


City of Texarkana, Texas QUARTERLY INVESTMENT REPORT

For the Quarter Ended
March 31, 2015

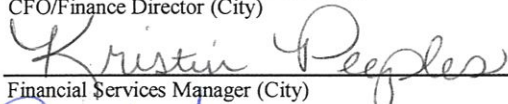
Prepared by

Valley View Consulting, L.L.C.

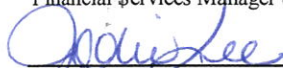
The investment portfolio of the City of Texarkana, TX is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.




CFO/Finance Director (City)



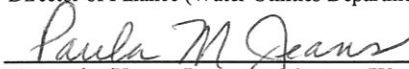
Financial Services Manager (City)



Controller/Accounting Manager (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
Monday, May 4, 2015 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 Charles L. Bassett, Jr.
- City Financial Services Manager Kristin Peebles
- WU Finance Director Jim Cornelius
- WU Accounting/Human Resources Manager Paula Jeans

OTHER ATTENDEES

- City Controller/Accounting Manager Jodie Lee
- Investment Advisor - Valley View Consulting Bill Koch & Dick Long (via conference call)

A. CALL TO ORDER (General Comments)

B. MINUTES

1. Consider approval of the minutes of the Investment Committee meeting on February 16, 2015.

C. NEW BUSINESS

1. Receive a presentation of the Quarterly Investment Report for the period ending March 31, 2015, and take action as necessary.
2. Review the Collateral Report for the period ending March 31, 2015.
3. Execute Investment Report cover page.
4. Discuss the market outlook and appropriate investment strategy.
5. Schedule the next Investment Committee meeting on Aug 3, 2015 2:00 Pm
6. Other.

D. ADJOURNMENT

Attachments:

Minutes

Investment Report

Collateral Report

Market Outlook

Investment Committee Meeting February 16, 2015

Present: Charles L. Bassett, Jr., Chief Financial Officer
Jim Cornelius, Finance Director, TWU
John Whitson, City Manager
Kristin Peeples, Financial Services Manager
Dick Long, Valley View Consulting (via conference call)

Absent: Bob Bruggeman, Mayor
Paula Jeans, Accounting/HR Manager, TWU
Jodie Lee, Controller/Accounting Manager

- Approved the minutes from the November 20, 2014 investment committee meeting. John Whitson made the motion to approve. Jim Cornelius seconded the motion.
- Dick Long presented the investment report and market outlook for the quarter ended 12/31/14.
- All funds are collateralized above the required level at all banks.
- Valley View encouraged the City and Water Department to identify funds that can be placed one year or longer. The City has a current CD that matures on February 24th.
- Valley view requested that the City follow up on the bank depository extension contract and see where it stands.
- No further comments or questions from the committee.
- The next investment committee meeting is scheduled for May 4, 2015 at 2:00 PM.
- Meeting adjourned.

City of Texarkana, Texas

QUARTERLY INVESTMENT REPORT

For the Quarter Ended
March 31, 2015

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)

Financial Services Manager (City)

Controller/Accounting Manager (City)

Director of Finance (Water Utilities Department)

Accounting/Human Resources Manager (Water Utilities Department)

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Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The European Central Bank (ECB) announced and began a Quantitative Easing plan. The Dollar reacted very strongly - dropping from +/- \$1.40 per Euro to +/- \$1.05 per Euro. This strength could have severe US export implications. New payroll growth plummeted to +126,000, but the unemployment rate remained unchanged. The FOMC met and deleted "patient" from their statement text, then added they would not be "impatient" regarding increasing interest rates. Unfortunately they also reduced their overall growth and interest rate expectations for 2015. The stock markets continue to maintain current levels. Financial institution deposit yields generally provide the best interest earnings opportunity. Continuing to ladder provides strategic advantage.

City Funds

<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA/MMA/Pools	0.27%	\$ 18,925,235	\$ 18,925,235	\$ 21,232,227	\$ 21,232,227
CDs/Securities	0.72%	4,717,517	4,717,517	5,019,279	5,019,279
Totals		\$ 23,642,752	\$ 23,642,752	\$ 26,251,505	\$ 26,251,505
Total Portfolio Average	0.36%				
Fiscal Year-to-Date Average Yield (2)	0.36%				
Quarterly Interest Income	\$ 11,369				
Year-to-date Interest Income	\$ 23,880				

