



City of Texarkana, Texas



QUARTERLY INVESTMENT REPORT

For the Quarter Ended
June 30, 2022

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

[Signature of Kristin Peoples]

CEO Finance Director (City)

[Signature of Jodie Lee]

Assistant CFO (City)

[Signature of Director of Finance]

Director of Finance (Water Utilities Department)

[Signature of Customer Service/Accounting]

Customer Service/Accounting Human Resources Manager (Water Utilities Department)

Disclaimer: These reports were computed 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	March 31, 2022		June 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 48,452,428	\$ 48,452,428	\$ 50,481,060	\$ 50,481,060	1.14%
CDs/Securities	-	-	-	-	0.00%
<b>Totals</b>	<b>\$ 48,452,428</b>	<b>\$ 48,452,428</b>	<b>\$ 50,481,060</b>	<b>\$ 50,481,060</b>	<b>1.14%</b>
Total Portfolio Average - Quarter					1.14%
Fiscal Year-to-Date Average Yield (2)					1.03%
Quarterly Interest Income					\$ 128,022
Year-to-date Interest Income					\$ 356,120

### Water Utility

Asset Type	March 31, 2022		June 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 16,270,956	\$ 16,270,956	\$ 16,108,470	\$ 16,108,470	1.15%
CDs/Securities	2,169,936	2,169,936	2,569,936	2,569,936	0.65%
<b>Totals</b>	<b>\$ 18,440,893</b>	<b>\$ 18,440,893</b>	<b>\$ 18,678,406</b>	<b>\$ 18,678,406</b>	<b>1.08%</b>
Total Portfolio Average - Quarter					1.08%
Fiscal Year-to-Date Average Yield (2)					0.89%
Quarterly Interest Income					\$ 38,922
Year-to-date Interest Income					\$ 101,289

	<u>QTR</u>		<u>YTD</u>
Rolling Three Month Treasury	1.13%	Rolling Three Month Treasury	0.50%
Rolling Six Month Treasury	1.15%	Rolling Six Month Treasury	0.53%
TexPool	1.00%	TexPool	0.40%

