to Mat | YTM | Days to Call |
|----------------------|----------------------------------|-----------|--------|-------------|---------------|-----------|----------------|----------------|----------------|----------------|-----------|------------|-------------|--------|--------------|
| FHLMC | Agency | 3137EADR7 | 1.375% | 05/22/15 | 05/01/20 | | 4,000,000 | 98.990 | 3,959,607 | 3,989,108 | 98.456 | 3,938,240 | 487 | 1.588% | - |
| FNMA | Agency | 3135GOZA4 | 1.875% | 03/26/14 | 02/19/19 | | 3,000,000 | 100.261 | 3,007,830 | 3,000,219 | 99.922 | 2,997,660 | 50 | 1.819% | - |
| FNMA | Agency | 3135GON82 | 1.250% | 09/21/16 | 08/14/21 | | 4,000,000 | 99.550 | 3,986,444 | 3,992,745 | 96.838 | 3,873,520 | 957 | 1.345% | - |
| FFCB | Agency | 3133EFW52 | 1.150% | 04/01/16 | 07/01/19 | | 3,000,000 | 100.351 | 3,010,530 | 3,001,616 | 99.315 | 2,979,450 | 182 | 1.040% | - |
| FHLB | Agency | 313378J77 | 1.875% | 03/06/15 | 03/13/20 | | 4,000,000 | 100.845 | 4,033,800 | 4,008,072 | 99.145 | 3,965,800 | 438 | 1.699% | - |
| FHLB | Agency | 3130AABG2 | 1.875% | 12/15/16 | 11/29/21 | | 3,000,000 | 99.561 | 2,986,832 | 2,992,259 | 98.195 | 2,945,850 | 1,064 | 1.968% | - |
| FHLB | Agency | 313379Q69 | 2.125% | 10/02/17 | 06/10/22 | | 4,000,000 | 101.665 | 4,066,590 | 4,048,892 | 98.306 | 3,932,240 | 1,257 | 1.753% | - |
| FHLB | Agency | 3130ACJG0 | 2.280% | 10/26/17 | 10/26/22 | 01/26/19 | 4,000,000 | 100.000 | 4,000,000 | 4,000,000 | 98.602 | 3,944,080 | 1,395 | 2.280% | 26 |
| Treasury | Agency | 912828UB4 | 1.000% | 10/22/18 | 11/30/19 | | 10,000,000 | 98.141 | 9,814,063 | 9,846,279 | 98.527 | 9,852,700 | 334 | 2.717% | - |
| Treasury | Agency | 912828P95 | 1.000% | 08/21/18 | 03/15/19 | | 20,000,000 | 99.745 | 19,862,500 | 19,950,607 | 99.720 | 19,944,000 | 74 | 1.453% | - |
| TexSTAR - Depository | Investment Pool | | | | | | 43,317,621 | | 43,317,621 | 43,317,621 | | 43,317,621 | 1 | 2.307% | - |
| TexPool - Depository | Investment Pool | | | | | | 2,443,799 | | 2,443,799 | 2,443,799 | | 2,443,799 | 1 | 2.287% | - |
| BB&T - Safekeeping | Custody Account | | | | | | 1,103 | | 1,103 | 1,103 | | 1,103 | 1 | 1.860% | - |
| BB&T - Money Market | Insured Money Market Acct (IMMA) | | | | | | 3,001,313 | | 3,001,313 | 3,001,313 | | 3,001,313 | 1 | 0.500% | - |
| BB&T - Depository | Revenue Bond Reserve Acct | | | | | | 1,811,026 | | 1,811,026 | 1,811,026 | | 1,811,026 | 1 | 0.000% | - |
| BB&T - Depository | Payroll Account | | | | | | 7,824 | | 7,824 | 7,824 | | 7,824 | 1 | 0.000% | - |
| BB&T - Depository | CD HMAP Account | | | | | | 19,982 | | 19,982 | 19,982 | | 19,982 | 1 | 0.000% | - |
| BB&T - Depository | Self Insurance Account | | | | | | 90,779 | | 90,779 | 90,779 | | 90,779 | 1 | 0.000% | - |
| BB&T - Depository | Flexible Spending Account | | | | | | 26,259 | | 26,259 | 26,259 | | 26,259 | 1 | 0.000% | - |
| BB&T - Depository | Operating Account | | | | | | 1,352,887 | | 1,352,887 | 1,352,887 | | 1,352,887 | 1 | 0.000% | - |
| | | | | | | | \$ 111,072,593 | \$ 110,800,788 | \$ 110,902,389 | \$ 110,446,133 | 242 | 1.919% | | | |