Water Utility

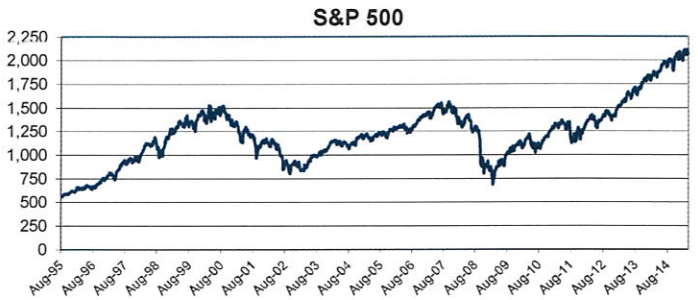
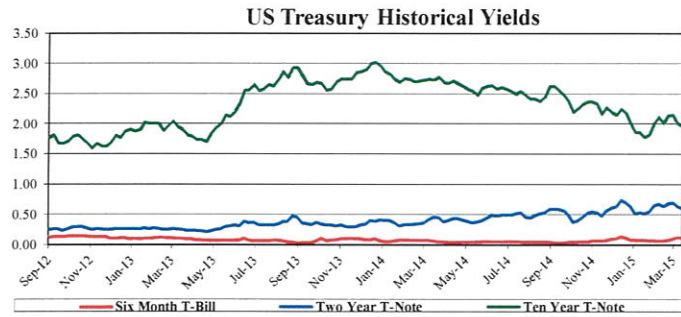
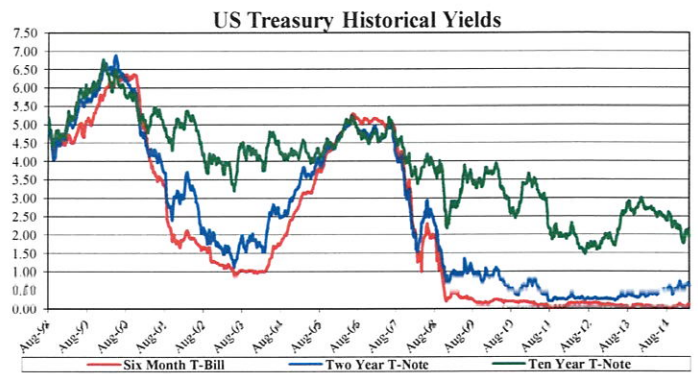
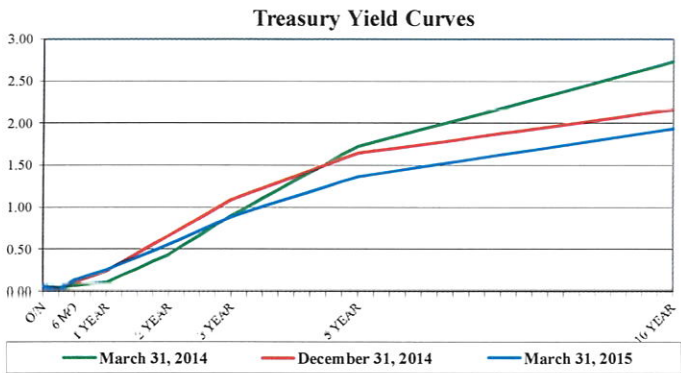
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA/MMA/Pools	0.36%	\$ 10,875,785	\$ 10,875,785	\$ 11,145,837	\$ 11,145,837
CDs/Securities	0.82%	2,525,000	2,525,000	2,525,000	2,525,000
Totals		\$ 13,400,785	\$ 13,400,785	\$ 13,670,837	\$ 13,670,837
Total Portfolio Average	0.45%				
Fiscal Year-to-Date Average Yield (2)	0.43%				
Quarterly Interest Income	\$ 14,265				
Year-to-date Interest Income	\$ 28,434				

	QTR		YTD
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.04%

(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.



Detail of Investment Holdings March 31, 2015

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%	04/01/15	03/31/15	\$ 13,594,122	\$ 13,594,122	1.00	\$ 13,594,122	1	0.30%
Southside Bank MMA	0.20%	04/01/15	03/31/15	5,331,113	5,331,113	1.00	5,331,113	1	0.20%
Farmers Bank & Trust CD	0.60%	05/01/15	05/01/14	502,273	502,273	100.00	502,273	31	0.60%
Farmers Bank & Trust CD	0.30%	08/03/15	03/03/15	100,000	100,000	100.00	100,000	125	0.30%
Farmers Bank & Trust CD	0.30%	09/03/15	03/03/15	100,000	100,000	100.00	100,000	156	0.30%
Farmers Bank & Trust CD	0.30%	10/03/15	03/03/15	100,000	100,000	100.00	100,000	186	0.30%
Farmers Bank & Trust CD	0.30%	11/03/15	03/03/15	100,000	100,000	100.00	100,000	217	0.30%
Farmers Bank & Trust CD	0.40%	12/03/15	03/03/15	100,000	100,000	100.00	100,000	247	0.40%
Farmers Bank & Trust CD	0.40%	01/03/16	03/03/15	100,000	100,000	100.00	100,000	278	0.40%
Farmers Bank & Trust CD	0.50%	02/06/16	03/03/15	100,000	100,000	100.00	100,000	312	0.50%
Farmers Bank & Trust CD	0.90%	02/24/16	02/24/14	504,133	504,133	100.00	504,133	330	0.90%
Commercial National Bank CD	0.70%	09/04/18	03/05/15	1,008,258	1,008,258	100.00	1,008,258	523	0.70%
Guaranty Bank & Trust CD	1.15%	09/15/16	09/15/14	502,855	502,855	100.00	502,855	534	1.15%
Commercial National Bank CD	0.75%	03/31/17	03/31/15	1,500,000	1,500,000	100.00	1,500,000	731	0.75%
				\$ 23,642,752	\$ 23,642,752		\$ 23,642,752	95	0.36%

Water Utility

Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo MMA	0.41%	04/01/15	03/31/15	\$ 6,247,608	\$ 6,247,608	1.00	\$ 6,247,608	1	0.41%
Guaranty B&T MMA	0.30%	04/01/15	03/31/15	4,628,178	4,628,178	1.00	4,628,178	1	0.30%
Farmers Bank & Trust CD	0.90%	02/24/16	02/24/14	1,000,000	1,000,000	100.00	1,000,000	330	0.90%
Farmers Bank & Trust CD	0.90%	02/24/16	02/24/14	500,000	500,000	100.00	500,000	330	0.90%
Farmers Bank & Trust CD	0.70%	03/05/16	09/05/14	1,025,000	1,025,000	100.00	1,025,000	340	0.70%
				\$ 13,400,785	\$ 13,400,785		\$ 13,400,785	64	0.45%

