City of Colleyville
Audit Committee
Agenda

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

Tuesday, May 1, 2018
3:30 p.m.

City Manager's Conference Room
Third Floor – City Hall

1. CALL TO ORDER

2. APPROVAL OF MINUTES

February 20, 2018

3. REGULAR AGENDA ITEMS

3a Discussion of the Request for Proposal and selection process for external auditing services for the Fiscal Years ending September 30, 2018 through September 30, 2022

3b Interview of audit firms submitting proposals in response to the City's request for proposals for an external audit firm

3c Opening the sealed cost portion of the audit proposals and consider a recommendation to City Council for the selection of an audit firm

4. REPORTS

Quarterly Investment Report for the quarter ended March 31, 2018

Update on future discussion items and initiatives

5. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, April 27, 2018, by 5:00 p.m.

Christine Loven, 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
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Tuesday, February 20, 2018 | City Manager's Conference Room
4:00 p.m. | Third Floor – City Hall

Chief Financial Officer Shereen Gendy called the Audit Committee to order on February 20, 2018, at 4:00 p.m.

ROLL CALL: Committee members Bobby Lindamood, George Dodson, Kathy Wheat, and Susan Mathisen were present.

Also Present: Chief Financial Officer Shereen Gendy, Accounting Manager Karen Hines, Assistant City Manager Adrienne Lothery, and City Secretary Christine Loven were also present.

2. APPROVAL OF MINUTES
September 5, 2017

Committee member Mathisen made a motion to approve the November 21, 2017, meeting minutes. Committee member Lindamood seconded. All approved by acclamation.

3. PRESENTATIONS AND DISCUSSION

3a Discussion of the draft Fiscal Year 2017 (FY17) Audit and SAS 114 Letter

John Manning, Pattillo, Brown and Hill, L.L.P., Manager for the Government Audit Division, the City's audit firm, discussed the draft Fiscal Year 2017 (FY17) Audit and SAS 114 Letter process and gave an overall review and recap of the Comprehensive Annual Financial Report (CAFR). Mr. Manning discussed the new GASB standards and answered questions of the committee.

Mr. Manning thanked CFO Shereen Gendy, Accounting Manager Karen Hines, and Assistant City Manager Adrienne Lothery for all their work and thorough review of the CAFR.

Committee member Mathisen stated she felt the audit was well done and adequately reflected the goals of the City Council.

Committee member Wheat stated she is not a financial person, and was able to read and comprehend the material and thanked Mr. Manning and staff for same.

Committee members Lindamood and Dodson also expressed their appreciation to Mr. Manning, the committee members, and staff.

3b Quarterly Investment Report for the quarter ended December 31, 2017

Chief Financial Officer Shereen Gendy presented this item and provided an overview to the committee. She also discussed the intent to diversify the investment portfolio through investing in new government investment pools.

Mr. Manning thanked everyone for their time.

4. ADJOURNMENT

The Audit Committee adjourned at 4:58 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 1ST DAY OF MAY 2018.

Minutes taken and prepared by:

Christine Loven, TRMC
City Secretary

City of Colleyville
Audit Committee
Agenda Briefing

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

Agenda Number 3a **Agenda Date** 05/01/2018 **Number**
Type Presentation and Discussion
Department Finance

Title
Discussion of the Request for Proposal and selection process for external auditing services for the Fiscal Years ending September 30, 2018 through September 30, 2022

Strategic Plan

Explanation
As the five year contract for external audit services with Pattillo, Brown and Hill concluded with the audit for the Fiscal Year ended September 30, 2017, it was necessary to begin the Request for Proposal (RFP) process for external audit services. The purpose of this item is to discuss the attached RFP, the selection process, and answer questions from the Audit Committee. The attached RFP was advertised in the newspaper on April 1, 2018 and April 8, 2017 and was posted on the City's website on April 2, 2018. Responses were due on April 16, 2018.

Attachments
1. Final Audit Request for Proposal- 2018

Request for Proposals

FOR

PROFESSIONAL AUDITING SERVICES

CITY OF COLLEYVILLE
100 MAIN STREET
COLLEYVILLE, TX 76034

SUBMITTAL DEADLINE:

Monday April 16, 2018
11:00 A.M. (CST)

CITY OF COLLEYVILLE, TEXAS

REQUEST FOR PROPOSALS

TABLE OF CONTENTS

<u>APPENDICES</u>

A. PROPOSER GUARANTEES

B. PROPOSER WARRANTIES

C. SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE YEAR ENDED SEPTEMBER, 30, 2018 FINANCIAL STATEMENTS

D. CITY FUNDS

REQUEST FOR PROPOSAL FOR AUDITING SERVICES

I. INTRODUCTION

A. General Information

The City of Colleyville is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2018, with the option of auditing its financial statements for four subsequent years. These audits are to be performed in accordance with generally accepted auditing standards.

B. Term of Engagement

A five year contract is contemplated, subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Colleyville and the selected firm), the concurrence of the Colleyville City Council and the availability of an appropriation.

II. DESCRIPTION OF THE CITY OF COLLEYVILLE

A. Background Information

The City of Colleyville serves an area of 13 square miles with an estimated population of 24,630. The City's fiscal year begins on October 1st and ends on September 30th. The City provides the following services: Police, Fire, Streets, Parks and Recreation, Community Development, Engineering, Library, Community Center and Utility service. In addition to the aforementioned departments, the City has a general governmental function comprised of City Manager's Office, City Council/Secretary, Finance, and Municipal Court. The City has 206 full-time employees and an annual payroll of $16.3 million.

B. Fund Structure

The City's accounting records are maintained in accordance with accounting principles generally accepted in the United States as promulgated by the Government Accounting Standards Board. Accordingly, the City maintains general, special revenue, debt service and capital projects governmental fund types; enterprise funds and fiduciary funds. For fiscal year ended September 30, 2017, the City reported the following major governmental funds: General Fund, Debt Service Fund, Capital Projects Funds, Special Revenue Funds, Enterprise Funds and Fiduciary Funds.

C. Budgetary Basis of Accounting

The City Manager submits to the City Council a proposed operating budget for the fiscal year beginning October 1. The adopted operating budget is legally enacted through passage of an ordinance and represents the proposed fund appropriations. Unencumbered appropriations lapse at the end of the year. Budgeted amounts may be transferred between accounts or divisions by the City Manager on a limited basis. The budget, as well as all revenues, appropriations, and encumbrances are recorded in the accounting records.

Approved Fiscal Year 2018 expenditure budgets for the City's major operating and debt service funds are as follows:

General Fund	$ 23,694,811
Utility Fund	15,526,542
Drainage Fund	1,481,362
Debt Service Fund	1,979,412

D. Federal and State Financial Assistance

During the fiscal year to be audited, the City of Colleyville may receive financial assistance from the federal government in excess of $750,000. There is the possibility in future years that this may occur.

E. Pension Plans

The City of Colleyville participates in the Texas Municipal Retirement System, that is a joint contributory, defined benefit, multiple-employer agent type of pension plan.

F. Component Units

There are three component units in the City of Colleyville's financial statements:

Blended Component Unit - Crime and Control and Prevention District

Blended Component Unit - Colleyville Economic Development Corporation

Discretely Presented Component Unit - Colleyville Tax Increment Financing Reinvestment Zone Number One and One A

G. Joint Ventures

The City of Colleyville does not participate in joint ventures.

H. Magnitude of Finance Operations

The Finance Department is headed by Shereen Gendy, Chief Financial Officer and consists of three other employees: Karen Hines, Accounting Manager, Mushtaq Ali, Accountant and Sue Kralich, Accounting Clerk.

I. Computer Systems

Hardware: During the audit period, financial software ran on the following:
Munis - Windows Server 2008 R2 in a VMWARE virtual environment. The Hardware is an HP blade c3000 Chassis with 4 BL460 blades

Software: The City's financial software package is the Tyler Technologies software, Munis, and following applications are in use: general ledger, cash receipts, accounts payable, project ledger, purchase order and utility billing.

J. Internal Audit Function

Internal audit with the support of and in conjunction with city management examines and evaluates the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. In order to mitigate the risk of fraud, the finance staff continuously assesses the internal controls in place to identify areas for improvements, conducts various audits including accounts payable invoices, purchase order compliance and cash handling audits, and educates the frontline collection employees on proper revenue collection, handling, and depositing techniques. The internal audits performed have been essential in detecting and correcting internal control deficiencies before they result in significant financial losses.

III. NATURE OF SERVICES REQUIRED

A. General

The City of Colleyville is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2018 with the option to audit the City of Colleyville's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals. Please note the FY 2017 City of Colleyville CAFR can be found at the following address on the City's website: https://www.colleyville.com/financial-transparency.html The Fiscal Year 2018 budget is also available for viewing on the website, using that link.

B. Scope of Work to be Performed

The City of Colleyville desires the auditor to express an opinion on the fair presentation of its governmental activities, its business-type activities, its aggregate discretely presented component unit, each of its major funds, and its aggregate remaining fund information in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation to" opinion on the supporting schedules based upon the auditing procedures applied during the audit of the financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report. The auditor's assistance and consultation will be required in implementing new GASB and FASB statements at a date to be determined by the City, even if prior to the required effective date. Additionally, the auditor will be required to review the City's compliance with requirements of the State of Texas Public Investment Funds Act.

C. Auditing Standards to be Followed

To meet the minimum requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.

D. Reports to be Issued

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

2. A report to management containing any significant deficiencies and/or material weaknesses found during the audit as defined by Statement on Auditing Standards 112.

3. Prepare the following portions of the Comprehensive Annual Financial Report:
    - Table of Contents
    - Basic Financial Statements
        - Statement of Net Position (Primary Government and Component Unit)
        - Statement of Activities (Primary Government and Component Unit)
    - Fund Financial Statements
        - Balance Sheet (Governmental Funds)
        - Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Funds)
    - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
    - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
    - Statement of Net Position - Proprietary Fund
    - Statement of Revenues, Expenses and Changes in Fund Net Position -

Proprietary Funds

- Statement of Cash Flows Proprietary Funds
- Statement of Net Position - Fiduciary Funds
- Combining and Individual Fund Statements and Schedules
    - Combining Balance Sheet - Non-Major Governmental Funds
    - Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
    - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
    - Debt Service Fund
    - Combining Statement of Fiduciary Net Position
    - Combining Statement of Changes in Assets and Liabilities - Agency Funds

- Notes to the Financial Statements
- Required Supplementary Information
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions - Texas Municipal Retirement System
- Schedule of Funding Progress
- Any other Financial Section schedules necessary to meet GASB 34 compliance

The City's Finance Department staff will prepare:

- Transmittal Letter
- Management's Discussion and Analysis
- Statistical Section of the CAFR to be reviewed by the selected firm

The City desires that the selected audit firm will print and bind twenty (20) copies of the CAFR and the City will supply the firm all covers and City letterhead stock necessary for printing.

Irregularities and Illegal Acts: Auditors shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware to the City Council, Audit Committee and City Manager.

Reporting to the City Council and Audit Committee: Auditors shall assure themselves that the City of Colleyville's City Council and Audit Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgements and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants

8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit
10. Future accounting and auditing pronouncements that will affect the City of Colleyville.

E. Working Paper Retention and Access to Working Papers

Working papers and reports must be retained, at the auditor's expense for a minimum of three (3) years, unless the firm is notified in writing by the City of Colleyville of the need to extend the retention period. The auditor will be required to make working papers available to the City of Colleyville, and auditors of entities of which the City of Colleyville is a recipient of grant funds. Additionally, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

F. Special Considerations

The City of Colleyville anticipates that it may prepare one or more official statements in connection with the sale of debt securities, which will contain the basic financial statements and auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters". It is also anticipated during the audit period the City may receive federal assistance in excess of $750,000 and would require a single audit.

G. Schedule for the 2018 Fiscal Year Audit (a similar schedule will be developed for audits of future fiscal years if the City exercises its option for additional audits).

1. Interim Work

   The auditor shall complete all interim work by September 24, 2018

2. Field Work

   The auditor shall commence field work after October 31, 2018
   The auditor shall complete all field work by November 30, 2018

3. Draft Reports

   The fund level and government wide financial statements as well as the auditor’s lead sheets should be provided to finance by January 3, 2019. A complete draft of the CAFR and recommendations to management should be available, in searchable pdf format, for review by the City staff by January 11, 2019.

4. Audit Committee Review

   The auditor will have a draft of the audit and SAS letter ready for audit committee meeting by February 5, 2019

5. Audit Approval

   The auditor will have the final report ready for approval by Council on February 19, 2019.

IV. PROPOSAL REQUIREMENT

A. General Requirements

1. Pre-proposal Conference

   A non-mandatory conference for firms interested in submitting proposals will be held on Friday, April 13, 2018, at 9:00 AM in the Executive Conference Room, 3rd Floor of City Hall, at 100 Main Street, Colleyville, Texas. Both verbal and written questions will be accepted during the conference. If a representative from your firm is unable to attend, please direct all questions to Karen Hines, Accounting Manager at (817) 503-1015.

2. Inquiries

   Inquiries concerning the request for proposals and the subject of the request for proposals must be made to Karen Hines, Accounting Manager: e-mail: khines@colleyville.com / phone: (817) 503-1015.

3. Submission of Proposals

   To be considered, a total of eight (8) copies of a proposal must be received by Karen Hines at the Colleyville City Hall, 100 Main Street, Colleyville, Texas by 11:00 AM CST on Monday, April 16, 2018. Proposals submitted will be evaluated by a three-member Audit Technical Selection committee composed of Shereen Gendy, Chief Financial Officer, Karen Hines, Accounting Manager, and Mushtaq Ali, Accountant. During the evaluation process, the Audit Technical Selection committee and the City of Colleyville reserve the right, where it may serve the City of Colleyville's best interest, to request additional information or clarification from proposers. Firms receiving an acceptable technical score will be requested to make oral presentations on Tuesday, May 1, 2018 as part of the evaluation process. These presentations will be made to the Audit Committee and the Audit Technical Selection committee.

The City of Colleyville reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Colleyville and the firm selected. It is anticipated selection of a firm will be completed by Friday, May 4, 2018, and the contract will be presented to the City Council at the May 15, 2018 meeting.

The following material is required to be received by 11:00 AM CST on Monday, April 16, 2018, for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and eight (8) copies to include the following:

   i. Title Page - Title page showing the request for proposal's subject; the name address and telephone number of a contact person; and the date of the proposal.

   ii. Table of Contents

   iii. Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period ending September 30, 2018.

   iv. Detailed Proposal - The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

   v. Audit Request for Proposal Form - Include an initialed copy of this request for proposals form.

   vi. Executed copies – Fully executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposals.

b. The proposer shall submit an original and eight (8) copies of a dollar cost bid in a separate sealed envelope marked as follows:

   SEALED DOLLAR COST BID PROPOSAL FOR CITY OF COLLEYVILLE FOR PROFESSIONAL AUDITING SERVICES - APRIL 16, 2018

c. The proposer should send the completed proposal consisting of the two separate envelopes to the following address:

CITY OF COLLEYVILLE
100 MAIN STREET
COLLEYVILLE, TX 76034

ATTN: KAREN HINES, ACCOUNTING MANAGER

Also, hand delivered proposals will be accepted up to 11:00 AM CST on Monday, April 16, 2018. City Hall is located at 100 Main Street, Colleyville, TX. The Finance Department is located on the first floor.

B. Submittal Timeline

1. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposals issued	April 2, 2018
Pre-proposal Conference	April 13, 2018
Due Date for Proposals	April 16, 2018
Oral Presentations	May 1, 2018

2.. Notification and Contract Dates

Selected Firm Notified	May 4, 2018
Contract to Council	May 15, 2018

C. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Colleyville in conformity with the requirements of this request for proposals. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements. THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information, which should only be included in the sealed dollar cost bid.) The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 7, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the City of Colleyville as defined by generally accepted auditing standards.

3. License to Practice

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Texas.

4. Firms Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement and the number and nature of the professional staff to be so employed on a part time basis. A copy of the most recent peer review should be included.

5. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Texas. The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in any governmental professional organizations.

The firm should also provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of the staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express written permission of the City of Colleyville. However, in either case, the City of Colleyville retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Audit Engagements with Other Governmental Entities

The firm should list separately all governmental audit engagements within the past three years, which were performed by the proposing office location, including how many years that city was audited by the firm. Also include a CAFR from one of the listed audit engagements, which was prepared by your staff during the past year, or provide a link if the CAFR is available on the engaged city's web site.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals.

a. Proposed segmentation of the engagement
b. Level of staff and the number of hours to be assigned to each proposed segment of the engagement
c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
d. Extent and use of software in the engagement
e. Type and extent of analytical procedures to be used in the engagement
f. Approach to be undertaken to gain and document an understanding of the City of Colleyville's internal control structure
g. Approach in meeting requirements of SAS 99 and SAS 112 in the engagement

D. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement and CAFR preparation and printing. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket and travel expenses.

