

NOTICE OF MEETING

The Audit Committee of the Port Commission of the Port of Corpus Christi Authority ("PCCA") will meet in the Ruben Bonilla Center for Global Trade, 222 Power Street, Corpus Christi, Texas on **Tuesday, November 4, 2014, at 4:30 p.m.** or at the conclusion of the Port Commission Strategic Plan Update workshop being held at the same time.

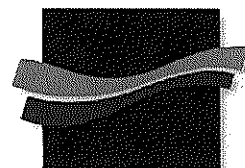
Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Sherry DuBois at 361-885-6174 at least 48 hours in advance so that appropriate arrangements can be made.

Si usted se dirige a la junta y cree que su inglés es limitado, habrá un intérprete inglés español en la reunión de la junta para ayudarle.

PUBLIC NOTICE is given that the Committee may go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized to do so by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. In the event the Committee elects to go into executive session regarding any agenda item, the presiding officer will publicly announce the section or sections of the Open Meetings Act authorizing the executive session. Furthermore, the Committee may take action on any matter listed on the agenda regardless of how the agenda item is worded.

The agenda for the meeting is as follows:

1. Call meeting to order.
2. Review and approve Financial Report for the third quarter ended September 30, 2014, and recommend Port Commission approval of the report.
3. Review and approve Investment Report for the third quarter ended September 30, 2014, and recommend Port Commission approval of the report.
4. Receive and approve staff recommendations concerning PCCA's participation in the Texas County & District Retirement System Plan, effective January 1, 2015, and recommend Port Commission approval of the approved staff recommendations.
5. Receive and approve staff recommendations concerning renewal of the PCCA Health & Dental Benefits Plan, effective January 1, 2015, and recommend Port Commission approval of the approved staff recommendations.
6. Adjourn.

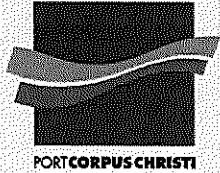


PORTCORPUS CHRISTI

Financial Review

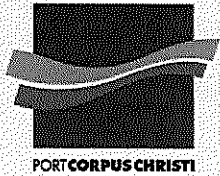
**Nine Months Ended
September 30, 2014**

11/11/14



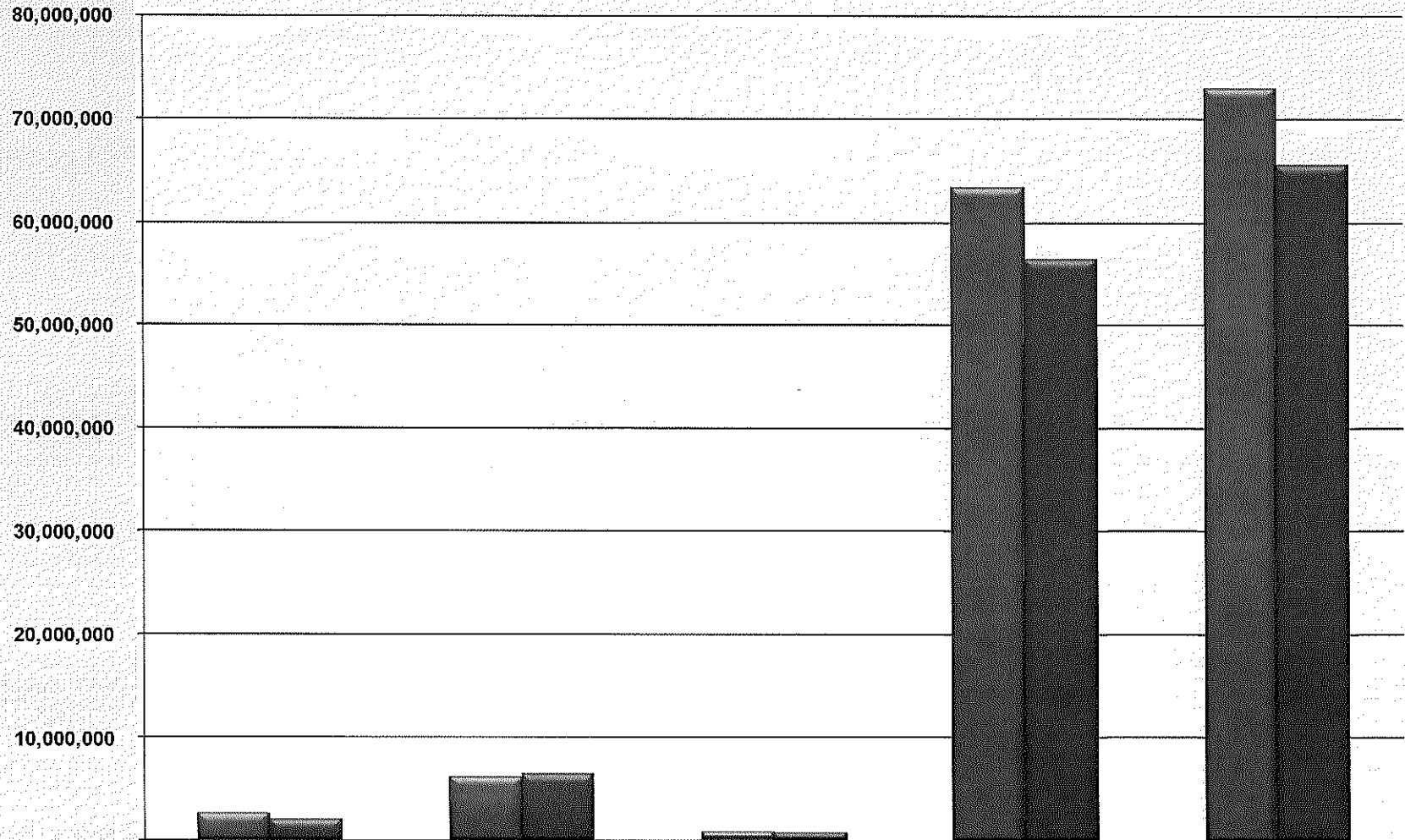
2014 Financial Review

- **Cargo Tonnage**
- **Operating Budget - Summary**
- **Operating Revenues**
- **Operating Expenses**
- **Capital Expenditures**

