City of Colleyville
Audit Committee
Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Tuesday, December 4, 2018 — City Manager's Conference Room
5:00 p.m. — Third Floor – City Hall

1. CALL TO ORDER

2. APPROVAL OF MINUTES

June 5, 2018
August 28, 2018

3. REGULAR AGENDA ITEMS

3a Quarterly Investment Report for the quarter ended September 30, 2018

4. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, November 30, 2018, by 5:00 p.m.

Christine Loven, TRMC
City Secretary

A quorum of the Colleyville City Council and/or any other Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise Executive Secretary at least 48 hours in advance at 817.503.1111, and reasonable accommodations will be made to assist you.

City of Colleyville
Audit Committee
MINUTES

City Hall
100 Main Street
Colleyville, Texas 76034
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Tuesday, June 5, 2018 — City Manager's Conference Room
4:00 p.m. — Third Floor – City Hall

Chief Financial Officer Shereen Gendy called the Audit Committee to order on June 5, 2018, at 4:00 p.m.

ROLL CALL: Committee members present George Dodson, Kathy Wheat, Bobby Lindamood

Absent: Susan Mathisen

Also Present: City Manager Jerry Ducay, Chief Financial Officer Shereen Gendy, Assistant City Manager Mark Wood and City Secretary Christine Loven

2. APPROVAL OF MINUTES
May 1, 2018

Committee member Dodson made a motion to approve the May 1, 2018 meeting minutes, and committee member Wheat seconded the motion. All approved by acclamation.

3. REGULAR AGENDA ITEMS

3a Discussion and review of the City of Colleyville investment policy and propose changes

CFO Gendy stated staff has proposed changes to the investment policy which are in compliance with the Public Investment Act. She then reviewed and discussed the theory and strategy, explaining the pools, and answered questions. There were suggestions made for changes to pages 85, 92, 94, and 154.

Committee member Dodson made a motion to forward the proposed changes to City Council for approval, and committee member Wheat seconded the motion. All approved by acclamation.

4. ADJOURNMENT

The meeting was adjourned at 4:41 p.m.

PASSED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS, THIS 4TH DAY OF DECEMBER, 2018.

Minutes taken and prepared by:

Christine Loven, TRMC
City Secretary

City of Colleyville
Audit Committee
MINUTES

City Hall
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Tuesday, August 28, 2018 — City Manager's Conference Room
4:00 p.m. — Third Floor – City Hall

Chief Financial Officer Shereen Gendy called the Audit Committee to order on August 28, 2018, at 4:00 p.m.

ROLL CALL: Committee members present George Dodson, Kathy Wheat, Bobby Lindamood, and Susan Mathisen

Also Present: Chief Financial Officer Shereen Gendy, City Manager Jerry Ducay, Assistant City Managers Mark Wood and Adrienne Lothery, and City Secretary Christine Loven

2. REPORTS

2a Quarterly Investment Report for the quarter ended June 30, 2018

CFO Gendy reviewed the investment report, noting the increase in earnings which were due to the maturity of older securities and investing the funds in higher yielding securities. There was discussion regarding maturity of funds and diversification of the portfolio.

3. REGULAR AGENDA ITEMS

3a Meet with representatives(s) from the City's audit firm, Weaver and Tidwell, to discuss the Fiscal Year September 30, 2018 audit

CFO Gendy introduced Jennifer Ripka, with the City's audit firm Weaver and Tidwell, who provided a presentation and discussed the transition and requirements for the FY2018 audit and answered questions of the committee members.

4. ADJOURNMENT

The meeting was adjourned at 5:34 p.m.

PASSED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS, THIS 4TH DAY OF DECEMBER, 2018.

Minutes taken and prepared by:

Christine Loven, TRMC
City Secretary

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 3a **Agenda Date** 12/04/2018 **Number**
Type Presentation
Department City Manager

Title
Quarterly Investment Report for the quarter ended September 30, 2018

Strategic Plan
1.4 Communicate thoroughly and strategically
1.3 Assure convenient access to public information
2.4 Demonstrate stewardship of public resources

Explanation
Investment Summary for period ending September 30, 2018:

Cash & Cash Equivalents (Local Government Investment Pools) were $66,064,485. The total funds held by the City equaled $85,467,744 and were allocated as follows:

Cash	$ 6,737,135	7.88%
Sweep	20,763,304	24.29%
LOGIC	439,754	0.52%
TexPOOL	25,101,329	29.37%
Texas CLASS	13,022,952	15.24%
TexSTAR	10	0%
Government Issues	15,583,011	18.23%
CDARS	3,076,248	3.60%
CD'S	744,000	0.87%

Investment Benchmark 2.04%

Bank Earned Income Credit	1.97%
Sweep	0.18%
LOGIC	2.19%
TexPOOL	1.87%
Texas CLASS	1.99%
TexSTAR	1.94%
Government Issues	1.49%
CDARS	0.63%
CD'S	2.53%

Interest earnings for the quarter were $221,568 versus $207,864 for the prior quarter, an increase of 7% over last quarter.
These percentages are within the guidelines of the City investment policy.

Attachments

1. Quarterly Investment Report - September 30 2018

QUARTERLY INVESTMENT REPORT

FOR QUARTER ENDING SEPTEMBER 30, 2018

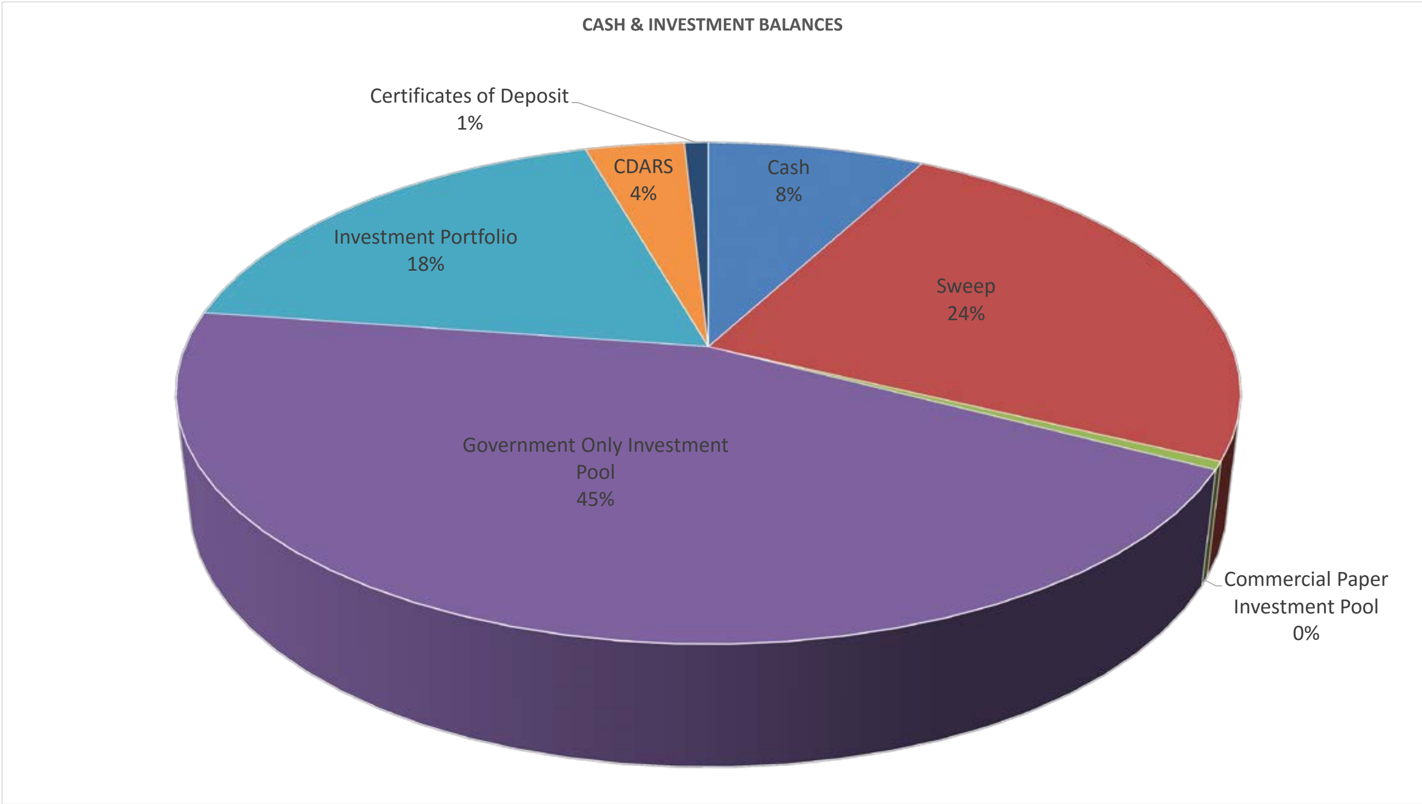
THIS REPORT IS IN COMPLIANCE WITH THE PUBLIC FUNDS INVESTMENT ACT
AND ADOPTED INVESTMENT POLICY STRATEGY

Portfolio Investment Report
for the Quarter Ending September 30, 2018
CONSOLIDATED INVESTMENT REPORT

Cash and Investment Balances	Current As of 9/30/2018	Last Quarter As of 6/30/2018
Cash	$ 6,737,135	$ 6,822,449
Sweep	$ 20,763,304	$ 34,513,549
Commercial Paper Investment Pool	$ 439,754	$ 26,412,554
Government Only Investment Pool	$ 38,124,292	$ -
Investment Portfolio	$ 15,583,011	$ 16,582,311
CDARS	$ 3,076,248	$ 3,065,355
Certificates of Deposit	$ 744,000	$ 744,000
Total Cash & Investments	$ 85,467,744	$ 88,140,218

Investment Yields, Maturities, and Interest	Current As of 9/30/2018	Current As of 6/30/2018
Bank Earned Income Credit	1.97%	1.79%
Bank Earnings Allowance	$ 34,139	$ 26,062
13 Week Treasury Benchmark	2.04%	1.84%
Commercial Paper Investment Pool Average Quarterly Yield	2.19%	2.02%
Commercial Paper Investment Pool Quarter's Average Weighted Maturity	33	29
Government Only Investment Pool Average Quarterly Yield	1.93%	
Government Only Investment Pool Quarter's Average Weighted Maturity	28	
Average Weighted Yield: Agency	1.49%	1.48%
Average Weighted Maturity in Days: Agency	319	406
Average Weighted Yield: CDARS	0.63%	0.47%
Average Weighted Maturity in Days: CDARS	285	166
Average Weighted Yield: CD'S	2.53%	2.53%
Average Weighted Maturity in Days: CD'S	581	644
Interest Earnings - Quarter	$ 221,568	$ 207,864