City of Bryan Portfolio Details
 Maturing Items FY19

12/31/2018

| Issuer | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | Book Value | Mkt Price | Mkt Value |
|----------|--------|-----------|--------|-------------|---------------|-----------|----------------------|-------------|----------------------|------------|-----------|------------|
| FAMCA | Agency | 3132X0YB1 | 1.375% | 10/3/2017 | 10/1/2018 | | 17,000,000 | 100.000 | 17,000,000 | 17,000,000 | 100.000 | 17,000,000 |
| FFCB | Agency | 3133EFX69 | 0.960% | 4/5/2016 | 10/5/2018 | | 1,000,000 | 100.158 | 1,001,579 | 1,000,000 | 99.987 | 999,870 |
| Treasury | Agency | 912828WD8 | 1.250% | 4/11/2018 | 10/31/2018 | | 10,000,000 | 99.625 | 9,962,500 | 10,000,000 | 102.729 | 10,272,925 |
| FNMA | Agency | 3135G0G72 | 1.125% | 3/31/2016 | 12/14/2018 | | 2,000,000 | 100.586 | 2,011,716 | 2,000,166 | 99.965 | 1,999,300 |
| | | | | | | | \$ 30,000,000 | | \$ 29,975,794 | | | |

City of Bryan Portfolio Details

Purchased Items FY19

12/31/2018

| Fund | Issuer | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purchase Cost |
|--------|----------|--------|-----------|--------|-------------|---------------|-----------|---------------|-------------|---------------|
| Pooled | Treasury | Agency | 912828UB4 | 1.000% | 10/22/2018 | 11/30/2019 | | 10,000,000 | 98.141 | 9,853,407 |
| | | | | | | | | \$ 10,000,000 | | \$ 9,853,407 |

City of Bryan Portfolio Details
Called Items FY19

12/31/2018

| Fund | Issuer | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|------|--------|------|-------|-----|-------------|---------------|-----------|-----------|-------------|------------|
| | | | | | | | | \$ - | | \$ - |

City of Bryan Portfolio Details

Investment Accretion/Amortization Schedule

This schedule reports the most recent months amortization of premiums and discounts on investments.

Amortization and Accretion is recorded ratably over the life of the investment.

| Issuer | CUSIP | Settle Date | YTM | Maturity Date | Par Value/Orig Face | Purch Price | Prin + Int Purch Price | Beginning BV | Accretion/ (Ammortization) | Ending BV |
|----------|-----------|-------------|--------|---------------|---------------------|-------------|------------------------|---------------|----------------------------|---------------|
| FHLB | 3130AABG2 | 12/15/16 | 1.968% | 11/29/21 | 3,000,000 | 100 | 2,986,832 | 2,992,034 | (226) | 2,992,259 |
| FHLB | 313379Q69 | 10/02/17 | 1.753% | 06/10/22 | 4,000,000 | 102 | 4,066,590 | 4,050,098 | 1,206 | 4,048,892 |
| FHLB | 3130ACJG0 | 10/26/17 | 2.280% | 10/26/22 | 4,000,000 | 100 | 4,000,000 | 4,000,000 | - | 4,000,000 |
| FNMA | 3135G0ZA4 | 03/26/14 | 1.819% | 02/19/19 | 3,000,000 | 100 | 3,007,830 | 3,000,354 | 136 | 3,000,219 |
| FFCB | 3133EFW52 | 04/01/16 | 1.040% | 07/01/19 | 3,000,000 | 100 | 3,010,530 | 3,001,891 | 275 | 3,001,616 |
| FHLB | 313378J77 | 03/06/15 | 1.699% | 03/13/20 | 4,000,000 | 101 | 4,033,800 | 4,008,644 | 571 | 4,008,072 |
| FHLMC | 3137EADR7 | 05/22/15 | 1.588% | 05/01/20 | 4,000,000 | 99 | 3,959,607 | 3,988,414 | (693) | 3,989,108 |
| FNMA | 3135G0N82 | 09/21/16 | 1.345% | 08/14/21 | 4,000,000 | 100 | 3,986,444 | 3,992,510 | (235) | 3,992,745 |
| Treasury | 912828UB4 | 10/22/18 | 2.717% | 11/30/19 | 10,000,000 | 98 | 9,814,063 | 9,832,012 | (14,267) | 9,846,279 |
| Treasury | 912828P95 | 08/21/18 | 1.453% | 03/15/19 | 20,000,000 | 100 | 19,862,500 | 19,929,915 | (20,692) | 19,950,607 |
| | | | | | \$ 59,000,000 | | \$ 58,728,196 | \$ 58,795,871 | \$ (33,925) | \$ 58,829,797 |

