



# City of Texarkana, Texas



## QUARTERLY INVESTMENT REPORT

**For the Quarter Ended  
December 31, 2020**

**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.

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CFO/Finance Director (City)

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Assistant CFO (City)

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Director of Finance (Water Utilities Department)

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Customer Service/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.

## Summary

### City Funds

Asset Type	September 30, 2020		December 31, 2020		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 32,061,648	\$ 32,061,648	\$ 39,751,438	\$ 39,751,438	0.94%
CDs/Securities	2,612,001	2,612,001	2,633,562	2,633,562	3.30%
<b>Totals</b>	<b>\$ 34,673,648</b>	<b>\$ 34,673,648</b>	<b>\$ 42,384,999</b>	<b>\$ 42,384,999</b>	1.09%

Total Portfolio Average - Quarter 1.09%  
 Fiscal Year-to-Date Average Yield (2) 1.09%

Quarterly Interest Income \$ 104,975  
 Year-to-date Interest Income \$ 104,975

### Water Utility

Asset Type	September 30, 2020		December 31, 2020		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 13,611,816	\$ 13,611,816	\$ 12,928,727	\$ 12,928,727	0.73%
CDs/Securities	2,662,436	2,662,436	2,669,936	2,669,936	0.66%
<b>Totals</b>	<b>\$ 16,274,252</b>	<b>\$ 16,274,252</b>	<b>\$ 15,598,664</b>	<b>\$ 15,598,664</b>	0.72%

Total Portfolio Average - Quarter 0.72%  
 Fiscal Year-to-Date Average Yield (2) 0.72%

