



# Quarterly Investment Report

## As of June 30, 2013

Tim Paulissen, Mayor

Andy Mann, Mayor Pro Tem

Dan Becker, Councilmember

Dennis O'Keeffe, Councilmember

Heidi Thiess, Councilmember

Todd Kinsey, Councilmember

Geri Bentley, Councilmember

Joanna Sharp Dawson, Councilmember

Mike Loftin, City Manager

Rebecca Underhill, CPA, Finance Director

Compliance Certification

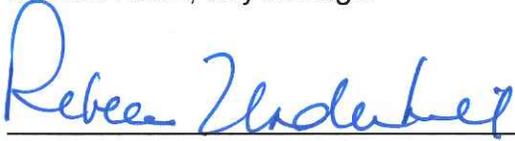
We certify that the Quarterly Investment Report represents the investment position of the City of League City as of June 30, 2013 and that all investments have been and are in compliance with the Texas Public Funds Investment Act and the City's Investment Policy as adopted by City Council on February 12, 2013.



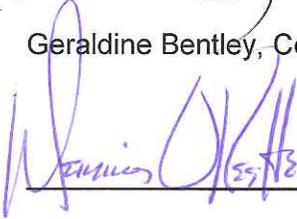
Michael Loftin, City Manager



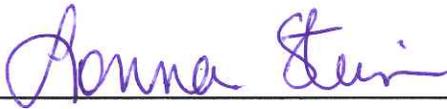
Geraldine Bentley, Council Member



Rebecca Underhill, Finance Director



Dennis O'Keeffe, Council Member



Lonna Stein, Controller



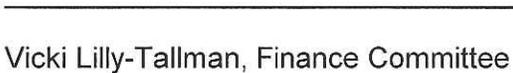
Peggy Zahler, Finance Committee



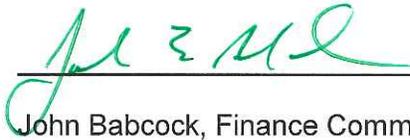
Quencelia Goins, Accounting Manager



Darius Mistry, Finance Committee



Vicki Lilly-Tallman, Finance Committee



John Babcock, Finance Committee



Nick Long, Finance Committee



Ken Bekelja, Finance Committee

## Introduction

Under the Public Funds Investment Act (PFIA), the City is required to have City Council approved investment policies, defining authorized investments which are limited to those allowed by the Act. Quarterly reports are to be presented to the City Council to disclose the book and market values of the investments and to demonstrate compliance with the approved policy.

The City of League City is in compliance with PFIA and adopted policy. All investments purchased meet the three basic tenets of the investment policy – investment safety is first, followed by liquidity and yield.

The day to day management of the City’s cash and investment position is the responsibility of the Finance Director, Controller and the Accounting Manager, who have been designated as the City’s investment officers.

The investment activity of the City is reviewed by the Finance Committee prior to presentation to the City Council.

