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[John Hatchel (Chair), Linda McKenna, Ellis Skinner]

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**Board Meeting Date:** May 12, 2016

**Proposed Minute Order #:** 27-16(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Subject:** Signature Authorizations

**Background:** The State Comptroller's Office maintains a list of authorized signatures for vouchers, checks, drafts, orders, and other instruments. Any changes to this list must be approved by the Board of Regents and submitted in writing to the State Comptroller's Office.

In connection with the Texas State Technical College (TSTC) statewide functional integration strategy, personnel within the Finance division have transitioned to new roles. In addition, certain employees with signature authority are retiring. These organizational changes necessitate the revision to the list of authorized signatories. Where names were added, the name(s) appears in **bold** font. Removed names are indicated by crossed-out text.

**Justification:** The State Comptroller's Office's list of authorized signatures must be updated as additions, deletions, and other changes are made.

**Additional Information:** The proposed Minute Order includes a column that lists the employees who are authorized to conduct electronic outgoing banking transactions, which are required for payroll and other purposes..

**Fiscal Implications:** Not applicable

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** None

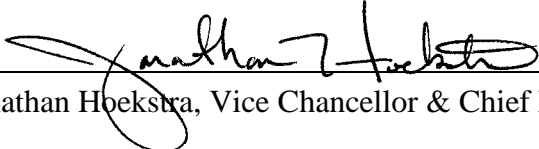
**Recommended Minute Order:** "The Board of Regents approves the following signature authorizations for all documents (checks, vouchers, drafts, orders, and other instruments); approves signature authorizations for vouchers only; and approves the following electronic outgoing banking transaction authorizations:

Authorizations for All Documents (Two Signatures)	Authorizations for Vouchers Only (One Signature)	Authorizations for Electronic Outgoing Banking Transactions
<i>(All Campuses)</i>	<i>(All Campuses)</i>	<i>(All Campuses)</i>
Michael L. Reeser	Carla Dodge	Carla Dodge
Jonathan Hoekstra	Karen Hykel	Karen Hykel
Albert Srubar	Susan Stone	Susan Stone
Jan Dudik	Carolina Duran	Carolina Duran

Authorizations for All Documents (Two Signatures)	Authorizations for Vouchers Only (One Signature)	Authorizations for Electronic Outgoing Banking Transactions
<b><i>Waco</i></b>		
<del>Rob Wolaver</del>	Elizabeth Medrano	
<b>Adam Hutchison</b>	Stephanie Bennett	
David Kofnovec	<del>Regina Hernandez</del>	
Lisa Frenette	Angelica Holland	
Marjorie Vrbas	<b>Christopher Greenwood</b>	
<b><i>Marshall</i></b>		
Bart Day		
Peggy Adams		
<b><i>Harlingen</i></b>		
Stella Garcia		
Gisela Figueroa		
Ruth Garcia		
<b><i>West Texas</i></b>		
Eliska Smith		
Karen Waller		
Kevin Shipp		
Jan Harvey		

In addition, the Board of Regents approves the use of facsimile signatures of both of the following employees for checks in the amount of \$25,000 or less: Michael L. Reeser and Jonathan Hoekstra. In the absence of either Michael L. Reeser or Jonathan Hoekstra, the Board of Regents approves the use of the facsimile signature of Albert Srubar.”

**Recommended By:**

  
 \_\_\_\_\_  
 Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Board Meeting Date:** May 12, 2016

**Proposed Minute Order #:** 28-16(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Subject:** Policy for Investments

**Background:** Texas State Technical College (TSTC) traditionally approved its investment policy annually in accordance with The Public Funds Investment Act, Government Code Chapter 2256. This traditionally is submitted at the Fall meeting of the TSTC Board of Regents. In April 2016, TSTC sold two separate bond issues, generating proceeds to be reserved for construction of over \$69 million. Based on the timing of the related projects, certain funds will be held for multiple years. Consequently, additional investment alternatives were evaluated and recommended to optimize the returns on such proceeds.

**Justification:** Management consulted with TSTC's financial advisor, Hilltop Securities, and the Fiscal Affairs committee to ensure the principles of safety of principal, liquidity, and adequate yield for invested funds were adhered to in recommending revisions to the investment policy.

**Additional Information:** During the 84<sup>th</sup> Legislative Session, certain changes were made to the Public Funds Investment Act requiring minor changes to the investment policy to ensure compliance. Other changes were required to reflect TSTC's single college structure.

**Fiscal Implications:** Increase the yield on proceeds held for construction projects.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** None

**Recommended Minute Order:** "It is the policy of Texas State Technical College (TSTC) to prudently invest funds not needed for immediate operating purposes and other funds such as plant funds, endowment funds, and other reserve funds. Such funds will be appropriately invested according to each fund type in consideration of preservation and safety of principal, liquidity, and yield while meeting the daily cash flow needs of the college. All deposits and investments shall conform to the Public Funds Investment Act.

#### SHORT-TERM VERSUS LONG-TERM PORTFOLIO

Limitations on instruments, diversification and maturity scheduling shall depend upon whether the funds being invested are considered short-term or long-term funds. All funds shall be considered short-term except construction funds, endowment funds, plant funds for future capital

projects, and reserve funds.

### SHORT-TERM PORTFOLIO DIVERSIFICATION

TSTC will diversify its investments to avoid incurring unreasonable risks inherent in over- investing in individual financial institutions or maturities.

#### Maturity Scheduling:

Investment maturities of operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizeable blocks of anticipated revenue.

Short-term funds shall be invested in instruments whose maturities do not exceed one year from the time of purchase.

### LONG-TERM PORTFOLIO DIVERSIFICATION

Eligible investment instruments and diversification objectives for the long-term portfolio shall be the same as for the short-term portfolio.

Maturity scheduling shall be timed according to anticipated need. Weighted Average portfolio maturity shall not exceed 24 months. Long-term funds shall be invested in instruments whose maturities do not exceed three years from the time of purchase.

The remainder of this policy applies to both short-term portfolio and the long-term portfolio.

### THE COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS AND OPERATING ACCOUNTS

Before TSTC invests any funds, a competitive 'bid' process shall be conducted. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments which meet the maturity requirements. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.

Written or oral bids will be requested from three approved depository banks for various options with regard to term and instrument. TSTC will accept the bid which provides the highest rate of return within the maturity required and within the parameters of these policies. TSTC will maintain a copy of bids obtained.

The Chief Financial Officer shall discuss with the Board of Regents Fiscal Affairs Committee the existing status of depository agreements with existing

operating accounts at each fall meeting of the Board of Regents, including the necessity of bidding such operating accounts.

### QUALIFIED INSTITUTIONS

TSTC shall maintain a listing of depository financial institutions that are approved for investment purposes. In order to be qualified as an approved depository institution, a financial institution must meet the following tests:

1. The financial institution is selected by competitive bid process in accordance with  
Section 51.003(a) of the Education Code;
2. The financial institution must provide their most recent Statement of Condition report on request;
3. The financial institution must sign a 'Certification by Registered Principal of Investment Firm/Bank' certifying that the registered principal reviewed *TSTC's Investment Policy* and acknowledges that their organization has implemented reasonable procedures and controls to comply; and,
4. The financial institution must maintain a consistent record of compliance with TSTC's collateral coverage and investment policy.