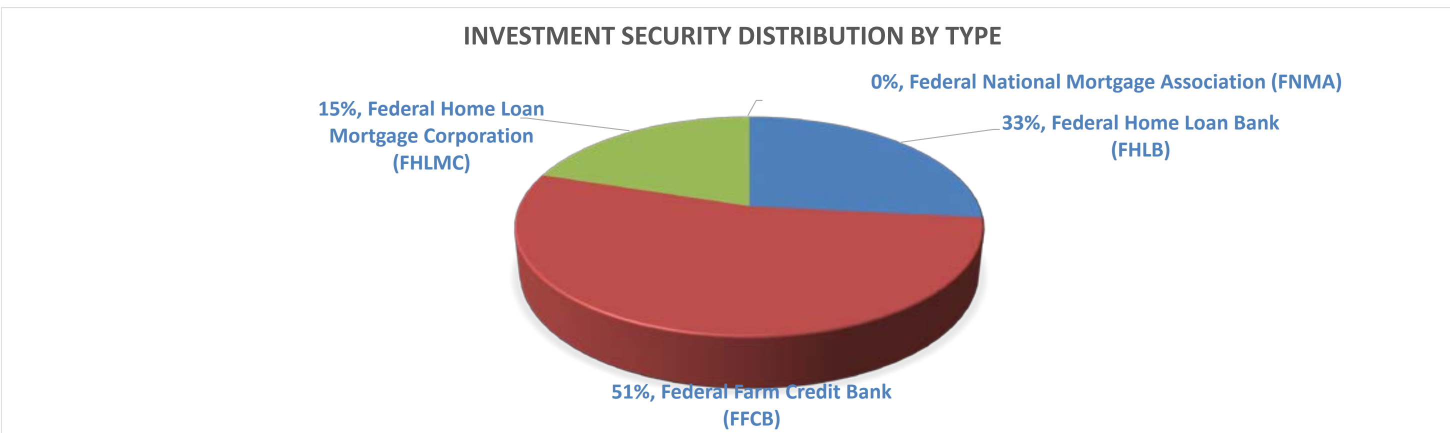
Portfolio Investment Report
for the Quarter Ending September 30, 2018
CONSOLIDATED INVESTMENT REPORT



Portfolio Investment Report
for the Quarter Ending September 30, 2018
CONSOLIDATED INVESTMENT REPORT

Outstanding Security Portfolio							
Distribution by Maturity		Number	Purchase Price		Percent (Value)	Market Value	
	1 to 90 days	1	$	1,000,580	6.42%	$	999,873.00
	91 to 180 days	2	$	1,999,812	12.83%	$	1,992,786.00
	181 to 365 days	3	$	2,500,000	16.04%	$	2,476,562.00
	Over 365 days	9	$	10,082,619	64.71%	$	9,989,436.19
Total		15	$	15,583,011	100%	$	15,458,657

Outstanding Security Portfolio						
Distribution by Type of Investment	Number	Purchase Price		Percent (Value)	Market Value	
Federal Home Loan Bank (FHLB)	4		$5,197,645	33%		$5,151,155
Federal Farm Credit Bank (FFCB)	8		$7,990,496	51%		$7,939,048
Federal Home Loan Mortgage Corporation (FHLMC)	3		$2,394,870	15%		$2,368,454
Federal National Mortgage Association (FNMA)	0		$0	0%		$0
Total	15	$	15,583,011	100%	$	15,458,657



	S&P	Moody's
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

AA+ = high quality, very low credit risk
Aaa = highest quality, lowest level of credit risk

ALL FUNDS CASH & INVESTMENT REPORTS

CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - TOTAL BY FUND

		CASH	CP POOLS	GOV. POOLS	CASH & INVESTMENT INVESTMENTS	CDARS	CD'S	AS OF SEPT 30, 2018 Ran 11.16.18
GOVERNMENTAL FUNDS								
001	GENERAL FUND	$ 2,511,269.13	$ -	$ 2,544,136.93	$ 3,794,835.42	$ 2,053,344.40	$744,000.00	$ 11,647,585.88
036	STRATEGIC INITIATIVE	23,945.09	-	500,016.56	-	-	-	523,961.65
004	DEBT SERVICE FUND	662,683.13	-	34,969.32	-	-	-	697,652.45
003	CAPITAL PROJECTS	8,620,989.47	279,200.86	4,007,060.72	2,289,215.54	509,612.62	-	15,706,079.21
012	PARK LAND DEDICATION	126,569.84	-	-	1,325,973.26	-	-	1,452,543.10
032	VEHICLE AND CAPITAL REPLACEMENT	977,071.68	-	84,536.86	364,300.00	-	-	1,425,908.54
034	COLLEYVILLE TOMORROW	707,392.96	-	1,722,413.87	25,091.76	-	-	2,454,898.59
035	PARKS TOMORROW	2,330.78	-	1,048,358.80	-	-	-	1,050,689.58
005	VOLUNTARY PARK FUND	362,814.98	-	-	750,000.00	-	-	1,112,814.98
007	DONATIONS FUND	58,081.92	-	-	-	-	-	58,081.92
011	VOLUNTARY LIBRARY FUND	98,859.05	-	-	359,642.52	-	-	458,501.57
015	POLICE ASSET FORFEITURE	23,292.29	-	-	-	-	-	23,292.29
016	GRANTS (ADVANCE PAYMENTS)	(4,802.87)	-	-	-	-	-	(4,802.87)
018	TREE PRESERVATION	316,667.87	-	-	-	-	-	316,667.87
019	LIBRARY DONATION	137,002.45	-	-	-	-	-	137,002.45
020	RECREATIONAL EVENT	14,153.27	-	-	-	-	-	14,153.27
023	LEOSE	1,554.47	-	-	-	-	-	1,554.47
027	CRIME DISTRICT	377,225.07	-	785,088.37	-	-	-	1,162,313.44
028	KIDSVILLE MAINTENANCE	5,812.94	-	-	-	-	-	5,812.94
029	COURT TECHNOLOGY	-	-	-	-	-	-	-
030	COURT SECURITY	45,275.84	-	-	-	-	-	45,275.84
033	PUBLIC ART	7,904.05	-	-	-	-	-	7,904.05
037	JUVENILE CASE MANAGER	13,147.18	-	-	-	-	-	13,147.18
038	HOTEL / MOTEL FUND	363,613.69	-	-	-	-	-	363,613.69
ENTERPRISE FUNDS								
002	UTILITY FUND	2,388,323.10	-	2,727,366.78	2,704,115.74	513,290.59	-	8,333,096.21
039	UTILITY CAPITAL PROJECTS FUND	4,494,084.95	1,259.99	5,993,130.44	56,792.76	-	-	10,545,268.14
017	DRAINAGE FEE	(140,874.02)	131,317.16	1,394,043.24	200,000.00	-	-	1,584,486.38
041	UTILITY CAPITAL PROJECTS FUND	750,000.00	-	-	-	-	-	750,000.00
FIDUCIARY FUNDS								
006	SESQUICENTINIAL FUND	21,034.45	-	-	-	-	-	21,034.45
008	EMPLOYEE ACTIVITY	3,962.50	-	-	-	-	-	3,962.50
040	INSURANCE TRUST FUND (ADV PMNT)	(610.97)	-	-	-	-	-	(610.97)
COMPONENT UNIT								
026	TIF FUND	1,575,548.56	0.00	17,283,170	2,213,044.19	-	-	21,071,762.69
		24,544,322.85	**$411,778.01**	**$ 38,124,291.83**	**$ 14,083,011.19**	**$ 3,076,247.61**	**$744,000.00**	**$ 80,983,651.49**
COLLEYVILLE ECON DEV CORP								
024	CEDC	2,956,116.49	27,976.45	-	1,500,000.00	-	-	4,484,092.94
GRAND TOTAL		**27,500,439.34**	**$439,754.46**	**$ 38,124,291.83**	**$ 15,583,011.19**	**$ 3,076,247.61**	**$744,000.00**	**$ 85,467,744.43**

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.

This is a management report prepared not in accordance with GASB

CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - RESTRICTIONS BY FUND

		CASH & INVESTMENTS				
		Available Unrestricted	Available for Restricted Purpose	Approved Projects	Restricted Unavailable	AS OF SEPT 30, 2018 Ran 11.16.18
GOVERNMENTAL FUNDS						
001	GENERAL FUND	11,530,125	32,548	-	84,913	**11,647,586**
036	STRATEGIC INITIATIVE	523,962	-	-	-	**523,962**
004	DEBT SERVICE FUND	-	697,652	-	-	**697,652**
003	CAPITAL PROJECTS	6,373,217	6,940,578	2,241,661	150,623	**15,706,079**
012	PARK LAND DEDICATION	-	1,452,543	-	-	**1,452,543**
032	VEHICLE AND CAPITAL REPLACEMENT	-	1,425,909	-	-	**1,425,909**
034	COLLEYVILLE TOMORROW	2,454,899	-	-	-	**2,454,899**
035	PARKS TOMORROW	1,050,690	-	-	-	**1,050,690**
005	VOLUNTARY PARK FUND	-	1,112,815	-	-	**1,112,815**
007	DONATIONS FUND	-	58,082	-	-	**58,082**
011	VOLUNTARY LIBRARY FUND	-	458,502	-	-	**458,502**
015	POLICE ASSET FORFEITURE		23,292			**23,292**
016	GRANTS	-	(4,803)	-	-	**(4,803)**
018	TREE PRESERVATION	-	316,668	-	-	**316,668**
019	LIBRARY DONATION	-	137,002	-	-	**137,002**
020	RECREATIONAL EVENT	-	14,153	-	-	**14,153**
023	LEOSE	-	1,554	-	-	**1,554**
027	CRIME DISTRICT	-	1,162,313	-	-	**1,162,313**
028	KIDSVILLE MAINTENANCE	-	5,813	-	-	**5,813**
029	COURT TECHNOLOGY	-	-	-	-	**-**
030	COURT SECURITY	-	45,276	-	-	**45,276**
033	PUBLIC ART	-	7,904	-	-	**7,904**
037	JUVENILE CASE MANAGER	-	13,147	-	-	**13,147**
038	HOTEL / MOTEL FUND	-	363,614	-	-	**363,614**
ENTERPRISE FUNDS						
002	UTILITY FUND	7,851,426	-	-	481,670	**8,333,096**
039	UTILITY CAPITAL PROJECTS FUND	4,517,179	4,339,904	1,631,411	56,775	**10,545,268**
017	DRAINAGE FEE	1,453,169	-	-	131,317	**1,584,486**
041	DRAINAGE CAPITAL PROJECTS FUND	750,000	-	-	-	**750,000**
FIDUCIARY FUNDS						
006	SESQUICENTINIAL FUND	-	21,034	-	-	**21,034**
008	EMPLOYEE ACTIVITY	-	-	-	3,963	**3,963**
040	INSURANCE TRUST FUND				(611)	**(611)**
COMPONENT UNIT						
026	TIF FUND	20,274,720	-	797,043	-	**21,071,763**
		56,779,385	**18,625,502**	**4,670,115**	**908,650**	**80,983,651**
COLLEYVILLE ECON DEV CORP						
024	CEDC	$ 4,484,093	$ -	$ -	$ -	**$ 4,484,093**
GRAND TOTAL		**61,263,478**	**18,625,502**	**4,670,115**	**908,650**	**85,467,744**

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

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CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - TOTAL BY FUND

