



CITY OF COLLEYVILLE
AUDIT COMMITTEE AGENDA
100 Main Street, Colleyville, Texas, 76034
City Manager's Conference Room - Third Floor

TUESDAY, FEBRUARY 20, 2024 - 5:00 PM

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
November 21, 2023
- 3. REGULAR AGENDA ITEMS**
3a Discussion of the draft FY23 Audit and SAS 114 Letter
- 4. REPORTS**
Quarterly investment report
- 5. ADJOURNMENT**

I hereby certify this agenda was posted on City Hall bulletin boards *Friday, February 16, 2024* by 5:00 p.m.

Christine Loven, TRMC
City Secretary

A quorum of any Colleyville board, commission, or committee may be present at this meeting. Any matter on this agenda may be opened for public comment and discussion at the discretion of the governing body.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1130, and reasonable accommodations will be made to assist you.



CITY OF COLLEYVILLE AUDIT COMMITTEE AGENDA

100 Main Street, Colleyville, Texas, 76034
City Manager's Conference Room - Third Floor

TUESDAY, NOVEMBER 21, 2023 - 5:15 PM

1. CALL TO ORDER

City Secretary Christine Loven called the meeting to order at 5:16 p.m. and called the roll.

PRESENT: Committee members Brandi Elder, Scotty Richardson, and Chuck Kelley.

ALSO PRESENT: Mayor Lindamood, Accounting Manager Karen Hines, City Manager Jerry Ducay, Assistant City Manager Mark Wood, and City Secretary Christine Loven.

2. APPROVAL OF MINUTES

August 15, 2023

The August 15, 2023 minutes were unanimously approved.

3. REGULAR AGENDA ITEMS

3a Presentation of the fourth quarter FY23 investment report

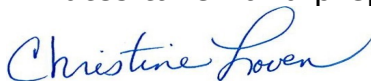
Assistant City Manager Mark Wood reviewed the final quarter of FY23 investment report. He reviewed the City's cash position, yield curve, return summary and the mark to market. Manager Wood noted the City is in good financial condition and it is anticipated there will be higher returns in FY24, though the City always budgets conservatively.

There was general discussion on bank promotions, purchasing, the stability of the market, and the search for a finance director.

4. ADJOURNMENT

The meeting was adjourned at 5:31 p.m.

Minutes taken and prepared by:



Christine Loven, TRMC,
City Secretary



CITY OF COLLEYVILLE AUDIT COMMITTEE BRIEFING

Agenda Number 3a

Agenda Date 2/20/2024

Number

Type Regular Agenda Items

Department Finance

Title

Discussion of the draft FY23 Audit and SAS 114 Letter

Explanation

This item provides for an update from the City's audit firm, Weaver and Tidwell.

Attachments

1. Audit Presentation FY23



Audit Insights

City of Colleyville
Year Ended September 30, 2023



weaver 
Assurance • Tax • Advisory

Today's Speaker



Jennifer Ripka, CPA

Partner, Assurance Services

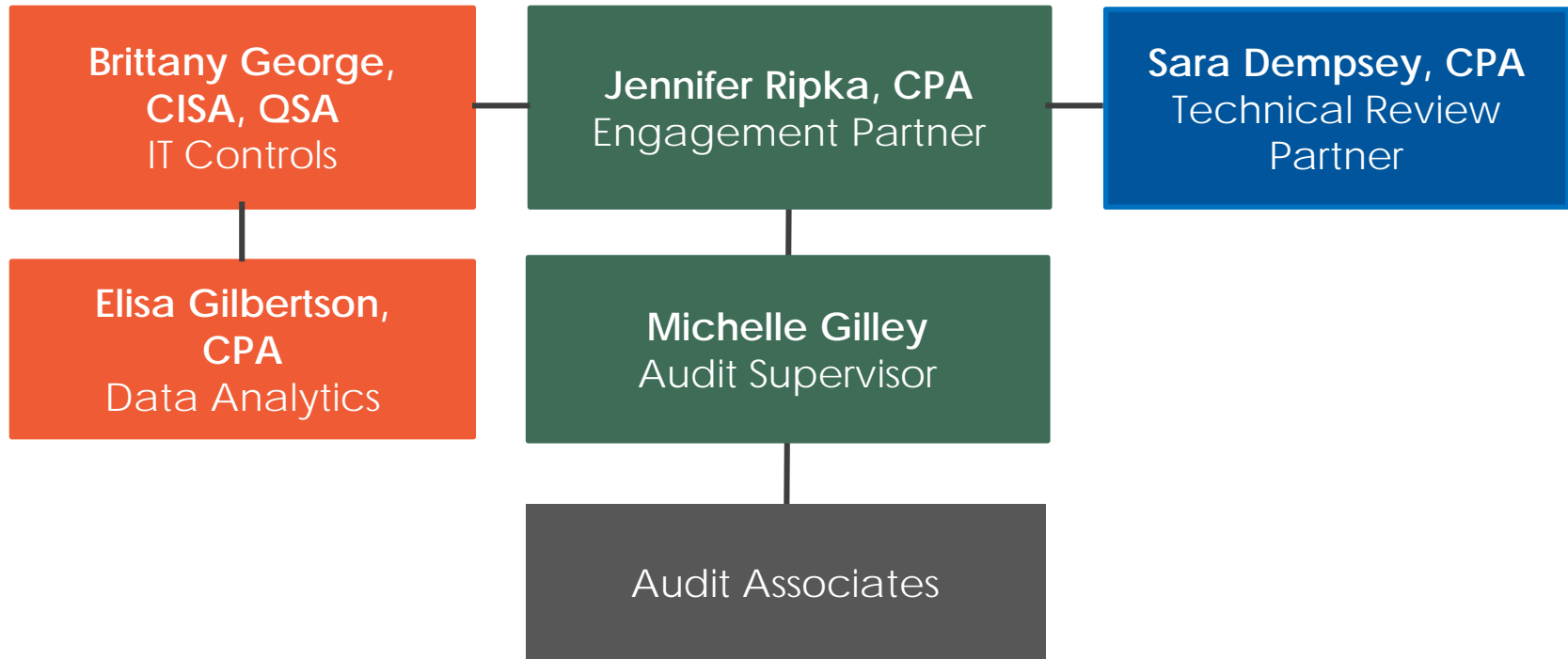
- ▶ Audit engagement partner.
- ▶ 14 years of public accounting experience.
- ▶ Practice emphasis in auditing for cities, school districts and nonprofit agencies
- ▶ GFOA Special Review Committee Member

THERE WHEN YOU NEED US.