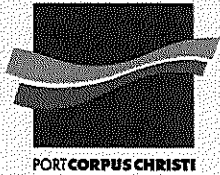


2014 Financial Review

Cargo Tonnage

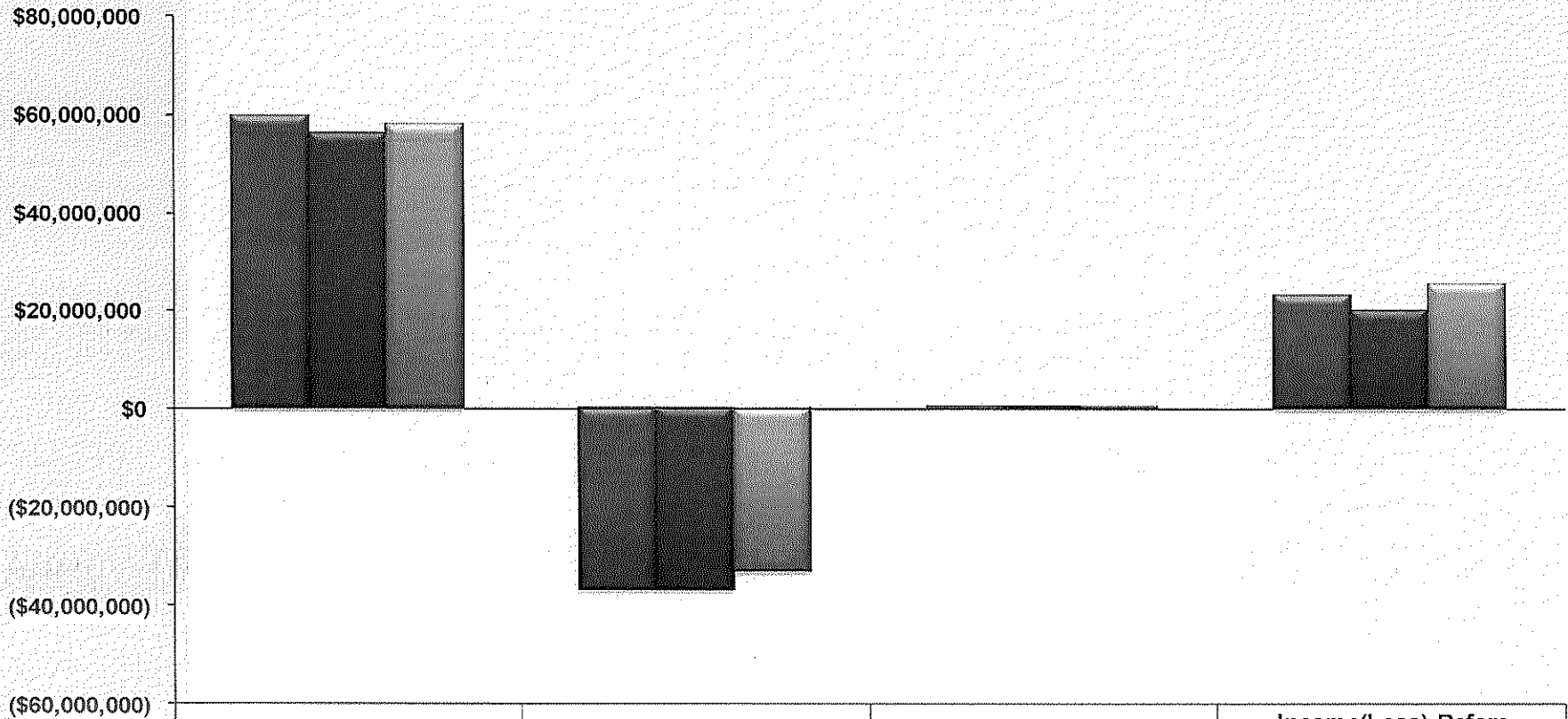


| | Bulk Grain | Dry/Liquid/ Break Bulk | Petroleum Coke | Petroleum/ Chemical | Total |
|------|------------|------------------------|----------------|---------------------|------------|
| 2014 | 2,561,184 | 6,215,175 | 769,473 | 63,332,745 | 72,878,577 |
| 2013 | 2,060,292 | 6,437,587 | 723,764 | 56,323,344 | 65,544,987 |

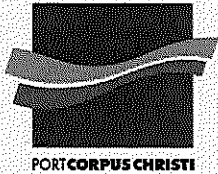


2014 Financial Review

Operating Budget Summary

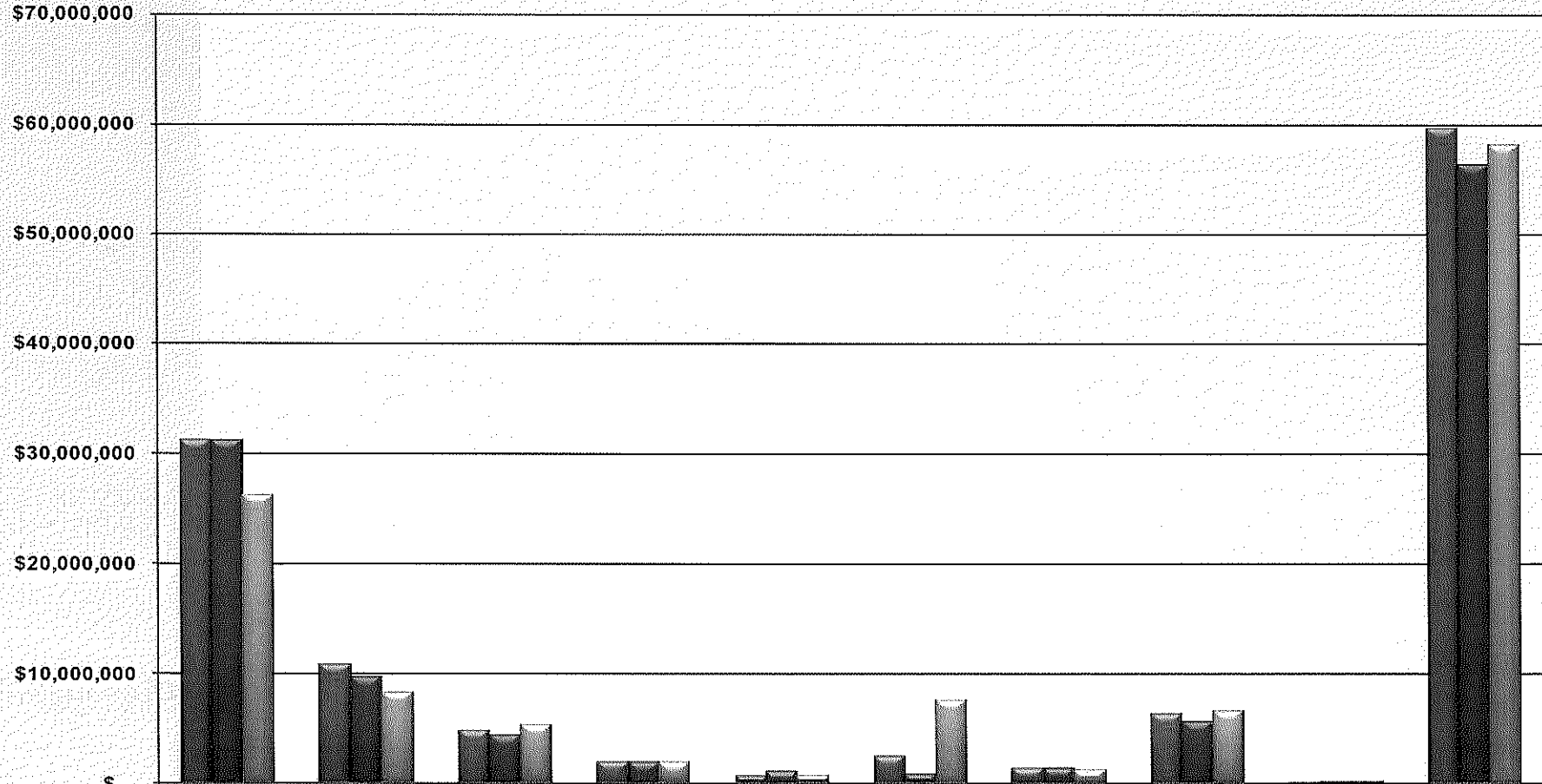


| | Operating Revenue | Operating Expenses | Non-Operating Rev(Exp) | Income(Loss) Before Contributions |
|-------------|-------------------|--------------------|------------------------|-----------------------------------|
| 2014 Actual | \$59,657,570 | (\$36,817,034) | \$420,983 | \$23,261,519 |
| 2014 Budget | \$56,355,750 | (\$36,804,865) | \$409,822 | \$19,960,707 |
| 2013 Actual | \$58,097,461 | (\$33,056,063) | \$436,084 | \$25,477,482 |