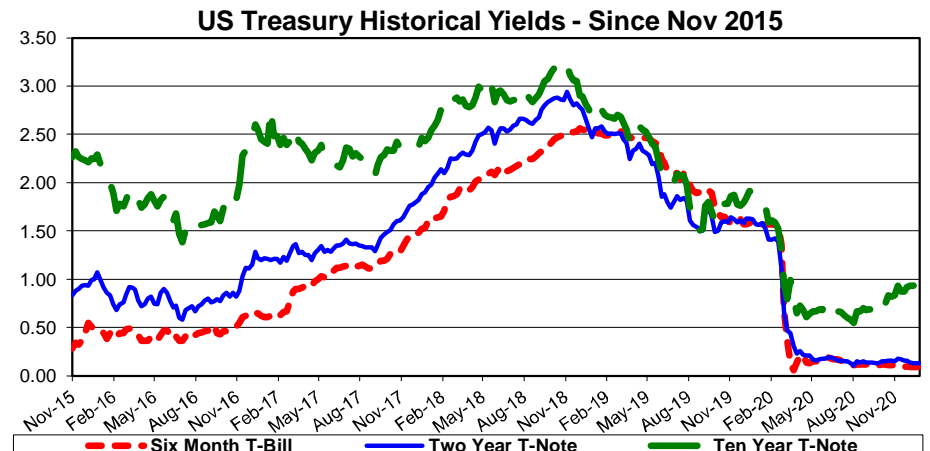
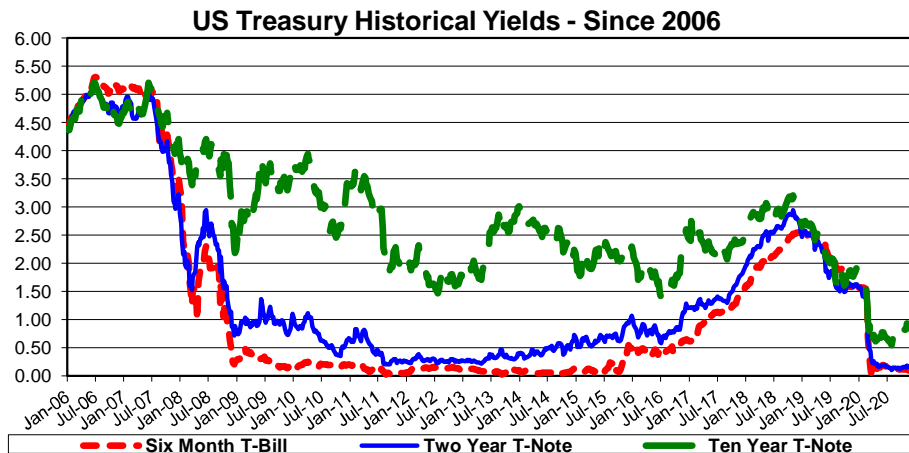
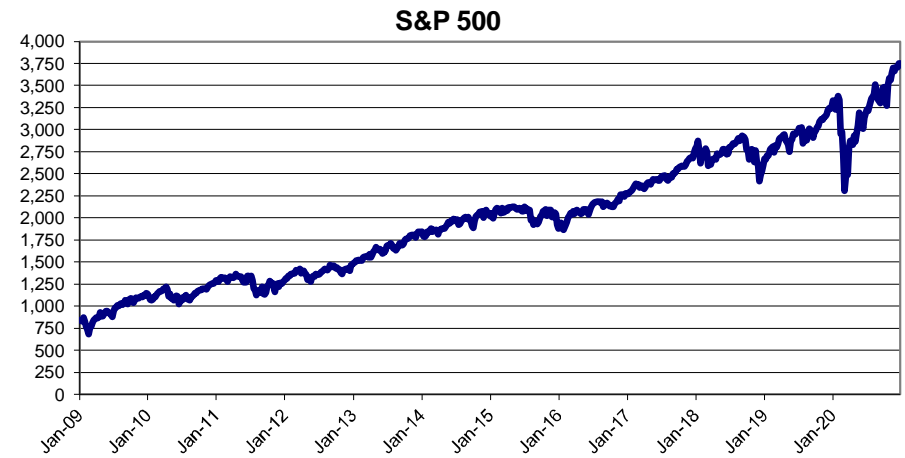
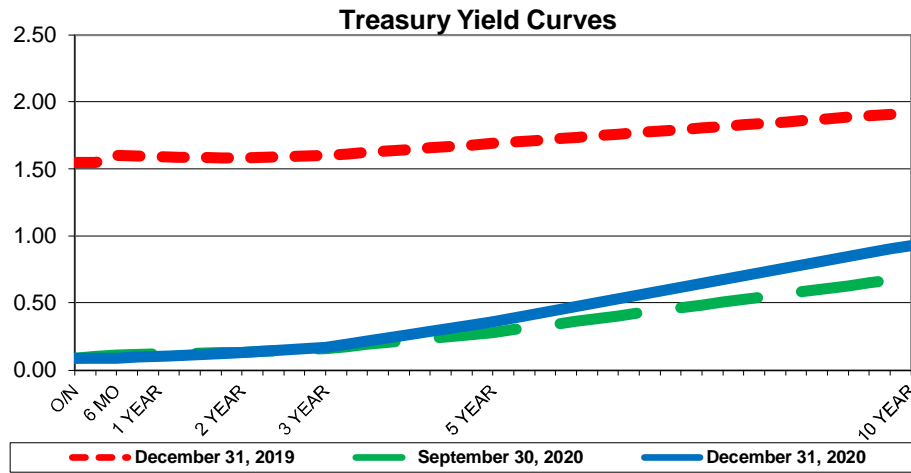
Quarterly Interest Income \$ 27,833  
 Year-to-date Interest Income \$ 27,833

	<u>QTR</u>		<u>YTD</u>
Rolling Three Month Treasury	0.09%	Rolling Three Month Treasury	0.09%
Rolling Six Month Treasury	0.12%	Rolling Six Month Treasury	0.12%
TexPool	0.09%	TexPool	0.09%

(1) **Current Quarter Weighted Average Yield** - calculated using quarter-end report yields and adjusted book values, does not reflect a total return analysis, realized or unrealized gains/losses or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances. □

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

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.10%), and projected that reduced rates could remain into 2024. Second estimate of Third Quarter GDP was finalized at +33.4%, but still remains 3.5% below pre-pandemic levels. Crude oil traded above \$50 per barrel. Employment/ Unemployment continues modest improvement. The Stock Markets reached new highs. Housing continues adding positive economic activity. Additional fiscal stimulus passed and was signed by the President. The Yield Curve steepened slightly from last quarter end.