Remember: Weaver is your auditor all year; we are always available to answer routine questions.

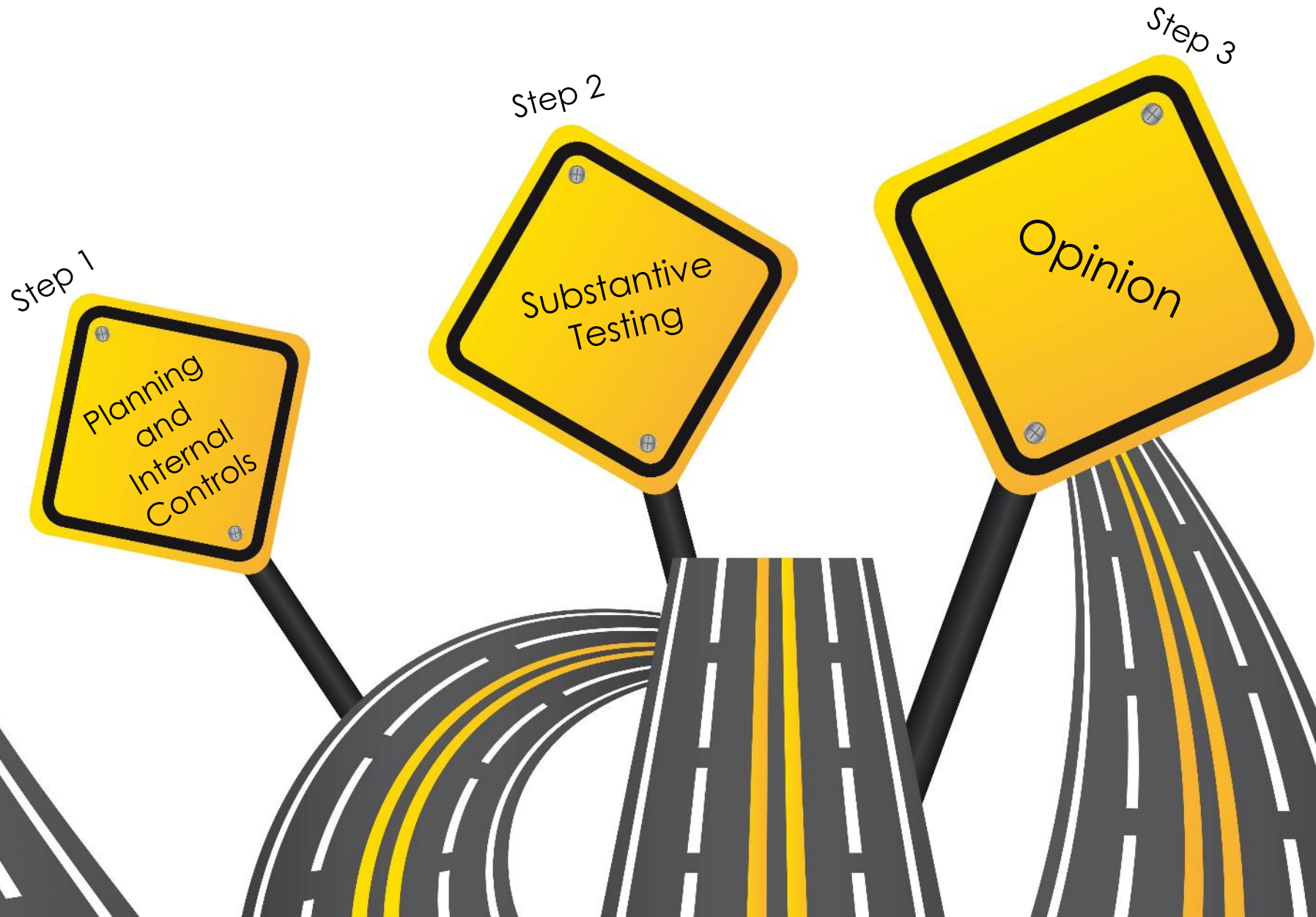


The Colleyville Team



Audit Process and Required Communications

Audit Process



Audit Process



Audit Standards — Performed the audit in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS).



Single Audit — Performed the single audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)



Compliance — Performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements.

Audit Results:

FINANCIAL STATEMENTS



Type of Report Issued:	UNMODIFIED
Internal control over financial reporting:	
Any material weakness(es) identified?	NO
Any significant deficiencies that are not material weaknesses?	NONE REPORTED
Any noted noncompliance material to financial statements?	NO

Audit Results:

FEDERAL AWARDS

Type of Report Issued, Compliance for Major Programs:	UNMODIFIED
Type of Auditee:	LOW RISK
Internal control over major programs:	
Any material weakness(es) identified?	NO
Any significant deficiencies that are not material weaknesses?	NONE REPORTED
Any audit findings required to be reported under 2 CFR 200.516(a)?	NO

➤ **Major Programs:** Coronavirus Relief Fund (21.027)

Required Communications to Those in Charge of Governance



Communication

Unusual transactions and the adoption of new accounting principles

Results

The significant accounting policies used by City are described in Note 1 to the financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. was implemented by the City during fiscal year 2023.

We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus.

