



Compliance Certification

We certify that the Quarterly Investment Report represents the investment position of the City of League City as of September 30, 2016 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 23, 2016.

Rebecca Underhill, CPA – Asst. City Manager

Lonna Stein – Asst. Director of Finance

Quencelia Goins - Accounting Manager

Hank Dugie - Finance Committee

Gabe Allen - Finance Committee, Vice Chair

Nick Long - Finance Committee

John Baumgartner – Interim City Manager

Paul Maaz – Finance Committee

Juan Guerrero - Finance Committee

Tom Crews - Finance Committee, Chair

Audrey Ayers - Finance Committee

Gabriel Iverson - Finance Committee

Marc Elliott - Finance Committee



Quarterly Investment Report

As of September 30, 2016

Pat Hallisey - Mayor

Todd Kinsey - Mayor Pro Tem

Dan Becker - Councilmember

Greg Gripon - Councilmember

Larry Millican - Councilmember

Nick Long - Councilmember

Keith Gross - Councilmember

Hank Dugie - Councilmember

John Baumgartner – Interim City Manager

Rebecca Underhill, CPA – Asst. City Manager



CITY OF LEAGUE CITY, TEXAS
Quarterly Investment Report
06/30/2016 - 09/30/2016

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 Asst. City Manager, Asst. Director of Finance 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.

Asset Category	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Cash in Bank	4,054,101.78	4,054,101.78	4,054,101.78	2.87	0.01	1
Cert of Dep	7,116,344.09	7,116,344.09	7,116,344.09	5.04	0.64	313
Lone Star	3,009,200.95	3,009,200.95	3,009,200.95	2.13	0.40	1
Security Inv	31,112,000.00	31,137,864.37	31,141,652.69	22.01	0.67	268
TexPool	49,069,065.25	49,069,065.25	49,069,065.25	34.72	0.38	1
TexSTAR	46,974,962.42	46,974,962.42	46,974,962.42	33.24	0.41	1
Total / Average	141,335,674.49	141,361,538.86	141,365,327.18	100.00	0.46	76

Rebecca Underhill

Rebecca Underhill, CPA - Asst. City Manager

1-18-17

Date

Quencelia Goins

Quencelia Goins - Accounting Manager

1/18/17

Date

Lonna Stein

Lonna Stein - Asst. Director of Finance

1/18/17

Date

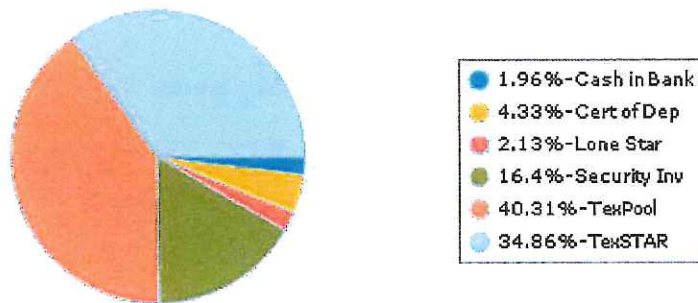


City of League City **Distribution by Asset Category - Book Value** **Report Group: Quarterly Investment Report**

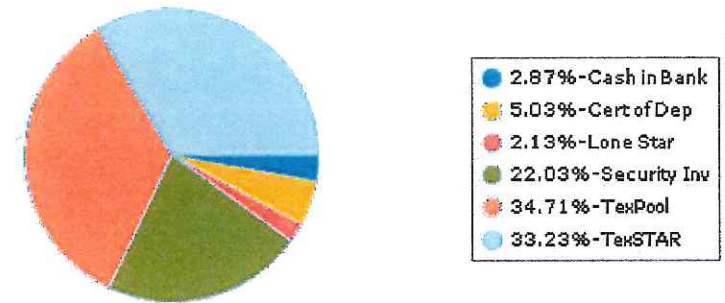
Begin Date: 6/30/2016, End Date: 9/30/2016

Asset Category Allocation				
Asset Category	Book Value 6/30/2016	% of Portfolio 6/30/2016	Book Value 9/30/2016	% of Portfolio 9/30/2016
Cash in Bank	2,764,590.46	1.96	4,054,101.78	2.87
Cert of Dep	6,109,456.99	4.33	7,116,344.09	5.03
Lone Star	3,006,270.30	2.13	3,009,200.95	2.13
Security Inv	23,134,162.62	16.40	31,141,652.69	22.03
TexPool	56,851,599.81	40.31	49,069,065.25	34.71
TexSTAR	49,155,940.91	34.86	46,974,962.42	33.23
Total / Average	141,022,021.09	100.00	141,365,327.18	100.00