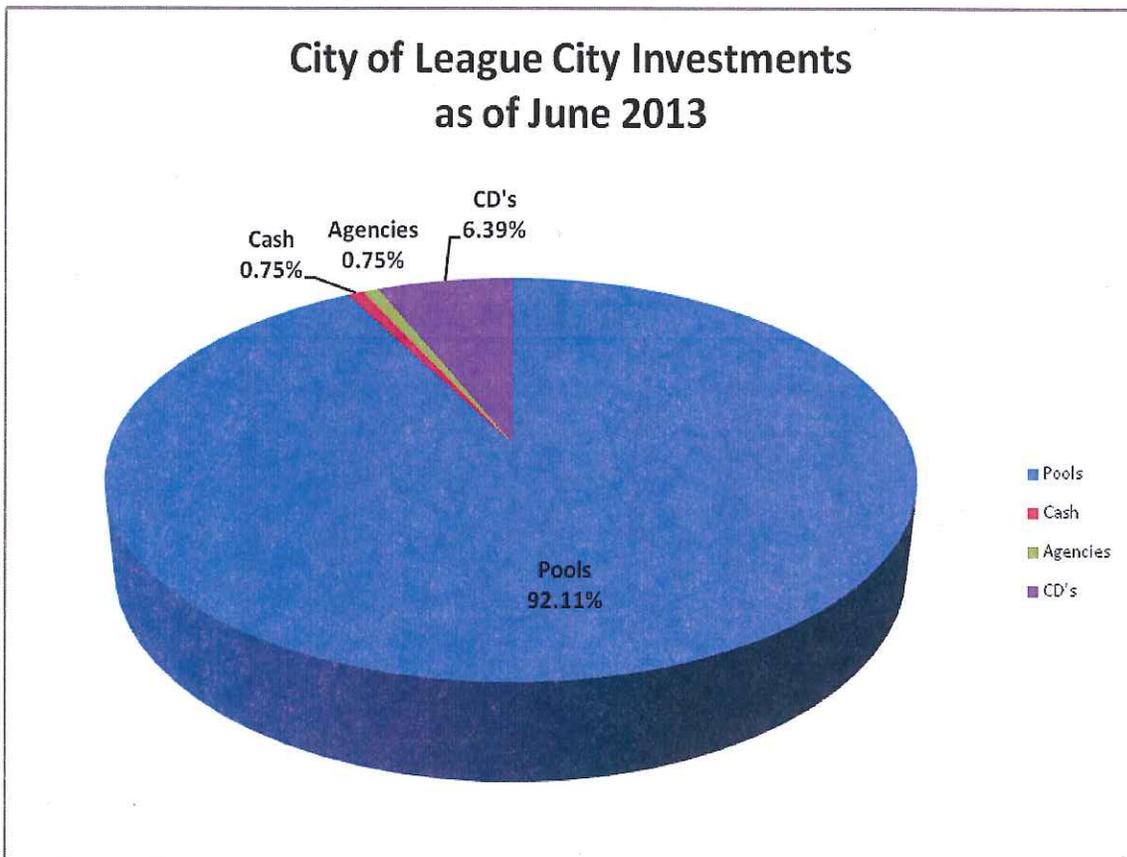
## Quarterly Compliance Review

	<u>Compliant</u>	<u>Comments</u>
Investment Policy	Yes	Reviewed and Approved by Council 02/12/13
Distribution to brokers, entities	Yes	Distribution this year = 6
Returned Acknowledgements	Yes	Signed affidavits on file = 6
Investment Officers	Yes	Named by City Council - 2/12/13
Training	Yes	Investment officers completed 10 hours during FY 2012
Investments	Yes	As authorized by PFIA and COLC Policy
Collateral pledges	Yes	Minimum of 110% maintained
Ratings of Pools	Yes	AAAm - As required by PFIA and COLC Policy
Internal Reports	Yes	Quarterly reports reviewed by Finance Committee and City Council

## Investment Priorities and Compliance

**Safety** Ensuring the return of principle invested, credit risk is minimized by investing in highly rated investments as defined by the City of League City's investment policy and the Texas Public Funds Investment Act.

- Current Investments held
  - U.S. Agency Securities are purchased directly by the City from investment brokerage firms approved to do business with the City. These securities are issued in the City's name, and held in safekeeping by JP Morgan Chase Bank.
  - Certificates of Deposit are issued by commercial banks against funds deposited for specified periods and earn specified rates of interest. These funds are collateralized by funds of the bank.