Required Communications to Those in Charge of Governance



Communication	Results
Fraud and illegal acts	No material errors, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses noted.
Other information contained in documents containing audited financial statements	We performed limited procedures on the required supplementary information. We did not provide any assurance on this information.
Management judgments and accounting estimates	Management's estimates of estimated allowance for uncollectible accounts receivable were evaluated and determined to be reasonable in relation to the financial statements as a whole.

Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We requested certain representations from management that were included in the management representation letter.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.

Financial Highlights

Financial Highlights:

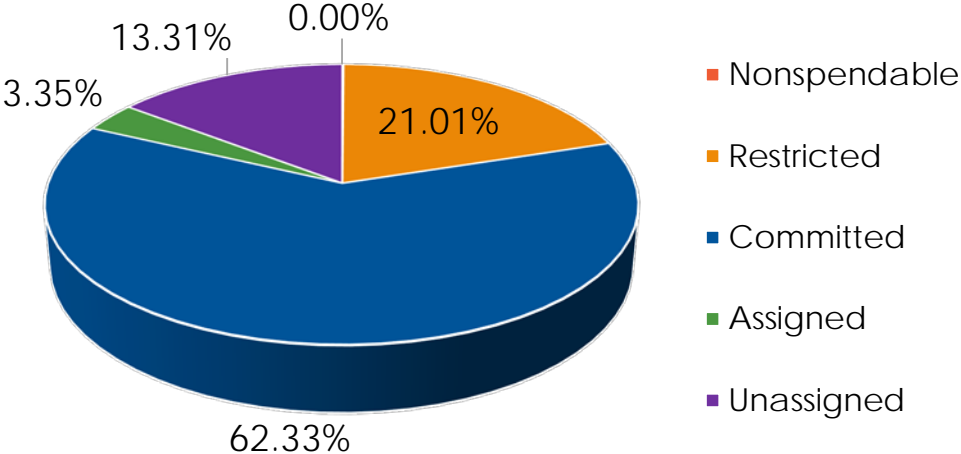
FUND BALANCES



The City’s governmental funds reported in FY 2023 a combined ending fund balance of \$57,120,567, an increase of \$4,190,688.

General Fund	\$ 8,514,962
Debt Service Fund	443,066
Capital Projects Fund	30,638,469
Colleyville Economic Development Fund	7,537,100
Grant fund	(246,527)
Colleyville Tomorrow Fund	520,438
Non-Major Governmental Fund	9,713,059
Total Governmental Funds	<u><u>\$ 57,120,567</u></u>

Fund Balance Breakdown by Category:



Financial Highlights:

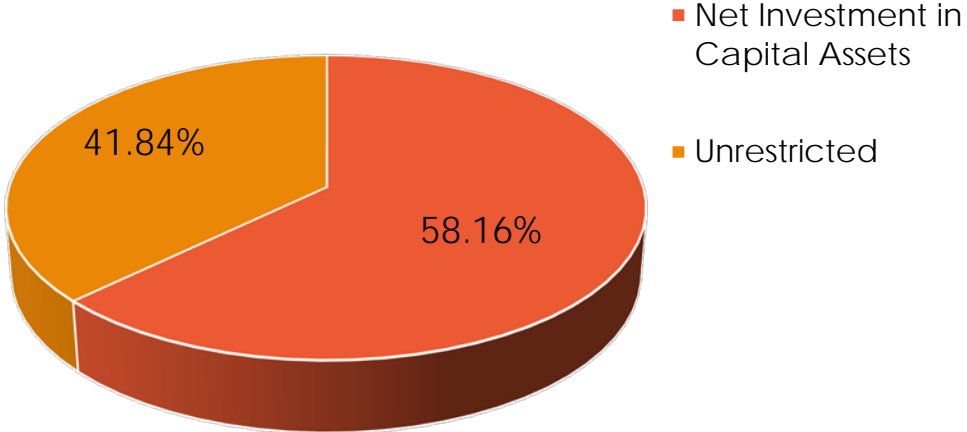
NET POSITION



The City's proprietary funds reported in FY 2023 a combined ending net position of \$75,877,207, an increase of \$3,409,679:

Water and Sewer Fund	\$ 69,381,483
Drainage Utility Fund	6,495,724
Proprietary Funds	<u>\$ 75,877,207</u>

Net Position Breakdown by Category:



Questions?

Contact Us



Jennifer Ripka

Partner, Assurance Services

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Email: jennifer.ripka@weaver.com



CITY OF COLLEYVILLE AUDIT COMMITTEE BRIEFING

Agenda Number
Type Report
Department Finance

Agenda Date 2/20/2024

Number

Title

Quarterly investment report

Explanation

Cash and Cash Equivalents (local government investment pools) totaled \$54,781,534 at the end of December 2023. Colleyville’s complete portfolio was valued at \$72,676,333, and was allocated as follows:

Instrument	Current as of 12/31/2023	Last Quarter as of 9/30/2023
Cash	\$ 17,011,919	\$ 10,899,783
LOGIC (CP Permissible)	\$ 2,723,540	\$ 2,685,809
Other Governmental Pools	\$ 35,046,075	\$ 32,917,765
CD’s	\$ 5,430,846	\$ 5,928,846
CDARS	\$ -	\$ -
Agencies	\$ 12,463,953	\$ 15,464,402
Total Cash & Investments	\$ 72,676,333	\$ 67,896,607

Instrument	Yield this quarter
LOGIC (CP Permissible)	5.55 %
Other Governmental Pools	5.33 %
CD’s	3.57 %
CDARS	0.00 %
Agencies	4.62 %
Total Consolidated Yield	5.15 %

Benchmark Yield: 5.45%

Interest earnings for the quarter were \$659,286 compared to \$683,782 in the previous quarter. This decrease was caused by staff pulling back some investments temporarily until Ad Valorem collections began coming in. Staff will continue to examine cash-flow needs and place our resources in instruments with an emphasis on keeping these funds safe while earning as strong a yield as possible.