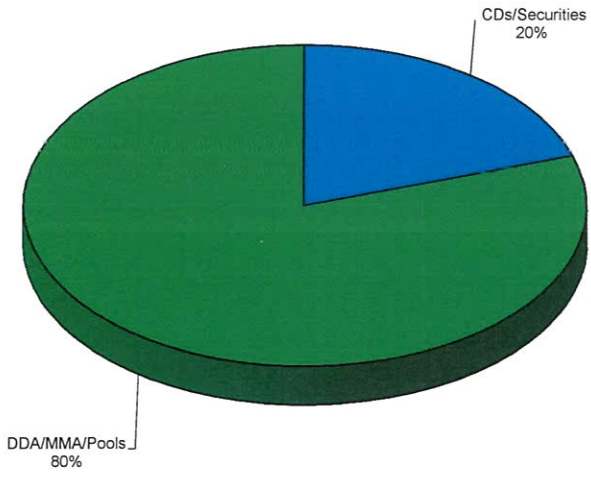
Combined Portfolio

				\$ 37,043,537	\$ 37,043,537		\$ 37,043,537	84	0.39%
								(1)	(2)

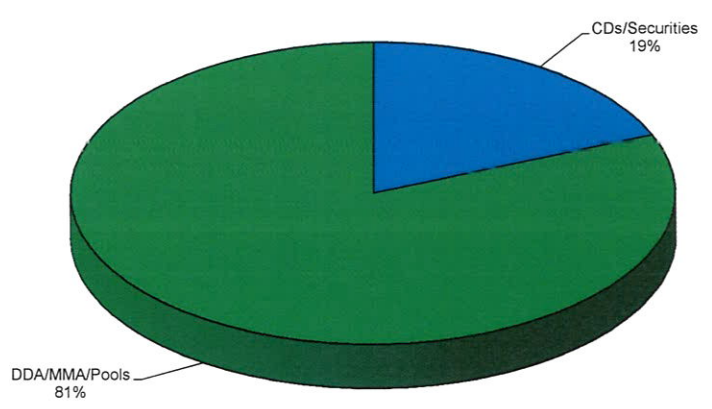
(1) Weighted average life - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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