		CASH & INVESTMENT AS OF SEPT 30, 2018 Ran 10.30.18	CASH & INVESTMENT AS OF SEPT 30, 2017	CHANGE
GOVERNMENTAL FUNDS				
001	GENERAL FUND	$ 11,647,585.88	$ 9,090,685.99	$ 2,556,899.89
036	STRATEGIC INITIATIVE	523,961.65	539,656.63	(15,694.98)
004	DEBT SERVICE FUND	697,652.45	691,401.06	6,251.39
003	CAPITAL PROJECTS	15,706,079.21	$ 16,755,994.20	$ (1,049,914.99)
012	PARK LAND DEDICATION	1,452,543.10	1,426,546.34	25,996.76
032	VEHICLE AND CAPITAL REPLACEMENT	1,425,908.54	1,100,110.58	325,797.96
034	COLLEYVILLE TOMORROW	2,454,898.59	2,359,524.87	95,373.72
035	PARKS TOMORROW	1,050,689.58	1,033,636.72	17,052.86
005	VOLUNTARY PARK FUND	1,112,814.98	876,248.15	236,566.83
007	DONATIONS FUND	58,081.92	61,586.54	(3,504.62)
011	VOLUNTARY LIBRARY FUND	458,501.57	430,417.25	28,084.32
015	POLICE ASSET FORFEITURE	23,292.29	9,076.88	14,215.41
016	GRANTS (ADVANCE PAYMENTS)	(4,802.87)	8,132.93	(12,935.80)
018	TREE PRESERVATION	316,667.87	311,696.31	4,971.56
019	LIBRARY DONATION	137,002.45	138,572.50	(1,570.05)
020	RECREATIONAL EVENT	14,153.27	10,700.67	3,452.60
023	LEOSE	1,554.47	3,396.95	(1,842.48)
027	CRIME DISTRICT	1,162,313.44	1,274,682.91	(112,369.47)
028	KIDSVILLE MAINTENANCE	5,812.94	8,408.03	(2,595.09)
029	COURT TECHNOLOGY	-	75,178.30	(75,178.30)
030	COURT SECURITY	45,275.84	60,113.42	(14,837.58)
033	PUBLIC ART	7,904.05	7,904.05	-
037	JUVENILE CASE MANAGER	13,147.18	24,537.58	(11,390.40)
038	HOTEL / MOTEL FUND	363,613.69	88,896.39	274,717.30
ENTERPRISE FUNDS				
002	UTILITY FUND	8,333,096.21	5,890,145.58	2,442,950.63
039	UTILITY CAPITAL PROJECTS FUND	10,545,268.14	9,777,358.19	767,909.95
017	DRAINAGE FEE	1,584,486.38	2,283,580.19	(699,093.81)
041	DRAINAGE CAPITAL PROJECTS FUND	750,000.00	-	750,000.00
FIDUCIARY FUNDS				
006	SESQUICENTINIAL FUND	21,034.45	20,545.56	488.89
008	EMPLOYEE ACTIVITY	3,962.50	4,700.16	(737.66)
040	INSURANCE TRUST FUND (ADV PMNT)	(610.97)	-	(610.97)
COMPONENT UNIT				
026	TIF FUND	21,071,762.69	$ 18,972,344.32	$ 2,099,418.37
		$ 80,983,651.49	**$ 73,335,779.25**	**$ 7,647,872.24**
COLLEYVILLE ECON DEV CORP				
024	CEDC	4,484,092.94	3,904,845.12	579,247.82
025	CEDC - CAPITAL	-	65,793.93	(65,793.93)
GRAND TOTAL		**$ 85,467,744.43**	**$ 77,306,418.30**	**$ 8,161,326.13**

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

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CITY FUNDS - BACKGROUND

GOVERNMENTAL FUNDS	REVENUE SOURCE	PURPOSE/RESTRICTION
001 GENERAL FUND	M&O portion of tax rate, sales tax, charges for service, etc.	General government purposes
036 STRATEGIC INITIATIVES	Transfers from the General Fund	Programs/projects linked to the strategic plan; primarily used on eco. dev. incentives
004 DEBT SERVICE	Debt (I&S) portion of the tax rate	Payments on debt issued
003 CAPITAL PROJECTS	Transfers from the General Fund, street impact fees, escrows	Capital projects; some funding sources have restricted uses
012 PARK LAND DEDICATION	Fees on new residential & commercial development	Acquisition of land for new park sites or improvements/expansions of existing parks (no M&O)
032 VEHICLE AND CAPITAL REPLACEMENT	Transfers from the General Fund	Committed to server, equipment, and vehicle replacements
034 COLLEYVILLE TOMORROW	Gas leases on City property	Capital purchases/at Council discretion
035 PARKS TOMORROW	Gas leases on City park property	Parks capital projects
005 VOLUNTARY PARK FUND	Donations through utility bills	New or existing park capital costs (no M&O)
007 DONATIONS FUND	Donations	Only restricted if specified by donor
011 VOLUNTARY LIBRARY FUND	Donations through utility bills	Library activities- primarily purchase of books and materials (no M&O)
015 POLICE ASSET FORFEITURE	Seizures	Police operations as restricted by law
016 TDPA GRANT (EECBG GRANT)	U.S. Dept. of Energy	Energy efficiency projects
018 TREE PRESERVATION	Tree mitigation fees	Tree replanting on city-owned property
019 LIBRARY DONATION	Donations	Library needs or as specified by donor
020 RECREATIONAL EVENT	Event revenue (like sale of tables)	Special events expenses
023 LEOSE	State of Texas	Police training
027 CRIME DISTRICT (CCCPD)	0.5 cent sales tax	Public safety and crime control activities
028 KIDSVILLE MAINTENANCE	Remaining donations	Kidsville maintenance
029 COURT TECHNOLOGY	Municipal court technology fee	Court technology repairs, replacements, and upgrades
030 COURT SECURITY	Municipal court building security fee	Security-related expenses for the court (Bailiff)
033 PUBLIC ART	2008-9 Transfers from General, Utility, Drainage, CEDC Funds	Public Art
037 JUVENILE CASE MANAGER	Juvenile case manager fee	Staff who handle juvenile defendants and their training
038 HOTEL/MOTEL FUND	Hotel/Motel tax	Attract "heads in beds"; specific uses outlined in state law

ENTERPRISE FUNDS		
002 UTILITY OPERATING FUND	Water and wastewater base rates and volumetric rates	Utility operations and payments to TRA
017 DRAINAGE FEE FUND	Monthly drainage fee	Operations and capital projects related to drainage maintenance and improvement
039 UTILITY CAPITAL PROJECTS FUND	Transfers from Utility Operating Fund, impact fees, CIP base rate	Utility capital projects; water and wastewater impact fees have restricted uses
041 DRAINAGE- CAPITAL PROJECTS FUND	Transfers from Drainage Operating Fund	Drainage capital projects

FIDUCIARY FUNDS		
006 SESQUICENTINIAL FUND	Currently, sale of the Colleyville History book	Created for fund raising for festivities related to 150th anniversary of Texas' independence from Mexico (1986)
008 EMPLOYEE ACTIVITY	Employee contributions	Employee luncheons and other employee activities; governed by by-laws
040 INSURANCE TRUST FUND	Payroll deductions and city's contributions	Pass through trust fund used to account for employee insurance costs. Created cost savings for the city.

COMPONENT UNIT		
026 TIF FUND	Incremental A/V revenue in the TIF District	Projects in the Project Plan approved by all TIF partners

COLLEYVILLE ECON DEV CORP		
024 CEDC	0.5 cent sales tax	For Library, Parks, and Colleyville Center; max. 10% on promotional expenses and special events
025 CEDC - CAPITAL	Bond proceeds	Bond projects: Library, City Park, McPherson Park, Colleyville Center capital projects

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

LISTING OF INVESTMENTS

BY TYPE

CDARS CERTIFICATES OF DEPOSIT

FUND ALLOCATION	AMOUNT	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER
UTILITY FUND*	$513,291	7/27/2017	7/25/2019	0.40%	$518
GENERAL FUND	$510,048	9/22/2016		0.50%	$643
CAPITAL PROJECTS*	$509,613	9/21/2017	9/19/2019	0.58%	$745
PURCHASED DURING THIS QUARTER					
GENERAL FUND	$1,543,297	9/19/2018	9/19/2019	2.08%	$967
OUTSTANDING CDARS AT THE END OF THE QUARTER	**$3,076,248**				**$2,872**
MATURED DURING THIS QUARTER					
GENERAL FUND	$1,534,117	9/21/2017	9/20/2018	0.60%	$2,062
CDARS MATURED DURING THE QUARTER	**$1,534,117**				**$2,062**
GRAND TOTAL	**4,610,365**				**4,934**

*Interest added to principal in December 2017 for reinvestment

CD'S - CERTIFICATES OF DEPOSIT

FUND ALLOCATION	AMOUNT	PURCHASE DATE	MATURITY/ SOLD DATE	Market Value	INTEREST RATE	INTEREST EARNED DURING QUARTER
GENERAL FUND - CITIBANK	$248,000	3/29/2018	3/30/2020	247,227.48	2.50%	$1,563
GENERAL FUND - GOLDMAN SACHS BANK	$248,000	4/11/2018	4/13/2020	247,338.83	2.55%	$1,594
PURCHASED DURING THIS QUARTER						
GENERAL FUND - HOPE STANLEY BANK	$248,000	9/14/2018	3/16/2020	247,473.74	2.55%	$277
OUTSTANDING CD'S AT THE END OF THE QUARTER	**$744,000**					**$3,434**
MATURED/SOLD DURING THIS QUARTER						
GENERAL FUND - MORGAN STANLEY BANK	$248,000	3/29/2018	8/29/2018		2.55%	$1,040
CD'S MATURED DURING THE QUARTER	**248,000**					**1,040**
GRAND TOTAL	**992,000**					**4,474**

CITY OF COLLEYVILLE INVESTMENT SECURITIES HELD JUNE 30 - SEPTEMBER 30, 2018

CUSIP	SECURITY	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	PAR VALUE	MARKET VALUE 6/30/2018	LESS MATURITY PROCEEDS	PLUS PERIOD PURCHASES	MARKET VALUE 9/30/2018	YIELD ON INVESTMENT	INTEREST	INTEREST TO MATURITY
3133EFX69	FFCB NOTE	10/17/2016	10/5/2018	$1,000,580	$1,000,000	$997,102			$999,873	0.930%	$2,344	$18,294
3133EG5Q4	FFCB NOTE	2/1/2017	2/1/2019	$1,000,000	$1,000,000	$994,737			$996,422	1.300%	$3,277	$26,000
3133EHHN6	FFCB NOTE	5/3/2017	5/2/2019	$1,000,000	$1,000,000	$992,031			$992,031	1.350%	$3,403	$26,963
3130AAS41	FHLB NOTE	3/24/2017	2/8/2019	$999,812	$1,000,000	$994,232			$996,364	1.280%	$3,226	$24,057
3133EHP98	FFCB NOTE	11/6/2017	11/6/2019	$1,000,000	$1,000,000	$988,254			$988,799	1.600%	$4,033	$32,000
3137EAEH8	FHLMC NOTE	7/31/2017	8/15/2019	$500,000	$500,000	$494,145			$494,788	1.475%	$1,859	$15,053
313380FB8	FHLB NOTE	8/29/2017	9/13/2019	$1,000,000	$1,000,000	$988,026			$988,346	1.375%	$3,466	$28,065
3137EADM8	FHLMC NOTE	9/14/2017	10/2/2019	$998,788	$1,000,000	$907,435			$908,664	1.250%	$3,151	$25,616
3137EADM8	FHLMC NOTE	10/13/2017	10/2/2019	$896,082	$900,000	$963,696			$965,002	1.475%	$3,346	$26,150
3130ACLS1	FHLB NOTE	10/26/2017	10/11/2019	$2,200,000	$2,200,000	$2,175,149			$2,174,808	1.550%	$8,594	$66,794
3133EHV75	FFCB NOTE	12/8/2017	11/21/2019	$749,711	$750,000	$742,176			$742,239	1.730%	$3,270	$25,346
3133EGJ30	FFCB NOTE	12/29/2017	11/18/2019	$1,238,775	$1,255,000	$1,255,000			$1,233,386	1.100%	$3,480	$26,059
3133EJCN7	FFCB NOTE	2/14/2018	2/14/2020	$1,000,000	$1,000,000	$992,624			$990,933	2.070%	$5,218	$41,400
3130ADN32	FHLB NOTE	3/7/2018	2/11/2020	$997,834	$1,000,000	$993,892			$991,637	2.240%	$5,646	$43,327
3133EJHL6	FFCB NOTE	4/9/2018	3/27/2020	$1,001,430	$1,000,000	$996,916			$993,968	2.375%	$5,986	$46,719
PURCHASED DURING THIS QUARTER												
											$0	$0
OUTSTANDING SECURITIES AT THE END OF THE QUARTER				**15,583,011**	**15,605,000**	**15,475,415**	**-**	**-**	**15,457,260**		**60,298**	**471,844**
MATURED DURING THIS QUARTER												
3133EGML6	FFCB NOTE	7/18/2016	7/18/2018	$999,300	$1,000,000	$996,722			$999,503	0.785%	$387	$15,700
SECURITIES MATURED DURING THE QUARTER				**999,300**	**1,000,000**	**996,722**	**-**		**999,503**		**387**	**15,700**
GRAND TOTAL				**16,582,311**	**16,605,000**	**16,472,137**	**-**	**-**	**16,456,763**		**60,686**	**487,544**