Investment Policy Compliance Checklist
City of Bryan
12/31/2018

| Compliant: | Investment Limits |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Yes | At all times, maintain at least ten (10) percent of its total portfolio in investments maturing in 90 days or less. |
| <input type="checkbox"/> Yes | Investment in any single money market fund or investment pool shall never exceed fifteen (15) percent of the total assets of the money market fund or pool. |
| <input type="checkbox"/> Yes | No more than twenty (20) percent of monthly average balance may be invested in money market mutual funds. (n/a) |
| <input type="checkbox"/> Yes | Agencies and Instrumentalities shall not constitute more than seventy (70) percent of the portfolios of total available funds and no single agency or instrumentality shall account for more than twenty (20) per cent of the portfolio of total available funds. |
| <input type="checkbox"/> Yes | Certificates of deposit shall not make up more than twenty (20) percent of total available funds. (n/a) |
| <input type="checkbox"/> Yes | Repurchase agreements shall not make up more than twenty (20) percent of total available funds. (n/a) |
| <input type="checkbox"/> Yes | Commercial paper shall not make up more than twenty (20) percent of total available funds. (n/a) |
| <input type="checkbox"/> Yes | Collateralized Mortgage Obligations (CMOs) and other derivatives such as inverse floaters and other mortgage backed securities that pay only the interest (IO) or principal (PO) portion of the mortgage payment are strictly prohibited as both direct investments and collateral. (n/a) |
| <input type="checkbox"/> Yes | The weighted average maturity of all securities and CD's in the investment portfolios at any given time including cash or demand deposits shall not exceed three years. |
| <input type="checkbox"/> Yes | Any Certificate of Deposit or Repurchase Agreements exceeding FDIC insurance limits shall be collateralized at 102% of face amount. (n/a) |

Bryan Texas Utilities

**Investment Report
As of December 31, 2018**



**BTU City Portfolio
Quarterly Summary**

| Total Portfolio Summary | | | |
|----------------------------------|-------------------------------------|------------------------------------|---------------|
| | Current Month 12/31/2018 | Prior Quarter 9/30/2018 | Change |
| Book Value | \$ 179,338,166 | \$ 121,403,734 | \$ 57,934,432 |
| Market Value | 178,913,995 | 120,417,488 | 58,496,506 |
| Market Value% | 99.763% | 99.188% | 0.576% |
| Weighted Average Maturity - Days | 285 days | 491 days | -206 days |
| Weighted Average Yield | 2.143% | 1.956% | 0.187% |
| 6 Month Treasury Bill | 2.570% | 2.360% | 0.210% |
| Fed Funds Target Rate | 2.250% - 2.500% | 2.000% - 2.250% | 0.250% |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|------------------------|-----------------------|-----------------|--------------------------------------|-----------------------------------|
| Bank Deposit | \$ 5,549,671 | 3.095% | 1 | 0.000% |
| Money Market Account | 4,151,406 | 2.315% | 1 | 0.517% |
| Investment Pool | 78,213,137 | 43.612% | 1 | 2.307% |
| Agency | 41,889,048 | 23.358% | 742 | 2.119% |
| Treasury | 49,534,903 | 27.621% | 403 | 2.281% |
| | \$ 179,338,166 | 100.000% | 285 | 2.143% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|--------------------------|-----------------------|-----------------|--------------------------------------|-----------------------------------|
| BB&T - Depository | \$ 5,549,671 | 3.095% | 1 | 0.000% |
| BB&T - Money Market | 4,151,406 | 2.315% | 1 | 0.517% |
| TexSTAR - Depository | 78,213,137 | 43.612% | 1 | 2.307% |
| FNMA Note | 3,000,210 | 1.673% | 50 | 1.820% |
| FHLB Note | 13,987,170 | 7.799% | 791 | 1.855% |
| FHLMC Note | 11,920,088 | 6.647% | 697 | 2.261% |
| FFCB Note | 12,981,581 | 7.239% | 892 | 2.342% |
| Treasury Note - Fixed | 49,534,903 | 27.621% | 403 | 2.281% |
| | \$ 179,338,166 | 100.000% | 285 | 2.143% |

| Maturity Breakdown: | Book Value | Percent |
|----------------------------|-----------------------|-----------------|
| Less Than 90 Days | \$ 90,914,425 | 50.694% |
| 90 to 180 Days | 24,895,980 | 13.882% |
| 181 to 365 Days | 11,946,029 | 6.661% |
| More Than 365 Days | 51,581,732 | 28.762% |
| | \$ 179,338,166 | 100.000% |

| Call Breakdown: | Book Value | Percent |
|------------------------|----------------------|----------------|
| Less Than 90 Days | \$ 14,920,885 | 8.320% |
| 90 to 180 Days | 4,980,831 | 2.777% |
| 181 to 365 Days | - | 0.000% |
| More Than 365 Days | - | 0.000% |
| | \$ 19,901,716 | 11.097% |

