



# City of Texarkana, Texas



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended  
March 31, 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.

  
CFO/Finance Director (City)

  
Assistant CFO (City)

  
Director of Finance (Water Utilities Department)

  
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	December 31, 2021		March 31, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 50,499,733	\$ 50,499,733	\$ 48,452,428	\$ 48,452,428	0.99%
CDs/Securities	-	-	-	-	0.00%
<b>Totals</b>	<b>\$ 50,499,733</b>	<b>\$ 50,499,733</b>	<b>\$ 48,452,428</b>	<b>\$ 48,452,428</b>	0.99%
Total Portfolio Average - Quarter					0.99%
Fiscal Year-to-Date Average Yield (2)					0.98%
Quarterly Interest Income					\$ 118,284
Year-to-date Interest Income					\$ 228,098

**Water Utility**

Asset Type	December 31, 2021		March 31, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 15,662,595	\$ 15,662,595	\$ 16,270,956	\$ 16,270,956	0.87%
CDs/Securities	2,169,936	2,169,936	2,169,936	2,169,936	0.49%
<b>Totals</b>	<b>\$ 17,832,532</b>	<b>\$ 17,832,532</b>	<b>\$ 18,440,893</b>	<b>\$ 18,440,893</b>	0.82%
Total Portfolio Average - Quarter					0.82%
Fiscal Year-to-Date Average Yield (2)					0.79%
Quarterly Interest Income					\$ 27,179
Year-to-date Interest Income					\$ 62,367

	<u>QTR</u>		<u>YTD</u>
Rolling Three Month Treasury	0.31%	Rolling Three Month Treasury	0.18%
Rolling Six Month Treasury	0.36%	Rolling Six Month Treasury	0.22%
TexPool	0.15%	TexPool	0.10%

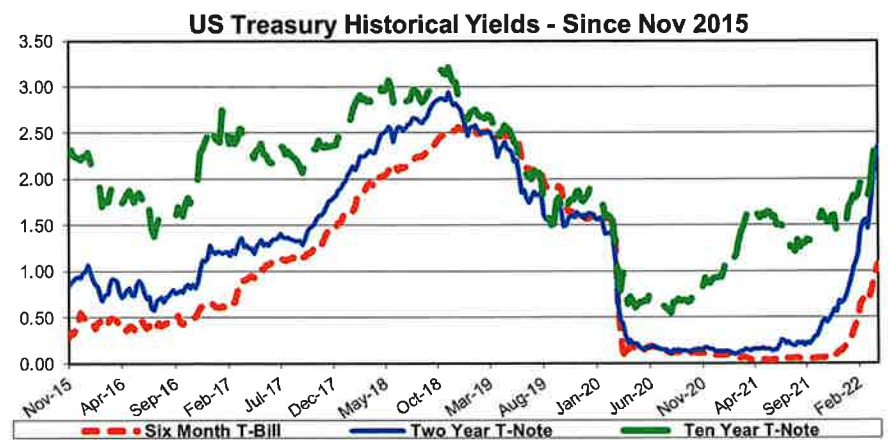
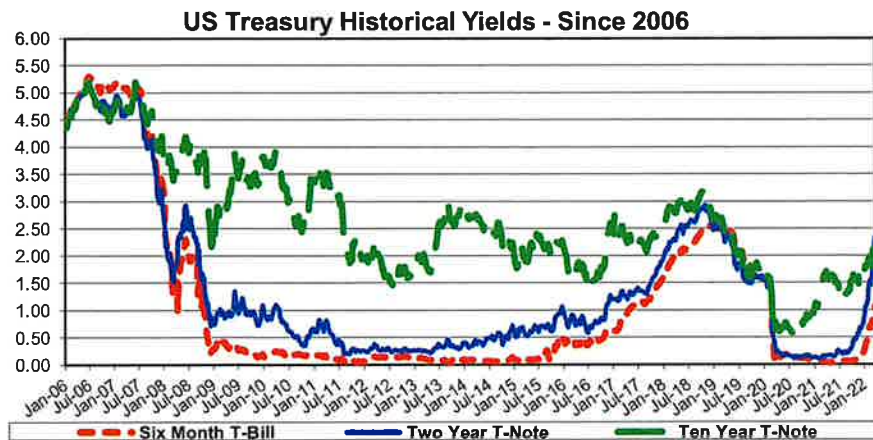
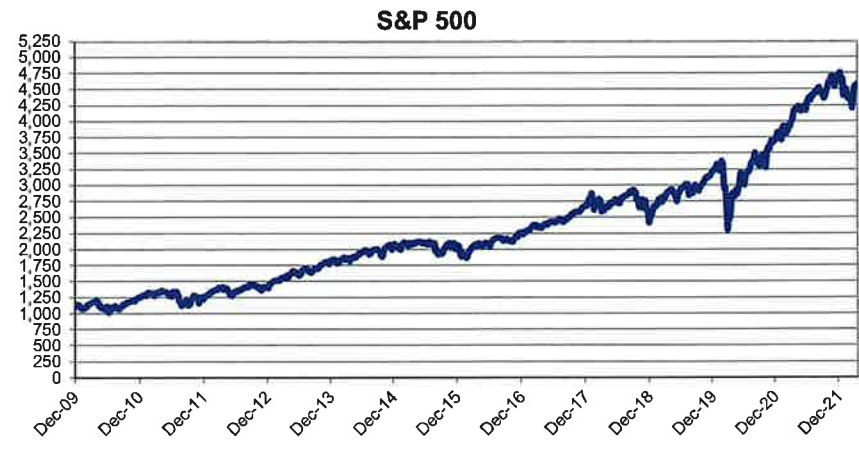
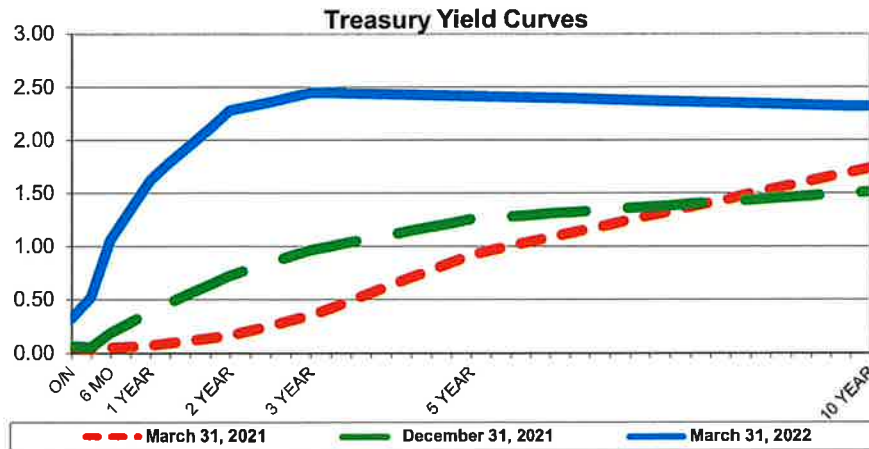
(1) **Current Quarter Weighted Average Yield** - calculated using quarter-end report yields and adjusted book values, does not reflect a total return analysis, realized or unrealized gains/losses or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market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