Attachments

1. Investment Report - Dec 2023

City of Colleyville, TX

Quarterly Investment Report

12/31/2023



Where is Colleyville's cash?		9/30/2023	12/31/2023	Change	Weighted Maturity
Cash/ Equivalents	Cash	\$ 10,899,783	\$ 17,011,919	\$ 6,112,136	Liquid
	Sweep Account	\$ -	\$ -	\$ -	Liquid
	LOGIC (CP Permiss.)	\$ 2,685,809	\$ 2,723,540	\$ 37,731	Liquid
	Other Gov't Pools	\$ 32,917,765	\$ 35,046,075	\$ 2,128,310	Liquid
	Subtotal	\$ 46,503,358	\$ 54,781,534	\$ 8,278,176	
Bonds/CDs/Ag encies	CD's	\$ 5,928,846	\$ 5,430,846	\$ (498,000)	175 days
	CDARS	\$ -	\$ -	\$ -	0 days
	Agencies	\$ 15,464,402	\$ 12,463,953	\$ (3,000,449)	170 days
	Subtotal	\$ 21,393,249	\$ 17,894,799	\$ (3,498,450)	172 days
Total Resources		\$ 67,896,607	\$ 72,676,333	\$ 4,779,726	

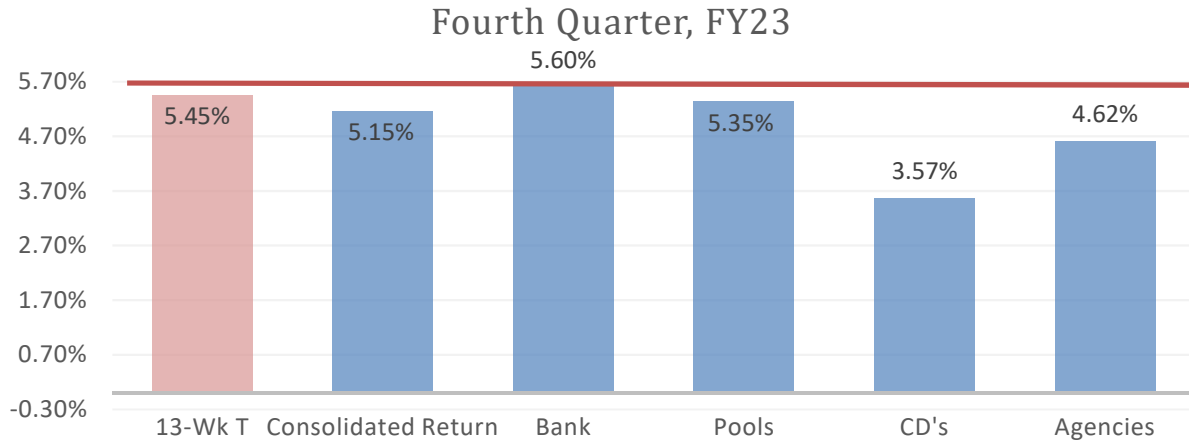
Investments on the move...

The first quarter of FY24 showed an increase in cash, mostly due to the collection of Ad Valorem receipts that are due prior to the end of January. During this quarter, the city had 2 CD's that matured totaling \$498,000 with a weighted average maturity of 336 days and a consolidated return of 4.98%. In addition, the city also had 2 agency notes mature totaling \$3M with a consolidated return of 2.17% . The increase in the Gov't Pools category comes from \$1.7M in contributions made during the quarter. Now that over 70% of the budgeted Ad Valorem receipts have come in, staff will be looking to reinvest some of what has recently matured. With a total of \$4.2 million maturing before the end of the next quarter, the City will have ample opportunity to reach back out to the market. These moves will continue to pull the City's consolidated return closer to our benchmark.

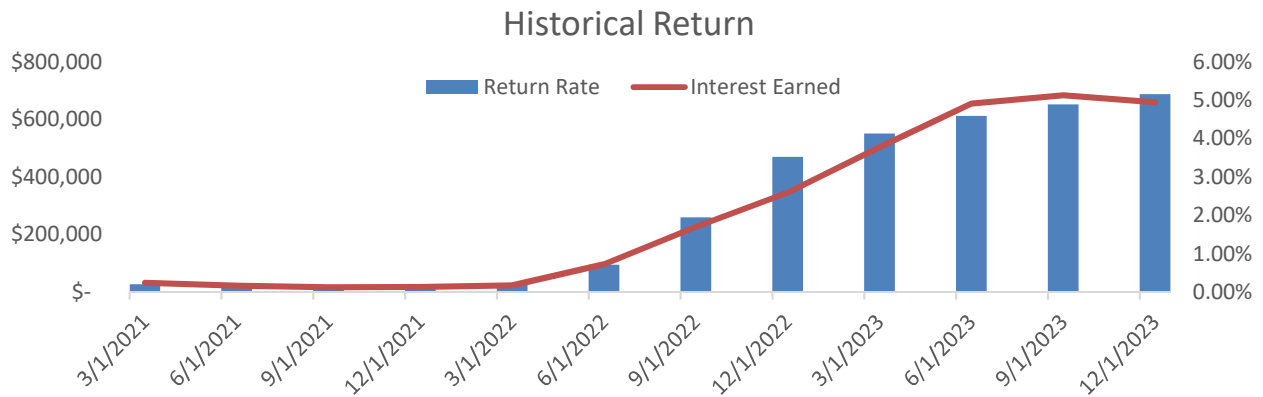
Diversity Snapshot vs. Policy Requirements				Criteria Met?
	Policy Max	9/30/2023	12/31/2023	
U.S. Treasuries	100%	0%	0%	✓
U.S. Agencies	75%	23%	17%	✓
CD's	75%	9%	7%	✓
Local Gov't Pools	75%	52%	52%	✓
CDARs	75%	0%	0%	✓
Tri-Pty Repurchase	75%	0%	0%	✓
SEC Registered, No-Load Mutual Funds	10%	0%	0%	✓
Cash/Sweep	N/A	16%	23%	

How do our returns compare?

