

City of Lakeway, Texas
Quarterly Investment Report
October 1, 2017 – December 31, 2017

January 15, 2018

Honorable Mayor Bain and City Council Members:

The Quarterly Investment Report for the City of Lakeway, Texas, for the quarter ended December 31, 2017, is hereby submitted.

Throughout the quarter, the City's investments in TexPool earned \$78,309 at an interest rate ranging from 1.0151% - 1.2803%. TexPool interest rates have continued to increase during the first quarter of fiscal year 2018 further exceeding the depository rate at Prosperity Bank of 0.50%. As a result of the rising interest rates, the City has utilized these higher rates for cash balances and transferred some funds to TexPool. Additionally, the deposits at Prosperity Bank are a demand deposit checking account and thus not considered an investment. As a result, the interest earned on the checking account is not included in the accompanying schedules.

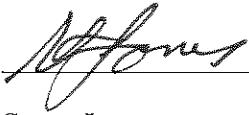
There were two CD maturities this quarter. The first CD was a 24-month CD in amount of \$250,193 that matured on 12/02/2017 from South Star Bank with an annual percentage yield of 1.05%. Total interest earned on this CD was \$5,193. The second CD was a 15-month CD in amount of \$247,317 that matured on 12/30/2017 from the International Bank of Commerce with an annual percentage yield of 0.75%. Total interest earned on this CD was \$2,317. Earned interest from all CDs totaled \$2,852 for the quarter.

The City did not reinvest any of the matured funds into new CDs during the quarter. As previously noted, the interest rate at Texpool was at 1.2803% at the end of the quarter and continues to rise as the Federal Reserve increases the federal funds rate. This interest rate now exceeds what all local banks are offering on their CDs and the City is better suited to hold funds in Texpool. The City will continue to monitor interest rates on CDs and other allowable investments and will invest funds appropriately should market conditions allow.

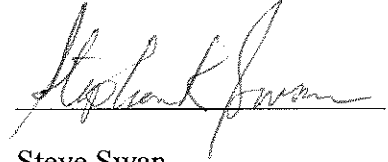
The bank account and the CDs are insured by a combination of FDIC insurance and pledged securities which are maintained at the Federal Home Loan Bank of Dallas. TexPool's liquid asset portfolio seeks to maintain a net asset value of \$1.00 per unit invested to preserve the principal of all pool participants.

This report is in full compliance with the investment strategies as established by the City of Lakeway's investment policy, the Public Funds Investment Act, and generally accepted accounting principles.

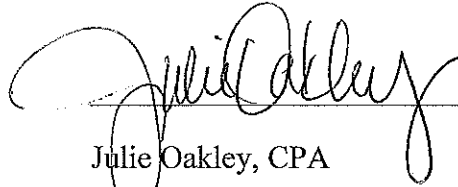
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Quarterly Investment Report
October 1, 2017 – December 31, 2017



Steve Jones
City Manager



Steve Swan
City Treasurer



Julie Oakley, CPA
Assistant City Manager

**CITY OF LAKEWAY, TEXAS
INVESTMENT PORTFOLIO SUMMARY
FOR THE QUARTER ENDED DECEMBER 31, 2017**

FUND	VALUE BY TYPE OF INVESTMENT		TOTAL INVESTMENT	INTEREST EARNED FOR QUARTER
	INVESTMENT POOL	CERTIFICATE OF DEPOSIT		
GENERAL FUND	\$ 162,020	\$ 493,965	\$ 655,985	\$ 6,726
DEBT FUND	\$ 220,740	\$ -	\$ 220,740	\$ 264
SPECIAL REVENUE FUNDS	\$ 4,463,074	\$ -	\$ 4,463,074	\$ 11,057
CAPITAL PROJECTS FUND	\$ 23,104,479	\$ -	\$ 23,104,479	\$ 62,418
PROPRIETARY FUND	\$ 251,357	\$ -	\$ 251,357	\$ 696
TOTAL INVESTMENT PORTFOLIO AND INTEREST EARNED AS OF 12/31/2017			\$ 28,695,636	\$ 81,161

**GENERAL FUND
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED DECEMBER 31, 2017**

INVESTMENT POOL					
DATE	PURCHASED	REDEEMED	NET ASSET VALUE	FACE VALUE	MARKET VALUE
AS OF 9/30/2017			1.00	\$ 2,008,146	\$ 2,008,146
10/31/2017	\$ 1,760	\$ -	1.00	\$ 2,009,906	\$ 2,009,906
11/30/2017	\$ 1,736	\$ -	1.00	\$ 2,011,641	\$ 2,011,641
12/31/2017	\$ 379	\$ 1,850,000	1.00	\$ 162,020	\$ 162,020
TOTAL TEXPOOL AS OF 12/31/2017					\$ 162,020

