

City of Texarkana, Texas

QUARTERLY INVESTMENT REPORT

For the Quarter Ended
September 30, 2016

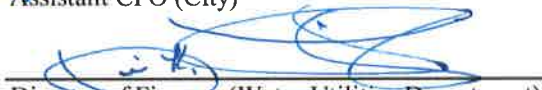
Prepared by

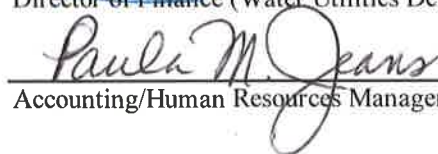
Valley View Consulting, L.L.C.

The investment portfolio of the City of Texarkana, TX is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.


CFO/Finance Director (City)


Assistant CFO (City)


Director of Finance (Water Utilities Department)


Accounting/Human Resources Manager (Water Utilities Department)

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.



AGENDA

**City of Texarkana, Texas
Regular Meeting of the Investment Committee
Wednesday, November 3, 2016 at 2:00 P.M.
Municipal Building, 220 Texas Blvd., Texarkana, TX 75501**

COMMITTEE MEMBERS

- Council Member (appointed by the Mayor) Bob Bruggeman, Mayor
- City CEO/Manager John Whitson (or designee) _____
- City CFO/Finance Director Kristin Peeples
- City Assistant CFO Jodie Lee
- WU Finance Director Jim Cornelius
- WU Accounting/Human Resources Manager Paula Jeans

OTHER ATTENDEES

Investment Advisor – Valley View Consulting, L.L.C. – Richard G. Long, Jr.

A. CALL TO ORDER (General Comments)

B. MINUTES

1. Consider approval of the minutes of the Investment Committee meeting on August 3, 2016

C. NEW BUSINESS

1. Receive a presentation of the Quarterly Investment Report for the period ending Sept. 30, 2016, and take action as necessary.
2. Review the Collateral Report for the period ending September 30, 2016.
3. Execute Investment Report cover page.
4. Discuss the market outlook and appropriate investment strategy.
5. Schedule the next Investment Committee meeting on: _____
6. Other.

D. ADJOURNMENT

Attachments:

Minutes
Investment Report
Collateral Report

Investment Committee Meeting

August 03, 2016

Present: Jim Cornelius, Finance Director, TWU
Kristin Peeples, Chief Financial Officer
Paula Jeans, Accounting/HR Manager, TWU
Jodie Lee, Assistant Chief Financial Officer
John Whitson, City Manager
Bob Bruggeman, Mayor
Richard Long, Valley View Consulting (Via conference call)

The meeting was called to order at 2:07 p.m.

- The minutes for the May 18th meeting were reviewed. Paula Jeans made a motion to approve the minutes and Kristin Peeples seconded the motion.
- TWU had a market value increase when compared to the prior quarter.
- Richard Long discussed the economic outlook. He said the British “Brexit” vote to leave the European Union jolted the markets. The employment rate is low. GDP is lethargic. Stock markets are doing well. He encouraged investing in CDs for laddering or to move funds to a better paying money market account.
- TWU’S Wells Fargo Rate dropped and Mr. Long encouraged them to look at moving the funds to another location to take advantage of higher rates elsewhere.
- The City has invested approximately 2.4 million in a CD at Third Coast Bank and is in the process of moving 1.7 to a higher paying banking institution.
- The portfolio composition of the City is 15% CDs/Securities and 85% DDA/MMA/Pools the portfolio composition of TWU is 32% CDs/Securities and 68% DDA/MMA/Pools.
- Jim Cornelius made a motion to approve the Quarterly Investment Report and John Whitson seconded it.
- The next meeting is scheduled for November 2, 2016 at 2:00 p.m.
- Mr. Whitson made a motion to adjourn the meeting and Jim Cornelius seconded.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

<u>Asset Type</u>	<u>September 30, 2016</u>		<u>September 30, 2015</u>	
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA/MMA/Pools	\$ 21,603,209	\$ 21,603,209	\$ 25,251,806	\$ 25,251,806
CDs/Securities	14,346,187	14,346,187	7,207,153	7,207,153
Totals	\$ 35,949,396	\$ 35,949,396	\$ 32,458,959	\$ 32,458,959

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Average Total Portfolio Yield (1)	0.42%	0.41%	0.02%
Rolling Three Mo. Treas. Yield	0.25%	0.03%	0.22%
Rolling Six Mo. Treas. Yield	0.37%	0.09%	0.28%
Quarterly TexPool Yield	0.31%	0.06%	0.26%

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Summary

City Funds

Asset Type	Ave. Yield	September 30, 2016		June 30, 2016	
		Book Value	Market Value	Book Value	Market Value
DDA/MMA/Pools	0.38%	\$ 16,202,501	\$ 16,202,501	\$ 20,575,172	\$ 20,575,172
CDs/Securities	0.80%	4,421,187	4,421,187	3,544,859	3,544,859
Totals		\$ 20,623,688	\$ 20,623,688	\$ 24,120,031	\$ 24,120,031
Total Portfolio Average - Quarter	0.47%				
Fiscal Year-to-Date Average Yield (2)	0.42%				
Quarterly Interest Income	\$ 22,744				
Year-to-date Interest Income	\$ 94,631				

Water Utility

Asset Type	Ave. Yield	September 30, 2016		June 30, 2016	
		Book Value	Market Value	Book Value	Market Value
DDA/MMA/Pools	0.26%	\$ 5,400,708	\$ 5,400,708	\$ 10,686,957	\$ 10,686,957
CDs/Securities	0.87%	9,925,000	9,925,000	4,925,000	4,925,000
Totals		\$ 15,325,708	\$ 15,325,708	\$ 15,611,957	\$ 15,611,957
Total Portfolio Average - Quarter	0.66%				
Fiscal Year-to-Date Average Yield (2)	0.43%				
Quarterly Interest Income	\$ 14,044				
Year-to-date Interest Income	\$ 50,210				