Benchmark = 13-Week Treasury



The City's total consolidated return was 5.15% as of December 31, 2023, representing a continued increase from a consolidated return of 4.88% last quarter. With the Federal Reserve's high interbank borrowing rate, this will be the seventh quarter our return lags behind the 13-week treasury rate, as pool rates are still catching up and the City is allowing its older, lower interest-bearing investments to mature. This tends to be a characteristic of a starkly rising rate market for portfolios that hold their investments to maturity. As of the date of this report, it is not uncommon to see shorter-term securities (1 - 3 years) pushing into the 530-560 basis point range and holding steady. As older and weaker investments mature, staff will continue to take advantage of higher market rates. Funds dedicated to capital improvement projects will need to remain readily available while excess operating cash can be invested in shorter-term instruments with favorably returns. The City is expected to remain in a lower cash position through the first quarter of fiscal year 2024, but that will reverse once property tax receipts hit in December/January.



Before the recent downturn Colleyville's investment returns had been climbing steadily since 2016, primary due to more active investment practices. Although we are coming out of a down-cycle in terms of returns, until the last year we've still been able to stay ahead of our 13-week treasury benchmark. We will continue to see the City's returns increase in subsequent reports. Most importantly, Colleyville's funds are safe. Our highest value is placed on maintaining a low risk in order to ensure the safety and liquidity of the funds entrusted to us.

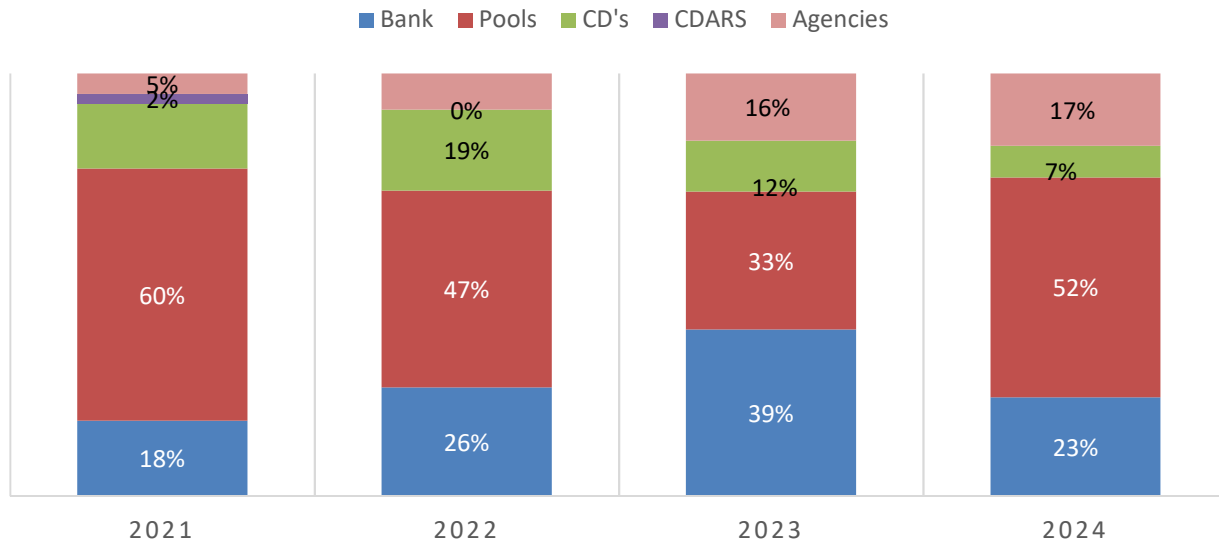
What have we earned the past three months? For the past year?

Current Total		Quarterly Average	
9/30/2023	\$659,286; 5.15%	12/31/2022	\$625,319; 4.69%
Thru		Thru	
12/31/2023		12/31/2023	

Compared to the average quarterly return for the past 12 months, the most recent quarter is showing a significant increase in the rate of return, led by recent maturities and reinvestments placed in the past few months. As noted, fixed-income rates have climbed amidst the actions from the Federal Reserve and appear to be sitting well above the 500-basis point range pretty consistently. As noted previously, staff has been able to capitalize on these higher yields, although the City's liquidity needs to remain relatively high at this time. Federal agency debt has been particularly attractive as of late. As always, we will need to balance investments with our robust 5-year capital improvement plan. Staff will always monitor the market and manage Colleyville's portfolio with emphasis on diversity and cash-flow needs.

How has our portfolio changed over time?