The City of Colleyville will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost should include the following information:

a. Name of Firm.

b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Colleyville.

c. A total All-inclusive Maximum Price for the fiscal year 2018 engagement including CAFR preparation and printing.

2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F, part 1). The price for special services as described in Section II F of this request for proposals should be disclosed on the format provided in Appendix C, part 2.

3. Rates for Additional Professional Services

If it should become necessary for the City of Colleyville to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Colleyville and the firm. Any such additional work agreed to between the City of Colleyville and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid. The City reserves the right to contract any additional audits or reviews or additional work with whomever they choose.

4. Progress payments

Progress payments will be made on the basis of hours of work completed during the course of the engagement incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. The City of Colleyville will remit payment to the firm within thirty days of receipt of the invoice.

E. Assistance to be Provided to the Auditor

1. Finance Department

The Finance Department staff will be available to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the City of Colleyville. Also, the City has an Information Systems Management Department and that department will answer any questions about the computer hardware. Additionally, there is on-line documentation on the “Munis” software system.

2. Statements and Schedules to be Prepared by the City of Colleyville Staff

All of the following schedules will be available for auditors at the start of final fieldwork: Trial Balances (All Funds), Debt Service Requirements, Tax Supported Debt Roll forward, Utility Debt Roll forward, Lead Schedules-Accounts Payable Lead Schedules-Accrued Liabilities, Lead Schedules-Accounts Receivable, Detailed Fixed Assets, Detailed Fixed Assets (Enterprise Funds), Ad Valorem tax receipts and receivables.

Additionally, the City will provide twenty hours of staff time to prepare any other schedule the auditors may need.

3. Work Area, Telephones, Photocopying, and FAX Machines

The City of Colleyville will provide the auditors with reasonable workspace located in the Finance Department including, conference table and chairs. The auditors will also be provided with access to wireless internet, a photocopier, and a fax machine.

4. Report Preparation

Report preparation, editing, and printing shall be the responsibility of the auditor.

V. WITHDRAWAL/MODIFICATION OF PROPOSALS

A firm may withdraw a Proposal at any time prior to the final submission deadline upon presentation of acceptable identification. The firm may thereafter submit a new or modified Proposal prior to the final submission deadline.

Any submitted Proposal may be withdrawn or revised Proposal substituted if a written notice is submitted to the Karen Hines, Accounting Manager, prior to the submittal deadline.

Any interlineations, alterations, erasure or other amendment made before the submittal deadline, must be signed or initialed by the firm or authorized agent, guaranteeing authenticity. Proposals cannot be altered, amended or withdrawn by firm after the submission deadline. Modifications offered in any other manner, oral or written, will not be considered. A final Proposal cannot be changed or withdrawn after the designated time for receipt, except for modifications/clarifications requested by the City of Colleyville after the date of receipt and following any oral presentations.

VI. EVALUATION PROCESS

A. Review of Proposals

The Audit Technical Selection committee will use a point formula during the review process to score proposals. Each member of the Audit Selection Technical committee will first score each technical proposal by each of the criteria described in Section VII B below. The full Audit Technical Selection committee will then convene to discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration. Firms with an acceptable score will be invited to make an oral presentation to the full Audit Committee, and will be assigned scores based upon their presentation. After the oral presentations are completed, the sealed dollar cost bid will be opened and additional points will be added to the score based upon the price bid. The maximum score will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to the other proposers. The City of Colleyville reserves the rights to retain all proposals submitted, and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process:

1. Mandatory Elements

a. The audit firm is independent and licensed to practice in the State of Texas
b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years
c. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal

2. Technical Qualifications: Maximum Points - 80

a. Audit Expertise and Experience - **30 points**

(1) The firm's past experience and performance on comparable government engagements
(2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

b. Audit Approach - **30 points**

(1) Adequacy of proposed staffing plan for various segments of the engagement
(2) Adequacy of sampling techniques
(3) Adequacy of analytical procedures
(4) Adequacy of review of internal controls

c. Government References – **20 points**

3. Oral Presentations: Maximum Points - 10

4. Price: Maximum Points – 10

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

C. Oral Presentations

Firms having an acceptable technical score will be requested to make an oral presentation to the Audit Selection Committee on Tuesday, May 1, 2018. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's Proposal.

D. Final Selection

The City Council will select a firm based upon the recommendation of the Audit Committee. It is anticipated that a firm will be selected by May 4, 2018. The City Council will approve the contract at the May 15, 2018 Council meeting.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Colleyville and the firm selected. The City of Colleyville reserves the right without prejudice to reject any or all proposals.

F. Award of Contract:

It is understood that the City reserves the right to accept or reject any and all Proposals and to re-solicit for Proposals, as it shall deem to be in the best interest of the City. Receipt and consideration of any Proposal shall under no circumstances obligate the City to accept any Proposal. If an award of the contract is made, it shall be to the responsible firm whose Proposals is determined to be the best evaluated offer taking into consideration the relative importance of the evaluation factors set forth in this Request for Proposals.

VII. GENERAL TERMS AND CONDITIONS:

Respondents are advised to review this request carefully, and to follow instructions completely, as failure to make a complete submission as described herein may result in rejection of the submission.

DISCLOSURE OF INTEREST: Pursuant to Chapter 176 of the Texas Local Government Code, a person, or agent of a person, who contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of Colleyville must file a completed conflict of interest questionnaire which is included in this solicitation or available at www.ethics.state.tx.us. The conflict of interest questionnaire must be filed with the City of Colleyville no later than the seventh business day after the person or agent begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposal or bid, correspondence, or writing related to a potential agreement. An updated conflict of interest questionnaire must be filed in accordance with Chapter 176 of the Local Government Code. An offense under Chapter 176 is a Class C misdemeanor.

By doing business or seeking to do business with the City of Colleyville, you acknowledge that you have been notified of the requirements of Chapter 176 of the Texas Local Government Code and that you are solely responsible for complying with these requirements.

Certificate of interested parties: in 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code and applies to all contracts entered into on or after January 1, 2016. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies to all contracts/purchases of a governmental entity that require action or vote by the governing body of the entity.

With regards to the City of Colleyville, a vendor that is awarded a contract or purchase that is greater than $50,000 is required to electronically create a Form 1295 through the Texas Ethics Commission website (https://www.ethics.state.tx.us) and submit a signed and notarized copy of the form to the City. A contract, including City-issued purchase order, will not be enforceable or legally binding until the City receives and acknowledges receipt of the properly completed Form 1295 from the vendor.

Prohibition of Boycott of Israel: House Bill 89, effective September 1, 2017, amended the Texas Government Code to add Chapter 2270, Prohibition on contracts with companies boycotting Israel. Effective September 1, 2017, a state agency and a political subdivision (which includes a city) may not enter a contract with a company for goods or services unless the contract contains a written verification from the company that (a) it does not boycott Israel, and (b) will not boycott Israel during the term of the contract.

> "Boycott Israel" is defined to mean refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business with Israel or in an Israel-controlled territory, but does not include an action made for ordinary business purposes.
>
> "Company" is defined to mean a for-profit sole proprietorship, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

Senate Bill 252: Senate Bill 252, effective September 1, 2017, prohibits governmental contracts with a company doing business with Iran, Sudan, or a foreign terrorist organization. Senate Bill 252 amended the Texas Government Code to add Chapter 2252, Prohibition on contracts with certain companies. This Bill prohibits state agencies from contracting with or investing in companies that do business with Iran or designated foreign terrorist organizations.

> "Foreign terrorist organization" means an organization designated as a foreign terrorist organization by the United States Secretary of State as authorized by 8 U.S.C. Section 1189.
>
> "Government contracts" means a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment. The term includes a contract to obtain a professional or consulting service subject to Chapter 2254.

The City may request representation and other information sufficient to determine firm's ability to meet the minimum standards as indicated herein.

Respondents are advised to review all sections of this RFP carefully, and to follow instructions completely, as failure to make a complete submission as described herein may result in rejection of the submission.

All costs associated with developing or submitting a proposal in response to this request, or to provide oral or written clarification of its content shall be the sole responsibility of the respondent. The City of Colleyville assumes no responsibility of these costs. This RFP does not commit the City to pay any costs incurred in preparation or submission of a response or in anticipation of a contract.

This RFP does not commit the City of Colleyville to enter into a contract. The City reserves the right to award one, more than one, or no contract(s) in response to this RFP. The City of Colleyville reserves the right to waive any formalities and irregularities in the submissions or proposals received. The City also reserves the right to terminate this RFP, and reissue a subsequent solicitation, and/or remedy technical errors in the RFP process.

The Contract, if awarded, will be awarded to the respondent whose submittal is deemed most advantageous to the City of Colleyville, as determined by the selection committee, upon approval of the Colleyville City Council.

The City of Colleyville reserves the right to contact any respondent for clarification, interviews or to negotiate if such is deemed desirable by the City.

All respondents are prohibited from making any contact with any City personnel, City Council, or City Manager with regard to the RFP, other than in the manner and to the person designated herein. The City of Colleyville reserves the right to disqualify any respondent found to have contacted anyone other than the designee.

Responders should be aware that the RFP and the contents of the successful RFP will become part of any subsequent contractual document that may arise from this Request. In cases of discrepancy between the RFP and the responder's submittals, the RFP will rule.

Submittals cannot be altered or amended after the closing date. Submittals will be publicly acknowledged in the City Hall Finance Department located at 100 Main Street, Colleyville, Texas 76034 at the time and date specified. All interested parties may be present. There will be no disclosure of contents to competing firms, and all Statements of Proposals will be kept confidential during the evaluation and negotiation process.

By submitting, firm certifies that they have fully read and understands this Request for Proposals and has full knowledge of the scope and quality of the services to be furnished and intends to adhere to the provisions described herein. Failure to do so will be at the firm's own risk.

Any submittal which does not contain all of the information requested herein will be considered incomplete and may be rejected.

The City reserves the right to retain all submittals and to use any idea in a submittal regardless of whether the firm is selected. Submission indicated acceptance by the firm of the terms and conditions contained in the Request for Proposals unless clearly and specifically noted in the submission and confirmed in the contract between the City and the selected firm.

The City reserves the right to waive any informalities and technicalities and to accept the offer considered most advantageous in order to obtain the best value for the City. Causes for rejection of a submittal may include but shall not be limited to:

- The firm's current violation of any City Ordinance
- The firm's current inability to satisfactorily perform the work or service
- The firm's previous failure to properly and timely perform its obligations under a contract with the City

Firm may be disqualified and rejection of submittals may be recommended for any (but not limited to) of the following causes:

- Failure to use the forms furnished by the City (if any)
- Lack of signature by an authorized representative
- Failure to properly complete the submittal requirements
- Evidence of collusion among firms
- Any alterations of the language contained within the RFP.

The City of Colleyville reserves the right to waive any minor informality or irregularity.

The City may conduct reference checks as needed to evaluate submittals. The City may contact those listed, and inclusion of this listing in your submittal is an agreement that the City may contact the named reference. The City reserves the right to contact other companies or individuals that can provide information to the City that will assist in the evaluation of the capability of the firm.

The City of Colleyville operates and is funded on a fiscal year basis; accordingly, the City reserves the right to terminate, without liability, any contract for which funding is not available.

The City of Colleyville is exempt from Federal Excise and State Sales Tax; therefore, tax must not be included in any contract that may be awarded from this Request for Proposals.

The City reserves the right to negotiate all elements that comprise the successful firm's response to ensure that the best possible consideration can be afforded to all concerned.

The firm may not assign its rights or duties under an award without the prior written consent of the City. Such consent shall not relieve the assignor of liability in the event of default by its assignee.

Firm will not be allowed to take advantage of any errors or omissions in this Request for Proposals. Firms shall promptly notify the City of any omission, ambiguity, inconsistency or error that they may discover upon examination of the documents. The City assumes no responsibility for any errors or misrepresentations that result from incomplete Proposals. No plea of ignorance of conditions that exist, or difficulties or conditions concerning the work to be performed, or execution of the work shall be accepted as an excuse for any failure or omission on the part of specifications documents governing the work. The firm awarded the contract shall not be allowed any extra compensation by reason of any matter or aspect prior to the Proposal.

Any ambiguity in the Request as a result of omission, error, lack of clarity or noncompliance by the firm with specifications, instructions and all conditions shall be construed in the favor of the City.

Once the submittal deadline has passed, any Proposal shall constitute an irrevocable statement to provide the services set forth in this Request. Such Proposal shall be irrevocable until the earlier of the expiration of ninety (90) days from the submission deadline, or until a contract has been awarded by the City.

When the City has reason to question the firm's intent to perform, the City may demand that written assurances of intent to perform be provided. In the event such a demand is made, and no assurance is given within ten (10) calendar days, the City may treat this failure as an anticipatory repudiation of the contract.

The final contract document will be prepared by the City on the City's form and will be governed and construed according to the laws of the State of Texas. The contract is performable in Tarrant County, Texas. Venue shall lie exclusively in Tarrant County, Texas. All services shall be provided in accordance with applicable requirements and ordinances.

Firms shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of the City. The City may, by written notice to the successful firm, cancel this contract without liability to the firm if it is determined by the City that gratuities or bribes of entertainment, gifts, or otherwise, were offered or given by the firm, its agents, or its representatives to any City officer, employee, or elected representative with respect to the performance of this contract. In addition, the successful firm shall be subject to penalties as stated in Title 8 of the Texas Penal Code.

The City of Colleyville requires awarded firm to carry the minimum insurance as required by state law. Certificates of Insurance must be provided to the City.

[End of Document – Appendices Begin on Following Page]

Appendix A

PROPOSER GUARANTEES

I. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section III, Nature of Services Required

Signature of Official:

Name (typed):

Title:

Firm:

Date:

Appendix B

PROPOSER WARRANTIES

A. Proposer warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.

B. Proposer Warrants that is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Colleyville.

D. Proposer warrants that all information provided in connection with this proposal is true and accurate.

Signature of Official:

Name (typed):

Title:

Firm:

Date:

Appendix C - Part 1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2018 FINANCIAL STATEMENTS AND CAFR PREPARATION AND PRINTING

	Standard Hours	Hourly Rates	Total
Partner(s) :	_______	$________	$_______
Manager(s) :	_______	$________	$_______
Supervisory Staff :	_______	$________	$_______
Staff :	_______	$________	$_______
Other (Specify) :	_______	$________	$_______
Subtotal			$
Out of pocket expenses			$
CAFR Preparation (if not included above)			$
Typing, Printing, Binding and Delivery of Twenty-five (25) Copies of the CAFR			$
Total all-inclusive maximum price for 2018 audit and CAFR preparation			$

Note: The rate quoted should **not** be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Projected annual increase for FY 2019-2022 (Express as a % or Type: e.g. Increase will be tied to DFW annual CPI increase) : ____

Signature of Official:

Name (typed):

Title:

Firm:

Date:

Appendix C - Part 2

SCHEDULE OF PROFESSIONAL FEES FOR SERVICES DESCRIBED IN THE REQUEST FOR PROPOSALS SECTION III E –

REPORTS FOR BOND SALE

Total Price $

SINGLE AUDIT

Total Price $

Signature of Official:

Name (typed):

Title:

Firm:

Date:

Appendix D

CITY FUNDS

FUND NAME		DESCRIPTION	FUND TYPE
001	General Fund	General government purposes; M&O portion of tax rate	General Fund
036	Strategic Initiatives	Programs/projects linked to the strategic plan	
004	Debt Service	From debt (I&S) portion of the tax rate for debt payments	Debt Service
003	Capital Projects	Capital projects; some funding sources have restricted uses	Capital Projects
012	Park Land Dedication	Acquisition of land for new park sites	Capital Projects
032	VERF Fund	Committed to server, equipment, and vehicle replacements	Capital Projects
034	Colleyville Tomorrow	Capital purchases/at Council discretion; Gas leases on City property	Capital Projects
035	Parks Tomorrow	From gas lease on City park property for parks capital projects	Capital Projects
005	Voluntary Park Fund	New or existing park capital costs (no M&O); Donations through utility bills	Special Revenue
007	Donations Fund	Donations; Only restricted if specified by donor	Special Revenue
011	Voluntary Library	Donations through utility bills for Library activities	Special Revenue
015	Police Asset Forfeiture	Seizures of property; restricted by law	Special Revenue
016	Grants	Projects supported by Grants	Special Revenue
018	Tree Preservation	From tree mitigation fees used for tree replanting on city-owned property	Special Revenue
019	Library Donation	Donations for Library needs or as specified by donor	Special Revenue
020	Recreational Event	Event revenue and special events expenses	Special Revenue
023	Leose	Police training; State of Texas	Special Revenue
027	Crime District (CCCPD)	From 0.5 cent sales tax used for Public safety and crime control activities	Special Revenue
028	Kidsville	Kidsville park maintenance	Special Revenue
029	Court Technology	From municipal court technology fee for court technology	Special Revenue
030	Court Security	From municipal court building security fee for security-related expenses	Special Revenue
033	Public Art	Public Art	Special Revenue
037	Juvenile Case Mgr	From juvenile case manager fee	Special Revenue
038	Hotel/Motel Fund	From Hotel/Motel tax	Special Revenue
002	Utility Operating Fund	From water and wastewater base and volumetric rates	Enterprise
039	Utility Capital Projects	From transfers for Utility capital projects	Capital Projects
017	Drainage Fee Fund	From monthly drainage fee for drainage operations and capital projects	Enterprise
006	Sesquicentennial Fund	Established for 150th anniversary of Texas' independence from Mexico	Fiduciary
008	Employee Activity	From employee Contributions for employee activities	Fiduciary
026	TIF Fund	From incremental assessed value revenue in the TIF District	Component Unit
024	CEDC	From 0.5% cent sales tax for Library, Parks, and Colleyville Center	Special Revenue
025	CEDC - Capital	For Library, City Park, McPherson Park & Colleyville Center capital projects	Capital Projects

City of Colleyville
Audit Committee
Agenda Briefing

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

Agenda Number 3b **Agenda Date** 05/01/2018 **Number**
Type Presentation and Discussion
Department Finance

Title

Interview of audit firms submitting proposals in response to the City's request for proposals for an external audit firm

Strategic Plan

Explanation

The Audit Committee will interview the audit firms for the City's annual external audit for Fiscal Year ended September 30, 2018.