  - Tex Pool is a public funds investment pool, rated AAAM and overseen by the State Comptroller's Office and administered and managed by Federated Investors.
  - TexSTAR is a public funds investment pool, rated AAAM and administered by First Southwest Asset Management, Inc. and JP Morgan Fleming Investment Management, Inc.



**Liquidity** Ensuring funds are available to meet the cash flow needs of the City's operations.

- Due to the state of investment returns, it has been difficult to attract higher rates by extending maturities. Therefore, as of June 30, 2013, approximately 92.86% of the City's investment portfolio was entirely liquid, in cash or investment pools.

**Yield** Attaining a reasonable return without risking safety or liquidity needs.

- The yield outlook remains bleak, with the fed funds rate near 0%.
- As of June 30, 2013, the City has compared favorably to the benchmarks comparable to our investment strategy.

	<u>Jun-13</u>	<u>Mar-13</u>	<u>Dec-12</u>	<u>Sep-12</u>
Investment Earnings	\$ 42,708	\$ 55,279	\$ 81,027	\$ 61,884
<i>City of League City Portfolio Return</i>	0.0883%	0.1088%	0.1532%	0.1375%
<u>Benchmarks</u>				
TexPool	0.0771%	0.0989%	0.1576%	0.1400%
TexSTAR	0.0792%	0.1075%	0.1704%	0.1420%
3 month T Bill	0.0433%	0.0833%	0.0800%	0.1033%

Portfolio Activity for the Quarter

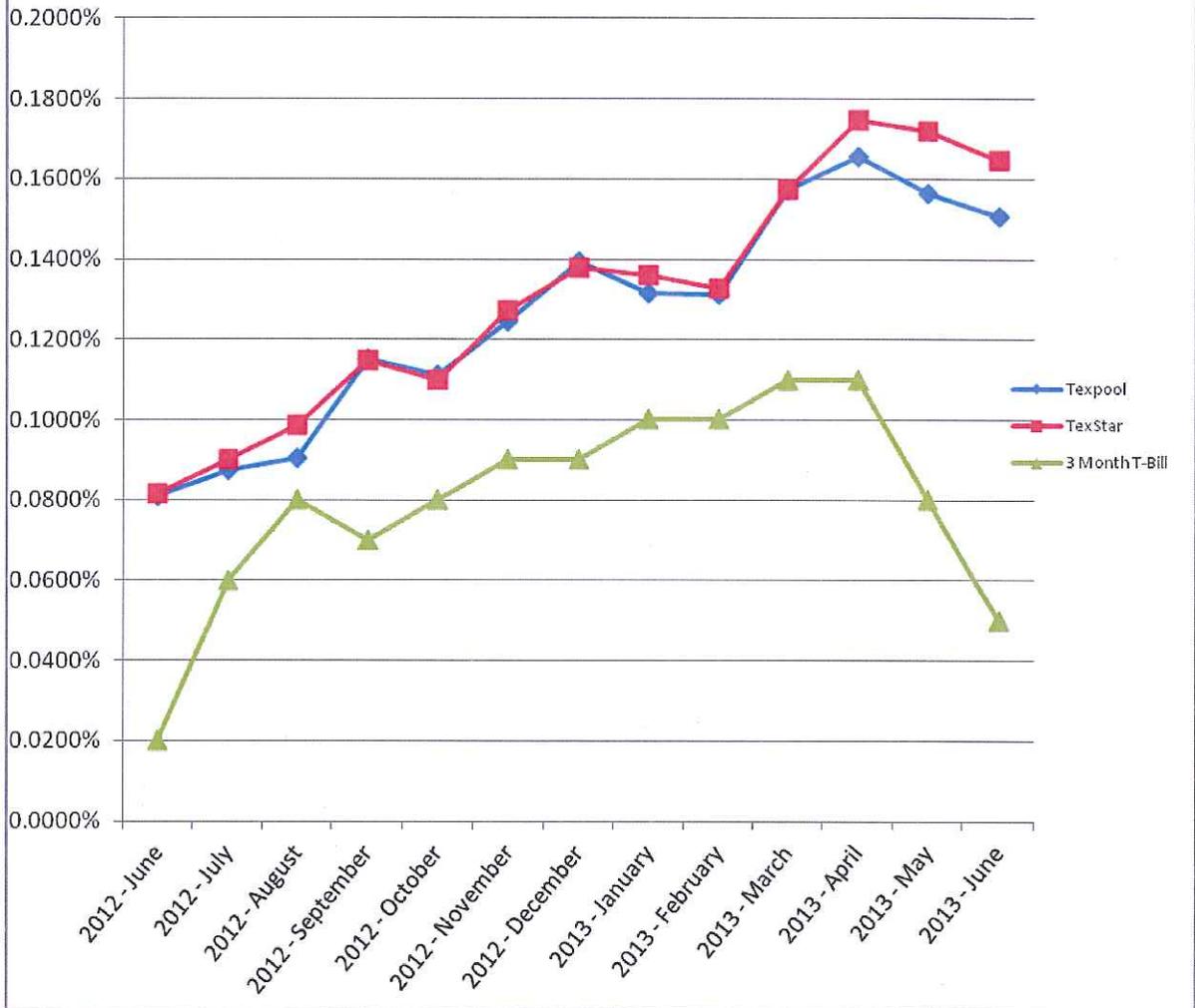
For the quarter, the total portfolio declined \$8.9 million. The change by fund type is as follows:

