

**CITY OF BRYAN
INVESTMENT COMMITTEE AGENDA
April 25, 2018 at 4:00 PM
Room 305, Municipal Office Building**

- A. Welcome.
- B. Review and approve minutes from October 25, 2017 Investment Committee meeting
- C. Review BTU and City of Bryan March 31, 2018 Investment Reports and supplemental information
- E. Other new business
- F. Schedule next quarterly meeting (Currently scheduled for Wednesday, July 25, 2018)
- G. Adjourn

CITY OF BRYAN, TEXAS
INVESTMENT COMMITTEE MEETING MINUTES
April 25, 2018

The committee met on Wednesday, October 25, 2017 with committee members Aliza Dirden, Flynn Adcock and Joe Salvato and staff members Joe Hegwood, and Carol Carey in attendance. The meeting was called to order by Joe Hegwood at 4:03 p.m.

Minutes from the previous meeting, July 26, 2017, were reviewed and approved.

Led by Joe Hegwood, committee members then reviewed and approved the BTU and City of Bryan quarterly investment report dated September 30, 2017.

Joe Hegwood addressed the need to replace JP Morgan as the City's safekeeping bank.

It was requested Carol Carey send out the upcoming fiscal year quarterly board meeting schedule prior to the next meeting.

The next quarterly meeting was scheduled for January 31, 2018 at 4 p.m.

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

MEMO

TO: City of Bryan Investment Committee

FROM: Joe Hegwood - Chief Financial Officer



SUBJECT: Investment Report at 3/31/18

DATE: April 25, 2018

Attached are the City of Bryan and the BTU City and Rural Investment Reports for the quarter ended March 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 \$16.6 million due to property tax receipts. The City's weighted average maturity is 272 days and yield to maturity on investments is approximately 1.380%.

During the quarter, BTU's combined City & Rural investment balance increased by \$7.0 million due to lower spending. BTU's weighted average maturity is 544 days for BTU-City and 141 days for BTU-Rural. Yield-to-maturity on investments is approximately 1.591% for BTU-City and 0.926% for BTU-Rural.

Also of note, the City changed Safekeeping banks during the quarter from JP Morgan to BB&T. Additionally, BB&T has agreed to increase their interest rate on their money market account from 0.47% to 0.50% beginning in April.

City of Bryan

Investment Report
As of March 31, 2018



CITY OF BRYAN
The Good Life, Texas Style.™

Unaudited

City of Bryan Portfolio
Quarterly Summary

| Total Portfolio Summary | | | | |
|----------------------------------|----|----------------------------|-----------------------------|----------------------|
| | | Current Month 3/31/2018 | Prior Quarter 12/31/2017 | Change From Prior |
| Book Value | \$ | 113,126,962 | \$ 96,522,867 | \$ 16,604,095 |
| Market Value | | 112,461,415 | 96,110,427 | 16,350,987 |
| Market Value% | | 99.412% | 99.573% | -0.161% |
| Weighted Average Maturity - Days | | 272 days | 432 days | 160 days |
| Weighted Average Yield | | 1.380% | 1.031% | 0.348% |
| 6 month Treasury Bill | | 1.930% | 1.530% | 0.400% |
| Fed Funds Target Rate | | 1.500%-1.750% | 1.250%-1.500% | 0.250% |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|----------------------|-----------------------|-----------------|------------------------------|---------------------------|
| Pooled | \$ 36,769,445 | 32.503% | 1 | 1.496% |
| Agency | 49,045,467 | 43.354% | 691 | 1.535% |
| Treasury | 20,000,000 | 17.679% | 0 | 1.151% |
| Bank Deposit | 3,609,167 | 3.190% | 1 | 0.000% |
| Money Market Account | 3,702,882 | 3.273% | 1 | 0.490% |
| | \$ 113,126,962 | 100.000% | 272 | 1.380% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|---------------------|-----------------------|-----------------|------------------------------|---------------------------|
| FNMA | \$ 8,995,140 | 7.951% | 712 | 1.405% |
| FAMCA | 17,000,000 | 15.027% | 184 | 1.375% |
| FHLB | 15,062,988 | 13.315% | 456 | 0.843% |
| FFCB | 4,004,383 | 3.540% | 390 | 1.004% |
| FHLMC | 3,982,957 | 3.521% | 762 | 1.588% |
| Treasury | 20,000,000 | 17.679% | 0 | 1.151% |
| BB&T - Depository | 3,609,167 | 3.190% | 1 | 0.000% |
| BB&T - Money Market | 3,702,882 | 3.273% | 1 | 0.490% |
| TexSTAR | 14,371,357 | 12.704% | 1 | 1.491% |
| TexPool | 22,398,089 | 19.799% | 1 | 1.500% |
| | \$ 113,126,962 | 100.000% | 272 | 1.380% |