TSTC shall use a competitive bid process in accordance with Section 51.003 of the Education Code to invest through any one of these entities:

1. "Primary" government security dealers (as defined by the New York Federal Reserve), or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
2. A Federally-insured financial institution doing business in Texas, or
3. Texas local government investment pools, as permitted in accordance with Government Code 2256.016 and this policy.

### ETHICAL GUIDELINES FOR INVESTMENTS

1. Section 51.923 of the Education Code permits an institution of higher education to contract with a non-profit corporation even though one or more members of the governing board of the institution of higher education also serves as a member, director, officer or employee of such a non-profit corporation. This section further permits an institution of higher education to contract with a business entity even though one or more members of the governing board of the institution of higher education have an interest in the

business entity if the interest is not a substantial interest. An interest is a substantial interest if: (1) the board member owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; (2) funds received by the member from the business entity exceed 10 percent of the member's gross income for the previous year; (3) the member is an officer of the business entity or a member of the governing board of the business entity; or (4) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described above. If a board member has a substantial interest in a business entity as described in this paragraph, the institution of higher education can still contract with that business entity provided that the board member discloses such interest to the board and refrains from voting on the contract or transaction requiring board approval.

2. Section 404.0211 of the Government Code, does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, is also an officer or director of the bank if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings. This section also does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, own or have a beneficial interest, individually or collectively in 10 percent or less of the outstanding capital stock of the bank, if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings.
3. Employees of TSTC who are involved in the selection of depository financial institutions shall not attempt to gain any personal benefit from the financial institutions in turn for depositing the funds in said financial institution. These employees must complete and sign an Employee Independence – Deposits and Investments form, TSTC-0-FA-012 (09-11), at the beginning of each fiscal year. These forms are due to the System Vice Chancellor for Finance by October 1 of each year. This form seeks information needed to determine if a board vote would be needed for selection of a depository institution.
4. Board members will be requested to complete form TSTC-0-FA-043 (09-11) before the fall meeting of the Board of Regents. This form seeks information needed to determine if a board vote would be needed for selection of a depository institution.

## COLLATERAL

Statute requires that all state deposits above the level of federal insurance be fully collateralized. Statute further requires that all deposits that are collateralized by securities be protected at a minimum of 100 percent of the deposit amount. Securities are accepted at 100 percent of their market value. The value of surety bonds and FHLB Letters of Credit are their face value.

TSTC's funds in excess of FDIC-insurance, are to be fully collateralized at all times by government securities which include U.S. Treasury obligations and/or direct obligations of Federal agencies or instrumentalities including certain mortgage-backed securities, FHLB Letters of Credit or surety bonds.

All investments and/or pledged collateral requiring a Moody's Investor Service or S&P rating of "A" or better per Chapter 2256 of the Government Code must be in compliance. An independent pricing and rating service organization ("Independent Investment Evaluator or IIE") will be contracted to certify to TSTC on a monthly basis that the securities pledged against its deposits are accurately rated and priced at market value.

Pledged securities may be held in safekeeping at a commercial bank in the State of Texas, the Texas Independent Bankers-Bank (TIB), the Federal Home Loan Bank (FHLB), or at the Federal Reserve Bank.

The first portion of TSTC's demand and time deposits may be collateralized by the applicable FDIC coverage.

The collateral-to-deposit ratio for pledged deposits will be evaluated monthly. The market value of the collateral will be evaluated monthly.

In both ratio and market value processes, the financial institutions will be notified immediately if the value of securities pledged decreases to the point where the value is less than the amount on deposit and invested. Financial institutions are expected to correct deficit collateral positions immediately. Financial institutions that repeatedly fail to maintain sufficient collateral levels will be removed from TSTC's approved financial institution list.

The Accounting and Reporting Office keeps an updated record of bonds or securities pledged as collateral for deposits. The report contains the following by depository financial institution: security description, CUSIP number, par value, maturity, rate, market value, safekeeping receipt, and financial institution code.

Each month the Accounting and Reporting Office receives from each depository financial institution a listing of all pledged collateral. The Accounting and Reporting Office will compare the financial institution report to TSTC's report to determine any changes. The Accounting and Reporting



Office will send all changes to the IIE (Independent Investment Evaluator). The IIE will update their records, review market values and will furnish an updated Pledged Collateral Report to TSTC.

## AUTHORIZED INVESTMENTS

### 1. Certificates of Deposit (in Federally-insured institutions)

Time Certificates of Deposit with a maturity not to exceed two (2) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, when possible and appropriate, in a financial institution or institutions located in the county or counties in which a TSTC campus operation is located, except for endowment accounts where the donor references a specific depository.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of TSTC.

### 2. Obligations of, or Guaranteed by Governmental Entities

- a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- b. Direct obligations of this state or its agencies and instrumentalities;
- c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than 'A' or its equivalent.

### 3. TexPool, an authorized AAA rated local government investment pool and other similar Texas public funds investment pools investing in government securities and repurchase agreements as approved by the Board, rated no less than AAAM or equivalent and seeking to maintain a constant dollar net asset value.

4. Repurchase agreements (“Repos”) with a defined termination date, collateralized by Treasury and Federal Agency securities listed in items “a,” “b” and “c” above, collateralized initially at a minimum market value of 102 percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

#### UNAUTHORIZED INVESTMENTS

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the coupon payments on the outstanding principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized Mortgage Obligations that have a stated final maturity date of greater than ten years; and,
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

#### LIQUIDITY

The TSTC Investment Officer shall insure that:

1. Income and expenditure patterns will be monitored and continually updated to determine monthly cash needs of TSTC;
2. Placement of TSTC's investments and maturity schedules is determined by the cash needs and cash expectations of TSTC; and,
3. The TSTC portfolio will contain liquid interest-

earning instruments. YIELD

The TSTC Investment Officer shall insure that:

1. The yield on investments is negotiated at the time of purchase and that it reflects market conditions and yields available; and,
2. The investment portfolio consists of an appropriate mix of short-term interest-earning instruments that benefit from anticipated market conditions and that achieve the best allowable yield.

An investment that requires a minimum credit rating does not qualify as an AUTHORIZED INVESTMENT during the period the investment does not

have the minimum credit rating even if the investment had the appropriate rating at the time of purchase. The Investment Officers shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

### GIFTS AND BEQUESTS

The terms of cash gifts or bequests shall be honored with respect to the donor's preference of depository, type of investment and use of the earnings provided that the donor's preference is not contrary to applicable law.

The Texas Education Code, Chapter 135.2, authorizes the Board of Regents to accept certain land and facilities in the name of the State of Texas. The Board of Regents has delegated to the Chancellor authority to receive all other gifts and bequests.

The Chancellor has delegated to the Chief Financial Officer the authority to accept cash, checks, money orders, bank drafts, payments made with certain credit cards, supplies, and equipment.