Portfolio Holdings as of 6/30/2016



Portfolio Holdings as of 9/30/2016



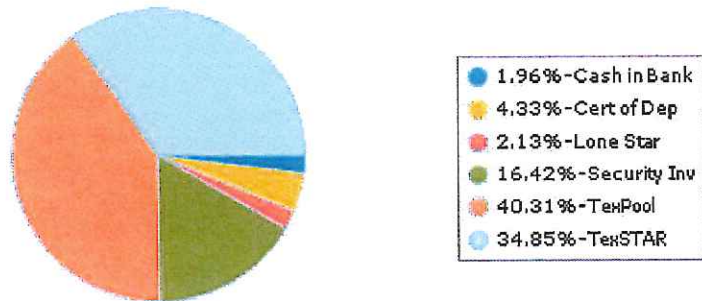


City of League City
Distribution by Asset Category - Market Value
Report Group: Quarterly Investment Report

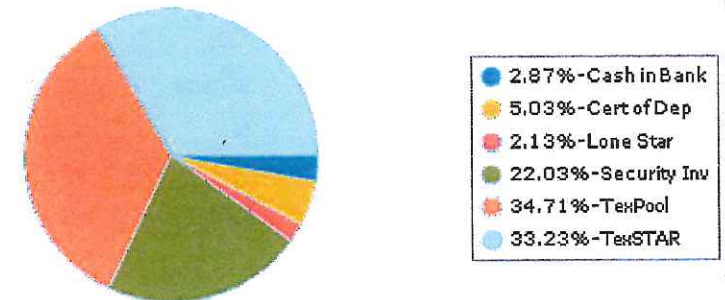
Begin Date: 6/30/2016, End Date: 9/30/2016

Asset Category Allocation				
Asset Category	Market Value 6/30/2016	% of Portfolio 6/30/2016	Market Value 9/30/2016	% of Portfolio 9/30/2016
Cash in Bank	2,764,590.46	1.96	4,054,101.78	2.87
Cert of Dep	6,109,456.99	4.33	7,116,344.09	5.03
Lone Star	3,006,270.30	2.13	3,009,200.95	2.13
Security Inv	23,151,748.90	16.42	31,137,864.37	22.03
TexPool	56,851,599.81	40.31	49,069,065.25	34.71
TexSTAR	49,155,940.91	34.85	46,974,962.42	33.23
Total / Average	141,039,607.37	100.00	141,361,538.86	100.00

Portfolio Holdings as of 6/30/2016



Portfolio Holdings as of 9/30/2016

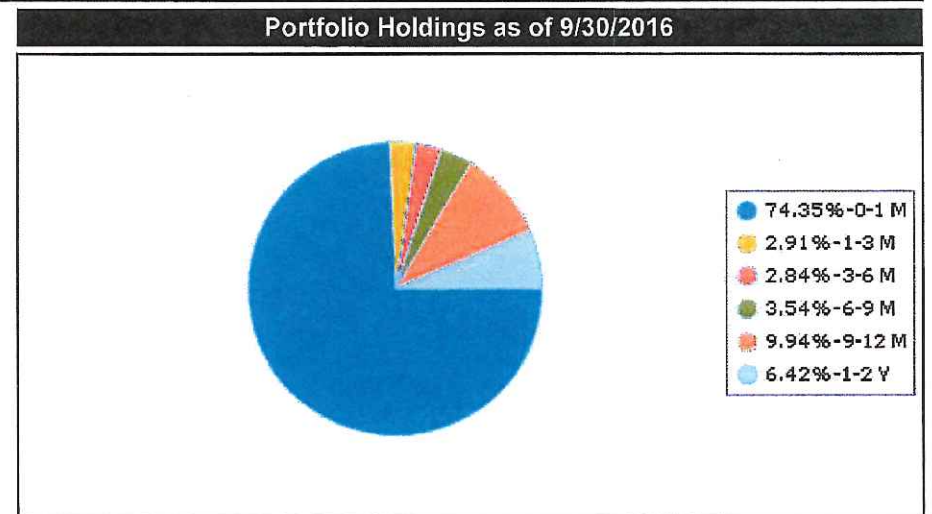
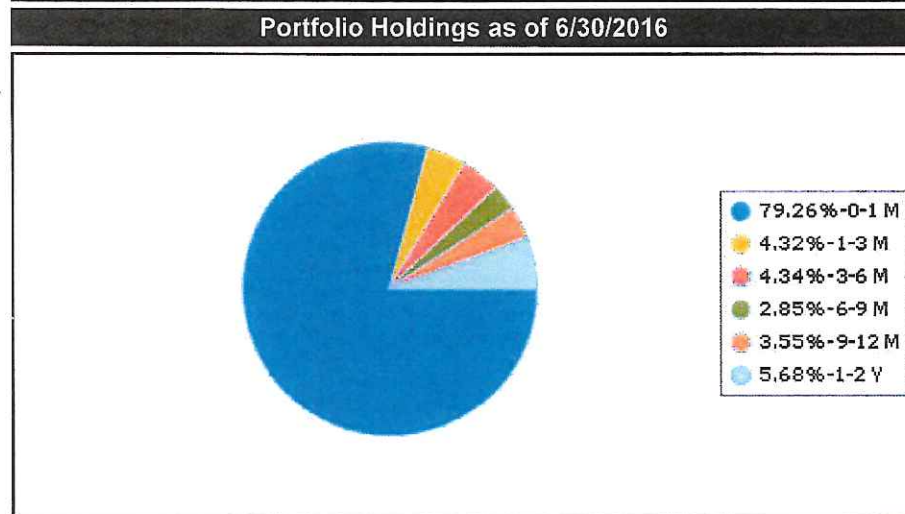