3/31/2022

The Federal Open Market Committee (FOMC) **raised** the Fed Funds target range to 0.25% to 0.50% (Effective Fed Funds are trading +/-0.30%). The FOMC ended monthly security purchases and may begin reducing their balance sheet. The market projection 4 to 6 more increases this calendar year. Final Fourth Quarter GDP recorded +6.9%. March Non-Farm Payroll missed estimates adding 431k net new jobs. Decreasing the Three Month Average NFP to 562k. Crude oil declined to +/- \$100 per barrel. The Stock Markets have recovered from the "correction" and slowly regained some lost ground. Some domestic economic indicators, including housing, softened. Inflation remained well over the FOMC 2% target (Core PCE +/-5.4%). The FOMC Fed Funds target projections pushed the yield curve to a Three Year Maturity peak.



## Investment Holdings

March 31, 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	1.07%	04/01/22	03/31/22	\$ 40,680,644	\$ 40,680,644	1.00	\$ 40,680,644	1	1.07%
Southside Bank MMA	0.23%	04/01/22	03/31/22	6,134	6,134	1.00	6,134	1	0.23%
NexBank MMA	0.55%	04/01/22	03/31/22	62,068	62,068	1.00	62,068	1	0.55%
NexBank IntraFi MMA	0.55%	04/01/22	03/31/22	7,703,581	7,703,581	1.00	7,703,581	1	0.55%
<b>Total City Funds</b>				<b>\$ 48,452,428</b>	<b>\$ 48,452,428</b>		<b>\$ 48,452,428</b>	<b>1</b>	<b>0.99%</b>