**BTU Rural Portfolio
Quarterly Summary**

| Total Portfolio Summary | | | |
|----------------------------------|----------------------|----------------------|---------------|
| | Current Month | Prior Quarter | |
| | 12/31/2018 | 9/30/2018 | Change |
| Book Value | \$ 31,842,846 | \$ 18,116,237 | \$ 13,726,609 |
| Market Value | 31,842,412 | 18,071,495 | 13,770,917 |
| Market Value% | 99.999% | 99.753% | 0.246% |
| Weighted Average Maturity - Days | 152 days | 211 days | -59 days |
| Weighted Average Yield | 2.172% | 1.660% | 0.512% |
| 6 Month Treasury Bill | 2.570% | 2.360% | 0.210% |
| Fed Funds Target Rate | 2.250% - 2.500% | 2.000% - 2.250% | 0.250% |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|------------------------|----------------------|-----------------|----------------------------------|-------------------------------|
| Bank Deposit | \$ 745,397 | 2.341% | 1 | 0.000% |
| Money Market Account | 2,080,345 | 6.533% | 1 | 0.517% |
| Investment Pool | 20,060,550 | 62.999% | 1 | 2.307% |
| Agency | 6,970,595 | 21.891% | 612 | 2.476% |
| Treasury | 1,985,959 | 6.237% | 280 | 2.294% |
| | \$ 31,842,846 | 100.000% | 152 | 2.172% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|--------------------------|----------------------|-----------------|----------------------------------|-------------------------------|
| BB&T - Depository | \$ 745,397 | 2.341% | 1 | 0.000% |
| BB&T - Money Market | 2,080,345 | 6.533% | 1 | 0.517% |
| TexSTAR - Depository | 20,060,550 | 62.999% | 1 | 2.307% |
| FNMA Note | 2,975,189 | 9.343% | 240 | 2.286% |
| FFCB Note | 1,995,406 | 6.266% | 1249 | 2.766% |
| FHLB Note | 2,000,000 | 6.281% | 529 | 2.470% |
| Treasury Note - Fixed | 1,985,959 | 6.237% | 280 | 2.294% |
| | \$ 31,842,846 | 100.000% | 152 | 2.172% |

| Maturity Breakdown: | Book Value | Percent |
|----------------------------|----------------------|-----------------|
| Less Than 90 Days | \$ 22,886,292 | 71.873% |
| 90 to 180 Days | 995,613 | 3.127% |
| 181 to 365 Days | 2,975,189 | 9.343% |
| More Than 365 Days | 4,985,752 | 15.657% |
| | \$ 31,842,846 | 100.000% |

| Call Breakdown: | Book Value | Percent |
|------------------------|---------------------|----------------|
| Less Than 90 Days | \$ - | 0.000% |
| 90 to 180 Days | 2,000,000 | 6.281% |
| 181 to 365 Days | - | 0.000% |
| More Than 365 Days | - | 0.000% |
| | \$ 2,000,000 | 6.281% |

