City of Colleyville
Audit Committee
Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Tuesday, May 16, 2017 — City Manager's Conference Room
3:30 p.m. — Third Floor – City Hall

1. CALL TO ORDER

2. APPROVAL OF MINUTES

January 17, 2017

3. PRESENTATION AND DISCUSSION

3a Review of the General and Utility Fund Balance policy

3b Presentation of the Quarterly Investment Report for the quarter ended March 31, 2017

4. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, May 12, 2017, by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

A quorum of the Colleyville City Council and/or any other Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise Executive Secretary at least 48 hours in advance at 817.503.1111, and reasonable accommodations will be made to assist you.

City of Colleyville

Audit Committee
MINUTES - DRAFT

City Hall
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Tuesday, January 17, 2017 — City Manager's Conference Room
4:30 p.m. — 3rd Floor – City Hall

Chief Financial Officer Brian Hogan called the Audit Committee to order on January 17, 2017, at 4:30 p.m.

ROLL CALL: Committee members Nancy Coplen, Tammy Nakamura, Bobby Lindamood, and Susan Mathisen were present.

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Chief Financial Officer Brian Hogan, Accounting Manager Karen Hines, and City Secretary Amy Shelley were also present.

2. APPROVAL OF MINUTES
November 15, 2016

Chief Financial Officer Brian Hogan provided a correction to the November 15, 2016, meeting minutes for Item 3b, the banks listed for Committee member Lindamood's question should be referenced as Worthington Bank and North Star Bank.

Committee member Nakamura made a motion to approve the November 15, 2016, meeting minutes. Committee member Coplen seconded. All approved by acclamation.

3. PRESENTATION AND DISCUSSION

3a Discussion of the draft Fiscal Year 2016 (FY16) Audit and SAS 114 Letter

John Manning, Pattillo, Brown and Hill, L.L.P., presented the audit and SAS 114 Letter.

Committee member Mathisen asked Mr. Manning about the debt service fund on page 37, \$2.4 million. Mr. Manning explained that \$2.4 million is the TIF part of the uncollected property tax revenue, and the other part is the TIF refunding, and the General Obligation Bonds were issued to pay for part of TIF debt. We refunded \$2.4 million of the TIRZ General Obligation bonds and replaced it with \$2.4 General Obligation bonds that were recorded on the City's ledger. The \$2.4 million is a "deferred inflow" which means the City will be paid at some point in the future – basically instead of making a bond payment, they will pay the City, and the City will use that to offset their portion of the debt payment each year.

Committee member Mathisen asked Mr. Manning who is “they”. Mr. Manning replied the TIF members.

Committee member Nakamura asked Mr. Manning about the line item overages. Mr. Manning explained the property tax revenues and permits are over what is estimated. Chief Financial Officer Brian Hogan added the property taxes are not budgeted 100 percent, only on what people have been paying; and we also get money from prior years.

Committee member Coplen asked staff about the percentage. Chief Financial Officer Brian Hogan replied about 90 percent. City Manager Jennifer Fadden stated it is mostly sales tax that came in over budget.

Committee member Nakamura asked staff what is usually left. Chief Financial Officer Brian Hogan replied currently a little over 99 percent.

Committee member Mathisen asked staff if the $609,000, is mostly sales tax. City Manager Jennifer Fadden replied yes, and sales tax is budgeted.

Committee member Mathisen asked Mr. Manning how close to reality is the 5.75 percent interest rate assumption. Mr. Manning replied what was being done before was extremely unrealistic; however, long term interest rates are not going to be doing a lot, and when you scale back the change in assumption, taking all to a deferred outflow and amortize that over five years, with a result of five years of different scenarios.

Committee member Mathisen asked Mr. Manning if there may be further decreases in the rate of return. Mr. Manning replied possibly, which are 100 percent out of anyone’s control.

Committee member Coplen asked staff what was the population in 2009. Chief Financial Officer Brian Hogan replied 22,550.

Committee member Mathisen asked staff about the $876,000 transfer from the Utility Fund. Chief Financial Officer Brian Hogan replied it was for the general, administrative, and franchise fees.

Committee member Lindamood asked staff if they are happy with what is being presented. Chief Financial Officer Brian Hogan replied yes.

Committee member Lindamood asked staff if they see any discrepancies or future concerns, or anything requiring a change. Chief Financial Officer Brian Hogan replied staff is looking at the monthly financial report to see that we are trending with expenditures to come in or under budget.

Committee member Mathisen asked staff if there is anything that concerns him in the financial statements or any policy that might have been adopted that would negatively affect the bond rating. Chief Financial Officer Brian Hogan replied they will have to look at the water rates, but with the financial report, they can only comment on what took place through September 30th. He said the only concern he had was that the tax and water rates were a change from the way we have operated in the past. Staff and City Council will need to monitor and adjust as needed in the future to make sure we are addressing areas the rating agencies would scrutinize during future surveillance calls, but as of the date of the CAFR report he did not have any concerns.

3b Presentation of the Quarterly Investment Report for the quarter ended December 31, 2016

Chief Financial Officer Brian Hogan presented the quarterly investment report for the quarter ended December 31, 2016.

Chief Financial Officer Brian Hogan explained the next Audit Committee meeting will be May 2, 2017.

4. ADJOURNMENT

APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 16TH DAY OF MAY 2017.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

City of Colleyville
Audit Committee
Agenda Briefing

Agenda Number 3a **Agenda Date** 05/02/2017 **Number**
Type Presentation and Discussion
Department City Manager

Title
Review of the General and Utility Fund Balance policy

Strategic Plan
There is no Strategic Plan connection for this item.

Explanation

On September 20, 2005, the City Council adopted a General and Utility Fund Balance policy, which requires a review every three years by the Audit Committee. The first review of the policy occurred in August 2008, and no changes were made.

In August 2011, the Governmental Accounting Standards Board (GASB) adopted GASB 54, which designated five different types of reportable fund balance designations for financial reports issued after June 15, 2011. To be in compliance with GASB 54, the City's Fund Balance policy was updated to include the five required fund balance designations: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance, and was adopted on September 20, 2011 by Resolution R-11-3400 (attached). The adopted "General and Utility Fund Balance Policy – September 2011 Update" (attached) incorporated all changes for GASB 54 compliance. The policy was again reviewed by the Audit Committee on May 13, 2014 and no changes were recommended or made.

There are no current GASB required updates, therefore, no changes to the fund balance designations are proposed. Additionally, there are no changes recommended to the existing policy of three months (90 days) of Fund Balance reserves for both the General Fund and Utility Fund, which was the level set when the policy was first adopted in 2005.

Also attached is information from the Government Finance Officers Association about acceptable levels of fund balance in the General Fund, Enterprise Fund (Utility Fund), and replenishment of fund balance in the General Fund.

Attachments
1. General and Utility Fund Balance Policy - Adopted Resolution R-11-3400 - September 2011

2. Resolution R-11-3400
3. GFOA Recommended Working Capital Balances
4. GFOA Recommended Unreserved Fund Balance Policy
5. GFOA Structural Balanced Budget & Reserves
6. GFOA Replenishing Fund Balance in the General Fund

City of Colleyville
General and Utility Fund Balance Policy
(Adopted Resolution R-11-3400
September Year 2011 revision)

General:

The objective of this policy is to ensure adequate fund balances are maintained, to have funding available for expenses in the event of unforeseen emergencies and to preserve the credit worthiness of the City for borrowing monies at favorable interest rates. After designations of the available General and Utility Fund Balances are authorized, the remaining respective amount is defined as Unassigned Fund Balance. Operating revenues will sufficiently fund current year operating expenditures. (Operating deficits are normally contrary to City policy as well as reasonable financial prudence.) All Unassigned Fund Balance are eligible for use at the discretion of the City Council. Such determinations will be handled by the City Council on a case-by-case basis. Operating revenues are defined as both (a) current year revenues and (b) revenues generated in prior fiscal years.

Purpose:

Establishing a policy for the fund balance in the General and Utility Funds is to provide a guideline for budgeting decisions and to insure that an adequate unassigned balance is provided to fund operations, by providing sufficient protection against uncollected taxes and shortfalls from municipal revenue sources. The General Fund is the primary operating fund of the City for its non-utility related operations. In addition, the City of Colleyville desires to maintain its current debt rating of AAA. Rating agencies are concerned about a government's credit worthiness and the level of unassigned General and Utility Fund balances are a part of the rating agencies evaluation.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. The City of Colleyville obtains a substantial portion of its revenue from property taxes, sales taxes, franchise fees and utility fees.

While the most stable of revenue sources, property tax growth over the coming years will stabilize in growth as the city nears build-out. Sales tax collections are derived from local retail sales and are dependent upon both the local and national economies. The collection of franchise fees, particularly those based upon sales of electricity and natural gas, vary widely depending upon local weather conditions. Utility fees, similar to franchise fees, are subject to weather conditions. As a result, the desired level of unassigned General and Utility Fund balances are higher than the minimum level designated by the Government Finance Officers Association recommended practice on determining the appropriate level of unassigned fund balance for the General and Utility Funds.

Definitions

Fund Equity - A fund's equity is generally the difference between its assets and its liabilities.

Fund Balance - An accounting distinction is made between the portions of fund equity that are spendable and nonspendable. These are broken up into five categories:

1. Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds.

2. Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and child safety fees.

3. Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by the City Council.

4. Assigned fund balance - comprises amounts intended to be used by the City of Colleyville for specific purposes. Intent can be expressed by the City Council. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

5. Unassigned fund balance - is the residual classification of the General Fund and Utility Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Policy
Committed Fund Balance
The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance approved by the Council at the City

Council meeting. The ordinance must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance
The City Council has authorized the City's Assistant City Manager / Chief Financial Officer as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy and City Council action.

Minimum Unassigned Fund Balance

It is the goal of the City to achieve, and maintain an unassigned fund balance in the General Fund equal to three months of that year's budgeted expenditures for both the General and Utility Funds. The City Council may declare a fiscal emergency and withdraw any amount of the unassigned General and Utility Fund Balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the designated fund balance to the balance within a three-year.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds, unless specified otherwise by the City Council.

Procedures:

In order to achieve the objectives of this policy, the following guidelines shall be adhered to:

1. As part of the annual budget process, the Assistant City Manager / Chief Financial Officer will estimate and prepare a projection of the year-end unassigned fund balances. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis. The Assistant City Manager / Chief Financial Officer shall present the findings to the City Council as a part of the budget review process for the ensuing fiscal year.

2. Any anticipated balance in excess of the three months of Unassigned Fund Balance in the General and Utility Funds may be budgeted to reduce the ensuing year's property tax levy and/or utility rates or may be allocated by the City Council during the course of the fiscal year for special projects.

3. This policy will be reviewed by the Audit Committee every three years following adoption or sooner, at the direction of the City Council.

RESOLUTION R-11-3400

A RESOLUTION APPROVING COUNCIL ACTION UNDER CONSENT ITEMS AT THE REGULAR CITY COUNCIL MEETING OF SEPTEMBER 20, 2011

WHEREAS, Council has taken action on certain items on the agenda under Consent Items.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT the agenda decisions approved by Council action under Consent Items as follows are hereby adopted:

a. Approval of the minutes of the regular City Council meeting of September 6, 2011

b. Approval of the minutes of the City Council worksession of August 9, 2011

c. Approval to renew the Horticulture Grounds Maintenance contract with The Lawn Firm, Inc., in an amount not to exceed $147,667, and authorize the city manager to execute same and any associated change orders, in an amount not to exceed $25,000, and subject to the approval of funding in the Fiscal Year 2012 (FY 2012) budget

d. Approval to renew the Grounds Maintenance Mowing contract with Whitmore and Sons, Inc., in an amount not to exceed $124,312.59, and authorize the city manager to execute same and any associated change orders, in an amount not to exceed $25,000, and subject to the approval of funding in the Fiscal Year 2012 (FY 2012) budget

e. Approval of an update to the Fund Balance policy for Governmental Accounting Standards Board (GASB) 54 compliance

f. Approval of Service Agreements between the City of Colleyville and Trane Service Group, through the Texas Cooperative Purchasing Network (TCPN) to provide for year one of a five-year agreement for the inspection, maintenance, and repair of the HVAC systems in the Colleyville City Hall, Colleyville Public Library, and Colleyville Justice Center, in an amount not to exceed $54,920.92

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF 7 AYES, 0 NAYS AND 0 ABSTENTIONS ON THIS THE 20th DAY OF September 2011.

ATTEST:

Cynthia Singleton, TRMC, CMC
City Secretary

CITY OF COLLEYVILLE

David Kelly
Mayor

Government Finance Officers Association

Determining the Appropriate Levels of Working Capital in Enterprise Funds

Type:
Best Practice
Background:

Enterprise funds distinguish between current and non-current assets and liabilities. It is possible to take advantage of this distinction to calculate working capital (i.e., current assets less current liabilities). The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

It is essential that a government maintain adequate levels of working capital in its enterprise funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees.

Working capital is a crucial consideration, too, in long-term financial planning. Credit rating agencies consider the availability of working capital in their evaluations of continued creditworthiness. Likewise, laws and regulations may speak to appropriate levels of working capital for some enterprise funds.

Recommendation:

GFOA recommends that local governments adopt a target amount of working capital to maintain in each of their enterprise funds. Ideally, targets would be formally described in a financial policy and/or financial plan.