### Water Utility

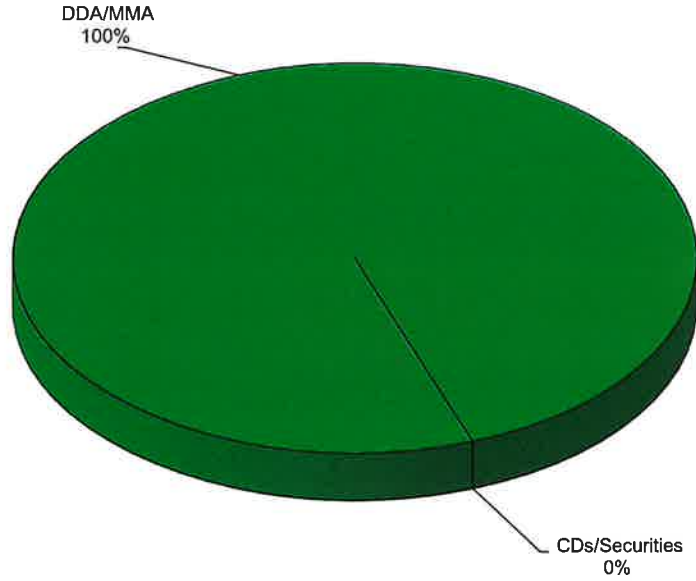
Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Farmer's Bank & Trust MMA	1.07%	04/01/22	03/31/22	\$ 9,925,487	\$ 9,925,487	1.00	\$ 9,925,487	1	1.07%
NexBank IntraFi MMA	0.55%	04/01/22	03/31/22	6,345,469	6,345,469	1.00	6,345,469	1	0.55%
Farmer's Bank & Trust CD	0.75%	05/16/22	05/16/20	287,436	287,436	100.00	287,436	46	0.75%
Guaranty Bank & Trust CD	0.45%	12/02/22	12/02/20	1,882,500	1,882,500	100.00	1,882,500	246	0.45%
<b>Total Water Utility</b>				<b>\$ 18,440,893</b>	<b>\$ 18,440,893</b>		<b>\$ 18,440,893</b>	<b>27</b>	<b>0.82%</b>
<b>Combined Portfolio</b>				<b>\$ 66,893,321</b>	<b>\$ 66,893,321</b>		<b>\$ 66,893,321</b>	<b>8</b>	<b>0.94%</b>

(1) (2)

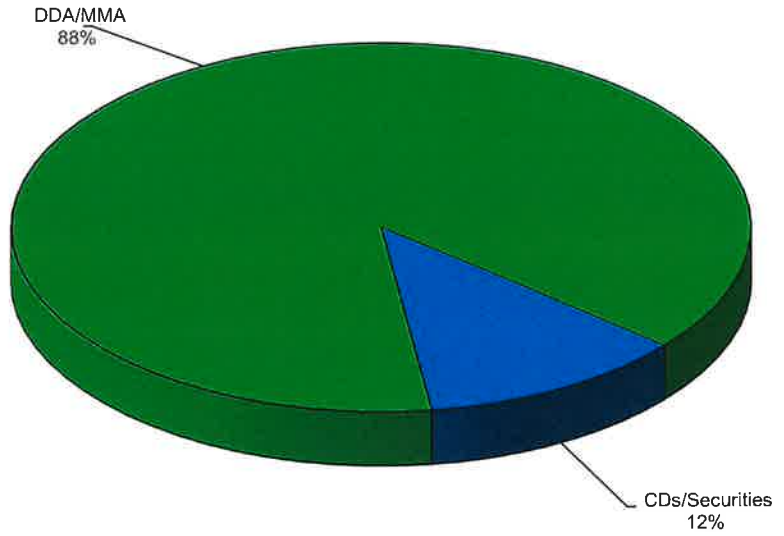
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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.