BTU Portfolio Details
Detailed Holdings as of
December 31, 2018

BTU City

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | Book Value | Mkt Price | Mkt Value | Days to Maturity | Yield to Maturity | Days to Call |
|------------------------|-------------------------------------|-----------|--------|-----------------|---------------|-----------|-----------------------|-------------|-----------------------|-----------------------|-----------|-----------------------|------------------|-------------------|--------------|
| Investments | | | | | | | | | | | | | | | |
| FNMA Note | Agency | 3135G0ZA4 | 1.875% | 3/26/2014 | 2/19/2019 | | \$ 3,000,000 | 100.256 | \$ 3,007,680 | \$ 3,000,210 | 99.922 | \$ 2,997,660 | 50 | 1.820% | - |
| FHLB Note | Agency | 313378J77 | 1.875% | 3/6/2015 | 3/13/2020 | | 4,000,000 | 100.845 | 4,033,800 | 4,008,054 | 99.145 | 3,965,800 | 438 | 1.699% | - |
| FHLB Note | Agency | 3137EADR7 | 1.375% | 5/20/2015 | 5/1/2020 | | 4,000,000 | 98.990 | 3,959,607 | 3,989,142 | 98.456 | 3,938,240 | 487 | 1.588% | - |
| FHLMC Note | Agency | 3134G8W39 | 1.375% | 4/28/2016 | 10/28/2019 | | 2,000,000 | 99.990 | 1,999,800 | 1,999,953 | 98.915 | 1,978,300 | 301 | 1.378% | - |
| FFCB Note | Agency | 3133EGU37 | 1.830% | 12/14/2016 | 12/14/2020 | | 3,000,000 | 100.000 | 3,000,000 | 3,000,000 | 98.554 | 2,956,620 | 714 | 1.830% | - |
| FHLB Note | Agency | 3130AABG2 | 1.875% | 12/14/2016 | 11/29/2021 | | 3,000,000 | 99.431 | 2,982,935 | 2,989,974 | 98.195 | 2,945,850 | 1064 | 1.996% | - |
| FHLB Note | Agency | 3130ACIG0 | 2.280% | 10/26/2017 | 10/26/2022 | | 3,000,000 | 100.000 | 3,000,000 | 3,000,000 | 98.602 | 2,958,060 | 1395 | 2.280% | - |
| FHLMC Note | Agency | 3134GBX80 | 2.300% | 2/2/2018 | 11/14/2022 | 2/14/2019 | 5,000,000 | 98.500 | 4,925,000 | 4,939,304 | 98.359 | 4,917,950 | 1414 | 2.636% | 45 |
| FFCB Note | Agency | 3133EJBL2 | 2.350% | 2/2/2018 | 2/1/2021 | 2/1/2019 | 5,000,000 | 99.850 | 4,992,500 | 4,994,781 | 99.301 | 4,965,050 | 763 | 2.402% | 32 |
| FFCB Note | Agency | 3133EJAX7 | 2.500% | 2/2/2018 | 2/1/2022 | 2/1/2019 | 5,000,000 | 99.658 | 4,982,900 | 4,986,800 | 99.575 | 4,978,750 | 1128 | 2.591% | 32 |
| Treasury Note - Fixed | Treasury | 9128282T6 | 1.250% | 2/2/2018 | 8/31/2019 | | 10,000,000 | 98.719 | 9,871,875 | 9,946,076 | 99.098 | 9,909,800 | 243 | 2.083% | - |
| Treasury Note - Fixed | Treasury | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 5,000,000 | 98.328 | 4,916,406 | 4,951,732 | 98.531 | 4,926,550 | 456 | 2.172% | - |
| Treasury Note - Fixed | Treasury | 912828X47 | 1.875% | 2/2/2018 | 4/30/2022 | | 5,000,000 | 97.652 | 4,882,617 | 4,907,868 | 98.086 | 4,904,300 | 1216 | 2.461% | - |
| Treasury Note - Fixed | Treasury | 912828L32 | 1.375% | 2/2/2018 | 8/31/2020 | | 5,000,000 | 97.844 | 4,892,188 | 4,930,340 | 98.113 | 4,905,650 | 609 | 2.242% | - |
| Treasury Note - Fixed | Treasury | 912828Q37 | 1.250% | 2/2/2018 | 3/31/2021 | | 5,000,000 | 96.730 | 4,836,523 | 4,883,737 | 97.344 | 4,867,200 | 821 | 2.330% | - |
| FHLMC Note | Agency | 3134G9LD7 | 1.250% | 5/31/2018 | 5/24/2019 | 3/30/2019 | 5,000,000 | 99.040 | 4,952,010 | 4,980,831 | 99.509 | 4,975,450 | 144 | 2.245% | 89 |
| Treasury Note - Fixed | Treasury | 912828X54 | 1.250% | 5/31/2018 | 5/31/2019 | | 5,000,000 | 99.073 | 4,953,663 | 4,980,957 | 99.488 | 4,974,400 | 151 | 2.192% | - |
| Treasury Note - Fixed | Treasury | 912828Q52 | 0.875% | 9/26/2018 | 4/15/2019 | | 15,000,000 | 99.160 | 14,874,023 | 14,934,191 | 99.561 | 14,934,150 | 105 | 2.416% | - |
| Demand Deposits | | | | | | | | | | | | | | | |
| BB&T - Depository | Bank Deposit | | | | | | 5,549,671 | 100.000 | 5,549,671 | 5,549,671 | 100.000 | 5,549,671 | 1 | 0.000% | - |
| BB&T - Money Market | Insured Money Market Account (IMMA) | | | | | | 4,151,406 | 100.000 | 4,151,406 | 4,151,406 | 100.000 | 4,151,406 | 1 | 0.517% | - |
| TexSTAR - Depository | Investment Pool | | | | | | 78,213,137 | 100.000 | 78,213,137 | 78,213,137 | 100.000 | 78,213,137 | 1 | 2.307% | - |
| Total BTU City | | | | | | | \$ 179,914,215 | | \$ 178,977,742 | \$ 179,338,166 | | \$ 178,913,995 | 285 | 2.143% | |