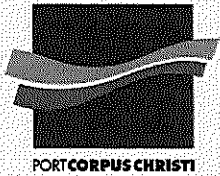


2014 Financial Review

Operating Revenues

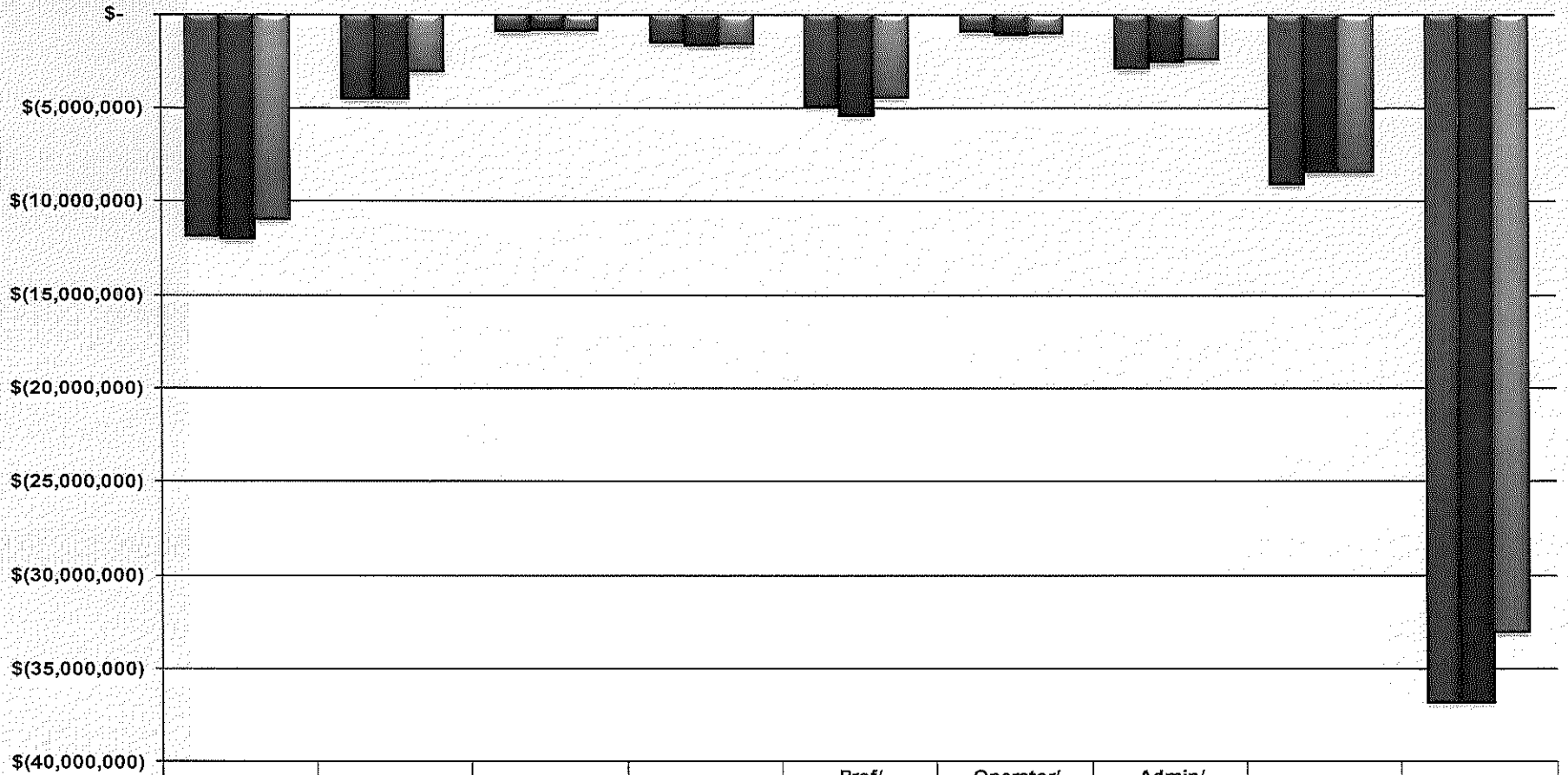


| | Wharfage | Dockage | Security Surcharge | Freight Handling | Rail Charges | Other Revenue | Conference Center Services | Building/ Land Rental | Foreign Trade Zone | Total |
|-------------|--------------|--------------|--------------------|------------------|--------------|---------------|----------------------------|-----------------------|--------------------|--------------|
| 2014 Actual | \$31,243,599 | \$10,770,272 | \$4,767,482 | \$1,970,867 | \$646,927 | \$2,434,879 | \$1,289,429 | \$6,369,115 | \$165,000 | \$59,657,570 |
| 2014 Budget | \$31,212,539 | \$9,691,265 | \$4,451,569 | \$1,927,949 | \$1,008,748 | \$849,217 | \$1,353,558 | \$5,689,907 | \$170,998 | \$56,355,750 |
| 2013 Actual | \$26,147,843 | \$8,344,796 | \$5,360,770 | \$1,902,904 | \$724,616 | \$7,637,467 | \$1,160,476 | \$6,620,672 | \$197,917 | \$58,097,461 |

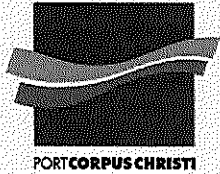


2014 Financial Review

Operating Expenses

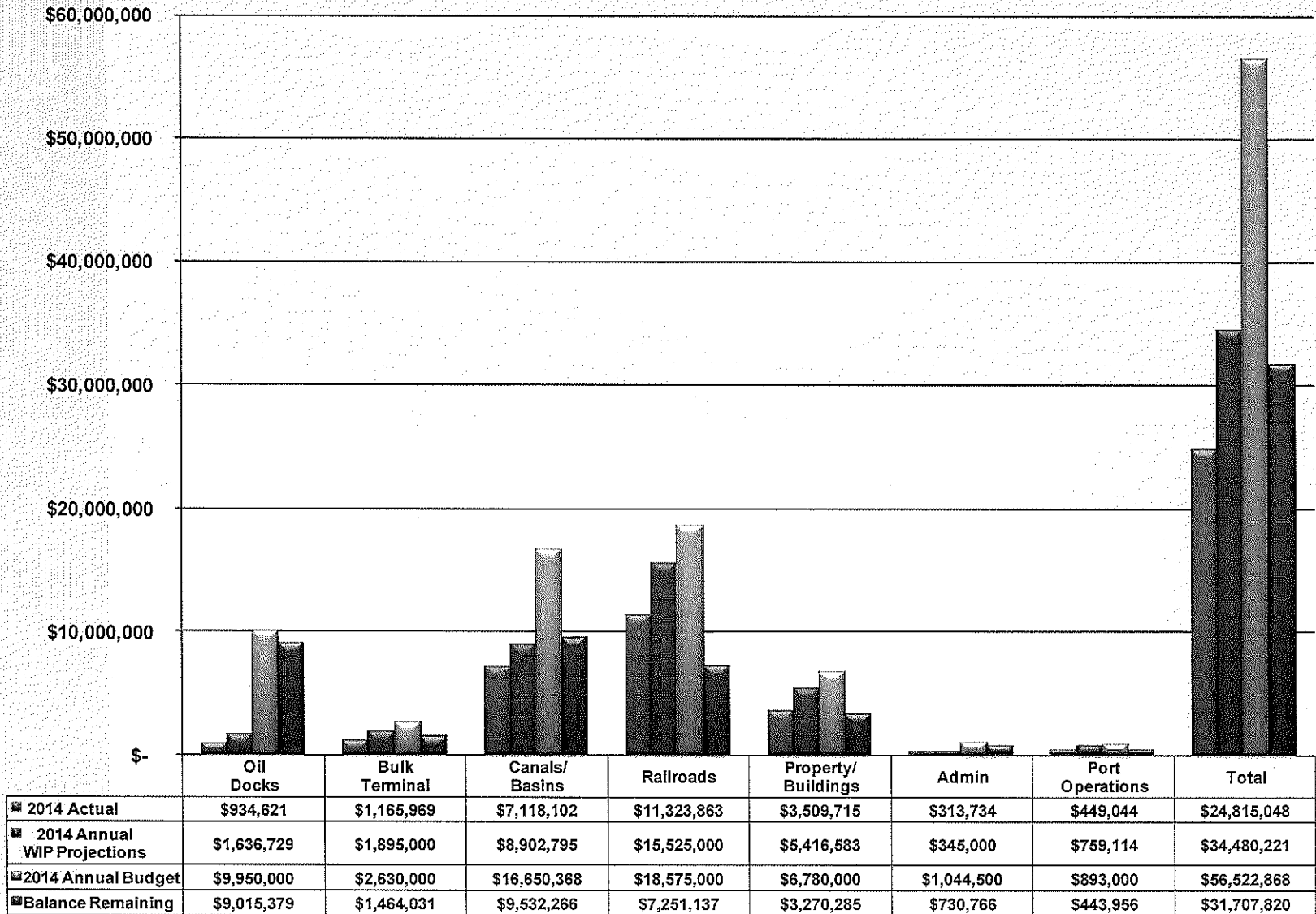


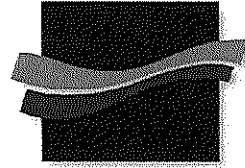
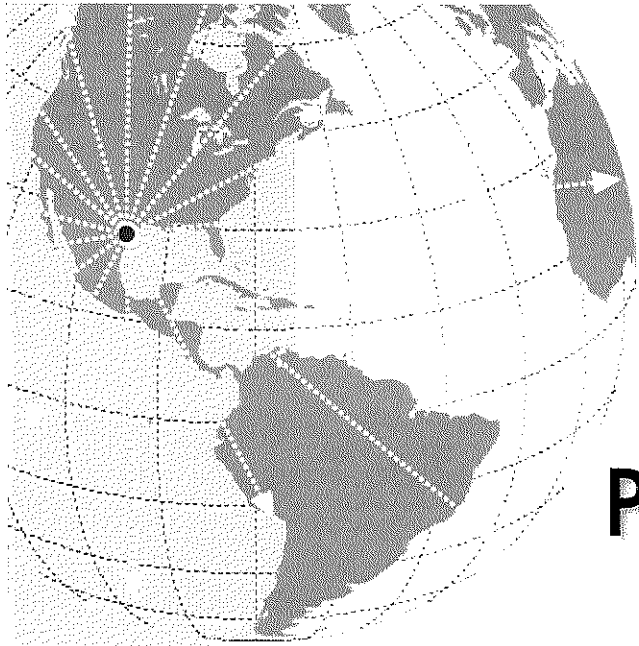
| | Employee Services | Maintenance | Utilities/ Telephone | Insurance | Prof/ Contracted Services | Operator/ Event Expenses | Admin/ Trade Dvlp/ Other | Depre- ciation | Total |
|-------------|-------------------|---------------|----------------------|---------------|---------------------------|--------------------------|--------------------------|----------------|----------------|
| 2014 Actual | \$(11,912,802) | \$(4,518,062) | \$926,919 | \$(1,516,927) | \$(4,990,332) | \$989,594 | \$(2,889,219) | \$(9,073,179) | \$(36,817,034) |
| 2014 Budget | \$(12,014,847) | \$(4,544,686) | \$884,960 | \$(1,725,764) | \$(5,462,606) | \$(1,102,706) | \$(2,595,870) | \$(8,473,426) | \$(36,804,865) |
| 2013 Actual | \$(11,020,122) | \$(3,112,580) | \$911,026 | \$(1,599,522) | \$(4,489,869) | \$(1,017,077) | \$(2,440,527) | \$(8,465,340) | \$(33,056,063) |