Each firm will be allotted ten minutes to do a short presentation and answer the Committee's questions.

The audit firms that will be presenting before the Committee are:

1. BKD, LLP
2. Weaver and Tidwell, LLP
3. Whitley Penn, LLP
4. Pattillo, Brown & Hill, LLP

Attachments

City of Colleyville
Audit Committee
Agenda Briefing

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

Agenda Number 3c **Agenda Date** 05/01/2018 **Number**
Type Presentation and Discussion
Department Finance

Title
Opening the sealed cost portion of the audit proposals and consider a recommendation to City Council for the selection of an audit firm

Strategic Plan

Explanation
Following the prospective audit companies' presentations, the audit committee will open the sealed bids.

Staff will present their recommendation in response to the request for proposals for the City's annual external audit for Fiscal Year ended September 30, 2018 for the purpose of recommending an audit firm to the City Council on May 15, 2018.

Attachments

City of Colleyville
City Council
Agenda Briefing

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

Agenda Number **Agenda Date** 05/01/2018 **Number**
Type Presentation
Department City Manager

Title
Quarterly Investment Report for the quarter ended March 31, 2018

Strategic Plan
1.4 Communicate thoroughly and strategically
1.3 Assure convenient access to public information
2.4 Demonstrate stewardship of public resources

Explanation

Investment Summary for period ending March 31, 2018:
Cash & Cash Equivalents (Logic) were $60,500,298, investments in governmental issues were $20,782,071 and the CDARS/CD's totaled $4,072,284.

The total funds held by the City equaled $85,354,654 and were allocated as follows:

• Logic	31%
• Government Issues	24%
• CDARS/CD's	4%
• CD'S	1%
• Cash	40%

Investment Benchmark 1.56%

• Logic	1.61%
• Government Issues	1.34%
• CDARS	0.52%
• CD'S	2.53%
• Bank Earned Income Credit	1.45%
• Portfolio	1.15%

Interest earnings for the quarter were $188,306 with an average yield of 1.48% versus $154,188 and 1.15% for the prior quarter. These percentages are within the guidelines of the City investment policy.

Attachments
1. Investment Report-March 2018

QUARTERLY INVESTMENT REPORT

FOR QUARTER ENDING March 31, 2018

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

Shereen Gendy

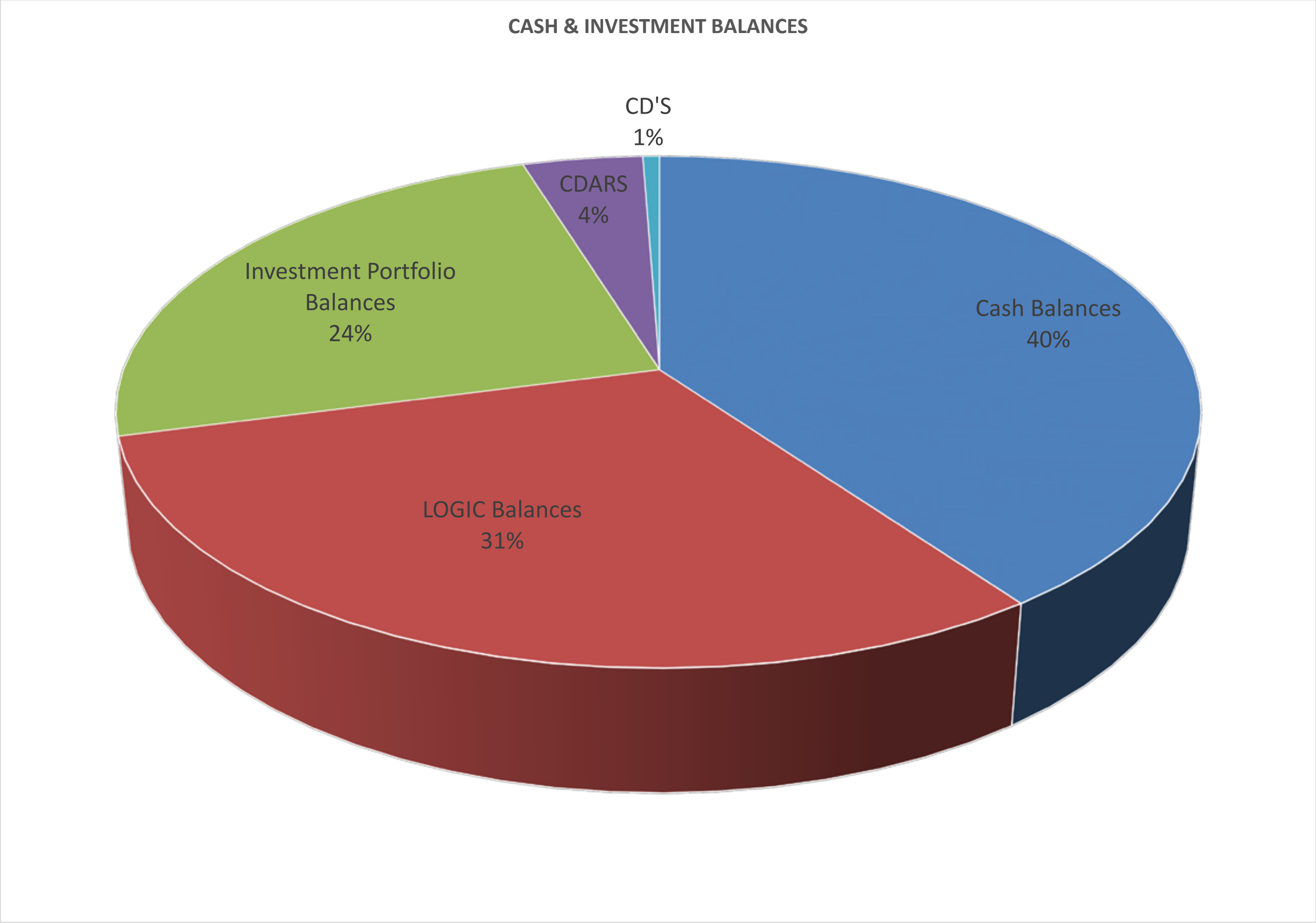
Karen Hines

Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT

Cash and Investment Balances	Current As of 3/31/2018	Last Quarter As of 12/31/2017
Cash Balances	$ 34,220,412	$ 29,516,598
LOGIC Balances	$ 26,279,886	$ 26,175,681
Investment Portfolio Balances	$ 20,782,071	$ 20,783,848
CDARS	$ 3,576,284	$ 4,591,089
CD'S	$ 496,000	$ -
Total Cash, Logic, & Other Investments	$ 85,354,654	$ 81,067,216

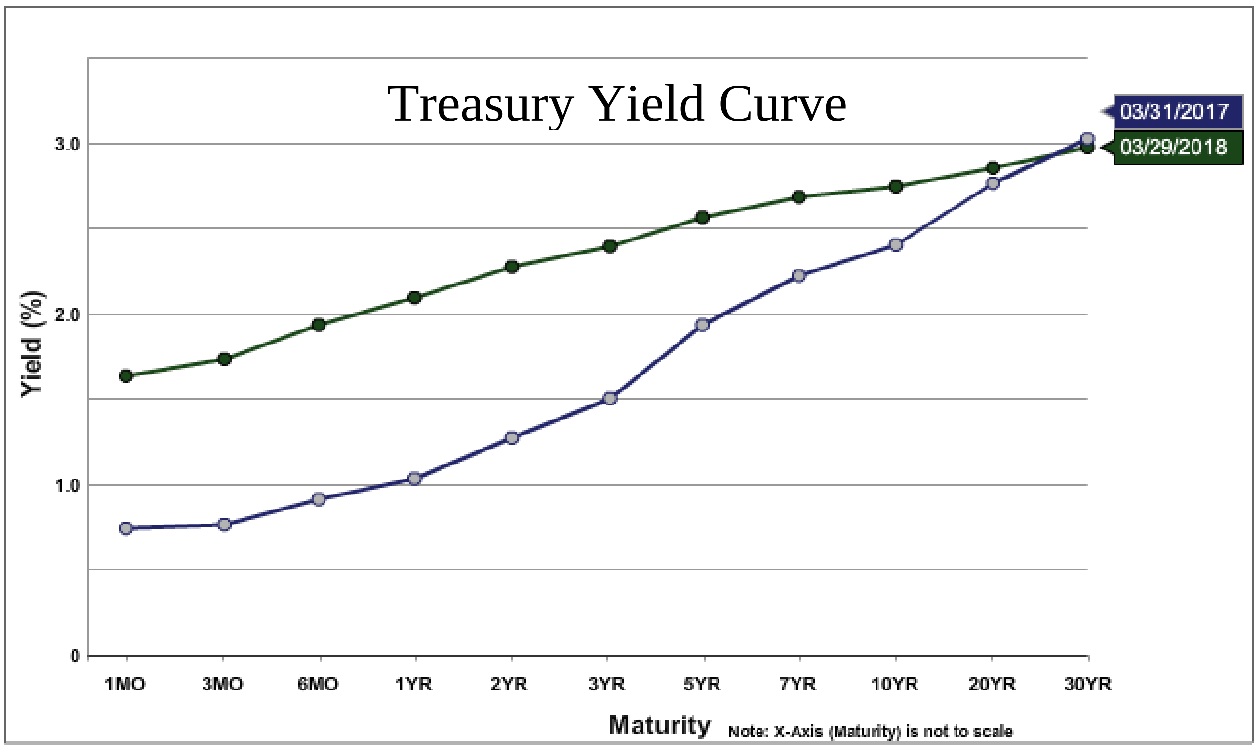
Investment Yields, Maturities, and Interest	Current As of 3/31/2018	Last Quarter As of 12/31/2017
Bank Earned Income Credit	1.45%	1.10%
13 Week Treasury Benchmark	1.56%	1.21%
Logic Average Quarterly Yield	1.61%	1.32%
Logic Quarter's Average Weighted Maturity	29	35
Average Weighted Yield: Agency	1.34%	1.21%
Average Weighted Maturity: Agency	373	393
Average Weighted Yield: CDARS	0.52%	0.50%
Average Weighted Maturity: CDARS	256	287
Average Weighted Yield: CD'S	2.53%	NA
Average Weighted Maturity: CD'S	730	NA
Investment Interest Earnings - Quarter	$ 188,306	$ 154,188
Bank Earnings Allowance	$ 20,917	$ 16,572
Interest Rate/Yield for the Quarter	1.48%	1.15%

Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT



Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT

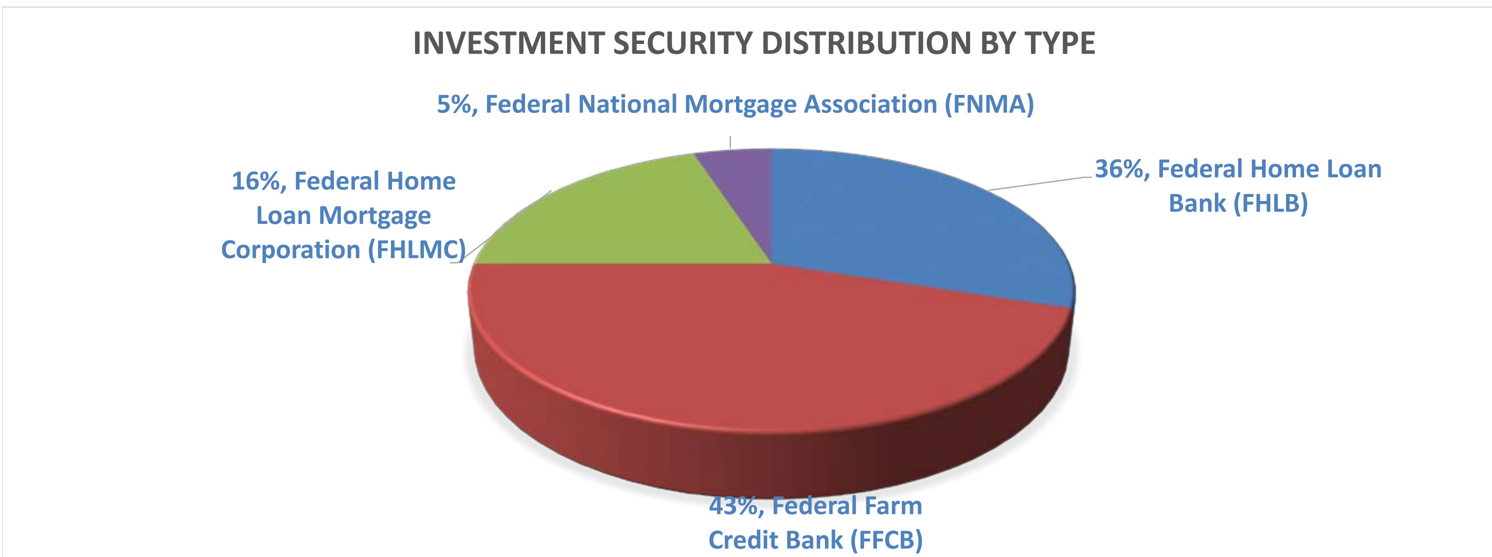
Outstanding Security Portfolio Distribution by Maturity	Number	Purchase Price	Percent (Value)	Market Value
1 to 90 days	5	$ 5,201,190	25.03%	$ 5,188,727.60
91 to 180 days	1	$ 999,300	4.81%	$ 995,257.00
181 to 365 days	3	$ 3,000,392	14.44%	$ 2,982,691.00
Over 365 days	11	$ 11,581,190	55.72%	$ 12,619,354.10
Total	20	$ 20,782,071	100%	$ 21,786,030



Source: https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/Historic-Yield-Data-Visualization.aspx

Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT

Outstanding Security Portfolio		Purchase Price	Percent	Market Value
Distribution by Type of Investment	Number		(Value)	
Federal Home Loan Bank (FHLB)	6	$7,397,885	36%	$8,549,089
Federal Farm Credit Bank (FFCB)	9	$8,985,766	43%	$9,022,919
Federal Home Loan Mortgage Corporation (FHLMC)	4	$3,394,720	16%	$3,215,688
Federal National Mortgage Association (FNMA)	1	$1,003,700	5%	$998,334
Total	20	$ 20,782,071	100%	$ 21,786,030



	S&P	Moody's
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

AA+ = high quality, very low credit risk
Aaa = highest quality, lowest level of credit risk