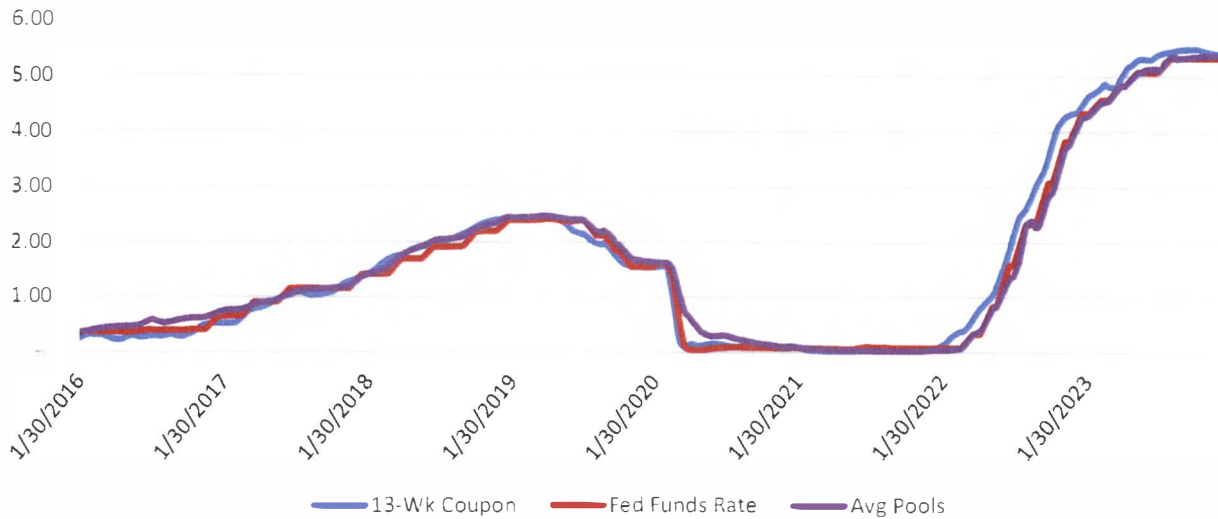
PORTFOLIO COMPOSITION



As the graph above shows, the City's portfolio makeup has changed substantially over the years. For one, our change in depository banks led staff to shy away from the sweep account instrument that had been heavily used with Wells Fargo. As a result, cash has been moved from our bank and into other instruments more frequently. Certificates of Deposit were particularly attractive during the pandemic years, with agencies also resurging within the last twelve months. While money stored in government pools isn't earning as high as our treasury benchmark as of late, it does have the benefit of a decent return market while also being considered "liquid", as the City can withdraw its funds within 24 hours in most cases. Regardless, all recent investments that have been placed recently have well outpaced our 13-week treasury benchmark and mature within 1-2 years.

What influences our rate of return?

Influence of Federal Funds Rate on Fixed Income Market



Per State law, Colleyville is only permitted to invest in certain fixed income securities, whose performance ties closely with the Federal Funds rate. As the chart above shows, the rates of our 13-week treasury benchmark as well as our pools tend to move in lock-step with the Federal Reserve's rate actions. This rate was cut five times since the beginning of the pandemic but inflation and recessionary fears have prompted the Federal Reserve to drastically increase it, most recently by a quarter of a percent to between 5% and 5.25%. With inflationary pressures continuing and a potential (mild) recession coming later in 2023, further rate hikes are decreasing in probability, at least at their previous levels. Regardless, it is possible for the interbank borrowing rate to reach a height not seen since mid-2007. Staff will continue to monitor this metric as the year continues.

This investment report is in compliance with the Public Funds Investment Act as well as the City of Colleyville's investment policy and procedures.

For any questions or comments on this report, please contact

Karen Hines

City of Colleyville, TX

Interim Finance Director 817-503-1015

khines@colleyville.com

Also included:

Maturities/Purchases

Investment Listing

Mark-to-Market

Signed:

APPENDIX

What has matured in the last 12 months?

Investment	Purch Price	Maturity Date	Length	Yield to Maturity	Total Return
Brokered CD (FDIC #8120)	\$ 247,000	12/23/2022	2.00	0.20%	\$ 988
Brokered CD (NCUA #619)	\$ 246,000	2/13/2023	1.98	0.15%	\$ 730
Brokered CD (FDIC #58979)	\$ 246,000	2/21/2023	2.01	0.15%	\$ 740
Brokered CD (FDIC #19008)	\$ 249,000	3/30/2023	2.00	0.20%	\$ 996
Brokered CD (FDIC #57742)	\$ 249,000	3/30/2023	2.00	0.20%	\$ 996
Brokered CD (FDIC #57873)	\$ 249,000	3/31/2023	2.00	0.15%	\$ 747
Brokered CD (FDIC #628)	\$ 249,000	3/31/2023	1.00	1.00%	\$ 2,490
Brokered CD (FDIC #14029)	\$ 250,000	5/15/2023	0.50	4.40%	\$ 5,485
Brokered CD (FDIC #12858)	\$ 248,000	6/29/2023	2.00	0.15%	\$ 744
Brokered CD (FDIC #68722)	\$ 250,000	6/29/2023	1.00	2.95%	\$ 7,375
Brokered CD (FDIC #33539)	\$ 249,000	6/30/2023	2.00	0.25%	\$ 1,245
Brokered CD (FDIC #66364)	\$ 250,000	7/13/2023	1.00	3.00%	\$ 7,500
FHLB Note (3130ASHY8)	\$ 500,000	7/14/2023	1.00	3.25%	\$ 16,250
FFCB Note (3133ENV98)	\$ 500,000	7/26/2023	0.72	4.67%	\$ 16,889
Brokered CD (FDIC #33124)	\$ 250,000	7/28/2023	2.03	0.25%	\$ 1,271
Brokered CD (FDIC #34395)	\$ 250,000	8/10/2023	0.50	4.70%	\$ 5,827
Brokered CD (FDIC #33849)	\$ 250,000	8/10/2023	0.50	4.70%	\$ 5,827
Brokered CD (FDIC #34404)	\$ 249,000	9/29/2023	2.01	0.30%	\$ 1,504
FHLB Note (3130ATE37)	\$ 1,500,000	9/29/2023	1.00	4.15%	\$ 62,250
Brokered CD (FDIC #61800)	\$ 248,000	10/19/2023	0.83	4.85%	\$ 10,018
Brokered CD (NCUA #4584)	\$ 250,000	12/18/2023	1.01	5.10%	\$ 12,820
FHLB Note (3130AQ3X9)	\$ 2,000,000	12/22/2023	2.00	0.75%	\$ 30,000
FNMA Note (3135GADK4)	\$ 1,000,000	12/27/2023	1.00	5.00%	\$ 49,863

Total Matured	\$ 9,979,000			2.49%	\$ 242,554
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APPENDIX

What have we purchased within the last 12 months?