2014 Financial Review

Capital Expenditures





PORTCORPUS CHRISTI

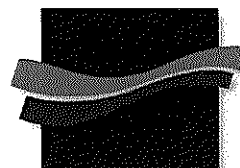
Thank You!

| <u>YES</u> | <u>NO</u> | <u>COMPANY</u> | <u>CONTACT NAME</u> |
|------------|-----------|----------------------------|---------------------|
| | | ADM | Phyllis Bailey |
| | | Bay LTD | Sue Fuentes |
| | | Bay LTD | Penny Philips |
| | | Biehl & Co | Danny Rodriguez |
| | | Bluewater Shipping | Andrea Hernandez |
| | | Boyd-Campbell | Sonny Boyd |
| | | Celanese | Scott Hamer |
| | | Citgo | Lydia Garcia |
| | | Citgo | Eric Walls |
| | | Citgo | Robert Valle |
| | | Citgo | Jeff Elam |
| | | Citgo | Gert Jensen |
| | | DIX-Fairway | Linda Mitchell |
| | | DIX-Fairway | Michael Ostos |
| | | DIX-Fairway | Dana Ostos |
| | | Enterprise Marine Services | Jeffrey Johnson |
| | | Equistar | Tammy Bazar |
| | | Equistar | Donna Barnhart |
| | | Eslabon | John E Oorche III |
| | | Eslabon | Jonathan Shaddock |
| | | Fillette-Green Shipping | Scott Roberson |
| | | Flint Hills Resources | Haley Sill |
| | | Flint Hills Resources | Megan Brooke |
| | | Fordyce, Co | Matt Champion |
| | | Fordyce, Co | Glenda Musser |
| | | Gamesa | Jonathan Wickersham |
| | | Gavilon | Kyle Nohavitza |
| | | Gavilon | Heather Wendel |
| | | Gulf Marine Fabricators | Gregorio Chavez |
| | | Gulf Marine Fabricators | Adrian Martinez |
| | | Gulf Stream Marine | Victoria Ibarra |
| | | Interstate Grain | Lloyd Schultz |
| | | Interstate Grain | Theresa Stearns |
| | | Kapalua | Les Shook |
| | | Kapalua | Mike Castro |
| | | Kiewit | Rita Bailey |
| | | Kiewit | Kelly Zoss |
| | | Kirby Inland Marine | Chris Horn |
| | | Kirby Inland Marine | Kortney Rivera |
| | | Koch Industries | Pete Oncale |
| | | Koch Industries | Pat Lyon |
| | | Korea International | Ben Kwon |
| | | Martin Operating Partners | Angela Johnston |
| | | Martin Operating Partners | Johnathan Sheridan |
| | | Martin Operating Partners | Tanya Trcka |

| | | |
|--|--------------------------------|--------------------|
| | Max Shipping | Adrian Wilson |
| | Max Shipping | Wendy Lawley |
| | Max Shipping | Isreal Gonzales |
| | MHI Wind Power | Yoshiaki |
| | Midrex Logistics | Kenneth Blain |
| | North American Shipping Agency | Richard Fernandez |
| | Northern White Sands | Julio Rodriguez |
| | Northern White Sands | Rich Souddress |
| | Norton Lilly | Michael Kolomaznik |
| | NuStar Logistics | Michael Vest |
| | NuStar Logistics | Angela Loud |
| | NuStar Logistics | Steven J. Schmidt |
| | NuStar Logistics | Brady Fair |
| | Occidental Chemicals | Tammy Leur |
| | Occidental Chemicals | Debbie Simmons |
| | Pinnacle III | Doug Stewart |
| | Pinnacle III | David Dorsett |
| | Plains Pipeline | Kevin Bennett |
| | Plains Pipeline | Denise Walker |
| | Plains Pipeline | Jason Adame |
| | Plains Pipeline | Brian Morris |
| | Port Corpus Terminal | Laurence Valls |
| | Port Corpus Terminal | Mandie Herrera |
| | Shell Trading | Kathleen Bezecny |
| | Shell Trading | Merv Waukau |
| | Sherwin Alumina | Cindy Jette |
| | Signet Maritime | Morgan Novosad |
| | Signet Maritime | Jason Miura |
| | Signet Maritime | Tabitha Brown |
| | Statoil | Alec Smith |
| | T Parker Host | Alan Dodd |
| | Talisman | Don Meleshko |
| | Talisman | Nishal Cooray |
| | Talisman | John Le |
| | Tata International | Philip Mockler |
| | Texas Lehigh Cement Company | Alex Barrera |
| | Texas Lehigh Cement Company | Jason Gilbert |
| | Trafigura Terminals | Angie Bains |
| | Trafigura Terminals | Gewyn Olson |
| | Trafigura Terminals | Marcos Cantu |
| | Valero Refining | Karen Edwards |
| | Valero Refining | Martin Repka |
| | Vulcan Materials | Dwayne Moreno |
| | Vulcan Materials | Deborah Fagan |
| | Wilhelmsen | Jeremy Rose |

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| marcos.cantu@trafigura.com | Accounts Receivable |
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| Jeremy.Rose@wilhelmsen.com | Accounts Receivable |

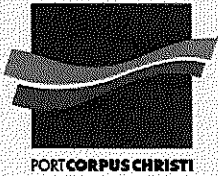


PORT CORPUS CHRISTI

Investment Report

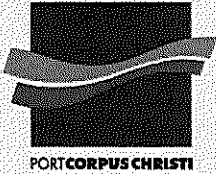
**Quarter Ended
September 30, 2014**

11/11/14



Investment Report

- **Compliance Statement**
- **Executive Summary**
- **Investment Portfolio Report**
- **Investment Transactions**
- **Diversification Report**
- **Treasury Yield Curve Comparison**
- **Portfolio Return to Benchmark Comparison**



Compliance Statement

Quarterly Investment Report

We believe the investment information presented for the quarter ending September 30, 2014, is accurate in all material respects, and is presented in a manner that fairly sets forth the investment standing of the Port of Corpus Christi Authority (Authority).

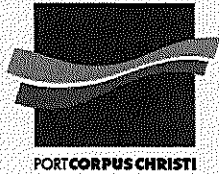
This report was prepared in compliance with the Authority's Investment Policy, Investment Strategy, and the Public Funds Investment Act of the State of Texas (Texas Government Code 2256.023).

A handwritten signature in black ink, appearing to read "Dennis J. DeVries".

Dennis J. DeVries
Director of Finance

A handwritten signature in black ink, appearing to read "Audre Debler".

Audre Debler
Chief Accountant

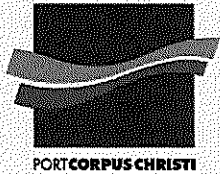


Executive Summary

The accompanying quarterly investment report lists in summary form and in detail the investment positions of the Port of Corpus Christi Authority's (Authority) operating funds as of September 30, 2014. As of that date, the Authority had a total of approximately \$145.5 million invested in a local government investment pools, money market accounts, agencies, certificates of deposit, and municipal securities.

The goal of the Authority is to ensure the safety of all funds entrusted to the Authority, the availability of those funds for the payment of all necessary obligations of the Authority, and to provide for the investment of all funds, not immediately required, in securities earning a reasonable market yield. The safety of principal and liquidity shall always be the primary concern. The Authority's intention is to hold investments to maturity while receiving the highest reasonable market yield in accordance with its objectives at the date of investment. It is not the intent to devote substantial efforts to earn profit on investment market fluctuations. Investments will be purchased because of their interest yield expectations over their remaining life rather than for speculative purposes.