	QTR		YTD
Rolling Three Mo. Treas. Yield	0.30%	Rolling Three Mo. Treas. Yield	0.25%
Rolling Six Mo. Treas. Yield	0.42%	Rolling Six Mo. Treas. Yield	0.37%
		Quarterly TexPool Yield	0.31%

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

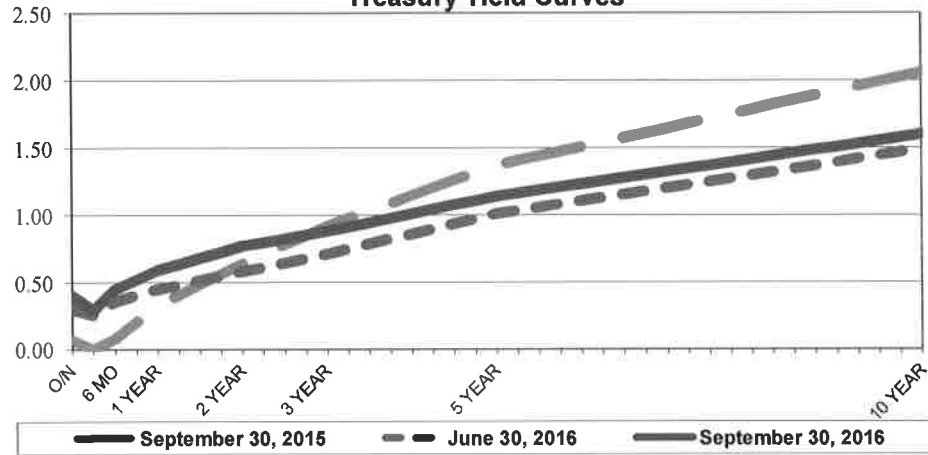
Valley View Consulting, L.L.C. currently provides advisory services to the City.

Economic Overview

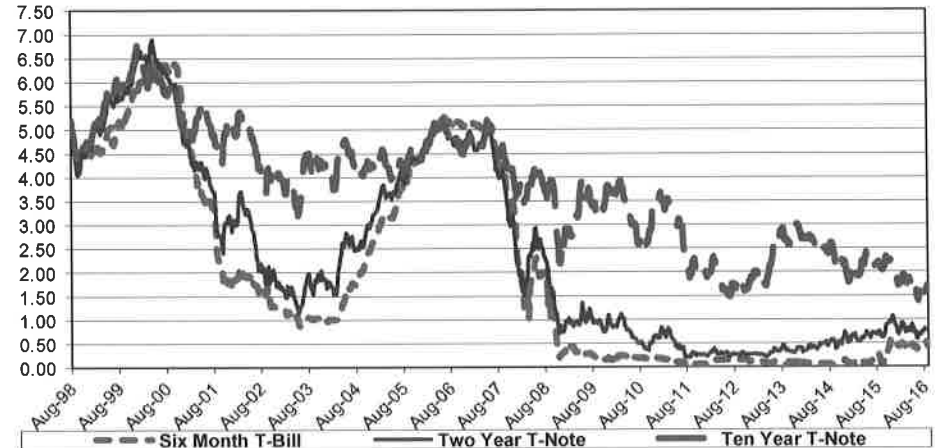
9/30/2016

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 0.25% - 0.50% (actual Fed Funds traded +/-40 bps). The September FOMC meeting recorded dissenting votes for maintaining rates. More hawkish members wanted to raise the range by 0.25%. The current probability of a December FOMC meeting vote to raise the Fed Funds target is +/-60%. Second Quarter US GDP revised to 1.4% (from 1.1%, no more revision is expected). Other economic data reflected modest, yet inconsistent, growth. The US Stock markets have maintained higher levels. Treasury yields drifted slightly higher on tightening rumors. Taxable municipal bonds or CDs offer the best interest earnings opportunity, if available.