City of League City
Distribution by Maturity Range - Book Value
Report Group: Quarterly Investment Report

Begin Date: 6/30/2016, End Date: 9/30/2016

Maturity Range Allocation				
Maturity Range	Book Value 6/30/2016	% of Portfolio 6/30/2016	Book Value 9/30/2016	% of Portfolio 9/30/2016
0-1 Month	111,778,401.48	79.26	105,107,432.40	74.35
1-3 Months	6,097,730.66	4.32	4,117,680.05	2.91
3-6 Months	6,122,053.53	4.34	4,016,689.40	2.84
6-9 Months	4,013,996.60	2.85	5,000,589.08	3.54
9-12 Months	5,001,135.11	3.55	14,049,985.78	9.94
1-2 Years	8,008,703.71	5.68	9,072,950.47	6.42
Total / Average	141,022,021.09	100.00	141,365,327.18	100.00



06/30/2015 Weighted Average Yield = 0.13 Weighted Average Maturity = 57



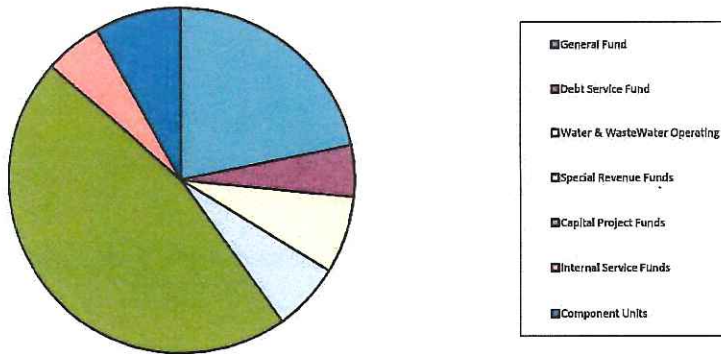
City of League City
Distribution by Fund Categories
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