All investments in the portfolio are fully secured and will return 100% of par value if held to maturity. The Authority's investments are usually held to maturity, and any gains (losses) in market value will be reflected in market prices created by changes in interest rates during the quarter.

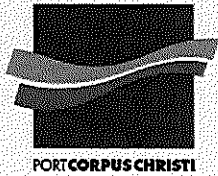


Executive Summary

Below are summaries of the Authority's investment performance and activity for the quarter ended September 30, 2014.

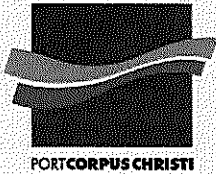
| Performance Summary | 09/30/2014 | 06/30/2014 |
|----------------------------------|-------------------|-------------------|
| Book Value | \$ 145,466,236 | \$ 137,234,953 |
| Market Value | \$ 145,413,528 | \$ 137,239,059 |
| Market to Book Ratio | 99.964% | 100.003% |
| Weighted Average Maturity (Days) | 149 | 171 |
| Weighted Average Yield | 0.281% | 0.319% |

| Investment Activity Summary | Book Value | Market Value | Market to Book Ratio |
|------------------------------------|-------------------|---------------------|-----------------------------|
| Beginning Balance - 06/30/14 | \$ 137,234,953 | \$ 137,239,059 | 100.003% |
| Changes: | | | |
| Purchases | \$ 32,371,217 | \$ 32,314,402 | |
| Maturities | \$ (24,139,934) | \$ (24,139,934) | |
| Net Change | \$ 8,231,283 | \$ 8,174,469 | |
| Ending Balance - 09/30/14 | \$ 145,466,236 | \$ 145,413,528 | 99.964% |



Investment Portfolio Report

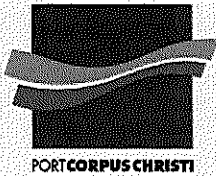
| Purchase Date | Type | Maturity Date | Days to Maturity at Purchase | Remaining Days to Maturity | Book Yield (%) | Par Value | Book Value | Market Value | Unrealized Gain(Loss) | Quarterly Accrued Interest |
|--------------------------------------|--------------------------------------|---------------|------------------------------|----------------------------|----------------|----------------------|----------------------|----------------------|-----------------------|----------------------------|
| 09/30/2014 | TEXPOOL | 10/01/2014 | 1 | 1 | 0.033% | \$ 8,771,478 | \$ 8,771,478 | \$ 8,771,478 | \$ - | \$ 736 |
| 09/30/2014 | TEXPOOL-Prime | 10/01/2014 | 1 | 1 | 0.058% | \$ 11,266,946 | \$ 11,266,946 | \$ 11,266,946 | \$ - | \$ 1,658 |
| 09/30/2014 | Wells Fargo MMMF | 10/01/2014 | 1 | 1 | 0.150% | \$ 51,413,527 | \$ 51,413,527 | \$ 51,413,527 | \$ - | \$ 15,876 |
| 09/30/2014 | East West Bank - MMA | 10/01/2014 | 1 | 1 | 0.200% | \$ 245,852 | \$ 245,852 | \$ 245,852 | \$ - | \$ 121 |
| Total Pools/MMA | | | | | | \$ 71,697,803 | \$ 71,697,803 | \$ 71,697,803 | \$ - | \$ 18,391 |
| 10/18/2013 | Certificate of Deposit-1st Community | 10/18/2014 | 365 | 17 | 1.000% | \$ 245,000 | \$ 245,000 | \$ 245,000 | \$ - | \$ 618 |
| 11/05/2013 | Certificate of Deposit-Prosperity | 11/05/2014 | 365 | 35 | 0.500% | \$ 245,000 | \$ 245,000 | \$ 245,000 | \$ - | \$ 309 |
| Total Certificate of Deposits | | | | | | \$ 490,000 | \$ 490,000 | \$ 490,000 | \$ - | \$ 926 |
| 05/13/2014 | FHLB Call Note | 05/13/2016 | 731 | 590 | 0.500% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,992,365 | \$ (7,635) | \$ 6,250 |
| 06/24/2014 | FHLMC Call Note | 06/24/2016 | 731 | 632 | 0.500% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,983,370 | \$ (16,630) | \$ 6,250 |
| 06/30/2014 | FHLB Call Note | 06/30/2016 | 731 | 638 | 0.570% | \$ 3,000,000 | \$ 3,000,000 | \$ 2,990,175 | \$ (9,825) | \$ 4,275 |
| 07/29/2014 | FHLB Call Note | 01/25/2016 | 545 | 481 | 0.340% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,998,000 | \$ (2,000) | \$ 2,928 |
| 08/19/2014 | FHLMC Call Note | 08/19/2016 | 731 | 688 | 0.700% | \$ 5,000,000 | \$ 5,000,000 | \$ 4,983,340 | \$ (16,660) | \$ 4,083 |
| Total Agencies | | | | | | \$ 23,000,000 | \$ 23,000,000 | \$ 22,947,250 | \$ (52,750) | \$ 23,786 |
| 04/03/2013 | Ewing Township NJ SD | 10/01/2014 | 546 | 0 | 0.550% | \$ 3,425,000 | \$ 3,425,000 | \$ 3,425,000 | \$ - | \$ 4,709 |
| 05/31/2013 | Dayton OH City SD | 11/01/2014 | 519 | 31 | 0.420% | \$ 400,000 | \$ 399,860 | \$ 399,912 | \$ 52 | \$ 419 |
| 06/27/2013 | Milwaukee Cty WI | 12/01/2014 | 522 | 61 | 0.577% | \$ 2,500,000 | \$ 2,500,000 | \$ 2,501,525 | \$ 1,525 | \$ 3,606 |
| 08/23/2013 | Adams Cty NESD#18 | 12/15/2014 | 479 | 75 | 0.350% | \$ 500,000 | \$ 504,123 | \$ 504,040 | \$ (83) | \$ 454 |
| 08/23/2013 | Washington State | 01/01/2015 | 496 | 92 | 0.350% | \$ 500,000 | \$ 500,186 | \$ 500,340 | \$ 154 | \$ 439 |
| 09/25/2013 | Royal TX | 02/15/2015 | 508 | 137 | 0.500% | \$ 525,000 | \$ 524,026 | \$ 524,538 | \$ 512 | \$ 654 |
| 10/01/2013 | Menasha WI | 04/01/2015 | 547 | 182 | 0.450% | \$ 795,000 | \$ 801,132 | \$ 801,980 | \$ 848 | \$ 909 |
| 10/01/2013 | Miami Dade Cty FL | 02/15/2015 | 502 | 137 | 0.430% | \$ 700,000 | \$ 711,858 | \$ 712,439 | \$ 581 | \$ 786 |
| 10/07/2013 | Burleson TX | 03/01/2015 | 510 | 151 | 0.400% | \$ 500,000 | \$ 506,433 | \$ 506,510 | \$ 77 | \$ 515 |
| 10/09/2013 | Hudson WI | 10/01/2014 | 357 | 0 | 0.300% | \$ 505,000 | \$ 505,000 | \$ 505,000 | \$ - | \$ 384 |
| 10/16/2013 | Lafayette Parish LA | 03/01/2015 | 501 | 151 | 0.450% | \$ 740,000 | \$ 744,758 | \$ 744,033 | \$ (725) | \$ 845 |
| 10/22/2013 | Ft. Worth TX | 03/01/2015 | 495 | 151 | 0.400% | \$ 920,000 | \$ 926,110 | \$ 926,725 | \$ 615 | \$ 934 |
| 10/29/2013 | Deerfield Township OH | 10/29/2014 | 365 | 28 | 0.300% | \$ 1,405,000 | \$ 1,405,762 | \$ 1,405,899 | \$ 138 | \$ 1,064 |
| 10/30/2013 | Janesville WI | 02/01/2015 | 459 | 123 | 0.350% | \$ 700,000 | \$ 703,837 | \$ 704,326 | \$ 489 | \$ 622 |
| 11/18/2013 | Nashua NH | 01/15/2015 | 423 | 106 | 0.350% | \$ 550,000 | \$ 551,251 | \$ 551,216 | \$ (35) | \$ 485 |
| 11/21/2013 | Princeton MN ISD | 02/01/2015 | 437 | 123 | 0.351% | \$ 570,000 | \$ 573,124 | \$ 573,523 | \$ 398 | \$ 507 |
| 11/25/2013 | Woodlands Township TX | 03/01/2015 | 461 | 151 | 0.310% | \$ 500,000 | \$ 505,587 | \$ 505,400 | \$ (187) | \$ 398 |
| 11/26/2013 | Kingsport TN | 04/01/2015 | 491 | 182 | 0.320% | \$ 750,000 | \$ 760,018 | \$ 760,470 | \$ 452 | \$ 616 |
| 11/26/2013 | Minot ND | 10/01/2014 | 309 | 0 | 0.300% | \$ 850,000 | \$ 850,000 | \$ 850,000 | \$ - | \$ 646 |