| Maturity Breakdown: | Book Value | Percent |
|---------------------|-----------------------|-----------------|
| Less Than 90 Days | \$ 64,081,495 | 56.646% |
| 90 to 180 Days | | 0.000% |
| 181 to 365 Days | 23,004,805 | 20.335% |
| More Than 365 Days | 26,040,662 | 23.019% |
| | \$ 113,126,962 | 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
03/31/2018

| 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 |
|----------------------|----------------------------------|-----------|--------|-------------|---------------|-----------|----------------|----------------|----------------|----------------|-----------|------------|-------------|--------|--------------|
| FAMCA | Agency | 3132X0YB1 | 1.375% | 10/03/17 | 10/01/18 | | 17,000,000 | 100.000 | 17,000,000 | 17,000,000 | 99.736 | 16,955,120 | 184 | 1.375% | - |
| FHLMC | Agency | 3137EADR7 | 1.375% | 05/22/15 | 05/01/20 | | 4,000,000 | 98.990 | 3,959,607 | 3,982,957 | 98.051 | 3,922,040 | 762 | 1.588% | - |
| FNMA | Agency | 3135G0G72 | 1.125% | 03/31/16 | 12/14/18 | | 2,000,000 | 100.586 | 2,011,716 | 2,003,059 | 99.349 | 1,986,980 | 258 | 0.905% | - |
| FNMA | Agency | 3135G0ZA4 | 1.875% | 03/26/14 | 02/19/19 | | 3,000,000 | 100.261 | 3,007,830 | 3,001,421 | 99.777 | 2,993,310 | 325 | 1.819% | - |
| FNMA | Agency | 3135G0N82 | 1.250% | 09/21/16 | 08/14/21 | | 4,000,000 | 99.550 | 3,986,444 | 3,990,660 | 95.924 | 3,836,960 | 1232 | 1.345% | - |
| FFCB | Agency | 3133EFW52 | 1.150% | 04/01/16 | 07/01/19 | | 3,000,000 | 100.351 | 3,010,530 | 3,004,058 | 98.719 | 2,961,570 | 457 | 1.040% | - |
| FFCB | Agency | 3133EFX69 | 0.960% | 04/05/16 | 10/05/18 | | 1,000,000 | 100.158 | 1,001,579 | 1,000,325 | 99.521 | 995,210 | 188 | 0.896% | - |
| FHLB | Agency | 313378J77 | 1.875% | 03/06/15 | 03/13/20 | | 4,000,000 | 100.845 | 4,033,800 | 4,013,140 | 99.046 | 3,961,840 | 713 | 1.699% | - |
| FHLB | Agency | 3130AABG2 | 1.875% | 12/15/16 | 11/29/21 | | 3,000,000 | 99.561 | 2,986,832 | 2,990,259 | 97.775 | 2,933,250 | 1339 | 1.968% | - |
| FHLB | Agency | 313379Q69 | 2.125% | 10/02/17 | 06/10/22 | | 4,000,000 | 101.665 | 4,066,590 | 4,059,589 | 97.848 | 3,913,920 | 1532 | 1.753% | - |
| FHLB | Agency | 3130ACJG0 | 2.280% | 10/26/17 | 10/26/22 | 04/26/18 | 4,000,000 | 100.000 | 4,000,000 | 4,000,000 | 97.993 | 3,919,720 | 1670 | 2.280% | 26.00 |
| Treasury | Agency | 912828Q45 | 0.875% | 03/16/17 | 03/31/18 | | 20,000,000 | 99.715 | 19,942,969 | 20,000,000 | 100.000 | 20,000,000 | 0 | 1.151% | - |
| TexSTAR - Depository | Investment Pool | | | | | | 14,371,357 | | 14,371,357 | 14,371,357 | | 14,371,357 | 1 | 1.491% | - |
| TexPool - Depository | Investment Pool | | | | | | 22,398,089 | | 22,398,089 | 22,398,089 | | 22,398,089 | 1 | 1.500% | - |
| BB&T - Money Market | Insured Money Market Acct (IMMA) | | | | | | 3,702,882 | | 3,702,882 | 3,702,882 | | 3,702,882 | 1 | 0.490% | - |
| BB&T - Depository | Operating Account | | | | | | 3,609,167 | | 3,609,167 | 3,609,167 | | 3,609,167 | 1 | 0.000% | - |
| | | | | | | | \$ 113,081,495 | \$ 113,089,391 | \$ 113,126,962 | \$ 112,461,415 | | 272 | 1.380% | | |