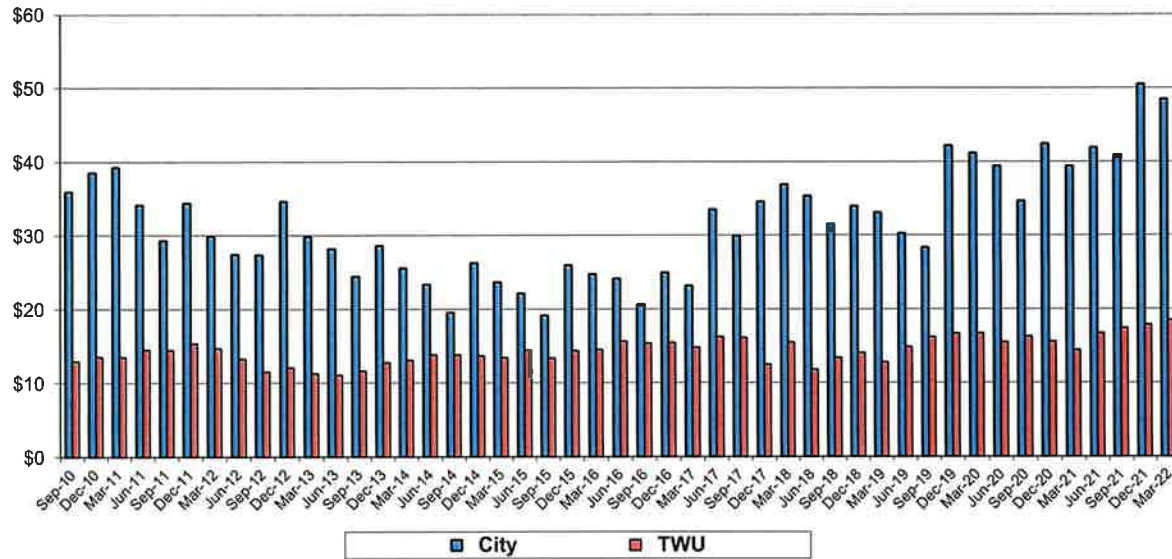
**City Portfolio Composition**



**TWU Portfolio Composition**



**Quarter End Portfolio (Millions)**



**Book & Market Value Comparison**

Issuer/Description	Yield	Maturity Date	Book Value 12/31/21	Increases	Decreases	Book Value 03/31/22	Market Value 12/31/21	Change in Market Value	Market Value 03/31/22
Farmer's Bank & Trust MMA	1.07%	04/01/22	\$ 52,057,653	\$ -	\$ (1,451,522)	\$ 50,606,131	\$ 52,057,653	\$ (1,451,522)	\$ 50,606,131
Southside Bank MMA	0.23%	04/01/22	6,133	2	-	6,134	6,133	2	6,134
NexBank MMA	0.55%	04/01/22	6,402,871	-	(6,340,802)	62,068	6,402,871	(6,340,802)	62,068
NexBank IntraFi MMA	0.55%	04/01/22	7,695,672	6,353,378	-	14,049,050	7,695,672	6,353,378	14,049,050
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
<b>TOTAL / AVERAGE</b>	<b>0.94%</b>		<b>\$ 68,332,265</b>	<b>\$ 6,353,380</b>	<b>\$ (7,792,324)</b>	<b>\$ 66,893,321</b>	<b>\$ 68,332,265</b>	<b>\$ (1,438,944)</b>	<b>\$ 66,893,321</b>

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

**City Fund Allocation  
December 31, 2021  
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>
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**December allocation not available at this time.**

**City Fund Allocation  
September 30, 2021  
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>
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**September allocation not available at this time.**

**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.

**Water Fund Allocation  
Book & Market Value  
December 31, 2021**

Fund Name	Total	Farmer's B&T	NexBank	1.20% Farmer's B&T CD: 05/16/20 - 05/16/22	0.45% Guaranty B&T CD: 12/02/20 - 12/02/22
		MMA	MMA		
Revenue	\$ 1,939,707	\$ 887,476	\$ 152,231	\$ -	\$ 900,000
Technology	812,450	438,418	374,032	-	-
2020A Bond	155,555	155,555	-	-	-
2013 Bond	61,410	61,410	-	-	-
LTWSC Capital Improvement	618,147	618,147	-	-	-
Texas Capital Improvement	802,586	802,586	-	-	-
Texas Corps of Engineers Cost*	9,650,901	3,548,863	5,814,602	287,436	-
Texas Compost	379,081	379,081	-	-	-
Texas Customer Deposit	892,176	692,176	-	-	200,000
Equipment Acquisition	442,777	442,777	-	-	-
Texas Infrastructure	552,605	552,605	-	-	-
Texas Personnel Policy	196,084	113,584	-	-	82,500
Texas Reserve	727,531	27,531	-	-	700,000
WWTP Depreciation	188,260	188,260	-	-	-
Texas Waggoner Creek CIP	413,261	413,261	-	-	-
	<b>\$ 17,832,532</b>	<b>\$ 9,321,730</b>	<b>\$ 6,340,865</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  
March 31, 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	7,953,581	250,000	6,595,469	250,000
Total Enhancement	\$ 47,750,000	\$ 250,000	\$ 7,953,581	\$ 2,132,500	\$ 6,595,469	\$ 12,800,000
Total Deposits	\$ 40,680,644	\$ 6,134	\$ 7,765,650	\$ 1,882,500	\$ 6,345,469	\$ 10,212,924
<b>Excess Coverage</b>	<b>\$ 7,069,356</b>	<b>\$ 243,866</b>	<b>\$ 187,932</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 2,587,076</b>
Percentage Coverage	117%	4075%	102%	113%	104%	125%
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.