



City of Texarkana, Texas



QUARTERLY INVESTMENT REPORT

**For the Quarter Ended
December 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	September 30, 2022		December 31, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 48,076,603	\$ 48,076,603	\$ 64,910,722	\$ 64,910,722	4.36%
CDs/Securities	-	-	8,529,004	8,529,004	4.78%
Totals	\$ 48,076,603	\$ 48,076,603	\$ 73,439,726	\$ 73,439,726	4.41%

Total Portfolio Average - Quarter 4.41%
 Fiscal Year-to-Date Average Yield (2) 4.41%

Quarterly Interest Income \$ 672,085
 Year-to-date Interest Income \$ 672,085

Water Utility

Asset Type	September 30, 2022		December 31, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 16,308,954	\$ 16,308,954	\$ 17,093,384	\$ 17,093,384	4.38%
CDs/Securities	2,576,915	2,576,915	1,669,936	1,669,936	3.31%
Totals	\$ 18,885,869	\$ 18,885,869	\$ 18,763,320	\$ 18,763,320	4.28%

Total Portfolio Average - Quarter 4.28%
 Fiscal Year-to-Date Average Yield (2) 4.28%

Quarterly Interest Income \$ 100,881
 Year-to-date Interest Income \$ 100,881

	<u>QTR</u>		<u>YTD</u>
Rolling Three Month Treasury	4.19%	Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%	Rolling Six Month Treasury	3.90%
TexPool	3.98%	TexPool	3.98%