GFOA recommends that governments use working capital as the measure of available margin or buffer in enterprise funds. Although as previously stated, working capital is defined as current assets minus current liabilities, government finance officers should be aware of certain characteristics of working capital that affect its use as a measure. Specifically, the current assets portion of working capital includes assets or resources that are reasonably expected to be realized in cash (e.g., accounts receivable) or consumed (e.g., inventories and prepaids) within a year, which leads to two considerations for an accurate calculation of working capital:

- **Strength of collection practices**. An appropriate allowance for uncollectibles should be established and the amount of the receivable that is expected to be collected in cash within one year should be determined in a manner that is consistent with the collection practices of the government. If the accounts receivable collection practices of the enterprise fund are inconsistent or weak, then less of the accounts receivable amount should be reported as current assets.
- **Historical consumption of inventories and prepaids**. The amount of inventories and prepaids included in current assets should be a realistic estimate of the amount that will be consumed in one year based on a

historical usage pattern and current operating levels (inventories) or based on the time periods to which the items relate (prepaids).

Because the purposes, customers, and other characteristics of enterprise funds can vary widely, GFOA recommends that governments develop a target amount of working capital that best fits local conditions for each fund. However, GFOA recommends that under no circumstances should the target for working capital be less than forty-five (45) days worth of annual operating expenses[1] and other working capital needs of the enterprise fund.* A target of 45-days would only be appropriate for those enterprise funds with the least amount of need for cushion or buffer.

In order to arrive at a customized target amount of working capital, governments should start with a baseline of ninety (90) days worth of working capital and then adjust the target based on the particular characteristics of the enterprise fund in question (using 45 days as the minimum acceptable level). The primary characteristics to think about when customizing a working capital target are presented below. The appendix to this Best Practices provides more detailed considerations for these characteristics as they pertain to common types of government enterprise funds.

- **Support from general government**. Some enterprise funds may be supported by general taxes or transfers from a general government. These enterprise funds may require lower levels of working capital if they are supported by these contributors. For a heavily subsidized enterprise fund the 45-day minimum working capital recommendation contained in this Best Practice might be met through support from the general government, if a financial buffer or cushion for the enterprise fund is to be provided by the general government (or other outside contributor).
- **Transfers out**. If the enterprise fund is expected to make a transfer to the general government or to some other fund, then this sort of claim on the enterprise fund□s assets may call for higher levels of working capital to maintain flexibility. Transfers could include an enterprise fund□s contributions to overhead/support functions, subsidies granted to other operations, or any other transfer of resources. Regardless of the rationale of the transfer, governments should take into account the claim on working capital when setting a target amount.
- **Cash cycles**. Does the enterprise fund experience large peaks and valleys in its cash position during the year? For example, a water enterprise fund may experience significantly higher levels of cash on hand during the summer months compared to the winter. Volatile cash cycles call for higher levels of working capital. Another consideration is the length of the billing cycle. A longer billing cycle would call for higher levels of working capital because the enterprise fund will have longer durations between major infusions of cash.
- **Customer concentration**. Is the enterprise fund dependent on a few customers for a large portion of its revenues or is the customer base diversified? For example, a port enterprise fund may be dependent on a few major shippers or commerce in a niche product. Lower customer concentration may mean that the enterprise fund can safely operate with lower levels of working capital.
- **Demand for services**. Does the enterprise fund face a steady demand for service or is demand potentially volatile, thereby leading to volatility

in of income? For example, the demand for utility services is steady compared to demand for air travel. Also consider the impact of competitive position on demand. Direct competitors or the availability of reasonable substitutes could lead to greater volatility in demand for the enterprise fund□s services. More volatility implies greater need for working capital margins.

- **Control over rates and revenues**. Does the enterprise fund have the ability to change rates, implement new charges, or otherwise raise revenues from its customers in a simple fashion? For example, transit enterprise funds are often constrained from raising rates by political pressure. Other enterprise funds may be subject to a rate control board. Those that face competitors in their market may have less effective control over their rates and revenues. More revenue constrained enterprise funds may need higher levels of working capital.
- **Asset age and condition**. What is the age and condition of the enterprise fund's infrastructure? Older infrastructure has greater exposure to extraordinary repair needs. Enterprise funds with newer and/or well maintained capital assets may be able to operate with less working capital than other enterprise funds.
- **Volatility of expenses**. Are the expenses of the enterprise fund volatile or does the enterprise fund have a high degree of control over its expenses? For example, the expenses of a solid waste enterprise fund tend to be fairly stable throughout the year. In another example, water or sewer enterprise funds may be more vulnerable to large expense spikes from extreme weather. Enterprise funds with more stable expenses can safely operate with less working capital than other enterprise funds.
- **Control over expenses**. Consider the enterprise fund□s level of fixed and variable costs and the ability to reduce variable costs in response to lower revenues. For instance, if a convention center does not book an event, it does not need to hire temporary help and incur other expenditures in support of the event. An enterprise fund with a high percentage of operational costs which vary depending upon revenues or operating levels may operate with lower levels of working capital.
- **Management plans for working capital**. Working capital includes assets, which can include both truly unrestricted resources and resources that have internal limitations placed upon them (e.g., board-designated) and/or that may be committed for future capital spending. These amounts may appear as unrestricted on the balance sheet but, in actuality, may be unavailable in the future to serve as a buffer or tool to help manage financial risk. If these types of limitations exist, the working capital target should be adjusted to arrive at an amount that represents a true amount available as a tool to manage financial risk.
- **Separate targets for operating and capital needs**. Depending on the nature of the enterprise fund, governments might also consider designating separate targets for operating and capital needs, especially when the enterprise fund is very capital intensive. For example, there might be a separate amount identified for equipment replacement or debt service. In such a case, targets should be separately evaluated based on the particular features of the isolated amounts.
- **Debt position**. Enterprise funds often carry significant amounts of debt, which is used to acquire capital assets. The amount and type of debt an enterprise fund carries can have important ramifications for working capital targets. For example, an enterprise fund with a large amount of variable rate debt may need additional buffer to manage the risk associated with interest rate volatility. In addition, uneven and increasing

or lump-sum debt principal payments to be made in future years may raise the amount of working capital that the enterprise fund should maintain. Viewing the amount of working capital in this broader context will help ensure that resources are available to make debt payments as they come due.

Committee:
Accounting, Auditing, and Financial Reporting
Governmental Budgeting and Fiscal Policy
Notes:

[1] The recommendation is to use annual operating expenses which include depreciation expense. If, however, annual depreciation expense is significantly more or less than the anticipated capital outlays of the next period to be paid from working capital consideration should be given to adjusting the benchmark. An appropriate adjusted benchmark may be annual operating expenses − annual depreciation expense + capital outlays of the next period to be paid from working capital.
* Subject to the exception for heavily subsidized enterprises, described later in this Best Practice.

Approved by GFOA's Executive Board:
February 2011

203 N. LaSalle Street - Suite 2700 | Chicago, IL 60601-1210 | Phone: (312) 977-9700 - Fax: (312) 977-4806

Government Finance Officers Association

Appropriate Level of Unrestricted Fund Balance in the General Fund

Type:
Best Practice
Background:

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.[1] While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.[2] The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

Recommendation:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.[3] Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.[4] In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.[5] The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.[6] Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment.

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Committee:
Accounting, Auditing, and Financial Reporting

Notes:

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

Approved by GFOA's Executive Board:
September 2015

203 N. LaSalle Street - Suite 2700 | Chicago, IL 60601-1210 | Phone: (312) 977-9700 - Fax: (312) 977-4806

Government Finance Officers Association

Achieving a Structurally Balanced Budget

Type:
Best Practice
Background:

Most state and local governments are subject to a requirement to pass a balanced budget. However, a budget that may fit the statutory definition of a balanced budget may not, in fact, be financially sustainable. For example, a budget that is balanced by such standards could include the use of non-recurring resources, such as asset sales or reserves, to fund ongoing expenditures, and thus not be in structural balance. A true structurally balanced budget is one that supports financial sustainability for multiple years into the future. A government needs to make sure that it is aware of the distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

Recommendation:

GFOA recommends that governments adopt rigorous policies, for all operating funds,[1] aimed at achieving and maintaining a structurally balanced budget. The policy should include parameters for achieving and maintaining structural balance where recurring revenues are equal to recurring expenditures in the adopted budget.

As a first step, the government should identify key items related to structural balance. These include: *recurring and non-recurring revenues, recurring and non-recurring expenditures, and reserves*.

Recurring revenues are the portion of a government's revenues that can reasonably be expected to continue year to year, with some degree of predictability. Property taxes are an example of recurring revenue. A settlement from a lawsuit is a good example of non-recurring revenue.

Some revenue sources may have both non-recurring and recurring components. These sources require finance officials to exercise judgment in determining how much of the source is truly recurring. For instance, a government may regularly receive sales tax revenues, but a large part of its base may be made up of retailers with highly volatile sales. In this case, it may be prudent to regard unusually high revenue yields as a non-recurring revenue under the assumption that such revenues are unlikely to continue, making it imprudent to use them for recurring expenditures. Another example might be building permit revenues in a period of high growth in the community. Governments should review their revenue portfolio to identify non-recurring revenues and revenues with potentially volatile components, such as the examples above.

Recurring expenditures appear in the budget each year. Salaries, benefits, materials and services, and asset maintenance costs are common examples of recurring expenditures. Capital asset acquisitions are typically not thought of as recurring because although some capital assets may be acquired every year, they are not the same assets year after year. In general, recurring expenditures should be those that you expect to fund every year in order to maintain current/status quo service levels. In general, a government has a greater degree of flexibility to defer non-recurring expenditures than recurring ones.

Reserves are the portion of fund balance that is set aside as hedge against risk. The government should define a minimum amount of funds it will hold in reserve.[2] This serves as a □bottom line measure□ to help determine the extent to which structural balance goals are being achieved. If reserves are maintained at their desired levels, it is an indication that the organization is maintaining a structurally balanced budget. If reserves are declining, it may indicate an imbalance in the budget (e.g., if reserves are being used to fund on-going expenditures). It should be noted that reserves levels are not a perfect measure of structural balance, but are a good and readily available measure.

With the forgoing terms defined, a government should adopt a formal policy calling for structural balance of the budget. The policy should call for the budget to be structurally balanced, where recurring revenues equal or exceed recurring expenditures. The policy should also call for the budget presentation to identify how recurring revenues are aligned with or not aligned with recurring expenditures.[3]

For a variety of reasons, true structural balance may not be possible for a government at a given time. In such a case, using reserves to balance the budget may be considered but only in the context of a plan to return to structural balance, replenish fund balance, and ultimately remediate the negative impacts of any other short-term balancing actions that may be taken. Further, the plan should be clear about the time period over which returning to structural balance, replenishing reserves, and remediating the negative impacts of balancing actions are to occur.[4]

Committee:
Governmental Budgeting and Fiscal Policy
Notes:

[1] Note that this Best Practice excludes non-operating funds like capital and debt funds. While governments should ensure that these funds are financially sustainable as well, the specific recommendations found in this Best Practice may not always be a match to the circumstances of non-operating funds.

[2] See GFOA Best Practice □Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund□ (2002 and 2009). GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures

[3] Please note that the best practice is not advocating that recurring revenues be formally allocated or □earmarked□ to recurring expenditures, but rather is advocating that the budget presentation provide transparency as to whether recurring revenues and recurring expenditures are balanced.

[4] See GFOA Best Practice Replenishing Fund Balance in the General Fund. (2011).

Approved by GFOA's Executive Board:
February 2012

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BEST PRACTICE

Replenishing Fund Balance in the General Fund (2011) (Budget and CAAFR) (new)

Background. It is essential that governments maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls.

The adequacy of unrestricted fund balance[1] in the general fund should be assessed based upon a government's specific circumstances. Nevertheless, the GFOA recommends, at a minimum, that general-purpose governments, regardless of size, incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

If fund balance falls below a government's policy level, then it is important to have a solid plan to replenish fund balance levels. Rating agencies consider the government's fund balance policy, history of use of fund balance, and policy and practice of replenishment of fund balance when assigning ratings. Thus, a well developed and transparent strategy to replenish fund balance may reduce the cost of borrowing. However, it can be challenging to build fund balances back up to the recommended levels because of other financial needs and various political considerations.

Recommendation. The Government Finance Officers Association (GFOA) recommends that governments adopt a formal fund balance policy that defines the appropriate level of fund balance target levels. Also, management should consider specifying the purposes for which various portions of the fund balances are intended. For example, one portion of the fund balance may be for working capital, one for budgetary stabilization, and one for responding to extreme events. This additional transparency helps decision makers understand the reason for maintaining the target levels described in the fund balance policy.

Governments should also consider providing broad guidance in their financial policies for how resources will be directed to fund balance replenishment. For example, a policy may define the revenue sources that would typically be looked to for replenishment of fund balance. This might include non-recurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and if there is defensible rationale). Year-end surpluses are an especially appropriate source for replenishing fund balance.

Finally, a government should consider including in its financial policy a statement that establishes the broad strategic intent of replenishing fund balances as soon as economic conditions allow. This emphasizes fund balance replenishment as a financial management priority.

Governments are subject to a number of factors that could require the use of fund balances. It is therefore incumbent on jurisdictions to minimize the use of fund balance, except in very specific circumstances. Replenishment should take place in a prompt fashion with amounts that have been used to ensure that the jurisdiction is properly prepared for contingencies. With the foundation of a financial policy in place, governments should use their long-term financial planning and budget processes to develop a more detailed strategy for using and replenishing fund balance. With these criteria in mind, the government should develop a replenishment strategy and timeline for replenishing fund balances as soon as possible, and that is still appropriate to prevailing budgetary and economic conditions and that considers the following:

[1] Unrestricted fund balance comprises the committed, assigned, and unassigned fund balance categories.