ALL FUNDS CASH & INVESTMENT REPORTS

ALL FUNDS CASH & INVESTMENTS REPORT BY TYPE
AS OF MARCH 31, 2018

	GOVERNMENTAL FUNDS	CASH	LOGIC	INVESTMENTS	CDARS	CD'S	TOTAL
001	GENERAL FUND	8,540,033	418,245	4,790,656	2,555,094	496,000	16,800,027
036	STRATEGIC INITIATIVES	39,482	495,497	0	0		534,979
004	DEBT SERVICE FUND	896,165	34,653	0	0		930,819
003	CAPITAL PROJECTS	12,424,832	1,886,848	2,493,119	508,787		17,313,587
012	PARK LAND DEDICATION	109,038	0	1,325,973	0		1,435,012
032	VEHICLE AND CAPITAL REPLACEMENT	903,337	83,773	514,300	0		1,501,410
034	COLLEYVILLE TOMORROW	254,988	1,706,844	475,442	0		2,437,274
035	PARKS TOMORROW	2,331	1,038,882	0	0		1,041,213
005	VOLUNTEER PARK FUND	258,553	0	750,000	0		1,008,553
007	DONATIONS FUND	54,780	0	0	0		54,780
011	LIBRARY FUND	70,187	0	359,643	0		429,829
015	POLICE ASSET FORFEITURE	8,735	0	0	0		8,735
016	TDPA GRANT	(1,527)	0	0	0		(1,527)
018	TREE PRESERVATION	318,198	0	0	0		318,198
019	LIBRARY DONATION	147,765	0	0	0		147,765
020	RECREATIONAL EVENT	12,501	0	0	0		12,501
023	LEOSE	3,733	0	0	0		3,733
027	CRIME DISTRICT	11,695	778,074	0	0		789,769
028	KIDSVILLE MAINTENANCE	5,813	0	0	0		5,813
029	COURT TECHNOLOGY	(14,753)	0	0	0		(14,753)
030	COURT SECURITY	61,512	0	0	0		61,512
033	PUBLIC ART	7,904	0	0	0		7,904
037	JUVENILE CASE MANAGER	23,445	0	0	0		23,445
038	HOTEL / MOTEL FUND	207,764	0	0	0		207,764
	ENTERPRISE FUNDS						
002	UTILITY FUND	1,330	2,702,713	2,698,792	512,403		5,915,237
039	UTILITY CAPITAL PROJECTS FUND	7,213,017	2,962,001	62,117	0		10,237,135
017	DRAINAGE FEE	484,369	1,506,200	400,000	0		2,390,570
	FIDUCIARY FUNDS						
006	SESQUICENTINIAL FUND	20,728	0	0	0		20,728
008	EMPLOYEE ACTIVITY	4,489	0	0	0		4,489
040	INSURANCE TRUST FUND	(5,283)	0	0	0		(5,283)
	COMPONENT UNIT						
026	TIF FUND	632,891	11,644,443	5,412,031	0		17,689,366
		32,698,054	**25,258,174**	**19,282,071**	**3,576,284**	**496,000**	**81,310,583**
	COLLEYVILLE ECON DEV CORP						
024	CEDC	1,521,656	956,621	1,500,000	0		3,978,276
025	CEDC - CAPITAL	703	65,091	0	0		65,794
		1,522,359	**1,021,712**	**1,500,000**	**0**	**0**	**4,044,070**
	GRAND TOTAL	**34,220,412**	**26,279,886**	**20,782,071**	**3,576,284**	**496,000**	**85,354,653**

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.

CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - RESTRICTIONS BY FUND

		Available Unrestricted	Available for Restricted Purpose	CASH & INVESTMENTS Approved Projects	Restricted Unavailable	AS OF MARCH 31, 2018 Ran 4.12.18
GOVERNMENTAL FUNDS						
001	GENERAL FUND	16,682,566	32,548	-	84,913	**16,800,027**
036	STRATEGIC INITIATIVE	534,979	-	-	-	**534,979**
004	DEBT SERVICE FUND	-	930,819	-	-	**930,819**
003	CAPITAL PROJECTS	5,791,770	6,670,013	4,701,181	150,623	**17,313,587**
012	PARK LAND DEDICATION	-	1,435,012	-	-	**1,435,012**
032	VEHICLE AND CAPITAL REPLACEMENT	-	1,501,410	-	-	**1,501,410**
034	COLLEYVILLE TOMORROW	2,437,274	-	-	-	**2,437,274**
035	PARKS TOMORROW	1,041,213	-	-	-	**1,041,213**
005	VOLUNTARY PARK FUND	-	1,008,553	-	-	**1,008,553**
007	DONATIONS FUND	-	54,780	-	-	**54,780**
011	VOLUNTARY LIBRARY FUND	-	429,829	-	-	**429,829**
015	POLICE ASSET FORFEITURE		8,735			**8,735**
016	GRANTS	-	(1,527)	-	-	**(1,527)**
018	TREE PRESERVATION	-	318,198	-	-	**318,198**
019	LIBRARY DONATION	-	147,765	-	-	**147,765**
020	RECREATIONAL EVENT	-	12,501	-	-	**12,501**
023	LEOSE	-	3,733	-	-	**3,733**
027	CRIME DISTRICT	-	789,769	-	-	**789,769**
028	KIDSVILLE MAINTENANCE	-	5,813	-	-	**5,813**
029	COURT TECHNOLOGY	-	(14,753)	-	-	**(14,753)**
030	COURT SECURITY	-	61,512	-	-	**61,512**
033	PUBLIC ART	-	7,904	-	-	**7,904**
037	JUVENILE CASE MANAGER	-	23,445	-	-	**23,445**
038	HOTEL / MOTEL FUND	-	207,764	-	-	**207,764**
ENTERPRISE FUNDS						
002	UTILITY FUND	5,442,554	-	-	472,683	**5,915,237**
039	UTILITY CAPITAL PROJECTS FUND	5,120,800	3,897,185	1,157,033	62,117	**10,237,135**
017	DRAINAGE FEE	2,231,097	37,095	-	122,378	**2,390,570**
FIDUCIARY FUNDS						
006	SESQUICENTINIAL FUND	-	20,728	-	-	**20,728**
008	EMPLOYEE ACTIVITY	-	-	-	4,489	**4,489**
040	INSURANCE TRUST FUND				(5,283)	**(5,283)**
COMPONENT UNIT						
026	TIF FUND	15,685,674	115,813	1,887,878	-	**17,689,366**
		54,967,928	**17,704,644**	**7,746,092**	**891,920**	**81,310,583**
COLLEYVILLE ECON DEV CORP						
024	CEDC	$ 3,978,276	$ -	$ -	$ -	**$ 3,978,276**
025	CEDC - CAPITAL	-	65,794	-	-	**65,794**
GRAND TOTAL		**58,946,204**	**17,770,438**	**7,746,092**	**891,920**	**85,354,653**

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.

CITY FUNDS - BACKGROUND

GOVERNMENTAL FUNDS	REVENUE SOURCE	PURPOSE/RESTRICTION
001 GENERAL FUND	M&O portion of tax rate, sales tax, charges for service, etc.	General government purposes
036 STRATEGIC INITIATIVES	Transfers from the General Fund	Programs/projects linked to the strategic plan; primarily used on eco. dev. incentives
004 DEBT SERVICE	Debt (I&S) portion of the tax rate	Payments on debt issued
003 CAPITAL PROJECTS	Transfers from the General Fund, street impact fees, escrows	Capital projects; some funding sources have restricted uses
012 PARK LAND DEDICATION	Fees on new residential & commercial development	Acquisition of land for new park sites or improvements/expansions of existing parks (no M&O)
032 VEHICLE AND CAPITAL REPLACEMENT	Transfers from the General Fund	Committed to server, equipment, and vehicle replacements
034 COLLEYVILLE TOMORROW	Gas leases on City property	Capital purchases/at Council discretion
035 PARKS TOMORROW	Gas leases on City park property	Parks capital projects
005 VOLUNTARY PARK FUND	Donations through utility bills	New or existing park capital costs (no M&O)
007 DONATIONS FUND	Donations	Only restricted if specified by donor
011 VOLUNTARY LIBRARY FUND	Donations through utility bills	Library activities- primarily purchase of books and materials (no M&O)
015 POLICE ASSET FORFEITURE	Seizures	Police operations as restricted by law
016 TDPA GRANT (EECBG GRANT)	U.S. Dept. of Energy	Energy efficiency projects
018 TREE PRESERVATION	Tree mitigation fees	Tree replanting on city-owned property
019 LIBRARY DONATION	Donations	Library needs or as specified by donor
020 RECREATIONAL EVENT	Event revenue (like sale of tables)	Special events expenses
023 LEOSE	State of Texas	Police training
027 CRIME DISTRICT (CCCPD)	0.5 cent sales tax	Public safety and crime control activities
028 KIDSVILLE MAINTENANCE	Remaining donations	Kidsville maintenance
029 COURT TECHNOLOGY	Municipal court technology fee	Court technology repairs, replacements, and upgrades
030 COURT SECURITY	Municipal court building security fee	Security-related expenses for the court (Bailiff)
033 PUBLIC ART	2008-9 Transfers from General, Utility, Drainage, CEDC Funds	Public Art
037 JUVENILE CASE MANAGER	Juvenile case manager fee	Staff who handle juvenile defendants and their training
038 HOTEL/MOTEL FUND	Hotel/Motel tax	Attract "heads in beds"; specific uses outlined in state law

ENTERPRISE FUNDS		
002 UTILITY OPERATING FUND	Water and wastewater base rates and volumetric rates	Utility operations and payments to TRA
039 UTILITY CAPITAL PROJECTS FUND	Transfers from Utility Operating Fund, impact fees, CIP base rate	Utility capital projects; water and wastewater impact fees have restricted uses
017 DRAINAGE FEE FUND	Monthly drainage fee	Operations and capital projects related to drainage maintenance and improvement

FIDUCIARY FUNDS		
006 SESQUICENTINIAL FUND	Currently, sale of the Colleyville History book	Created for fund raising for festivities related to 150th anniversary of Texas' independence from Mexico (1986)
008 EMPLOYEE ACTIVITY	Employee contributions	Employee luncheons and other employee activities; governed by by-laws
040 INSURANCE TRUST FUND	Payroll deductions and city's contributions	Pass through trust fund used to account for employee insurance costs. Created cost savings for the city.

COMPONENT UNIT		
026 TIF FUND	Incremental A/V revenue in the TIF District	Projects in the Project Plan approved by all TIF partners

COLLEYVILLE ECON DEV CORP		
024 CEDC	0.5 cent sales tax	For Library, Parks, and Colleyville Center; max. 10% on promotional expenses and special events
025 CEDC - CAPITAL	Bond proceeds	Bond projects: Library, City Park, McPherson Park, Colleyville Center capital projects

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

LISTING OF INVESTMENTS

BY TYPE

CITY OF COLLEYVILLE INVESTMENT SECURITIES HELD JAN 1 - MAR 31, 2018

CUSIP	SECURITY	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	PAR VALUE	MARKET VALUE 12/31/2017	LESS MATURITY PROCEEDS	PLUS PERIOD PURCHASES	MARKET VALUE 3/31/2018	YIELD ON INVESTMENT	INTEREST	INTEREST RECEIVED TO MATURITY
3137EAEA3	FHLMC NOTE	4/12/2016	4/9/2018	$999,850	$1,000,000	$997,243			$998,159	0.758%	$1,869	$15,098
3136G0V57	FNMA NOTE	5/9/2016	4/30/2018	$1,003,700	$1,000,000	$998,448			$998,334	0.811%	$2,000	$16,020
3133EGAF2	FFCB NOTE	5/20/2016	5/16/2018	$997,400	$1,000,000	$997,520			$997,306	0.882%	$2,175	$17,543
3130A8EJ8	FHLB NOTE	6/10/2016	6/5/2018	$1,200,000	$1,200,000	$1,196,081			$1,196,338	0.850%	$2,515	$20,260
313379DT3	FHLB NOTE	7/5/2017	6/8/2018	$1,000,240	$1,000,000	$999,745			$998,591	1.224%	$3,018	$11,335
3133EGML6	FFCB NOTE	7/18/2016	7/18/2018	$999,300	$1,000,000	$995,725			$995,257	0.785%	$1,936	$15,700
3133EFX69	FFCB NOTE	10/17/2016	10/5/2018	$1,000,580	$1,000,000	$996,048			$994,049	0.930%	$2,293	$18,294
3133EG5Q4	FFCB NOTE	2/1/2017	2/1/2019	$1,000,000	$1,000,000	$997,081			$994,656	1.300%	$3,205	$26,000
3130AAS41	FHLB NOTE	3/24/2017	2/8/2019	$999,812	$1,000,000	$996,275			$993,986	1.280%	$3,156	$24,057
3133EHHN6	FFCB NOTE	3/5/2017	5/2/2019	$1,000,000	$1,000,000	$996,128			$993,425	1.350%	$3,329	$29,145
3137EAEH8	FHLMC NOTE	7/31/2017	8/15/2019	$500,000	$500,000	$498,499			$495,710	1.375%	$1,695	$14,033
313380FB8	FHLB NOTE	8/29/2017	9/13/2019	$1,000,000	$1,000,000	$996,975			$990,732	1.375%	$3,390	$28,065
3137EADM8	FHLMC NOTE	9/14/2017	10/2/2019	$998,788	$1,000,000	$996,011			$832,538	1.250%	$3,082	$25,616
3137EADM8	FHLMC NOTE	10/13/2017	10/2/2019	$896,082	$900,000	$889,282			$889,282	1.475%	$6,147	$26,150
3130ACLS1	FHLB NOTE	10/11/2017	10/11/2019	$2,200,000	$2,200,000	$2,184,721			$2,184,721	1.550%	$15,974	$68,195
3133EHP98	FFCB NOTE	11/6/2017	11/6/2019	$1,000,000	$1,000,000	$993,668			$993,668	1.600%	$6,356	$32,000
3133EGJ30	FFCB NOTE	12/29/2017	11/18/2019	$1,238,775	$1,255,000	$1,235,061			$1,235,061	1.800%	$5,694	$42,642
3133EHV75	FFCB NOTE	12/8/2017	11/21/2019	$749,711	$750,000	$746,713			$746,713	1.750%	$4,063	$25,639
PURCHASED DURING THIS QUARTER												
3133EJCN7	FFCB NOTE	2/14/2018	2/14/2020	$1,000,000	$1,000,000			$1,000,000	$1,072,785	2.070%	$2,552	$41,400
3130ADN32	FHLB NOTE	3/7/2018	2/11/2020	$997,834	$1,000,000			$997,834	$2,184,721	2.240%	$1,473	$43,327
OUTSTANDING SECURITIES AT THE END OF THE QUARTER				**20,782,071**	**20,805,000**	**18,711,223**	**-**	**1,997,834**	**21,786,030**		**75,923**	**540,519**
MATURED DURING THIS QUARTER												
3133EFZR1	FFCB NOTE	2/17/2016	2/12/2018	$1,000,580	$1,000,000	$999,539	$1,004,000			0.771%	$908	$15,336
3137EADP1	FHLB NOTE	3/23/2016	3/7/2018	$999,030	$1,000,000	$999,135	$1,004,375			0.925%	$1,673	$18,095
SECURITIES MATURED DURING THE QUARTER				**1,999,610**	**2,000,000**	**1,998,674**	**2,008,375**				**2,581**	**33,430**
GRAND TOTAL				**22,781,681**	**22,805,000**	**20,709,897**	**2,008,375**	**1,997,834**	**21,786,030**		**78,504**	**573,949**