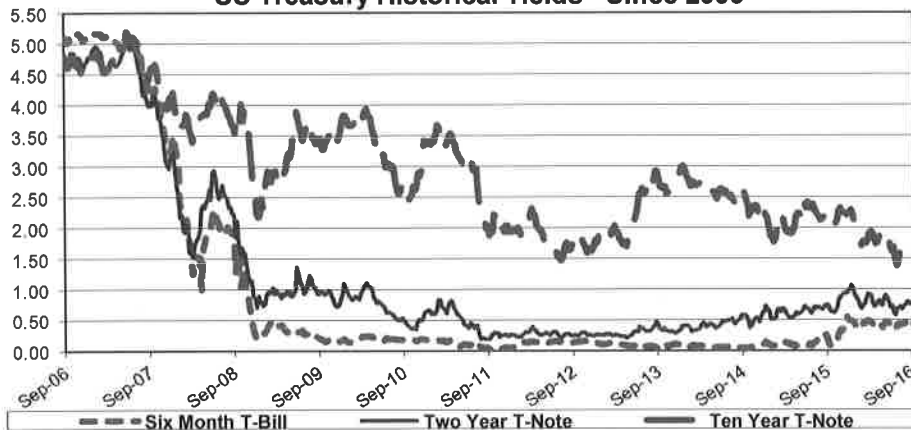
Treasury Yield Curves



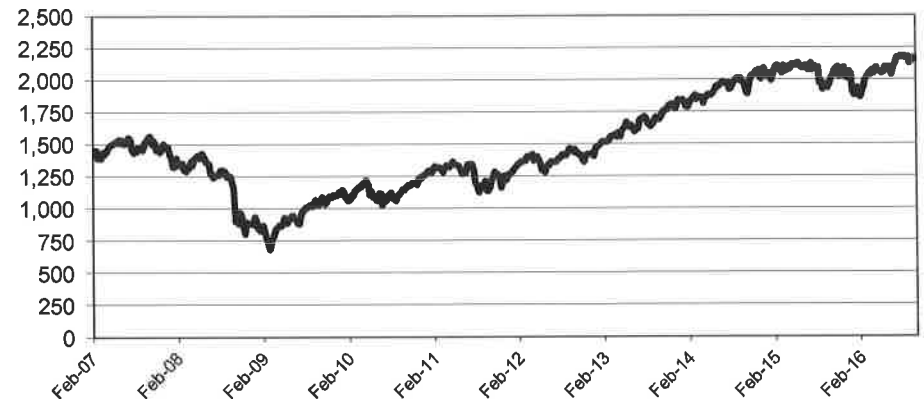
US Treasury Historical Yields - Since 1998



US Treasury Historical Yields - Since 2006



S&P 500



Investment Holdings
September 30, 2016

City Funds

Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Guaranty B&T MMA	0.30%	10/01/16	09/30/16	\$ 10,444,308	\$ 10,444,308	1.00	\$ 10,444,308	1	0.30%
Guaranty B&T MMA #2	0.52%	10/01/16	09/30/16	3,232,135	3,232,135	1.00	3,232,135	1	0.52%
Southside Bank MMA	0.53%	10/01/16	09/30/16	2,526,058	2,526,058	1.00	2,526,058	1	0.53%
Guaranty Bank & Trust CD	0.75%	12/04/16	12/04/15	100,376	100,376	100.00	100,376	65	0.75%
Commercial National Bank CD	0.75%	03/31/17	03/31/15	1,517,032	1,517,032	100.00	1,517,032	182	0.75%
Commercial National Bank CD	0.75%	05/05/17	05/06/15	403,779	403,779	100.00	403,779	217	0.75%
Third Coast Bank, SSB CD	0.85%	07/28/17	07/28/16	2,400,000	2,400,000	100.00	2,400,000	301	0.85%
				\$ 20,623,688	\$ 20,623,688		\$ 20,623,688	54	0.47%

Water Utility

Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo MMA	0.05%	10/01/16	09/30/16	\$ 804,843	\$ 804,843	1.00	\$ 804,843	1	0.05%
Guaranty B&T MMA	0.30%	10/01/16	09/30/16	4,595,865	4,595,865	1.00	4,595,865	1	0.30%
Farmers Bank & Trust CD	0.50%	11/04/16	11/04/15	750,000	750,000	100.00	750,000	35	0.50%
Farmers Bank & Trust CD	0.60%	12/16/16	12/16/15	250,000	250,000	100.00	250,000	77	0.60%
Farmers Bank & Trust CD	0.60%	02/24/17	02/24/16	1,000,000	1,000,000	100.00	1,000,000	147	0.60%
Farmers Bank & Trust CD	0.60%	04/28/17	04/28/16	250,000	250,000	100.00	250,000	210	0.60%
Texas Security Bank CD	0.75%	05/11/17	08/24/16	1,250,000	1,250,000	100.00	1,250,000	223	0.75%
Texas Security Bank CD	0.75%	07/13/17	08/24/16	1,250,000	1,250,000	100.00	1,250,000	286	0.75%
Farmers Bank & Trust CD	0.75%	09/05/17	03/05/16	775,000	775,000	100.00	775,000	340	0.75%
Farmers Bank & Trust CD	1.00%	02/24/18	02/24/16	500,000	500,000	100.00	500,000	512	1.00%
Farmers Bank & Trust CD	0.98%	04/28/18	04/28/16	700,000	700,000	100.00	700,000	575	0.98%
Texas Security Bank CD	1.15%	06/14/18	08/24/16	1,250,000	1,250,000	100.00	1,250,000	622	1.15%
Texas Security Bank CD	1.20%	08/15/18	08/24/16	1,250,000	1,250,000	100.00	1,250,000	684	1.20%
Farmers Bank & Trust CD	1.15%	04/28/19	04/28/16	700,000	700,000	100.00	700,000	940	1.15%
				\$ 15,325,708	\$ 15,325,708		\$ 15,325,708	267	0.66%

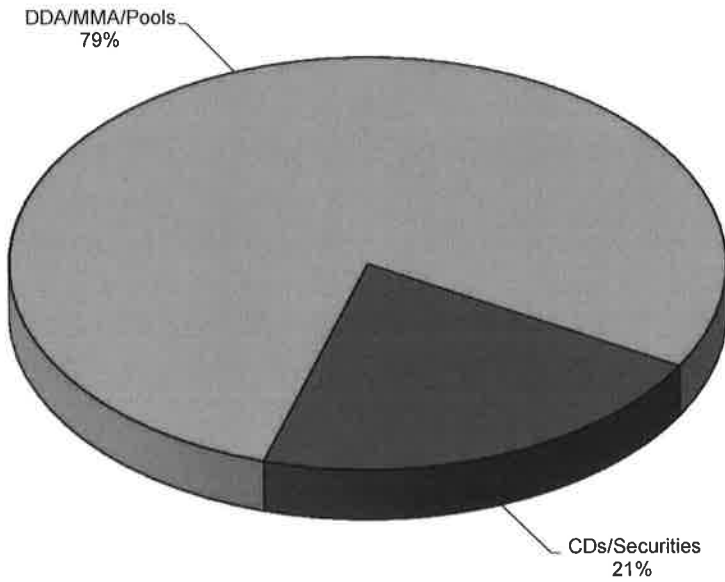
Combined Portfolio

				\$ 35,949,396	\$ 35,949,396		\$ 35,949,396	145	0.55%
								(1)	(2)