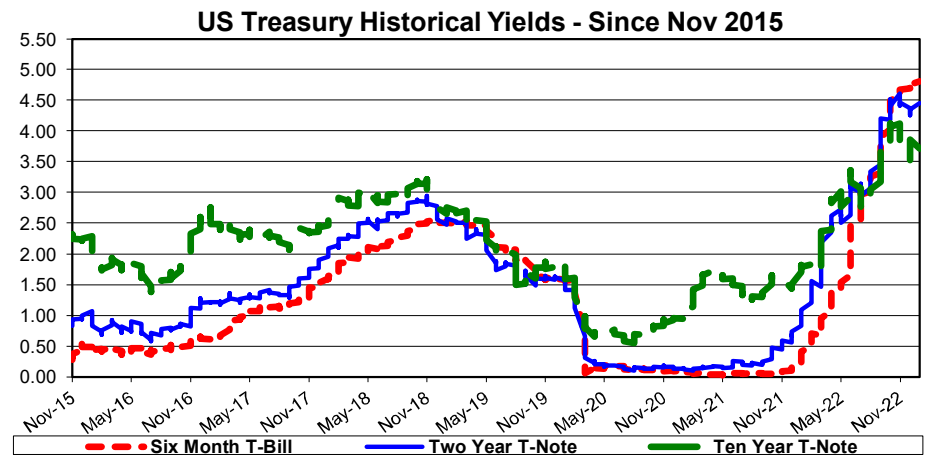
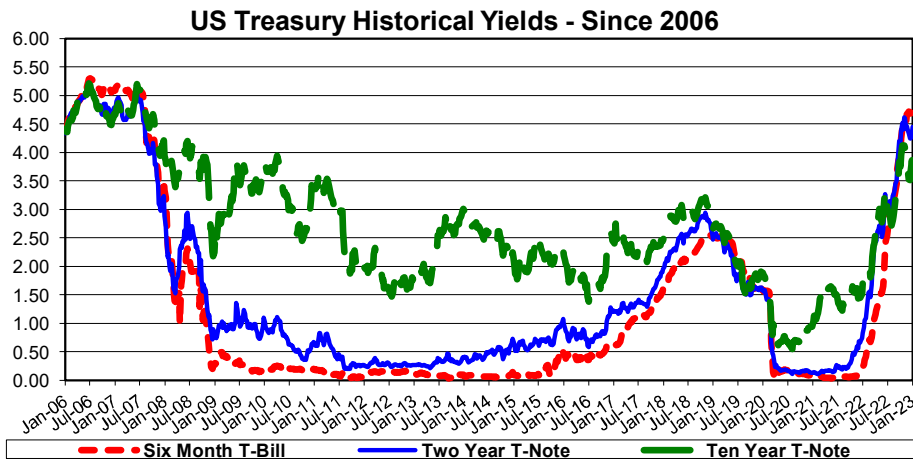
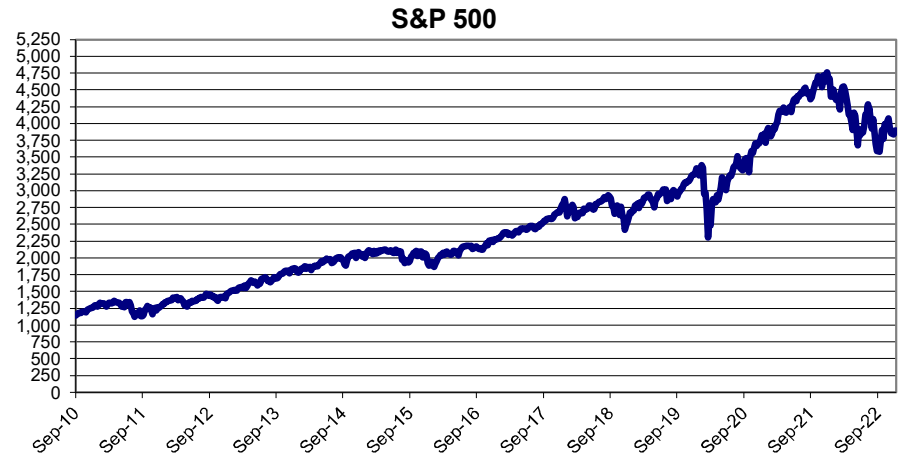
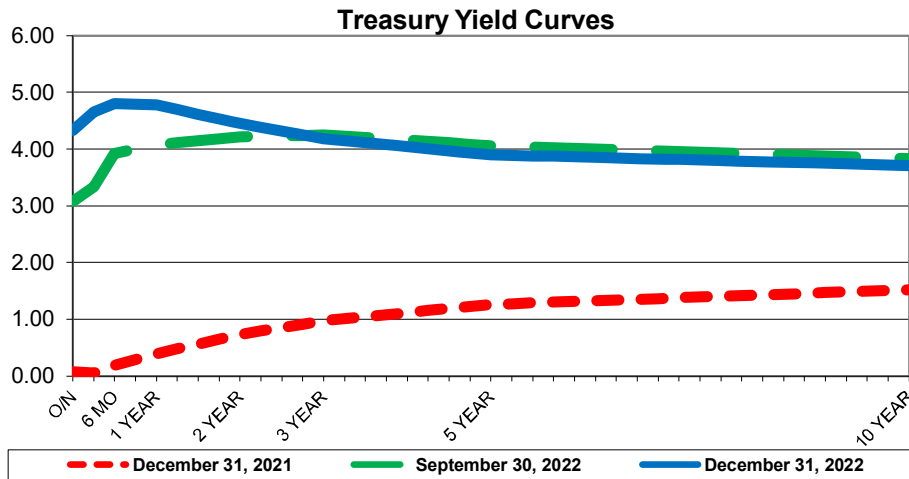
(1) **Current Quarter Weighted Average Yield** - calculated using quarter-end report yields and adjusted book values, does not reflect a total return analysis, realized or unrealized gains/losses or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market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

12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/- \$75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.



Investment Holdings

December 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	4.34%	01/01/23	12/31/22	\$ 46,855,202	\$ 46,855,202	1.00	\$ 46,855,202	1	4.34%
Southside Bank MMA	4.05%	01/01/23	12/31/22	6,324	6,324	1.00	6,324	1	4.05%
NexBank MMA	4.40%	01/01/23	12/31/22	37	37	1.00	37	1	4.40%
NexBank IntraFi MMA	4.40%	01/01/23	12/31/22	18,049,159	18,049,159	1.00	18,049,159	1	4.40%
East West Bank CD	4.74%	06/06/23	12/06/22	2,508,455	2,508,455	100.00	2,508,455	157	4.74%
East West Bank CD	4.80%	12/06/23	12/06/22	6,020,549	6,020,549	100.00	6,020,549	340	4.80%
Total City Funds				\$ 73,439,726	\$ 73,439,726		\$ 73,439,726	34	4.41%