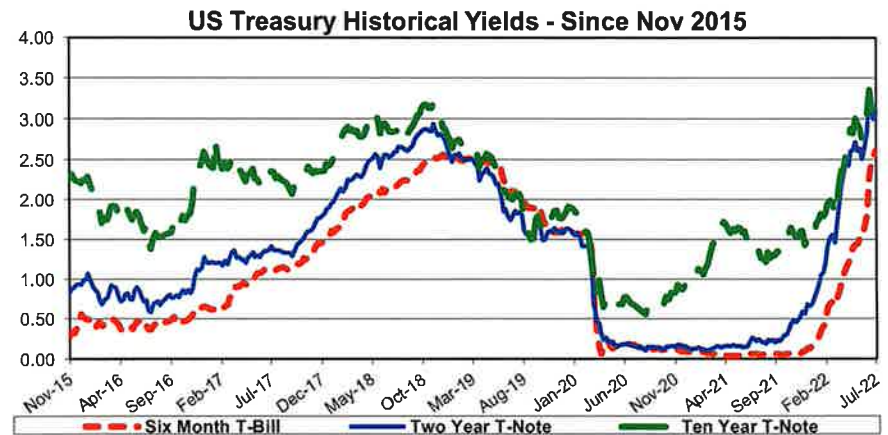
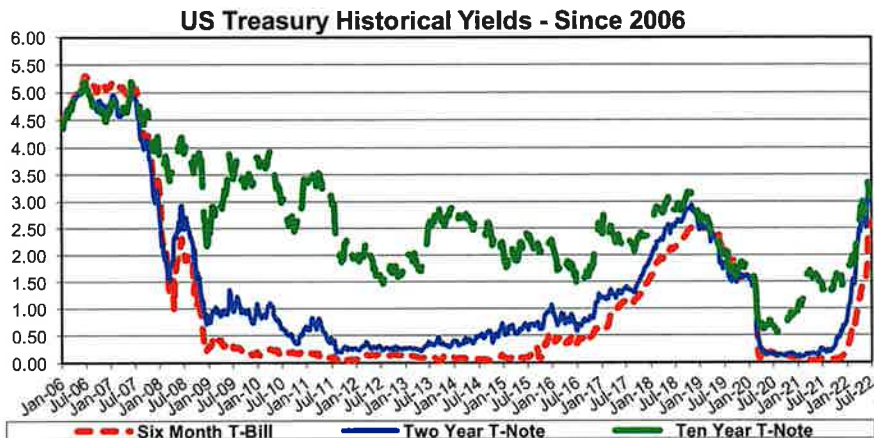
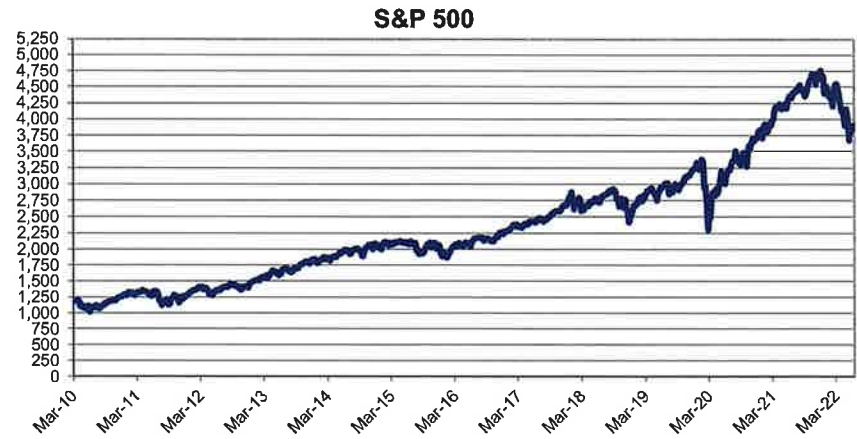
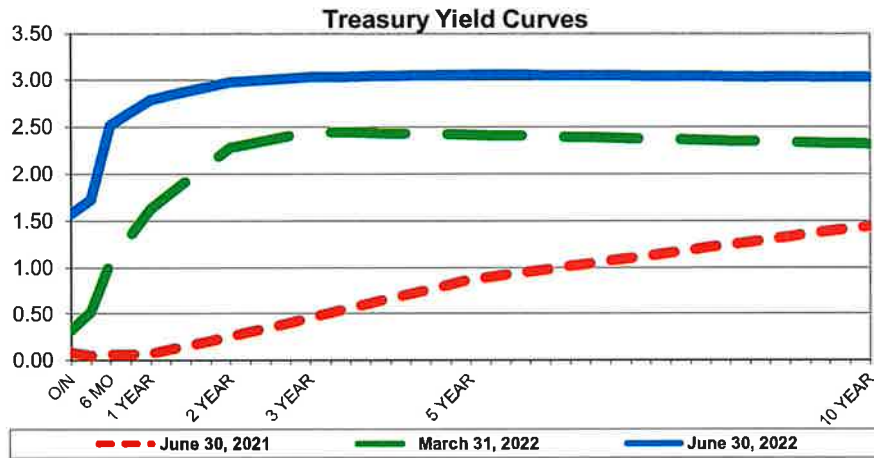
(1) **Current Quarter Weighted Average Yield** - calculated using quarter-end report yields and adjusted book values, does not reflect a total return analysis, realized or unrealized gains/losses or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market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

**Economic Overview**

**6/30/2022**

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/--\$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