Investment	Purch Price	Purchase Date	Maturity Date	Yield to Maturity	Total Return
Brokered CD (NCUA #4584)	\$ 250,000	12/16/2022	12/18/2023	5.10%	\$ 12,820
Brokered CD (FDIC #61800)	\$ 248,000	12/19/2022	10/19/2023	4.85%	\$ 10,018
Brokered CD (NCUA #1040)	\$ 250,000	12/22/2022	12/23/2024	5.20%	\$ 26,071
FNMA Note (3135GADK4)	\$ 1,000,600	12/28/2022	12/27/2023	5.00%	\$ 49,893
Brokered CD (NCUA #857)	\$ 250,000	2/8/2023	2/8/2024	5.00%	\$ 12,500
Brokered CD (FDIC #34395)	\$ 250,000	2/10/2023	8/10/2023	4.70%	\$ 5,827
Brokered CD (FDIC #33849)	\$ 250,000	2/10/2023	8/10/2023	4.70%	\$ 5,827
FHLB Note (3130AURL0)	\$ 1,000,000	2/13/2023	2/13/2024	4.80%	\$ 48,000
FHLB Note (3130AUZ23)	\$ 1,000,000	3/1/2023	3/1/2024	5.25%	\$ 52,644
FHLB Note (3130AV3D2)	\$ 1,000,000	3/6/2023	9/6/2024	5.45%	\$ 82,123
Brokered CD (FDIC #24045)	\$ 243,000	5/19/2023	11/19/2024	5.20%	\$ 19,041
FHLMC Note (3134GYS52)	\$ 500,350	5/22/2023	5/16/2025	5.35%	\$ 53,171
Brokered CD (FDIC #26610)	\$ 237,000	5/26/2023	5/24/2024	5.20%	\$ 12,290
Brokered CD (FDIC #66399)	\$ 248,000	5/26/2023	7/26/2024	5.15%	\$ 14,941
Brokered CD (FDIC #24923)	\$ 248,000	5/26/2023	11/26/2024	5.15%	\$ 19,245
FHLB Note (3130AWAK6)	\$ 1,000,000	5/30/2023	5/28/2025	5.51%	\$ 110,049
FHLB Note (3130AQ3X9)	\$ 1,499,400	8/10/2023	4/26/2024	5.34%	\$ 57,035
FHLB Note (3130AVT44)	\$ 999,290	9/8/2023	5/22/2024	5.40%	\$ 37,995
Simmons Bank CD	\$ 700,000	9/12/2023	9/12/2024	5.20%	\$ 36,500
Brokered CD (FDIC #60801)	\$ 248,000	9/13/2023	9/13/2024	5.75%	\$ 14,299
Brokered CD (FDIC #89841)	\$ 248,000	10/18/2023	10/18/2024	5.60%	\$ 13,926

Total Purchased	\$ 11,669,640	5.23%	\$ 694,214
Weighted Average Maturity	413 days		

APPENDIX

Full Investment Listing

Investment	Purch Price	Purchase Date	Maturity Date	Yield to Maturity	Total Return
Brokered CD (FDIC/NCUA #857)	\$ 250,000	2/8/2023	2/8/2024	5.000%	\$ 12,500
Brokered CD (FDIC/NCUA #663)	\$ 248,000	5/26/2023	7/26/2024	5.100%	\$ 14,796
Brokered CD (FDIC/NCUA #240)	\$ 243,000	5/19/2023	11/19/2024	5.10%	\$ 18,674
Brokered CD (FDIC/NCUA #227)	\$ 249,000	9/24/2021	3/29/2024	0.40%	\$ 2,502
Brokered CD (FDIC/NCUA #608)	\$ 248,000	9/13/2023	9/13/2024	5.75%	\$ 14,299
Brokered CD (FDIC/NCUA #266)	\$ 237,000	5/26/2023	5/24/2024	5.10%	\$ 12,054
Brokered CD (FDIC/NCUA #329)	\$ 249,000	10/14/2022	10/14/2024	4.400%	\$ 21,942
Simmons Jumbo CD	\$ 700,000	9/12/2023	9/12/2024	5.20%	\$ 36,500
Frost Bank Jumbo CD	\$ 1,502,400	2/25/2022	2/25/2024	1.51%	\$ 45,372
Brokered CD (FDIC/NCUA #274)	\$ 250,000	3/2/2022	3/4/2024	1.60%	\$ 8,033
Brokered CD (FDIC/NCUA #325)	\$ 250,000	3/9/2022	3/6/2024	1.50%	\$ 7,479
Brokered CD (FDIC/NCUA #295)	\$ 249,000	10/21/2022	10/21/2024	4.40%	\$ 21,942
Brokered CD (FDIC/NCUA #663)	\$ 248,000	5/26/2023	11/26/2024	5.20%	\$ 19,432
Brokered CD (FDIC/NCUA #104)	\$ 250,000	12/22/2022	12/23/2024	5.20%	\$ 26,071
FHLB Note (3130AURL0)	\$ 1,000,000	2/13/2023	2/13/2024	4.80%	\$ 48,000
FHLB Note (3130AUZ23)	\$ 1,000,000	3/1/2023	3/1/2024	5.25%	\$ 52,644
FHLB Note (3130AV3D2)	\$ 1,000,000	3/6/2023	9/6/2024	5.45%	\$ 82,123
FHLMC Note (3134GYS52)	\$ 500,350	5/22/2023	5/16/2025	5.35%	\$ 53,171
FHLB Note (3130ATKC0)	\$ 1,000,000	10/3/2022	1/26/2024	4.63%	\$ 60,822
FHLB Note (3130AVJN3)	\$ 1,499,400	8/10/2023	4/26/2024	5.34%	\$ 57,035
FHLB Note (3130ARLC3)	\$ 1,000,000	4/25/2022	4/25/2024	2.63%	\$ 52,572
FHLB Note (3130ARP54)	\$ 450,000	4/29/2022	4/29/2024	2.70%	\$ 24,333
FHLB Note (3131ARVT5)	\$ 1,000,000	5/17/2022	5/17/2024	3.00%	\$ 60,082
FHLB Note (3130ARV65)	\$ 515,000	5/20/2022	5/17/2024	3.00%	\$ 30,815
FHLB Note (3130AWAK6)	\$ 1,000,000	5/30/2023	5/28/2025	5.51%	\$ 110,049
FHLB Note (3130AVT44)	\$ 999,290	9/8/2023	5/22/2024	5.40%	\$ 37,995
FHLMC Note (3134GX7F5)	\$ 500,000	11/28/2022	5/23/2024	5.15%	\$ 38,237
FHLB Note (3130ATK63)	\$ 1,000,000	10/3/2022	7/25/2024	4.88%	\$ 88,284
Brokered CD (FDIC/89841)	\$ 248,000	10/18/2023	10/18/2024	0.56%	\$ 1,393
Total	\$ 17,885,440			4.23%	\$ 1,059,153
Weighted Average Maturity			172 days		