ACCOUNT	ALLOCATION OF INVESTMENT	INVESTMENT- G/L TOTAL
001-1172	GENERAL FUND OPERATING	$3,794,835.42
		$0.00
002-1166	UTILITY DEBT SERVICE RESERVE	$0.00
002-1172	UTILITY FUND OPERATING	$2,231,432.70
002-1178	CUSTOMER DEPOSITS	$472,683.04
039-1186	UTILITY LINE RENEWAL	$0.00
039-1557	THE RESERVE LIFT STATION	$56,792.76
		$0.00
003-1121	INV-PERIMETER FEES	$1,965,370.14
		$0.00
003-1307	INV-ROAD RECONSTRUCTION	$323,845.40
		$0.00
003-1340	CASTLETON MANOR	$0.00
		$0.00
005-1172	VOLUNTARY PARK FUND	$750,000.00
011-1172	LIBRARY DONATIONS FUND	$359,642.52
012-1172	PARK LAND DEDICATION FUND	$1,325,973.26
017-1172	DRAINAGE FUND OPERATING	$200,000.00
024-1172	CEDC OPERATING	$1,500,000.00
026-1172	TIF OPERATING	$2,213,044.19
032-1519	CAPITAL EQUIPMENT RESERVE	$364,300.00
034-1172	COLLEYVILLE TOMORROW	$25,091.76
PER GENERAL LEDGER		$15,583,011.19

LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT SEPTEMBER 2018

DESCRIPTION	BALANCE
UTILITY FUND - CAPITAL PROJECTS	
LOGIC-RES CASH-UTILITY LINE RE	$1,260
CAPITAL PROJECTS FUND	
LOGIC POOL-ROADS SA I CASH	$23,273
LOGIC-CAPITAL PROJ/STREET RESU	$255,928
DRAINAGE FUND	
LOGIC POOL- OPERATING CASH	$0
LOGIC- I&S FUND/DRAINAGE	$131,317
LOGIC-2001 DRAINAGE BONDS	$0
Subtotal - LOGIC balances excluding CEDC	**$411,778**
CEDC Logic Balance	
LOGIC POOL- OPERATING CASH	$27,976
Total LOGIC Balance	**$439,754**
INTEREST EARNED	**$27,200**

TEXPOOL
ACCOUNT ALLOCATION AT SEPTEMBER 2018

DESCRIPTION	BALANCE
GENERAL FUND	
TEXPOOL - OPERATING CASH	$540,592
UTILITY FUND	
TEXPOOL - OPERATING CASH	$2,727,367
UTILITY FUND - CAPITAL PROJECTS	
TEXPOOL - WW IMPACT FEES	$682,881
TEXPOOL - WATER IMPACT FEE	$2,304,954
DEBT SERVICE FUND	
TEXPOOL - OPERATING CASH	$34,969
DRAINAGE FUND	
TEXPOOL - OPERATING CASH	$1,394,043
TIF FUND	
TEXPOOL - OPERATING CASH	$13,276,109
CCCPD FUND	
TEXPOOL - OPERATING CASH	$785,088
CAPITAL EQUIPMENT REPLACEMENT FUND	
TEXPOOL - OPERATING CASH	$84,537
COLLEYVILLE TOMORROW FUND	
TEXPOOL - OPERATING CASH	$1,722,414
PARKS TOMORROW FUND	
TEXPOOL - OPERATING CASH	$1,048,359
STRATEGIC INITIATIVES FUND	
TEXPOOL - OPERATING CASH	$500,017
Total TexPool Balance	**$25,101,329**
INTEREST EARNED	**$101,327**

TEXAS CLASS
ACCOUNT ALLOCATION AT SEPTEMBER 2018

DESCRIPTION	BALANCE
GENERAL FUND	
TEXAS CLASS	$2,003,535
CAPITAL PROJECTS FUND	
TEXAS CLASS	$4,007,061
UTILITY FUND - CAPITAL PROJECTS	
TEXAS CLASS	$3,005,296
TIF FUND	
TEXAS CLASS	$4,007,061
Total Texas CLASS Balance	**$13,022,952**
INTEREST EARNED	**$22,947**

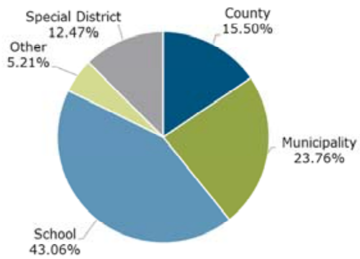
TEXSTAR
ACCOUNT ALLOCATION AT SEPTEMBER 2018

DESCRIPTION	BALANCE
GENERAL FUND	
TEXSTAR - OPERATING CASH	$10
Total TexSTAR Balance	**$10**
INTEREST EARNED	**$0**

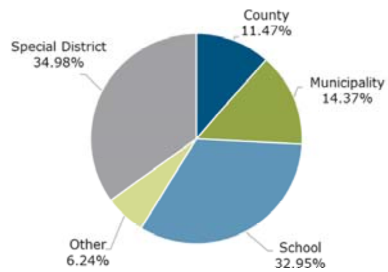
Texas CLASS Portfolio Characteristics

The following information is provided in accordance with Texas State Statute 2256.0016.

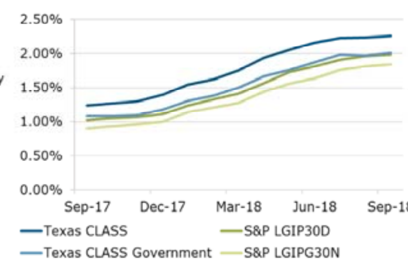
As of September 30, 2018:



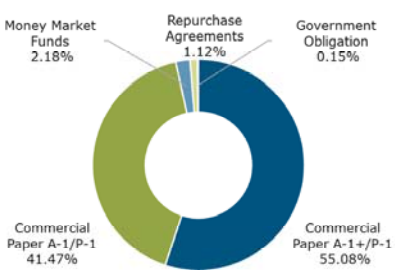
Participant Breakdown by Balance



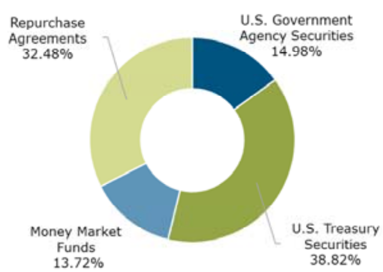
Participant Breakdown by Entity Type



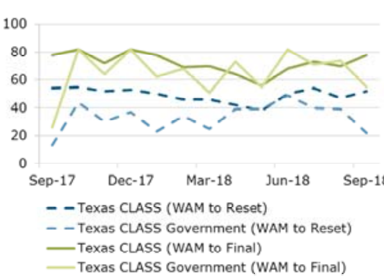
Performance vs. Benchmark S&P AAA/AA GIP* (Average Monthly Yields)



Texas CLASS Portfolio Breakdown



Texas CLASS Government Portfolio Breakdown



Weighted Average Maturity (In Days)

Texas CLASS Prior Month Comparison

Month End	**Jul-18**
Average Yield**	2.23%
Month Ending Assets	$7,196,963,396
Share Balance	$7,195,111,541
Market Value	$7,195,500,320
Amortized Cost	$7,193,648,465
NAV	1.00
WAM (Reset)***	54
WAM (Final)***	73

Month End	**Aug-18**
Average Yield**	2.24%
Month Ending Assets	$6,620,351,264
Share Balance	$6,619,956,122
Market Value	$6,619,018,421
Amortized Cost	$6,618,623,279
NAV	1.00
WAM (Reset)***	47
WAM (Final)***	70

Month End	**Sep-18**
Average Yield**	2.26%
Month Ending Assets	$6,571,078,769
Share Balance	$6,571,228,312
Market Value	$6,619,224,519
Amortized Cost	$6,619,374,062
NAV	1.00
WAM (Reset)***	52
WAM (Final)***	78

**Average monthly yield   ***As of the end of the last day of the month

Texas CLASS Government Prior Month Comparison

Month End	**Jul-18**
Average Yield**	1.98%
Month Ending Assets	$197,364,508
Share Balance	$197,371,580
Market Value	$197,272,033
Amortized Cost	$197,264,961
NAV	1.00
WAM (Reset)***	40
WAM (Final)***	71

Month End	**Aug-18**
Average Yield**	1.97%
Month Ending Assets	$237,328,905
Share Balance	$237,361,153
Market Value	$237,246,374
Amortized Cost	$237,214,126
NAV	1.00
WAM (Reset)***	39
WAM (Final)***	74

Month End	Sep-18
Average Yield**	2.01%
Month Ending Assets	$380,527,493
Share Balance	$380,571,294
Market Value	$380,284,992
Amortized Cost	$380,328,792
NAV	1.00
WAM (Reset)***	22
WAM (Final)***	55

**Average monthly yield ***As of the end of the last day of the month

Fund Highlights as of September 30, 2018 (Unaudited)

For the month of September 2018, the Program Administrator accrued fees of $533,467.04 and had average shares outstanding of $6,545,017,426.27 for Texas CLASS. For Texas CLASS Government, the Program Administrator accrued fees of $0.00 and had average shares outstanding of $314,862,664.89. The fees for both Texas CLASS and Texas CLASS Government are accrued on a daily basis by multiplying the investment property value by the applicable fee rate and divided by 365 or 366 days in the event of a leap year. The investment property value shall be based on the current day's shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The applicable fee rate is located in Exhibit F of the Seventh Amended and Restated Trust Agreement. The Program Administrator reserves the right to abate fees listed in the Seventh Amended and Restated Trust Agreement. The monthly fee is the sum of all daily fee accruals for the month of September. The fees are paid monthly upon notification to the custodian bank. As of September 30, 2018, the fee for Texas CLASS was 10 basis points and the fee for Texas CLASS Government was 0.0 basis points.