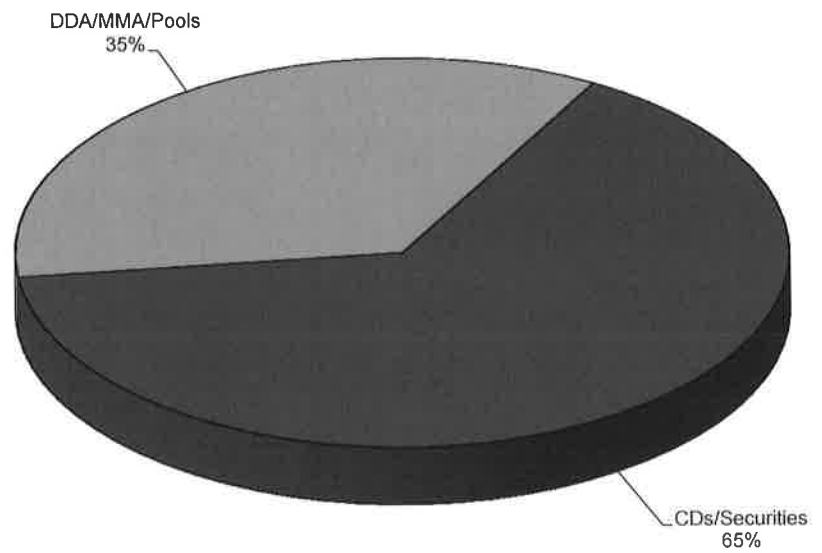
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for cash equivalent investments.

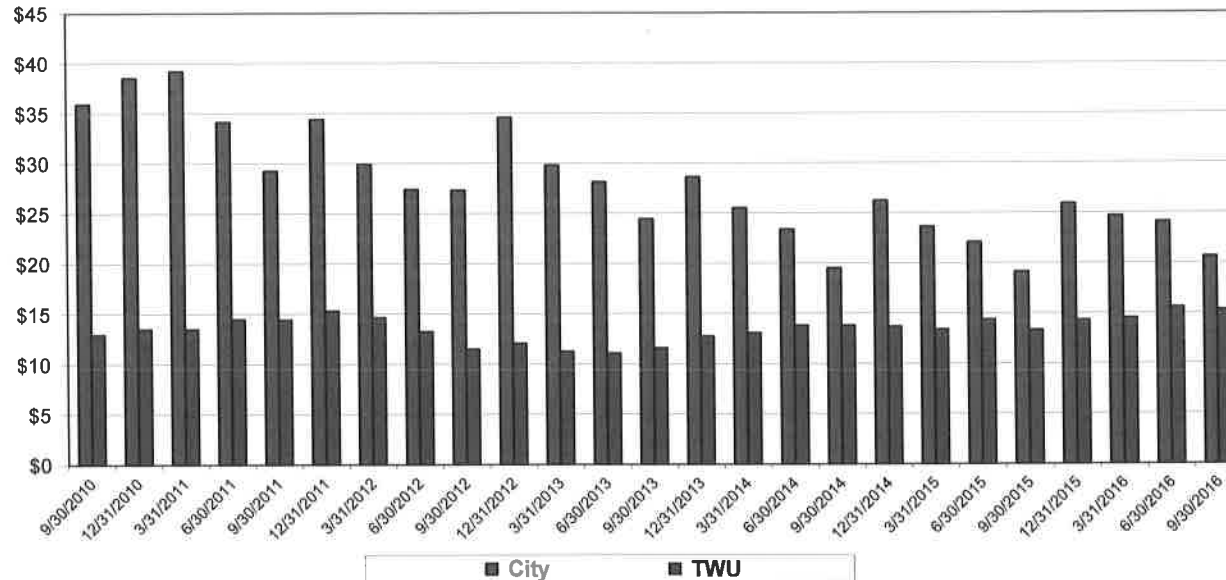
City Portfolio Composition



TWU Portfolio Composition



Quarter End Portfolio (Millions)



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2016		Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2016	
			Par Value	Book Value			Par Value	Book Value
Wells Fargo MMA	0.05%	10/01/16	\$ 6,268,212	\$ 6,268,212	\$ —	\$ (5,463,369)	\$ 804,843	\$ 804,843
Guaranty B&T MMA	0.30%	10/01/16	20,074,162	20,074,162		(5,033,988)	15,040,173.80	15,040,174
Guaranty B&T MMA #2	0.52%	10/01/16	—	—	3,232,135		3,232,135	3,232,135
Southside Bank MMA	0.53%	10/01/16	4,919,755	4,919,755		(2,393,697)	2,526,058	2,526,058
Commercial National Bank CD	0.70%	09/04/16	1,017,143	1,017,143		(1,017,143)	—	—
Guaranty Bank & Trust CD	1.15%	09/15/16	510,154	510,154		(510,154)	—	—
Farmers Bank & Trust CD	0.50%	11/04/16	750,000	750,000			750,000	750,000
Guaranty Bank & Trust CD	0.75%	12/04/16	100,376	100,376			100,376	100,376
Farmers Bank & Trust CD	0.60%	12/16/16	250,000	250,000			250,000	250,000
Farmers Bank & Trust CD	0.75%	02/24/17	1,000,000	1,000,000			1,000,000	1,000,000
Commercial National Bank CD	0.75%	03/31/17	1,514,170	1,514,170	2,862		1,517,032	1,517,032
Farmers Bank & Trust CD	0.60%	04/28/17	250,000	250,000			250,000	250,000
Commercial National Bank CD	0.75%	05/05/17	403,017	403,017	762		403,779	403,779
Texas Security Bank CD	0.75%	05/11/17	—	—	1,250,000		1,250,000	1,250,000
Texas Security Bank CD	0.75%	07/13/17	—	—	1,250,000		1,250,000	1,250,000
Third Coast Bank, SSB CD	0.85%	07/28/17	—	—	2,400,000		2,400,000	2,400,000
Farmers Bank & Trust CD	0.75%	09/05/17	775,000	775,000			775,000	775,000
Farmers Bank & Trust CD	1.00%	02/24/18	500,000	500,000			500,000	500,000
Farmers Bank & Trust CD	0.98%	04/28/18	700,000	700,000			700,000	700,000
Texas Security Bank CD	1.15%	06/14/18	—	—	1,250,000		1,250,000	1,250,000
Texas Security Bank CD	1.20%	08/15/18	—	—	1,250,000		1,250,000	1,250,000
Farmers Bank & Trust CD	1.15%	04/28/19	700,000	700,000			700,000	700,000
TOTAL			\$ 39,731,988	\$ 39,731,988	\$ 10,635,759	\$ (14,418,351)	\$ 35,949,396	\$ 35,949,396