Investment Portfolio Report

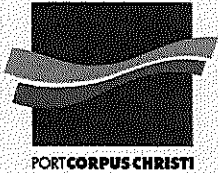
| Purchase Date | Type | Maturity Date | Days to Maturity at Purchase | Remaining Days to Maturity | Book Yield (%) | Par Value | Book Value | Market Value | Unrealized Gain(Loss) | Quarterly Accrued Interest |
|-----------------------------------|-----------------------|---------------|------------------------------|----------------------------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 12/03/2013 | St of Mississippi | 12/01/2014 | 363 | 61 | 0.310% | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,100 | \$ 100 | \$ 3,875 |
| 12/11/2013 | Cameron County TX | 02/15/2015 | 431 | 137 | 0.300% | \$ 1,735,000 | \$ 1,758,830 | \$ 1,758,822 | \$ (9) | \$ 1,345 |
| 01/30/2014 | Binghamton NY | 01/30/2015 | 365 | 121 | 0.301% | \$ 2,000,000 | \$ 2,005,434 | \$ 2,005,640 | \$ 206 | \$ 1,515 |
| 02/03/2014 | Lycoming Cty PA | 08/15/2015 | 558 | 318 | 0.350% | \$ 635,000 | \$ 660,661 | \$ 660,273 | \$ (388) | \$ 583 |
| 02/11/2014 | Wichita KS | 04/15/2015 | 428 | 196 | 0.385% | \$ 5,000,000 | \$ 5,003,088 | \$ 5,000,000 | \$ (3,088) | \$ 4,817 |
| 02/12/2014 | S Brunswick NJ | 08/01/2015 | 535 | 304 | 0.320% | \$ 830,000 | \$ 848,475 | \$ 849,140 | \$ 665 | \$ 683 |
| 02/14/2014 | Haddon Township NJ | 01/30/2015 | 350 | 121 | 0.380% | \$ 2,000,000 | \$ 2,004,079 | \$ 2,004,600 | \$ 521 | \$ 1,915 |
| 03/18/2014 | Pelican Rapids MN ISD | 02/01/2015 | 320 | 123 | 0.270% | \$ 620,000 | \$ 625,631 | \$ 625,654 | \$ 23 | \$ 427 |
| 03/27/2014 | Wappinger NY | 03/27/2015 | 365 | 177 | 0.300% | \$ 1,580,000 | \$ 1,585,384 | \$ 1,586,715 | \$ 1,331 | \$ 1,197 |
| 05/15/2014 | Schenectady NY | 05/15/2015 | 365 | 226 | 0.301% | \$ 5,000,000 | \$ 5,021,684 | \$ 5,020,450 | \$ (1,234) | \$ 3,788 |
| 06/02/2014 | Derby KS | 12/15/2015 | 561 | 440 | 0.868% | \$ 2,500,000 | \$ 2,500,961 | \$ 2,500,775 | \$ (186) | \$ 5,426 |
| 06/18/2014 | Nassau County NY | 02/02/2015 | 229 | 124 | 0.400% | \$ 500,000 | \$ 502,682 | \$ 502,935 | \$ 253 | \$ 505 |
| 06/18/2014 | Nassau County NY | 04/15/2015 | 301 | 196 | 0.450% | \$ 1,000,000 | \$ 1,007,080 | \$ 1,007,960 | \$ 880 | \$ 1,139 |
| 06/18/2014 | Nassau County NY | 03/16/2015 | 271 | 166 | 0.450% | \$ 1,000,000 | \$ 1,008,322 | \$ 1,009,360 | \$ 1,038 | \$ 1,138 |
| 07/02/2014 | Dane County WI | 06/01/2015 | 334 | 243 | 0.280% | \$ 1,705,000 | \$ 1,702,388 | \$ 1,698,010 | \$ (4,379) | \$ 1,179 |
| 07/16/2014 | Maricopa Co. ESD AZ | 07/01/2015 | 350 | 273 | 0.301% | \$ 1,625,000 | \$ 1,645,666 | \$ 1,645,166 | \$ (500) | \$ 1,030 |
| Total Municipal Securities | | | | | | \$ 50,065,000 | \$ 50,278,433 | \$ 50,278,475 | \$ 43 | \$ 49,553 |
| Total Investments | | | | | | \$ 145,252,803 | \$ 145,466,236 | \$ 145,413,528 | \$ (52,707) | \$ 92,656 |

| SUMMARY: | Total | Pools/MMA | CD's | Agencies | Municipal Securities |
|-------------------------|----------------|---------------|------------|---------------|----------------------|
| Valuation Date: | 09/30/2014 | | | | |
| Book Value: | \$ 145,466,236 | \$ 71,697,803 | \$ 490,000 | \$ 23,000,000 | \$ 50,278,433 |
| % of Portfolio | 100.00% | 49.29% | 0.34% | 15.81% | 34.56% |
| Average Maturity: | 149 Days | 1 Days | 26 Days | 603 Days | 154 Days |
| Average Rate of Return: | 0.281% | 0.121% | 0.750% | 0.518% | 0.394% |