## Investment Holdings

December 31, 2020

### City Funds

Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Farmers Bank & Trust MMA	1.07%	01/01/21	12/31/20	\$ 31,521,383	\$ 31,521,383	1.00	\$ 31,521,383	1	1.07%
Southside Bank MMA	0.15%	01/01/21	12/31/20	6,035	6,035	1.00	6,035	1	0.15%
NexBank MMA	0.45%	01/01/21	12/31/20	61,742	61,742	1.00	61,742	1	0.45%
NexBank ICS	0.45%	01/01/21	12/31/20	8,162,278	8,162,278	1.00	8,162,278	1	0.45%
Farmer's Bank & Trust CD	3.50%	04/18/21	04/18/19	1,590,221	1,590,221	100.00	1,590,221	108	3.50%
Farmer's Bank & Trust CD	3.00%	07/26/21	07/26/19	1,043,341	1,043,341	100.00	1,043,341	207	3.00%
<b>Total City Funds</b>				<b>\$ 42,384,999</b>	<b>\$ 42,384,999</b>		<b>\$ 42,384,999</b>	<b>10</b>	<b>1.09%</b>

### Water Utility

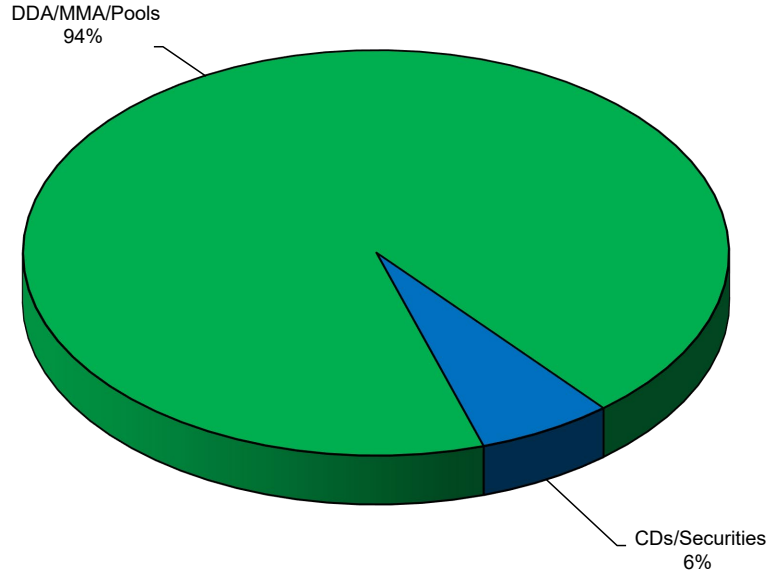
Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Farmer's Bank & Trust MMA	1.07%	01/01/21	12/31/20	\$ 5,916,903	\$ 5,916,903	1.00	\$ 5,916,903	1	1.07%
NexBank MMA	0.45%	01/01/21	12/31/20	7,011,825	7,011,825	1.00	7,011,825	1	0.45%
Bank OZK CDARS	1.15%	03/19/21	03/19/20	500,000	500,000	100.00	500,000	78	1.16%
Farmer's Bank & Trust CD	1.20%	05/16/22	05/16/20	287,436	287,436	100.00	287,436	501	1.20%
Guaranty Bank & Trust CD	0.45%	12/02/22	12/02/20	1,882,500	1,882,500	100.00	1,882,500	701	0.45%
<b>Total Water Utility</b>				<b>\$ 15,598,664</b>	<b>\$ 15,598,664</b>		<b>\$ 15,598,664</b>	<b>97</b>	<b>0.72%</b>
<b>Combined Portfolio</b>				<b>\$ 57,983,663</b>	<b>\$ 57,983,663</b>		<b>\$ 57,983,663</b>	<b>34</b>	<b>0.99%</b>

(1) (2)

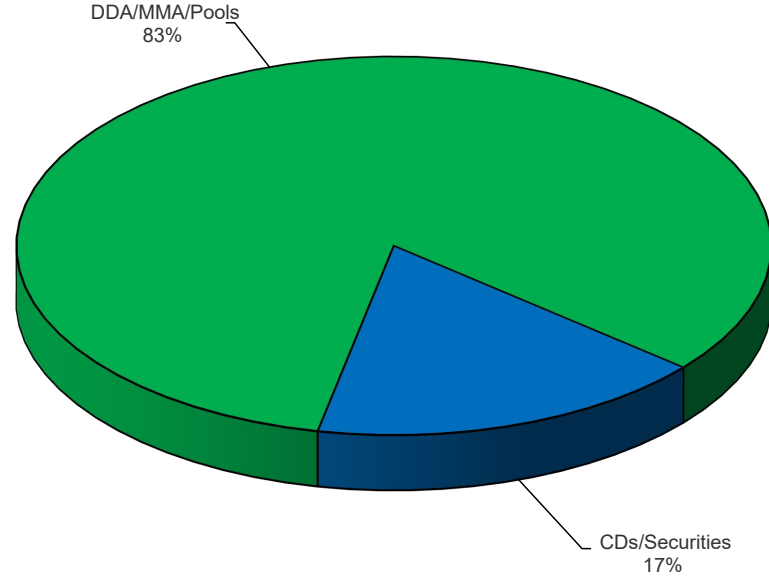
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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.