1. The policy should define the time period within which and contingencies for which fund balances will be used. This gives the public a sense for how fund balance is being used as a “bridge” to ensure stable cash flow and provide service continuity.
2. The policy should describe how the government’s expenditure levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge.
3. The policy should describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished. Frequently, a key part of the replenishment plan will be to control operating expenditures and use budget surpluses to replenish fund balance. The replenishment plan might also specify any particular revenue source that will aid in the replenishment of fund balances. For example, if the government has a volatile sales tax yield, it might specify that yields that are significantly above average would be used to replenish fund balances.

Generally, governments should seek to replenish their fund balances within one to three years of use. However, when developing the specifics of the replenishment plan, governments should consider a number of factors that influence the rate and time period over which fund balances will be replenished. Factors influencing the replenishment time horizon include:

1. *The budgetary reasons behind the fund balance targets.* The government should consider special conditions that may have caused it to set its fund balance target levels higher than the GFOA-recommended minimum level. For example, if targets are higher because the community has very volatile cash flows, then the government would want to build the fund balances back up more quickly compared to governments with more stable cash flows.
2. *Recovering from an extreme event.* An extreme event, such as a natural disaster, that has required the government to use a portion of its fund balance, may make it infeasible to replenish the fund balance as quickly as normal, depending upon the severity of the event.
3. *Political continuity.* Replenishing fund balance takes political will, and that will is often strengthened by the memory of the financial challenge that caused the use of fund balances in the first place. If the governing board and/or management are already committed to a particular financial policy, the replenishment strategy should be as consistent as possible with that policy in order to maximize political support.
4. *Financial planning time horizons.* Fund balances should typically be replenished within the time horizon covered by the organization’s long-term financial plan. This puts the entire replenishment plan in context and shows the public and decision makers the expected positive outcome of the replenishment strategy.
5. *Long-term forecasts and economic conditions.* Expectations for poor economic conditions may delay the point at which fund balances can be replenished. However, in its replenishment plan the government should be sure to set a benchmark (e.g., after fund balances have dropped to a certain point below desired target levels) for when use of fund balance is no longer acceptable as a source of funds.
6. *Milestones for gradual replenishment.* A replenishment plan will likely be more successful if it establishes replenishment milestones at various time intervals. This is especially important if replenishment is expected to take place over multiple years (e.g., if you are starting from 75% of your target, set a goal to reach 80 percent of target in one year, 90 percent in two years, and 100 percent in three years).
7. *External financing expectations.* A replenishment plan that is not consistent with credit rating agency expectations may increase the government’s cost of borrowing. It is important that the logic used by the government to develop the replenishment plan be communicated in an effective fashion to external lenders.

References.

- GFOA Best Practice Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009.
- For a fuller explanation of the concept of "bridging" in financial distress, please visit GFOA's financial recovery website at www.gfoa.org/financialrecovery.

Approved by the GFOA’s Executive Board, February, 2011.

City of Colleyville
Audit Committee
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 3b **Agenda Date** 05/16/2017 **Number**
Type Presentation
Department City Manager

Title
Presentation of the Quarterly Investment Report for the quarter ended March 31, 2017

Strategic Plan
There is no Strategic Plan connection for this item.

Explanation
Investment Summary for period ending March 31, 2017:
Cash & Cash Equivalents (Logic) were $52,566,779 and Investments other than CD's totaled $28,510,575. Total funds held equaled $80,651,218 and were allocated as follows:

- Logic 31%
- Government Issues 29%
- Certificates of Deposit 6%
- Cash 34%

Investment Benchmark 0.74%

- Logic 0.98%
- Agencies 0.88%
- CD's 0.48%
- Portfolio 0.89%

Interest earnings for the quarter were $111,994 with an average yield of 0.89% versus $103,242 and 0.77% for the prior quarter. These percentages were within the guidelines of the City investment policy.

Attachments
1. Quarterly Investment Report
2. DFW Economic Indicators
3. LOGIC Newsletter - March 2017

City of Colleyville, Texas
Quarterly Investment Report
March 31, 2017

Report Highlights

As with previously presented reports, this investment report is in compliance with the Public Funds Investment Act and the City's adopted Investment Policy.

The list of Outstanding Investments, Interest Earnings on Investments, Investments by Fund, the CDARS Certificate of Deposit Allocation, and Logic Investment Pool Allocation by Fund is included in the same format as previous reports.

The report includes:

- **CASH & INVESTMENT SUMMARY BY FUND**
  This report is an overview of the positions held within each fund.
  The LOGIC, INVESTMENT, and CDARS holdings are detailed in the supplemental reports which are included. The Colleyville Economic Development Corporation is shown separately and within the total for the City Treasury.

- **CONSOLIDATED INVESTMENT HOLDINGS MEASUREMENT DATA**
  This report shows the City's current holdings with measurement data (yield and maturity) for each investment type. It includes the 13 week Treasury coupon rate equivalent which is our benchmark. This benchmark is provided by the Treasury.gov website.

- **TREASURY & AGENCY INVESTMENTS BY MATURITY**
  This report shows our treasury and agency holdings by maturity. The graphical presentation shows the maturity dates with investment yield for each holding.

- **TREASURY & AGENCY INVESTMENTS BY TYPE**
  This report shows our treasury and agency holdings by investment type. The graphical presentation shows the distribution by instrument for investments held.

Also included are the LOGIC (Local Government Investment Corporation) quarterly newsletter and the Dallas Federal Reserve's DFW Economic Indicators report. These reports give the readers additional background information that is important in understanding the report.

News in the Markets

EMPLOYMENT

DFW employment growth was -1.0% for February, and generally weaker than the flat growth of the state as a whole. Dallas saw a decline of 3,400 jobs offsetting an increase of 450 in Ft. Worth. Payroll increased in leisure and hospitality, and business and health services, but shrank in government and information services.

The unemployment rate was 4.1% in Dallas and 4.5% in Fort Worth (up from 3.2%).

HOUSING

Home prices in the 4th quarter of 2016 increased 2.5% in the metro area, while the state and U.S. increased 2.4%. Home prices increased 10.7% in Dallas and 10.5% in Ft. Worth versus 7.7% in Texas and 6.2% in the U.S. during the prior year.

In Dallas 50% of homes sold were affordable for a medium income, and 64% in Ft. Worth. Home sales increased (2016) by 4.7% in Dallas and 7.5% in Ft. Worth. New home sales are described as healthy.

RATES

The Prime rate rose to 4.0% in April from 3.75% in March, 2017, increased from 3.5% from March, 2016. The Fed Funds rate increased from 0.75% in March, 2017 to 1.00% in April. The rate was 0.50% in March, 2016.

QUARTERLY INVESTMENT REPORT

FOR QUARTER ENDING MARCH 31, 2017

THIS REPORT IS IN COMPLIANCE WITH THE PUBLIC FUNDS INVESTMENT ACT
AND ADOPTED INVESTMENT POLICY STRATEGY

Portfolio Investment Report

for the Quarter Ending March 31, 2017

CONSOLIDATED INVESTMENT REPORT

	FYE 2017		FYE 2016
	Quarter As of 03/31/17	Quarter As of 12/31/2016	Quarter As of 9/30/2016
Cash and Investment Balances			
Cash Balances	$ 27,538,251.11	$ 23,153,796.15	$ 15,480,728.32
LOGIC Balances	25,028,528.22	23,963,014.19	23,912,214.12
Investment Portfolio Balances (cost)	23,510,574.73	21,011,013.00	25,830,501.35
Certificates of Deposit Balances	4,573,864.28	4,572,343.60	4,572,343.60
Total Cash, Logic, & Other Investments	$ 80,651,218.34	$ 72,700,166.94	$ 69,795,787.39
Investment Yields, Maturities, and Interest			
Bank Earned Income Credit	0.57%	0.60%	0.60%
13 Week Treasury Benchmark	0.74%	0.51%	0.28%
Logic Average Quarterly Yield	0.98%	0.84%	0.64%
Logic End of Quarter Weighted Maturity	37	61	56
Average Weighted Yield: Agency	0.88%	0.80%	0.74%
Average Weighted Maturity: Agency	291	348	342
Average Weighted Yield: CDARS	0.48%	0.48%	0.48%
Average Weighted Maturity: CDARS	329	329	421
Interest Earnings - Quarter	$ 111,994	$ 103,242	$ 88,779
Interest Rate/Yield for the Quarter	0.89%	0.77%	0.65%

Outstanding Portfolio (excluding Cash / Logic / CD/Treasury)		Amount	Percent (Value)	Market Value
Distribution by Maturity	Number			
1 to 90 days	0	$3,755,420	16.32%	$6,748,751
91 to 180 days	4	$3,008,075	13.07%	$8,040,243
181 to 365 days	9	$8,046,688	34.97%	$8,176,000
Over 365 days	8	$8,200,642	35.64%	$0
Total	21	$ 23,010,825	100.00%	$ 22,964,993

Portfolio Investment Report

for the Quarter Ending March 31, 2017

CONSOLIDATED INVESTMENT REPORT

GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

CAPITAL PROJECT FUNDS

SPECIAL REVENUE FUNDS

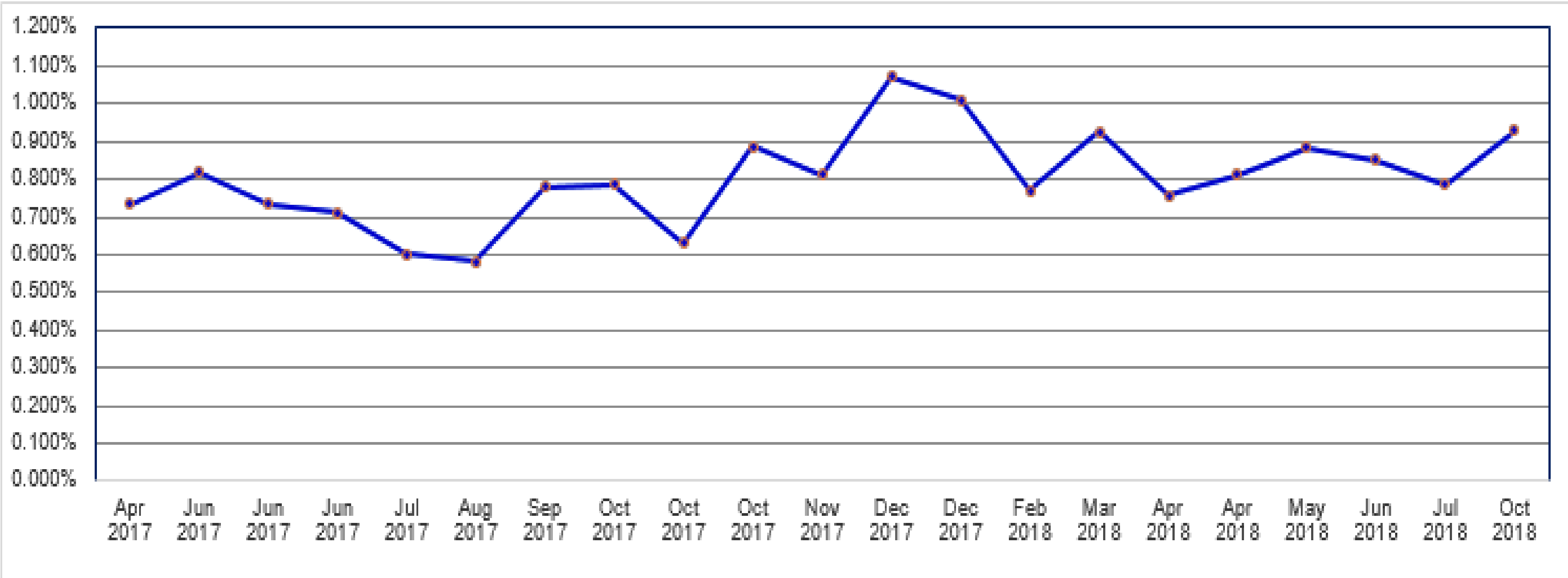
ENTERPRISE FUNDS

FIDUCIARY FUNDS

COMPLETED FOR MARCH, 2017

	GOVERNMENTAL FUNDS	CASH	LOGIC	INVESTMENTS	CDARS	TOTAL
001	GENERAL FUND	$ 1,912,554.57	$ 194,925.35	$8,515,218.43	$4,065,525.63	$ 14,688,223.98
004	DEBT SERVICE FUND	(740,410.83)	836,238.01	-	-	95,827.18
003	CAPITAL PROJECTS	15,717,634.85	315,596.53	$1,868,276.95	-	17,901,508.33
012	PARK LAND DEDICATION	275,615.96	-	$1,253,170.27	-	1,528,786.23
014	KIMZEY PARK		-	-	-	-
032	VEHICLE AND CAPITAL REPLACEMENT	741,221.49	82,679.51	$514,300.00	-	1,338,201.00
034	COLLEYVILLE TOMORROW		1,684,570.81		-	1,684,570.81
035	PARKS TOMORROW	2,330.78	1,025,325.39		-	1,027,656.17
005	VOLUNTEER PARK FUND	557,291.63	-	$250,000.00	-	807,291.63
007	DONATIONS FUND	54,897.02	-	-	-	54,897.02
011	LIBRARY FUND	43,167.28	-	$359,642.52	-	402,809.80
015	POLICE ASSET FORFEITURE	2,112.15	-	-	-	2,112.15
016	TDPA GRANT	8,132.93	-	-	-	8,132.93
018	TREE PRESERVATION	21,533.81	-	-	-	21,533.81
019	LIBRARY DONATION	154,116.13	-	-	-	154,116.13
020	RECREATIONAL EVENT	11,769.79	-	-	-	11,769.79
021	COLLEYVILLE CENTER DEVELOPMENT	5,857.27	-	-	-	5,857.27
022	RECYLCING	(1,088.40)	-	-	-	(1,088.40)
023	LEOSE	5,230.18	-	-	-	5,230.18
027	CRIME DISTRICT	78,778.57	821,749.35	-	-	900,527.92
028	KIDSVILLE MAINTENANCE	18,938.26	-	-	-	18,938.26
029	COURT TECHNOLOGY	105,980.86	-	-	-	105,980.86
030	COURT SECURITY	71,689.14	-	-	-	71,689.14
031	SALES TAX INCENTIVE AGREEMENT	2,857.97	357,737.06	-		360,595.03
033	PUBLIC ART	7,904.05	-	-	-	7,904.05
034	COLLEYVILLE TOMORROW	187,701.84	-	$475,441.76		663,143.60
036	STRATEGIC INITIATIVE	5,362.33	250,914.00	-		256,276.33
037	JUVENILE CASE MANAGER	18,083.26	-	-	-	18,083.26
038	HOTEL TAX	7,698.33	-	-		7,698.33
	ENTERPRISE FUNDS					
002	UTILITY FUND	4,193,366.34	4,537,370.33	$5,524,193.95	508,338.65	14,763,269.27
017	DRAINAGE FEE	738,169.68	1,083,035.96	$200,000.00	-	2,021,205.64
	FIDUCIARY FUNDS					
006	SESQUICENTINIAL FUND	20,254.64	-		-	20,254.64
008	EMPLOYEE ACTIVITY	5,602.63	-		-	5,602.63
	COMPONENT UNIT					
026	TIF FUND	1,423,532.58	12,830,937.92	$4,050,580.85	-	18,305,051.35
		$25,657,887.09	$24,021,080.22	$ 23,010,824.73	$4,573,864.28	$ 77,263,656.32
	COLLEYVILLE ECON DEV CORP					
024	CEDC	$ 1,879,660.92	$ 940,782.85	499,750.00	$ -	$ 3,320,193.77
025	CEDC - CAPITAL	703.10	66,665.15	-	-	67,368.25
		$ 1,880,364.02	$ 1,007,448.00	$ 499,750.00	$ -	$ 3,387,562.02
		$27,538,251.11	$25,028,528.22	$ 23,510,574.73	$4,573,864.28	$ 80,651,218.34