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2016		Qtr to Qtr Change	September 30, 2016	
			Par Value	Market Value		Par Value	Market Value
Wells Fargo MMA	0.05%	10/01/16	\$ 6,268,212	\$ 6,268,212	\$ (5,463,369)	\$ 804,843	\$ 804,843
Guaranty B&T MMA	0.30%	10/01/16	20,074,162	20,074,162	(5,033,988)	15,040,174	15,040,174
Guaranty B&T MMA #2	0.52%	10/01/16	—	—	3,232,135	3,232,135	3,232,135
Southside Bank MMA	0.53%	10/01/16	4,919,755	4,919,755	(2,393,697)	2,526,058	2,526,058
Commercial National Bank CD	0.70%	09/04/16	1,017,143	1,017,143	(1,017,143)	—	—
Guaranty Bank & Trust CD	1.15%	09/15/16	510,154	510,154	(510,154)	—	—
Farmers Bank & Trust CD	0.50%	11/04/16	750,000	750,000		750,000	750,000
Guaranty Bank & Trust CD	0.75%	12/04/16	100,376	100,376		100,376	100,376
Farmers Bank & Trust CD	0.60%	12/16/16	250,000	250,000		250,000	250,000
Farmers Bank & Trust CD	0.75%	02/24/17	1,000,000	1,000,000		1,000,000	1,000,000
Commercial National Bank CD	0.75%	03/31/17	1,514,170	1,514,170	2,862	1,517,032	1,517,032
Farmers Bank & Trust CD	0.60%	04/28/17	250,000	250,000		250,000	250,000
Commercial National Bank CD	0.75%	05/05/17	403,017	403,017	762	403,779	403,779
Texas Security Bank CD	0.75%	05/11/17	—	—	1,250,000	1,250,000	1,250,000
Texas Security Bank CD	0.75%	07/13/17	—	—	1,250,000	1,250,000	1,250,000
Third Coast Bank, SSB CD	0.85%	07/28/17	—	—	2,400,000	2,400,000	2,400,000
Farmers Bank & Trust CD	0.75%	09/05/17	775,000	775,000		775,000	775,000
Farmers Bank & Trust CD	1.00%	02/24/18	500,000	500,000		500,000	500,000
Farmers Bank & Trust CD	0.98%	04/28/18	700,000	700,000		700,000	700,000
Texas Security Bank CD	1.15%	06/14/18	—	—	1,250,000	1,250,000	1,250,000
Texas Security Bank CD	1.20%	08/15/18	—	—	1,250,000	1,250,000	1,250,000
Farmers Bank & Trust CD	1.15%	04/28/19	700,000	700,000		700,000	700,000
TOTAL			\$ 39,731,988	\$ 39,731,988	\$ (3,782,592)	\$ 35,949,396	\$ 35,949,396