The Chancellor retains sole authority to accept all other gifts or bequests, such as marketable securities, real estate, tangible personal property, beneficial interests in insurance policies, beneficial and/or assignable interests in retirement plans, bequests, etc. After review and due consideration, the Chancellor may delegate this authority to the Chief Marketing Officer on a case-by-case basis; such delegation must be in writing before being acted upon by the Chancellor's designee. In general, these types of gifts and bequests will be converted into cash as promptly as possible, unless prohibited by the terms of the gift or bequest; exceptions may be made with the Chancellor's approval.

### INVESTMENT OFFICER

The Vice Chancellor for Finance is designated as Investment Officer of TSTC and is responsible for managing the purchase, sale and the investing of all financial resources under TSTC control or as granted by law. The Comptroller is designated as an alternate investment officer of TSTC who may act on investment decisions in the absence of the designated investment officer. The designated investment officers, acting in accordance with the System Operating Standard for Investments and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments. Should the Vice Chancellor for Finance be unable to serve in the capacity of Investment Officer of TSTC, the Chancellor may designate a successor that shall be ratified by the TSTC Board of Regents at its next regularly scheduled meeting.

The standard of care to be applied by the investment officer shall be the

‘prudent investor’ rule, which states:

“Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal, liquidity and yield.”

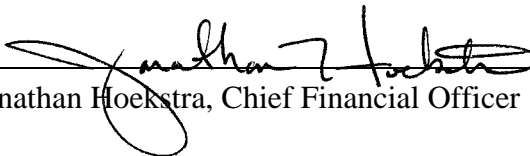
The prudent investor rule shall be applied in the context of managing the overall portfolio, rather than an individual investment.

Bond proceed investments must comply with the Texas Public Funds Investment Act, Chapter 2256 of the Government Code, and any amendments made thereto.

#### INVESTMENT TRAINING

Investment officers shall receive 10 hours of investment training relating to an investment officer’s responsibilities within twelve (12) months after assuming duties; and attend additional training sessions not less than once every two years and receive not less than ten (10) hours of training. Such training from an independent source shall be sponsored or instructed through the University of North Texas Center for Public Management, the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, Texas Municipal League, Texas Association of School Board Officials, Texas Association of School Boards, the North Central Texas Council of Governments or other independent industry organizations to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.”

**Recommended By:**

  
Jonathan Hoekstra, Chief Financial Officer

**Board Meeting Date:** May 12, 2016

**Proposed Minute Order #:** 29-16(c)

**Proposed By:** Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Subject:** Selection of Authorized Brokers

**Background:** The Public Funds Investment Act, Government Code Chapter 2256, requires that the governing body of an entity subject to the Act shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

**Justification:** The Board of Regents is required to review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with Texas State Technical College at least annually as set forth in Section 2256.025 of the Public Funds Investment Act.

**Additional Information:** None

**Fiscal Implications:** Not applicable

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** None

**Recommended Minute Order:** “The Board of Regents adopts the following list of qualified brokers that are authorized to engage in investment transactions with Texas State Technical College:

Coastal Securities, Inc.

Hilltop Securities

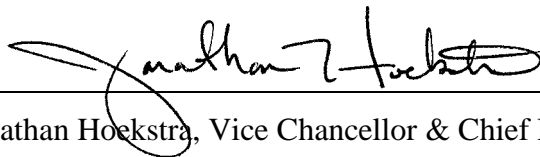
Investors Brokerage of Texas

Robert W. Baird & Co.

Vining Sparks

Wells Fargo Advisors”

**Recommended By:**



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



## Resolution Amending Authorized Representatives

Please use this form to amend or designate Authorized Representatives.

This document supersedes all prior Authorized Representative forms.

\* Required Fields

### 1. Resolution

WHEREAS,

Texas State Technical College System

Participant Name\*

7 8 7 6 7

Location Number\*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Jonathan Hoekstra

Name

Vice Chancellor for Finance

Title

Phone: 254/867-4892 Fax: 254/867-3979 Email: jahoekstra@tstc.edu

Phone/Fax/Email

Signature

2. Albert Srubar

Name

Comptroller

Title

Phone: 254/867-3956 Fax: 254/867-4888 Email: albert.srubar@systems.tstc.edu

Phone/Fax/Email

Signature

**1. Resolution (continued)****3.** Karen Waller

Name

Vice President of Financial Strategic Initiatives

Title

Phone: 325/235-7341 Fax: 325/235-3619 Email: karen.waller@sweetwater.tstc.edu

Phone/Fax/Email

Signature

**4.**

Name

Title

Phone/Fax/Email

Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Albert Srubar

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name

Title

Phone/Fax/Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 12 day May, 20 16.

**Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.**

Texas State Technical College System

Name of Participant\*

**SIGNED**

Signature\*

Keith Honey

Printed Name\*

Chairman, Board of Regents

Title\*

**ATTEST**

Signature\*

Ray Rushing

Printed Name\*

Secretary, Board of Regents

Title\*

**2. Mailing Instructions**

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services  
1001 Texas Avenue, Suite 1400  
Houston, TX 77002

**ORIGINAL SIGNATURE AND DOCUMENT REQUIRED****TEX-REP****2 OF 2**

TexPool Participant Services  
1001 Texas Avenue, Suite 1400 • Houston, TX 77002

Phone: 1-866-TEXPOOL (839-7665) • Fax: 1-866-839-3291 • [www.texpool.com](http://www.texpool.com)

Managed and  
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**Federated®**

G45340-17 (12/15)



**Model Resolution or Ordinance:**

**Participation Agreement**

\*\*\*\*\*

**Authorizing Participation in *TexasTERM***

WHEREAS Texas State Technical College ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the TexasTERM Local Government Investment Pool ("TexasTERM"), a public funds investment pool, was created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in TexasTERM, for the purpose of transmitting local funds for investment in TexasTERM.
- B. The Participant shall designate one or more individuals to act as "Authorized Representatives" of the Participant, in the manner provided in the form attached to this Participation Agreement, to transmit funds for investment in the Pool and to withdraw funds from the Pool from time to time, to issue letters of instruction, and take such other actions deemed necessary or appropriate for the investment of local funds.
- C. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexasTERM receives a copy of any such amendment or revocation.

This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 12 day of May, 2016.

NAME OF PARTICIPANT: Texas State Technical College

BY: \_\_\_\_\_  
Signature

Keith Honey  
Printed Name

Chairman, Board of Regents  
Title

ATTEST: \_\_\_\_\_  
Signature

Ray Rushing  
Printed Name

Secretary, Board of Regents  
Title

Seal:





## APPLICATION FOR PARTICIPATION IN TexSTAR

The undersigned local government (Applicant) applies and agrees to become a Participant in the Texas Short Term Asset Reserve Program (TexSTAR).

1. **Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on May 12, 2016

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas local governments in the Texas Short Term Asset Reserve Program (TexSTAR) in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in TexSTAR and to enter into the participation agreement authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in TexSTAR attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the TexSTAR Board.