BTU Rural

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | Book Value | Mkt Price | Mkt Value | Days to Maturity | Yield to Maturity | Days to Call |
|------------------------|-------------------------------------|-----------|--------|-----------------|---------------|-----------|----------------------|-------------|----------------------|----------------------|-----------|----------------------|------------------|-------------------|--------------|
| Investments | | | | | | | | | | | | | | | |
| FFCB Note | Agency | 3133EJBL2 | 2.350% | 2/2/2018 | 2/1/2021 | | \$ 1,000,000 | 99.850 | \$ 998,500 | \$ 998,956 | 99.633 | \$ 993,010 | 763 | 2.402% | - |
| Treasury Note - Fixed | Treasury | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 1,000,000 | 98.328 | 983,281 | 990,346 | 98.531 | 985,310 | 456 | 2.172% | - |
| FNMA Note | Agency | 3135G0P49 | 1.000% | 5/31/2018 | 8/28/2019 | | 3,000,000 | 98.429 | 2,952,870 | 2,975,189 | 98.934 | 2,968,020 | 240 | 2.286% | - |
| FHLB Note | Agency | 3130AEEK2 | 2.470% | 6/12/2018 | 6/12/2020 | 6/12/2019 | 2,000,000 | 100.000 | 2,000,000 | 2,000,000 | 99.949 | 1,998,980 | 529 | 2.470% | 163 |
| Treasury Note - Fixed | Treasury | 912828Q52 | 0.875% | 9/26/2018 | 4/15/2019 | | 1,000,000 | 99.160 | 991,602 | 995,613 | 99.561 | 995,610 | 105 | 2.416% | - |
| FFCB Note | Agency | 3133EJD48 | 3.050% | 10/19/2018 | 10/2/2023 | | 1,000,000 | 99.630 | 996,300 | 996,450 | 101.519 | 1,015,190 | 1736 | 3.131% | 1 |
| Demand Deposits | | | | | | | | | | | | | | | |
| BB&T - Depository | Bank Deposit | | | | | | 745,397 | 100.000 | 745,397 | 745,397 | 100.000 | 745,397 | 1 | 0.000% | - |
| BB&T - Money Market | Insured Money Market Account (IMMA) | | | | | | 2,080,345 | 100.000 | 2,080,345 | 2,080,345 | 100.000 | 2,080,345 | 1 | 0.517% | - |
| TexSTAR - Depository | Investment Pool | | | | | | 20,060,550 | 100.000 | 20,060,550 | 20,060,550 | 100.000 | 20,060,550 | 1 | 2.307% | - |
| Total BTU Rural | | | | | | | \$ 31,886,292 | | \$ 31,808,845 | \$ 31,842,846 | | \$ 31,842,412 | 152 | 2.173% | |

BTU Portfolio Details
 Maturing Items
 FY2019

BTU City System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|--------|-----------|--------|-----------------|---------------|-----------|--------------|-------------|--------------|
| FFCB Note | Agency | 3133EFX69 | 0.960% | 4/5/2016 | 10/5/2018 | | \$ 2,000,000 | 100.158 | \$ 2,003,157 |
| FNMA Note | Agency | 3135G0G72 | 1.125% | 3/31/2016 | 12/14/2018 | | 2,000,000 | 100.586 | 2,011,716 |
| | | | | | | | \$ 4,000,000 | | \$ 4,014,873 |

BTU Rural System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|------|-------|--------|-----------------|---------------|-----------|-----------|-------------|------------|
| | | | | | | | \$ - | | \$ - |

BTU Portfolio Details
Purchased Items
FY2019

BTU City System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|------|-------|--------|-----------------|---------------|-----------|-----------|-------------|------------|
| | | | | | | | \$ - | \$ - | |

BTU Rural System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|--------|-----------|--------|-----------------|---------------|-----------|--------------|-------------|------------|
| FFCB Note | Agency | 3133EJD48 | 3.050% | 10/19/2018 | 10/2/2023 | | \$ 1,000,000 | 99.630 \$ | 996,300 |
| | | | | | | | \$ 1,000,000 | \$ 996,300 | |