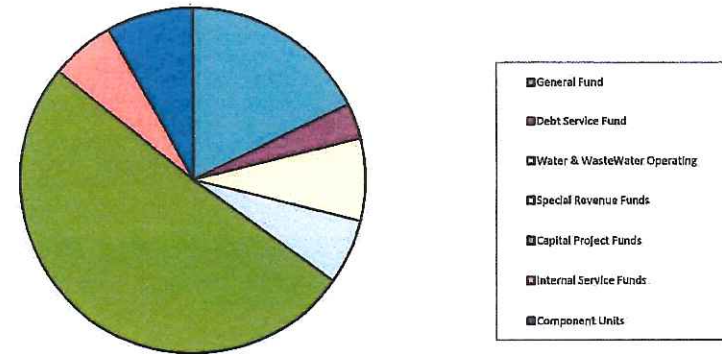
Fund Categories Allocation

Fund Categories	Book Value 06/30/2016	% of Portfolio 06/30/2016	Book Value 09/30/2016	% of Portfolio 09/30/2016
General Fund	30,692,603.62	21.76	25,162,629.34	17.80
Debt Service Fund	6,818,985.61	4.84	4,724,326.08	3.34
Water & WasteWater Operating	10,172,280.01	7.21	10,895,666.76	7.71
Special Revenue Funds	8,904,351.06	6.31	8,608,723.41	6.09
Capital Project Funds	65,429,919.24	46.40	72,123,522.89	51.02
Internal Service Funds	7,553,004.75	5.36	8,557,167.07	6.05
Component Units	11,450,876.80	8.12	11,293,291.63	7.99
Total / Average	141,022,021.09	100.00	141,365,327.18	100.00

Fund Categories as of 06/30/2016



Fund Categories as of 09/30/2016



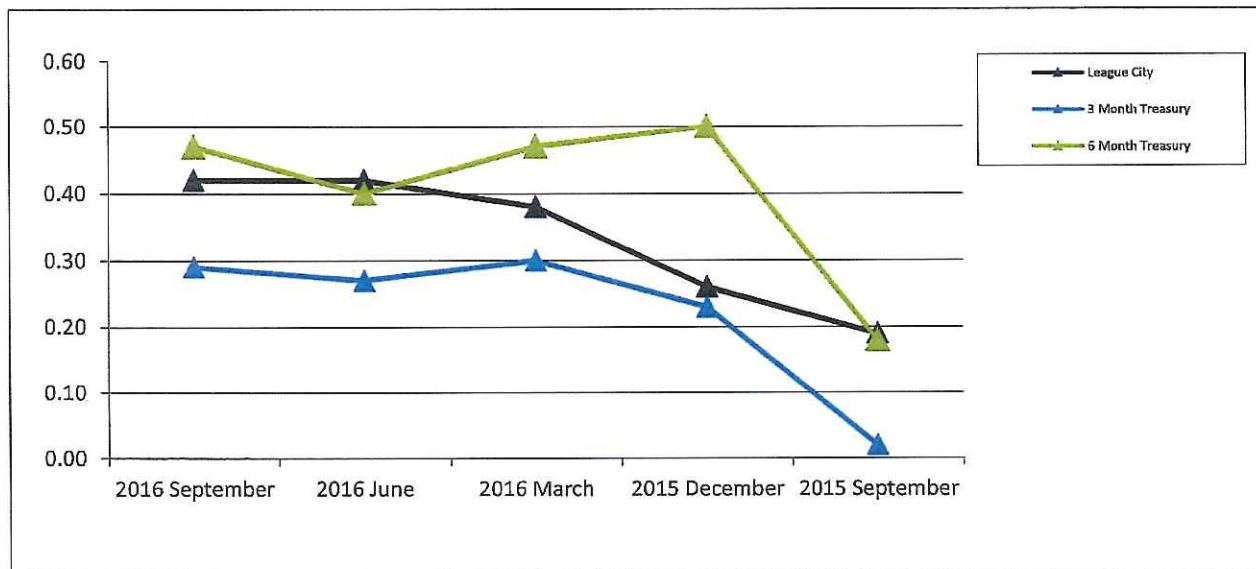


City of League City
Interest Income
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Interest Income				
				Benchmark
Date Range	Ending Book Value	Interest Income	Weighted Average Yield	Treasury 3 Month Average
Current Quarter				
06/30/2016 - 09/30/2016	141,365,327.18	191,955.84	0.54	0.30
03/31/2016 - 06/30/2016	141,022,021.09	149,275.57	0.42	0.26
12/31/2015 - 03/31/2016	145,427,461.59	132,593.41	0.38	0.29
09/30/2015 - 12/31/2015	146,115,525.49	79,738.43	0.26	0.13
06/30/2015 - 09/30/2015	132,581,038.42	57,505.85	0.19	0.04

Yield Comparison



	Treasury	
	3 MONTH	6 MONTH
2016 September	0.29	0.47
August	0.30	0.45
July	0.30	0.40
2016 June	0.27	0.40
May	0.28	0.42
April	0.23	0.37
2016 March	0.30	0.47
February	0.31	0.45
January	0.26	0.43
2015 December	0.23	0.50
November	0.13	0.33
October	0.02	0.11
2015 September	0.02	0.18
August	0.07	0.22
July	0.03	0.12