SECTION 3. Terms used in this resolution have the meanings given to them by the application."

2. **Agreement.** Applicant agrees with other TexSTAR Participants and the TexSTAR Board to the Terms and Conditions of Participation in TexSTAR, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Terms and Conditions of Participation.

3. **Taxpayer Identification Number.** Applicant's taxpayer identification number is 74-1646989

4. **Contact Information.**  
Applicant primary mailing address: Texas State Technical College, 3801 Campus Dr., Waco, TX 76705  
Applicant physical address (if different): \_\_\_\_\_  
Applicant main phone number: 254/867-4892  
Applicants main fax number: 254/867-3979

5. **Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

1. Name: Jonathan Hoekstra Title: Chief Financial Officer  
Signature: \_\_\_\_\_ Phone: 254/867-4892  
Email: jonathan.hoekstra@tstc.edu

2. Name: Albert Srubar Title: Comptroller  
Signature: \_\_\_\_\_ Phone: 254/867-3956  
Email: albert.srubar@tstc.edu

3. Name: Karen Waller Title: VP of Accounting & Reporting  
Signature: \_\_\_\_\_ Phone: 325/235-7341  
Email: karen.waller@sweetwater.tstc.edu

4. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Signature: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**{REQUIRED} PRIMARY CONTACT:** List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements

Name: Albert Srubar

**{OPTIONAL} INQUIRY ONLY CONTACT:** In addition, the following additional Participant representative (**not listed above**) is designated as an ***Inquiry Only*** Representative authorized to obtain account information:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

DATED \_\_\_\_\_

**\*REQUIRED\***  
**PLACE OFFICIAL SEAL OF ENTITY HERE**

**Texas State Technical College**  
(NAME OF ENTITY/APPLICANT)

SIGNED BY:

\_\_\_\_\_  
(Signature of official)

**Keith Honey, Chairman, Board of Regents**

\_\_\_\_\_  
(Printed name and title)

ATTESTED BY:

\_\_\_\_\_  
(Signature of official)

**Ray Rushing, Secretary, Board of Regents**

\_\_\_\_\_  
(Printed name and title)

**FOR INTERNAL USE ONLY**

**APPROVED AND ACCEPTED: TEXAS SHORT TERM ASSET RESERVE FUND**

.....  
AUTHORIZED SIGNER

**V082011**

2

**Board Meeting Date:** May 12, 2016

**Proposed Minute Order #:** 33-16(c)

**Proposed By:** Elton E. Stuckly, Jr., Executive Vice Chancellor & Chief Operating Officer

**Subject:** Schedule of Charges for the Incidental Cost of Flight Related Instruction Effective Fall 2016

**Background:** Texas State Technical College (TSTC) offers an Associate of Applied Science (AAS) degree in Aircraft Pilot Training Technology (APTT) to prepare men and women for careers in the aviation industry. In addition to training airplane (fixed-wing) pilots, this program also trains helicopter (rotary-wing) pilots. The helicopter flight training option was developed in response to workforce demand expressed by members of the helicopter industry and interest expressed by TSTC students. Though the cost of the rotary-wing program is more than fixed-wing flight training, the helicopter industry reports rotary-wing pilots' annual salaries are significantly higher than the annual salaries of fixed-wing pilots, starting at \$45,000, with a median annual salary of \$76,000.

Certain direct expenses of the APTT program, including specialized instruction, aircraft fleet leases, maintenance, and insurance, are supported through the Board-approved schedule of charges. This schedule was last revised in 2014.

**Justification:** The proposed schedule of charges for the incidental cost of flight instruction increases the dry rate per hour for the TSTC helicopter fleet to compensate for significant increases in lease costs for the aircraft.

**Additional Information:** The proposed APTT program rates, instructor rates and program fees are competitive with those of other college and university level pilot training degree programs.

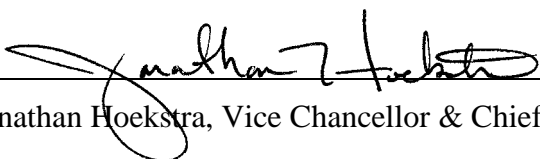
**Fiscal Implications:** Proposed rates ensure sufficient cost recovery for operation of aircraft for flight instruction.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** Schedule of Charges for the Incidental Cost of Flight Instruction and Flight Related Instruction, Effective Fall 2016 Semester.

**Recommended Minute Order:** "The Board of Regents approves the Schedule of Charges for the Incidental Cost of Flight Instruction and Flight Related Instruction, Effective Fall 2016 Semester."

**Recommended By:**

  
Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Texas State Technical College**  
**Amended Schedule of Charges for the Incidental Cost of**  
**Flight Instruction Effective Fall 2016 Semester**

	A	B	C	D
	Description of Change	Fall 2014	Recommended Effective Fall 2016	Comments
1	Aircraft Pilot Training Flight Training Fees - Fixed-Wing Instructor Charge	Not to exceed \$62 per hour	No change	
2	Aircraft Pilot Training Flight Training Fees - Rotary-Wing Instructor Charge	Not to exceed \$62 per hour	No change	
3	Redbird FMX Full-Motion Flight Simulator	Courses and Related Fees: AIRP 1215 Pvt Pilot: \$300; AIRP 2250 Instrument: \$600; AIRP 2239 Comm/Inter: \$200; AIRP 2236 Flight Instr: \$300; AIRP 2251 Multi-Engine: \$200	No change	
4	Adacel ICE (Intelligent Communications Environment) Air Traffic Control Simulator	No change	No change	
5	Air Traffic Control Tower Simulator	No change	No change	
6	Diamond Eclipse DA-20 Aircraft (2 seats)	\$110 per hour	No change	
7	Cessna 172 (4 seats)	\$110 per hour	No change	
8	Piper Arrow PA-28R-201 (retractable, 4 seats)	\$140 per hour	No change	
9	Piper Seminole PA-44-180 (twin engine, 4 seats)	\$160 per hour	No change	
10	Robinson R22 Series Helicopter (2 seats)	\$212.50 per hour	<b>\$400 per hour</b>	Due to increases in helicopter lease rate
11	Robinson R44 Series Helicopter (4 seats)	\$347 per hour	<b>\$550 per hour</b>	Due to increases in helicopter lease rate

*\* Effective Fall 2008, aircraft charges become "dry," meaning that fuel is not included in the aircraft charge. Fuel may be purchased by students through TSTC or elsewhere. When purchased through TSTC, students will reimburse TSTC for their fuel costs.*



**Board Meeting Date:** May 12, 2016

**Proposed Minute Order #:** 34-16(c)

**Proposed By:** Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer

**Subject:** Approve Reallocation of Higher Education Assistance Funds for Fiscal Year 2016

**Background:** The 84th Texas Legislature appropriated \$5,775,000 of HEAF funds to Texas State Technical College for Fiscal Year 2016. HEAF funds may be used for purchases of capital equipment, construction and renovation of instructional and administrative buildings, and retirement of debt service. The initial allocation of HEAF funds was approved at the August 2015 meeting of the Board of Regents. During the February 2016 meeting of the Board of Regents, the Board approved an initial reallocation based on changing priorities for minor capital projects.