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	4.34%	01/01/23	12/31/22	\$ 6,638,381	\$ 6,638,381	1.00	\$ 6,638,381	1	4.34%
NexBank IntraFi MMA	4.40%	01/01/23	12/31/22	10,455,002	10,455,002	1.00	10,455,002	1	4.40%
Farmer's B&T CD	1.20%	05/10/24	05/10/22	400,000	400,000	100.00	400,000	496	1.20%
Farmer's B&T CD	1.20%	05/16/24	05/16/22	287,436	287,436	100.00	287,436	502	1.20%
East West Bank CD	4.68%	12/08/23	12/08/22	982,500	982,500	100.00	982,500	342	4.79%
Total Water Utility				\$ 18,763,320	\$ 18,763,320		\$ 18,763,320	37	4.28%

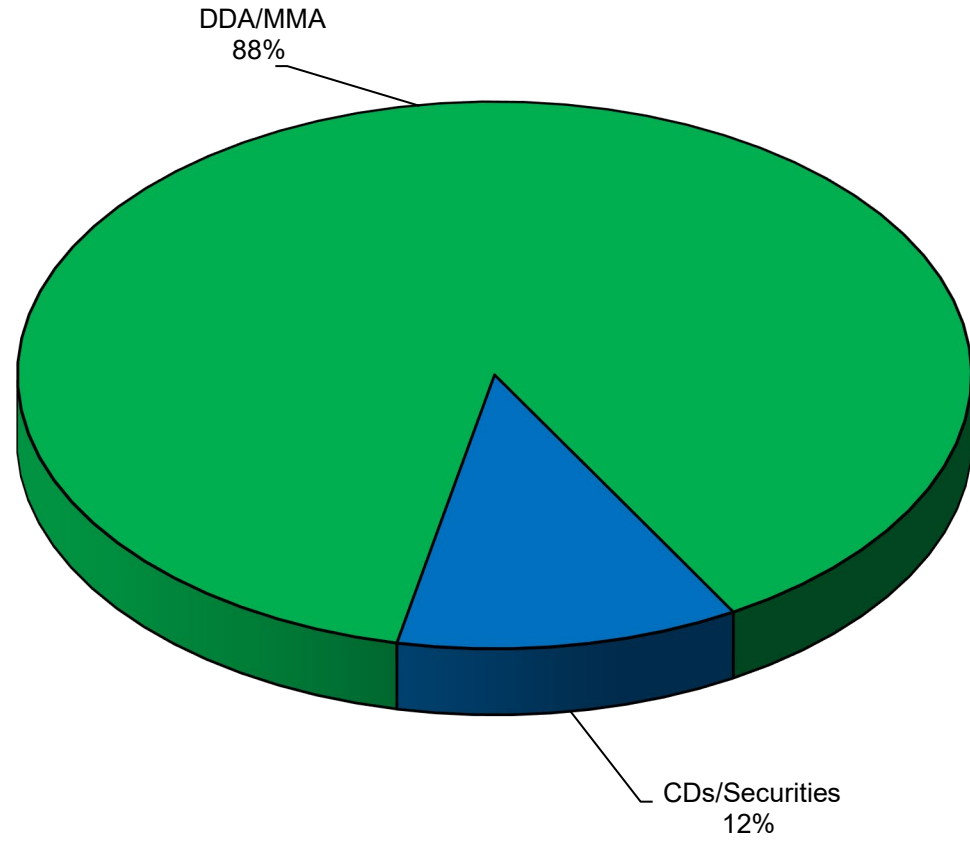
Combined Portfolio

Combined Portfolio				\$ 92,203,046	\$ 92,203,046		\$ 92,203,046	35	4.38%
								(1)	(2)