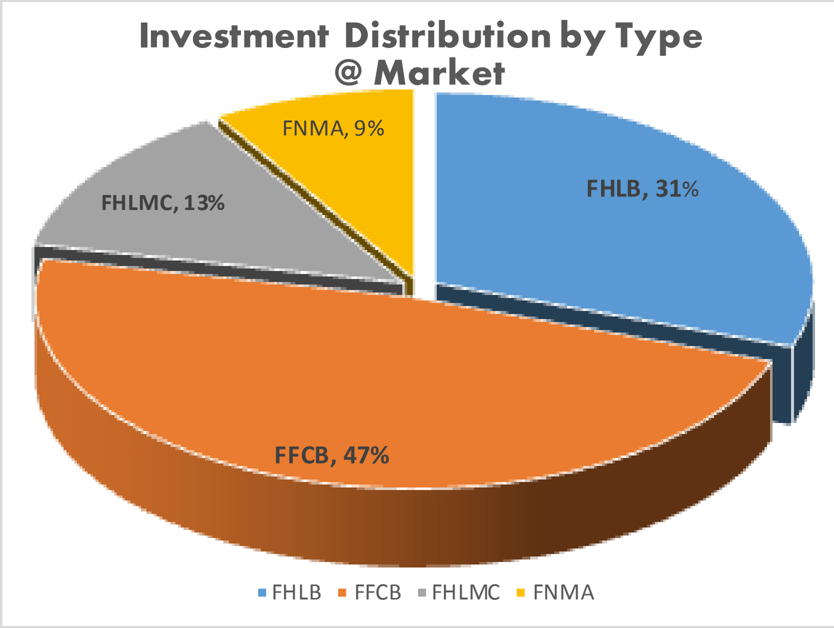
INTEREST RATES BY MATURITY
Agency / Treasury Investments



MATURITY DATES

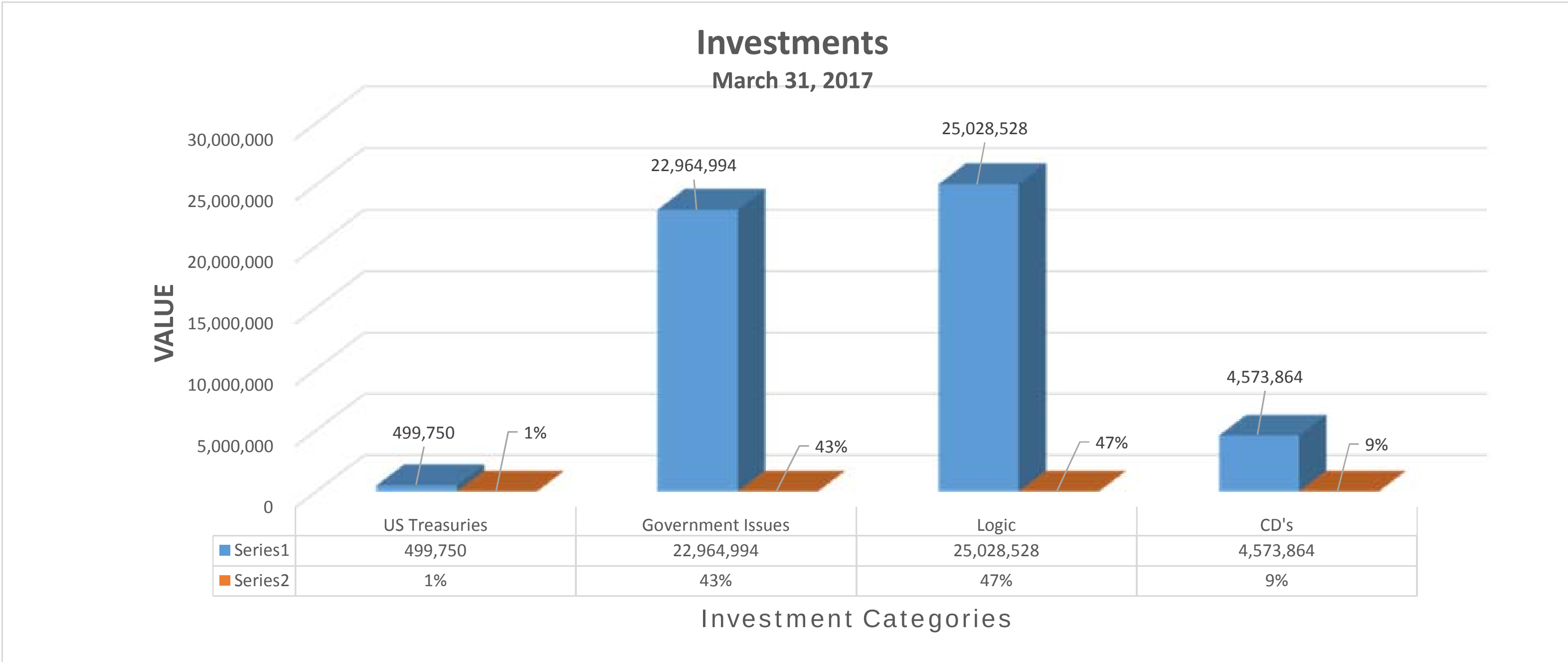
Investment Distribution by Type - Market Value

FHLB	7	7,093,177
FFCB	11	10,879,437
FHLMC	3	2,994,056
FNMA	2	1,998,324
		22,964,994
US Treasury		499,750
		23,464,744



Federal Home Loan AA+/Aaa
Federal Farm Credi AA+/Aaa
Federal Home Loan AA+/Aaa
Federal National M AA+/Aaa

AA+	High quality, very low credit risk
Aaa=	Highest quality, lowest credit risk



Investments

US Treasuries	**499,750**	**1%**
Government Issues	**22,964,994**	**43%**
Logic	**25,028,528**	**47%**
CD's	**4,573,864**	**9%**
	53,067,136	**100%**

LISTING OF INVESTMENTS

BY GENERAL LEDGER

ACCOUNT NUMBER

RECAP OF MARKET VALUES ON CITY OF COLLEYVILLE INVESTMENTS HELD JAN 1 - MAR 31, 2017

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	PAR VALUE	MARKET VALUE @ 12-31-16	LESS MATURITY PROCEEDS	PLUS PERIOD PURCHASES	MARKET VALUE @ 3-31-17
FHLB NOTE	6/19/2015	6/12/2017	$750,000	$750,000	$750,167	N/A	N/A	$750,017
FHLB NOTE	6/24/2015	4/7/2017	$1,003,800	$1,000,000	$1,000,696	N/A	N/A	$1,000,032
FHLB NOTE	7/6/2015	6/30/2017	$1,000,390	$1,000,000	$999,979	N/A	N/A	$999,721
FFCB NOTE	7/15/2015	6/16/2017	$1,001,230	$1,000,000	$1,000,299	N/A	N/A	$999,879
FFCB NOTE	9/16/2015	9/14/2017	$1,000,000	$1,000,000	$1,000,010	N/A	N/A	$999,045
FFCB NOTE	10/19/2015	8/28/2017	$1,003,690	$1,000,000	$999,358	N/A	N/A	$999,787
FHLB NOTE	10/19/2015	10/26/2017	$1,199,868	$1,200,000	$1,198,153	N/A	N/A	$1,197,656
FHLMC NOTE	10/22/2015	7/28/2017	$1,004,385	$1,000,000	$1,000,820	N/A	N/A	$1,000,270
FFCB NOTE	11/4/2015	10/13/2017	$897,660	$900,000	$898,061	N/A	N/A	$898,994
FFCB NOTE	11/12/2015	11/6/2017	$999,000	$1,000,000	$998,423	N/A	N/A	$999,038
FNMA NOTE	11/13/2015	10/26/2017	$999,800	$1,000,000	$1,000,140	N/A	N/A	$999,277
FHLB NOTE	12/29/2015	12/29/2017	$1,200,000	$1,200,000	$1,200,186	N/A	N/A	$1,199,915
FHLB NOTE	1/5/2016	12/8/2017	$750,750	$750,000	$751,865	N/A	N/A	$750,389
FFCB NOTE	2/17/2016	2/12/2018	$1,000,580	$1,000,000	$996,225	N/A	N/A	$997,236
FHLMC NOTE	3/23/2016	3/7/2018	$999,030	$1,000,000	$998,703	N/A	N/A	$997,738
FHLMC NOTE	4/12/2016	4/9/2018	$999,850	$1,000,000	$996,310	N/A	N/A	$996,048
FNMA NOTE	5/9/2016	4/30/2018	$1,003,700	$1,000,000	$998,582	N/A	N/A	$999,047
FFCB NOTE	5/20/2016	5/16/2018	$997,400	$1,000,000	$994,277	N/A	N/A	$995,913
FHLB NOTE	6/10/2016	6/5/2018	$1,200,000	$1,200,000	$1,194,032	N/A	N/A	$1,195,447
FFCB NOTE	7/18/2016	7/18/2018	$999,300	$1,000,000	$993,692	N/A	N/A	$995,555
FFCB NOTE	10/17/2016	10/5/2018	$1,000,580	$1,000,000	$996,233	N/A	N/A	$995,512
FFCB NOTE	2/1/2017	2/1/2019	$1,000,000	$1,000,000	$0	N/A	$1,000,000	$999,552
FHLB NOTE	3/24/2017	2/8/2019	$999,812	$1,000,000	$0	N/A	$999,812	$998,926
TOTALS					$20,966,212	$0	$1,999,812	$22,964,993

OUTSTANDING INVESTMENTS AT MARCH 31, 2017

	PURCHASE PRICE	PAR VALUE	MARKET VALUE @ 3/31/17	MATURITY DATE	YIELD ON INVESTMENT
FHLB NOTE	$1,003,800	$1,000,000	$1,000,032	4/7/2017	0.735%
FHLB NOTE	$750,000	$750,000	$750,017	6/12/2017	0.820%
FFCB NOTE	$1,001,230	$1,000,000	$999,879	6/16/2017	0.735%
FHLB NOTE	$1,000,390	$1,000,000	$999,721	6/30/2017	0.710%
FHLMC NOTE	$1,004,385	$1,000,000	$1,000,270	7/28/2017	0.600%
FFCB NOTE	$1,003,690	$1,000,000	$999,787	8/28/2017	0.580%
FFCB NOTE	$1,000,000	$1,000,000	$999,045	9/14/2017	0.780%
FFCB NOTE	$897,660	$900,000	$898,994	10/13/2017	0.785%
FHLB NOTE	$1,199,868	$1,200,000	$1,197,656	10/26/2017	0.630%
FNMA NOTE	$999,800	$1,000,000	$999,277	10/26/2017	0.885%
FFCB NOTE	$999,000	$1,000,000	$999,038	11/6/2017	0.811%
FHLB NOTE	$750,750	$750,000	$750,389	12/8/2017	1.072%
FHLB NOTE	$1,200,000	$1,200,000	$1,199,915	12/29/2017	1.010%
FFCB NOTE	$1,000,580	$1,000,000	$997,236	2/12/2018	0.771%
FHLMC NOTE	$999,030	$1,000,000	$997,738	3/7/2018	0.925%
FHLMC NOTE	$999,850	$1,000,000	$996,048	4/9/2018	0.758%
FNMA NOTE	$1,003,700	$1,000,000	$999,047	4/30/2018	0.811%
FFCB NOTE	$997,400	$1,000,000	$995,913	5/16/2018	0.882%
FHLB NOTE	$1,200,000	$1,200,000	$1,195,447		0.850%
FFCB NOTE	$999,300	$1,000,000	$995,555	7/18/2018	0.785%
FFCB NOTE	$1,000,580	$1,000,000	$995,512	10/5/2018	0.930%
FFCB NOTE	$1,000,000	$1,000,000	$999,552	2/1/2019	1.300%
FHLB NOTE	$999,812	$1,000,000	$998,926	2/8/2019	1.280%
TOTAL OUTSTANDING INVESTMENTS	$23,010,825	$23,000,000	$22,964,993		