In April 2016, TSTC refunded certain local revenue bonds outstanding. The refunding reduced Fiscal Year 2016 debt service accounted for in the original allocation of HEAF funds, freeing additional HEAF funds to apply to equipment purchases for the campus at TSTC in Fort Bend.

**Justification:** The following table provides a comparison between the original Fiscal Year 2016 allocation and the recommended amended allocation:

	<u>FY 2016 Amended Allocation</u>	<u>FY 2016 Original Allocation</u>
Central Admin	\$207,207	\$207,207
Fort Bend	528,800	3,800
Harlingen	1,342,291	1,942,291
Marshall	72,683	472,683
North Texas	359,177	209,177
Waco	2,411,798	2,161,798
West Texas	<u>853,044</u>	<u>778,044</u>
Totals	\$ 5,775,000	\$ 5,775,000

**Additional Information:** None

**Fiscal Implications:** Funds available as appropriated

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

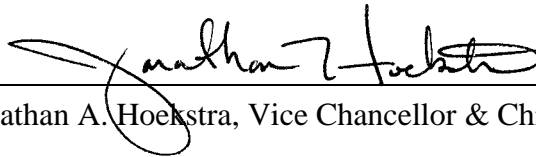
**Attachment(s):** None

**Recommended  
Minute Order:**

“The Board of Regents approves the allocation of Higher Education Assistance Funds for Fiscal Year 2016 in the following manner:

TSTC Central Admin	\$ 207,207
TSTC Fort Bend	\$ 528,800
TSTC Harlingen	\$ 1,342,291
TSTC Marshall	\$ 72,683
TSTC North Texas	\$ 359,177
TSTC Waco	\$ 2,411,798
TSTC Sweetwater	\$ 853,044.”

**Recommended By:**



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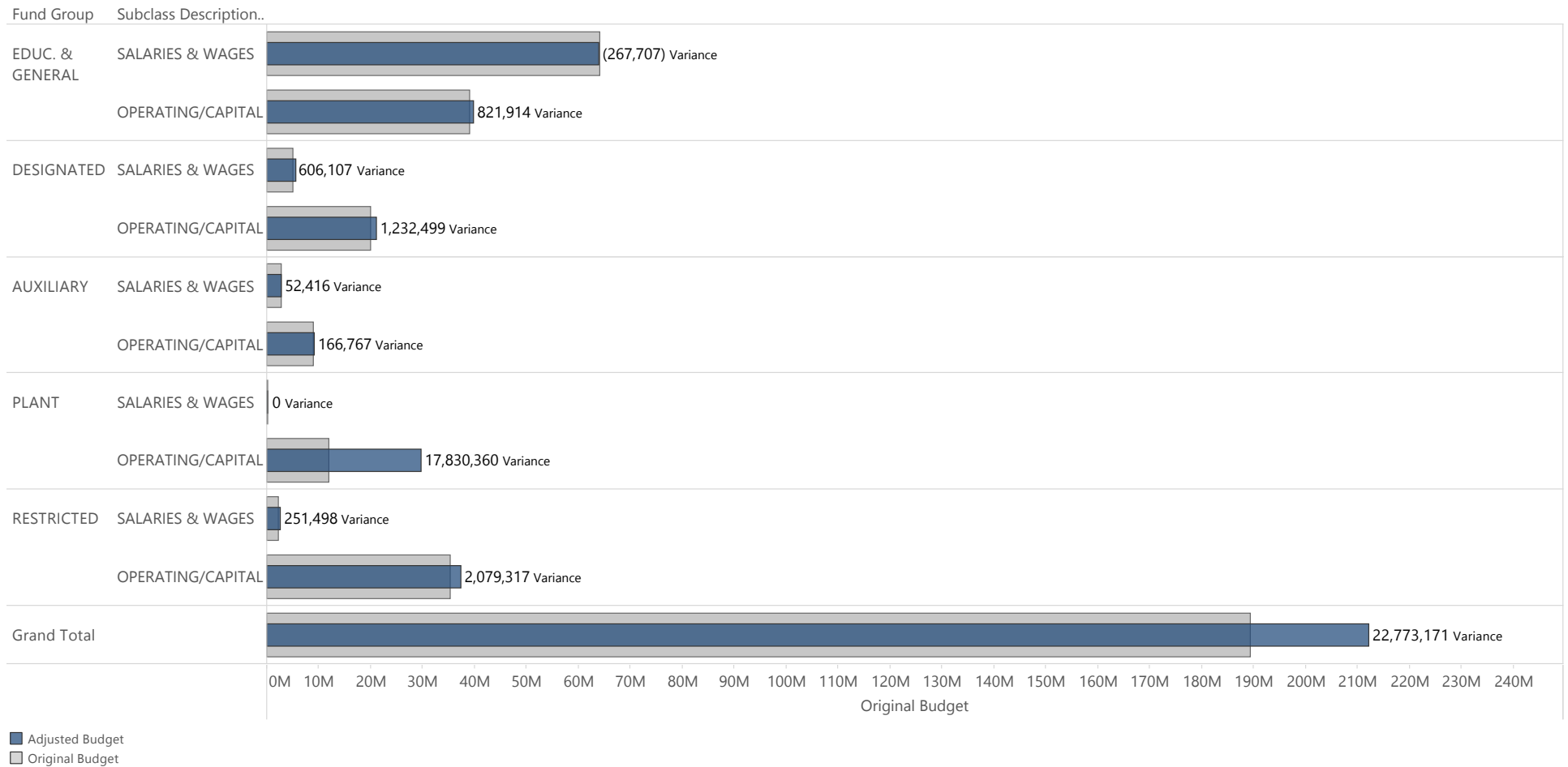
Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer

**TEXAS STATE TECHNICAL COLLEGE SYSTEM**  
**COMPARISON OF BUDGET TO EXPENDITURES AND ENCUMBRANCES**  
**September 1, 2015 - March 31, 2016**