INVESTMENT			FHLMC NOTE	FNMA NOTE	FFCB NOTE	FHLB NOTE	FFCB NOTE	FFCB NOTE	FFCB NOTE	FHLB NOTE
DATE ACQUIRED			12-Apr-16	09-May-16	20-May-16	10-Jun-16	18-Jul-16	17-Oct-16	01-Feb-17	24-Mar-17
MATURITY DATE			09-Apr-18	30-Apr-18	16-May-18	05-Jun-18	18-Jul-18	05-Oct-18	01-Feb-19	08-Feb-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE			0.520%	0.370%	0.450%	0.410%	0.430%	0.480%	0.640%	0.870%
YIELD TO MATURITY			0.758%	0.811%	0.882%	0.850%	0.785%	0.930%	1.300%	1.280%
CUSIP#			**3137EAEA3**	**3136G0V57**	**3133EGAF2060**	**3130A8EJ8**	**3133EGML6**	**3133EFX69**	**3133EG5Q4**	**3130AAS41**
ACCOUNT	**ALLOCATION OF INVESTMENT**									
001-1172	GENERAL FUND OPERATING		999,850.00	0.00	997,400.00			0.00	1,000,000.00	500,000.00
002-1166	UTILITY DEBT SERVICE RESERVE									
002-1172	UTILITY FUND OPERATING									
002-1178	CUSTOMER DEPOSITS									
039-1186	UTILITY LINE RENEWAL									
039-1557	THE RESERVE LIFT STATION									
003-1121	INV-PERIMETER FEES									
003-1307	INV-ROAD RECONSTRUCTION			203,903.34						
003-1340	CASTLETON MANOR									
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			799,796.66		849,650.00	549,300.00	499,872.46		499,811.73
032-1519	CAPITAL EQUIPMENT RESERVE						150,000.00			
034-1172	COLLEYVILLE TOMORROW					350,350.00	100,000.00	25,091.76		
PER GENERAL LEDGER			$999,850.00	$1,003,700.00	$997,400.00	$1,200,000.00	$999,300.00	$1,000,580.00	$1,000,000.00	$999,811.73
MARKET VALUE			$995,870.00	$1,000,731.00	$0.00	$1,199,263.20	$0.00	$0.00	$0.00	$0.00
VALUE AT MATURITY			$1,000,000.00	$1,000,000.00	$1,000,000.00	$1,200,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY			15,089.51	16,015.09	17,546.43	20,260.23	15,706.88	18,296.88	26,000.00	24,056.99
DATE OF LAST INTEREST PAYMENT			43,018.00	43,038.00	43,055.00	43,074.00	43,118.00	43,013.00	43,132.00	43,139.00
INTEREST TO ACCRUE FOR PERIOD			3,787.38	5,000.00	3,750.00	5,100.00	3,750.00	4,800.00	6,500.00	6,350.00
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD			182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD		#	182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
ACCRUED INTEREST			$3,750.00	$5,000.00	$3,750.00	$5,100.00	$3,750.00	$4,800.00	$6,500.00	$6,350.00

INVESTMENT		FFCB NOTE	FHLB NOTE	TREASURY NOTE	FHLB NOTE	FHLMC NOTE	FHLMC NOTE	FHLB	FFCB NOTE
DATE ACQUIRED		03-May-17	05-Jul-17	31-Jul-17	29-Aug-17	14-Sep-17	13-Oct-17	26-Oct-17	06-Nov-17
MATURITY DATE		02-May-19	08-Jun-18	15-Aug-19	13-Sep-19	02-Oct-19	02-Oct-19	11-Oct-19	06-Nov-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.980%	1.130%	1.110%	1.130%	1.170%	1.250%	1.260%	1.280%
YIELD TO MATURITY		1.350%	1.250%	1.475%	1.375%	1.250%	1.475%	1.550%	1.600%
CUSIP#		**3133EHHN6**	**313379DT3**	**3137EAEH8**	**313380FB8**	**3137EADM8**	**3137EADM8**	**3130ACLS1**	**3133EHP98**
ACCOUNT	**ALLOCATION OF INVESTMENT**								
001-1172	GENERAL FUND OPERATING		0.00						
002-1166	UTILITY DEBT SERVICE RESERVE								
002-1172	UTILITY FUND OPERATING				2,465.01		18,422.28	500,000.00	250,985.36
002-1178	CUSTOMER DEPOSITS								194,005.33
039-1186	UTILITY LINE RENEWAL								
039-1557	THE RESERVE LIFT STATION				62,116.76				
003-1121	INV-PERIMETER FEES				712,932.38	998,788.00			253,649.76
003-1307	INV-ROAD RECONSTRUCTION				222,485.85				101,359.55
003-1340	CASTLETON MANOR								0.00
005-1172	VOLUNTARY PARK FUND							500,000.00	
011-1172	LIBRARY DONATIONS FUND								
012-1172	PARK LAND DEDICATION FUND							300,000.00	200,000.00
017-1172	DRAINAGE FUND OPERATING							200,000.00	
024-1172	CEDC OPERATING	1,000,000.00		500,000.00					
026-1172	TIF OPERATING		1,000,240.00				513,360.00	700,000.00	
032-1519	CAPITAL EQUIPMENT RESERVE						364,300.00		
034-1172	COLLEYVILLE TOMORROW								
PER GENERAL LEDGER		$1,000,000.00	$1,000,240.00	$500,000.00	$1,000,000.00	$998,788.00	$896,082.28	$2,200,000.00	$1,000,000.00
MARKET VALUE		$0.00	$996,640.00	$497,207.00	$995,886.00	$996,011.00	$893,386.80	$1,189,263.60	$993,135.00
VALUE AT MATURITY		$1,000,000.00	$1,000,000.00	$500,000.00	$1,000,000.00	$1,000,000.00	$900,000.00	$2,200,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY		26,962.89	11,575.34	15,053.08	28,065.07	25,616.44	26,149.93	66,793.50	32,000.00
DATE OF LAST INTEREST PAYMENT		43,041.00	43,077.00	43,146.00	43,172.00	43,192.00	43,021.00	43,034.00	43,045.00
INTEREST TO ACCRUE FOR PERIOD		6,749.97	6,250.00	3,934.03	6,875.00	6,242.43	6,608.61	17,048.69	8,000.00
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD		182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD		182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
ACCRUED INTEREST		$6,750.00	$5,486.11	$3,704.86	$6,875.00	$11,875.00	$6,264.86	$17,048.69	$8,000.00

INVESTMENT		FFCB NOTE	FFCB NOTE	FFCB NOTE	FHLB NOTE
DATE ACQUIRED		08-Dec-17	29-Dec-17	14-Feb-18	07-Mar-18
MATURITY DATE		21-Nov-19	18-Nov-19	14-Feb-20	11-Feb-20
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		1.420%	1.500%	1.770%	1.830%
YIELD TO MATURITY		1.750%	1.800%	2.070%	2.240%
CUSIP#		**3133EHV75**	**3133EGJ30**	**3133EJCN7**	**3130ADN32**
ACCOUNT	**ALLOCATION OF INVESTMENT**				
001-1172	GENERAL FUND OPERATING	0.00	255,571.93	1,000,000.00	37,833.62
002-1166	UTILITY DEBT SERVICE RESERVE		0.00		
002-1172	UTILITY FUND OPERATING	503,143.19	951,092.86		
002-1178	CUSTOMER DEPOSITS	246,567.66	32,110.05		
039-1186	UTILITY LINE RENEWAL				
039-1557	THE RESERVE LIFT STATION				
003-1121	INV-PERIMETER FEES				
003-1307	INV-ROAD RECONSTRUCTION				
003-1340	CASTLETON MANOR				
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				
032-1519	CAPITAL EQUIPMENT RESERVE				
034-1172	COLLEYVILLE TOMORROW				
PER GENERAL LEDGER		$749,710.85	$1,238,774.84	$1,000,000.00	$997,833.62
MARKET VALUE		$750,300.00	$1,198,252.80	$1,000,673.00	$1,000,261.00
VALUE AT MATURITY		$750,000.00	$1,255,000.00	$1,000,000.00	$1,000,000.00
INTEREST RECEIVED TO MATURITY		25,638.70	42,642.49	41,400.00	43,327.12
DATE OF LAST INTEREST PAYMENT		43,077.00	43,098.00	43,145.00	43,166.00
INTEREST TO ACCRUE FOR PERIOD		6,559.97	11,148.97	10,350.00	11,175.74
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD		182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD		182.00	182.00	182.00	182.00
ACCRUED INTEREST		$6,559.97	$11,148.97	$10,350.00	$11,175.74

CDARS CERTIFICATES OF DEPOSIT

FUND ALLOCATION	CDAR#	BANK	AMOUNT	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER	INTEREST RECEIVED TO MATURITY
UTILITY FUND	1020424784	INDEPENDENT BANK	$512,403	7/27/2017	7/25/2019	0.40%	$505	$4,088
GENERAL FUND	1019169355	INDEPENDENT BANK	$510,929	6/23/2016	6/21/2018	0.40%	$504	$4,076
GENERAL FUND	1019453738	WORTHINGTON BANK	$1,534,117	9/21/2017	9/20/2018	0.60%	$2,263	$9,152
GENERAL FUND	1019452073	INDEPENDENT BANK	$510,048	9/22/2016	9/20/2018	0.50%	$629	$5,087
CAPITAL PROJECTS	1020604677	INDEPENDENT BANK	$508,787	9/21/2017	9/19/2019	0.58%	$728	$5,886
PURCHASED DURING THIS QUARTER								
NA							$0	$0
OUTSTANDING CDARS AS OF THE END OF THE QUARTER			**3,576,284**				**$4,629**	**$28,289**
MATURED DURING THIS QUARTER								
GENERAL FUND	1020009477	INDEPENDENT BANK	$509,806	3/23/2017	3/22/2018	0.30%	$339	$1,525
GENERAL FUND	1018875612	INDEPENDENT BANK	$504,999	3/24/2016	3/22/2018	0.50%	$560	$5,036
CDARS MATURED DURING THE QUARTER			**1,014,805**				**$900**	**$6,561**
GRAND TOTAL			**4,591,089**				**5,528**	**34,850**

CERTIFICATES OF DEPOSIT (CD's)

FUND ALLOCATION	CUSIP#	BANK	PRINCIPAL	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER	INTEREST RECEIVED TO MATURITY
NA							$0	$0
PURCHASED DURING THIS QUARTER								
GENERAL FUND	17312QH51	CITIBANK	$248,000	3/29/2018	3/30/2020	2.50%	$34	$12,434
GENERAL FUND	61747MR78	MORGAN STANLEY BANK	$248,000	3/29/2018	3/30/2020	2.55%	$35	$12,683
OUTSTANDING CD'S AS OF THE END OF THE QUARTER			**$496,000**				**$69**	**$25,117**
MATURED DURING THIS QUARTER								
NA							$0	$0
CD'S MATURED DURING THE QUARTER			**$0**				**$0**	**$0**
GRAND TOTAL			**496,000**				**69**	**25,117**

LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT MARCH 2018

DESCRIPTION	BALANCE
GENERAL FUND	
LOGIC POOL- OPERATING CASH	$418,245
UTILITY FUND	
LOGIC POOL- OPERATING CASH	$2,702,713
UTILITY FUND - CAPITAL PROJECTS	
LOGIC POOL- WATER IMPACT FEES	$2,284,119
LOGIC-RES CASH-UTILITY LINE RE	$1,174
LOGIC - WW IMPACT FEES	$676,708
CAPITAL PROJECTS FUND	
LOGIC POOL-ROADS SA I CASH	$21,688
LOGIC-CAPITAL PROJ/STREET RESU	$1,865,160
DEBT SERVICE FUND	
LOGIC POOL- OPERATING CASH	$34,653
DRAINAGE FUND	
LOGIC POOL- OPERATING CASH	$1,381,442
LOGIC- I&S FUND/DRAINAGE	$122,378
LOGIC-2001 DRAINAGE BONDS	$2,380
TIF FUND	
LOGIC POOL- OPERATING CASH	$11,529,448
LOGIC-2001 TIF BONDS/CITY HALL	$114,995
CCCPD FUND	
LOGIC POOL- OPERATING CASH	$777,992
LOGIC - 99 CO BONDS	$83

LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT MARCH 2018

CAPITAL EQUIPMENT REPLACEMENT FUND	
LOGIC POOL- OPERATING CASH	$83,773
COLLEYVILLE TOMORROW FUND	
LOGIC POOL- OPERATING CASH	$1,706,844
PARKS TOMORROW FUND	
LOGIC POOL- OPERATING CASH	$1,038,882
STRATEGIC INITIATIVES FUND	
LOGIC POOL- OPERATING CASH	$495,497
Subtotal - LOGIC balances excluding CEDC	**$25,258,174**
CEDC Logic Balance	
LOGIC POOL- OPERATING CASH	$956,621
LOGIC - 97 BONDS	$65,091
Total LOGIC Balance	**$26,279,886**
INTEREST EARNED THIS QUARTER	**$104,205**

LOGIC Newsletter

March 2018

Performance

As of March 31, 2018

Current Invested Balance	**$6,902,175,938.22**
Weighted Average Maturity (1)*	**27 Days**
Weighted Average Maturity (2)*	**69 Days**
Net Asset Value	**0.999705**
Total Number of Participants	**563**
Management Fee on Invested Balance	**0.0975%**
Interest Distributed	**$10,861,177.82**
Management Fee Collected	**$582,576.15**
% of Portfolio Invested Beyond 1 Year	**0.00%**
Standard & Poor's Current Rating	**AAAm**

March Averages:

Average Invested Balance	**$7,027,703,959.40**
Average Monthly Yield, on a simple basis	**1.7228%**
Average Weighted Average Maturity (1)*	**28 Days**
Average Weighted Average Maturity (2)*	**71 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

In Memoriam

We are saddened at the passing of LOGIC Board member Judd Sanderson. Judd served as a LOGIC Governing Board member since 2002 and was the Deputy Director for the North Texas Municipal Water District. Judd attended Abilene Christian University and Harding University receiving a Bachelor of Business Administration in Accounting. He had previously been employed by Dallas Market Center and Upper Trinity Regional Water District. Judd was a dedicated board member and good friend who will be greatly missed. Our thoughts and prayers are with his family.

Conferences

LOGIC Representatives look forward to visiting with those of you attending these upcoming conferences.

- ★ GFOAT 2018 Spring Conference - April 15-17, Austin
- ★ County Treasurers Continuing Education Conference - April 17-19, San Marcos

Economic Commentary

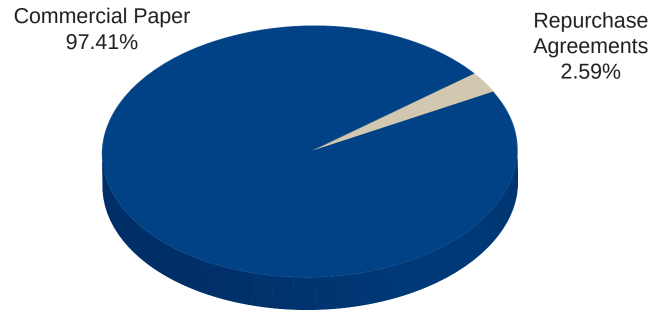
Synchronized global growth continued in the first quarter, but with the added excitement of increased market volatility. In spite of the generally positive economic backdrop, fears of runaway inflation, rising interest rates, and continued political noise from Washington led to a sharp selloff in global equities. The quarter closed as one of the weaker starts to the year for both credit and equities. During the course of the quarter, fears of a trade war came into focus. Potential tariffs by the US, first on steel and aluminum imports caused the Chinese to respond by announcing potential tariffs on $3BN worth of goods ranging from agricultural products to steel pipes, as well as the EU to respond by announcing potential tariffs on US imports Harley Davidson, Levi's and bourbon whiskey. Later, the US exempted several allies from the steel and aluminum tariffs, but suggested it may impose quotas. Following the initial steel and aluminum tariffs, the US continued by announcing potential tariffs on as much as $50 billion of Chinese imports in a wide variety of categories which were countered by the Chinese announcing 25% tariffs on $50 billion of various US goods.

In Washington, Congress approved a federal budget incorporating substantial fiscal stimulus, which would add $300 billion to the deficit over the next two years. The increase in U.S. government debt issuance needed to fund the tax cuts and increase in spending, combined with the unwinding of the Fed's balance sheet, is expected to put upward pressure on rates. The front end of the curve was hit by a large issuance of Treasury bills as well as the likelihood that there would be four rate hikes this year by the Federal Reserve Open Market Committee (FOMC), rather than the three previously telegraphed, increased as expansionary fiscal policy in a late-stage business cycle builds a stronger case for higher inflation going forward. Jay Powell became Chair of the Federal Reserve (Fed) and in his first official FOMC meeting in March raised rates by 25 bps to 1.50%-1.75%, a move that widely expected by market participants. The Fed increased expectations to three rates hikes in 2019 and two hikes in 2020. Growth forecasts were upgraded for both 2018 and 2019 to reflect the impact of fiscal stimulus, unemployment rate estimates were brought down through 2020, while inflation forecasts were revised higher in 2019 and 2020. Firming U.S. inflation along with strong growth, U.S. fiscal expansion, as well as less accommodative policy stance from central banks caused Treasury yields to steadily rise.