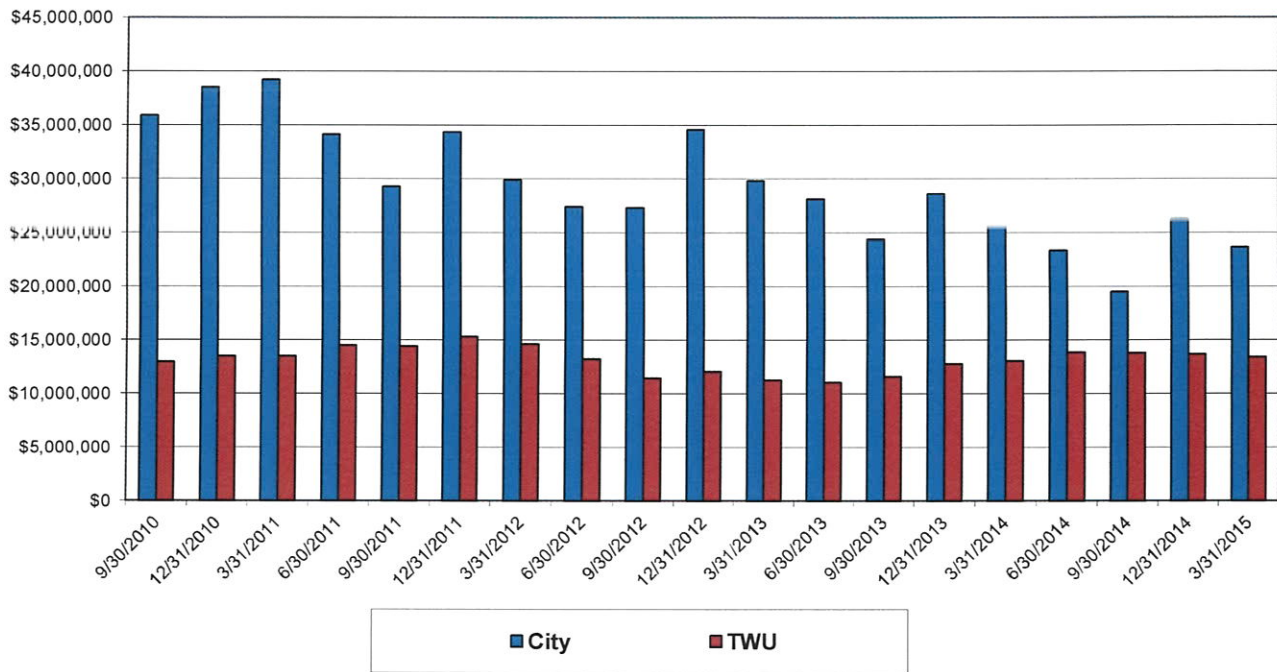
City Portfolio Composition



TWU Portfolio Composition



Quarter End Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2015	
			Par Value	Book Value			Par Value	Book Value
Wells Fargo MMA	0.45%	04/01/15	\$ 5,441,680	\$ 5,441,680	\$ 805,927	\$ -	\$ 6,247,608	\$ 6,247,608
Guaranty B&T MMA	0.30%	04/01/15	21,607,853	21,607,853		(3,385,554)	18,222,299.16	18,222,299
Southside Bank MMA	0.20%	04/01/15	5,328,530	5,328,530	2,583		5,331,113	5,331,113
Farmers Bank & Trust CD	0.60%	02/24/15	2,505,445	2,505,445		(2,505,445)		
Commercial National Bank CD	0.55%	03/04/15	1,006,890	1,006,890		(1,006,890)		
Farmers Bank & Trust CD	0.60%	05/01/15	501,762	501,762	512		502,273	502,273
Farmers Bank & Trust CD	0.30%	08/03/15			100,000		100,000	100,000
Farmers Bank & Trust CD	0.30%	09/03/15			100,000		100,000	100,000
Farmers Bank & Trust CD	0.30%	10/03/15			100,000		100,000	100,000
Farmers Bank & Trust CD	0.30%	11/03/15			100,000		100,000	100,000
Farmers Bank & Trust CD	0.40%	12/03/15			100,000		100,000	100,000
Farmers Bank & Trust CD	0.40%	01/03/16			100,000		100,000	100,000
Farmers Bank & Trust CD	0.50%	02/06/16			100,000		100,000	100,000
Farmers Bank & Trust CD	0.90%	02/24/16	1,000,000	1,000,000			1,000,000	1,000,000
Farmers Bank & Trust CD	0.90%	02/24/16	503,748	503,748	385		504,133	504,133
Farmers Bank & Trust CD	0.90%	02/24/16	500,000	500,000			500,000	500,000
Farmers Bank & Trust CD	0.70%	03/05/16	1,025,000	1,025,000			1,025,000	1,025,000
Commercial National Bank CD	0.70%	09/04/16			1,008,256		1,008,256	1,008,256
Guaranty Bank & Trust CD	1.15%	09/15/16	501,434	501,434	1,422		502,855	502,855
Commercial National Bank CD	0.75%	03/31/17			1,500,000		1,500,000	1,500,000
TOTAL			\$ 39,922,342	\$ 39,922,342	\$ 4,019,085	\$ (6,897,889)	\$ 37,043,537	\$ 37,043,537

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014		Qtr to Qtr Change	March 31, 2015	
			Par Value	Market Value		Par Value	Market Value
Wells Fargo MMA	0.45%	04/01/15	\$ 5,441,680	\$ 5,441,680	\$ 805,927	\$ 6,247,608	\$ 6,247,608
Guaranty B&T MMA	0.30%	04/01/15	21,607,853	21,607,853	(3,385,554)	18,222,299	18,222,299
Southside Bank MMA	0.20%	04/01/15	5,328,530	5,328,530	2,583	5,331,113	5,331,113
Farmers Bank & Trust CD	0.60%	02/21/16	2,606,116	2,606,116	(2,606,116)		
Commercial National Bank CD	0.55%	03/04/15	1,006,890	1,006,890	(1,006,890)		
Farmers Bank & Trust CD	0.60%	05/01/15	501,762	501,762	512	502,273	502,273
Farmers Bank & Trust CD	0.30%	08/03/15			100,000	100,000	100,000
Farmers Bank & Trust CD	0.30%	09/03/15			100,000	100,000	100,000
Farmers Bank & Trust CD	0.30%	10/03/15			100,000	100,000	100,000
Farmers Bank & Trust CD	0.30%	11/03/15			100,000	100,000	100,000
Farmers Bank & Trust CD	0.40%	12/03/15			100,000	100,000	100,000
Farmers Bank & Trust CD	0.40%	01/03/16			100,000	100,000	100,000
Farmers Bank & Trust CD	0.50%	02/06/16			100,000	100,000	100,000
Farmers Bank & Trust CD	0.90%	02/24/16	1,000,000	1,000,000		1,000,000	1,000,000
Farmers Bank & Trust CD	0.90%	02/24/16	503,748	503,748	385	504,133	504,133
Farmers Bank & Trust CD	0.90%	02/24/16	500,000	500,000		500,000	500,000
Farmers Bank & Trust CD	0.70%	03/05/16	1,025,000	1,025,000		1,025,000	1,025,000
Commercial National Bank CD	0.70%	09/04/16			1,008,256	1,008,256	1,008,256
Guaranty Bank & Trust CD	1.15%	09/15/16	501,434	501,434	1,422	502,855	502,855
Commercial National Bank CD	0.75%	03/31/17			1,500,000	1,500,000	1,500,000
TOTAL			\$ 39,922,342	\$ 39,922,342	\$ (2,878,805)	\$ 37,043,537	\$ 37,043,537