- Both funds are rated 'AAAm' by S&P Global Ratings.
- Net Asset Value for both funds from September 1 to September 30, 2018 is equal to $1.00.
- The final maturity dates of all securities were less than one year.
- The custodian bank for Texas CLASS is Wells Fargo Bank, N.A.
- Total number of Participants is 689.
- There are currently no investments that have a stated maturity greater than one year.
- The portfolio managers for Texas CLASS are Randy Palomba, CFA and Neil Waud, CFA.
- All sources of payment are the underlying assets of the local government investment pool at market value.

- The Seventh Amended and Restated Trust Agreement was adopted by the Board of Trustees on August 5, 2016. You can access your copy of the Seventh Amended and Restated Trust Agreement by clicking here (https://texasclass.com/wp-content/uploads/2017/06/2016-08-05-Seventh-Amended-and-Restated-Trust-Agreement.pdf).

Data unaudited. Charts may not equal 100% due to rounding. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. The information presented should not be used in making any investment decisions. This material is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. Ratings are subject to change and do not remove credit risk.

***The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D) is a performance indicator of rated GIPs that maintain a stable net asset value of $1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on S&P's money market criteria. Pools rated 'AAAm' provide excellent safety and a superior capacity to maintain principal value while those rated 'AAm' offer very good safety and a strong capacity to maintain principal value (Source: S&P Global Ratings' website). The comparison between this index and the portfolio may differ in holdings, duration, fees, and percentage composition of each holding. Such differences may account for variances in yield.**

The benchmark, the S&P AAA & AA Rated GIP Govt 30 Day Net Yield (LGIPG30N) is a performance indicator of rated GIPs that maintain a stable net asset value of $1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is comprised of pools that invest in U.S. Government securities, U.S. Treasury securities, Repurchase agreements collateralized by U.S. government and treasury securities or any combination of the above. GIPs in the index include only those rated based on S&P's money market criteria. Pools rated 'AAAm' provide excellent safety and a superior capacity to maintain principal value while those rated 'AAm' offer very good safety and a strong capacity to maintain principal value (Source: S&P Global Ratings' website). The comparison between this index and the portfolio may differ in holdings, duration, fees, and percentage composition of each holding. Such differences may account for variances in yield.

LOGIC Newsletter

September 2018

Performance

As of September 30, 2018

Current Invested Balance	**$6,222,015,405.64**
Weighted Average Maturity (1)*	**42 Days**
Weighted Average Maturity (2)*	**83 Days**
Net Asset Value	**1.000013**
Total Number of Participants	**576**
Management Fee on Invested Balance	**0.0975%**
Interest Distributed	**$12,026,939.29**
Management Fee Collected	**$507,991.89**
% of Portfolio Invested Beyond 1 Year	**0.00%**
Standard & Poor's Current Rating	**AAAm**

September Averages:

Average Invested Balance	**$6,338,723,080.94**
Average Monthly Yield, on a simple basis	**2.2112%**
Average Weighted Average Maturity (1)*	**34 Days**
Average Weighted Average Maturity (2)*	**69 Days**

*Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

Rates reflect historical information and are not an indication of future performance.

News

New Participants

We would like to welcome the following entities who joined the LOGIC program in September:

★Harlandale ISD
★City of Krugerville

Holiday Reminder

In observance of **Columbus Day, LOGIC will be closed on Monday, October 8, 2018.** All ACH transactions initiated on Friday, October 5th, will settle on Tuesday, October 9th. Please plan accordingly for your liquidity needs.

Conferences

LOGIC Representatives look forward to visiting with those of you attending these upcoming events:

★Texas Municipal League Conference Oct 10-12, Fort Worth

★GFOAT Fall Conference Oct 24-26, Galveston

Economic Commentary

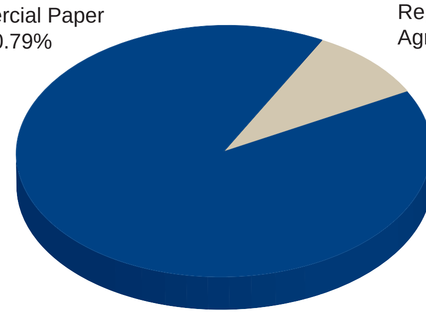
The Federal Reserve (Fed) raised short-term interest rates for a third time this year and signaled it will progress with plans to gradually tighten policy even as central bankers face White House pressure for low borrowing costs and concerns over the trade war with China. As anticipated, the Fed boosted the federal funds rate target range by 25bps to 2.00%-2.25% at its September Federal Open Market Committee (FOMC) meeting. The FOMC statement maintained existing language reflecting the solid economic backdrop in the U.S., roughly balanced risks to the outlook and the appropriateness of further gradual rate hikes. The most interesting change was the reference to the stance of monetary policy, which was previously described as remaining accommodative, but has been subsequently removed. This change further distances the Fed from the extraordinarily easy policy and explicit forward guidance used at the zero lower bound. The median interest rate forecast "dot plot" was largely unchanged, telegraphing one more rate hike in 2018, three in 2019 and one in 2020. The description of the economy was upbeat and growth projections were modestly upgraded. Both the inflation and unemployment forecasts were mostly unchanged from the June meeting.

Our base case scenario remains above trend growth although escalating trade battles could depress business confidence and tighten financial conditions. The probability of recession is still low. Fiscal stimulus in the U.S., a well-capitalized global banking system, strong U.S. consumer balance sheets and central banks that are overly cautious in restoring normality to the system are on the growing laundry list of reasons not to expect a recession any time soon. While the U.S. yield curve has flattened, which has historically been a reasonable indicator of approaching recession, we believe the monetary distortions present in this cycle are a meaningful difference accentuating curve flattening. We will see how the next couple quarters play out for the curve as quantitative easing (QE) gives way to quantitative tightening (QT) and the tax reform incentive for U.S. plans to contribute to their pension funds ends. This is the quarter we have all been waiting for: QE becomes QT, U.S. fiscal stimulus accelerates, Treasury supply mushrooms, Brexit is a reality, and trade wars loom. There will be increased volatility. There will be markets that become overbought or oversold and the opportunity to take advantage of these shifts in investor sentiment as they arise.

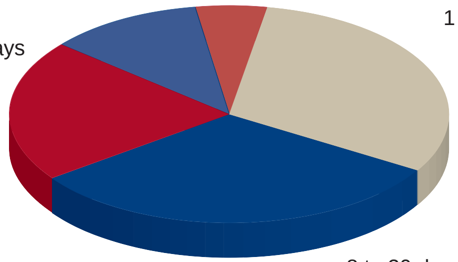
This information is an excerpt from an economic report dated September 2018 provided to LOGIC by JPMorgan Asset Management, Inc., the investment manager of the LOGIC pool.

Information at a Glance

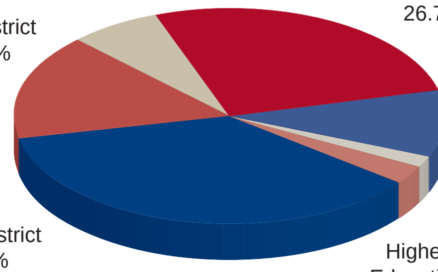
Portfolio by Type of Investment As of September 30, 2018



Portfolio by Maturity As of September 30, 2018



Distribution of Participants by Type As of September 30, 2018



History

Historical Program Information

Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sep 18	2.2112%	$6,222,015,405.64	$6,222,101,273.25	1.000013	34	69	576
Aug 18	2.1843%	6,457,668,295.78	6,458,782,262.06	1.000073	34	66	574
Jul 18	2.1750%	6,693,358,601.72	6,694,255,228.51	1.000133	30	59	573
Jun 18	2.1078%	6,880,746,236.77	6,881,359,093.55	1.000058	28	64	571
May 18	2.0273%	6,972,924,126.20	6,973,895,573.35	1.000139	30	66	568
Apr 18	1.9293%	6,434,872,331.82	6,434,646,379.96	0.999964	28	66	565
Mar 18	1.7228%	6,902,175,938.22	6,900,336,026.44	0.999705	28	71	563
Feb 18	1.5898%	7,170,298,263.14	7,170,001,932.73	0.999958	29	78	563
Jan 18	1.5224%	7,365,857,458.60	7,365,850,519.17	0.999999	29	80	561
Dec 17	1.3784%	6,465,455,192.00	6,464,452,719.35	0.999820	29	76	559
Nov 17	1.2913%	6,037,285,391.70	6,037,616,463.25	1.000054	35	75	557
Oct 17	1.2845%	6,047,571,709.48	6,047,976,206.51	1.000066	42	75	556

Assets

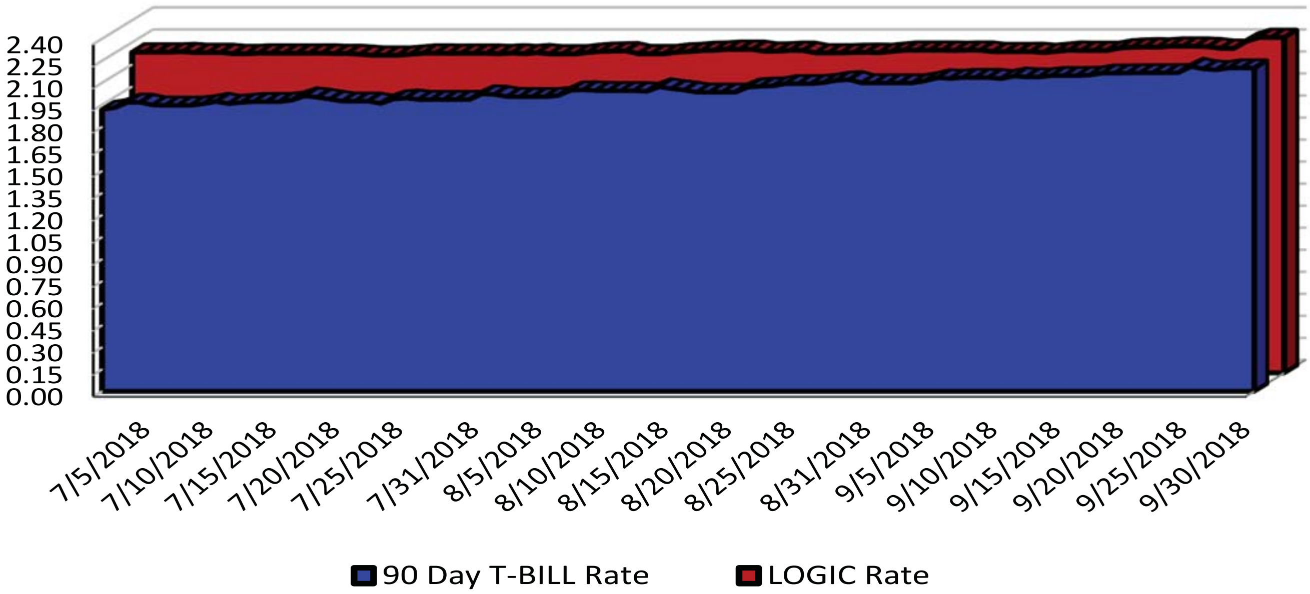
Portfolio Asset Summary as of September 30, 2018

	Book Value	Market Value
Uninvested Balance	$ 991,372.29	$ 991,372.29
Accrual of Interest Income	3,117,924.75	3,117,924.75
Interest and Management Fees Payable	(12,151,412.24)	(12,151,412.24)
Payable for Investment Purchased	(172,718,190.82)	(172,718,190.82)
Receivable for Investment Sold	0.00	0.00
Repurchase Agreements	589,558,999.89	589,558,999.89
Commercial Paper	5,813,216,711.77	5,813,302,579.38
Government Securities	0.00	0.00
Total	**$ 6,222,015,405.64**	**$ 6,222,101,273.25**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of LOGIC. The only source of payment to the Participants are the assets of LOGIC. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact LOGIC Participant Services.