	<u>6/30/2013</u>	<u>3/31/2013</u>	<u>Change</u>
Main Funds	\$ 43,505,191	\$ 46,673,941	\$ (3,168,750)
Special Revenue Funds	5,523,940	6,203,956	(680,016)
Capital Project Funds	128,082,117	138,148,296	(10,066,179)
Internal Service Funds	2,257,550	2,139,893	117,657
Component Units	10,122,582	5,280,744	4,841,838
	<u>\$ 189,491,380</u>	<u>\$ 198,446,830</u>	<u>\$ (8,955,450)</u>

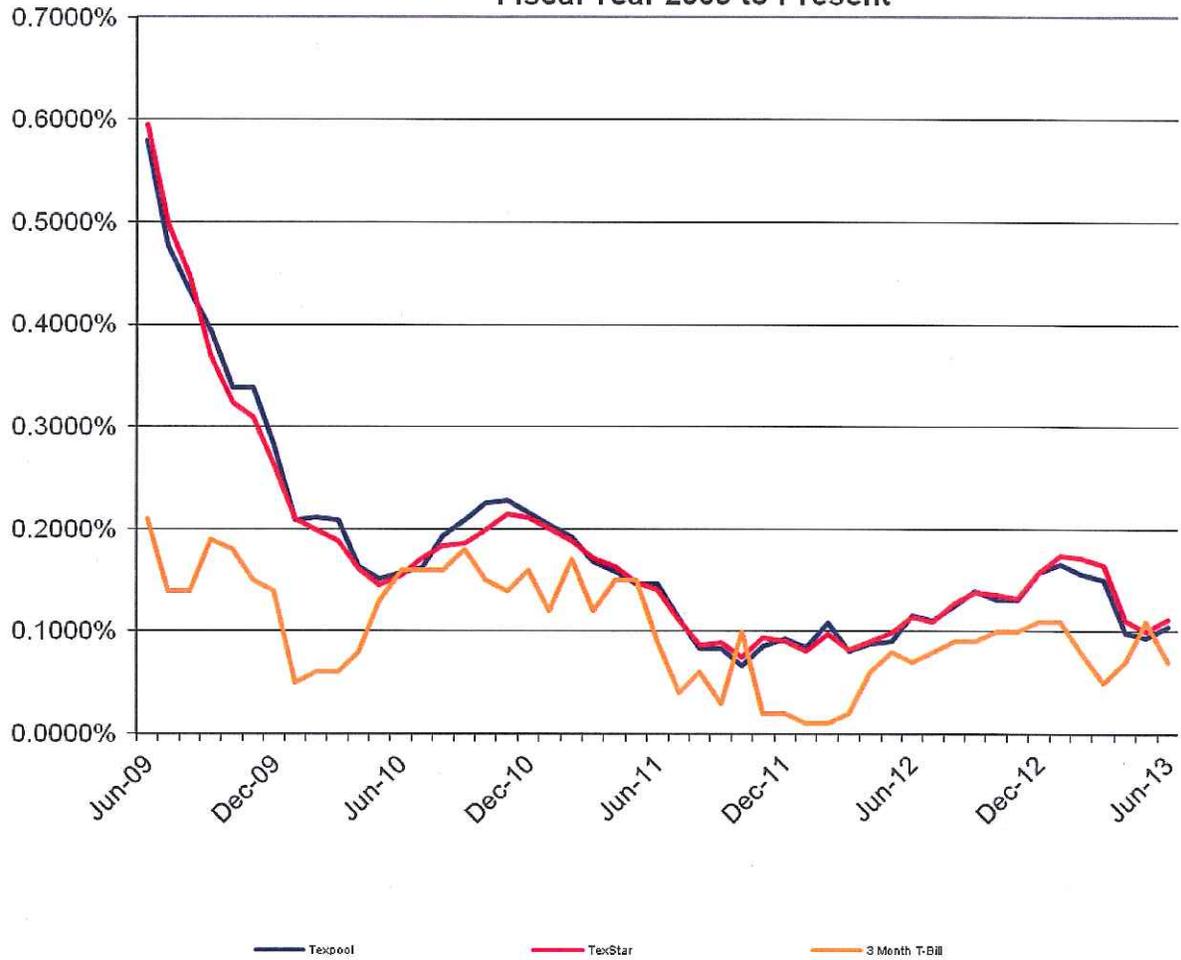
The major funds show a decline in balance due to the cash flow cycle of the general fund. Major revenues and property taxes are collected in the first two quarters of the fiscal year. These funds finance the general fund operations through the remainder of the year.

The capital project funds are also spending down as projects progress more quickly during the summer months.