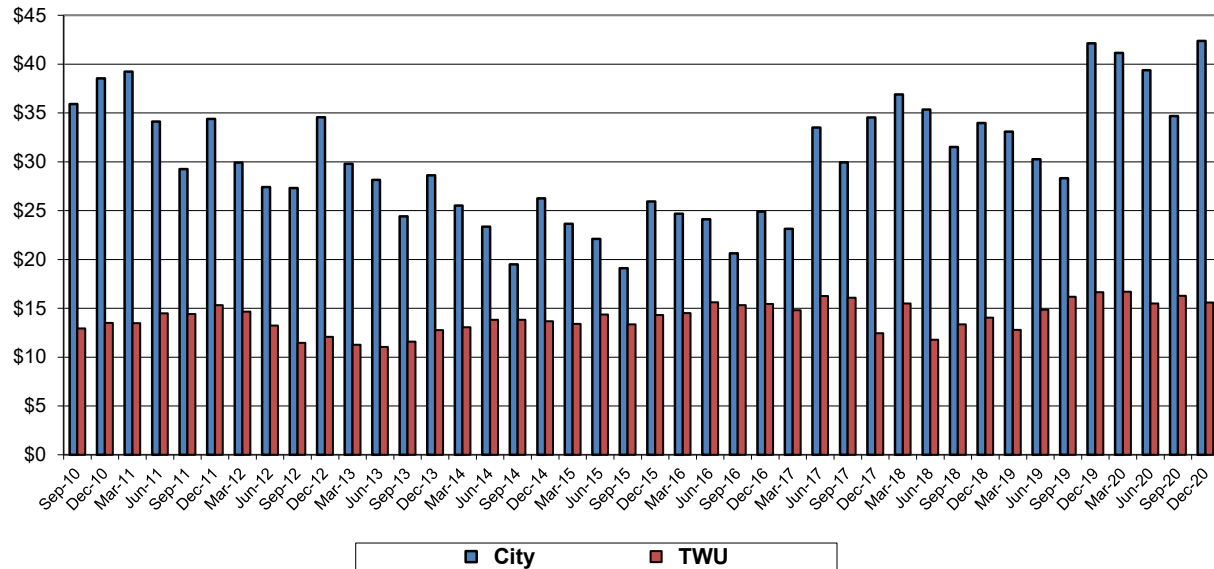
**City Portfolio Composition**



**TWU Portfolio Composition**



**Quarter End Portfolio (Millions)**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/20	Increases	Decreases	Book Value 12/31/20	Market Value 09/30/20	Change in Market Value	Market Value 12/31/20
Guaranty B&T MMA	0.48%	01/01/21	\$ 77	\$ -	\$ (77)	\$ -	\$ 77	\$ (77)	\$ -
Farmers Bank & Trust MMA	1.07%	01/01/21	30,448,757	6,989,529	-	37,438,285	30,448,757	6,989,529	37,438,285
Southside Bank MMA	0.15%	01/01/21	6,032	3	-	6,035	6,032	3	6,035
NexBank MMA	0.45%	01/01/21	7,065,571	7,995	-	7,073,567	7,065,571	7,995	7,073,567
NexBank ICS	0.45%	01/01/21	8,153,027	9,252	-	8,162,278	8,153,027	9,252	8,162,278
East West Bank CD	1.65%	11/23/20	1,175,000	-	(1,175,000)	-	1,175,000	(1,175,000)	-
East West Bank CD	1.70%	11/26/20	700,000	-	(700,000)	-	700,000	(700,000)	-
Bank OZK CDARS	1.15%	03/19/21	500,000	-	-	500,000	500,000	-	500,000
Farmer's Bank & Trust CD	3.50%	04/18/21	1,576,425	13,796	-	1,590,221	1,576,425	13,796	1,590,221
Farmer's Bank & Trust CD	3.00%	07/26/21	1,035,576	7,765	-	1,043,341	1,035,576	7,765	1,043,341
Farmer's Bank & Trust CD	1.20%	05/16/22	287,436	-	-	287,436	287,436	-	287,436
Guaranty Bank & Trust CD	0.45%	12/02/22	-	1,882,500	-	1,882,500	-	1,882,500	1,882,500
<b>TOTAL / AVERAGE</b>	<b>0.99%</b>		<b>\$ 50,947,900</b>	<b>\$ 8,910,839</b>	<b>\$ (1,875,077)</b>	<b>\$ 57,983,663</b>	<b>\$ 50,947,900</b>	<b>\$ 7,035,762</b>	<b>\$ 57,983,663</b>