Daily Rates

LOGIC versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The LOGIC management fee may be waived in full or in part at the discretion of the LOGIC co-administrators and the LOGIC rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at $1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the LOGIC pool to the T-Bill Yield, you should know that the LOGIC pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The LOGIC yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary

Daily Summary for September 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	LOGIC Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
9/1/2018	2.1957%	0.000060155	$6,457,668,295.78	1.000073	33	64
9/2/2018	2.1957%	0.000060155	$6,457,668,295.78	1.000073	33	64
9/3/2018	2.1957%	0.000060155	$6,457,668,295.78	1.000073	33	64
9/4/2018	2.1938%	0.000060103	$6,440,816,436.84	1.000171	34	66
9/5/2018	2.1960%	0.000060165	$6,421,611,911.15	1.000170	35	65
9/6/2018	2.1962%	0.000060169	$6,407,271,025.51	1.000168	34	65
9/7/2018	2.1860%	0.000059890	$6,445,597,928.98	1.000095	32	63
9/8/2018	2.1860%	0.000059890	$6,445,597,928.98	1.000095	32	63
9/9/2018	2.1860%	0.000059890	$6,445,597,928.98	1.000095	32	63
9/10/2018	2.1872%	0.000059922	$6,416,073,390.13	1.000157	34	66
9/11/2018	2.1799%	0.000059722	$6,414,755,593.61	1.000157	31	65
9/12/2018	2.1878%	0.000059941	$6,405,600,670.79	1.000144	33	64
9/13/2018	2.1960%	0.000060165	$6,343,659,207.79	1.000164	32	69
9/14/2018	2.1940%	0.000060110	$6,280,649,970.28	1.000101	31	67
9/15/2018	2.1940%	0.000060110	$6,280,649,970.28	1.000101	31	67
9/16/2018	2.1940%	0.000060110	$6,280,649,970.28	1.000101	31	67
9/17/2018	2.2104%	0.000060559	$6,303,208,227.59	1.000156	33	70
9/18/2018	2.2161%	0.000060715	$6,304,093,181.94	1.000146	34	72
9/19/2018	2.2182%	0.000060772	$6,267,226,586.84	1.000143	33	71
9/20/2018	2.2170%	0.000060739	$6,253,749,225.70	1.000149	34	73
9/21/2018	2.2230%	0.000060905	$6,247,094,358.70	1.000054	32	69
9/22/2018	2.2230%	0.000060905	$6,247,094,358.70	1.000054	32	69
9/23/2018	2.2230%	0.000060905	$6,247,094,358.70	1.000054	32	69
9/24/2018	2.2196%	0.000060811	$6,229,768,376.17	1.000119	33	70
9/25/2018	2.2092%	0.000060527	$6,337,384,555.49	1.000109	31	70
9/26/2018	2.2082%	0.000060498	$6,339,166,097.74	1.000104	34	75
9/27/2018	2.2570%	0.000061835	$6,318,230,062.88	1.000095	37	78
9/28/2018	2.2829%	0.000062545	$6,222,015,405.64	1.000013	42	83
9/29/2018	2.2829%	0.000062545	$6,222,015,405.64	1.000013	42	83
9/30/2018	2.2829%	0.000062545	$6,222,015,405.64	1.000013	42	83
Average	2.2112%	0.000060582	$6,338,723,080.94		34	69

LOGIC

LOGIC Board

LOGIC Board Members

Philip G. Roberson	*Arlington ISD*	*Board President*
Fred L. Werner	*Qualified Non-Participant*	*Board Vice President*
Sandra Newby	*Tarrant Regional Water District*	*Board Member*
Greg Jordan	*City of Grapevine*	*Board Member*
Erik Felthous	*North Texas Municipal Water District*	*Board Member*

Contacts

For more information contact LOGIC Participant Services ★ 1-800-895-6442 ★ www.logic.org
1201 Elm Street, Suite 3500, Dallas, TX 75270

HilltopSecurities
A Hilltop Holdings Company.

J.P.Morgan
Asset Management

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Monthly Newsletter: September 2018

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in August 2018:

TexPool
Brazoria County MUD 32
Shelby County
Comal County ESD 3
South Post Oak Redevelopment Authority
Valley Ranch Town Center Management District
Harrison County Housing Finance Corporation
Bartlett ISD
MHMR Services for the Concho Valley
Arlington Classics Academy

TexPool *Prime*
Lufkin ISD
Comal County ESD 3
City of Sulphur Springs
Wheeler County
Harrison County Housing Finance Corporation
Bartlett ISD
MHMR Services for the Concho Valley
Arlington Classics Academy

Upcoming Events

Sep 28, 2018 - Sep 30, 2018
Austin Convention Center, Austin
2018 TASA/TASB Annual Convention

Oct 10, 2018 - Oct 12, 2018
Fort Worth Convention Center, Ft. Worth
2018 Texas Municipal League Conference

Oct 16, 2018 - Oct 18, 2018,
Holiday Inn - San Antonio Riverwalk, San Antonio 73rd Annual TACA Fall Conference

Oct 24, 2018 - Oct 26, 2018,
Moody Gardens Hotel, Galveston
GFOAT Fall Conference

TexPool Advisory Board Members

Jose Elizondo, Jr.
Belinda Weaver
Patrick Krishock
Michele Tuttle
Vivian Wood
Jerry Dale
Sharon Matthews
David Landeros

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: Numbers game at the Fed

September 1, 2018

Even the Federal Reserve's "gradual" path of rate normalization beats the excruciatingly sluggish pace of the current confirmation process of new governors. At the end of August, Congress finally confirmed Richard Clarida as vice chair. About time, especially for this important position. But that leaves only four of seven board members in place. The governors are still outnumbered on the policymaking Federal Open Market Committee (FOMC) by the regional bank presidents, who have five seats filled on 1-year rotating basis.

If you wonder why I bring up the Fed's roster frequently, it is because there are significant differences between the two groups. While the regional presidents are policy experts, they speak for their districts, and Atlanta has different issues than Minneapolis, which has different issues than San Francisco, and so forth. Each district reflects its own demographics. The regional banks also have different reports for which they are responsible, taking up time and resources.

In contrast, Fed board governors consider the impact of monetary policy from a national and global perspective. They take into consideration large-scale factors such as federal fiscal policy. They are able to think about and research monetary policy full-time. With the exception of

(continued page 6)

Performance as of August 31, 2018

	TexPool	TexPool *Prime*
Current Invested Balance	$17,069,457,093.00	$4,972,013,692.00
Weighted Average Maturity**	28	27
Weighted Average Life**	104	54
Net Asset Value	1.00002	1.00017
Total Number of Participants	2,499	337
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	$29,072,495.75	$8,978,281.50
Management Fee Collected	$666,499.80	$237,010.84
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	$17,892,740,387.38	$4,849,243,236.50
Average Monthly Rate*	1.92%	2.18%
Average Weighted Average Maturity**	28	32
Average Weighted Average Life**	101	60

**This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.*
***See page 2 for definitions.*
Past performance is no guarantee of future results.

TexPool Participant Services
1001 Texas Avenue, Suite 1400 · Houston, TX 77002
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

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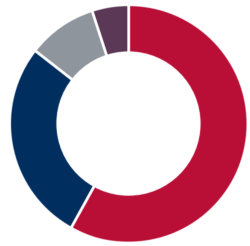
G35884-24 (9/18)

Portfolio by Maturity (%)

As of August 31, 2018

Portfolio by Type of Investment (%)

As of August 31, 2018



Portfolio Asset Summary as of August 31, 2018

	Book Value	Market Value
Uninvested Balance	$20,052.85	$20,052.85
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,417,647.76	9,417,647.76
Interest and Management Fees Payable	-29,076,141.21	-29,076,141.21
Payable for Investments Purchased	-138,772,500.00	-138,772,500.00
Accrued Expenses & Taxes	-20,509.82	-20,509.82
Repurchase Agreements	4,725,254,000.00	4,725,254,000.00
Mutual Fund Investments	867,113,103.88	867,113,103.88
Government Securities	10,034,170,063.25	10,034,230,905.43
U.S. Treasury Inflation Protected Securities	79,993,982.11	80,011,686.40
US Treasury Bills	1,521,357,394.17	1,521,559,232.40
US Treasury Notes	0.00	0.00
Total	**$17,069,457,092.99**	**$17,069,737,477.69**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	589	$4,895,757,958.21
Higher Education	57	$729,887,968.04
Healthcare	83	$559,267,496.17
Utility District	792	$2,475,486,561.44
City	460	$4,135,513,268.23
County	186	$1,768,721,438.19
Other	332	$2,504,755,113.40

****Definition of Weighted Average Maturity and Weighted Average Life**

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

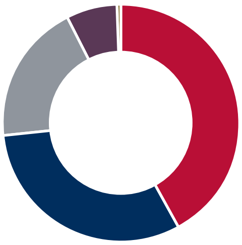
Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
8/1	1.8962%	0.000051952	$18,195,246,159.44	0.99997	26	100
8/2	1.9093%	0.000052309	$18,149,993,606.06	0.99997	26	99
8/3	1.8944%	0.000051902	$18,079,354,782.43	0.99997	27	102
8/4	1.8944%	0.000051902	$18,079,354,782.43	0.99997	27	102
8/5	1.8944%	0.000051902	$18,079,354,782.43	0.99997	27	102
8/6	1.8910%	0.000051807	$18,017,456,548.88	0.99997	28	102
8/7	1.8996%	0.000052044	$18,152,548,878.11	0.99996	28	99
8/8	1.9060%	0.000052220	$18,327,243,346.88	0.99996	28	99
8/9	1.9168%	0.000052515	$18,404,224,763.81	0.99996	28	100
8/10	1.9228%	0.000052679	$18,493,548,157.47	0.99997	29	101
8/11	1.9228%	0.000052679	$18,493,548,157.47	0.99997	29	101
8/12	1.9228%	0.000052679	$18,493,548,157.47	0.99997	29	101
8/13	1.8841%	0.000051619	$18,182,560,106.81	0.99997	28	100
8/14	1.9233%	0.000052693	$17,889,403,457.76	0.99997	28	99
8/15	1.9398%	0.000053144	$17,778,879,993.81	0.99997	28	101
8/16	1.9422%	0.000053211	$17,790,980,370.53	0.99996	28	101
8/17	1.9127%	0.000052402	$17,711,523,499.95	0.99996	28	103
8/18	1.9127%	0.000052402	$17,711,523,499.95	0.99996	28	103
8/19	1.9127%	0.000052402	$17,711,523,499.95	0.99996	28	103
8/20	1.9135%	0.000052424	$17,632,703,371.27	0.99997	27	103
8/21	1.9178%	0.000052543	$17,599,793,017.34	0.99997	27	102
8/22	1.9194%	0.000052587	$17,535,533,264.37	0.99997	27	103
8/23	1.9292%	0.000052855	$17,461,425,010.91	0.99997	28	102
8/24	1.9382%	0.000053100	$17,821,188,296.33	0.99997	28	100
8/25	1.9382%	0.000053100	$17,821,188,296.33	0.99997	28	100
8/26	1.9382%	0.000053100	$17,821,188,296.33	0.99997	28	100
8/27	1.9448%	0.000053282	$17,770,521,397.25	0.99997	27	99
8/28	1.9464%	0.000053326	$17,701,584,906.87	0.99997	26	100
8/29	1.9423%	0.000053215	$17,468,952,756.58	0.99996	26	100
8/30	1.9447%	0.000053279	$17,229,599,750.50	0.99996	27	100
8/31	1.9641%	0.000053811	$17,069,457,092.99	1.00002	28	104
Average:	**1.9205%**	**0.000052616**	**$17,892,740,387.38**	**.99997**	**28**	**101**