City of Bryan Portfolio Details
 Maturing Items FY18

3/31/2018

| Issuer | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost | Book Value | Mkt Price | Mkt Value |
|--------|--------|-----------|--------|-------------|---------------|-----------|--------------|-------------|--------------|--------------|-----------|--------------|
| FHLMC | Agency | 3137EADP1 | 0.875% | 3/26/2014 | 3/7/2018 | | 3,000,000.00 | 97.9150 | 2,937,449.49 | 2,999,696.36 | 99.992 | 2,999,760.00 |

\$ 3,000,000

\$ 2,937,449

City of Bryan Portfolio Details

Purchased Items FY18

3/31/2018

| Fund | Issuer | Type | CUSIP | Cpn | Settle Date | Maturity Date | Call Date | Par Value | Purch Price | Purchase Cost |
|--------|--------|--------|-----------|--------|-------------|---------------|-----------|---------------|-------------|---------------|
| Pooled | FAMCA | Agency | 3132X0YB1 | 1.375% | 10/3/2017 | 10/1/2018 | NA | 17,000,000 | 100.000 | 17,000,000 |
| Pooled | FHLB | Agency | 313379Q69 | 2.125% | 10/2/2017 | 6/10/2022 | NA | 4,000,000 | 101.665 | 4,066,590 |
| Pooled | FHLB | Agency | 3130ACJG0 | 2.280% | 10/26/2017 | 10/26/2022 | 1/26/2018 | 4,000,000 | 100.000 | 4,000,000 |
| | | | | | | | | \$ 25,000,000 | | \$ 25,066,590 |

City of Bryan Portfolio Details
Called Items FY18

3/31/2018

| 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 |
|----------|-----------|-------------|--------|---------------|---------------------|-------------|------------------------|---------------|----------------------------|---------------|
| FAMCA | 3132X0YB1 | 10/03/17 | 1.375% | 10/01/18 | 17,000,000 | 100 | 17,000,000 | 17,000,000 | - | 17,000,000 |
| FHLB | 3130AABG2 | 12/15/16 | 1.968% | 11/29/21 | 3,000,000 | 100 | 2,986,832 | 2,990,033 | (226) | 2,990,259 |
| FHLB | 313379Q69 | 10/02/17 | 1.753% | 06/10/22 | 4,000,000 | 102 | 4,066,590 | 4,060,794 | 1,206 | 4,059,589 |
| FHLB | 3130ACJG0 | 10/26/17 | 2.280% | 10/26/22 | 4,000,000 | 100 | 4,000,000 | 4,000,000 | - | 4,000,000 |
| FNMA | 3135G0G72 | 03/31/16 | 0.905% | 12/14/18 | 2,000,000 | 101 | 2,011,716 | 2,003,427 | 368 | 2,003,059 |
| FNMA | 3135G0ZA4 | 03/26/14 | 1.819% | 02/19/19 | 3,000,000 | 100 | 3,007,830 | 3,001,556 | 136 | 3,001,421 |
| FFCB | 3133EFX69 | 04/05/16 | 0.896% | 10/05/18 | 1,000,000 | 100 | 1,001,579 | 1,000,379 | 54 | 1,000,325 |
| FFCB | 3133EFW52 | 04/01/16 | 1.040% | 07/01/19 | 3,000,000 | 100 | 3,010,530 | 3,004,333 | 275 | 3,004,058 |
| FHLB | 313378J77 | 03/06/15 | 1.699% | 03/13/20 | 4,000,000 | 101 | 4,033,800 | 4,013,712 | 571 | 4,013,140 |
| FHLMC | 3137EADR7 | 05/22/15 | 1.588% | 05/01/20 | 4,000,000 | 99 | 3,959,607 | 3,982,264 | (693) | 3,982,957 |
| FNMA | 3135G0N82 | 09/21/16 | 1.345% | 08/14/21 | 4,000,000 | 100 | 3,986,444 | 3,990,425 | (235) | 3,990,660 |
| Treasury | 912828Q45 | 03/16/17 | 1.151% | 03/31/18 | 20,000,000 | 100 | 19,942,969 | 19,995,347 | (4,653) | 20,000,000 |
| | | | | | \$ 69,000,000 | | \$ 69,007,896 | \$ 69,042,270 | \$ (3,197) | \$ 69,045,467 |

Investment Policy Compliance Checklist
City of Bryan
03/31/2018

Compliant:

Investment Limits

- | | |
|-----|---|
| Yes | At all times, maintain at least ten (10) percent of its total portfolio in investments maturing in 90 days or less. (see pg 1) |
| 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. (see pg 1) |
| Yes | No more than twenty (20) percent of monthly average balance may be invested in money market mutual funds. (n/a) |
| 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. (see pg 1) |
| Yes | Certificates of deposit shall not make up more than twenty (20) percent of total available funds. (n/a) |
| Yes | Repurchase agreements shall not make up more than twenty (20) percent of total available funds. (n/a) |
| Yes | Commercial paper shall not make up more than twenty (20) percent of total available funds. (n/a) |
| 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) |
| 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. (see pg 1) |
| 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 March 31, 2018**