**City Fund Allocation**  
**December 31, 2020**  
**Book & Market Value**

Fund #	Fund Name	Total	Guaranty B&T MMA	Farmer's B&T MMA	Southside Bank MMA	NexBank MMA	NexBank ICS	3.5% Farmer's B&T CD: 04/18/19 - 04/18/2021	3.0% Farmer's B&T CD: 07/26/19 - 07/26/21
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December allocation not available at this time.

**City Fund Allocation  
September 30, 2020  
Book & Market Value**

Fund #	Fund Name	Total	Guaranty B&T	Farmer's B&T	Southside	NexBank MMA	NexBank ICS	3.5% Farmer's B&T	3.0% Farmer's
			MMA	MMA	Bank MMA			CD: 04/18/19 - 04/18/2020	B&T CD: 07/26/19 - 07/26/21
101	GENERAL FUND - Pooled Cash	\$ 9,043,432	\$ 77	\$ 5,297,414	\$ 4,266	\$ 14,896	\$ 2,150,354	\$ 1,576,425	\$ -
101	GENERAL FUND	2,330	-	2,330	-	-	-	-	-
102	NARCOTICS DIVISION OPERATIONS	154,686	-	154,686	-	-	-	-	-
103	PERSONNEL POLICY	490,979	-	61,527	722	2,950	425,780	-	-
104	WORKER'S COMP	163,214	-	163,214	-	-	-	-	-
107	COURT SECURITY FUND	424,601	-	424,601	-	-	-	-	-
109	GENERAL PROPERTY & LIAB	120,415	-	120,415	-	-	-	-	-
111	POLICE EVIDENCE ESCROW FUND	1,855	-	1,855	-	-	-	-	-
113	ENERGY CONSERVATION REV. LOAN	35,471	-	35,471	-	-	-	-	-
114	COURT TECHNOLOGY FUND	1,289	-	1,289	-	-	-	-	-
115	TECHNOLOGY FUND	237,044	-	237,044	-	-	-	-	-
116	TIRZ #1	2,647,636	-	1,628,829	-	-	1,018,807	-	-
117	DONATION FUND	49,793	-	49,793	-	-	-	-	-
120	MAJOR MAINTENANCE FUND	879,212	-	879,212	-	-	-	-	-
200	PEROT ENHANCEMENT FUND	272,000	-	272,000	-	-	-	-	-
203	CDBG REVOLVING LOAN FUND	172,383	-	172,383	-	-	-	-	-
204	HCD FUND	189,568	-	189,568	-	-	-	-	-
209	HOME PROGRAM	57,001	-	57,001	-	-	-	-	-
211	THEATRE FUND	88,010	-	88,010	-	-	-	-	-
212	HOTEL/MOTEL TAX FD	382,172	-	382,172	-	-	-	-	-
213	PEROT THEATRE BLDG MAINT	555,541	-	148,574	-	2,800	404,167	-	-
214	COC-HOMELESS ASSISTANCE GRANT	22,537	-	22,537	-	-	-	-	-
215	HOUSING FUND	80,819	-	79,303	206	9	1,300	-	-
216	POLICE ENTERPRISE TRAINING	19,709	-	19,709	-	-	-	-	-
217	LAW ENFORCEMENT BLOCK GRANT	15,398	-	15,398	-	-	-	-	-
218	CDBG 108 LOAN FUND	66,192	-	66,192	-	-	-	-	-
219	LAW ENFORCEMENT PROGRAM	59,006	-	59,006	-	-	-	-	-
220	METRO PLANNING ORG	38,541	-	38,541	-	-	-	-	-
222	TIFMAS FUND	11,750	-	11,750	-	-	-	-	-
223	ECONOMIC DEVELOPMENT	1,664,095	-	902,306	734	5,236	755,819	-	-
228	BUILDING MAINTENANCE	142,741	-	142,741	-	-	-	-	-
229	PUBLIC SAFETY RADIO FUND	89,256	-	89,256	-	-	-	-	-
230	ROTARY SPLASH PARK FUND	496	-	496	-	-	-	-	-
232	TRAIL GRANT FUND	48,488	-	48,488	-	-	-	-	-
235	FARMERS MARKET FUND	45,486	-	45,486	-	-	-	-	-
236	EMERGENCY MANAGEMENT FUND	320,733	-	320,733	-	-	-	-	-
237	JAG COVID- 19 GRANT FUND	46,210	-	46,210	-	-	-	-	-
415	2003 BOND FUND	335,941	-	335,941	-	-	-	-	-
417	2005 BOND FUND	276,440	-	276,440	-	-	-	-	-
423	2017 BOND FUND	4,035,499	-	1,495,279	-	27,517	1,477,127	-	1,035,576
424	2019 TIRZ BOND FUND	4,876,309	-	4,876,309	-	-	-	-	-
501	HEALTH FUND	785,364	-	678,300	103	736	106,226	-	-
502	PUBLIC LIBRARY	46,752	-	46,752	-	-	-	-	-
601	DRUG ESCROW	68,212	-	68,212	-	-	-	-	-
605	FEDERAL ASSET FORFEITURE	125,807	-	125,807	-	-	-	-	-
702	BENEFIT PAYMENT	1,686,452	-	884,972	1	515	800,963	-	-
703	FLEET SERVICES	56,716	-	56,716	-	-	-	-	-
704	CAPITAL REPLACEMENT	3,657,777	-	2,638,280	-	7,014	1,012,482	-	-
810	MEMBER CITY WATER REVENUE	82,294	-	82,294	-	-	-	-	-
<b>TOTAL</b>		<b>\$ 34,673,648</b>	<b>\$ 77</b>	<b>\$ 23,840,840</b>	<b>\$ 6,032</b>	<b>\$ 61,672</b>	<b>\$ 8,153,027</b>	<b>\$ 1,576,425</b>	<b>\$ 1,035,576</b>