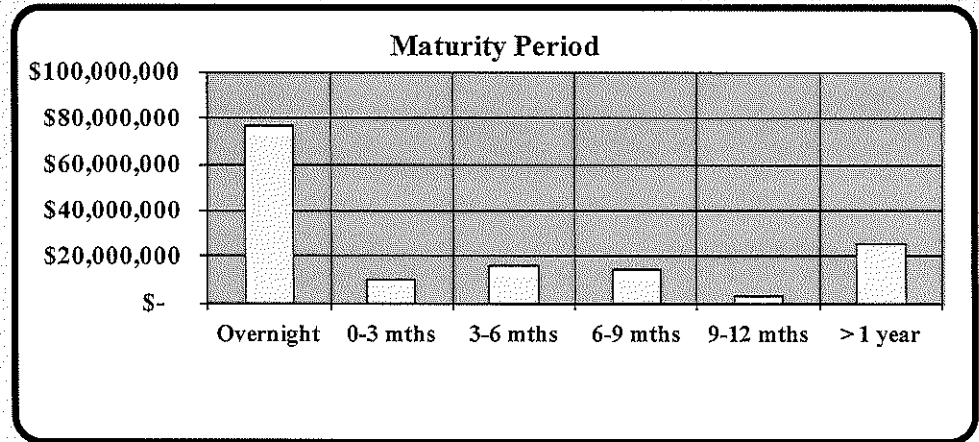
Investment Transactions

| Transaction Date | Purchase Date | Description | Coupon | Yield | Maturity Date | Par Value | Transaction Price | Total Cost | Interest Purchased (Sold) | Total Transaction |
|-------------------------------|---------------|------------------------------|--------|--------|---------------|----------------------|-------------------|----------------------|---------------------------|----------------------|
| Purchases: | | | | | | | | | | |
| 07/29/2014 | 07/29/2014 | FHLB Call Note | 0.340% | 0.340% | 01/25/2016 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ - | \$ 5,000,000 |
| 08/19/2014 | 08/19/2014 | FHLMC Call Note | 0.700% | 0.700% | 08/19/2016 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ - | \$ 5,000,000 |
| 07/31/2014 | 07/31/2014 | East West Bank - MMA | Daily | Daily | Daily | \$ 41 | 100.00 | \$ 41 | \$ - | \$ 41 |
| 07/31/2014 | 07/31/2014 | TEXPOOL | Daily | Daily | Daily | \$ 233 | 100.00 | \$ 233 | \$ - | \$ 233 |
| 07/31/2014 | 07/31/2014 | TEXPOOL-Prime | Daily | Daily | Daily | \$ 551 | 100.00 | \$ 551 | \$ - | \$ 551 |
| 07/31/2014 | 07/31/2014 | Wells Fargo MMA | Daily | Daily | Daily | \$ 4,210 | 100.00 | \$ 4,210 | \$ - | \$ 4,210 |
| 07/16/2014 | 07/16/2014 | Maricopa Co. ESD AZ | 2.000% | 0.301% | 07/01/2015 | \$ 1,625,000 | 101.63 | \$ 1,651,406 | \$ - | \$ 1,651,406 |
| 07/02/2014 | 07/02/2014 | Dane Co. WI | 0.050% | 0.280% | 06/01/2015 | \$ 1,705,000 | 99.79 | \$ 1,701,420 | \$ - | \$ 1,701,420 |
| 07/30/2014 | 07/30/2014 | Wells Fargo MMA | Daily | Daily | Daily | \$ 10,000,000 | 100.00 | \$ 10,000,000 | \$ - | \$ 10,000,000 |
| 08/31/2014 | 08/31/2014 | East West Bank - MMA | Daily | Daily | Daily | \$ 41 | 100.00 | \$ 41 | \$ - | \$ 41 |
| 08/31/2014 | 08/31/2014 | TEXPOOL | Daily | Daily | Daily | \$ 263 | 100.00 | \$ 263 | \$ - | \$ 263 |
| 08/31/2014 | 08/31/2014 | TEXPOOL-Prime | Daily | Daily | Daily | \$ 568 | 100.00 | \$ 568 | \$ - | \$ 568 |
| 08/31/2014 | 08/31/2014 | Wells Fargo MMA | Daily | Daily | Daily | \$ 5,402 | 100.00 | \$ 5,402 | \$ - | \$ 5,402 |
| 09/03/2014 | 09/03/2014 | Wells Fargo MMA | Daily | Daily | Daily | \$ 9,000,000 | 100.00 | \$ 9,000,000 | \$ - | \$ 9,000,000 |
| 09/30/2014 | 09/30/2014 | East West Bank - MMA | Daily | Daily | Daily | \$ 39 | 100.00 | \$ 39 | \$ - | \$ 39 |
| 09/30/2014 | 09/30/2014 | TEXPOOL | Daily | Daily | Daily | \$ 240 | 100.00 | \$ 240 | \$ - | \$ 240 |
| 09/30/2014 | 09/30/2014 | TEXPOOL-Prime | Daily | Daily | Daily | \$ 539 | 100.00 | \$ 539 | \$ - | \$ 539 |
| 09/30/2014 | 09/30/2014 | Wells Fargo MMA | Daily | Daily | Daily | \$ 6,264 | 100.00 | \$ 6,264 | \$ - | \$ 6,264 |
| Total Purchases | | | | | | \$ 32,348,391 | | \$ 32,371,217 | \$ - | \$ 32,371,217 |
| Maturities: | | | | | | | | | | |
| 07/01/2014 | 04/16/2013 | Maricopa Co. AZ | | 0.351% | 07/01/2014 | \$ 3,000,000 | 100.00 | \$ 3,000,000 | \$ - | \$ 3,000,000 |
| 07/31/2014 | 07/31/2014 | Amortization/Accretion-April | | | | \$ 57,218 | 100.00 | \$ 57,218 | \$ - | \$ 57,218 |
| 08/15/2014 | 05/21/2013 | San Marcos TX | | 0.380% | 08/15/2014 | \$ 500,000 | 100.00 | \$ 500,000 | \$ - | \$ 500,000 |
| 08/31/2014 | 08/31/2014 | Amortization/Accretion-May | | | | \$ 44,776 | 100.00 | \$ 44,776 | \$ - | \$ 44,776 |
| 07/01/2014 | 06/11/2013 | Miami Dade Co. FL | | 0.420% | 07/01/2014 | \$ 790,000 | 100.00 | \$ 790,000 | \$ - | \$ 790,000 |
| 08/15/2014 | 08/06/2013 | El Paso TX | | 0.450% | 08/15/2014 | \$ 2,030,000 | 100.00 | \$ 2,030,000 | \$ - | \$ 2,030,000 |
| 08/15/2014 | 08/06/2013 | El Paso TX | | 0.450% | 08/15/2014 | \$ 1,400,000 | 100.00 | \$ 1,400,000 | \$ - | \$ 1,400,000 |
| 07/24/2014 | 09/05/2013 | Woodbridge CT | | 0.451% | 07/24/2014 | \$ 5,000,000 | 100.00 | \$ 5,000,000 | \$ - | \$ 5,000,000 |
| 08/01/2014 | 11/07/2013 | Norfolk VA | | 0.280% | 08/01/2014 | \$ 865,000 | 100.00 | \$ 865,000 | \$ - | \$ 865,000 |
| 07/15/2014 | 11/18/2013 | Los Lunas NM | | 0.301% | 07/15/2014 | \$ 410,000 | 100.00 | \$ 410,000 | \$ - | \$ 410,000 |
| 08/14/2014 | 12/17/2013 | Suffolk Co. NY | | 0.750% | 08/14/2014 | \$ 4,500,000 | 100.00 | \$ 4,500,000 | \$ - | \$ 4,500,000 |
| 07/29/2014 | 07/10/2013 | Lewis Co. WA | | 0.400% | 10/01/2014 | \$ 1,940,000 | 100.27 | \$ 1,945,327 | \$ - | \$ 1,945,327 |
| 07/29/2014 | 04/25/2014 | Nassau Co. NY | | 0.400% | 10/01/2015 | \$ 530,000 | 105.37 | \$ 558,465 | \$ - | \$ 558,465 |
| 07/22/2014 | 04/22/2014 | FHLB Call Note | | 0.600% | 04/22/2016 | \$ 3,000,000 | 100.00 | \$ 3,000,000 | \$ - | \$ 3,000,000 |
| 09/30/2014 | 09/30/2014 | Amortization/Accretion-June | | | | \$ 39,148 | 100.00 | \$ 39,148 | \$ - | \$ 39,148 |
| Total Maturities | | | | | | \$ 24,106,142 | | \$ 24,139,934 | \$ - | \$ 24,139,934 |
| Total Net Transactions | | | | | | \$ 8,242,249 | | \$ 8,231,283 | \$ - | \$ 8,231,283 |

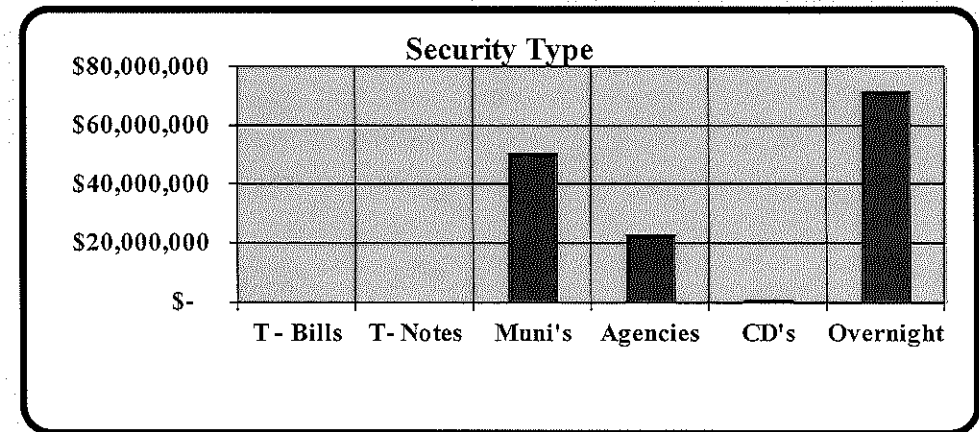


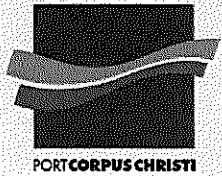
Diversification Report

| MATURITY PERIOD | | |
|-----------------|-----------------------|----------------|
| Period | Maturity | |
| Overnight | \$ 76,477,804 | 52.57% |
| 0-3 mths | 10,299,744 | 7.08% |
| 3-6 mths | 15,737,533 | 10.82% |
| 6-9 mths | 14,295,391 | 9.83% |
| 9-12 mths | 3,154,801 | 2.17% |
| > 1 year | 25,500,961 | 17.53% |
| | \$ 145,466,236 | 100.00% |