**BTU City Portfolio
Quarterly Summary**

| Total Portfolio Summary | | | |
|----------------------------------|------------------------------------|-------------------------------------|---------------|
| | Current Month 3/31/2018 | Prior Quarter 12/31/2017 | Change |
| Book Value | \$ 123,914,467 | \$ 116,914,975 | \$ 6,999,492 |
| Market Value | 123,446,897 | 116,733,116 | \$ 6,713,781 |
| Market Value% | 99.623% | 99.844% | -0.221% |
| Weighted Average Maturity - Days | 544 days | 209 days | 335 days |
| Weighted Average Yield | 1.591% | 0.809% | 0.782% |
| 6 Month Treasury Bill | 1.920% | 1.530% | 0.390% |
| Fed Funds Target Rate | 1.50% - 1.75% | 1.25% - 1.50% | 0.000% |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|------------------------|-----------------------|-----------------|--------------------------------------|-----------------------------------|
| Bank Deposit | \$ 7,444,521 | 6.008% | 1 | 0.000% |
| Money Market Account | 16,854,772 | 13.602% | 1 | 0.494% |
| Investment Pool | 19,282,834 | 15.561% | 1 | 1.500% |
| Agency | 50,894,387 | 41.072% | 819 | 1.853% |
| Treasury | 29,437,953 | 23.757% | 871 | 2.228% |
| | \$ 123,914,467 | 100.000% | 544 | 1.591% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|--------------------------|-----------------------|-----------------|--------------------------------------|-----------------------------------|
| BB&T - Depository | \$ 7,444,521 | 6.008% | 1 | 0.000% |
| BB&T - Money Market | 16,854,772 | 13.602% | 1 | 0.494% |
| TexSTAR - Depository | 19,282,834 | 15.561% | 1 | 1.500% |
| FNMA Note | 13,001,960 | 10.493% | 127 | 1.337% |
| FHLB Note | 15,987,899 | 12.902% | 941 | 1.813% |
| FHLMC Note | 6,927,401 | 5.590% | 1368 | 2.273% |
| FFCB Note | 14,977,127 | 12.087% | 1036 | 2.149% |
| Treasury Note - Fixed | 29,437,953 | 23.757% | 871 | 2.228% |
| | \$ 123,914,467 | 100.000% | 544 | 1.591% |

| Maturity Breakdown: | Book Value | Percent |
|----------------------------|-----------------------|-----------------|
| Less Than 90 Days | \$ 53,584,047 | 43.243% |
| 90 to 180 Days | - | 0.000% |
| 181 to 365 Days | 7,005,087 | 5.653% |
| More Than 365 Days | 63,325,333 | 51.104% |
| | \$ 123,914,467 | 100.000% |

| Call Breakdown: | Book Value | Percent |
|------------------------|----------------------|----------------|
| Less Than 90 Days | \$ 3,000,000 | 2.421% |
| 90 to 180 Days | 9,976,477 | 8.051% |
| 181 to 365 Days | 4,927,491 | 3.977% |
| More Than 365 Days | - | 0.000% |
| | \$ 17,903,968 | 14.449% |

**BTU Rural Portfolio
Quarterly Summary**

| Total Portfolio Summary | | | |
|----------------------------------|----------------------|----------------------|---------------|
| | Current Month | Prior Quarter | |
| | 3/31/2018 | 12/31/2017 | Change |
| Book Value | \$ 15,794,694 | \$ 16,605,020 | \$ (810,326) |
| Market Value | 15,772,995 | 16,605,100 | \$ (832,105) |
| Market Value% | 99.863% | 100.000% | -0.138% |
| Weighted Average Maturity - Days | 544 days | 5 days | 539 days |
| Weighted Average Yield | 0.926% | 0.530% | 0.396% |
| 6 Month Treasury Bill | 1.920% | 1.530% | |
| Fed Funds Target Rate | 1.50% - 1.75% | 1.25% - 1.50% | |

| Type Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|------------------------|----------------------|-----------------|----------------------------------|-------------------------------|
| Bank Deposit | \$ 546,544 | 3.460% | 1 | 0.000% |
| Money Market Account | 10,271,600 | 65.032% | 1 | 0.494% |
| Agency | 998,579 | 6.322% | 1038 | 2.402% |
| Treasury | 3,977,970 | 25.185% | 296 | 1.795% |
| | \$ 15,794,694 | 100.000% | 141 | 0.926% |