### Short Term Interest Rates June 2012 to June 2013



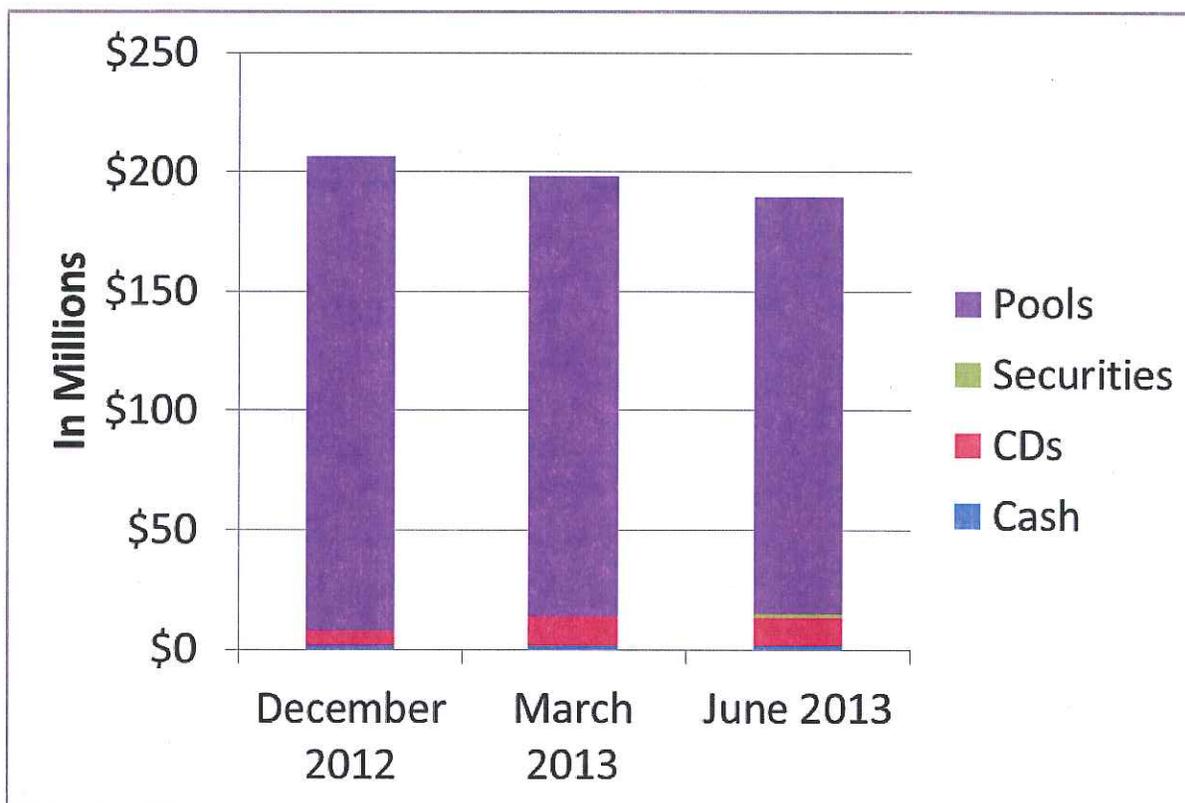
### City of League City Monthly Interest Rates Fiscal Year 2009 to Present



**PORTFOLIO INVENTORY  
FOR THE QUARTER ENDED JUNE 30, 2013**

Investment Type	Maturity Date	Book Value 03/31/13	Market Value 03/31/13	Book Value 06/30/13	Market Value 06/30/13	Interest Rate
Cash	Open	\$ 1,770,002	\$ 1,770,002	\$ 1,412,266	\$ 1,412,266	0.0500%
TexPool	Open	135,350,970	135,350,970	126,305,525	126,305,525	0.0576%
TexSTAR	Open	49,231,961	49,231,961	48,241,540	48,241,540	0.0614%
FHLB - 04/22/13 3135GOVP5	10/22/2015	-	-	1,000,000	1,000,000	0.3750%
Alief ISD GO - 06/5/13 016249JF Moody's Aaa	02/15/2015	-	-	430,514	429,084	0.4500%
CD Amegy - 09/16/12	09/16/2013	5,037,723	5,037,723	5,038,993	5,038,993	0.1000%
CD Prosperity - 03/02/12	09/04/2013	1,051,773	1,051,773	1,052,833	1,052,833	0.4000%
CD Prosperity - 10/22/12	10/22/2013	5,004,402	5,004,402	5,008,721	5,008,721	0.3500%
CD Prosperity - 02/27/13	02/27/2014	1,000,000	1,000,000	1,000,988	1,000,000	0.3500%
		<u>\$ 198,446,831</u>	<u>\$ 198,446,831</u>	<u>\$ 189,491,380</u>	<u>\$ 189,488,962</u>	

Weighted Maturity Average (WAM) for 06/30/13 is 17.36 days.