BTU Portfolio Details
 Called Items
 FY2019

BTU City System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | |
|-------------|------|-------|--------|-----------------|---------------|-----------|-----------|-------------|------------|---|
| | | | | | | | \$ | - | \$ | - |

BTU Rural System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|------|-------|--------|-----------------|---------------|-----------|-----------|-------------|------------|
| | | | | | | | - | | - |

BTU Portfolio Details
Investment Accretion/Amortization Schedule
December 31, 2018

BTU City System

| Description | Type | CUSIP | Settlement Date | YTM | Maturity Date | Par Value | Purch Price | Purch Cost | Beginning Book Value | Amortization/ (Accretion) | Ending Book Value |
|-----------------------|----------|-----------|-----------------|--------|---------------|---------------|-------------|---------------|----------------------|---------------------------|-------------------|
| FNMA Note | Agency | 3135G0ZA4 | 3/26/2014 | 1.820% | 2/19/2019 | \$ 3,000,000 | 100.256 | \$ 3,007,680 | \$ 3,000,343 | \$ 133 | \$ 3,000,210 |
| FHLB Note | Agency | 313378J77 | 3/6/2015 | 1.699% | 3/13/2020 | 4,000,000 | 100.845 | 4,033,800 | 4,008,625 | 571 | 4,008,054 |
| FHLB Note | Agency | 3137EADR7 | 5/20/2015 | 1.588% | 5/1/2020 | 4,000,000 | 98.990 | 3,959,607 | 3,988,449 | (693) | 3,989,142 |
| FNMA Note | Agency | 3135G0G72 | 3/31/2016 | 0.000% | 12/14/2018 | 2,000,000 | 100.586 | 2,011,716 | 154 | 154 | - |
| FHLMC Note | Agency | 3134G8W39 | 4/28/2016 | 1.378% | 10/28/2019 | 2,000,000 | 99.990 | 1,999,800 | 1,999,948 | (5) | 1,999,953 |
| FFCB Note | Agency | 3133EGU37 | 12/14/2016 | 1.830% | 12/14/2020 | 3,000,000 | 100.000 | 3,000,000 | 3,000,000 | - | 3,000,000 |
| FFCB Note | Agency | 3130AABG2 | 12/14/2016 | 1.996% | 11/29/2021 | 3,000,000 | 99.431 | 2,982,935 | 2,989,682 | (292) | 2,989,974 |
| FHLB Note | Agency | 3130ACJG0 | 10/26/2017 | 2.280% | 10/26/2022 | 3,000,000 | 100.000 | 3,000,000 | 3,000,000 | - | 3,000,000 |
| FHLMC Note | Agency | 3134GBX80 | 2/2/2018 | 2.636% | 11/14/2022 | 5,000,000 | 98.500 | 4,925,000 | 4,937,973 | (1,332) | 4,939,304 |
| FFCB Note | Agency | 3133EJBL2 | 2/2/2018 | 2.402% | 2/1/2021 | 5,000,000 | 99.850 | 4,992,500 | 4,994,568 | (212) | 4,994,781 |
| FFCB Note | Agency | 3133EJAX7 | 2/2/2018 | 2.591% | 2/1/2022 | 5,000,000 | 99.658 | 4,982,900 | 4,986,437 | (363) | 4,986,800 |
| Treasury Note - Fixed | Treasury | 9128282T6 | 2/2/2018 | 2.083% | 8/31/2019 | 10,000,000 | 98.719 | 9,871,875 | 9,939,168 | (6,908) | 9,946,076 |
| Treasury Note - Fixed | Treasury | 912828J84 | 2/2/2018 | 2.172% | 3/31/2020 | 5,000,000 | 98.328 | 4,916,406 | 4,948,443 | (3,289) | 4,951,732 |
| Treasury Note - Fixed | Treasury | 912828X47 | 2/2/2018 | 2.461% | 4/30/2022 | 5,000,000 | 97.652 | 4,882,617 | 4,905,517 | (2,351) | 4,907,868 |
| Treasury Note - Fixed | Treasury | 912828L32 | 2/2/2018 | 2.242% | 8/31/2020 | 5,000,000 | 97.844 | 4,892,188 | 4,926,788 | (3,552) | 4,930,340 |
| Treasury Note - Fixed | Treasury | 912828Q37 | 2/2/2018 | 2.330% | 3/31/2021 | 5,000,000 | 96.730 | 4,836,523 | 4,879,342 | (4,395) | 4,883,737 |
| FHLMC Note | Agency | 3134G9LD7 | 5/31/2018 | 2.245% | 5/24/2019 | 5,000,000 | 99.040 | 4,952,010 | 4,976,675 | (4,156) | 4,980,831 |
| Treasury Note - Fixed | Treasury | 912828XS4 | 5/31/2018 | 2.192% | 5/31/2019 | 5,000,000 | 99.073 | 4,953,663 | 4,977,022 | (3,935) | 4,980,957 |
| Treasury Note - Fixed | Treasury | 912828Q52 | 9/26/2018 | 2.416% | 4/15/2019 | 15,000,000 | 99.160 | 14,874,023 | 14,914,762 | (19,429) | 14,934,191 |
| | | | | | | \$ 94,000,000 | | \$ 93,075,243 | \$ 91,373,899 | \$ (50,052) | \$ 91,423,951 |