| Issuer Breakdown: | Book Value | Percent | Weighted Average Maturity | Weighted Average Yield |
|--------------------------|----------------------|-----------------|----------------------------------|-------------------------------|
| BB&T - Depository | \$ 546,544 | 3.460% | 1 | 0.000% |
| BB&T - Money Market | 10,271,600 | 65.032% | 1 | 0.494% |
| FFCB Note | 998,579 | 6.322% | 1038 | 2.402% |
| Treasury Note - Fixed | 3,977,970 | 25.185% | 296 | 1.795% |
| | \$ 15,794,694 | 100.000% | 141 | 0.926% |

| Maturity Breakdown: | Book Value | Percent |
|----------------------------|----------------------|-----------------|
| Less Than 90 Days | \$ 10,818,145 | 68.492% |
| 90 to 180 Days | 1,995,235 | 12.632% |
| 181 to 365 Days | 998,223 | 6.320% |
| More Than 365 Days | 1,983,091 | 12.555% |
| | \$ 15,794,694 | 100.000% |

| Call Breakdown: | Book Value | Percent |
|------------------------|-------------------|----------------|
| Less Than 90 Days | \$ - | 0.000% |
| 90 to 180 Days | 998,579 | 6.322% |
| 181 to 365 Days | - | 0.000% |
| More Than 365 Days | - | 0.000% |
| | \$ 998,579 | 6.322% |

BTU Portfolio Details
Detailed Holdings as of
March 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 | 3135G0WJ8 | 0.875% | 3/26/2014 | 5/21/2018 | | \$ 3,000,000 | 97.530 | \$ 2,925,900 | \$ 2,997,558 | 99.884 | \$ 2,996,520 | 51 | 1.490% | - |
| FHLB Note | Agency | 313373UU4 | 2.750% | 7/15/2013 | 6/8/2018 | | 2,000,000 | 105.783 | 2,115,656 | 2,004,396 | 100.171 | 2,003,420 | 69 | 1.520% | - |
| FNMA Note | Agency | 3135G0ZA4 | 1.875% | 3/26/2014 | 2/19/2019 | | 3,000,000 | 100.256 | 3,007,680 | 3,001,389 | 99.777 | 2,993,310 | 325 | 1.820% | - |
| FHLB Note | Agency | 313378J77 | 1.875% | 3/6/2015 | 3/13/2020 | | 4,000,000 | 100.845 | 4,033,800 | 4,013,122 | 99.046 | 3,961,840 | 713 | 1.699% | - |
| FHLB Note | Agency | 3137EADR7 | 1.375% | 5/20/2015 | 5/1/2020 | | 4,000,000 | 98.990 | 3,959,607 | 3,982,998 | 98.051 | 3,922,040 | 762 | 1.588% | - |
| FNMA Note | Agency | 3135G0G72 | 1.125% | 3/31/2016 | 12/14/2018 | | 2,000,000 | 100.586 | 2,011,716 | 2,003,047 | 99.349 | 1,986,980 | 258 | 0.905% | - |
| FFCB Note | Agency | 3133EFX69 | 0.960% | 4/5/2016 | 10/5/2018 | | 2,000,000 | 100.158 | 2,003,157 | 2,000,650 | 99.521 | 1,990,420 | 188 | 0.896% | - |
| FHLMC Note | Agency | 3134G8W39 | 1.375% | 4/28/2016 | 10/28/2019 | | 2,000,000 | 99.990 | 1,999,800 | 1,999,910 | 98.574 | 1,971,480 | 576 | 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 | 98.359 | 2,950,770 | 989 | 1.830% | - |
| FHLB Note | Agency | 3130AABG2 | 1.875% | 12/14/2016 | 11/29/2021 | | 3,000,000 | 99.431 | 2,982,935 | 2,987,383 | 97.775 | 2,933,250 | 1339 | 1.996% | - |
| FNMA Note | Agency | 3135G0J61 | 0.875% | 3/16/2017 | 4/1/2018 | | 5,000,000 | 99.739 | 4,986,930 | 4,999,966 | 100.000 | 5,000,000 | 1 | 1.127% | - |
| FHLB Note | Agency | 3130ACJG0 | 2.280% | 10/26/2017 | 10/26/2022 | 4/26/2018 | 3,000,000 | 100.000 | 3,000,000 | 3,000,000 | 97.993 | 2,939,790 | 1670 | 2.280% | 26 |
| FHLMC Note | Agency | 3134GBX80 | 2.300% | 2/2/2018 | 11/14/2022 | 11/14/2018 | 5,000,000 | 98.500 | 4,925,000 | 4,927,491 | 98.033 | 4,901,650 | 1689 | 2.636% | 228 |
| FFCB Note | Agency | 3133EJBL2 | 2.350% | 2/2/2018 | 2/1/2021 | 8/1/2018 | 5,000,000 | 99.850 | 4,992,500 | 4,992,897 | 99.633 | 4,981,650 | 1038 | 2.402% | 123 |
| FFCB Note | Agency | 3133EJAX7 | 2.500% | 2/2/2018 | 2/1/2022 | 8/1/2018 | 5,000,000 | 99.658 | 4,982,900 | 4,983,579 | 99.216 | 4,960,800 | 1403 | 2.591% | 123 |
| Treasury Note - Fixed | Treasury | 912828T6 | 1.250% | 2/2/2018 | 8/31/2019 | | 10,000,000 | 98.719 | 9,871,875 | 9,884,799 | 98.648 | 9,864,800 | 518 | 2.083% | - |
| Treasury Note - Fixed | Treasury | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 5,000,000 | 98.328 | 4,916,406 | 4,922,559 | 98.195 | 4,909,750 | 731 | 2.172% | - |
| Treasury Note - Fixed | Treasury | 912828X47 | 1.875% | 2/2/2018 | 4/30/2022 | | 5,000,000 | 97.652 | 4,882,617 | 4,887,015 | 97.527 | 4,876,350 | 1491 | 2.461% | - |
| Treasury Note - Fixed | Treasury | 912828L32 | 1.375% | 2/2/2018 | 8/31/2020 | | 5,000,000 | 97.844 | 4,892,188 | 4,898,833 | 97.711 | 4,885,550 | 884 | 2.242% | - |
| Treasury Note - Fixed | Treasury | 912828Q37 | 1.250% | 2/2/2018 | 3/31/2021 | | 5,000,000 | 96.730 | 4,836,523 | 4,844,747 | 96.688 | 4,834,400 | 1096 | 2.330% | - |
| Demand Deposits | | | | | | | | | | | | | | | |
| BB&T - Depository | Bank Deposit | | | | | | 7,444,521 | 100.000 | 7,444,521 | 7,444,521 | 100.000 | 7,444,521 | 1 | 0.000% | |
| BB&T - Money Market | Insured Money Market Account (IMMA) | | | | | | 16,854,772 | 100.000 | 16,854,772 | 16,854,772 | 100.000 | 16,854,772 | 1 | 0.494% | |
| TexSTAR - Depository | Investment Pool | | | | | | 19,282,834 | 100.000 | 19,282,834 | 19,282,834 | 100.000 | 19,282,834 | 1 | 1.500% | |
| Total BTU City | | | | | | | \$ 124,582,127 | | \$ 123,909,317 | \$ 123,914,467 | | \$ 123,446,897 | 544 | 1.590% | |