## Investment Holdings

June 30, 2022

### City Funds

Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Farmer's Bank & Trust MMA	1.11%	07/01/22	06/30/22	\$ 32,688,605	\$ 32,688,605	1.00	\$ 32,688,605	1	1.11%
Southside Bank MMA	0.97%	07/01/22	06/30/22	6,237	6,237	1.00	6,237	1	0.97%
NexBank MMA	1.20%	07/01/22	06/30/22	36	36	1.00	36	1	1.20%
NexBank IntraFi MMA	1.20%	07/01/22	06/30/22	17,786,181	17,786,181	1.00	17,786,181	1	1.20%
<b>Total City Funds</b>				<b>\$ 50,481,060</b>	<b>\$ 50,481,060</b>		<b>\$ 50,481,060</b>	<b>1</b>	<b>1.14%</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	1.11%	07/01/22	06/30/22	\$ 9,749,418	\$ 9,749,418	1.00	\$ 9,749,418	1	1.11%
NexBank IntraFi MMA	1.20%	07/01/22	06/30/22	6,359,052	6,359,052	1.00	6,359,052	1	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	155	0.45%
Farmer's B&T CD	1.20%	05/10/24	05/10/22	400,000	400,000	100.00	400,000	680	1.20%
Farmer's B&T CD	1.20%	05/16/24	05/16/22	287,436	287,436	100.00	287,436	686	1.20%
<b>Total Water Utility</b>				<b>\$ 18,678,406</b>	<b>\$ 18,678,406</b>		<b>\$ 18,678,406</b>	<b>42</b>	<b>1.08%</b>

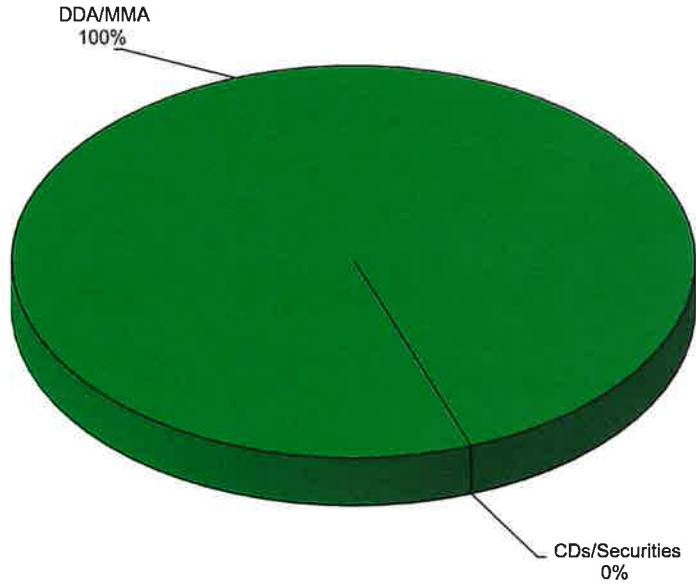
### Combined Portfolio

<b>\$ 69,159,466</b>	<b>\$ 69,159,466</b>	<b>\$ 69,159,466</b>	<b>12</b>	<b>1.12%</b>
			<b>(1)</b>	<b>(2)</b>

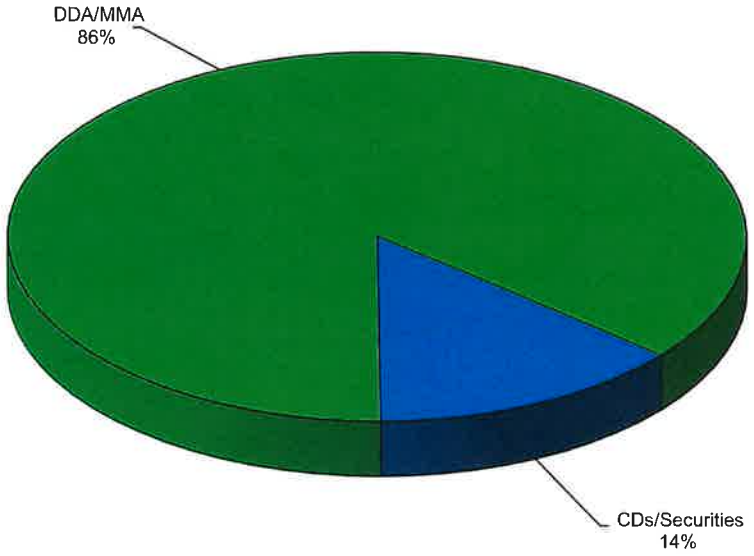
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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.