CITY OF LEAGUE CITY  
MONTHLY INVESTMENT REPORT  
FOR THE MONTH ENDED APRIL 30, 2013

Fund	Cash in Bank	Investment in TexPool	Investment in TexSTAR	Certificates of Deposit	(Book Value) Portfolio Investments	Total	Percent of Total Investments
<b>MAJOR FUNDS</b>							
General Fund	\$ 177,263	\$ 8,235,528	\$ 9,923,787	\$ 4,074,407	\$ -	\$ 22,410,985	11.38%
Debt Service	68,999	3,294,951	1,660,080	-	-	5,024,031	2.55%
W/WW Debt Service	34,054	120,019	1,260,162	-	-	1,414,235	0.72%
Water/Wastewater	65,034	6,469,312	5,848,507	2,015,089	1,000,000	15,397,941	7.82%
<b>Subtotal Major Funds</b>	<b>\$ 345,349</b>	<b>\$ 18,119,811</b>	<b>\$ 18,692,536</b>	<b>\$ 6,089,496</b>	<b>\$ 1,000,000</b>	<b>\$ 44,247,191</b>	<b>22.46%</b>
<b>SPECIAL REVENUE FUNDS</b>							
Police Activities Fund	\$ 144,853	\$ -	\$ -	\$ -	\$ -	\$ 144,853	0.07%
Animal Control Donation Fund	20,843	24,015	-	-	-	44,858	0.02%
Library Gift Fund	5,370	18,122	-	-	-	23,492	0.01%
Tree Preservation Fund	31,217	-	-	-	-	31,217	0.02%
Mun. Court Bldg Security Fund	3,971	36,257	-	-	-	40,228	0.02%
Emergency Mgmt Response Fd	3,965	78,619	-	-	-	82,584	0.04%
Mun. Court Technology Fund	12,303	4,071	-	-	-	16,373	0.01%
Hotel/Motel Tax	60,372	379,732	145,684	-	-	585,789	0.30%
SRL Grant	1,467	-	-	-	-	1,467	0.00%
Park Facilities & Maintenance	29,818	1,648,322	687,559	-	-	2,365,699	1.20%
Sidewalk Fund	5,436	131,533	-	-	-	136,969	0.07%
Safeight Fund	1,451	-	-	-	-	1,451	0.00%
Public Access Channel Fund	53,281	416,300	-	-	-	469,581	0.24%
Right of Way Fund	53,285	214,540	-	-	-	267,825	0.14%
Technology Fund	22,721	686,444	-	-	-	709,165	0.36%
4B Industrial Dev Park Maint & Ops	70,740	738,318	-	-	-	809,058	0.41%
<b>Subtotal Special Revenue Funds</b>	<b>\$ 521,092</b>	<b>\$ 4,376,273</b>	<b>\$ 833,243</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,730,608</b>	<b>2.91%</b>
<b>CAPITAL PROJECT FUNDS</b>							
Water Capital Improvement	\$ 62,117	\$ 5,406,884	\$ 899,531	\$ -	\$ -	\$ 6,368,532	3.23%
Wastewater Capital Improvement	100,644	4,235,399	1,023,496	-	-	5,359,538	2.72%
Bayridge Utility District	4,748	3,257	-	-	-	8,005	0.00%
South Shore MUD #3	46,055	100,206	-	-	-	146,261	0.07%
South Shore MUD #2	46,819	951,814	-	-	-	998,633	0.51%
Misc Capital Project Fund	4,022	1,403,202	283,560	-	-	1,690,784	0.86%
W/W Capital Project Fund	45,686	1,322,548	892,789	-	-	2,261,023	1.15%
2003A Certificates of Obligation	2	-	-	-	-	2	0.00%
2006 Certificates of Obligation	23	-	-	-	-	23	0.00%
2008 Revenue Bonds	2,288	1,144,990	-	-	-	1,147,278	0.58%
2008 Certificates of Obligation	19,795	3,915,048	-	-	-	3,934,843	2.00%
2009 Revenue Bonds	4,512	11,483,724	45,441	-	-	11,533,678	5.85%
2009 Certificates of Obligation	16,129	9,403,674	-	-	-	9,419,803	4.78%
2011 Revenue Bond	57,093	-	4,827,090	-	-	4,884,183	2.48%
2011A Certificates of Obligation	10,706	24,562,102	-	5,008,721	-	29,581,528	15.01%
2012B Certificates of Obligation	6,079	-	19,914,266	1,000,000	-	20,920,345	10.62%
2011 Certificates of Obligation	11,295	1,522,757	-	-	-	1,534,052	0.78%
2012A Certificates of Obligation	6,547	35,803,998	-	-	-	35,810,545	18.18%
4B Industrial Dev 2011 CO	88	94	-	-	-	182	0.00%
<b>Subtotal Capital Project Funds</b>	<b>\$ 444,647</b>	<b>\$ 101,259,696</b>	<b>\$ 27,886,173</b>	<b>\$ 6,008,721</b>	<b>\$ -</b>	<b>\$ 135,599,236</b>	<b>68.83%</b>
<b>INTERNAL SERVICE FUNDS</b>							
Motor Pool Fund	\$ 17,502	\$ 2,005,165	\$ 70,212	\$ -	\$ -	\$ 2,092,879	1.06%
<b>Subtotal Internal Service Fund</b>	<b>\$ 17,502</b>	<b>\$ 2,005,165</b>	<b>\$ 70,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,092,879</b>	<b>1.06%</b>
<b>COMPONENT UNITS</b>							
TIF#1- Magnolia Creek	\$ 6,466	\$ 2,293,343	\$ 83,662	\$ -	\$ -	\$ 2,383,471	1.21%
PID #1 Magnolia Creek	69,755	1,099,516	-	-	-	1,169,271	0.59%
TIF #2 Victory Lakes	30,770	3,737,363	670,315	-	-	4,438,449	2.25%
PID #2 Victory Lakes	25,021	5,389	-	-	-	30,410	0.02%
TIF #3 Centerpointe	110,690	850,109	-	-	-	960,799	0.49%
PID #3 Centerpointe	17,374	543	-	-	-	17,918	0.01%
TIF #4 Westwood	103,572	233,260	-	-	-	336,832	0.17%
PID #5 Park on Clear Creek	2,028	5,111	-	-	-	7,139	0.00%
<b>Subtotal Component Units</b>	<b>\$ 365,678</b>	<b>\$ 8,224,634</b>	<b>\$ 753,978</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,344,289</b>	<b>4.74%</b>
<b>TOTAL</b>	<b>\$ 1,694,269</b>	<b>\$ 133,985,578</b>	<b>\$ 48,236,141</b>	<b>\$ 12,098,216</b>	<b>\$ 1,000,000</b>	<b>\$ 197,014,203</b>	<b>100.00%</b>
Portfolio Diversification Ratio	0.86%	68.01%	24.48%	6.14%	0.51%	100.0%	
TexPool Average Yield Rate		0.1022%		TexSTAR Average Yield Rate		0.1038%	
Texpool Interest Earned	\$	11,325		TexSTAR Interest Earned	\$	4,180	
JPMorgan Chase Bank Collateral				JPMorgan Chase Bank Sweep Account			
Par Value of Collateral	\$	3,000,000		Bank Balance per Sweep Acct @0.05%	\$	1,569,597	
Market Value of Collateral	\$	3,005,976		Par Value of Collateral	\$	1,463,602	
FDIC Insured	\$	250,000		Market Value of Collateral	\$	1,600,987	
Amegy Certificate of Deposit (2)	\$	5,037,723	9/16/2012	Prosperity Certificate of Deposit (1)	\$	1,051,773	3/4/2012
Market Value Collateral	\$	5,041,000		Market Value Collateral	\$	11,694,331	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	
Prosperity Certificate of Deposit (3)	\$	5,008,721	10/22/2012	Prosperity Certificate of Deposit (4)	\$	1,000,000	2/27/2013
Market Value Collateral	\$	11,694,331		Market Value Collateral	\$	11,694,331	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	