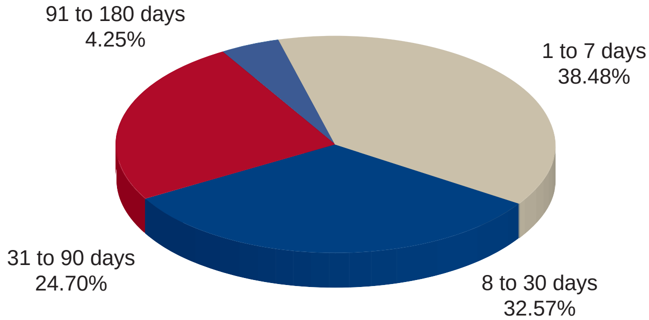
This information is an excerpt from an economic report dated March 2018 provided to LOGIC by JPMorgan Asset Management, Inc., the investment manager of the LOGIC pool.

Information at a Glance

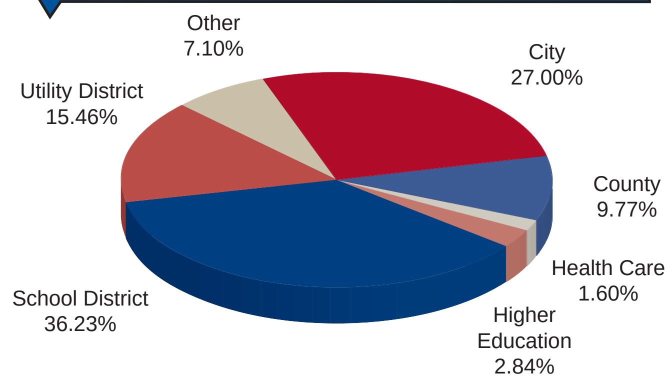
Portfolio by Type of Investment As of March 31, 2018



Portfolio by Maturity As of March 31, 2018



Distribution of Participants by Type As of March 31, 2018



History

Historical Program Information

Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Mar 18	1.7228%	$6,902,175,938.22	$6,900,336,026.44	0.999705	28	71	563
Feb 18	1.5898%	7,170,298,263.14	7,170,001,932.73	0.999958	29	78	563
Jan 18	1.5224%	7,365,857,458.60	7,365,850,519.17	0.999999	29	80	561
Dec 17	1.3784%	6,465,455,192.00	6,464,452,719.35	0.999820	29	76	559
Nov 17	1.2913%	6,037,285,391.70	6,037,616,463.25	1.000054	35	75	557
Oct 17	1.2845%	6,047,571,709.48	6,047,976,206.51	1.000066	42	75	556
Sep 17	1.2827%	5,995,123,374.79	5,995,667,106.47	1.000070	40	77	551
Aug 17	1.2660%	5,912,248,825.24	5,912,933,387.09	1.000115	32	70	548
Jul 17	1.2408%	6,097,733,914.84	6,098,596,876.56	1.000141	29	71	543
Jun 17	1.1333%	5,904,028,106.60	5,904,946,555.34	1.000122	25	75	539
May 17	1.0761%	6,257,671,308.91	6,259,334,715.43	1.000265	27	71	535
Apr 17	1.0739%	6,573,201,990.89	6,574,453,965.11	1.000190	32	69	528

Assets

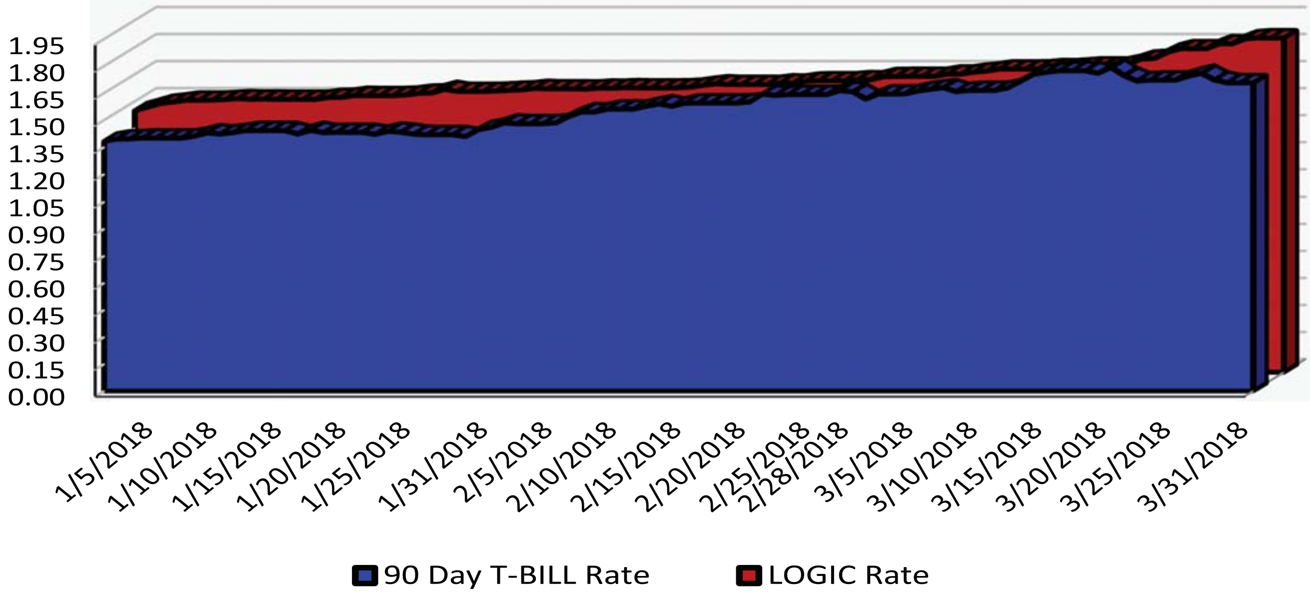
Portfolio Asset Summary as of March 31, 2018

	Book Value	Market Value
Uninvested Balance	$ (593,715.48)	$ (593,715.48)
Accrual of Interest Income	2,836,135.59	2,836,135.59
Interest and Management Fees Payable	(10,969,352.72)	(10,969,352.72)
Payable for Investment Purchased	0.00	0.00
Receivable for Investment Sold	0.00	0.00
Repurchase Agreements	178,930,000.00	178,930,000.00
Commercial Paper	6,731,972,870.83	6,730,132,959.05
Government Securities	0.00	0.00
Total	**$ 6,902,175,938.22**	**$ 6,900,336,026.44**

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

LOGIC versus 90-Day Treasury Bill



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. The LOGIC yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary

Daily Summary for March 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	LOGIC Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
3/1/2018	1.6370%	0.000044849	$7,191,414,505.64	0.999956	28	75
3/2/2018	1.6381%	0.000044880	$7,150,876,896.59	0.999879	28	72
3/3/2018	1.6381%	0.000044880	$7,150,876,896.59	0.999879	28	72
3/4/2018	1.6381%	0.000044880	$7,150,876,896.59	0.999879	28	72
3/5/2018	1.6510%	0.000045234	$7,140,328,720.59	0.999950	29	73
3/6/2018	1.6506%	0.000045221	$7,121,475,234.78	0.999966	30	73
3/7/2018	1.6609%	0.000045505	$7,103,294,264.43	0.999966	30	73
3/8/2018	1.6673%	0.000045679	$7,107,714,115.05	0.999985	31	73
3/9/2018	1.6783%	0.000045982	$7,055,342,953.60	0.999926	30	73
3/10/2018	1.6783%	0.000045982	$7,055,342,953.60	0.999926	30	73
3/11/2018	1.6783%	0.000045982	$7,055,342,953.60	0.999926	30	73
3/12/2018	1.6799%	0.000046025	$7,052,713,710.20	0.999966	29	72
3/13/2018	1.6863%	0.000046199	$7,054,181,173.76	0.999966	29	72
3/14/2018	1.6854%	0.000046175	$7,038,738,716.75	0.999952	28	72
3/15/2018	1.6904%	0.000046312	$7,001,575,366.79	0.999967	28	71
3/16/2018	1.6954%	0.000046449	$6,998,375,950.75	0.999919	25	69
3/17/2018	1.6954%	0.000046449	$6,998,375,950.75	0.999919	25	69
3/18/2018	1.6954%	0.000046449	$6,998,375,950.75	0.999919	25	69
3/19/2018	1.7100%	0.000046849	$6,983,531,560.91	0.999958	27	69
3/20/2018	1.7334%	0.000047491	$6,950,599,203.40	0.999943	27	70
3/21/2018	1.7377%	0.000047608	$6,957,325,055.81	0.999921	27	69
3/22/2018	1.7721%	0.000048551	$7,043,611,465.72	0.999892	26	68
3/23/2018	1.7912%	0.000049073	$6,994,807,927.79	0.999801	28	69
3/24/2018	1.7912%	0.000049073	$6,994,807,927.79	0.999801	28	69
3/25/2018	1.7912%	0.000049073	$6,994,807,927.79	0.999801	28	69
3/26/2018	1.8186%	0.000049825	$6,966,978,521.55	0.999837	28	71
3/27/2018	1.8181%	0.000049811	$6,964,962,346.04	0.999813	28	71
3/28/2018	1.8461%	0.000050577	$6,875,639,779.09	0.999804	30	73
3/29/2018	1.8510%	0.000050713	$6,902,175,938.22	0.999705	27	69
3/30/2018	1.8510%	0.000050713	$6,902,175,938.22	0.999705	27	69
3/31/2018	1.8510%	0.000050713	$6,902,175,938.22	0.999705	27	69
Average	1.7228%	0.000047200	$7,027,703,959.40		28	71

LOGIC Participant Services
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, TX 75270

LOGIC Board

LOGIC Board Members

Philip G. Roberson	**Arlington ISD**	**Board President**
Fred L. Werner	**Municipal Finance Director**	**Board Vice President**
Judd R. Sanderson	**North Texas Municipal Water District**	**Board Treasurer / Investment Officer**
Sandra Newby	**Tarrant Regional Water District**	**Board Member**
Greg Jordan	**City of Grapevine**	**Board Member**

Contacts

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

HilltopSecurities
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J.P.Morgan
Asset Management

EYE ON THE ECONOMY

Dallas–Fort Worth Economic Indicators

Federal Reserve Bank of Dallas

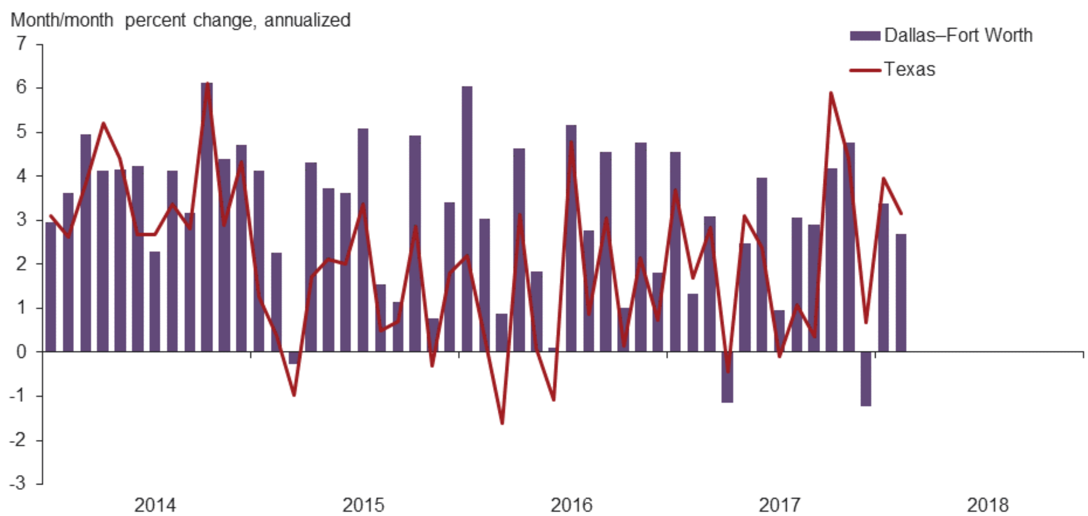
March 28, 2018

DFW economic growth continued in February, with payroll employment expanding and unemployment staying low. Looking at the two-month period, employment growth has been strong at 3.0 percent. The Dallas and Fort Worth business-cycle indexes expanded last month. Housing affordability remained low in Dallas but improved slightly in Fort Worth in the fourth quarter. DFW house price gains outstripped those nationally last year, and home inventories remained very tight in February.

Labor Market

DFW employment continued to post strong growth in February, expanding an annualized 2.7 percent (8,000 jobs) following an upwardly revised 3.4 percent increase in January (*Chart 1*). Payrolls rose 2.2 percent (4,750 jobs) in Dallas and 3.9 percent (3,300 jobs) in Fort Worth last month.

Chart 1
Employment Growth



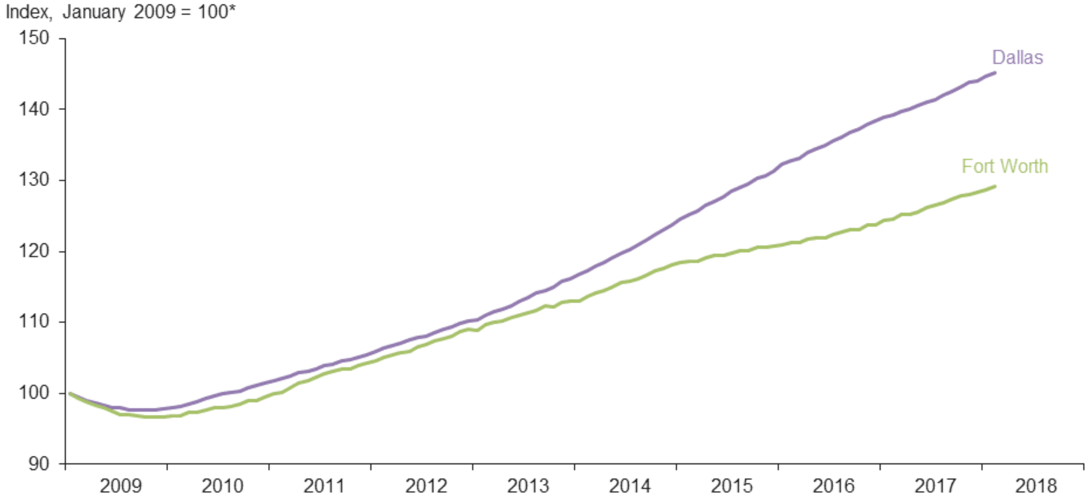
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

The labor market continued to be tight. Unemployment in February edged up to 3.6 percent in Dallas and in Fort Worth; however, the jobless rate in both metros remains near historic lows and is lower than the state and U.S. rates.

Business-Cycle Indexes

The business-cycle indexes for Dallas and Fort Worth continued to expand in February (*Chart 2*). The Dallas index rose 4.1 percent, and growth in the Fort Worth index accelerated to 4.4 percent in February following January's 2.9 percent increase. The Dallas index was up 4.3 percent and the Fort Worth index was 3.6 percent higher from year-ago levels, in part due to continued healthy job creation in the metroplex.

Chart 2
Business-Cycle Indexes

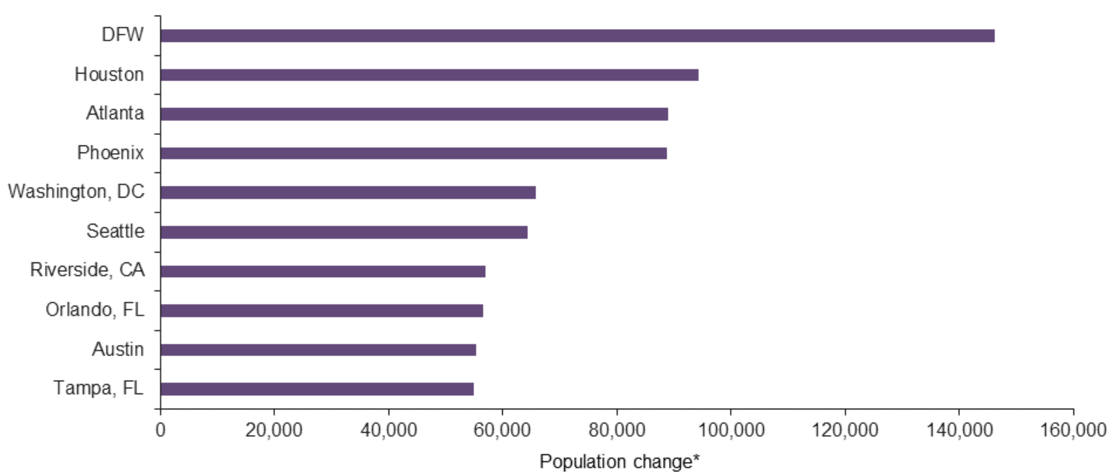


*Monthly, seasonally adjusted.
SOURCE: Dallas Fed.