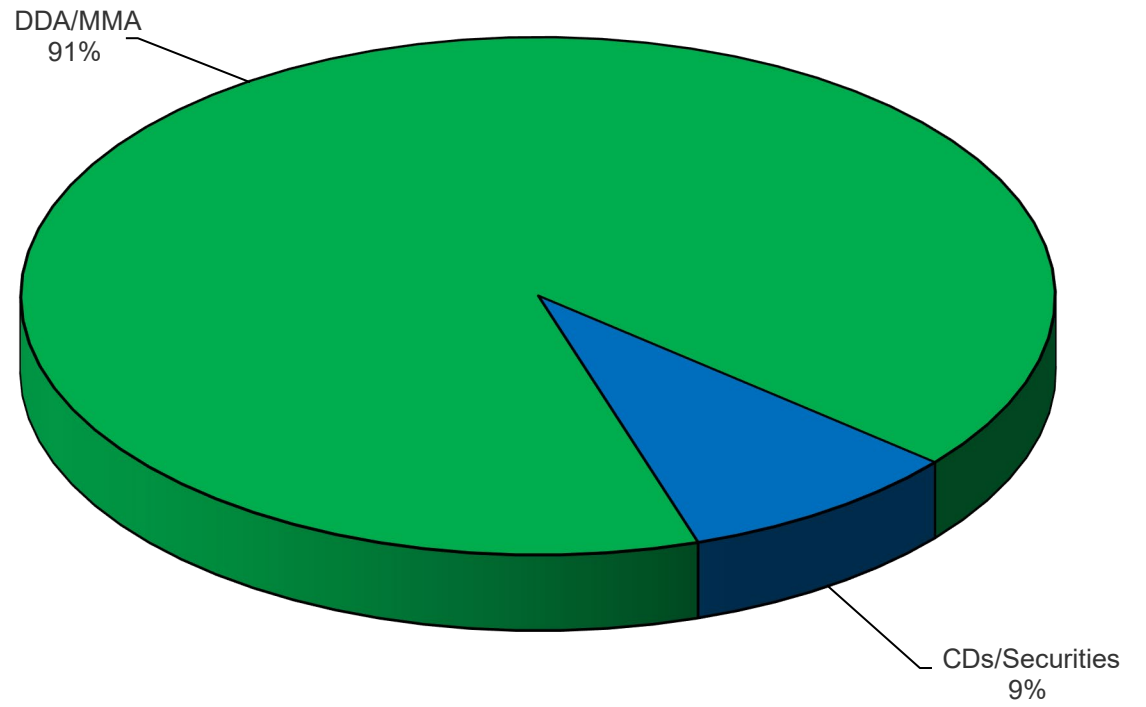
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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.