BTU Rural System

| Description | Type | CUSIP | Settlement Date | YTM | Maturity Date | Par Value | Purch Price | Purch Cost | Beginning Book Value | Amortization/ (Accretion) | Ending Book Value |
|-----------------------|----------|-----------|-----------------|--------|---------------|--------------|-------------|--------------|----------------------|---------------------------|-------------------|
| FFCB Note | Agency | 3133EJBL2 | 2/2/2018 | 2.402% | 2/1/2021 | \$ 1,000,000 | 99.850 | \$ 998,500 | \$ 998,914 | \$ (42) | \$ 998,956 |
| Treasury Note - Fixed | Treasury | 912828J84 | 2/2/2018 | 2.172% | 3/31/2020 | 1,000,000 | 98.328 | 983,281 | 989,689 | (658) | 990,346 |
| Treasury Note - Fixed | Treasury | 912828RH5 | 2/2/2018 | 0.000% | 1/0/1900 | - | - | - | - | - | - |
| FNMA Note | Agency | 3135G0P49 | 5/31/2018 | 2.286% | 8/28/2019 | 3,000,000 | 98.429 | 2,952,870 | 2,971,971 | (3,218) | 2,975,189 |
| FHLB Note | Agency | 3130AEEK2 | 5/31/2018 | 2.470% | 6/12/2020 | 2,000,000 | 100.000 | 2,000,000 | 2,000,000 | - | 2,000,000 |
| Treasury Note - Fixed | Treasury | 912828Q52 | 9/26/2018 | 2.416% | 4/15/2019 | 1,000,000 | 99.160 | 991,602 | 994,317 | (1,295) | 995,613 |
| FFCB Note | Agency | 3133EJD48 | 10/19/2018 | 3.131% | 10/2/2023 | 1,000,000 | 99.630 | 996,300 | 996,386 | (63) | 996,450 |
| | | | | | | \$ 9,000,000 | | \$ 8,922,553 | \$ 8,951,277 | \$ (5,277) | \$ 8,956,554 |

This schedule reports the most recent months amortization of premiums and discounts on investments. Amortization and Accretion is recorded ratably over the life of the investment

Investment Policy Compliance Checklist
Bryan Texas Utilities
December 31, 2018

| Compliant? | | Investment Limits |
|------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BTU City | BTU Rural | |
| Yes | Yes | At all times, maintain at least ten (10) percent of its total portfolio in investments maturing in 90 days or less. |
| Yes | Yes | Investment in any single money market fund or investment pool shall never exceed fifteen (15) percent of the total assets of the money market fund or pool. |
| Yes | Yes | No more than twenty (20) percent of monthly average balance may be invested in money market mutual funds. |
| Yes | Yes | Agencies and Instrumentalities shall not constitute more than seventy (70) percent of the portfolios of total available funds and no single agency or instrumentality shall account for more than twenty (20) per cent of the portfolio of total available funds. |
| Yes | Yes | Certificates of deposit shall not make up more than twenty (20) percent of total available funds. |
| Yes | Yes | Repurchase agreements shall not make up more than twenty (20) percent of total available funds. |
| Yes | Yes | Commercial paper shall not make up more than twenty (20) percent of total available funds. |
| Yes | Yes | Collateralized Mortgage Obligations (CMOs) and other derivatives such as inverse floaters and other mortgage backed securities that pay only the interest (IO) or principal. (PO) portion of the mortgage payment are strictly prohibited as both direct investments and collateral. |
| Yes | Yes | The weighted average maturity of all securities and Certificates of Deposit in the investment portfolios at any given time including cash or demand deposits shall not exceed three years. |
| Yes | Yes | Any Certificate of Deposit or Repurchase Agreements exceeding FDIC insurance limits shall be collateralized at 102% of face amount. |