Population

The Dallas–Fort Worth population continued to climb in 2017. Recently released census data show that from July 2016 to July 2017, the metroplex grew by 146,000 people—the largest numerical increase among metro areas in the U.S. (*Chart 3*). DFW's 2 percent gain was ahead of Texas' 1.4 percent increase last year. Net domestic migration accounted for 41 percent of the growth in DFW's population in 2017, and international migrants made up nearly 18 percent. This means that approximately 235 people moved to DFW every day last year. Collin, Dallas, Denton and Tarrant counties placed among the nation's top 10 counties with the largest numerical increase. DFW is the fourth-largest metropolitan statistical area in the U.S., with a population of 7.4 million in 2017.

Chart 3
Major U.S. Metro Areas with Largest Population Gains, 2016–17

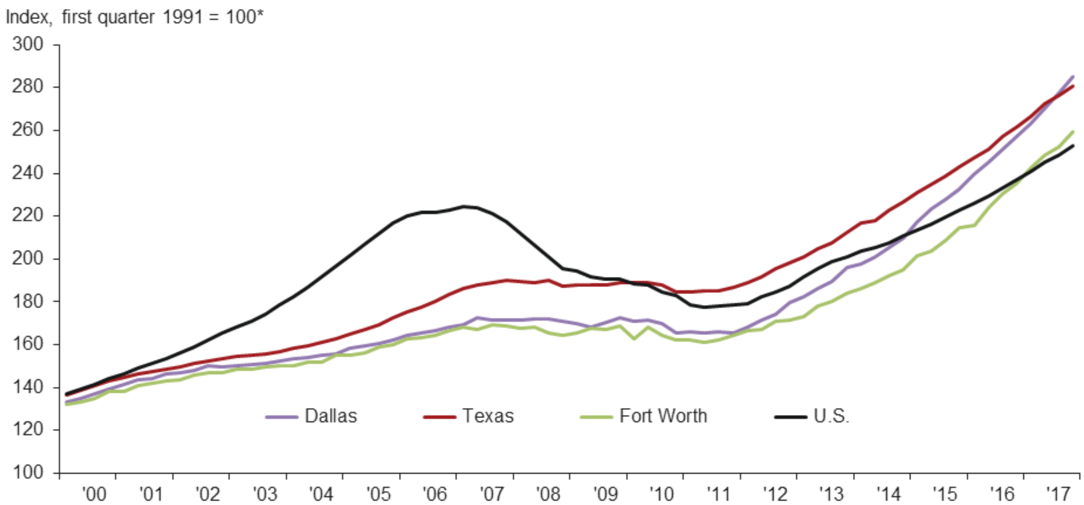


*July 1, 2016, to July 1, 2017.
NOTE: Data for each city cover the broader metropolitan statistical area.
SOURCE: Census Bureau.

Home Prices Climb Further

Home price gains in the metroplex continue to outpace those in the U.S. (*Chart 4*). Prices rose 2.7 percent in both Dallas and Fort Worth in fourth quarter 2017, faster than the state's 1.7 percent gain and the nation's 1.6 percent increase, according to the most recent Federal Housing Finance Agency purchase-only house price index. On a year-over-year basis, prices rose 10.8 percent in Dallas and 10.3 percent in Fort Worth—both faster than the Texas rate of 7.3 percent and the nation's 6.7 percent figure. Continued healthy job creation and tight home inventories have propelled price increases in the area.

Chart 4
House Price Indexes

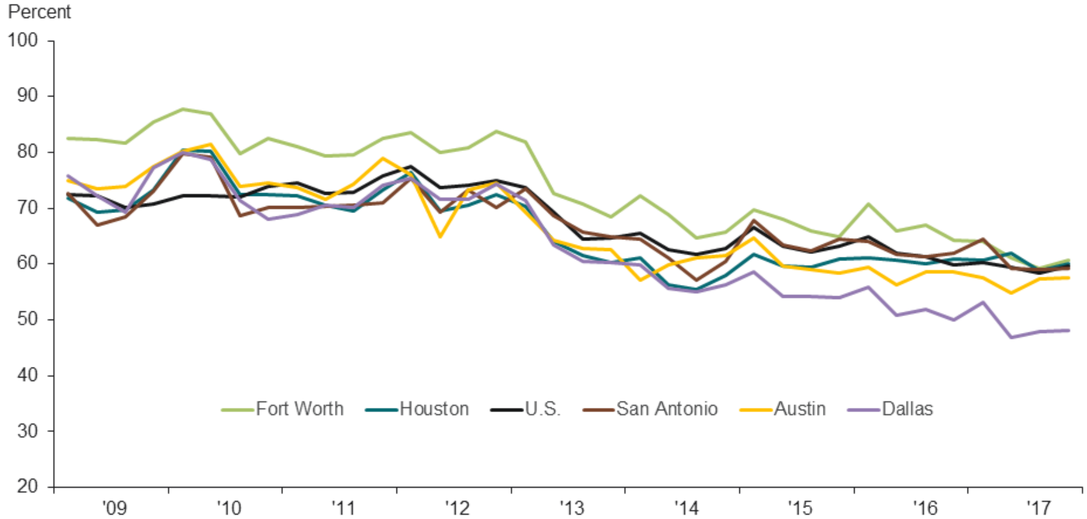


*Quarterly; seasonally adjusted.
SOURCE: Federal Housing Finance Agency.

Affordability in Dallas Remains Low

Record home-price appreciation following the Great Recession has eroded housing affordability in the metroplex. According to the National Association of Home Builders/Wells Fargo Housing Opportunity indexes, 48.2 percent of the homes (new and existing) sold in Dallas in fourth quarter 2017 were affordable for a median-income family (*Chart 5*). This is well below the national figure of 59.6 percent. Affordability has been declining in Dallas since 2010, and the index has dropped markedly from its peak, set in first quarter 2010. Despite having a lower median home sales price than Austin, Dallas has the lowest affordability among major Texas metros. Affordability in Fort Worth improved slightly to 60.7 percent in the fourth quarter.

Chart 5
Housing Opportunity Indexes

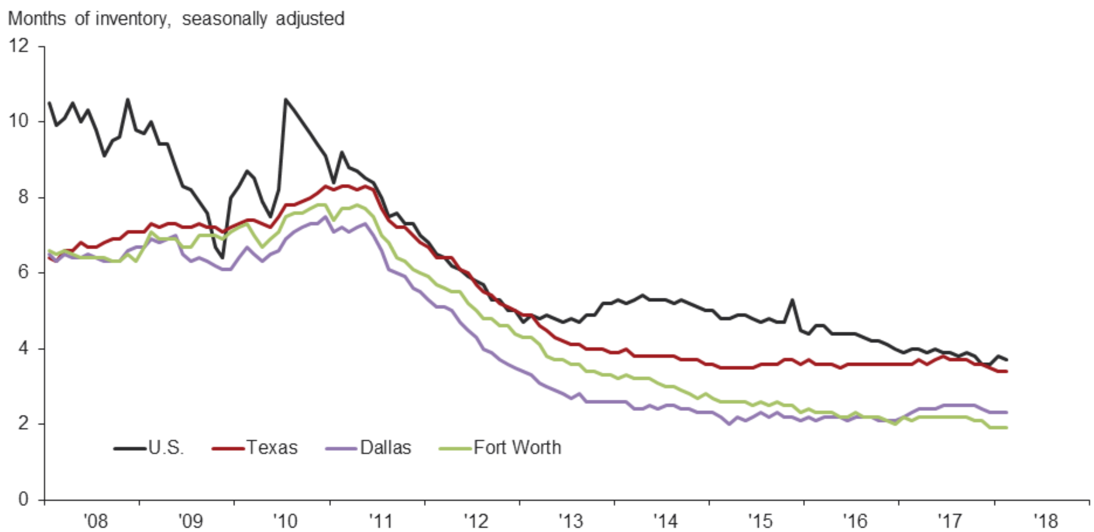


SOURCE: National Association of Home Builders/Wells Fargo.

Existing-Home Inventories Still Very Tight

DFW existing-home inventories remain tight at around two months, well below the six months' supply typically associated with a balanced market. In February, inventories were at 2.3 months in Dallas and 1.9 months in Fort Worth (*Chart 6*). Inventories in both Dallas and Fort Worth are the lowest among Texas' major metros and have been under three months since late 2014.

Chart 6
Existing-Home Inventories



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

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

About Dallas–Fort Worth Economic Indicators

Questions can be addressed to Laila Assanie at laila.assanie@dal.frb.org. *Dallas–Fort Worth Economic Indicators* is published every month on the Tuesday after state and metro employment data are released.

Texas Economic Indicators

Federal Reserve Bank of Dallas

March 26, 2018

Texas economic growth remained robust in February. The state posted strong job gains, and unemployment remained low. The Texas Leading Index ticked down following several months of strong growth. Home inventories remained low, and home sales rose in the month, while indicators of residential construction were mixed.

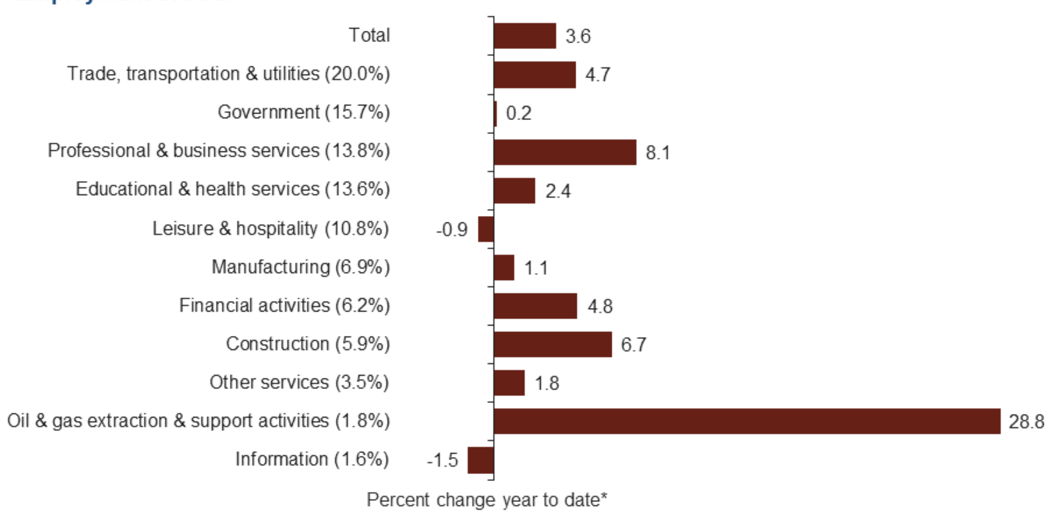
Labor Market

Employment Growth Solid

Texas employment expanded an annualized 3.2 percent in February after posting an upwardly revised 4.0 percent growth rate in January. The Dallas Fed's Texas Employment Forecast suggests 3.4 percent job growth in 2018 (December/December).

Employment in almost all sectors has expanded through February *(Chart 1)*. Payrolls in the energy sector skyrocketed 42.3 percent in February following 16.6 percent growth in January. The industry has grown an annualized 28.8 percent so far this year, up from 12.7 percent expansion in 2017. The leisure and hospitality, government and information sectors all shed employment by more than 3 percent in February after expanding in January.

Chart 1
Employment Growth



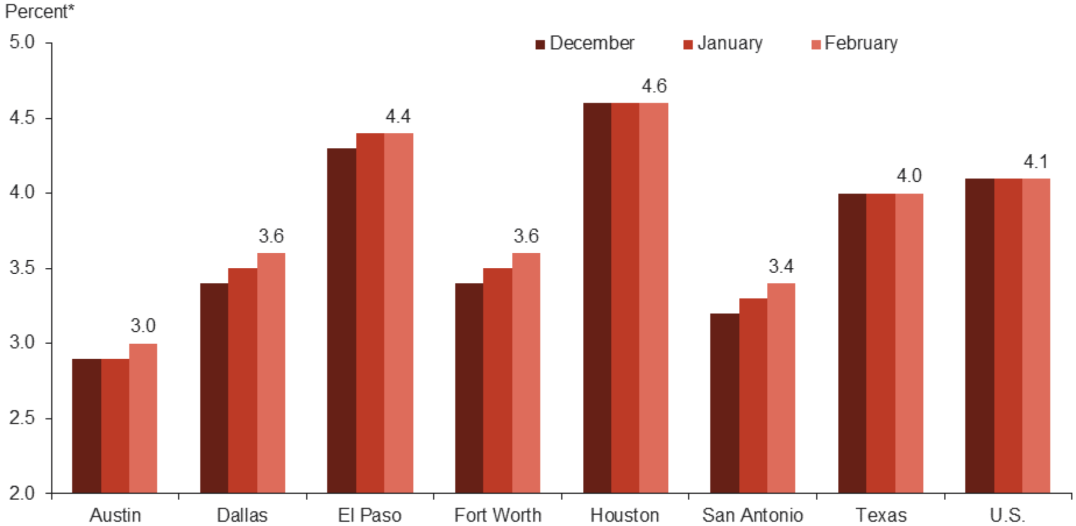
*Seasonally adjusted, annualized rate.
NOTES: Year-to-date growth is December 2017–February 2018. Numbers in parentheses represent share of total employment in February 2018.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Payrolls expanded in all major metros in both January and February. Jobs in Austin soared 7.2 percent in February, the strongest increase among the major metros. San Antonio posted 1.6 percent job growth in the month, the slowest among the major metros.

Unemployment Remains Low

The Texas unemployment rate held steady at 4.0 percent for the third consecutive month in February, near a four-decade low (*Chart 2*). Unemployment ticked up in Austin, Dallas, Fort Worth and San Antonio last month but was stable in El Paso and Houston.

Chart 2
Unemployment

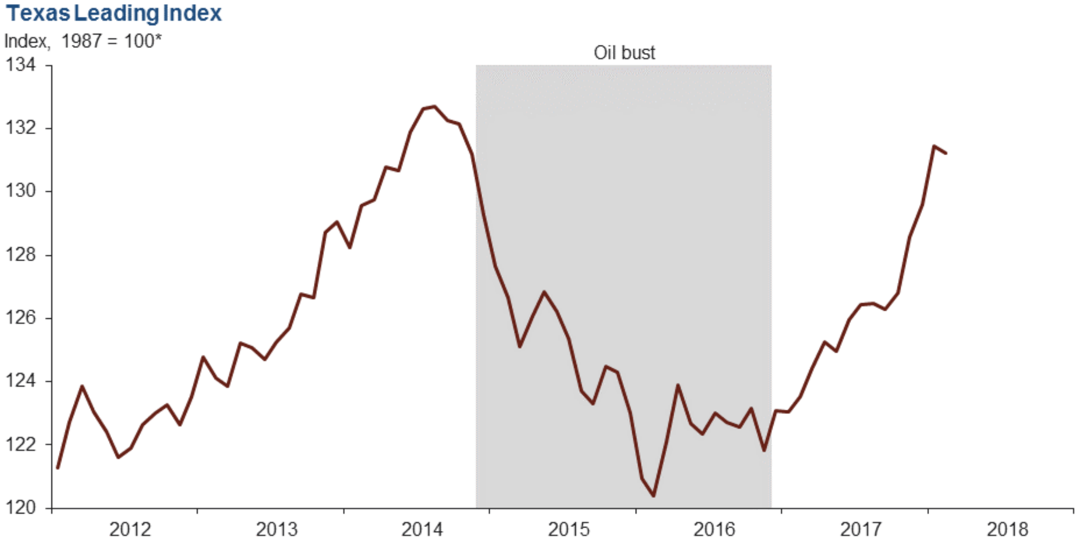


*Seasonally adjusted.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Texas Leading Index

The Texas Leading Index, a composite of eight indicators that tend to change direction before the overall economy does, sheds light on the future of the state's economy. In February, the estimated value of the index dipped 0.2 percent following four months of expansion, but its three-month growth was 2.1 percent (*Chart 3*). The Texas Leading Index is 1.1 percent below its oil-boom peak in August 2014.