CITY OF LEAGUE CITY  
MONTHLY INVESTMENT REPORT  
FOR THE MONTH ENDED MAY 31, 2013

Fund	Cash in Bank	Investment in TexPool	Investment in TexSTAR	Certificates of Deposit	(Book Value) Portfolio Investments	Total	Percent of Total Investments
<b>MAJOR FUNDS</b>							
General Fund	\$ 292,319	\$ 7,139,694	\$ 9,929,397	\$ 4,074,407	\$ -	\$ 21,435,817	11.07%
Debt Service	60,072	3,295,153	1,740,187	-	-	5,095,413	2.63%
WWW Debt Service	189,276	670,060	1,260,239	-	-	2,119,575	1.09%
Water/Wastewater	15,805	6,653,256	5,848,813	2,015,089	1,000,000	15,532,962	8.02%
<b>Subtotal Major Funds</b>	<b>\$ 557,472</b>	<b>\$ 17,758,164</b>	<b>\$ 18,778,636</b>	<b>\$ 6,089,496</b>	<b>\$ 1,000,000</b>	<b>\$ 44,183,767</b>	<b>22.82%</b>
<b>SPECIAL REVENUE FUNDS</b>							
Police Activities Fund	\$ 143,764	\$ -	\$ -	\$ -	\$ -	\$ 143,764	0.07%
Animal Control Donation Fund	21,046	24,017	-	-	-	45,063	0.02%
Library Gift Fund	4,299	13,123	-	-	-	17,422	0.01%
Tree Preservation Fund	31,218	-	-	-	-	31,218	0.02%
Mun. Court Bldg Security Fund	4,264	31,259	-	-	-	35,523	0.02%
Emergency Mgmt Response Fd	2,572	78,624	-	-	-	81,196	0.04%
Mun. Court Technology Fund	14,153	4,071	-	-	-	18,224	0.01%
Hotel/Motel Tax	4,737	379,756	145,693	-	-	530,186	0.27%
SRL Grant	-	-	-	-	-	-	0.00%
Park Facilities & Maintenance	2,774	1,568,418	687,601	-	-	2,258,793	1.17%
Sidewalk Fund	3,251	111,539	-	-	-	114,791	0.06%
Safelight Fund	17,987	-	-	-	-	17,987	0.01%
Public Access Channel Fund	24,194	496,330	-	-	-	520,524	0.27%
Right of Way Fund	16,340	214,553	-	-	-	230,893	0.12%
Technology Fund	22,722	686,486	-	-	-	709,208	0.37%
4B Industrial Dev Park Maint & Ops	62,556	701,090	-	-	-	763,646	0.39%
<b>Subtotal Special Revenue Funds</b>	<b>\$ 374,978</b>	<b>\$ 4,309,266</b>	<b>\$ 833,294</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,517,538</b>	<b>2.85%</b>
<b>CAPITAL PROJECT FUNDS</b>							
Water Capital Improvement	\$ 128,690	\$ 5,407,215	\$ 899,587	\$ -	\$ -	\$ 6,435,491	3.32%
Wastewater Capital Improvement	102,250	4,235,659	1,008,558	-	-	5,346,466	2.76%
Bayridge Utility District	4,748	3,257	-	-	-	8,005	0.00%
South Shore MUD #3	46,057	100,212	-	-	-	146,269	0.08%
South Shore MUD #2	46,821	951,872	-	-	-	998,693	0.52%
Misc Capital Project Fund	164,588	1,363,285	283,577	-	-	1,811,451	0.94%
WWW Capital Project Fund	85,727	1,107,616	892,844	-	-	2,086,186	1.08%
2003A Certificates of Obligation	-	-	-	-	-	-	0.00%
2006 Certificates of Obligation	-	-	-	-	-	-	0.00%
2008 Revenue Bonds	1,264	1,100,057	-	-	-	1,101,321	0.57%
2008 Certificates of Obligation	4,848	3,880,286	-	-	-	3,885,134	2.01%
2009 Revenue Bonds	1,272	10,336,903	45,444	-	-	10,383,620	5.36%
2009 Certificates of Obligation	2,206	9,289,244	-	-	-	9,291,450	4.80%
2011 Revenue Bond	2,110	-	4,757,435	-	-	4,759,545	2.46%
2011A Certificates of Obligation	6,833	23,257,889	-	5,008,721	-	28,273,442	14.60%
2012B Certificates of Obligation	4,981	-	19,915,490	1,000,988	-	20,921,458	10.80%
2011 Certificates of Obligation	4,580	1,451,475	-	-	-	1,456,055	0.75%
2012A Certificates of Obligation	2,435	34,815,540	-	-	-	34,817,975	17.98%
4B Industrial Dev 2011 CO	88	94	-	-	-	182	0.00%
<b>Subtotal Capital Project Funds</b>	<b>\$ 609,499</b>	<b>\$ 97,300,603</b>	<b>\$ 27,802,934</b>	<b>\$ 6,009,708</b>	<b>\$ -</b>	<b>\$ 131,722,744</b>	<b>68.02%</b>
<b>INTERNAL SERVICE FUNDS</b>							
Motor Pool Fund	\$ 76,486	\$ 1,970,286	\$ 70,216	\$ -	\$ -	\$ 2,116,988	1.09%
<b>Subtotal Internal Service Fund</b>	<b>\$ 76,486</b>	<b>\$ 1,970,286</b>	<b>\$ 70,216</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,116,988</b>	<b>1.09%</b>
<b>COMPONENT UNITS</b>							
TIF#1-Magnolia Creek	\$ 35	\$ 2,268,482	\$ 83,668	\$ -	\$ -	\$ 2,352,184	1.21%
PID #1 Magnolia Creek	24,195	1,934,041	-	-	-	1,958,236	1.01%
TIF #2 Victory Lakes	30,772	3,737,592	670,356	-	-	4,438,720	2.29%
PID #2 Victory Lakes	28,910	5,389	-	-	-	34,299	0.02%
TIF #3 Centerpointe	30,692	930,166	-	-	-	960,858	0.50%
PID #3 Centerpointe	14,963	544	-	-	-	15,507	0.01%
TIF #4 Westwood	23,573	313,279	-	-	-	336,852	0.17%
PID #5 Park on Clear Creek	5,726	5,111	-	-	-	10,838	0.01%
<b>Subtotal Component Units</b>	<b>\$ 158,865</b>	<b>\$ 9,194,604</b>	<b>\$ 754,024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,107,494</b>	<b>5.22%</b>
<b>TOTAL</b>	<b>\$ 1,777,300</b>	<b>\$ 130,532,923</b>	<b>\$ 48,239,104</b>	<b>\$ 12,099,204</b>	<b>\$ 1,000,000</b>	<b>\$ 193,648,531</b>	<b>100.00%</b>
Portfolio Diversification Ratio	0.92%	67.41%	24.91%	6.25%	0.52%	100.0%	
TexPool Average Yield Rate		0.0715%		TexSTAR Average Yield Rate		0.0723%	
Texpool Interest Earned	\$	8,001		TexSTAR Interest Eamed	\$	2,964	
JPMorgan Chase Bank Collateral				JPMorgan Chase Bank Sweep Account			
Par Value of Collateral	\$	3,000,000		Bank Balance per Sweep Acct @0.05%	\$	1,748,941	
Market Value of Collateral	\$	3,004,335		Par Value of Collateral	\$	1,734,896	
FDIC Insured	\$	250,000		Market Value of Collateral	\$	1,783,913	
Amegy Certificate of Deposit (2)	\$	5,037,723	9/16/2012	Prosperity Certificate of Deposit (1)	\$	1,051,773	3/4/2012
Market Value Collateral	\$	5,041,000		Market Value Collateral	\$	11,434,563	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	
Prosperity Certificate of Deposit (3)	\$	5,008,721	10/22/2012	Prosperity Certificate of Deposit (4)	\$	1,000,988	2/27/2013
Market Value Collateral	\$	11,434,563		Market Value Collateral	\$	11,434,563	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	