City Fund Allocation
Book & Market Value

March 31, 2015

Fund #	Fund Name	Total	Guaranty Bond	Southside Bank MMA	0.60 Farmers		0.30 Farmers		0.30 Farmers		0.30 Farmers		0.40 Farmers		0.40 Farmers	
					B&T CD 5/1/14 - 5/1/15	B&T CD 3/3/15 - 8/3/15	B&T CD 3/3/15 - 9/3/15	B&T CD 3/3/15 - 10/3/15	B&T CD 3/3/15 - 11/3/15	B&T CD 3/3/15 - 12/3/15	B&T CD 3/3/15 - 1/3/16					
101	GENERAL FUND - Pooled Cash	\$ 9,428,032	\$ 2,311,068	\$ 3,404,576	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
101	GENERAL FUND	3,634	3,634													
102	NARCOTICS DIVISION OPERATIONS	152,077	152,077													
103	PERSONNEL POLICY	538,869	538,869													
104	WORKER'S COMP	525,766	525,766													
107	COURT SECURITY FUND	320,208	320,208													
109	GENERAL PROPERTY & LIAB	54,514	54,514													
111	POLICE EVIDENCE ESCROW FUND	16,859	16,859													
113	ENERGY CONSERVATION REVOLVING LO.	28,840	28,840													
114	COURT TECHNOLOGY FUND	16,307	16,307													
115	TECHNOLOGY FUND	120,243	120,243													
116	TIRZ #2	568,029	568,029													
117	DONATION FUND	4,561	4,561													
201	SUPPORTIVE HOUSING GRANT	42,870	42,870													
203	CDBG REVOLVING LOAN FUND	23,201	23,201													
204	EPA PETROLEUM GRANT	3,809	3,809													
200	EPA JOB TRAINING GRANT	1,971	1,971													
207	EPA REVOLVING LOAN GRANT	4,364	4,364													
200	EPA MULTI-PURPOSE GRANT	11,402	11,402													
209	HOME PROGRAM	35,577	35,577													
211	THEATRE FUND	88,307	88,307													
212	HOTEL/MOTEL TAX FD	278,250	278,250													
213	PEROT THEATRE BLDG MAINT	613,795	111,522		502,273											
215	HOUSING FUND	230,478	230,478													
219	LAW ENFORCEMENT PROGRAM	18,757	18,757													
220	METRO PLANNING ORG	25,604	25,604													
223	ECONOMIC DEVELOPMENT	1,154,212	651,357													
225	EPA BROWNFIELD GRANT	1,217	1,217													
230	ROTARY SPLASH PARK FUND	71,990	71,990													
301	INTEREST & SINKING	328,042	328,042													
415	2003 BOND FUND	181,800	181,800													
417	2005 BOND FUND	725,022	725,022													
420	2009 BOND FUND	1,706,832	187,097		1,519,736											
422	TIRZ BOND FUND	2,894,261	2,487,459		406,801											
501	HEALTH FUND	262,527	262,527													
502	PUBLIC LIBRARY	48,468	48,468													
601	DRUG ESCROW	36,300	36,300													
605	FEDERAL ASSET FORFEITURE	96,699	96,699													
701	EMPLOYEE BENEFIT	1,710,998	1,710,998													
702	BENEFIT PAYMENT	45,065	45,065													
703	FLEET SERVICES	420,050	420,050													
704	CAPITAL REPLACEMENT	692,491	692,491													
810	MEMBER CITY WATER REVENUE	58,832	58,832													
TOTAL		\$ 23,642,752	\$ 13,594,122	\$ 5,331,113	\$ 502,273	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

(Continued)

City Fund Allocation
Book & Market Value

(Continued)

March 31, 2015

Fund #	Fund Name	0.50 Farmers		0.90 Farmers		0.70 Commercial		1.15 GB&T CD		0.75 Commercial	
		B&T CD 3/3/15 - 2/6/16	B&T CD 2/24/14 - 2/24/16	B&T CD 3/3/15 - 2/24/16	B&T CD 2/24/14 - 2/24/16	Bank CD 3/5/15 - 9/4/16	Bank CD 3/5/15 - 9/4/16	1.15 GB&T CD 9/15/14 - 9/15/16	1.15 GB&T CD 9/15/14 - 9/15/16	Bank CD 3/31/15 - 3/31/17	Bank CD 3/31/15 - 3/31/17
101	GENERAL FUND - Pooled Cash	\$ 100,000	\$ 504,133	\$ 1,008,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
101	GENERAL FUND										
102	NARCOTICS DIVISION OPERATIONS										
103	PERSONNEL POLICY										
104	WORKER'S COMP										
107	COURT SECURITY FUND										
109	GENERAL PROPERTY & LIAB										
111	POLICE EVIDENCE ESCROW FUND										
113	ENERGY CONSERVATION REVOLVING LO										
114	COURT TECHNOLOGY FUND										
115	TECHNOLOGY FUND										
116	TIRZ #2										
117	DONATION FUND										
201	SUPPORTIVE HOUSING GRANT										
203	CDBG REVOLVING LOAN FUND										
204	FUND FUND										
205	EPA PERIROLEUM GRANT										
206	EPA JOB TRAINING GRANT										
207	EPA H-11111111111111111111										
208	EPA MULTI-PURPOSE GRANT										
209	HOME PROGRAM										
211	THEATRE FUND										
212	HOTEL/MOTEL TAX FD										
213	PEROT THEATRE BLDG MAINT										
215	HOUSING FUND										
219	LAW ENFORCEMENT PROGRAM										
220	METRO PLANNING ORG										
223	ECONOMIC DEVELOPMENT							502,855			
225	EPA BROWNFIELD GRANT										
230	ROTARY SPLASH PARK FUND										
301	INTEREST & SINKING										
415	2003 BOND FUND										
417	2005 BOND FUND										
420	2009 BOND FUND										
422	TIRZ BOND FUND										
501	HEALTH FUND										
502	PUBLIC LIBRARY										
601	DRUG ESCROW										
605	FEDERAL ASSET FORFEITURE										
701	EMPLOYEE BENEFIT										
702	BENEFIT PAYMENT										
703	FLEET SERVICES										
704	CAPITAL REPLACEMENT										
810	MEMBER CITY WATER REVENUE										
	TOTAL	\$ 100,000	\$ 504,133	\$ 1,008,256	\$ -	\$ -	\$ -	\$ 502,855	\$ -	\$ 1,500,000	

**Water Fund Allocation
March 31, 2015**

Book & Market Value	Total	Revenue	Customer Loan	Water Plant Construction	Technology	2004 Bond	2004 Construction	2005 Bond	2013 Bond	2013 Construction
Wells Fargo MMA	\$ 6,247,608	\$ 10,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Guaranty Bond MMA	4,628,178	970,277	39,976	45	846,634	32,935	2,911	88,977	49,529	28,014
2/24/2016	1,000,000									
2/24/2016	500,000									
3/5/2016	1,025,000									
	\$ 13,400,785	\$ 980,405	\$ 39,976	\$ 45	\$ 846,634	\$ 32,935	\$ 2,911	\$ 88,977	\$ 49,529	\$ 28,014