CITY OF COLLEYVILLE BALANCES AT MARCH 31, 2017

INVESTMENT PURCHASES @ Par	$23,000,000
CDAR'S CERTIFICATES OF DEPOSIT	$4,573,864
LOGIC INVESTMENT POOL	$24,021,080
TOTAL CITY INVESTMENTS HELD AT MARCH 31, 2017	$51,594,944

COLLEYVILLE ECONOMIC DEVELOPMENT CORPORATION (CEDC) BALANCES AT MARCH 31, 2017

INVESTMENT PURCHASES (Mkt)	$499,530
LOGIC INVESTMENT POOL	$1,007,448
TOTAL CEDC INVESTMENTS HELD AT MARCH 31, 2017	$1,506,977

TOTAL INVESTMENTS HELD BY CITY OF COLLEYVILLE AND COLLEYVILLE ECONOMIC DEVELOPMENT CORPORATION AT MARCH 31, 2017	$53,101,921

OUTSTANDING INVESTMENTS AT 3-31-17

INVESTMENT

DATE ACQUIRED

MATURITY DATE

26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE

YIELD TO MATURITY

CUSIP#

001-1172	GENERAL FUND OPERATING	$8,515,218.43
002-1166	UTILITY DEBT SERVICE RESERVE	$0.00
002-1172	UTILITY FUND OPERATING	$2,738,637.59
002-1178	CUSTOMER DEPOSITS	$456,550.00
002-1186	UTILITY LINE RENEWAL	$2,266,902.59
002-1557	THE RESERVE LIFT STATION	$62,103.77
003-1188	TOWN CENTER/HWY26	$36,326.67
003-1192	MCDONWELL WOODS EST ESCROW	$10,996.31
003-1200	LONGWOOD-PARKING ESCROW	$13,380.01
003-1204	BEDFORD LAKES/SOMERSET	$227,978.36
003-1231	LAKEWOOD ESCROW	$26,103.65
003-1236	E. GLADE CRANBROOK ESCROW	$117,794.09
003-1247	GLADE/WAYSIDE ESCROW	$42,420.01
003-1250	REATTA PLACE	$98,462.36
003-1301	LAKEWOOD PH IV	$77,530.57
003-1304	VILLAS DEL MAR	$60,324.37
003-1307	STREET RECONSTRUCTION	$247,753.20
003-1309	COVENANT CHRISTIAN	$140,343.10
003-1319	REMINGTON PARK	$27,855.96
003-1323	SHALIMAR	$69,691.33
003-1340	CASTLETON MANOR	$81,309.57
003-1357	CITGO/LD LOCKETT	$56,809.28
003-1392	CLAIRMONT-PH I	$104,974.96
003-1404	TANGLEWOOD	$26,111.30
003-1418	CLAIRMONT-PH II	$147,050.32
003-1429	WARWICK PARC	$89,131.60
003-1434	ROCKRIMMON	$65,055.06
003-1486	CHANEL'S COURT	$47,895.39
003-1563	VILLAS OF COLLEYVILLE	$52,979.48
005-1172	VOLUNTARY PARK FUND	$250,000.00
011-1172	LIBRARY DONATIONS FUND	$359,642.52
012-1172	PARK LAND DEDICATION FUND	$1,253,170.27
017-1172	DRAINAGE FUND OPERATING	$200,000.00
024-1172	CEDC OPERATING	$499,750.00
026-1172	TIF OPERATING	$4,050,580.85
032-1519	CAPITAL EQUIPMENT RESERVE	$514,300.00
034-1172	COLLEYVILLE TOMORROW	$475,441.76

PER GENERAL LEDGER	$23,510,574.73
MARKET VALUE	$23,464,522.70
VALUE AT MATURITY	$23,500,000.00
INTEREST RECEIVED TO MATURITY	$385,667.65
DATE OF LAST INTEREST PAYMENT	
INTEREST TO ACCRUE FOR PERIOD	$101,530.78
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD	$4,368.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD	$4,368.00
ACCRUED INTEREST @ 9-30-15	
ACCRUED INTEREST PAID IN INTEREST PERIOD AT PURCHASE	$2,380.28

INTEREST EARNINGS ON CITY OF COLLEYVILLE INVESTMENTS FOR THE PERIOD OF JAN 1 - MAR 31, 2017

	PURCHASE PRICE	PAR VALUE	MATURITY DATE	YIELD ON INVESTMENT	INTEREST EARNED	DAYS IN QUARTER Prorated	90
FHLB NOTE	1,003,800	1,000,000	4/7/2017	0.7%	1,813.16	1,003,800	90
FHLB NOTE	750,000	750,000	6/12/2017	0.8%	1,516.41	750,000	90
FFCB NOTE	1,001,230	1,000,000	6/16/2017	0.7%	1,813.06	1,001,230	90
FHLB NOTE	1,000,390	1,000,000	6/30/2017	0.7%	1,751.06	1,000,390	90
FHLMC NOTE	1,004,385	1,000,000	7/28/2017	0.6%	1,479.48	1,004,385	90
FFCB NOTE	1,003,690	1,000,000	8/28/2017	0.6%	1,430.35	1,003,690	90
FFCB NOTE	1,000,000	1,000,000	9/14/2017	0.8%	1,923.28	1,000,000	90
FFCB NOTE	897,660	900,000	10/13/2017	0.8%	1,742.40	897,660	90
FHLB NOTE	1,199,868	1,200,000	10/26/2017	0.6%	1,865.59	1,199,868	90
FNMA NOTE	999,800	1,000,000	10/26/2017	0.9%	2,182.96	999,800	90
FFCB NOTE	999,000	1,000,000	11/6/2017	0.8%	1,999.52	999,000	90
FHLB NOTE	750,750	750,000	12/8/2017	1.1%	1,982.97	750,750	90
FHLB NOTE	1,200,000	1,200,000	12/29/2017	1.0%	2,988.49	1,200,000	90
FFCB NOTE	1,000,580	1,000,000	2/12/2018	0.8%	1,899.88	1,000,580	90
FHLMC NOTE	999,030	1,000,000	3/7/2018	0.9%	2,281.13	999,030	90
FHLMC NOTE	999,850	1,000,000	4/9/2018	0.8%	1,868.03	999,850	90
FNMA NOTE	1,003,700	1,000,000	4/30/2018	0.8%	1,999.11	1,003,700	90
FFCB NOTE	997,400	1,000,000	5/16/2018	0.9%	2,175.18	997,400	90
FHLB NOTE	1,200,000	1,200,000	6/5/2018	0.8%	2,515.06	1,200,000	90
FFCB NOTE	999,300	1,000,000	7/18/2018	0.8%	1,936.46	999,300	90
FFCB NOTE	1,000,580	1,000,000	10/5/2018	0.9%	2,293.48	1,000,580	90
FFCB NOTE	1,000,000	1,000,000	2/1/2019	1.3%	2,101.37	655,556	59
FHLB NOTE	999,812	1,000,000	2/8/2019	1.3%	1,788.49	566,560	51
TOTAL INTEREST EARNED ON CITY INVESTMENTS HELD JAN 1, 2017 THROUGH MAR 31, 2017					45,346.92	22,233,129	

INVESTMENT		FHLB NOTE	FHLB NOTE	FFCB NOTE	FHLB NOTE	FHLMC	TREASURY NOTE
DATE ACQUIRED		24-Jun-15	19-Jun-15	15-Jul-15	06-Jul-15	22-Oct-15	31-Jul-15
MATURITY DATE		07-Apr-17	12-Jun-17	16-Jun-17	30-Jun-17	28-Jul-17	31-Jul-17
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.080%	0.050%	0.110%	0.080%	0.110%	0.140%
YIELD TO MATURITY		0.735%	0.820%	0.735%	0.710%	0.600%	0.650%
CUSIP#		**313379XB0**	**3130A5PC7**	**3133EEX62**	**3130A5HF9**	**3134G6AC7**	**912828XP0**
ACCOUNT	**ALLOCATION OF INVESTMENT**						
001-1172	GENERAL FUND OPERATING				848,240.00		
002-1166	UTILITY DEBT SERVICE RESERVE						
002-1172	UTILITY FUND OPERATING		190,762.23	780,023.41		0.00	
002-1178	CUSTOMER DEPOSITS						
002-1186	UTILITY LINE RENEWAL	1,003,800.00	37,511.00	221,206.59		1,004,385.00	
002-1557	THE RESERVE LIFT STATION						
003-1188	TOWN CENTER/HWY26						
003-1192	MCDONWELL WOODS EST ESCROW						
003-1200	LONGWOOD-PARKING ESCROW						
003-1204	BEDFORD LAKES/SOMERSET						
003-1231	LAKEWOOD ESCROW						
003-1236	E. GLADE CRANBROOK ESCROW						
003-1247	GLADE/WAYSIDE ESCROW						
003-1250	REATTA PLACE						
003-1301	LAKEWOOD PH IV						
003-1304	VILLAS DEL MAR						
003-1307	STREET RECONSTRUCTION						
003-1309	COVENANT CHRISTIAN		140,343.10				
003-1319	REMINGTON PARK						
003-1323	SHALIMAR						
003-1340	CASTLETON MANOR						
003-1357	CITGO/LD LOCKETT						
003-1392	CLAIRMONT-PH I						
003-1404	TANGLEWOOD						
003-1418	CLAIRMONT-PH II						
003-1429	WARWICK PARC		89,131.60				
003-1434	ROCKRIMMON		65,055.06				
003-1486	CHANEL'S COURT						
003-1563	VILLAS OF COLLEYVILLE						
005-1172	VOLUNTARY PARK FUND						
011-1172	LIBRARY DONATIONS FUND						
012-1172	PARK LAND DEDICATION FUND		227,197.01				
017-1172	DRAINAGE FUND OPERATING						
024-1172	CEDC OPERATING						499,750.00
026-1172	TIF OPERATING				152,150.00		
032-1519	CAPITAL EQUIPMENT RESERVE						
034-1172	COLLEYVILLE TOMORROW						
PER GENERAL LEDGER		$1,003,800.00	$750,000.00	$1,001,230.00	$1,000,390.00	$1,004,385.00	$499,750.00
MARKET VALUE		$1,000,032.00	$750,016.50	$999,879.00	$999,721.00	$1,000,270.00	$499,529.50
VALUE AT MATURITY		$1,000,000.00	$750,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	$500,000.00
INTEREST RECEIVED TO MATURITY		$13,155.46	$12,198.67	$14,141.86	$14,105.76	$10,602.95	$6,510.95

INVESTMENT		FFCB NOTE	FFCB NOTE	FFCB NOTE	FHLB	FNMA NOTE	FFCB NOTE
DATE ACQUIRED		19-Oct-15	16-Sep-15	04-Nov-15	19-Oct-15	13-Nov-15	12-Nov-15
MATURITY DATE		28-Aug-17	14-Sep-17	13-Oct-17	26-Oct-17	26-Oct-17	06-Nov-17
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.120%	0.240%	0.270%	0.120%	0.300%	0.340%
YIELD TO MATURITY		0.580%	0.780%	0.785%	0.630%	0.885%	0.811%
CUSIP#		**3133EFEU7**	**3133EFCY1**	**3133EFHY6**	**3130A6LZ8**	**3135G0PQ0**	**3133EFNE3**
ACCOUNT	**ALLOCATION OF INVESTMENT**						
001-1172	GENERAL FUND OPERATING		1,000,000.00	513,360.00	0.00	999,800.00	
002-1166	UTILITY DEBT SERVICE RESERVE						
002-1172	UTILITY FUND OPERATING	6,363.67		20,000.00	499,868.00		185,211.08
002-1178	CUSTOMER DEPOSITS						179,167.63
002-1186	UTILITY LINE RENEWAL						
002-1557	THE RESERVE LIFT STATION	62,103.77					
003-1188	TOWN CENTER/HWY26	36,326.67					
003-1192	MCDONWELL WOODS EST ESCROW	10,996.31					
003-1200	LONGWOOD-PARKING ESCROW	13,380.01					
003-1204	BEDFORD LAKES/SOMERSET	227,978.36					
003-1231	LAKEWOOD ESCROW	26,103.65					
003-1236	E. GLADE CRANBROOK ESCROW	117,794.09					
003-1247	GLADE/WAYSIDE ESCROW	42,420.01					
003-1250	REATTA PLACE	98,462.36					
003-1301	LAKEWOOD PH IV						77,530.57
003-1304	VILLAS DEL MAR	60,324.37					
003-1307	STREET RECONSTRUCTION	43,849.86					
003-1309	COVENANT CHRISTIAN						
003-1319	REMINGTON PARK						27,855.96
003-1323	SHALIMAR	69,691.33					
003-1340	CASTLETON MANOR						81,309.57
003-1357	CITGO/LD LOCKETT	56,809.28					
003-1392	CLAIRMONT-PH I	104,974.96					
003-1404	TANGLEWOOD	26,111.30					
003-1418	CLAIRMONT-PH II						147,050.32
003-1429	WARWICK PARC						
003-1434	ROCKRIMMON						
003-1486	CHANEL'S COURT						47,895.39
003-1563	VILLAS OF COLLEYVILLE						52,979.48
005-1172	VOLUNTARY PARK FUND						
011-1172	LIBRARY DONATIONS FUND						
012-1172	PARK LAND DEDICATION FUND						200,000.00
017-1172	DRAINAGE FUND OPERATING						
024-1172	CEDC OPERATING						
026-1172	TIF OPERATING				700,000.00		
032-1519	CAPITAL EQUIPMENT RESERVE			364,300.00			
034-1172	COLLEYVILLE TOMORROW						
PER GENERAL LEDGER		$1,003,690.00	$1,000,000.00	$897,660.00	$1,199,868.00	$999,800.00	$999,000.00
MARKET VALUE		$999,787.00	$999,045.00	$898,993.80	$1,197,656.40	$999,277.00	$999,038.00
VALUE AT MATURITY		$1,000,000.00	$1,000,000.00	$900,000.00	$1,200,000.00	$1,000,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY		$10,791.19	$15,578.55	$13,726.27	$15,297.81	$17,293.88	$16,107.24