City Fund Allocation
Book & Market Value

September 30, 2016

Fund #	Fund Name	Total	Guaranty B&T		Southside Bank MMA	0.75 GB&T CD: 0.75 Commercial 0.75 Commercial 0.85 Third Coast			
			MMA	MMA #2		12/04/15 - 12/04/16	Bank CD: 3/31/15 - 3/31/17	Bank CD: 05/06/15 - 05/05/17	Bank, SSB CD: 07/28/16 - 07/28/17
101	GENERAL FUND - Pooled Cash	\$ 7,313,803	\$ (249,006)	\$ 1,019,343	\$ 2,526,058	\$ 100,376	\$ 1,517,032	\$ --	\$ 2,400,000
101	GENERAL FUND	55,276	55,276						
102	NARCOTICS DIVISION OPERATIONS	91,537	91,537						
103	PERSONNEL POLICY	986,961	286,559	700,402					
104	WORKER'S COMP	362,879	362,879						
105	PAYROLL DISBURSEMENT FUND	(3,854)	(3,854)						
107	COURT SECURITY FUND	349,109	349,109						
109	GENERAL PROPERTY & LIAB	175,582	175,582						
111	POLICE EVIDENCE ESCROW FUND	16,834	16,834						
113	ENERGY CONSERVATION REV. LOAN	33,608	33,608						
114	COURT TECHNOLOGY FUND	22,439	22,439						
115	TECHNOLOGY FUND	80,538	80,538						
116	TIRZ #1	875,030	875,030						
117	DONATION FUND	9,764	9,764						
118	TIRZ #2	3	3						
203	CDBG REVOLVING LOAN FUND	112,741	112,741						
204	HCD FUND	135	135						
208	EPA MULTI-PURPOSE GRANT	(110)	(110)						
209	HOME PROGRAM	46,019	46,019						
211	THEATRE FUND	35,104	35,104						
212	HOTEL/MOTEL TAX FD	227,098	227,098						
213	PEROT THEATRE BLDG MAINT	667,713	263,934					403,779	
215	HOUSING FUND	259,510	59,396	200,115					
217	LAW ENFORCEMENT BLOCK GRANT	15,052	15,052						
219	LAW ENFORCEMENT PROGRAM	25,664	25,664						
220	METRO PLANNING ORG	(1,084)	(1,084)						
221	TEXARKANA URBAN TRANSIT	100	100						
223	ECONOMIC DEVELOPMENT	1,331,835	619,904	711,931					
230	ROTARY SPLASH PARK FUND	350	350						
301	INTEREST & SINKING	14,778	14,778						
415	2003 BOND FUND	4,070	4,070						
417	2005 BOND FUND	512,914	512,914						
420	2009 BOND FUND	1,025	1,025						
422	TIRZ BOND FUND	1,904,254	1,904,254						
501	HEALTH FUND	352,755	252,698	100,057					
502	PUBLIC LIBRARY	56,372	56,372						
601	DRUG ESCROW	78,418	78,418						
605	FEDERAL ASSET FORFEITURE	105,658	105,658						
701	EMPLOYEE BENEFIT	1,346,503	846,216	500,287					
702	BENEFIT PAYMENT	1,257,093	1,257,093						
703	FLEET SERVICES	708,626	708,626						
704	CAPITAL REPLACEMENT	1,088,923	1,088,923						
810	MEMBER CITY WATER REVENUE	102,661	102,661						
TOTAL		\$ 20,623,688	\$ 10,444,308	\$ 3,232,135	\$ 2,526,058	\$ 100,376	\$ 1,517,032	\$ 403,779	\$ 2,400,000

**Water Fund Allocation
September 30, 2016**

Fund Name	Total	Wells Fargo MMA	Guaranty B&T MMA	0.50 Farmers Bank & Trust CD: 11/04/15 - 11/04/16	0.50 Farmers Bank & Trust CD: 12/16/15 - 12/16/16	0.60 Farmers Bank & Trust CD: 02/24/16 - 02/24/17	0.60 Farmers Bank & Trust CD: 04/28/16- 04/28/17
Revenue	\$ 2,156,811	\$ 150,777	\$ 1,256,034	\$ 750,000	\$ -	\$ -	\$ -
Customer Loan	40,157		40,157				
Water Plant Construction	45		45				
Technology	820,527		820,527				
2004 Bond	33,321		33,321				
2004 Construction	27,195		27,195				
2005 Bond	34,767		34,767				
2013 Bond	28,156		28,156				
2013 Construction	683,731		683,731				
LTWSC Capital Improvement	868,382	77,212	191,171				
Capital Improvement	1,720,106	285,849	234,257				
COE Cost	900,000						
Compost	719,787		359,787			360,000	
Customer Deposit	794,562		94,562			100,000	
Equipment Acquisition	507,206	100,021	142,185				
Infrastructure	1,249,796		109,796			540,000	
Personnel	92,939		92,939				
Reserve	704,119		4,119				
Revenue	760,000						
WWTP Depreciation	432,951		157,951				
Waggoner Creek CIP	2,751,150	190,985	285,166		250,000		250,000
\$	15,325,708	\$ 804,843	\$ 4,595,865	\$ 750,000	\$ 250,000	\$ 1,000,000	\$ 250,000

Water Fund Allocation (Continued)
September 30, 2016

Fund Name	0.75 Texas Security Bank CD: 08/24/16- 05/11/17	0.75 Texas Security Bank CD: 08/24/16- 07/13/17	0.75 Farmers Bank & Trust CD: 03/05/16 - 09/05/17	1.00 Farmers Bank & Trust CD: 02/24/16- 02/24/18	0.98 Farmers Bank & Trust CD: 04/28/16- 04/28/18	1.15 Texas Security Bank CD: 08/24/16- 06/14/18	1.20 Texas Security Bank CD: 08/24/16- 08/15/18	1.15 Farmers Bank & Trust CD: 04/28/16- 04/29/19
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Loan								
Water Plant Construction								
Technology								
2004 Bond								
2004 Construction								
2005 Bond								
2013 Bond								
2013 Construction								
LTWSC Capital Improvement		325,000				275,000		
Capital Improvement	675,000	380,000				95,000	50,000	
COE Cost					250,000			650,000
Compost								
Customer Deposit	200,000			400,000				
Equipment Acquisition	100,000	165,000						
Infrastructure			500,000	100,000				
Personnel								
Reserve							700,000	
Revenue		380,000				380,000		
WWTP Depreciation	275,000							
Waggoner Creek CIP			275,000		450,000	500,000	500,000	50,000
	\$ 1,250,000	\$ 1,250,000	\$ 775,000	\$ 500,000	\$ 700,000	\$ 1,250,000	\$ 1,250,000	\$ 700,000