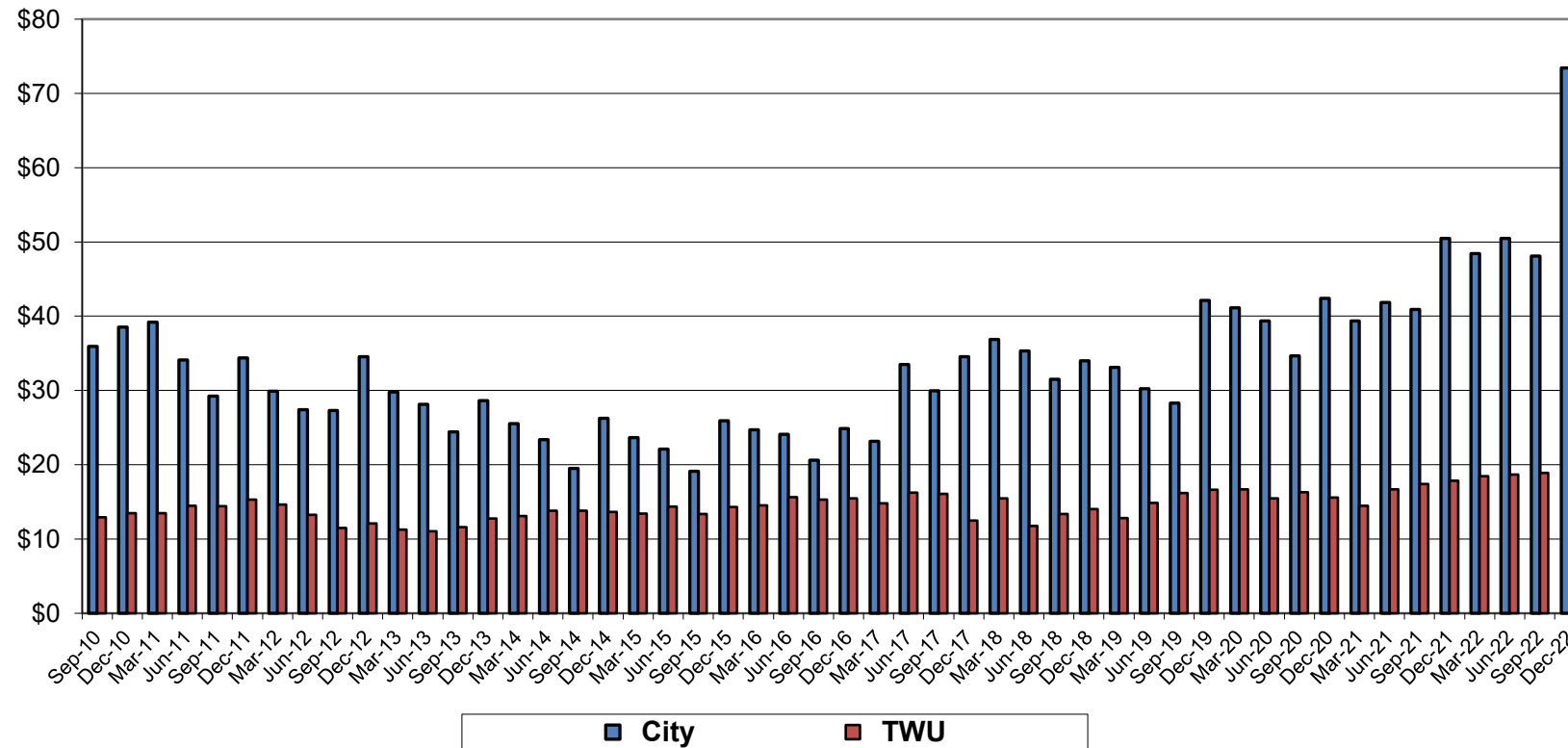
City Portfolio Composition



TWU Portfolio Composition



Quarter End Portfolio (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
Farmer's Bank & Trust MMA	4.34%	01/01/23	\$ 40,108,903	\$ 13,384,681	\$ -	\$ 53,493,583	\$ 40,108,903	\$ 13,384,681	\$ 53,493,583
Southside Bank MMA	4.05%	01/01/23	6,269	55	-	6,324	6,269	55	6,324
NexBank MMA	4.40%	01/01/23	36	-	-	37	36	-	37
NexBank IntraFi MMA	4.40%	01/01/23	24,277,327	4,226,834	-	28,504,161	24,277,327	4,226,834	28,504,161
Guaranty Bank & Trust CD	0.45%	12/02/22	1,882,500	-	(1,882,500)	-	1,882,500	(1,882,500)	-
East West Bank CD	4.74%	06/06/23	-	2,508,455	-	2,508,455	-	2,508,455	2,508,455
East West Bank CD	4.80%	12/06/23	-	6,020,549	-	6,020,549	-	6,020,549	6,020,549
East West Bank CD	4.68%	12/08/23	-	982,500	-	982,500	-	982,500	982,500
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
<i>explain why CD balance decreased</i>									
TOTAL / AVERAGE	4.38%		\$ 66,962,471	\$ 27,123,074	\$ (1,882,500)	\$ 92,203,046	\$ 66,962,471	\$ 25,240,574	\$ 92,203,046

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

Fund #	Fund Name	Total	Guaranty B&T MMA	Farmer's B&T MMA	Southside Bank MMA	NexBank MMA	NexBank ICS
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December allocation not available at this time.

**City Fund Allocation
September 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
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September allocation not available at this time.