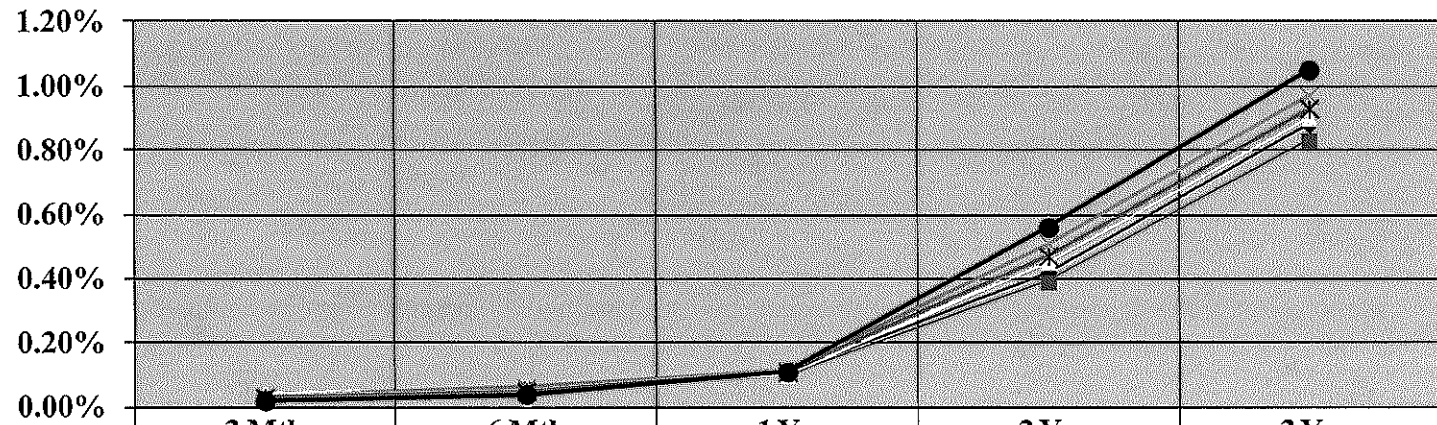


| SECURITY TYPE | | |
|---------------|-----------------------|----------------|
| Type | Book Value | |
| T - Bills | \$ - | 0.00% |
| T - Notes | - | 0.00% |
| Muni's | 50,278,433 | 34.56% |
| Agencies | 23,000,000 | 15.81% |
| CD's | 490,000 | 0.34% |
| Overnight | 71,697,803 | 49.29% |
| | \$ 145,466,236 | 100.00% |

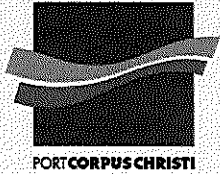




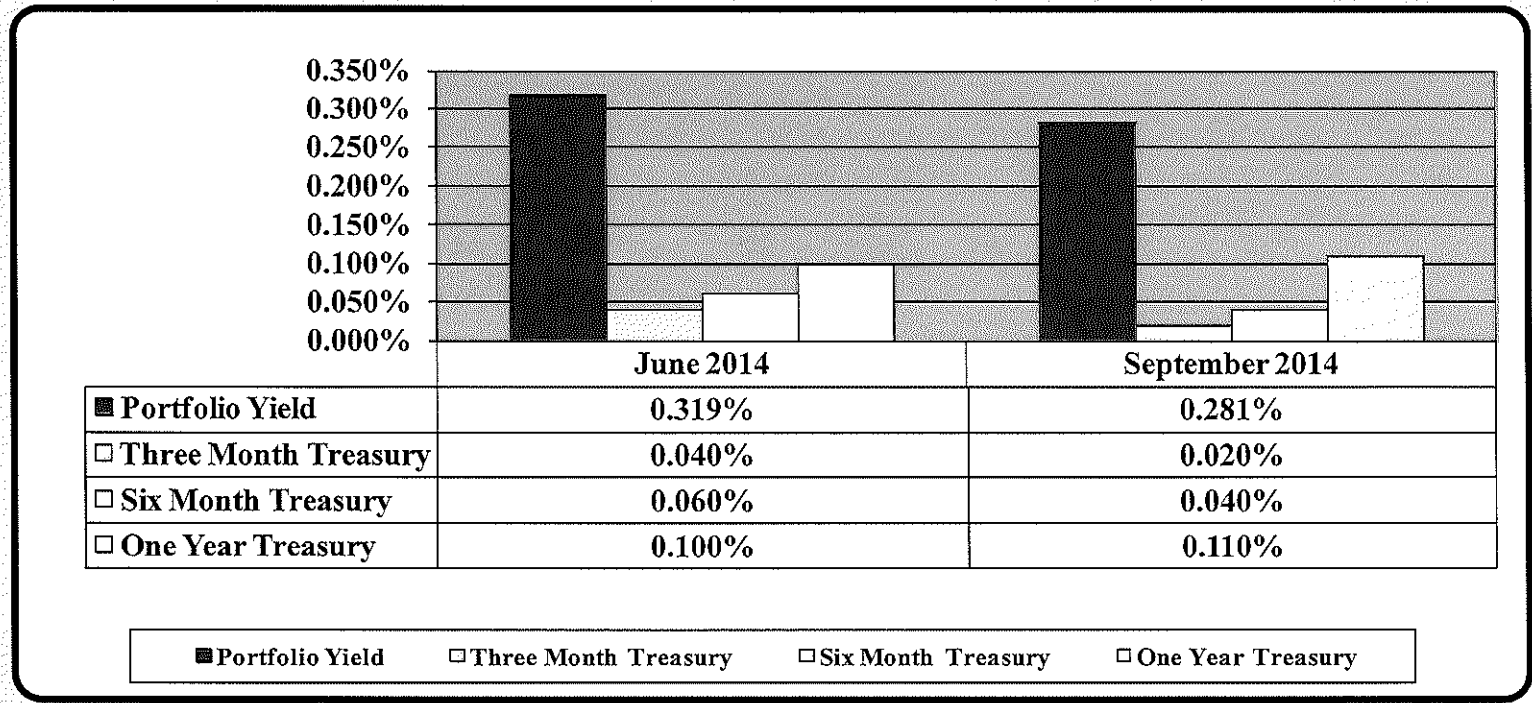
Treasury Yield Curve Comparison



| | 3 Mth | 6 Mth | 1 Yr | 2 Yr | 3 Yr |
|----------|-------|-------|-------|-------|-------|
| ◆ Apr 14 | 0.03% | 0.06% | 0.11% | 0.42% | 0.88% |
| ■ May 14 | 0.03% | 0.05% | 0.10% | 0.39% | 0.83% |
| Jun 14 | 0.04% | 0.06% | 0.10% | 0.45% | 0.90% |
| × Jul 14 | 0.03% | 0.06% | 0.11% | 0.51% | 0.97% |
| * Aug 14 | 0.03% | 0.05% | 0.11% | 0.47% | 0.93% |
| ● Sep 14 | 0.02% | 0.04% | 0.11% | 0.56% | 1.05% |

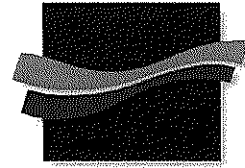
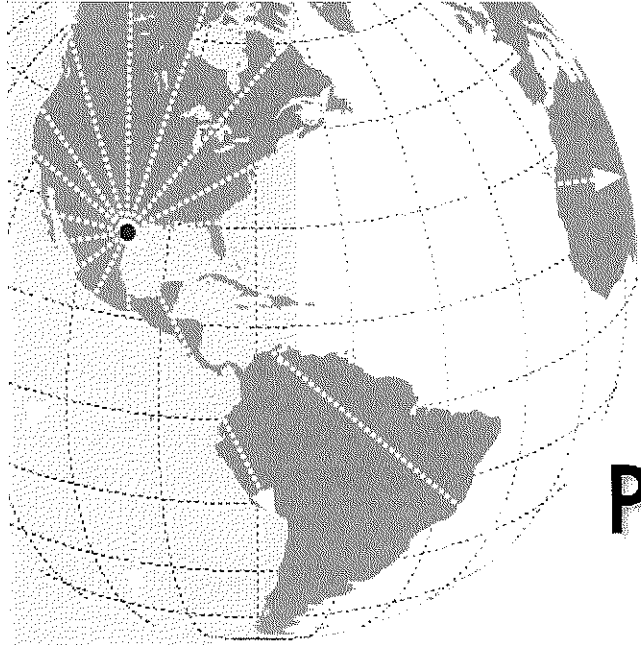


Portfolio Return to Benchmark Comparison



| | June 2014 | September 2014 |
|------------------------|-----------|----------------|
| ■ Portfolio Yield | 0.319% | 0.281% |
| □ Three Month Treasury | 0.040% | 0.020% |
| □ Six Month Treasury | 0.060% | 0.040% |
| □ One Year Treasury | 0.100% | 0.110% |

■ Portfolio Yield □ Three Month Treasury □ Six Month Treasury □ One Year Treasury



PORTCORPUS CHRISTI

Thank You!