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 | \$ 998,579 | 99.633 | \$ 981,950 | 1038 | 2.402% | |
| Treasury Note - Fixed | Treasury | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 1,000,000 | 98.328 | 983,281 | 984,512 | 98.195 | 981,950 | 731 | 2.172% | |
| Treasury Note - Fixed | Treasury | 912828K82 | 1.000% | 2/2/2018 | 8/15/2018 | | 2,000,000 | 99.660 | 1,993,203 | 1,995,235 | 99.684 | 1,993,680 | 137 | 1.640% | |
| Treasury Note - Fixed | Treasury | 912828RH5 | 1.375% | 2/2/2018 | 9/30/2018 | | 1,000,000 | 99.766 | 997,656 | 998,223 | 99.727 | 997,270 | 183 | 1.735% | |
| Demand Deposits | | | | | | | | | | | | | | | |
| BB&T - Depository | Bank Deposit | | | | | | 546,544 | 100.000 | 546,544 | 546,544 | 100.000 | 546,544 | 1 | 0.000% | |
| BB&T - Money Market | Insured Money Market Account (IMMA) | | | | | | 10,271,600 | 100.000 | 10,271,600 | 10,271,600 | 100.000 | 10,271,600 | 1 | 0.494% | |
| Total BTU Rural | | | | | | | \$ 15,818,145 | | \$ 15,790,785 | \$ 15,794,694 | | \$ 15,772,995 | 141 | 0.924% | |

BTU Portfolio Details
 Maturing Items
 FY2018

BTU City System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|---------------------|--------|-----------|--------|-----------------|---------------|-----------|---------------|-------------|---------------|
| Treasury Note Fixed | Agency | 912828M72 | 0.875% | 3/16/2017 | 11/30/2017 | | \$ 20,000,000 | 99.905 | \$ 19,980,920 |
| FHLMC Note | Agency | 3137EADX4 | 0.875% | 3/16/2017 | 12/15/2017 | | 10,000,000 | 99.960 | 9,996,000 |
| FNMA Note | Agency | 3135G0RT2 | 0.875% | 7/15/2013 | 12/20/2017 | | 2,000,000 | 97.745 | 1,954,900 |
| FNMA Note | Agency | 3135G0J61 | 0.875% | 3/16/2017 | 3/28/2018 | | 5,000,000 | 99.739 | 4,986,930 |
| | | | | | | | \$ 37,000,000 | | \$ 36,918,750 |