INVESTMENT		FHLB NOTE	FHLB NOTE	FFCB NOTE	FHLB NOTE	FHLMC NOTE	FNMA NOTE
DATE ACQUIRED		05-Jan-16	29-Dec-15	17-Feb-16	23-Mar-16	12-Apr-16	09-May-16
MATURITY DATE		08-Dec-17	29-Dec-17	12-Feb-18	07-Mar-18	09-Apr-18	30-Apr-18
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.100%	0.490%	0.420%	0.450%	0.520%	0.370%
YIELD TO MATURITY		1.072%	1.010%	0.771%	0.925%	0.758%	0.811%
CUSIP#		**3130A3HF4**	**3130A6UK1**	**3133EFZR1**	**3137EADP1**	**3137EAEA3**	**3136G0V57**
ACCOUNT	**ALLOCATION OF INVESTMENT**						
001-1172	GENERAL FUND OPERATING	265,564.16	351,394.27	1,000,580.00	39,030.00	999,850.00	0.00
002-1166	UTILITY DEBT SERVICE RESERVE		0.00				
002-1172	UTILITY FUND OPERATING	239,752.18	816,657.02				
002-1178	CUSTOMER DEPOSITS	245,433.66	31,948.71				
002-1186	UTILITY LINE RENEWAL						
002-1557	THE RESERVE LIFT STATION						
003-1188	TOWN CENTER/HWY26						
003-1192	MCDONWELL WOODS EST ESCROW						
003-1200	LONGWOOD-PARKING ESCROW						
003-1204	BEDFORD LAKES/SOMERSET						
003-1231	LAKEWOOD ESCROW						
003-1236	E. GLADE CRANBROOK ESCROW						
003-1247	GLADE/WAYSIDE ESCROW						
003-1250	REATTA PLACE						
003-1301	LAKEWOOD PH IV						
003-1304	VILLAS DEL MAR						
003-1307	STREET RECONSTRUCTION						203,903.34
003-1309	COVENANT CHRISTIAN						
003-1319	REMINGTON PARK						
003-1323	SHALIMAR						
003-1340	CASTLETON MANOR						
003-1357	CITGO/LD LOCKETT						
003-1392	CLAIRMONT-PH I						
003-1404	TANGLEWOOD						
003-1418	CLAIRMONT-PH II						
003-1429	WARWICK PARC						
003-1434	ROCKRIMMON						
003-1486	CHANEL'S COURT						
003-1563	VILLAS OF COLLEYVILLE						
005-1172	VOLUNTARY PARK FUND				250,000.00		
011-1172	LIBRARY DONATIONS FUND						
012-1172	PARK LAND DEDICATION FUND				710,000.00		
017-1172	DRAINAGE FUND OPERATING						
024-1172	CEDC OPERATING						
026-1172	TIF OPERATING						799,796.66
032-1519	CAPITAL EQUIPMENT RESERVE						
034-1172	COLLEYVILLE TOMORROW						
PER GENERAL LEDGER		$750,750.00	$1,200,000.00	$1,000,580.00	$999,030.00	$999,850.00	$1,003,700.00
MARKET VALUE		$750,388.50	$1,199,914.80	$997,236.00	$997,738.00	$996,048.00	$999,047.00
VALUE AT MATURITY		$750,000.00	$1,200,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY		$15,489.22	$24,273.21	$15,325.68	$18,096.97	$15,089.51	$16,015.09

INVESTMENT		FFCB NOTE	FHLB NOTE	FFCB NOTE	FFCB NOTE	FFCB NOTE
DATE ACQUIRED		20-May-16	10-Jun-16	18-Jul-16	17-Oct-16	01-Feb-17
MATURITY DATE		16-May-18	05-Jun-18	18-Jul-18	05-Oct-18	01-Feb-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.450%	0.410%	0.430%	0.480%	0.640%
YIELD TO MATURITY		0.882%	0.850%	0.785%	0.930%	1.300%
CUSIP#		**3133EGAF2**	**3130A8EJ8**	**3133EGML6**	**3133EFX69**	**3133EG5Q4**
ACCOUNT	**ALLOCATION OF INVESTMENT**					
001-1172	GENERAL FUND OPERATING	997,400.00			0.00	1,000,000.00
002-1166	UTILITY DEBT SERVICE RESERVE					
002-1172	UTILITY FUND OPERATING					
002-1178	CUSTOMER DEPOSITS					
002-1186	UTILITY LINE RENEWAL					
002-1557	THE RESERVE LIFT STATION					
003-1188	TOWN CENTER/HWY26					
003-1192	MCDONWELL WOODS EST ESCROW					
003-1200	LONGWOOD-PARKING ESCROW					
003-1204	BEDFORD LAKES/SOMERSET					
003-1231	LAKEWOOD ESCROW					
003-1236	E. GLADE CRANBROOK ESCROW					
003-1247	GLADE/WAYSIDE ESCROW					
003-1250	REATTA PLACE					
003-1301	LAKEWOOD PH IV					
003-1304	VILLAS DEL MAR					
003-1307	STREET RECONSTRUCTION					
003-1309	COVENANT CHRISTIAN					
003-1319	REMINGTON PARK					
003-1323	SHALIMAR					
003-1340	CASTLETON MANOR					
003-1357	CITGO/LD LOCKETT					
003-1392	CLAIRMONT-PH I					
003-1404	TANGLEWOOD					
003-1418	CLAIRMONT-PH II					
003-1429	WARWICK PARC					
003-1434	ROCKRIMMON					
003-1486	CHANEL'S COURT					
003-1563	VILLAS OF COLLEYVILLE					
005-1172	VOLUNTARY PARK FUND					
011-1172	LIBRARY DONATIONS FUND				359,642.52	
012-1172	PARK LAND DEDICATION FUND				115,973.26	
017-1172	DRAINAGE FUND OPERATING			200,000.00		
024-1172	CEDC OPERATING					
026-1172	TIF OPERATING		849,650.00	549,300.00	499,872.46	
032-1519	CAPITAL EQUIPMENT RESERVE			150,000.00		
034-1172	COLLEYVILLE TOMORROW		350,350.00	100,000.00	25,091.76	
PER GENERAL LEDGER		$997,400.00	$1,200,000.00	$999,300.00	$1,000,580.00	$1,000,000.00
MARKET VALUE		$995,913.00	$1,195,447.20	$995,555.00	$995,512.00	$999,552.00
VALUE AT MATURITY		$1,000,000.00	$1,200,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY		$17,546.43	$20,260.23	$15,706.88	$18,296.88	$26,000.00

INVESTMENT		FHLB NOTE
DATE ACQUIRED		24-Mar-17
MATURITY DATE		08-Feb-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.870%
YIELD TO MATURITY		1.280%
CUSIP#		**3130AAS41**
ACCOUNT	**ALLOCATION OF INVESTMENT**	
001-1172	GENERAL FUND OPERATING	500,000.00
002-1166	UTILITY DEBT SERVICE RESERVE	
002-1172	UTILITY FUND OPERATING	
002-1178	CUSTOMER DEPOSITS	
002-1186	UTILITY LINE RENEWAL	
002-1557	THE RESERVE LIFT STATION	
003-1188	TOWN CENTER/HWY26	
003-1192	MCDONWELL WOODS EST ESCROW	
003-1200	LONGWOOD-PARKING ESCROW	
003-1204	BEDFORD LAKES/SOMERSET	
003-1231	LAKEWOOD ESCROW	
003-1236	E. GLADE CRANBROOK ESCROW	
003-1247	GLADE/WAYSIDE ESCROW	
003-1250	REATTA PLACE	
003-1301	LAKEWOOD PH IV	
003-1304	VILLAS DEL MAR	
003-1307	STREET RECONSTRUCTION	
003-1309	COVENANT CHRISTIAN	
003-1319	REMINGTON PARK	
003-1323	SHALIMAR	
003-1340	CASTLETON MANOR	
003-1357	CITGO/LD LOCKETT	
003-1392	CLAIRMONT-PH I	
003-1404	TANGLEWOOD	
003-1418	CLAIRMONT-PH II	
003-1429	WARWICK PARC	
003-1434	ROCKRIMMON	
003-1486	CHANEL'S COURT	
003-1563	VILLAS OF COLLEYVILLE	
005-1172	VOLUNTARY PARK FUND	
011-1172	LIBRARY DONATIONS FUND	
012-1172	PARK LAND DEDICATION FUND	
017-1172	DRAINAGE FUND OPERATING	
024-1172	CEDC OPERATING	
026-1172	TIF OPERATING	499,811.73
032-1519	CAPITAL EQUIPMENT RESERVE	
034-1172	COLLEYVILLE TOMORROW	
PER GENERAL LEDGER		$999,811.73
MARKET VALUE		$998,926.00
VALUE AT MATURITY		$1,000,000.00
INTEREST RECEIVED TO MATURITY		$24,056.99

CDARS CERTIFICATE OF DEPOSIT ALLOCATION

CDARS CERTIFICATES OF DEPOSIT

FUND ALLOCATION	AMOUNT	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER
UTILITY FUND	$508,338.65	7/30/2015	7/27/2017	0.40%	$501.38
GENERAL FUND	$510,929.49	6/23/2016	6/21/2018	0.40%	$503.93
GENERAL FUND	$509,805.77	3/23/2017	3/22/2018	0.30%	$371.90
GENERAL FUND	$1,524,991.85	9/22/2016	9/21/2017	0.60%	$2,249.46
GENERAL FUND	$510,047.65	9/22/2016	9/20/2018	0.50%	$628.83
GENERAL FUND	$504,752.03	9/24/2015	9/21/2017	0.40%	$497.84
GENERAL FUND	$504,998.84	3/24/2016	3/22/2018	0.50%	$622.60
TOTAL	$4,573,864.28				$5,375.93

LOGIC INVESTMENT POOL ALLOCATION

AND GENERAL INFORMATION

LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT MARCH 2017

ACCT #	DESCRIPTION	BALANCE
	GENERAL FUND	
001-1115	GENERAL OPERATING	$194,925.35
	UTILITY FUND	
002-1115	UTILITY OPNS	$2,549,907.66
002-1116	IMPACT FEES WATER	$1,257,992.97
002-1119	UTILITY LINE RESTORATION	$1,161.90
002-1130	UTILITY INTEREST & SINKING FUND	$359,326.39
002-1294	IMPACT FEES SEWER	$368,981.41
	CAPITAL PROJECTS FUND	
003-1113	IMPACT FEES/SA I	$21,405.40
003-1495	2007 GO FIRE STATION BONDS	$100,891.78
003-1508	MICRO-RESURFACING	$174,231.21
003-1509	STREET RESURFACING	$19,068.14
	DEBT SERVICE FUND	
004-1115	DEBT SERVICE OPERATING	$836,238.01
	DRAINAGE FUND	
017-1115	DRAINAGE OPERATING	$959,905.52
017-1159	DRAINAGE INT & SINKING FUND	$120,781.22
017-1380	2001 DRAINAGE BONDS	$2,349.22
	TIF FUND	
026-1115	TIF OPERATING	$12,717,443.47
026-1383	2001 TIF BONDS	$113,494.45
	CCCPD FUND	
027-1115	CCCPD OPERATING	$821,667.72
027-1147	99 POLICE/COURT BLDG FUND	$81.63
	SALES TAX INCENTIVE AGREEMENT FUND	
031-1115	SALES TAX INCENTIVE AGREEMENT OPERATING	$357,737.06
	CAPITAL EQUIPMENT REPLACEMENT FUND	
032-1115	CAPITAL EQUIPMENT REPLACEMENT FUND	$82,679.51
	COLLEYVILLE TOMORROW FUND	
034-1115	COLLEYVILLE TOMORROW FUND	$1,684,570.81
	PARKS TOMORROW FUND	
035-1115	PARKS TOMORROW FUND	$1,025,325.39
	STRATEGIC INITIATIVES FUND	
036-1115	STRATEGIC INITIATIVES FUND	$250,914.00
TOTAL LOGIC POOL BALANCE		$24,021,080.22

DFW Economic Indicators

Employment Growth was -1.0% annually in February, weaker than the flat growth in Texas as a whole. Dallas saw a decline of 3.400 jobs offsetting an increase of 450 in Ft Worth.

Leisure and hospitality payrolls increased,	10.6%
Professional and business services increased with relocations,	7.9%
Financial and health services, and education saw strong growth,	7.6%
Government and Information Services,	-2.3% each

The **Unemployment Rate** increased but were lower than the Texas rate of 4.9%:

Ft. Worth, 4.5%; Dallas, 4.1%

Home Prices in 4th Quarter, 2016:

Dallas area,	2.6% increase
Ft. Worth area,	2.4% increase
Texas & U.S.,	2.4% increase

Home Prices 2016 to 2017:

Dallas area,	10.7% increase
Ft. Worth area,	10.5% increase
Texas,	7.7% increase
U.S.,	6.2% increase

Home Affordability:

Dallas:	50% of homes sold was affordable for medium income
Ft. Worth:	64%

Dallas least affordable metro area in State, affordability has declined in DFW area since 2013.