**City Fund Allocation
Book & Market Value**

June 30, 2016

Fund #	Fund Name	Total	Guaranty B&T	Southside	0.70 Commercial	1.15 GB&T CD:	0.75 GB&T CD:	0.75 Commercial	0.75 Commercial
			MMA	Bank MMA	Bank CD: 03/05/15 - 09/04/16	09/15/14 - 09/15/16	12/04/15 - 12/04/16	Bank CD: 3/31/15 - 3/31/17	Bank CD: 05/06/15 - 05/05/17
101	GENERAL FUND - Pooled Cash	\$ 9,173,791	\$ 1,622,347	\$ 4,919,755	\$ 1,017,143	\$ -	\$ 100,376	\$ 1,514,170	\$ -
101	GENERAL FUND	25,979	25,979						
102	NARCOTICS DIVISION OPERATIONS	91,952	91,952						
103	PERSONNEL POLICY	1,055,721	1,055,721						
104	WORKER'S COMP	361,891	361,891						
107	COURT SECURITY FUND	344,633	344,633						
109	GENERAL PROPERTY & LIAB	202,565	202,565						
111	POLICE EVIDENCE ESCROW FUND	16,872	16,872						
113	ENERGY CONSERVATION REV. LOAN	32,811	32,811						
114	COURT TECHNOLOGY FUND	16,396	16,396						
115	TECHNOLOGY FUND	121,294	121,294						
116	TIRZ #1	742,235	742,235						
117	DONATION FUND	13,274	13,274						
118	TIRZ #2	10,127	10,127						
201	SUPPORTIVE HOUSING GRANT	3,861	3,861						
203	CDBG REVOLVING LOAN FUND	107,514	107,514						
204	HCD FUND	9,962	9,962						
205	EPA PETROLEUM GRANT	5,268	5,268						
207	EPA REVOLVINGLOAN GRANT	8,930	8,930						
208	EPA MULTI-PURPOSE GRANT	11,484	11,484						
209	HOME PROGRAM	45,628	45,628						
211	THEATRE FUND	120,976	120,976						
213	PEROT THEATRE BLDG MAINT	651,213	248,196						403,017
215	HOUSING FUND	258,850	258,850						
217	LAW ENFORCEMENT BLOCK GRANT	86	86						
219	LAW ENFORCEMENT PROGRAM	25,645	25,645						
220	METRO PLANNING ORG	14,886	14,886						
221	TEXARKANA URBAN TRANSIT	100	100						
223	ECONOMIC DEVELOPMENT	1,263,723	753,570			510,154			
225	EPA BROWNFIELD GRANT	349	349						
230	ROTARY SPLASH PARK FUND	349	349						
301	INTEREST & SINKING	1,042,571	1,042,571						
415	2003 BOND FUND	165,956	165,956						
417	2005 BOND FUND	655,650	655,650						
420	2009 BOND FUND	1,025	1,025						
422	TIRZ BOND FUND	1,902,815	1,902,815						
501	HEALTH FUND	337,758	337,758						
502	PUBLIC LIBRARY	66,242	66,242						
601	DRUG ESCROW	78,594	78,594						
605	FEDERAL ASSET FORFEITURE	98,766	98,766						
701	EMPLOYEE BENEFIT	1,107,821	1,107,821						
702	BENEFIT PAYMENT	1,372,450	1,372,450						
703	FLEET SERVICES	766,969	766,969						
704	CAPITAL REPLACEMENT	1,751,225	1,751,225						
810	MEMBER CITY WATER REVENUE	33,826	33,826						
TOTAL		\$ 24,120,031	\$ 15,655,417	\$ 4,919,755	\$ 1,017,143	\$ 510,154	\$ 100,376	\$ 1,514,170	\$ 403,017