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

Fund Name	Total	Farmer's B&T MMA	NexBank IntraFi MMA	4.68% East West Bank CD 12/08/22 - 12/08/23	1.20% Farmer's B&T CD 5/10/22 - 5/10/24	1.20% Farmer's B&T CD 5/16/22 - 5/16/24
Revenue	\$ 614,548	\$ 459,558	\$ 154,989	\$ -	\$ -	\$ -
Technology	812,374	431,626	380,748	-	-	-
2020A Bond	163,581	163,581	-	-	-	-
2013 Bond	72,859	72,859	-	-	-	-
LTWSC Capital Improvement	888,967	888,967	-	-	-	-
Texas Capital Improvement	1,134,993	1,134,993	-	-	-	-
Texas Corps of Engineers Cost*	11,632,100	1,425,398	9,919,265	-	-	287,436
Texas Compost	54,314	54,314	-	-	-	-
Texas Customer Deposit	897,388	297,388	-	200,000	400,000	-
Equipment Acquisition	299,284	299,284	-	-	-	-
Texas Infrastructure	1,018,638	1,018,638	-	-	-	-
Texas Personnel Policy	244,394	161,894	-	82,500	-	-
Texas Reserve	718,183	18,183	-	700,000	-	-
WWTP Depreciation	159,048	159,048	-	-	-	-
Texas Waggoner Creek CIP	52,649	52,649	-	-	-	-
	\$ 18,763,320	\$ 6,638,381	\$ 10,455,002	\$ 982,500	\$ 400,000	\$ 287,436

*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
September 30, 2022**

Fund Name	Total	Farmer's B&T MMA	NexBank IntraFi MMA	0.45% Guaranty B&T CD: 12/02/20 - 12/02/22	1.20% Farmer's B&T CD 5/10/22 - 5/10/24	1.20% Farmer's B&T CD 5/16/22 - 5/16/24
Revenue	\$ 1,425,611	\$ 372,043	\$ 153,567	\$ 900,000	\$ -	\$ -
Technology	693,374	316,122	377,253	-	-	-
2020A Bond	123,948	123,948	-	-	-	-
2013 Bond	28,842	28,842	-	-	-	-
LTWSC Capital Improvement	783,954	783,954	-	-	-	-
Texas Capital Improvement	1,233,286	1,233,286	-	-	-	-
Texas Corps of Engineers Cost*	11,013,761	4,863,303	5,863,021	-	-	287,436
Texas Compost	137,956	137,956	-	-	-	-
Texas Customer Deposit	903,630	303,630	-	200,000	400,000	-
Equipment Acquisition	236,196	236,196	-	-	-	-
Texas Infrastructure	860,168	860,168	-	-	-	-
Texas Personnel Policy	221,120	138,620	-	82,500	-	-
Texas Reserve	715,140	15,140	-	700,000	-	-
WWTP Depreciation	216,584	216,584	-	-	-	-
Texas Waggoner Creek CIP	285,321	285,321	-	-	-	-
	\$ 18,878,890	\$ 9,915,113	\$ 6,393,841	\$ 1,882,500	\$ 400,000	\$ 287,436

*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

**Collateral Position
December 31, 2022**

	CITY				WATER UTILITY		
	Farmers B&T	Southside Bank	NexBank	East West Bank	NexBank	Farmers B&T	East West Bank
Collateral Value	\$ 56,000,000	\$ -	\$ -	\$ 8,781,000	\$ -	\$ 17,250,000	\$ 796,000
+ FDIC Insurance (1)	250,000	250,000	18,299,159	250,000	10,705,002	250,000	250,000
Total Enhancement	\$ 56,250,000	\$ 250,000	\$ 18,299,159	\$ 9,031,000	\$ 10,705,002	\$ 17,500,000	\$ 1,046,000
Total Deposits	\$ 46,855,202	\$ 6,324	\$ 18,049,196	\$ 8,529,004	\$ 10,455,002	\$ 7,325,818	\$ 982,500
Excess Coverage	\$ 9,394,798	\$ 243,676	\$ 249,963	\$ 501,996	\$ 250,000	\$ 10,174,182	\$ 63,500
Percentage Coverage	120%	3953%	101%	106%	102%	239%	106%
Collateral Type:							
Treasuries							
Agency Bullets							
Agency Callable							
Agency LOC	\$ 56,000,000			\$ 8,781,000		\$ 17,250,000	\$ 796,000
Munis							

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