TexPool *PRIME*

Portfolio by Maturity (%)

As of August 31, 2018



Portfolio by Type of Investment (%)

As of August 31, 2018

Portfolio Asset Summary as of August 31, 2018

	Book Value	Market Value
Uninvested Balance	-$1,176.17	-$1,176.17
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	3,605,365.23	3,605,365.23
Interest and Management Fees Payable	-8,978,283.1	-8,978,283.12
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-7,798.13	-7,798.13
Repurchase Agreements	949,746,000.00	949,746,000.00
Commercial Paper	1,642,563,632.07	1,642,786,800.30
Bank Instruments	0.00	0.00
Mutual Fund Investments	497,099,999.35	497,052,003.75
Government Securities	448,975,881.93	449,048,179.50
Variable Rate Notes	1,439,010,071.20	1,439,609,990.00
Total	**$4,972,013,692.36**	**$4,972,861,081.36**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	116	$1,597,822,476.89
Higher Education	15	$657,373,644.81
Healthcare	13	$253,403,872.70
Utility District	29	$310,040,850.69
City	65	$966,601,967.39
County	38	$453,220,545.54
Other	61	$733,552,799.84

TexPool *PRIME*

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool *Prime* Invested Balance	NAV	WAM Days	WAL Days
8/1	2.1779%	0.000059669	$4,958,292,559.61	1.00013	34	58
8/2	2.1724%	0.000059518	$4,969,832,916.56	1.00013	35	58
8/3	2.1625%	0.000059247	$4,956,251,407.19	1.00007	35	60
8/4	2.1625%	0.000059247	$4,956,251,407.19	1.00007	35	60
8/5	2.1625%	0.000059247	$4,956,251,407.19	1.00007	35	60
8/6	2.1595%	0.000059164	$4,929,155,006.52	1.00014	34	59
8/7	2.1633%	0.000059269	$4,939,120,762.71	1.00013	34	59
8/8	2.1680%	0.000059396	$4,917,902,360.01	1.00013	34	60
8/9	2.1780%	0.000059670	$4,901,272,845.79	1.00013	34	61
8/10	2.1744%	0.000059573	$4,975,367,059.63	1.00008	34	61
8/11	2.1744%	0.000059573	$4,975,367,059.63	1.00008	34	61
8/12	2.1744%	0.000059573	$4,975,367,059.63	1.00008	34	61
8/13	2.1813%	0.000059761	$4,908,495,770.52	1.00014	34	60
8/14	2.1846%	0.000059851	$4,817,772,450.05	1.00015	34	61
8/15	2.1995%	0.000060259	$4,786,998,360.37	1.00014	33	63
8/16	2.2061%	0.000060441	$4,797,196,154.75	1.00016	33	63
8/17	2.1905%	0.000060014	$4,806,005,516.96	1.00010	33	62
8/18	2.1905%	0.000060014	$4,806,005,516.96	1.00010	33	62
8/19	2.1905%	0.000060014	$4,806,005,516.96	1.00010	33	62
8/20	2.1856%	0.000059880	$4,797,462,731.95	1.00015	30	60
8/21	2.1895%	0.000059987	$4,771,399,432.54	1.00015	31	60
8/22	2.1865%	0.000059903	$4,715,321,845.92	1.00015	31	60
8/23	2.1913%	0.000060036	$4,709,293,748.42	1.00015	32	62
8/24	2.1917%	0.000060046	$4,679,406,904.14	1.00010	32	62
8/25	2.1917%	0.000060046	$4,679,406,904.14	1.00010	32	62
8/26	2.1917%	0.000060046	$4,679,406,904.14	1.00010	32	62
8/27	2.1930%	0.000060082	$4,698,816,692.46	1.00015	29	59
8/28	2.1871%	0.000059920	$4,714,463,516.95	1.00015	29	58
8/29	2.1782%	0.000059678	$4,769,293,502.02	1.00015	29	57
8/30	2.1653%	0.000059324	$5,001,343,318.33	1.00015	27	53
8/31	2.1718%	0.000059502	$4,972,013,692.36	1.00017	27	54
Average:	**2.1805%**	**0.000059740**	**$4,849,243,236.50**	**1.00012**	**32**	**60**

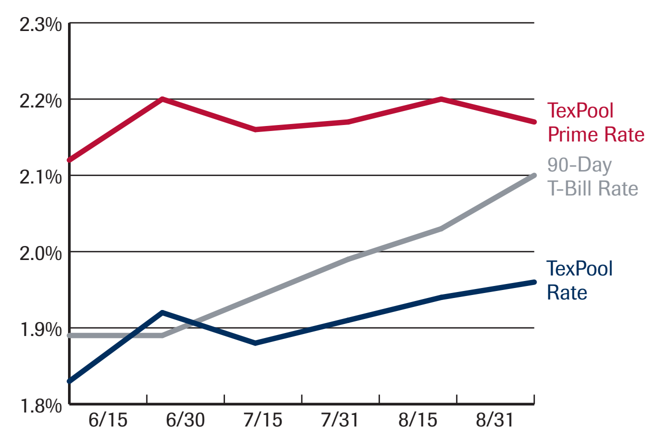
Participant Services
1001 Texas Ave. 14th Floor
Houston, TX 77002

the New York Fed president, who operates more like a governor due to the importance of that bank, regional Fed presidents don't interact with the international community or regularly meet with other central bankers. Board governors represent the U.S. in world affairs, and we need a full complement.

The more pressing Fed issue is this month's FOMC meeting. The markets think there is more than a 90% chance of a 25-basis-point hike, with a little over 60% likelihood of another in December. So, the market is expecting continued increases which, at 2.25-50% at the end of this year, would take us close to the Fed's neutral target of 2.9%. The markets still don't know what will happen with the balance sheet. There has been no guidance yet on that, which is frustrating. I expected some two meetings ago.

Libor was essentially unchanged over the month, with 1-month at 2.08%, 3-month at 2.32% and 6-month at 2.53%).

TexPool & TexPool *Prime* vs. 90-Day Treasury Bill



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.

TexSTAR

Monthly Newsletter – September 2018

Performance

As of September 30, 2018

Current Invested Balance	$6,458,418,968.50
Weighted Average Maturity (1)	43 Days
Weighted Average Maturity (2)	107 Days
Net Asset Value	0.999935
Total Number of Participants	883
Management Fee on Invested Balance	0.06%*
Interest Distributed	$11,223,374.86
Management Fee Collected	$327,074.35
% of Portfolio Invested Beyond 1 Year	7.21%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

September Averages

Average Invested Balance	$6,632,102,602.16
Average Monthly Yield, on a simple basis	1.9995%
Average Weighted Average Maturity (1)*	30 Days
Average Weighted Average Maturity (2)*	96 Days

Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

New Participants

We would like to welcome the following entities who joined the TexSTAR program in September:

- ★ City of Krugerville
- ★ Krugerville Economic Development Corp
- ★ Krugerville Community Development Corp
- ★ Lago Mar Development Authority

Holiday Reminder

In observance of **Columbus Day, TexSTAR will be closed on Monday, October 8, 2018.** All ACH transactions initiated on Friday, October 5th, will settle on Tuesday, October 9th. Please plan accordingly for your liquidity needs.

Economic Commentary

The Federal Reserve (Fed) raised short-term interest rates for a third time this year and signaled it will progress with plans to gradually tighten policy even as central bankers face White House pressure for low borrowing costs and concerns over the trade war with China. As anticipated, the Fed boosted the federal funds rate target range by 25bps to 2.00%-2.25% at its September Federal Open Market Committee (FOMC) meeting. The FOMC statement maintained existing language reflecting the solid economic backdrop in the U.S., roughly balanced risks to the outlook and the appropriateness of further gradual rate hikes. The most interesting change was the reference to the stance of monetary policy, which was previously described as remaining accommodative, but has been subsequently removed. This change further distances the Fed from the extraordinarily easy policy and explicit forward guidance used at the zero lower bound. The median interest rate forecast "dot plot" was largely unchanged, telegraphing one more rate hike in 2018, three in 2019 and one in 2020. The description of the economy was upbeat and growth projections were modestly upgraded. Both the inflation and unemployment forecasts were mostly unchanged from the June meeting.

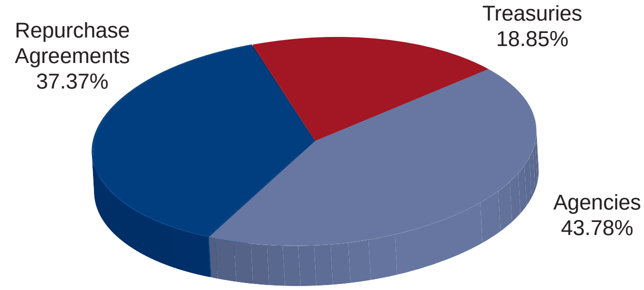
Our base case scenario remains above trend growth although escalating trade battles could depress business confidence and tighten financial conditions. The probability of recession is still low. Fiscal stimulus in the U.S., a well-capitalized global banking system, strong U.S. consumer balance sheets and central banks that are overly cautious in restoring normality to the system are on the growing laundry list of reasons not to expect a recession any time soon. While the U.S. yield curve has flattened, which has historically been a reasonable indicator of approaching recession, we believe the monetary distortions present in this cycle are a meaningful difference accentuating curve flattening. We will see how the next couple quarters play out for the curve as quantitative easing (QE) gives way to quantitative tightening (QT) and the tax reform incentive for U.S. plans to contribute to their pension funds ends. This is the quarter we have all been waiting for: QE becomes QT, U.S. fiscal stimulus accelerates, Treasury supply mushrooms, Brexit is a reality, and trade wars loom. There will be increased volatility. There will be markets that become overbought or oversold and the opportunity to take advantage of these shifts in investor sentiment as they arise.