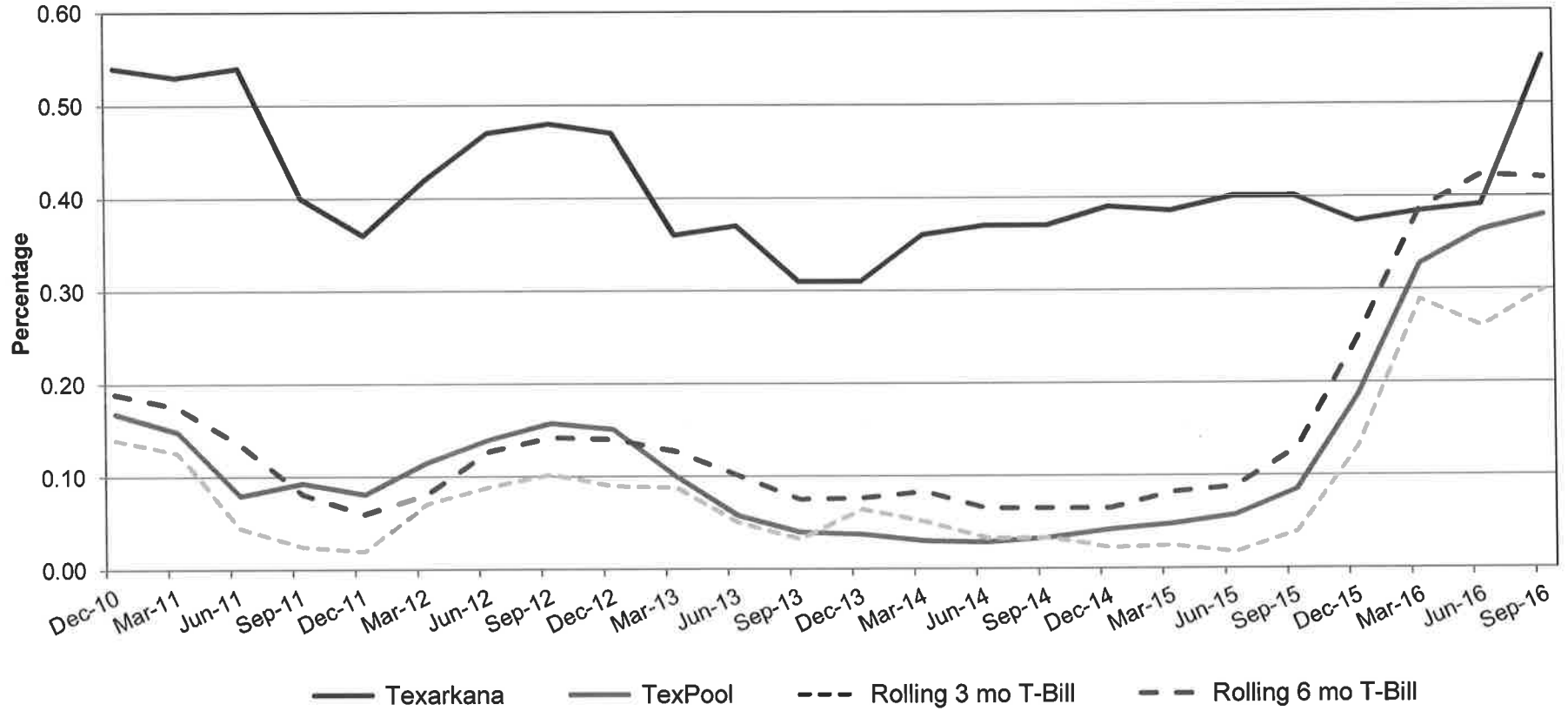
**Water Fund Allocation
June 30, 2016**

Fund Name	Total	Wells Fargo MMA	Guaranty B&T MMA	0.50 Farmers Bank & Trust CD: 11/04/15 - 11/04/16	0.50 Farmers Bank & Trust CD: 12/16/15 - 12/16/16	0.60 Farmers Bank & Trust CD: 02/24/16 - 02/24/17	0.60 Farmers Bank & Trust CD: 04/28/16- 04/28/17
Revenue	\$ 2,093,537	\$ 1,005,664	\$ 337,873	\$ 750,000	\$ -	\$ -	\$ -
Customer Loan	40,127		40,127				
Water Plant Construction	46		46				
Technology	1,038,854		1,038,854				
2004 Bond	32,782		32,782				
2005 Bond	199,293		199,293				
2013 Bond	28,134		28,134				
2013 Construction	286,267		286,267				
LTWSC Capital Improvement	1,186,032	677,163	508,869				
Capital Improvement	1,976,321	1,485,736	490,585				
COE Cost	900,000						
Compost	697,995		337,995			360,000	
Customer Deposit	783,454	134,626	148,828			100,000	
Equipment Acquisition	591,072	579,597	11,476				
Infrastructure	1,593,031	233,227	219,805			540,000	
Personnel	80,501		80,501				
Reserve	704,082	681,796	22,286				
WWTP Depreciation	550,179	279,506	270,672				
Waggoner Creek CIP	2,699,084	1,190,896	233,188		250,000		250,000
	\$ 15,611,957	\$ 6,268,212	\$ 4,418,745	\$ 750,000	\$ 250,000	\$ 1,000,000	\$ 250,000

Water Fund Allocation (Continued)
June 30, 2016

Fund Name	0.75 Farmers Bank & Trust CD: 03/05/16 - 09/05/17	1.00 Farmers Bank & Trust CD: 02/24/16- 02/24/18	0.98 Farmers Bank & Trust CD: 04/28/16- 04/28/18	1.15 Farmers Bank & Trust CD: 04/28/16- 04/29/19
Revenue	\$ -	\$ -	\$ -	\$ -
Customer Loan				
Water Plant Construction				
Technology				
2004 Bond				
2005 Bond				
2013 Bond				
2013 Construction				
LTWSC Capital Improvement				
Capital Improvement				
COE Cost			250,000	650,000
Compost				
Customer Deposit		400,000		
Equipment Acquisition				
Infrastructure	500,000	100,000		
Personnel				
Reserve				
WWTP Depreciation				
Waggoner Creek CIP	275,000		450,000	50,000
	\$ 775,000	\$ 500,000	\$ 700,000	\$ 700,000

Total Portfolio Performance



**Collateral Position
September 30, 2016**

	CITY				WATER UTILITY			
	Guaranty B&T	Southside Bank	Commercial National Bank	Third Coast Bank, SSB	Wells Fargo	Farmers B&T	Texas Security Bank	Guaranty B&T
Collateral Value	\$ 14,227,860	\$ 2,652,679	\$ 2,730,725	\$ 2,200,000	\$ 633,986	\$ 5,150,000	\$ 5,000,000	\$ 5,252,204
+ FDIC Insurance	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Enhancement	\$ 14,477,860	\$ 2,902,679	\$ 2,980,725	\$ 2,450,000	\$ 883,986	\$ 5,400,000	\$ 5,250,000	\$ 5,502,204
Total Deposits	\$ 13,776,820	\$ 2,526,058	\$ 1,920,811	\$ 2,400,000	\$ 804,843	\$ 4,925,000	\$ 5,000,000	\$ 4,595,865
Excess Coverage	\$ 701,041	\$ 376,621	\$ 1,059,914	\$ 50,000	\$ 79,143	\$ 475,000	\$ 250,000	\$ 906,339
Percentage Coverage	105%	115%	155%	102%	110%	110%	105%	120%
Collateral Type:								
Treasuries								
Agency Bullets								
Agency Callable								
Agency LOC	\$ 5,000,000			\$ 2,200,000		\$ 5,150,000	\$ 5,000,000	
Munis	\$ 7,578,643	\$ 2,652,679						\$ 1,305,898
Mortgage Backed Securities	\$ 1,649,217		\$ 1,438,816		\$ 633,986			\$ 3,946,306
Real Estate Mortgage Investment Conduits/ Collateralized Mortgage Obligations (1)			\$ 1,291,909					

(1) The Public Funds Collateral Act requires all REMIC/CMOs to have an expected weighted average life of 10 years or less and not constitute a high-risk security as determined by a 300 basis point market movement stress test.