**Water Fund Allocation
March 31, 2015**

Book & Market Value	LTWSC Capital Improvement	Capital Improvement	Compost	Customer Deposit	Equipment Acquisition	Infrastructure	Personnel	Reserve	WWTP Depreciation	Waggoner Creek CIP
Wells Fargo MMA	\$ 674,907	\$ 1,480,786	\$ -	\$ 134,176	\$ 672,359	\$ 631,568	\$ -	\$ 679,807	\$ 278,575	\$ 1,685,302
Guaranty Bond MMA	24,117	594,672	396,985	130,747	176,239	463,404	114,380	22,203	297,087	349,046
2/24/2016			360,000	100,000		540,000				
2/24/2016				400,000		100,000				
3/5/2016						500,000				525,000
\$	699,024	\$ 2,075,458	\$756,985	\$ 764,923	\$ 848,598	\$ 2,234,972	\$ 114,380	\$ 702,009	\$ 575,662	\$ 2,559,347

City Fund Allocation
Book & Market Value

December 31, 2014

Fund #	Fund Name	Total	Guaranty Bond	Southside Bank MMA	0.60 Farmers B&T CD 2/24/14 - 2/24/15	0.55 CNB CD 9/4/2013 - 3/4/15	0.60 Farmers B&T CD 5/1/14 - 5/1/15	0.90 Farmers B&T CD 2/24/14 - 2/24/16	1.15 GB&T CD 9/15/14 - 9/15/16
101	GENERAL FUND - Pooled Cash	\$ 9,342,103	\$ 3,926,042	\$ 3,402,926	\$ 502,496	\$ 1,006,890	\$ -	\$ 503,748	\$ -
101	GENERAL FUND	3,631	3,631						
102	NARCOTICS DIVISION OPERATIONS	147,503	147,503						
103	PERSONNEL POLICY	703,276	703,276						
104	WORKER'S COMP	493,165	493,165						
107	COURT SECURITY FUND	323,710	323,710						
109	GENERAL PROPERTY & LIAB	42,760	42,760						
111	POLICE EVIDENCE ESCROW FUND	16,847	16,847						
113	ENERGY CONSERVATION REVOLVING LOAN	28,048	28,048						
114	COURT TECHNOLOGY FUND	26,240	26,240						
116	TIRZ #2	490,943	490,943						
203	CDBG REVOLVING LOAN FUND	16,800	16,800						
204	HCD FUND	24,891	24,891						
205	EPA PETROLEUM GRANT	1,933	1,933						
206	EPA JOB TRAINING GRANT	1,971	1,971						
207	EPA REVOLVING LOAN GRANT	3,849	3,849						
208	EPA MULTI-PURPOSE GRANT	10,768	10,768						
209	HOME PROGRAM	35,323	35,323						
211	THEATRE FUND	95,384	95,384						
212	HOTEL/MOTEL TAX FD	142,505	142,505						
213	PEROT THEATRE BLDG MAINT	611,719	109,957				501,762		
215	HOUSING FUND	256,206	256,206						
217	LAW ENFORCEMENT BLOCK GRANT	7,741	7,741						
219	LAW ENFORCEMENT PROGRAM	12,805	12,805						
220	METRO PLANNING ORG	25,453	25,453						
223	ECONOMIC DEVELOPMENT	1,334,470	833,037						501,434
225	EPA BROWNFIELD GRANT	907	907						
301	INTEREST & SINKING	3,111,759	3,111,759						
415	2003 BOND FUND	181,665	181,665						
417	2005 BOND FUND	724,725	724,725						
420	2009 BOND FUND	2,215,406	696,406	1,518,999					
422	TIRZ BOND FUND	2,899,425	489,872	406,604	2,002,949				
501	HEALTH FUND	187,968	187,968						
502	PUBLIC LIBRARY	66,111	66,111						
601	DRUG ESCROW	23,668	23,668						
605	FEDERAL ASSET FORFEITURE	109,162	109,162						
701	EMPLOYEE BENEFIT	1,341,800	1,341,800						
702	BENEFIT PAYMENT	214,582	214,582						
703	FLEET SERVICES	405,352	405,352						
704	CAPITAL REPLACEMENT	536,886	536,886						
810	MEMBER CITY WATER REVENUE	32,053	32,053						
	TOTAL	\$ 26,251,505	\$ 15,903,697	\$ 5,328,530	\$ 2,505,445	\$ 1,006,890	\$ 501,762	\$ 503,748	\$ 501,434

Water Fund Allocation
December 31, 2014

Book & Market Value	Total	Revenue	Customer Loan	Water Plant Construction	Technology	2004 Bond	2001 Construction	2005 Bond	2013 Bond	2013 Construction
Wells Fargo MMA	\$ 5,441,680	\$ 10,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Guaranty Bond MMA	5,704,156	813,074	39,947	45	786,338	156,362	2,909	34,988	31,001	262,609
2/24/2016	1,000,000									
2/24/2016	500,000									
3/5/2016	1,025,000									
	\$ 13,670,837	\$ 823,192	\$ 39,947	\$ 45	\$ 786,338	\$ 156,362	\$ 2,909	\$ 34,988	\$ 31,001	\$ 262,609