BTU Rural System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-------------|--------|-----------|--------|-----------------|---------------|-----------|--------------|-------------|------------|
| FHLMC Note | Agency | 3137EADP1 | 0.875% | 3/26/2014 | 3/7/2018 | | \$ 1,000,000 | 97.915 | \$ 979,149 |
| | | | | | | | \$ 1,000,000 | | \$ 979,149 |

BTU Portfolio Details
Purchased Items
FY2018

BTU City System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-----------------------|--------|-----------|--------|-----------------|---------------|------------|---------------|---------------|--------------|
| FHLB Note | Agency | 3130ACJG0 | 2.280% | 10/26/2017 | 10/26/2022 | 4/26/2018 | \$ 3,000,000 | 100.000 | \$ 3,000,000 |
| FHLMC Note | Agency | 3134GBX80 | 2.300% | 2/2/2018 | 11/14/2022 | 11/14/2018 | 5,000,000 | 98.500 | 4,925,000 |
| FFCB Note | Agency | 3133EJBL2 | 2.350% | 2/2/2018 | 2/1/2021 | 8/1/2018 | 5,000,000 | 99.850 | 4,992,500 |
| FFCB Note | Agency | 3133EJAX7 | 2.500% | 2/2/2018 | 2/1/2022 | 8/1/2018 | 5,000,000 | 99.658 | 4,982,900 |
| Treasury Note - Fixed | Agency | 9128282T6 | 1.250% | 2/2/2018 | 8/31/2019 | | 10,000,000 | 98.230 | 9,871,875 |
| Treasury Note - Fixed | Agency | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 5,000,000 | 98.328 | 4,916,406 |
| Treasury Note - Fixed | Agency | 912828X47 | 1.875% | 2/2/2018 | 4/30/2022 | | 5,000,000 | 97.652 | 4,882,617 |
| Treasury Note - Fixed | Agency | 912828L32 | 1.375% | 2/2/2018 | 8/31/2020 | | 5,000,000 | 97.270 | 4,892,188 |
| Treasury Note - Fixed | Agency | 912828Q37 | 1.250% | 2/2/2018 | 3/31/2021 | | 5,000,000 | 96.730 | 4,836,523 |
| | | | | | | | \$ 48,000,000 | \$ 47,300,009 | |

BTU Rural System

| Description | Type | CUSIP | Coupon | Settlement Date | Maturity Date | Call Date | Par Value | Purch Price | Purch Cost |
|-----------------------|--------|-----------|--------|-----------------|---------------|-----------|--------------|--------------|------------|
| FFCB Note | Agency | 3133EJBL2 | 2.350% | 2/2/2018 | 2/1/2021 | 8/1/2018 | \$ 1,000,000 | 99.850 | \$ 998,500 |
| Treasury Note - Fixed | Agency | 912828J84 | 1.375% | 2/2/2018 | 3/31/2020 | | 1,000,000 | 98.328 | 983,281 |
| Treasury Note - Fixed | Agency | 912828K82 | 1.000% | 2/2/2018 | 8/15/2018 | | 2,000,000 | 99.660 | 1,993,203 |
| Treasury Note - Fixed | Agency | 912828RH5 | 1.375% | 2/2/2018 | 9/30/2018 | | 1,000,000 | 99.766 | 997,656 |
| | | | | | | | \$ 5,000,000 | \$ 4,972,641 | |