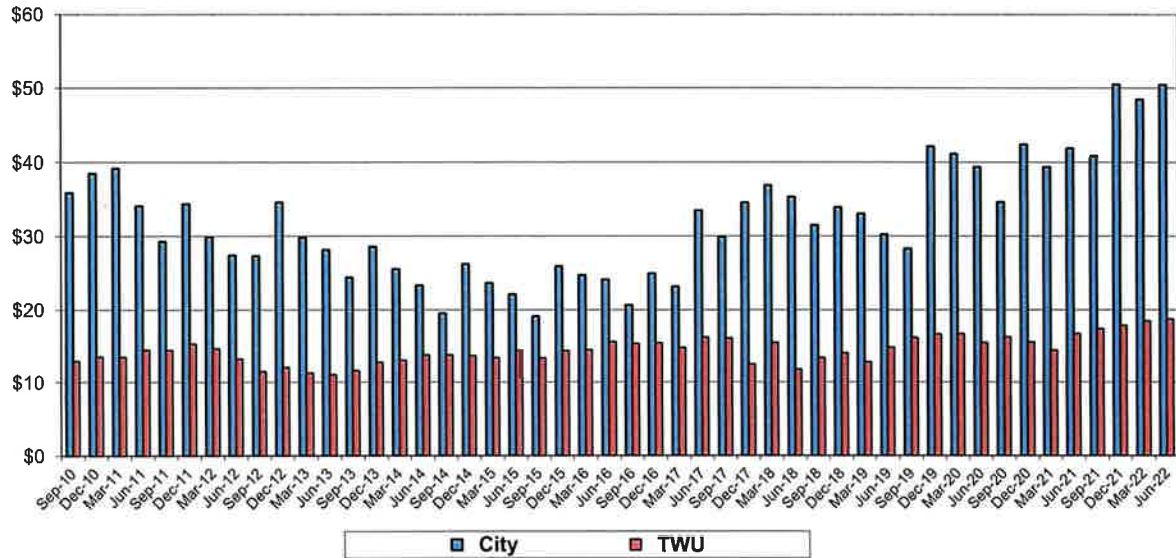
**City Portfolio Composition**



**TWU Portfolio Composition**



**Quarter End Portfolio (Millions)**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
Farmer's Bank & Trust MMA	1.11%	07/01/22	\$ 50,606,131	\$ -	\$ (8,168,109)	\$ 42,438,023	\$ 50,606,131	\$ (8,168,109)	\$ 42,438,023
Southside Bank MMA	0.97%	07/01/22	6,134	103	-	6,237	6,134	103	6,237
NexBank MMA	1.20%	07/01/22	62,068	-	(62,032)	36	62,068	(62,032)	36
NexBank IntraFi MMA	1.20%	07/01/22	14,049,050	10,096,183	-	24,145,233	14,049,050	10,096,183	24,145,233
Farmer's Bank & Trust CD	0.75%	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
Farmer's B&T CD	1.20%	05/10/24	-	400,000	-	400,000	-	400,000	400,000
Farmer's B&T CD	1.20%	05/16/24	-	287,436	-	287,436	-	287,436	287,436
<b>TOTAL / AVERAGE</b>	<b>1.12%</b>		<b>\$ 66,893,321</b>	<b>\$ 10,783,722</b>	<b>\$ (8,517,577)</b>	<b>\$ 69,159,466</b>	<b>\$ 66,893,321</b>	<b>\$ 2,266,145</b>	<b>\$ 69,159,466</b>

**City Fund Allocation  
 June 30, 2022  
 Book & Market Value**

Fund #	Fund Name	Total	Guaranty B&T MMA	Farmer's B&T MMA	Southside Bank MMA	NexBank MMA	NexBank ICS
--------	-----------	-------	---------------------	---------------------	-----------------------	-------------	-------------

June allocation not available at this time.

**City Fund Allocation  
March 31, 2022  
Book & Market Value**

<b>Fund #</b>	<b>Fund Name</b>	<b>Total</b>	<b>Guaranty B&amp;T MMA</b>	<b>Farmer's B&amp;T MMA</b>	<b>Southside Bank MMA</b>	<b>NexBank MMA</b>	<b>NexBank ICS</b>
---------------	------------------	--------------	---------------------------------	---------------------------------	-------------------------------	--------------------	--------------------