Existing Home Sales in 2016

Dallas, 4.7% increase
Ft. Worth, 7.5% increase
New Home Sales described as healthy, buoyed by solid job growth.

Rates	Apr 12	March	Mar, 2016
Prime Rate	4.00	3.75	3.50
Fed Funds	1.00	0.75	0.50

Prime rate, federal funds rate, COFI

By Bankrate.com

The prime rate, as reported by The Wall Street Journal's bank survey, is among the most widely used benchmark in setting home equity lines of credit and credit card rates. It is in turn based on the federal funds rate, which is set by the Federal Reserve. The COFI (11th District cost of funds index) is a widely used benchmark for adjustable-rate mortgages.

Click on the links below to find a fuller explanation of the term.

Prime rate, federal funds rate, COFI

Updated 4/12/2017

	This week	Month ago	Year ago
WSJ Prime Rate	4.00	3.75	3.50
Federal Discount Rate	1.50	1.25	1.00
Fed Funds Rate (Current target rate 0.50-0.75)	1.00	0.75	0.50
11th District Cost of Funds	0.591	0.616	0.670

Ratings methodology

What's included? The federal funds rate is the primary tool that the Federal Open Market Committee uses to influence interest rates and the economy. Changes in the federal funds rate have far-reaching effects by influencing the borrowing cost of banks in the overnight lending market, and subsequently the returns offered on bank deposit products such as certificates of deposit, savings accounts and money market accounts. Changes in the federal funds rate and the discount rate also dictate changes in The Wall Street Journal prime rate, which is of interest to borrowers. The prime rate is the underlying index for most credit cards, home equity loans and lines of credit, auto loans, and personal loans. Many small business loans are also indexed to the Prime rate. The 11th District Cost of Funds is often used as an index for adjustable-rate mortgages.

Back to Rate Watch main page.

Share

COMPARE MORTGAGE RATES

Fixed Rates		Adjustable Rates		Interest Only Rates	
10 year fixed	15 year fixed refi	1 year ARM	1 year ARM refi	3/1 ARM (IO)	5/1 ARM (IO) refi
15 year fixed	20 year fixed refi	3/1 ARM	3/1 ARM refi	5/1 ARM (IO)	7/1 ARM (IO) refi
20 year fixed	30 year fixed refi	5/1 ARM	5/1 ARM refi	7/1 ARM (IO)	30 year (IO) refi
30 year fixed	30 year FHA refi	7/1 ARM	7/1 ARM refi	30 year fixed (IO)	Sell all ARMs
30 year FHA	See all fixed	10/1 ARM	10/1 ARM refi	3/1 ARM (IO) refi	Sell all IOs

REFINANCE RATES AVERAGES

Product	Rate	Change	Last week
30 year fixed refi	3.91%	↓ 0.03	3.94%
15 year fixed refi	3.13%	↓ 0.02	3.15%
10 year fixed refi	3.09%	↑ 0.08	3.01%

DFW Economic Indicators

DALLASFED

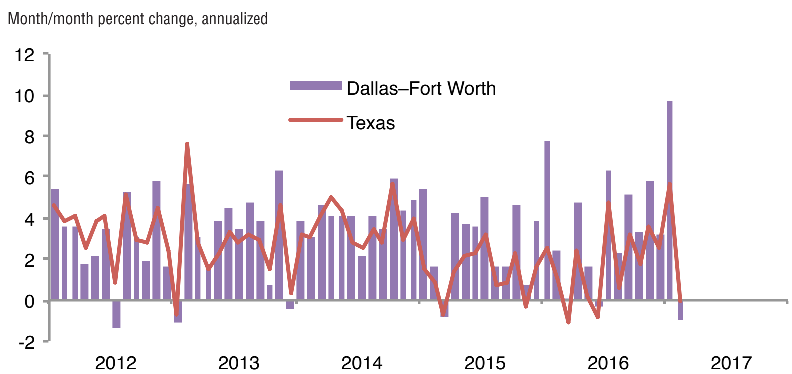
FEDERAL RESERVE BANK OF DALLAS • MARCH 28, 2017

Summary

The Dallas–Fort Worth economy moderated in February, with payroll employment contracting and unemployment ticking up during the month, similar to the pattern seen at the state level. Looking at the two-month period, employment growth was strong at 4.2 percent. Dallas and Fort Worth business-cycle indexes also decelerated in February, though growth remained positive. The DFW housing market remained solid, with house price gains outstripping those nationally.

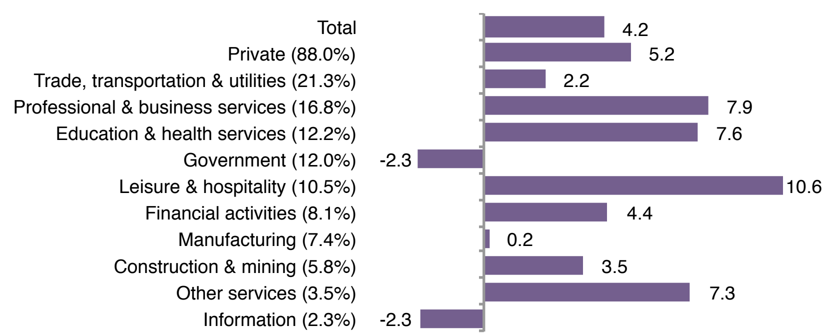
Employment

Employment Growth



SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Employment Growth by Sector



NOTES: Data show seasonally adjusted, annualized percentage growth by supersector for December 2016–February 2017. Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment and may not sum to 100 due to rounding.

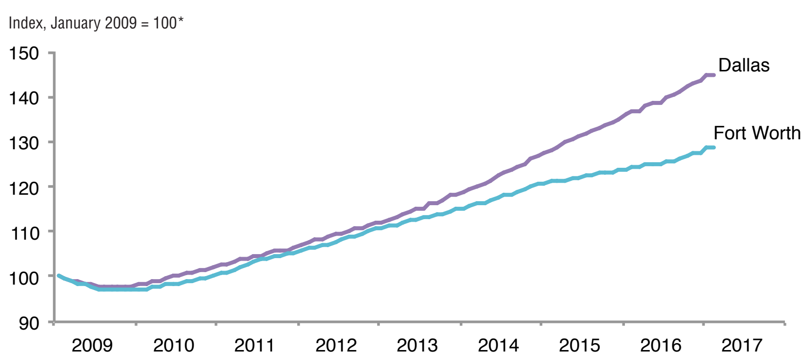
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

▶ DFW employment came in at –1.0 percent annualized in February, weaker than growth at the state level, which was flat. Declines in payroll employment (3,400 jobs) in Dallas more than offset the slight increase seen in Fort Worth (450).

▶ DFW employment growth was mostly broad based across supersectors from December to February. An increase in leisure and hospitality payrolls at 10.6 percent led gains. The professional and business services sector also added jobs at a rapid clip, supported by ongoing relocations and expansions in the metroplex. Other large sectors such as education and health services and financial activities also saw strong growth. Job growth in manufacturing was flat, while payrolls in government and information services contracted.

▶ In February, the unemployment rate rose to 4.1 percent in Dallas and 4.5 percent in Fort Worth. Both figures remain lower than the Texas rate, which edged up to 4.9 percent. The unemployment rate in Dallas is close to multiyear lows, although it has risen in recent months.

Business-Cycle Indexes



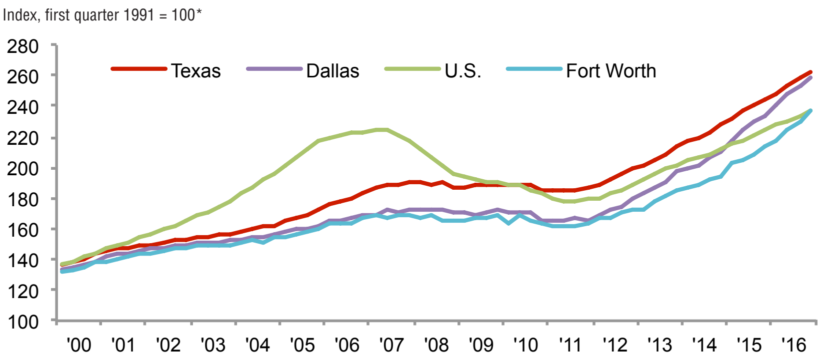
*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

▶ Growth in the Dallas and Fort Worth business-cycle indexes moderated in February. The Dallas index rose an annualized 2.8 percent during the month, slower than January's 9.2 percent pace. The Fort Worth index grew 1.9 percent, following January's 10.9 percent increase. Year over year, the Dallas index was up 6.2 percent and the Fort Worth index was up 3.6 percent as a result of continued healthy job creation in the metroplex.

Housing

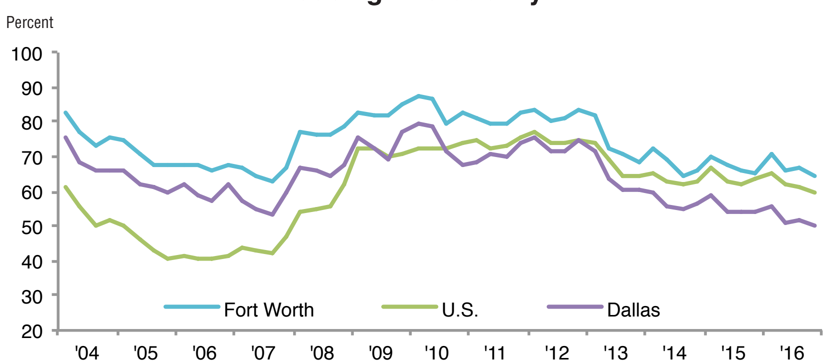
Home Prices



*Quarterly, seasonally adjusted.

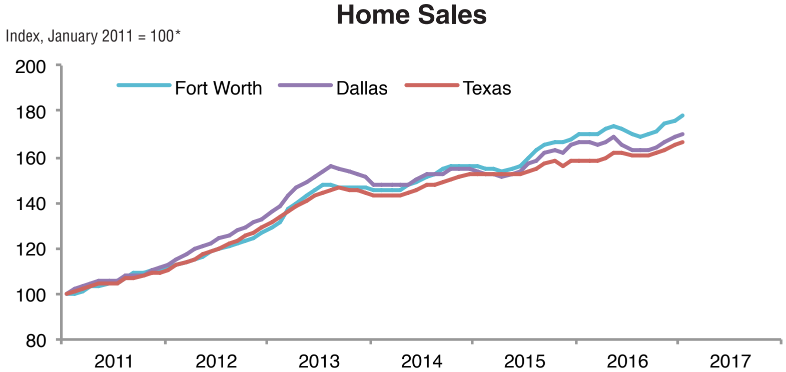
SOURCE: Federal Housing Finance Agency.

Housing Affordability



SOURCE: National Association of Home Builders/Wells Fargo Housing Opportunity Indexes.

Home Sales



*Six-month moving average; seasonally adjusted.

SOURCES: Real Estate Center at Texas A&M University; Multiple Listing Service; seasonal adjustments by the Dallas Fed.

▸ The DFW housing market remained solid at year-end, with home price gains in the metroplex outpacing those in the state and U.S. Prices rose 2.6 percent in Dallas and 2.4 percent in Fort Worth in fourth quarter 2016, faster than the 1.5 percent increase registered in both Texas and the U.S., according to the Federal Housing Finance Agency purchase-only house price index. On a year-over-year basis, prices were up 10.7 percent in Dallas and 10.5 percent in Fort Worth—both higher than in Texas (7.7 percent) and the nation (6.2 percent). Price appreciation in DFW last year also outpaced increases in Austin, San Antonio and Houston, which saw year-over-year growth of 10.1, 9.3 and 3.3 percent, respectively.

▸ Record home price appreciation has eroded housing affordability in the metroplex. According to the National Association of Home Builders/Wells Fargo's Housing Opportunity Indexes, Dallas was the least affordable major metro area in the state, with about 50 percent of homes sold during fourth quarter 2016 considered affordable for the median-income family. Fort Worth remained more affordable relative to Dallas and the nation, with 64 percent of homes sold in the fourth quarter viewed as affordable. Affordability has been declining in the metroplex since early 2013. (See the *Southwest Economy* article "Texas Housing Market Soars, Pricing Out Many.")

▸ While existing-home sales weakened in January, six-month moving averages show continued increases in Dallas and Fort Worth as well as the state. In 2016, sales rose 4.7 percent in Dallas and 7.5 percent in Fort Worth. New-home sales also remain healthy in the metroplex, according to Dallas Fed Beige Book contacts. Solid job growth is buoying DFW housing demand.

NOTE: Data may not match previously published numbers due to revisions.

Questions can be addressed to Laila Assanie at laila.assanie@dal.frb.org.

LOGIC Newsletter

March 2017

Performance

As of March 31, 2017

Current Invested Balance	$6,727,258,315.21
Weighted Average Maturity (1)*	29 Days
Weighted Average Maturity (2)*	64 Days
Net Asset Value	1.000151
Total Number of Participants	522
Management Fee on Invested Balance	0.0975%
Interest Distributed	$6,428,489.88
Management Fee Collected	$567,084.98
% of Portfolio Invested Beyond 1 Year	0.00%
Standard & Poor's Current Rating	AAAm

March Averages:

Average Invested Balance	$6,841,342,608.67
Average Monthly Yield, on a simple basis	1.0089%
Average Weighted Average Maturity (1)*	35 Days
Average Weighted Average Maturity (2)*	74 Days

*Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

Rates reflect historical information and are not an indication of future performance.