CITY OF LEAGUE CITY  
MONTHLY INVESTMENT REPORT  
FOR THE MONTH ENDED JUNE 30, 2013

Fund	Cash in Bank	Investment in TexPool	Investment in TexSTAR	Certificates of Deposit	(Book Value) Portfolio Investments	Total	Percent of Total Investments
<b>MAJOR FUNDS</b>							
General Fund	\$ 162,629	\$ 5,751,333	\$ 9,929,898	\$ 4,076,229	\$ -	\$ 19,920,088	10.51%
Debt Service	96,619	3,410,317	1,740,275	-	-	5,247,211	2.77%
W/W/W Debt Service	34,491	1,530,134	1,260,303	-	-	2,824,928	1.49%
Water/Wastewater	34,258	8,183,640	3,848,955	2,015,597	1,430,514	15,512,964	8.19%
<b>Subtotal Major Funds</b>	<b>\$ 327,997</b>	<b>\$ 18,875,424</b>	<b>\$ 16,779,431</b>	<b>\$ 6,091,826</b>	<b>\$ 1,430,514</b>	<b>\$ 43,505,191</b>	<b>22.96%</b>
<b>SPECIAL REVENUE FUNDS</b>							
Police Activities Fund	\$ 170,198	\$ -	\$ -	\$ -	\$ -	\$ 170,198	0.09%
Animal Control Donation Fund	24,824	24,018	-	-	-	48,842	0.03%
Library Gift Fund	8,893	3,123	-	-	-	12,016	0.01%
Tree Preservation Fund	31,220	-	-	-	-	31,220	0.02%
Mun. Court Bldg Security Fund	8,399	21,260	-	-	-	29,659	0.02%
Emergency Mgmt Response Fd	8,021	48,626	-	-	-	56,648	0.03%
Mun. Court Technology Fund	14,402	4,071	-	-	-	18,473	0.01%
Hotel/Motel Tax	8,914	339,772	145,700	-	-	494,386	0.26%
SRL Grant	-	-	-	-	-	-	0.00%
Park Facilities & Maintenance	2,774	1,568,494	687,636	-	-	2,258,903	1.19%
Sidewalk Fund	3,252	111,545	-	-	-	114,796	0.06%
Safelight Fund	54,700	-	-	-	-	54,700	0.03%
Public Access Channel Fund	23,608	496,354	-	-	-	519,962	0.27%
Right of Way Fund	16,341	214,563	-	-	-	230,904	0.12%
Technology Fund	22,723	686,519	-	-	-	709,242	0.37%
Public Safety Tech Fund	18,002	-	-	-	-	18,002	0.01%
4B Industrial Dev Park Maint & Ops	54,864	701,123	-	-	-	755,988	0.40%
<b>Subtotal Special Revenue Funds</b>	<b>\$ 471,135</b>	<b>\$ 4,219,469</b>	<b>\$ 833,336</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,523,940</b>	<b>2.92%</b>
<b>CAPITAL PROJECT FUNDS</b>							
Water Capital Improvement	\$ 37,987	\$ 3,039,061	\$ 2,899,733	\$ -	\$ -	\$ 5,976,781	3.15%
Wastewater Capital Improvement	28,191	4,490,875	1,018,609	-	-	5,537,674	2.92%
Bayridge Utility District	4,748	3,257	-	-	-	8,006	0.00%
South Shore MUD #3	46,059	100,217	-	-	-	146,276	0.08%
South Shore MUD #2	46,823	951,918	-	-	-	998,741	0.53%
Misc Capital Project Fund	38,117	1,643,364	283,592	-	-	1,965,073	1.04%
W/W Capital Project Fund	36,969	1,237,676	892,889	-	-	2,167,533	1.14%
2003A Certificates of Obligation	-	-	-	-	-	-	0.00%
2006 Certificates of Obligation	-	-	-	-	-	-	0.00%
2008 Revenue Bonds	9,787	1,075,109	-	-	-	1,084,896	0.57%
2008 Certificates of Obligation	6,431	3,810,469	-	-	-	3,816,900	2.01%
2009 Revenue Bonds	8,814	9,451,975	45,446	-	-	9,506,235	5.02%
2009 Certificates of Obligation	30,676	8,854,669	-	-	-	8,885,345	4.69%
2011 Revenue Bond	1,441	-	4,747,728	-	-	4,749,169	2.51%
2011A Certificates of Obligation	30,591	21,791,353	-	5,008,721	-	26,830,665	14.16%
2012B Certificates of Obligation	4,573	-	19,916,495	1,000,988	-	20,922,056	11.04%
2011 Certificates of Obligation	19,953	1,231,534	-	-	-	1,251,487	0.66%
2012A Certificates of Obligation	21,660	34,213,438	-	-	-	34,235,098	18.07%
4B Industrial Dev 2011 CO	88	94	-	-	-	182	0.00%
<b>Subtotal Capital Project Funds</b>	<b>\$ 372,908</b>	<b>\$ 91,895,009</b>	<b>\$ 29,804,492</b>	<b>\$ 6,009,708</b>	<b>\$ -</b>	<b>\$ 128,082,117</b>	<b>67.59%</b>
<b>INTERNAL SERVICE FUNDS</b>							
Motor Pool Fund	\$ 66,753	\$ 2,120,578	\$ 70,220	\$ -	\$ -	\$ 2,257,550	1.19%
<b>Subtotal Internal Service Fund</b>	<b>\$ 66,753</b>	<b>\$ 2,120,578</b>	<b>\$ 70,220</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,257,550</b>	<b>1.19%</b>
<b>COMPONENT UNITS</b>							
TIF#1-Magnolia Creek	\$ 35	\$ 2,268,591	\$ 83,672	\$ -	\$ -	\$ 2,352,297	1.24%
PID #1 Magnolia Creek	36,535	1,934,134	-	-	-	1,970,669	1.04%
TIF #2 Victory Lakes	30,273	3,737,772	670,390	-	-	4,438,435	2.34%
PID #2 Victory Lakes	25,715	5,389	-	-	-	31,104	0.02%
TIF #3 Centerpointe	30,693	930,211	-	-	-	960,904	0.51%
PID #3 Centerpointe	18,911	544	-	-	-	19,455	0.01%
TIF #4 Westwood	23,574	313,294	-	-	-	336,869	0.18%
PID #5 Park on Clear Creek	7,738	5,112	-	-	-	12,850	0.01%
<b>Subtotal Component Units</b>	<b>\$ 173,474</b>	<b>\$ 9,195,046</b>	<b>\$ 754,062</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,122,582</b>	<b>5.34%</b>
<b>TOTAL</b>	<b>\$ 1,412,266</b>	<b>\$ 128,305,525</b>	<b>\$ 48,241,540</b>	<b>\$ 12,101,534</b>	<b>\$ 1,430,514</b>	<b>\$ 189,491,380</b>	<b>100.00%</b>
Portfolio Diversification Ratio	0.75%	66.66%	25.46%	6.39%	0.75%	100.0%	
TexPool Average Yield Rate		0.0576%		TexSTAR Average Yield Rate		0.0614%	
Texpool Interest Earned	\$	6,071		TexSTAR Interest Earned	\$	2,438	
JPMorgan Chase Bank Collateral		\$ 3,000,000		JPMorgan Chase Bank Sweep Account		\$ 1,643,721	
Par Value of Collateral	\$	3,002,694		Bank Balance per Sweep Acct @0.05%	\$	1,668,915	
Market Value of Collateral	\$	250,000		Market Value of Collateral	\$	1,676,589	
FDIC Insured	\$	250,000			\$		
Amegy Certificate of Deposit (2)	\$	5,038,993	9/16/2012	Prosperity Certificate of Deposit (1)	\$	1,052,833	3/4/2012
Market Value Collateral	\$	5,041,000		Market Value Collateral	\$	10,778,525	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	
Prosperity Certificate of Deposit (3)	\$	5,008,721	10/22/2012	Prosperity Certificate of Deposit (4)	\$	1,000,988	2/27/2013
Market Value Collateral	\$	10,778,525		Market Value Collateral	\$	10,778,525	
FDIC Insured	\$	250,000		FDIC Insured	\$	250,000	