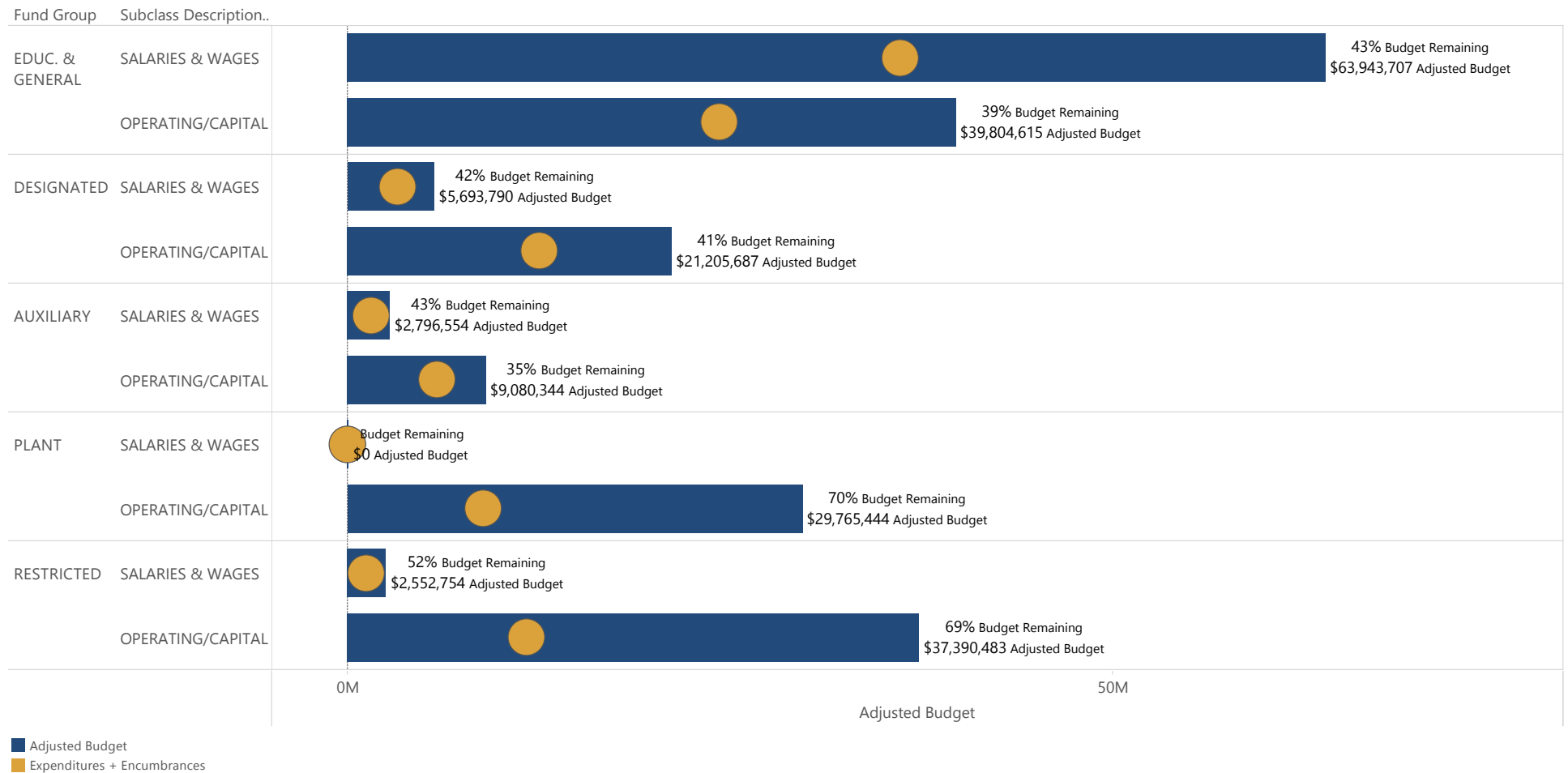
		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>
FUND GROUP	EXPENDITURES	ORIGINAL Original Budget	YTD ADJUSTED Adjusted Budget	YTD Expenditures	YTD Encumbrances	YTD EXPENDITURES AND ENCUMBRANCES	BUDGET Budget Remaining	PERCENT REMAINING
1 EDUC. & GENERAL	SALARY & WAGES	64,211,414	63,943,707	36,145,454	0	36,145,454	27,798,253	43.47%
2 EDUC. & GENERAL	OPERATING/CAPITAL	38,982,701	39,804,615	17,897,421	6,399,165	24,296,586	15,508,029	38.96%
3 TOTAL E & G		103,194,115	103,748,322	54,042,875	6,399,165	60,442,040	43,306,282	41.74%
4 DESIGNATED	SALARY & WAGES	5,087,683	5,693,790	3,305,105	0	3,258,384	2,435,406	42.77%
5 DESIGNATED	OPERATING/CAPITAL	19,973,188	21,205,687	9,097,857	3,477,585	12,522,152	8,683,535	40.95%
6 TOTAL DESIGNATED		25,060,871	26,899,477	12,402,962	3,477,585	15,780,537	11,118,940	41.34%
7 AUXILIARY	SALARY & WAGES	2,744,138	2,796,554	1,595,893	192	1,596,085	1,200,469	42.93%
8 AUXILIARY	OPERATING/CAPITAL	8,913,577	9,080,344	4,088,035	1,774,217	5,862,253	3,218,091	35.44%
9 TOTAL AUXILIARY		11,657,715	11,876,898	5,683,928	1,774,409	7,458,338	4,418,560	37.20%
10 RESTRICTED	SALARY & WAGES	2,301,256	2,552,754	1,218,391	0	1,218,391	1,334,363	52.27%
11 RESTRICTED	OPERATING/CAPITAL	35,311,166	37,390,483	10,866,866	882,707	11,749,573	25,640,910	68.58%
12 TOTAL RESTRICTED		37,612,422	39,943,237	12,085,257	882,707	12,967,964	26,975,273	67.53%
13 PLANT	SALARY & WAGES	0	0	0	0	0	0	0.00%
14 PLANT	OPERATING/CAPITAL	11,935,084	29,765,444	3,125,445	5,751,293	8,876,738	20,888,706	70.18%
15 TOTAL PLANT		11,935,084	29,765,444	3,125,445	5,751,293	8,876,738	20,888,706	70.18%
16 GRAND TOTAL		189,460,207	212,233,378	87,340,468	18,285,159	105,525,617	106,707,761	50.28%