**March allocation not available at this time.**

**Water Fund Allocation  
Book & Market Value  
June 30, 2022**

Fund Name	Total	Farmer's B&T MMA	NexBank IntraFi MMA	0.45% Guaranty	1.20%	1.20%
				B&T CD: 12/02/20 - 12/02/22	Farmer's B&T CD 5/10/22 - 5/10/24	Farmer's B&T CD 5/16/22 - 5/16/24
Revenue	\$ 1,811,095	\$ 758,376	\$ 152,719	\$ 900,000	\$ -	\$ -
Technology	637,571	262,359	375,212	-	-	-
2020A Bond	74,572	74,572	-	-	-	-
2013 Bond	104,990	104,990	-	-	-	-
LTWSC Capital Improvement	579,430	579,430	-	-	-	-
Texas Capital Improvement	1,332,769	1,332,769	-	-	-	-
Texas Corps of Engineers Cost*	10,442,625	4,324,068	5,831,120	-	-	287,436
Texas Compost	410,612	410,612	-	-	-	-
Texas Customer Deposit	925,883	325,883	-	200,000	400,000	-
Equipment Acquisition	100,290	100,290	-	-	-	-
Texas Infrastructure	777,769	777,769	-	-	-	-
Texas Personnel Policy	209,421	126,921	-	82,500	-	-
Texas Reserve	727,477	27,477	-	700,000	-	-
WWTP Depreciation	236,011	236,011	-	-	-	-
Texas Waggoner Creek CIP	307,891	307,891	-	-	-	-
	<b>\$ 18,678,406</b>	<b>\$ 9,749,418</b>	<b>\$ 6,359,052</b>	<b>\$ 1,882,500</b>	<b>\$ 400,000</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

**Water Fund Allocation  
Book & Market Value  
March 31, 2022**

Fund Name	Total	Farmer's B&T MMA	NexBank IntraFi MMA	1.20% Farmer's	0.45% Guaranty
				B&T CD: 05/16/20 - 05/16/22	B&T CD: 12/02/20 - 12/02/22
Revenue	\$ 1,882,444	\$ 830,051	\$ 152,393	\$ -	\$ 900,000
Technology	954,953	580,542	374,411	-	-
2020A Bond	31,263	31,263	-	-	-
2013 Bond	66,879	66,879	-	-	-
LTWSC Capital Improvement	510,666	510,666	-	-	-
Texas Capital Improvement	953,171	953,171	-	-	-
Texas Corps of Engineers Cost*	10,029,383	3,923,282	5,818,665	287,436	-
Texas Compost	401,877	401,877	-	-	-
Texas Customer Deposit	899,119	699,119	-	-	200,000
Equipment Acquisition	418,248	418,248	-	-	-
Texas Infrastructure	641,339	641,339	-	-	-
Texas Personnel Policy	210,203	127,703	-	-	82,500
Texas Reserve	727,404	27,404	-	-	700,000
WWTP Depreciation	236,925	236,925	-	-	-
Texas Waggoner Creek CIP	477,017	477,017	-	-	-
	<b>\$ 18,440,893</b>	<b>\$ 9,925,487</b>	<b>\$ 6,345,469</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.

**Collateral Position  
June 30, 2022**

	CITY			WATER UTILITY		
	Farmers B&T	Southside Bank	NexBank	Guaranty B&T	NexBank	Farmers B&T
Collateral Value	\$ 47,500,000	\$ -	\$ -	\$ 1,882,500	\$ -	\$ 12,550,000
+ FDIC Insurance (1)	250,000	250,000	18,036,181	250,000	6,609,052	250,000
<b>Total Enhancement</b>	<b>\$ 47,750,000</b>	<b>\$ 250,000</b>	<b>\$ 18,036,181</b>	<b>\$ 2,132,500</b>	<b>\$ 6,609,052</b>	<b>\$ 12,800,000</b>
Total Deposits	\$ 32,688,605	\$ 6,237	\$ 17,786,218	\$ 1,882,500	\$ 6,359,052	\$ 10,436,855
<b>Excess Coverage</b>	<b>\$ 15,061,395</b>	<b>\$ 243,763</b>	<b>\$ 249,964</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 2,363,145</b>
Percentage Coverage	146%	4008%	101%	113%	104%	123%
Collateral Type:						
Treasuries						
Agency Bullets						
Agency Callable						
Agency LOC	\$ 47,500,000			\$ 1,882,500	\$ -	\$ 12,550,000
Munis						

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