

**City of Lakeway, Texas**  
**Quarterly Investment Report**  
**January 1, 2014 – March 31, 2014**

April 15, 2014

Honorable Mayor DeOme and City Council Members:

The Quarterly Investment Report for the City of Lakeway, Texas, for the quarter ended December 31, 2013, is hereby submitted.

The current depository bank for the City of Lakeway is Prosperity Bank. The City's depository agreement with the bank guarantees an interest rate of 0.50%. While this rate may seem low, it is currently higher than interest rates received through TexPool. Throughout the quarter, TexPool's interest rate ranged from 0.0273% - 0.0299%. For this reason, the City kept most of the General Fund cash in the depository bank which earned interest in the amount of \$6,100 for the quarter. The Capital Projects Fund – Flintrock Road earned interest from Prosperity Bank totaling \$5,537 for the quarter. Interest-bearing checking accounts are not considered an investment and, as a result, are not included in the accompanying schedules.

There were no maturing CDs this quarter. Additionally, annual percentage yield quotes were taken from seven banks. None of the banks had rates above Prosperity Bank's fully liquid depository rate.

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

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

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Steve Jones  
City Manager

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Al Tyson  
City Treasurer

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Julie Oakley  
Finance Director