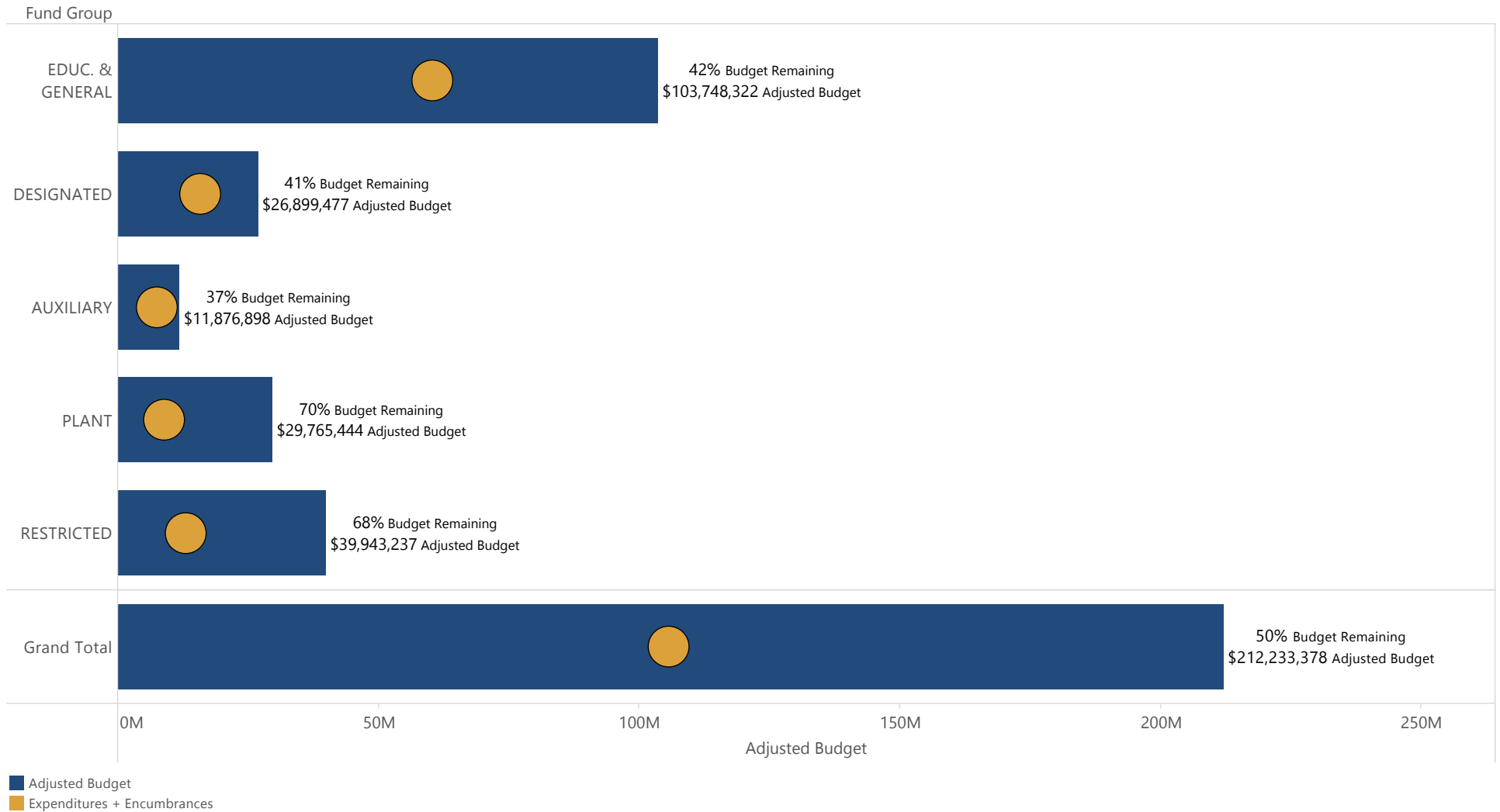
Texas State Technical College System  
Variance of Adjusted Budget to Original Budget  
September 1, 2015 - March 31, 2016



Texas State Technical College System  
Comparison of Budget to Expenditures and Encumbrances by Subclass  
September 1, 2015 - March 31, 2016



Texas State Technical College System  
Comparison of Budget to Expenditures and Encumbrances  
September 1, 2015 - March 31, 2016



TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 29, 2016

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
1 Bank of America - Waco Total				10,000	10,000	08/10/16	0.05%		Waco	5	366
2 Breckenridge InterBank Total			196,941		196,941		0.25%	Operating	Breck		
3 Capital One Bank - Marshall Total	*			2,104	2,104	02/08/17	0.05%		Marshall	5	365
4 Citizens National Bank - Red Oak			4,253		4,253		0.10%		Marshall	5	
5 Compass Bank - Waco	*			338,453	338,453	MMKT	0.25%		Harl	3	
6	*			1,485,806	1,485,806	MMKT	0.25%		Harl	8	
7 Compass Bank - Waco Total		0	0	1,824,259	1,824,259						
8 Elsa State Bank & Trust Co.				130,847	130,847	10/05/16	0.60%		Harl	6	366
9 First Community Bank- San Benito				40,121	40,121	06/18/16	0.50%		Harl	6	366
10 First National Bank, Albany/Breckenridge				65,000	65,000	04/06/16	0.75%		Breck	5	366
11				100,000	100,000	04/14/16	0.75%		Swee	4	366
12				34,215	34,215	04/14/16	0.75%		Abilene	5	366
13 First National Bank, Albany/Breck Total		0	0	199,215	199,215						
14 First National Bank of Central TX, Waco			5,160,951		5,160,951		0.25%	Operating	Waco		
15			440,796		440,796		0.25%	Bookstore	Waco		
16	10				10		0.00%	Fed Funds	Waco		
17			43,352		43,352		0.25%	Café	Waco		
18			258,941		258,941		0.25%	Operating	System Op		
19			1		1		0.25%	Bond Proceeds	System Op		
20			1,539,043		1,539,043		0.25%	Payroll	System Op		
21			30,772		30,772		0.25%	Corp Col On-Line	System Op		
22				1,597,440	1,597,440	MMKT	0.60%		Waco	4	
23				611,687	611,687	MMKT	0.60%		System Op	8	
24				854,181	854,181	MMKT	0.60%		Waco	3	
25 FNB of Central TX Total		10	7,473,856	3,063,308	10,537,174						
26 Frost Bank			679,933		679,933		0.01%	Operating	Harl		
27		50			50		0.00%	Financial Aid	Harl		
28 Frost Bank Total		50	679,933	0	679,983						
29 Guaranty Bank & Trust (Formerly Guaranty Bond Bank)	*			2,201	2,201	02/13/17	0.65%		Marshall	5	366
30 Liberty Bank-N. Richland Hills Total				10,000	10,000	09/07/16	0.75%		Waco	5	731
31 Mills County State Bank	*			200,000	200,000	01/17/17	0.47%		Swee	4	366

TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 29, 2016

	A	B	C	D	E	F	G	H	I	J	K	L
	DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
32	Prosperity Bank (Formerly American State Bank-Abilene)			1,220,045		1,220,045		0.20%	Operating	Abilene		
33	Texas Bank- Brownwood Total			189,202		189,202		0.02%	Operating	Swee		
34	Texas Bank and Trust - Longview		5,304	712,108		712,108		0.10%	Operating	Marshall		
35						5,304		0.00%	Fed Funds	Marshall		
36					36,470	36,470	06/06/16	0.75%		Marshall	5	366
37					55,415	55,415	01/25/17	0.50%		Marshall	5	366
38					15,628	15,628	03/06/16	0.75%		Marshall	5	366
39					5,777	5,777	06/28/16	0.75%		Marshall	5	366
40					43,302	43,302	10/29/16	0.50%		Marshall	5	366
41	Texas Bank and Trust Total		5,304	712,108	156,592	874,004						
42	Texas First State Bank- Waco				374,100	374,100	03/31/16	0.75%		System Op	8	366
43					883,633	883,633	03/31/16	0.75%		System Op	8	366
44					195,553	195,553	11/21/16	0.50%		Waco	5	366
45					250,000	250,000	07/01/16	0.50%		Waco	3	366
46					250,000	250,000	08/01/16	0.50%		Waco	3	366
47					250,000	250,000	10/16/16	0.50%		Waco	4	335
48					250,000	250,000	06/16/16	0.50%		Waco	4	366
49					611,135	611,135	08/14/16	0.50%		System Op	8	366
50					250,000	250,000	05/23/16	0.75%		Waco	4	366
51	Texas First State Bank Total		0	0	3,314,421	3,314,421						
52	Texas National Bank- Sweetwater			2,208,177		2,208,177		0.18%	Operating	Swee		
53				199,875		199,875		0.18%	BkStore Cr Crd	Swee		
54			1			1		0.00%	Financial Aid	Swee		
55	Texas National Bank Total		1	2,408,052	0	2,408,053						
56	TexPool - Other Total		0	0	1	1		0.30%		System Op	8	
57	TexPool - Other Total		0	0	1	1		0.30%		Waco	8	
58	TexPool Loc Rev Bd Proceeds Ser 11A Total		0	0	1	1		0.30%		Hari	8	
59	TexPool - Other Total		0	0	1	1		0.30%		System Op	4	
60	TOTAL ALL INVESTMENTS		5,365	12,884,390	8,953,072	21,842,827						