BTU Portfolio Details

Called Items

FY2018

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
March 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 | 3135G0WJ8 | 3/26/2014 | 1.490% | 5/21/2018 | \$ 3,000,000 | 97.530 | \$ 2,925,900 | \$ 2,996,043 | \$ (1,514) | \$ 2,997,558 |
| FHLB Note | Agency | 313373UU4 | 7/15/2013 | 1.520% | 6/8/2018 | 2,000,000 | 105.783 | 2,115,656 | 2,006,400 | 2,004 | 2,004,396 |
| FNMA Note | Agency | 3135G0ZA4 | 3/26/2014 | 1.820% | 2/19/2019 | 3,000,000 | 100.256 | 3,007,680 | 3,001,522 | 133 | 3,001,389 |
| FHLB Note | Agency | 313378J77 | 3/6/2015 | 1.699% | 3/13/2020 | 4,000,000 | 100.845 | 4,033,800 | 4,013,693 | 571 | 4,013,122 |
| FHLB Note | Agency | 3137EADR7 | 5/20/2015 | 1.588% | 5/1/2020 | 4,000,000 | 98.990 | 3,959,607 | 3,982,305 | (693) | 3,982,998 |
| FNMA Note | Agency | 3135G0G72 | 3/31/2016 | 0.905% | 12/14/2018 | 2,000,000 | 100.586 | 2,011,716 | 2,003,415 | 368 | 2,003,047 |
| FFCB Note | Agency | 3133EFX69 | 4/5/2016 | 0.896% | 10/5/2018 | 2,000,000 | 100.158 | 2,003,157 | 2,000,757 | 107 | 2,000,650 |
| FHLMC Note | Agency | 3134G8W39 | 4/28/2016 | 1.378% | 10/28/2019 | 2,000,000 | 99.990 | 1,999,800 | 1,999,905 | (5) | 1,999,910 |
| FHLB Note | Agency | 3130AABG2 | 12/14/2016 | 1.996% | 11/29/2021 | 3,000,000 | 99.431 | 2,982,935 | 2,987,090 | (292) | 2,987,383 |
| FNMA Note | Agency | 3135G0J61 | 3/16/2017 | 0.000% | 3/28/2018 | 5,000,000 | 99.739 | 4,986,930 | 4,998,995 | (971) | 4,999,966 |
| FHLMC Note | Agency | 3134GBX80 | 2/2/2018 | 2.636% | 11/14/2022 | 5,000,000 | 98.500 | 4,949,916 | 4,926,160 | (1,332) | 4,927,491 |
| FFCB Note | Agency | 3133EJBL2 | 2/2/2018 | 2.402% | 2/1/2021 | 5,000,000 | 99.850 | 4,992,826 | 4,992,685 | (212) | 4,992,897 |
| FFCB Note | Agency | 3133EJAX7 | 2/2/2018 | 2.591% | 2/1/2022 | 5,000,000 | 99.658 | 4,983,247 | 4,983,216 | (363) | 4,983,579 |
| Treasury Note - Fixed | Agency | 9128282T6 | 2/2/2018 | 2.083% | 8/31/2019 | 10,000,000 | 98.230 | 9,925,397 | 9,877,891 | (6,908) | 9,884,799 |
| Treasury Note - Fixed | Agency | 912828J84 | 2/2/2018 | 2.172% | 3/31/2020 | 5,000,000 | 98.328 | 4,940,015 | 4,919,270 | (3,289) | 4,922,559 |
| Treasury Note - Fixed | Agency | 912828X47 | 2/2/2018 | 2.461% | 4/30/2022 | 5,000,000 | 97.652 | 4,906,961 | 4,884,665 | (2,351) | 4,887,015 |
| Treasury Note - Fixed | Agency | 912828L32 | 2/2/2018 | 2.242% | 8/31/2020 | 5,000,000 | 97.270 | 4,921,625 | 4,895,281 | (3,552) | 4,898,833 |
| Treasury Note - Fixed | Agency | 912828Q37 | 2/2/2018 | 2.330% | 3/31/2021 | 5,000,000 | 96.730 | 4,857,986 | 4,840,352 | (4,395) | 4,844,747 |
| | | | | | | \$ 75,000,000 | | \$ 74,505,155 | \$ 74,309,647 | \$ (22,692) | \$ 74,332,340 |

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 |
|-----------------------|--------|-----------|-----------------|--------|---------------|--------------|-------------|--------------|----------------------|---------------------------|-------------------|
| FHLMC Note | Agency | 3137EADP1 | 3/26/2014 | 0.000% | 3/7/2018 | \$ 1,000,000 | 97.915 | \$ 979,149 | \$ 999,913 | \$ (87) | \$ 1,000,000 |
| FFCB Note | Agency | 3133EJBL2 | 2/2/2018 | 2.350% | 2/1/2021 | 1,000,000 | 99.850 | 998,500 | 998,537 | (42) | 998,579 |
| Treasury Note - Fixed | Agency | 912828J84 | 2/2/2018 | 1.375% | 3/31/2020 | 1,000,000 | 98.328 | 983,281 | 983,854 | (658) | 984,512 |
| Treasury Note - Fixed | Agency | 912828K82 | 2/2/2018 | 1.000% | 8/15/2018 | 2,000,000 | 99.660 | 1,993,203 | 1,994,149 | (1,086) | 1,995,235 |
| Treasury Note - Fixed | Agency | 912828RH5 | 2/2/2018 | 1.375% | 9/30/2018 | 1,000,000 | 99.766 | 997,656 | 997,920 | (303) | 998,223 |
| | | | | | | \$ 6,000,000 | | \$ 5,951,790 | \$ 5,974,373 | \$ (2,176) | \$ 5,976,549 |

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
March 31, 2018

| Compliant? | |
|------------|-----------|
| BTU City | BTU Rural |

Investment Limits

| | |
|-----|-----|
| 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.