APPENDIX

Mark-to-Market Investment	Initial Value	9/30/2023	12/31/2023	Unrealized Gain/(Loss) since Purchase
		Market Value	Market Value	
Brokered CD (FDIC/NCUA #857)	\$ 250,000	\$ 249,603	\$ 249,838	\$ (163)
Brokered CD (FDIC/NCUA #663)	\$ 248,000	\$ 247,038	\$ 247,038	\$ (962)
Brokered CD (FDIC/NCUA #240)	\$ 243,000	\$ 241,700	\$ 241,700	\$ (1,300)
Brokered CD (FDIC/NCUA #227)	\$ 249,000	\$ 242,807	\$ 244,931	\$ (4,069)
Brokered CD (FDIC/NCUA #608)	\$ 248,000	\$ 248,154	\$ 248,154	\$ 154
Brokered CD (FDIC/NCUA #266)	\$ 237,000	\$ 236,325	\$ 236,325	\$ (675)
Brokered CD (FDIC/NCUA #329)	\$ 249,000	\$ 245,768	\$ 245,768	\$ (3,232)
Simmons Jumbo CD	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Frost Bank Jumbo CD	\$ 1,502,400	\$ 1,500,000	\$ 1,500,000	\$ (2,400)
Brokered CD (FDIC/NCUA #274)	\$ 250,000	\$ 245,213	\$ 245,213	\$ (4,787)
Brokered CD (FDIC/NCUA #325)	\$ 250,000	\$ 245,736	\$ 244,981	\$ (5,019)
Brokered CD (FDIC/NCUA #295)	\$ 249,000	\$ 245,698	\$ 245,698	\$ (3,302)
Brokered CD (FDIC/NCUA #663)	\$ 248,000	\$ 246,527	\$ 246,527	\$ (1,473)
Brokered CD (FDIC/NCUA #104)	\$ 250,000	\$ 248,600	\$ 248,600	\$ (1,400)
FHLB Note (3130AURL0)	\$ 1,000,000	\$ 997,260	\$ 999,220	\$ (780)
FHLB Note (3130AUZ23)	\$ 1,000,000	\$ 998,750	\$ 999,770	\$ (230)
FHLB Note (3130AV3D2)	\$ 1,000,000	\$ 996,260	\$ 998,740	\$ (1,260)
FHLMC Note (3134GYS52)	\$ 500,350	\$ 495,970	\$ 498,725	\$ (1,625)
FHLB Note (3130ATKC0)	\$ 1,000,000	\$ 997,200	\$ 999,510	\$ (490)
FHLB Note (3130AVJN3)	\$ 1,499,400	\$ 1,499,130	\$ 1,499,730	\$ 330
FHLB Note (3130ARLC3)	\$ 1,000,000	\$ 983,510	\$ 991,450	\$ (8,550)
FHLB Note (3130ARP54)	\$ 450,000	\$ 442,620	\$ 446,171	\$ (3,830)
FHLB Note (3131ARVT5)	\$ 1,000,000	\$ 984,070	\$ 991,480	\$ (8,520)
FHLB Note (3130ARV65)	\$ 515,000	\$ 506,842	\$ 510,061	\$ (4,939)
FHLB Note (3130AWAK6)	\$ 1,000,000	\$ 993,310	\$ 998,100	\$ (1,900)
FHLB Note (3130AVT44)	\$ 999,290	\$ 997,302	\$ 999,458	\$ 168
FHLMC Note (3134GX7F5)	\$ 500,000	\$ 498,140	\$ 499,155	\$ (845)
FHLB Note (3130ATK63)	\$ 1,000,000	\$ 993,440	\$ 997,320	\$ (2,680)
Brokered CD (FDIC/89841)	\$ 248,000	N/A	\$ 248,990	\$ 990
Total	\$ 17,885,440	\$ 17,526,972	\$ 17,822,650	\$ (62,790)

APPENDIX

Note about mark-to-market: This analysis takes a snapshot look at each of the securities Colleyville holds and values them based on what the market would pay for them today. An unrealized gain in market value would indicate the security's value has gone up since the last mark-to-market, and an unrealized loss would indicate the value has gone down. However, the City of Colleyville's strategy is to buy securities and hold them to maturity to receive the agreed-upon interest payments (known as "buy and hold"). Therefore, any change in market value will not be realized by the City. The primary purpose of this analysis, as required by the Public Funds Investment Act, is to demonstrate the current market value of the City's portfolio should we need to liquidate it in the case of an emergency. This scenario is extremely unlikely, given the prudence Colleyville's leaders have shown in their financial decisions. It is important to remember this when looking at our quarterly mark-to-market analysis.

Predictably, the fixed income market's recent turn upward would lead most of the City's securities, purchased at lower yields, to be uncompetitive and therefore not particularly marketable as secondary securities. This means the City would likely realize a loss in the event any security needs to be liquidated. However, as stated above, this is not a likely scenario.