News

New Participants

We would like to welcome the following entities who joined the LOGIC program in March:

★ Canyon Falls WCID No 2

★ Denton County FWSD 8-C

★ City of Gilmer

★ Town of Prosper

★ Rockwall County Consolidated MUD No 1

★ Rockwall County MUD No 6

★ West ISD

Holiday Reminder

In observance of Good Friday, LOGIC will be closed Friday, April 14, 2017. All ACH transactions initiated on Thursday, April 13th will settle on Monday, April 17th. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all LOGIC participants. Please plan accordingly for your liquidity needs.

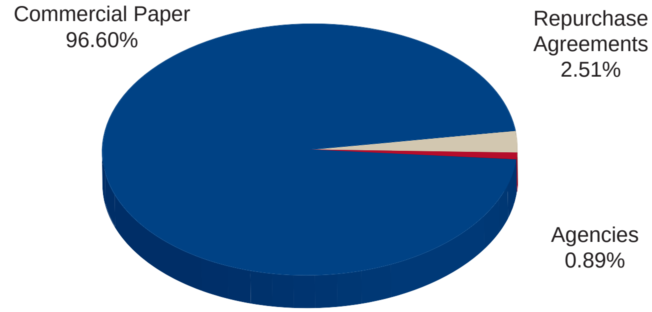
Economic Commentary

In the fall of 2016, a change in market sentiment altered expectations for the sustainability of global growth and inflation, driving U.S. interest rates higher and allowing the Fed to tighten for the first time in a year and in March, the Fed raised rates again. Sitting in the U.S., it appears that the markets are playing a waiting game and little has changed. Since the beginning of the year, the yield on the 10-year Treasury has bounced around in a fairly narrow trading range. The markets want to see the administration and Congress focus: focus on tax cuts, focus on deregulation and focus on the mechanism for getting fiscal spending into the economy. But when you broaden your perspective, you can see that a lot has changed. At the end of last year, it appeared that while the U.S. was beginning to normalize, the rest of the world was still awash in central bank accommodation, keeping rates low. What's changed is that growth is now synchronized globally. And more important, so is monetary policy. No longer does the Fed appear to be going it alone. Central banks around the world are starting to dial down that accommodation; they are leaning into growth, inflation, better credit quality and more consumption. We are beginning a transition—a transition from monetary policy to fiscal policy. Our rate view also remains unchanged from one quarter ago. At that time, we suggested that a near-term rally was possible, and we have experienced that. No path to higher rates is a straight line. We expect another three rate hikes this year and a 10-year Treasury bond that is 3% by mid-year and 3% to 3.5% by year-end. As the post-crisis recovery ages, we believe that we are still in the middle innings of the ballgame rather than near the end. We are just beginning to see the transition from years of monetary policy support and stimulus to more meaningful fiscal policy stimulus. This does not suggest we should fear an economic and/or market collapse. It will take central banks considerable time to withdraw liquidity from the system. By our estimate, it will take the Fed about a dozen years to normalize policy, including running down the size of its bloated balance sheet. And, arguably, the European Central Bank and the Bank of England have not even begun the normalization process, while the Bank of Japan seems an eternity away. A long and gradual withdrawal of liquidity will allow policymakers to be more patient in developing coherent fiscal policies. If this turns out to be the evolving policy script, then the markets will easily be able to handle a gentle rise in rates and adjust without the trauma of previous tightening cycles.

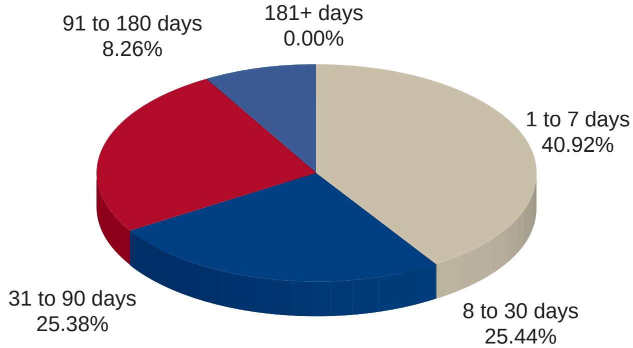
This information is an excerpt from an economic report dated March 2017 provided to LOGIC by JPMorgan Asset Management, Inc., the investment manager of the LOGIC pool.

Information at a Glance

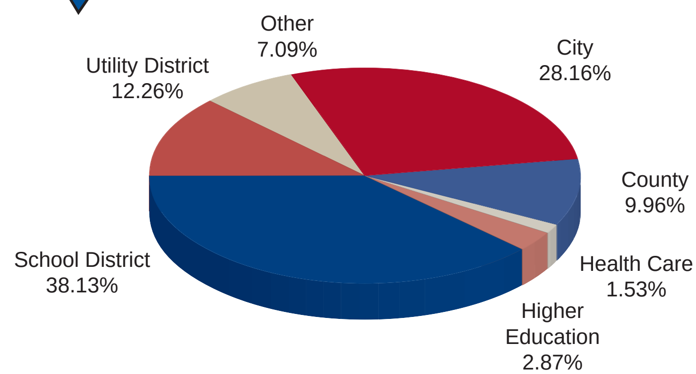
Portfolio by Type of Investment As of March 31, 2017



Portfolio by Maturity As of March 31, 2017



Distribution of Participants by Type As of March 31, 2017



History

Historical Program Information

Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Mar 17	1.0089%	$6,727,258,315.21	$6,728,526,958.13	1.000151	35	74	522
Feb 17	0.9716%	6,899,050,894.78	6,900,939,892.08	1.000273	38	75	515
Jan 17	0.9642%	6,257,691,371.71	6,259,008,532.09	1.000210	33	68	509
Dec 16	0.8790%	5,345,321,204.93	5,347,040,518.20	1.000291	31	72	506
Nov 16	0.8364%	4,677,615,888.80	4,679,361,690.19	1.000373	35	73	504
Oct 16	0.8112%	4,286,771,305.76	4,288,329,393.30	1.000363	40	70	502
Sep 16	0.7248%	4,409,871,179.36	4,410,883,048.03	1.000194	45	62	500
Aug 16	0.6218%	4,173,346,305.76	4,174,143,206.62	1.000190	39	57	500
Jul 16	0.5740%	4,222,463,139.86	4,222,665,438.59	1.000047	38	51	497
Jun 16	0.5640%	4,098,495,182.80	4,099,137,783.02	1.000156	38	54	493
May 16	0.5496%	4,112,196,457.64	4,112,970,867.25	1.000188	41	61	490
Apr 16	0.5439%	4,225,726,061.33	4,226,329,499.91	1.000129	35	57	489

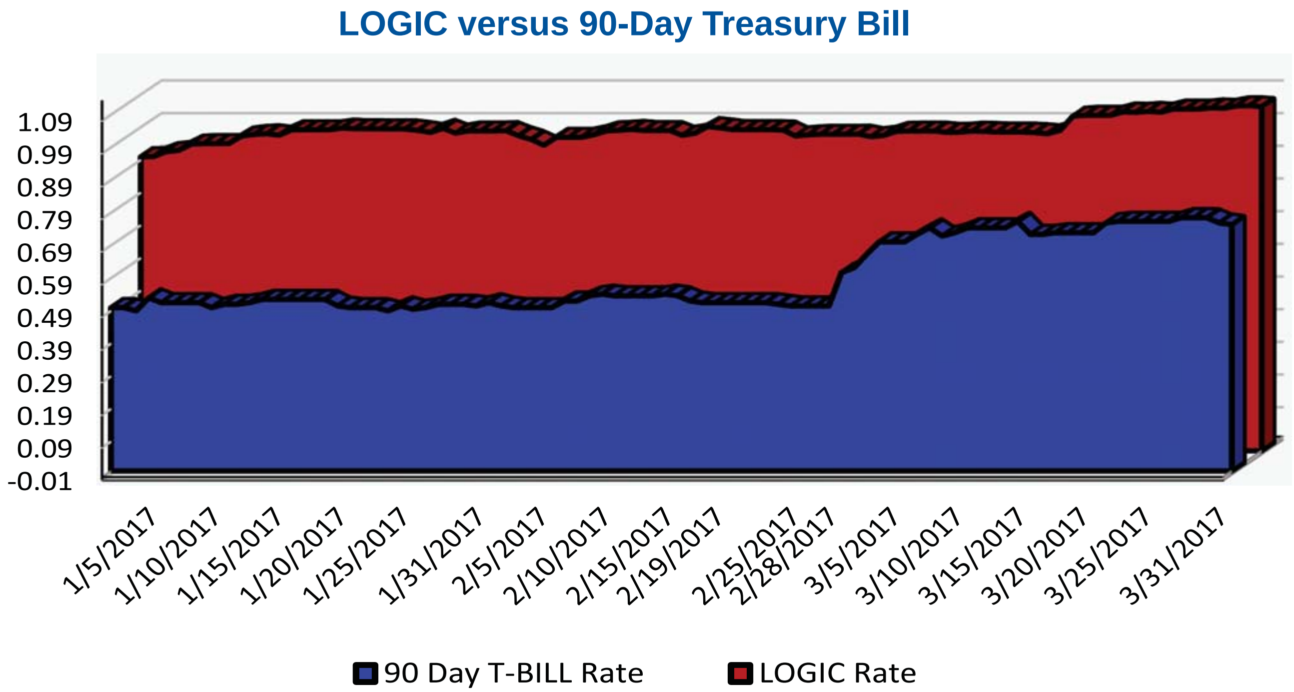
Assets

Portfolio Asset Summary as of March 31, 2017

	Book Value	Market Value
Uninvested Balance	$ (85.93)	$ (85.93)
Accrual of Interest Income	1,677,474.68	1,677,474.68
Interest and Management Fees Payable	(6,491,295.64)	(6,491,295.64)
Payable for Investment Purchased	0.00	0.00
Receivable for Investment Sold	0.00	0.00
Repurchase Agreements	169,276,999.96	169,276,999.96
Commercial Paper	6,502,797,066.31	6,504,028,525.06
Government Securities	59,998,155.83	60,035,340.00
Total	**$ 6,727,258,315.21**	**$ 6,728,526,958.13**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of LOGIC. The only source of payment to the Participants are the assets of LOGIC. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact LOGIC Participant Services.

Daily Rates



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The LOGIC management fee may be waived in full or in part at the discretion of the LOGIC co-administrators and the LOGIC rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at $1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the LOGIC pool to the T-Bill Yield, you should know that the LOGIC pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

Daily Summary

Daily Summary for March 2017

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	LOGIC Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
3/1/2017	0.9651%	0.000026442	$6,907,045,181.68	1.000284	38	77
3/2/2017	0.9771%	0.000026769	$6,904,840,629.53	1.000280	39	79
3/3/2017	0.9781%	0.000026796	$6,903,868,215.97	1.000253	40	77
3/4/2017	0.9781%	0.000026796	$6,903,868,215.97	1.000253	40	77
3/5/2017	0.9781%	0.000026796	$6,903,868,215.97	1.000253	40	77
3/6/2017	0.9743%	0.000026693	$6,874,399,292.96	1.000305	41	79
3/7/2017	0.9748%	0.000026706	$6,855,707,817.33	1.000315	40	79
3/8/2017	0.9781%	0.000026797	$6,862,332,455.78	1.000304	40	79
3/9/2017	0.9770%	0.000026768	$6,849,462,081.29	1.000322	40	78
3/10/2017	0.9753%	0.000026720	$6,832,650,990.09	1.000266	38	76
3/11/2017	0.9753%	0.000026720	$6,832,650,990.09	1.000266	38	76
3/12/2017	0.9753%	0.000026720	$6,832,650,990.09	1.000266	38	76
3/13/2017	0.9733%	0.000026665	$6,847,768,607.13	1.000308	37	77
3/14/2017	0.9700%	0.000026576	$6,850,802,455.50	1.000310	36	76
3/15/2017	0.9802%	0.000026854	$6,819,835,445.41	1.000307	36	76
3/16/2017	1.0235%	0.000028040	$6,834,340,357.69	1.000289	36	76
3/17/2017	1.0264%	0.000028120	$6,830,366,535.85	1.000205	35	73
3/18/2017	1.0264%	0.000028120	$6,830,366,535.85	1.000205	35	73
3/19/2017	1.0264%	0.000028120	$6,830,366,535.85	1.000205	35	73
3/20/2017	1.0366%	0.000028401	$6,834,581,896.11	1.000227	35	73
3/21/2017	1.0355%	0.000028371	$6,833,670,991.48	1.000223	34	73
3/22/2017	1.0385%	0.000028451	$6,824,376,908.84	1.000225	33	72
3/23/2017	1.0358%	0.000028378	$6,868,408,826.12	1.000208	33	71
3/24/2017	1.0454%	0.000028642	$6,821,417,970.07	1.000175	31	69
3/25/2017	1.0454%	0.000028642	$6,821,417,970.07	1.000175	31	69
3/26/2017	1.0454%	0.000028642	$6,821,417,970.07	1.000175	31	69
3/27/2017	1.0491%	0.000028742	$6,820,252,059.99	1.000195	31	67
3/28/2017	1.0478%	0.000028707	$6,832,503,584.89	1.000191	30	68
3/29/2017	1.0551%	0.000028908	$6,786,839,858.93	1.000193	30	67
3/30/2017	1.0555%	0.000028918	$6,782,282,967.03	1.000185	29	65
3/31/2017	1.0530%	0.000028850	$6,727,258,315.21	1.000151	29	64
Average	1.0089%	0.000027641	$6,841,342,608.67		35	74

LOGIC Participant Services
FirstSouthwest, A Division of Hilltop Securities
1201 Elm Street, Suite 3500
Dallas, TX 75270

LOGIC Board

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Contacts

For more information contact LOGIC Participant Services ★ 1-800-895-6442 ★ www.logic.org

FirstSouthwest
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J.P.Morgan
Asset Management