CERTIFICATES OF DEPOSIT					
PURCHASE DATE	TERM	MATURITY DATE	YIELD	FACE VALUE	MARKET VALUE
07/28/2017	12 MO	07/28/2018	1.50%	\$ 245,000	\$ 246,574
03/15/2017	11 MO	02/16/2018	1.30%	\$ 245,000	\$ 247,392
TOTAL CERTIFICATES OF DEPOSIT AS OF 12/31/2017					\$ 493,965

TOTAL GENERAL FUND INVESTMENT PORTFOLIO AS OF 12/31/2017				\$ 655,985
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**DEBT SERVICE FUND
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED DECEMBER 31, 2017**

INVESTMENT POOL					
DATE	PURCHASED	REDEEMED	NET ASSET VALUE	FACE VALUE	MARKET VALUE
AS OF 9/30/2017			1.00	\$ 76,476	\$ 76,476
10/31/2017	\$ 67	\$ -	1.00	\$ 76,543	\$ 76,543
11/30/2017	\$ 66	\$ -	1.00	\$ 76,609	\$ 76,609
12/31/2017	\$ 144,131	\$ -	1.00	\$ 220,740	\$ 220,740
TOTAL DEBT SERVICE FUND AS OF 12/31/2017					\$ 220,740

TOTAL DEBT SERVICE FUND INVESTMENT PORTFOLIO AS OF 12/31/2017	\$ 220,740
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**SPECIAL REVENUE FUNDS
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED DECEMBER 31, 2017**

INVESTMENT POOL					
DATE	PURCHASED	REDEEMED	NET ASSET VALUE	FACE VALUE	MARKET VALUE
AS OF 9/30/2017			1.00	\$ 3,900,017	\$ 3,900,017
10/31/2017	\$ 3,420	\$ -	1.00	\$ 3,903,437	\$ 3,903,437
11/30/2017	\$ 3,371	\$ 2,000	1.00	\$ 3,904,808	\$ 3,904,808
12/31/2017	\$ 558,266	\$ -	1.00	\$ 4,463,074	\$ 4,463,074
TOTAL SPECIAL REVENUE FUNDS AS OF 12/31/2017					\$ 4,463,074

TOTAL SPECIAL REVENUE FUNDS INVESTMENT PORTFOLIO AS OF 12/31/2017	\$ 4,463,074
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**CAPITAL PROJECTS FUNDS
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED DECEMBER 31, 2017**

INVESTMENT POOL					
DATE	PURCHASED	REDEEMED	NET ASSET VALUE	FACE VALUE	MARKET VALUE
AS OF 9/30/2017			1.00	\$ 22,634,721	\$ 22,634,721
10/31/2017	\$ 19,935	\$ 550,000	1.00	\$ 22,104,656	\$ 22,104,656
11/30/2017	\$ 19,087	\$ 165,000	1.00	\$ 21,958,744	\$ 21,958,744
12/31/2017	\$ 1,873,395	\$ 727,660	1.00	\$ 23,104,479	\$ 23,104,479
TOTAL CAPITAL PROJECTS FUND AS OF 12/31/2017					\$ 23,104,479

TOTAL CAPITAL PROJECTS FUND INVESTMENT PORTFOLIO AS OF 12/31/2017					\$ 23,104,479
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**PROPRIETARY FUND
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED DECEMBER 31, 2017**

INVESTMENT POOL					
DATE	PURCHASED	REDEEMED	NET ASSET VALUE	FACE VALUE	MARKET VALUE
AS OF 9/30/2017			1.00	\$ 250,661	\$ 250,661
10/31/2017	\$ 228	\$ -	1.00	\$ 250,889	\$ 250,889
11/30/2017	\$ 217	\$ -	1.00	\$ 251,106	\$ 251,106
12/31/2017	\$ 251	\$ -	1.00	\$ 251,357	\$ 251,357
TOTAL PROPRIETARY FUND AS OF 12/31/2017					\$ 251,357

TOTAL PROPRIETARY FUND INVESTMENT PORTFOLIO AS OF 12/31/2017	\$ 251,357
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