Water Fund Allocation
December 31, 2014

Book & Market Value	LTWSC Capital Improvement	Capital Improvement	Compost	Customer Deposit	Equipment Acquisition	Infrastructure	Personnel	Reserve	WWTP Depreciation	Waggoner Creek CIP
Wells Fargo MMA	\$ 674,213	\$ 979,745	\$ -	\$ 134,038	\$ 671,669	\$ 630,919	\$ -	\$ 379,120	\$ 278,289	\$ 1,683,570
Guaranty Bond MMA	264,629	1,467,778	354,197	117,429	203,332	446,777	110,577	22,186	259,464	330,513
2/24/2016			360,000	100,000		540,000				
2/24/2016				400,000		100,000				
3/5/2016						500,000				525,000
	\$ 938,843	\$ 2,447,523	\$ 714,197	\$ 751,468	\$ 875,001	\$ 2,217,696	\$ 110,577	\$ 401,306	\$ 537,753	\$ 2,539,084

Collateral Position
March 31, 2015

	CITY				WATER UTILITY		
	Guaranty B&T	Southside Bank	Farmers B&T	Commercial National Bank	Wells Fargo	Farmers B&T	Guaranty B&T
Collateral Value	\$ 15,969,866	\$ 5,544,239	\$ 3,710,000	\$ 2,791,309	\$ 6,787,555	\$ 2,650,000	\$ 5,198,744
+ FDIC Insurance	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Enhancement	\$ 16,219,866	\$ 5,794,239	\$ 3,960,000	\$ 3,041,309	\$ 7,037,555	\$ 2,900,000	\$ 5,448,744
Total Deposits	\$ 14,096,977	\$ 5,331,113	\$ 1,706,406	\$ 2,508,256	\$ 6,247,808	\$ 2,525,000	\$ 4,628,178
Excess Coverage	\$ 2,122,889	\$ 463,126	\$ 2,253,594	\$ 533,054	\$ 789,947	\$ 375,000	\$ 820,567
Percentage Coverage	115%	109%	232%	121%	113%	115%	118%
Collateral Type:							
	Treasuries						
	Agency Bullets						
	Agency Callable						
	Agency LOC		\$ 3,710,000			\$ 2,650,000	
	Munis	\$ 1,839,155	\$ 5,544,239				\$ 236,656
	Mortgage Backed Securities	\$ 14,130,711			\$ 6,787,555		\$ 4,962,088
	Real Estate Mortgage Investment Conduits/ Collateralized Mortgage Obligations (1)			\$ 2,791,309			

(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.

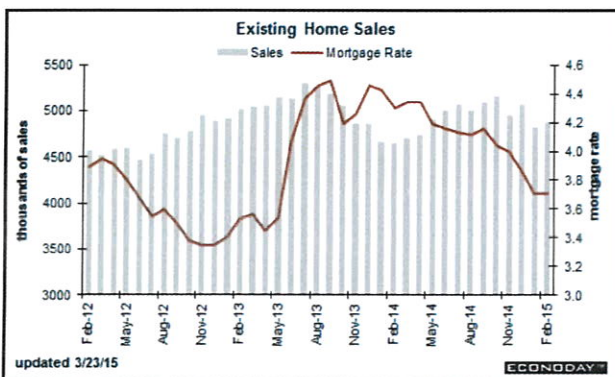
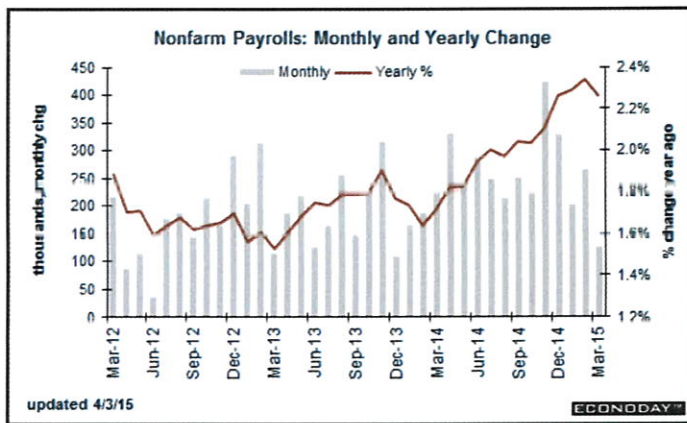


Market Outlook

April 3, 2015

Whether it was due to the frigid weather or the global economic cooling, it is obvious that the domestic economy has experienced some slowdown during the first quarter. It is understandable that consumers bunkered down during the snow events, but there were other developments that cast a pall over the potential for growth once the weather improved. The most significant event was the implementation of the European Central Bank's (ECB) version of quantitative easing, which began on March 10th. Because of the aggressiveness of the ECB's program, there was an immediate currency reaction, and the Euro plummeted. Prior to the easing, the value of the Euro was €1=\$1.3895. Immediately following the ease, the value dropped to €1=\$1.0496. The price ratio has settled to €1=\$1.0895, but the dollar remains significantly stronger than normal. For American businesses that trade with foreign consumers, this translates to an increase of approximately 28% in the cost of their product overseas and impacts the trade appetite abroad. Corporations that produce for trade internationally are concerned about this situation and are paring back their production and business plans. This behavior trickles down to impact the companies that supply production components and, in turn, their business plans suffer. Although the Federal Open Market Committee (FOMC) seemed to acknowledge this situation when they met on March 17-18, they also offered the markets some indications that the Federal Funds rate could be increased sometime this year. But when the Employment number proved to be a huge disappointment, the markets began to question the staying power of the recovery and whether the FOMC could risk raising the Fed Funds rate anytime soon.