**Water Fund Allocation  
December 31, 2020  
Book & Market Value**

<b>Fund Name</b>	<b>Total</b>	<b>Farmer's B&amp;T MMA</b>	<b>NexBank MMA</b>	<b>1.15% Bank OZK CDARS: 03/19/20 - 03/19/21</b>	<b>1.20% Farmer's B&amp;T CD: 05/16/20 - 05/16/22</b>	<b>0.45% Guaranty B&amp;T CD: 12/02/20 - 12/02/22</b>
Revenue	\$ 2,019,497	\$ 268,177	\$ 851,319	\$ -	\$ -	\$ 900,000
Technology	765,259	392,809	372,450	-	-	-
2020A Bond	168,470	168,470	-	-	-	-
2013 Bond	65,413	65,413	-	-	-	-
2013 Construction	13,714	13,714	-	-	-	-
LTWSC Capital Improvement	223,356	223,356	-	-	-	-
Texas Capital Improvement	437,628	437,628	-	-	-	-
Texas Corps of Engineers Cost*	8,153,075	2,077,582	5,788,056	-	287,436	-
Texas Compost	449,388	449,388	-	-	-	-
Texas Customer Deposit	865,859	265,859	-	400,000	-	200,000
Equipment Acquisition	500,426	500,426	-	-	-	-
Texas Infrastructure	332,975	232,975	-	100,000	-	-
Texas Personnel Policy	272,128	189,628	-	-	-	82,500
Texas Reserve	740,167	40,167	-	-	-	700,000
WWTP Depreciation	186,967	186,967	-	-	-	-
Texas Waggoner Creek CIP	404,343	404,343	-	-	-	-
	<b>\$ 15,598,664</b>	<b>\$ 5,916,903</b>	<b>\$ 7,011,825</b>	<b>\$ 500,000</b>	<b>\$ 287,436</b>	<b>\$ 1,882,500</b>

\*All funds in this account are dedicated for payment to the Corps of Engineers for water rights and related costs for implementation of the Ultimate Rule Curve of Lake Wright Patman.