Chart 3
Texas Leading Index

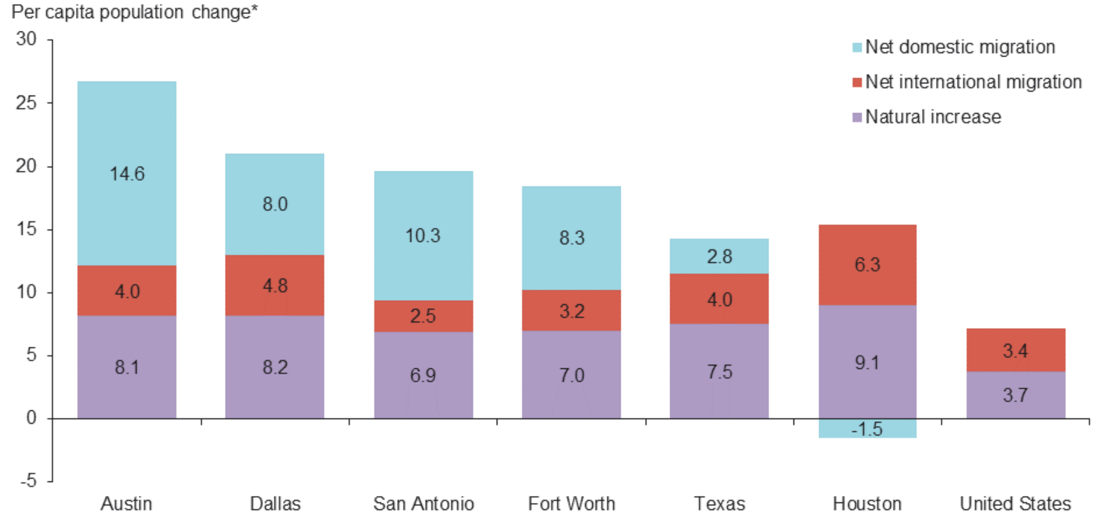


*Seasonally adjusted.
NOTES: Oil-bust shading represents Texas energy-sector employment peak to trough, December 2014 to November 2016.
SOURCE: Dallas Fed.

Population Change

For every 1,000 Texas residents in 2016, there were an additional 14.3 residents in 2017 (*Chart 4*). Natural increase, measured as births minus deaths, accounted for 7.5 of these new residents, net international migration accounted for 4.0 residents, and net domestic migration accounted for 2.8 residents.

Chart 4
Population



*July 1, 2016, to July 1, 2017, per 1,000 residents in previous year.
SOURCE: Census Bureau, 2016 and 2017 American Community Survey 1-Year Estimates.

Austin's population growth of 26.8 new residents per 1,000 existing residents was the highest per capita population increase among the major Texas metros in 2017. The increase was driven by strong net domestic migration. Houston had the highest per capita natural increase and net international migration among the major metros, though it lost domestic migrants on net during the year. All the major Texas metros had higher rates of natural increase than the U.S., and all but San Antonio and Fort Worth had higher rates of net international migration.

Housing Market

Home Inventories Hold Steady at Record-Low Levels

Texas and U.S. home inventories are both at historic lows, well below the six months of inventory considered balanced (*Chart 5*). Texas home inventories reached a new low of 3.4 months' supply in January and held steady in February. U.S. home inventories reached a low point of 3.6 months in November and ticked up to 3.7 months in February. Among major Texas metros, Fort Worth had the lowest supply at 1.9 months, while Houston had the highest at 3.6 months.

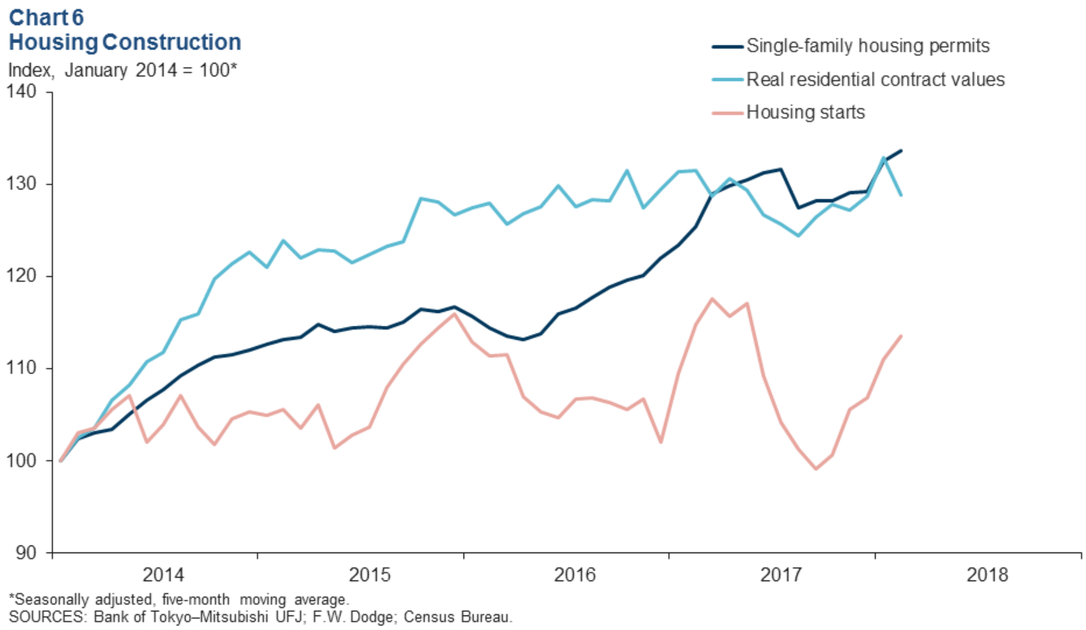
Chart 5
Housing Inventory

*Seasonally adjusted.
SOURCES: Real Estate Center at Texas A&M University; Multiple Listing Service.

Texas' existing-home sales rose 2.7 percent in February and have grown 2.1 percent year to date compared with the same period in 2017. The median existing-home sales price in Texas inched up 0.3 percent and was 2.9 percent above year-ago levels in February.

Residential Construction Activity Mixed

Indicators of Texas housing construction activity varied in February (*Chart 6*). The five-month moving average of single-family housing permits edged up 0.9 percent in the month, and total permits issued so far in 2018 are 5.2 percent higher than the same period in 2017. The five-month moving average of housing starts expanded 2.2 percent in the month; however, year to date, there have been 11.9 percent fewer housing starts than the same period in 2017. The five-month moving average of residential construction contract values dropped 3.1 percent in the month; year to date, the total value is 1.3 percent lower than the same period last year.



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

About Texas Economic Indicators

Questions can be addressed to Stephanie Gullo at stephanie.gullo@dal.frb.org. *Texas Economic Indicators* is published every month on the Monday after Texas employment data are released.

Economic Update

UNITED STATES

Federal Reserve Bank of Dallas

U.S. Economic Outlook Improves in First Quarter

March 23, 2018

The U.S. economic outlook has slightly improved since January, owing to strong gross domestic product (GDP) and employment growth. Forecast GDP growth has ticked higher as recent changes to federal tax law have provided fiscal stimulus. Inflation expectations have remained firmly anchored, with inflation gradually rising in recent months.

Real GDP Continues Expansion at Year-End 2017

The second release of real (inflation-adjusted) GDP growth in fourth quarter 2017 stood at 2.5 percent, down from the initial release of 2.6 percent. Improving personal consumption expenditures (PCE) and residential/nonresidential investment contributed the most to overall GDP growth, while private inventories and net exports were restraining influences (*Chart 1*).

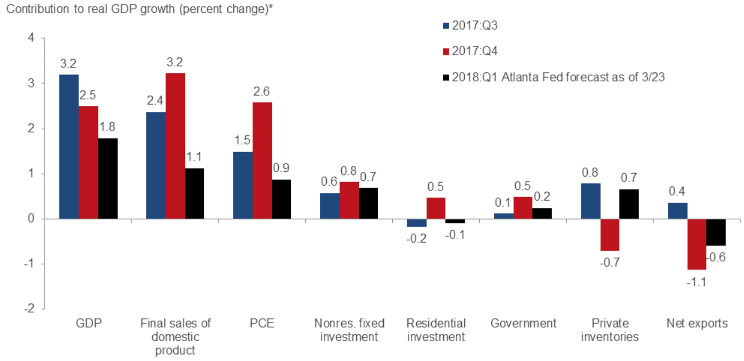
Of concern for first-quarter growth are relatively weak releases of real PCE and real retail sales. Real PCE declined 1.7 percent on an annualized basis during January, a sharp contrast from a 3 percent gain in December, while real retail sales growth slumped to 0.1 percent in February, below consensus estimates. This weakness explains why the Atlanta Fed's GDP Nowcast for first-quarter growth is low. However, both PCE and retail sales are likely to improve in February and March as some consumers begin receiving tax refunds.

Survey-based indicators for investment and consumption remain buoyant. The Institute for Supply Management (ISM) manufacturing composite index rose from 59.1 in January to 60.8 in February, while the nonmanufacturing composite index declined from 59.9 to 59.5. A reading above 50 indicates expansion. Chart 2 shows ISM nonmanufacturing values since 2014, with the last two months (highlighted in red) at relatively high levels. The three-month moving average is also rising.

The Conference Board's Consumer Confidence Index continues increasing, reaching 130.8 in February from 124.3 in January. February's value is the highest since November 2000. The University of Michigan's Consumer Sentiment Index also increased, from 99.7 in February to 102.0 in March, both relatively high readings. Overall, these indicators point to optimism about future growth.

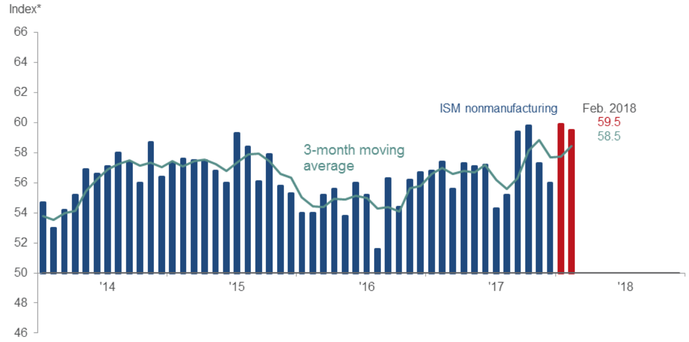
Looking forward, real GDP growth is expected to increase each quarter this year, with forecasts moving higher. Chart 3 shows recent GDP growth on a yearly basis and comparisons to recent Survey of Professional Forecasters (SPF) releases. The SPF's latest release in February of 2.8 and 2.5 percent year-over-year growth in 2018 and 2019, respectively, reflects an upward revision from November's 2.5 and 2.1 percent.

Chart 1
Consumption and Investment Contribute to GDP Growth



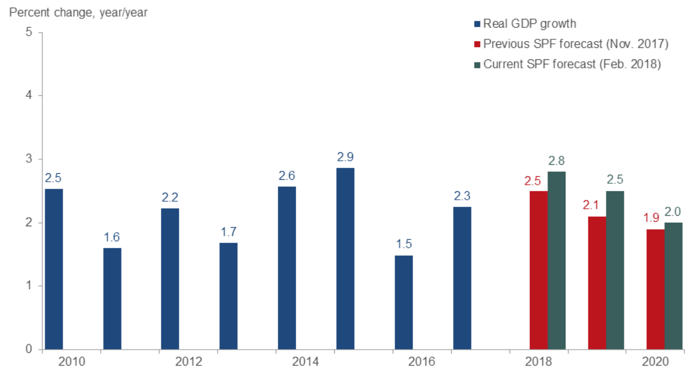
*Quarter/quarter, seasonally adjusted annual rate.
NOTE: PCE refers to personal consumption expenditures.
SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Atlanta.

Chart 2
ISM Nonmanufacturing Index Remains in Expansionary Territory



*Values above 50 indicate expansion.
SOURCE: Institute for Supply Management (ISM).

Chart 3
GDP Growth Forecasts Revised Upward



NOTE: SPF is the Survey of Professional Forecasters.
SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Philadelphia.

On a quarterly basis, the SPF's latest report in February predicts real GDP growth will reach 3.0 percent in first quarter 2018 and 2.9 percent in second quarter 2018.

Solid Employment Growth

Payrolls increased by 313,000 in February, the latest employment report shows (*Chart 4*). The result exceeds consensus estimates, with the headline unemployment (the U-3 rate) remaining at 4.1 percent.

The broader U-6 rate, which includes discouraged workers, other marginally attached workers and those working part time for economic reasons, remained at 8.2 percent. The labor force participation rate ticked upward, from 62.7 percent to 63 percent, but demographic developments imply a gradual softening in coming years. The latest SPF release forecasts unemployment to decline further to 3.8 percent in 2019—levels last seen in early 2000.

Despite the strong employment report, wage growth is still only softly trending upward. Both the Atlanta Fed's wage growth tracker and the noisier average-hourly-earnings measure have moved slightly higher but remain below pre-Great Recession rates. On a year-over-year basis, the wage growth tracker increased from 2.9 percent in December to 3.0 percent in January, while average hourly earnings declined slightly, from 2.8 percent in January to 2.6 percent in February. In contrast, the wage growth tracker grew 4.3 percent in March 2007, prior to the Great Recession, while average hourly earnings increased 3.4 percent.

Inflation Bottoming Out

Although most inflation measures remain below the Federal Reserve's 2 percent target, recent releases have suggested that inflation has bottomed out and will trend toward the target rate. Core Consumer Price Index (CPI) inflation, which excludes food and energy, was little changed at 1.9 percent on a year-over-year basis in February (*Chart 5*).

Core PCE inflation was unchanged at 1.5 percent in January on a year-over-year basis. Meanwhile, the Federal Reserve Bank of Dallas' Trimmed Mean PCE year-over-year inflation measure was also unchanged, at 1.7 percent. Overall, Chart 5 shows that inflation will likely increase.

Inflation expectations remain largely unchanged since January's Federal Open Market Committee meeting. The SPF forecasts core PCE inflation to reach the Fed's 2 percent target by 2019, while the implied five-year/five-year-forward (expected average inflation over the five-year period that begins five years from now) CPI inflation rate stands at 2.3 percent, up from the previous forecast of 2.2 percent in November. The five-year/five-year-forward Treasury inflation-protected securities (TIPS) breakeven inflation rate, a market-based measure of expected inflation, stood at 2 percent as of March 19, little changed from January.

—Daniel Chapman

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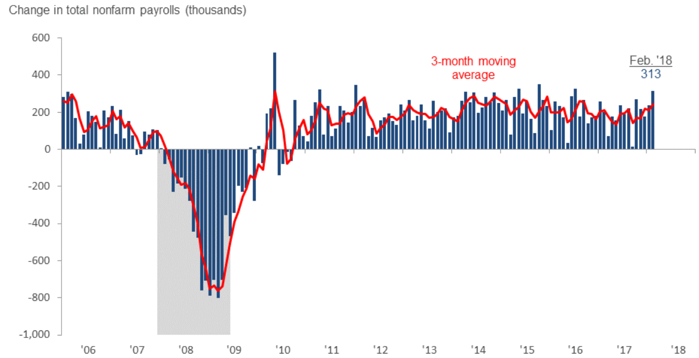
About the Author

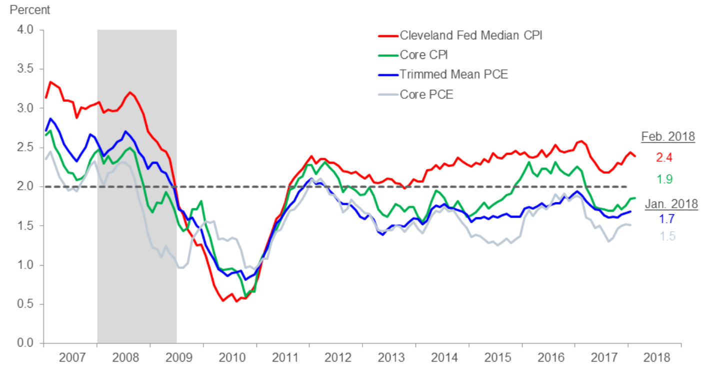
Chapman is a research assistant in the Research Department at the Federal Reserve Bank of Dallas.

Chart 4
Payroll Growth Shows Employment Strength



NOTE: Shaded area indicates recession.
SOURCE: Bureau of Labor Statistics.

Chart 5
Inflation Appears to Have Bottomed Out



NOTE: Shaded area indicates National Bureau of Economic Research-designated recession.
SOURCES: Bureau of Labor Statistics; Bureau of Economic Analysis; Federal Reserve Banks of Cleveland, Dallas and New York; National Bureau of Economic

City of Colleyville
Audit Committee
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
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Agenda Number **Agenda Date** 05/01/2018 **Number**
Type Presentation and Discussion
Department Finance

Title
Update on future discussion items and initiatives

Strategic Plan

Explanation
Staff will provide an update on anticipated future discussion items and initiatives that are planned for later this year, which may be brought to the Audit Committee for discussion.

Attachments