TEXAS STATE TECHNICAL COLLEGE  
QUARTERLY INVESTMENTS REPORT  
February 29, 2016

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION	FUND NO.	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
61 TIME DEPOSITS BY FUND:											
62 DESIGNATED FUNDS	3			1,692,634							
63 AUXILIARY ENTERPRISES FUNDS	4			2,647,441							
64 ENDOWMENT FUNDS	5			475,665							
65 RESTRICTED FUNDS	6			170,968							
66 UNEXPENDED PLANT FUNDS	8			3,966,364							
67				8,953,072							
68 TIME DEPOSITS BY LOCATION:											
69 SYSTEM OPERATIONS				2,480,557							
70 WACO				3,917,175							
71 HARLINGEN				1,995,228							
72 WEST TEXAS				399,215							
73 MARSHALL				160,897							
74				8,953,072							
75 WEIGHTED AVERAGE RATE OF INTEREST				0.53%							
76 BENCHMARK - TREASURY BOND YIELDS AS OF											
77 2-29-16											
78 1-YEAR				0.62%							
79 WEIGHTED AVERAGE MATURITY (CD'S)				394							
80 INTEREST RECEIVED AND ACCRUED ON											
81 CASH IN BANK AND INVESTMENTS FY 16				38,098							
82 INVESTMENT ACTIVITY FY16											
83 Balance November 30, 2015				9,623,619							
84 Interest Added to Investments				9,649							
85 Time Deposits Increase (Decrease)											
86 TexPool Funds-Other Increase (Decrease)											
87 TexPool Funds-Loc Rev Bonds Increase (Decrease)											
88 Time Deposits-Loc Rev Bonds Increase (Decrease)											
89 Money Market-Loc Rev Bonds Increase (Decrease)				-218,175							
90 Money Market Funds-Other Increase (Decrease)				-462,021							
91 Balance February 29, 2016				8,953,072							

\* Investment Changes December 2015 thru February 2016

ALL INVESTMENTS ARE SHOWN AT COST. MARKET VALUE EQUALS COST DUE TO THE TYPE OF INVESTMENT.

I CERTIFY THAT THIS INVESTMENT PORTFOLIO IS IN COMPLIANCE WITH TEXAS STATE TECHNICAL COLLEGE'S POLICY ON INVESTMENTS AND THE PUBLIC FUNDS INVESTMENT ACT (TEXAS GOVERNMENT CODE, SECTION 2256).

  
Albert Srubar, Comptroller

  
Jonathan Hoekstra, Vice Chancellor for Finance

4/26/16  
Date

4/26/16  
Date

# TEXAS STATE TECHNICAL COLLEGE

## PLEDGED COLLATERAL REPORT

February 29, 2016

A	B	C	D	E	F	G	H	I
	PORTFOLIO				SECURITY ON DEPOSITS			
DEPOSITORY-LOCATION	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS AND INVESTMENTS	SIPC/FDIC** COVERAGE	REQUIRED COLLATERAL	COLLATERAL AT MARKET VALUE February	SUFFICIENT (INSUFFICIENT)
1 BANK OF AMERICA - WACO	-	-	10,000	10,000	10,000	-	-	-
2 BRECKENRIDGE INTERBANK	-	196,941	-	196,941	196,941	-	-	-
3 CAPITAL ONE BANK - MARSHALL	-	-	2,104	2,104	2,104	-	-	-
4 CITIZENS NATIONAL BANK - RED OAK	-	4,253	-	4,253	4,253	-	-	-
5 COMPASS BANK - WACO	-	-	1,824,259	1,824,259	250,000	1,574,259	3,250,000	1,675,741
6 ELSA STATE BANK & TRUST COMPANY	-	-	130,847	130,847	130,847	-	-	-
7 FIRST COMMUNITY BANK - SAN BENITO	-	-	40,121	40,121	40,121	-	56,190	56,190
8 FIRST NATIONAL BANK ALBANY / BRECKENRIDGE	-	-	199,215	199,215	199,215	-	-	-
9 FIRST NATIONAL BANK OF CENTRAL TX- WACO	10	7,473,856	3,063,308	10,537,174	250,010	10,287,164	13,254,784	2,967,620
10 FROST NATIONAL BANK	50	679,933	-	679,983	250,050	429,933	5,259,146	4,829,213
11 GUARANTY BANK & TRUST (FORMERLY GUARANTY BOND BK)	-	-	2,201	2,201	2,201	-	-	-
12 LIBERTY BANK - FORT WORTH	-	-	10,000	10,000	10,000	-	-	-
13 MILLS COUNTY STATE BANK	-	-	200,000	200,000	200,000	-	-	-
14 PROSPERITY BANK (Formerly American State Bank)	-	1,220,045	-	1,220,045	250,000	970,045	1,301,745	331,700
15 TEXAS BANK - BROWNWOOD	-	189,202	-	189,202	189,202	-	150,633	150,633
16 TEXAS BANK & TRUST - LONGVIEW	5,304	712,108	156,592	874,004	255,304	618,700	2,345,959	1,727,259
17 TEXAS FIRST STATE BANK - WACO	-	-	3,314,421	3,314,421	250,000	3,064,421	3,802,827	738,406
18 TEXAS NATIONAL BANK - SWEETWATER	1	2,408,052	-	2,408,053	250,001	2,158,052	3,676,364	1,518,312
19	5,365	12,884,390	8,953,068	21,842,823	2,740,249	19,102,574	33,097,648	13,995,074
20 TEXPOOL - OTHER *			1	1	N/A	N/A	N/A	N/A
21 TEXPOOL - OTHER *			1	1	N/A	N/A	N/A	N/A
22 TEXPOOL - LOCAL REV BOND PROCEEDS SER 11A *			1	1	N/A	N/A	N/A	N/A
23 TEXPOOL - OTHER *			1	1	N/A	N/A	N/A	N/A
24 TOTAL	5,365	12,884,390	8,953,072	21,842,827	2,740,249	19,102,574	33,097,648	13,995,074

\* No collateral required.

\*\* Securities Investment Protection Corp/Federal Deposit Insurance Corp. The current FDIC coverage for interest bearing accounts is \$250,000 per owner and is \$250,000 for non-interest bearing accounts per owner.