**Water Fund Allocation  
September 30, 2020  
Book & Market Value**

Fund Name	Total	Farmer's B&T MMA	NexBank MMA	1.65% East	1.7% East West	1.15% Bank	1.20% Farmer's
				West Bank CD: 02/21/20 - 11/23/20	Bank CD: 11/26/19 - 11/26/20	OZK CDARS: 03/19/20 - 03/19/21	B&T CD: 05/16/20 - 05/16/22
Revenue	\$ 3,161,802	\$ 1,411,447	\$ 850,355	\$ 900,000	\$ -	\$ -	\$ -
Technology	726,353	354,322	372,031	-	-	-	-
2004 Bond	124,760	124,760	-	-	-	-	-
2013 Bond	27,421	27,421	-	-	-	-	-
2013 Construction	13,678	13,678	-	-	-	-	-
LTWSC Capital Improvement	206,753	131,753	-	75,000	-	-	-
Texas Capital Improvement	570,612	570,612	-	-	-	-	-
Texas Corps of Engineers Cost*	7,981,446	1,912,496	5,781,514	-	-	-	287,436
Texas Compost	451,671	451,671	-	-	-	-	-
Texas Customer Deposit	864,901	264,901	-	200,000	-	400,000	-
Equipment Acquisition	410,634	410,634	-	-	-	-	-
Texas Infrastructure	189,240	89,240	-	-	-	100,000	-
Texas Personnel Policy	258,574	258,574	-	-	-	-	-
Texas Reserve	728,039	28,039	-	-	700,000	-	-
WWTP Depreciation	140,745	140,745	-	-	-	-	-
Texas Waggoner Creek CIP	417,624	417,624	-	-	-	-	-
	<b>\$ 16,274,252</b>	<b>\$ 6,607,916</b>	<b>\$ 7,003,899</b>	<b>\$ 1,175,000</b>	<b>\$ 700,000</b>	<b>\$ 500,000</b>	<b>\$ 287,436</b>

\*All funds in this account are dedicated for payment to the Corps of Engineers for water rights and related costs for implementation of the Ultimate Rule Curve of Lake Wright Patman.

**Collateral Position  
December 31, 2020**

				<b>WATER UTILITY</b>			
	<b>Farmers B&amp;T</b>	<b>Southside Bank</b>	<b>NexBank</b>	<b>Guaranty B&amp;T</b>	<b>NexBank</b>	<b>Bank OZK</b>	<b>Farmers B&amp;T</b>
Collateral Value	\$ 36,500,000	\$ –	\$ –	\$ 1,882,500	\$ 6,500,000	\$ –	\$ 12,150,000
+ FDIC Insurance (1)	250,000	250,000	8,412,278	250,000	250,000	500,000	250,000
<b>Total Enhancement</b>	<b>\$ 36,750,000</b>	<b>\$ 250,000</b>	<b>\$ 8,412,278</b>	<b>\$ 2,132,500</b>	<b>\$ 6,750,000</b>	<b>\$ 500,000</b>	<b>\$ 12,400,000</b>
Total Deposits	\$ 34,154,944	\$ 6,035	\$ 8,224,020	\$ 1,882,500	\$ 7,011,825	\$ 500,000	\$ 6,204,339
<b>Excess Coverage</b>	<b>\$ 2,595,056</b>	<b>\$ 243,965</b>	<b>\$ 188,258</b>	<b>\$ 250,000</b>	<b>\$ (261,825)</b>	<b>\$ –</b>	<b>\$ 6,195,661</b>
Percentage Coverage	108%	4143%	102%	113%	96%	100%	200%
Collateral Type:							
Treasuries							
Agency Bullets							
Agency Callable							
Agency LOC	\$ 36,500,000			\$ 1,882,500	\$ 6,500,000		
Munis							

(1) Includes Certificate of Deposit Account Registry Service and Insured Cash Sweep balances less than \$250,000 per institution.