This information is an excerpt from an economic report dated September 2018 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

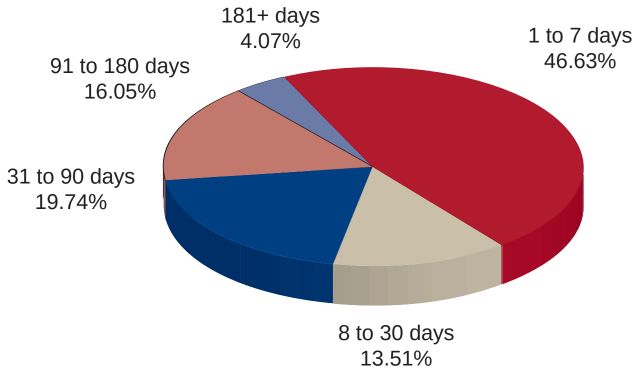
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

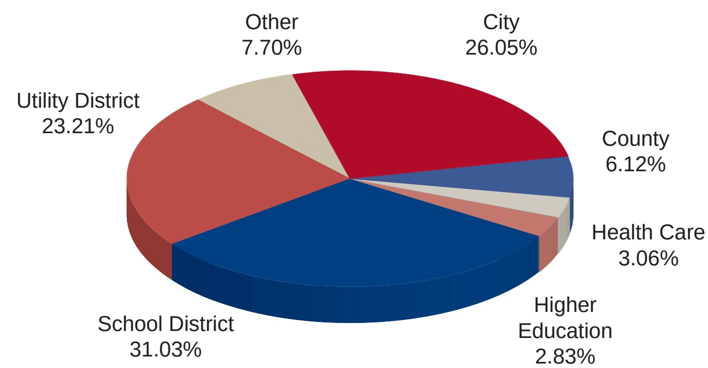
Portfolio by Type of Investment As of September 30, 2018



Portfolio by Maturity As of September 30, 2018



Distribution of Participants by Type As of September 30, 2018



Historical Program Information

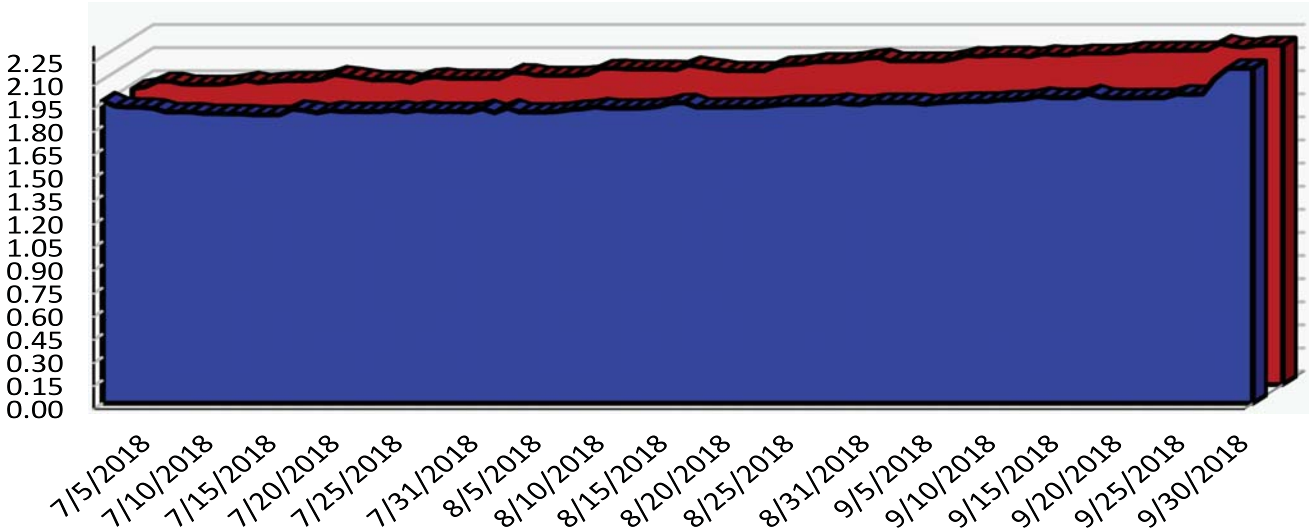
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sep 18	1.9995%	$6,458,418,968.50	$6,458,002,746.78	0.999935	30	96	883
Aug 18	1.9225%	6,701,017,159.16	6,701,228,119.73	0.999971	24	91	879
Jul 18	1.8965%	6,837,425,331.68	6,837,427,966.67	1.000000	19	84	877
Jun 18	1.8300%	6,250,002,595.51	6,250,027,195.61	0.999991	26	99	874
May 18	1.7258%	6,489,773,533.02	6,489,474,005.73	0.999953	29	106	868
Apr 18	1.6304%	6,358,425,417.53	6,358,101,312.82	0.999949	18	99	861
Mar 18	1.4995%	6,461,363,510.56	6,460,804,379.93	0.999892	28	105	857
Feb 18	1.3518%	7,130,310,070.00	7,129,718,573.04	0.999917	28	97	854
Jan 18	1.2900%	7,090,345,755.93	7,090,199,741.00	0.999979	31	83	853
Dec 17	1.1762%	6,518,450,917.63	6,518,448,483.33	0.999984	36	82	853
Nov 17	1.0695%	6,157,485,042.89	6,157,068,439.39	0.999932	38	90	853
Oct 17	1.0482%	5,848,642,382.89	5,848,708,234.12	1.000011	38	96	852

Portfolio Asset Summary as of September 30, 2018

	Book Value	Market Value
Uninvested Balance	$ 435.41	$ 435.41
Accrual of Interest Income	4,382,010.46	4,382,010.46
Interest and Management Fees Payable	(11,238,824.85)	(11,238,824.85)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,415,928,999.71	2,415,928,999.71
Government Securities	4,049,346,347.77	4,048,930,126.05
Total	**$ 6,458,418,968.50**	**$ 6,458,002,746.78**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at $1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for September 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
9/1/2018	1.9518%	0.000053473	$6,701,017,159.16	0.999971	19	87
9/2/2018	1.9518%	0.000053473	$6,701,017,159.16	0.999971	19	87
9/3/2018	1.9518%	0.000053473	$6,701,017,159.16	0.999971	19	87
9/4/2018	1.9402%	0.000053157	$6,665,047,970.37	0.999967	24	90
9/5/2018	1.9494%	0.000053407	$6,547,923,835.44	0.999959	27	94
9/6/2018	1.9549%	0.000053558	$6,563,754,526.50	0.999963	27	97
9/7/2018	1.9593%	0.000053680	$6,544,637,641.90	0.999955	26	95
9/8/2018	1.9593%	0.000053680	$6,544,637,641.90	0.999955	26	95
9/9/2018	1.9593%	0.000053680	$6,544,637,641.90	0.999955	26	95
9/10/2018	1.9686%	0.000053934	$6,534,005,098.49	0.999942	29	97
9/11/2018	1.9692%	0.000053950	$6,587,820,254.83	0.999946	30	94
9/12/2018	1.9752%	0.000054114	$6,667,204,607.42	0.999950	31	95
9/13/2018	1.9920%	0.000054576	$6,713,789,818.43	0.999949	34	99
9/14/2018	1.9829%	0.000054325	$6,737,988,513.29	0.999946	32	97
9/15/2018	1.9829%	0.000054325	$6,737,988,513.29	0.999946	32	97
9/16/2018	1.9829%	0.000054325	$6,737,988,513.29	0.999946	32	97
9/17/2018	2.0091%	0.000055045	$6,762,492,185.16	0.999942	32	96
9/18/2018	1.9858%	0.000054406	$6,821,445,871.11	0.999938	31	95
9/19/2018	1.9820%	0.000054302	$6,716,906,933.52	0.999932	31	96
9/20/2018	1.9813%	0.000054282	$6,697,624,013.26	0.999924	31	95
9/21/2018	1.9829%	0.000054327	$6,665,160,728.16	0.999915	30	94
9/22/2018	1.9829%	0.000054327	$6,665,160,728.16	0.999915	30	94
9/23/2018	1.9829%	0.000054327	$6,665,160,728.16	0.999915	30	94
9/24/2018	2.0069%	0.000054983	$6,631,036,905.28	0.999913	30	94
9/25/2018	2.0039%	0.000054901	$6,587,166,063.01	0.999920	32	97
9/26/2018	2.0057%	0.000054951	$6,604,208,386.78	0.999926	32	96
9/27/2018	2.1084%	0.000057765	$6,540,982,562.07	0.999730	42	104
9/28/2018	2.1735%	0.000059547	$6,458,418,968.50	0.999935	43	107
9/29/2018	2.1735%	0.000059547	$6,458,418,968.50	0.999935	43	107
9/30/2018	2.1735%	0.000059547	$6,458,418,968.50	0.999935	43	107
Average	1.9995%	0.000054780	$6,632,102,602.16		30	96

TexSTAR

For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ www.texstar.org

1201 Elm Street, Suite 3500, Dallas, TX 75270

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J.P.Morgan
Asset Management

Insights for Investors

October 2018 Economic Review

Texas CLASS Trading Desk (https://www.texasclass.com/author/texas-class-trading-desk/) October 12, 2018

A High-Flying U.S. Economy and a Soft Landing

Due to a combination of factors, the United States economy is currently the envy of the world; however, for the Federal Reserve Governors, such strength also gives pause. The Governors are currently wrestling with how long and how much growth can or should continue and how much support is appropriate. The economy is operating near full capacity, jobless claims are near historic lows, and the combined benefits of the tax cut and resolution of trade agreements will support continued growth. Unfortunately, the good times cannot last forever.

As developing economies follow Turkey and Argentina into recession and China and Western Europe experience comparatively slower growth, global investors are seeking strong and safe returns. The recently signed US-Mexico-Canada Agreement (that replaced NAFTA) could also lead to increased investment or demand for U.S. dollars, thereby widening the gap between the currencies of trading partners. Ultimately, this could expand the trade deficit and, because oil is priced in dollars, increase the price of oil. In a worst-case scenario, inflation would be up, and economic growth would eventually be down.

The Fed is seeking to head off such a scenario by moderating growth and bringing the economy in for a soft landing. The Fed's current consensus calls for one more rate hike in December of 2018 with an additional three expected in 2019. Additionally, the benefit of the tax cut is expected to be fully absorbed by the second half of 2019. Policies that have weighed on international economies should moderate, and global economic convergence should occur.

Due to the Fed's reliance on economic indicator data, the market will have some visibility in advance of any potential actions.

Treasury Yields

Maturity	10/9/18	9/10/18	Change
3-Month	2.213%	2.125%	0.088%
6-Month	2.421%	2.304%	0.117%
1-Year	2.617%	2.512%	0.105%
2-Year	2.885%	2.711%	0.174%

3-Year	2.979%	2.778%	0.202%
5-Year	3.056%	2.823%	0.233%
10-Year	3.206%	2.931%	0.275%
30-Year	3.369%	3.081%	0.288%

Agency Yields

Maturity	10/9/18	9/10/18	Change
3-Month	2.244%	2.166%	0.078%
6-Month	2.367%	2.258%	0.109%
1-Year	2.537%	2.433%	0.104%
2-Year	2.936%	2.763%	0.173%
3-Year	3.022%	2.831%	0.191%
5-Year	3.157%	2.934%	0.223%

Commercial Paper Yields (A-1/P-1)

Maturity	10/9/18	9/10/18	Change
1-Month	2.250%	2.080%	0.170%
3-Month	2.390%	2.260%	0.130%
6-Month	2.580%	2.470%	0.110%
9-Month	2.730%	2.610%	0.120%

Current Economic Releases

Data	Period	Value
GDP QoQ	Q2 ’18	4.20%
U.S. Unemployment	Sept ’18	3.70%
ISM Manufacturing	Sept ’18	59.80
PPI YoY	Sept ’18	3.00%
CPI YoY	Sept ’18	2.30%
Fed Funds Target	October 2018	2.00% – 2.25%

Source: Bloomberg