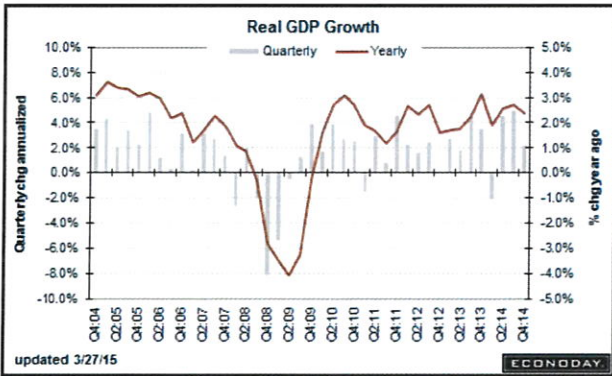
The Employment reports for March were a big disappointment, coming in at +126,000, which was lower by half what the market had expected and the weakest result since December 2013. Adding to the bad news, the reports for January and February were adjusted downward by a net of 69,000 jobs. The report marks an end to a 12-month string of reports exceeding 200,000 per month. The Average Hourly Earnings Rate improved another +0.3% following the +0.1% uptick in February. The Unemployment Rate remained at 5.5%. This 5.5% unemployment rate is the lowest since March 2008. The private sector added 129,000 jobs (compared to +264,000 in February) and the government sector lost 3,000 jobs. Future employment reports may be disappointing due to lower oil prices and constrained overseas markets. Corporations impacted by reduced revenues from these areas may find themselves in a position of reducing their workforce until the situation improves.



The housing sector was stronger during February. Existing Home Sales improved 1.2% after a dismal decline of 4.9% in January. The supply of Existing Homes remained at 4.6 months (the same as January), but is well below the normal 6-month supply level. Sales of single-family units improved and first-time homebuyers accounted for 29% of the total, which are both positive indicators. Median prices rose 2.5%, the best increase since February 2014. New Home Sales were very strong in February, rising 7.8% following a 3.7% rise in January and an 8.1% rise in December.

Realtors report that high rents are driving consumers to purchase rather than lease homes. Supply of

New Homes has slipped to 4.7 months from 5.1 months in January. The median price of New Homes Sold slipped 4.8%, indicating that some builders may have been willing to negotiate with purchasers in order to move inventory. The S&P Case-Shiller report of home values for the 20 metropolitan regions in the U.S. for January showed that all 20 cities had positive results (averaging +0.9%), but several areas remain tepid.



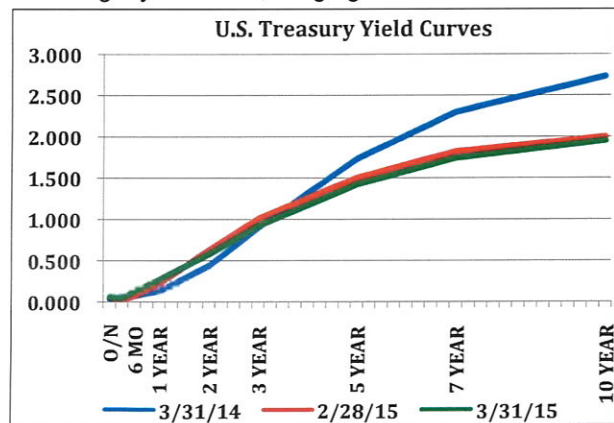
The production side of the economy was also soft during the month. The final report for Gross Domestic Product (GDP) for the fourth quarter came in at +2.2%, much below the +5.0% result of the third quarter of 2014. Durable Goods Orders fell 1.4% in February after rising 2.0% in January. This number was skewed by the strong aircraft orders during January and not due to mainstream consumer product appetite. Industrial Production grew 0.1% in February following a 0.3% decline in January. Business Inventories were flat in both January and

December, as businesses attempted to remedy a mismatch between inventories and sales. The report gives some insight into the reluctance of corporations to ramp up inventory orders, particularly if they are destined for overseas markets. The Producer Price Index (PPI) fell 0.5% in February after falling 0.8% in January. The Consumer Price Index (CPI) rose 0.2% in February compared to a decline of 0.7% in January.

On the consumption front, Retail Sales fell 0.6% in February after falling 0.8% in January. Some of this may be due to the extreme weather, but the market is becoming fearful that consumers' appetites for spending appear to be waning. The Consumer Confidence and Consumer Sentiment reports verify that the consumer has lost some of the euphoria that was reported at the end of 2014. It will be critical for this more positive dynamic to return in the coming months to keep the recovery on track.

The FOMC met on March 17 and 18 and the announcement following the meeting removed the word "patient" from the text when describing the mood of the FOMC towards raising the Fed Funds rate. They did however emphasize that they will not be "impatient" when deciding when to make this critical move. So the markets were left wondering if the FOMC's assessment of the economy has really changed at all. The meeting was followed by the quarterly press conference and the release of the FOMC member's projections of some of the more important economic indicators. In each of the projections, the members lowered their expectations from last quarter. As an example, their consensus is that GDP will range between +2.3% and +2.7% in 2015 (compared to +2.6% to +3.0% that they expected when they met in December). This is a clear sign that they see the economic recovery becoming more constrained.

Current Government Security Investment Pool rates rose slightly in March, ranging in the +/-0.04% to +/-0.11% area. Certificate of Deposit rates finished March with the 2-year between 0.70% and 0.80% (compared to between 0.80% and 0.90% in February). The one-year CD remained mostly in a range of 0.20% to 0.30%, the same as in the previous seven months, but isolated banks were willing to pay up to 0.65% for 1-year. The U.S. Treasury and Agency rates fell early in the month due to the Euro plunge and an investor flight to own U.S. denominated debt. Following the release of the Employment number, the yields for U.S. Treasury and Agency securities lost more ground and ended the week with the 1-year Treasury yield at 0.21% (compared to 0.27% last month) and the 2-year Treasury yield at 0.49% (compared to 0.73% last month). Rates for Certificates of Deposit will likely adjust to these lower ranges.



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