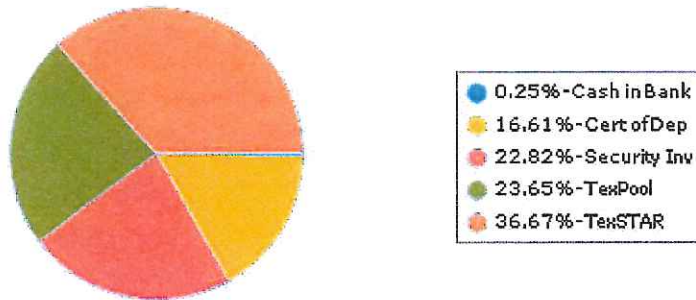


City of League City
Distribution by Asset Category - Book Value
010 (0100) - General Fund

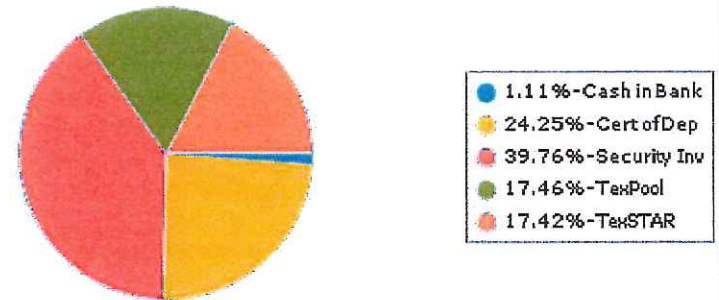
Begin Date: 6/30/2016, End Date: 9/30/2016

Asset Category Allocation				
Asset Category	Book Value 6/30/2016	% of Portfolio 6/30/2016	Book Value 9/30/2016	% of Portfolio 9/30/2016
Cash in Bank	77,658.63	0.25	280,327.68	1.11
Cert of Dep	5,097,040.86	16.61	6,102,528.28	24.25
Security Inv	7,005,563.39	22.82	10,003,677.62	39.76
TexPool	7,257,562.98	23.65	4,393,839.79	17.46
TexSTAR	11,254,777.76	36.67	4,382,255.97	17.42
Total / Average	30,692,603.62	100.00	25,162,629.34	100.00

Portfolio Holdings as of 6/30/2016



Portfolio Holdings as of 9/30/2016



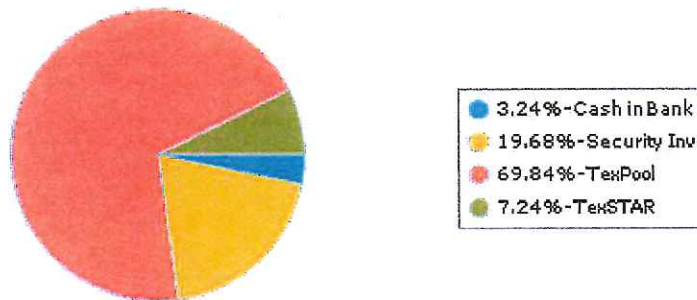


City of League City
Distribution by Asset Category - Book Value
Report Group: Water & WasteWater Operating

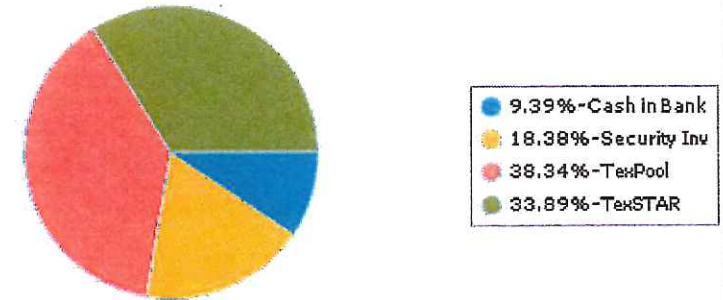
Begin Date: 6/30/2016, End Date: 9/30/2016

Asset Category Allocation				
Asset Category	Book Value 6/30/2016	% of Portfolio 6/30/2016	Book Value 9/30/2016	% of Portfolio 9/30/2016
Cash in Bank	329,872.47	3.24	1,022,857.88	9.39
Security Inv	2,001,638.83	19.68	2,002,740.68	18.38
TexPool	7,104,340.33	69.84	4,177,831.43	38.34
TexSTAR	736,428.38	7.24	3,692,236.77	33.89
Total / Average	10,172,280.01	100.00	10,895,666.76	100.00

Portfolio Holdings as of 6/30/2016



Portfolio Holdings as of 9/30/2016



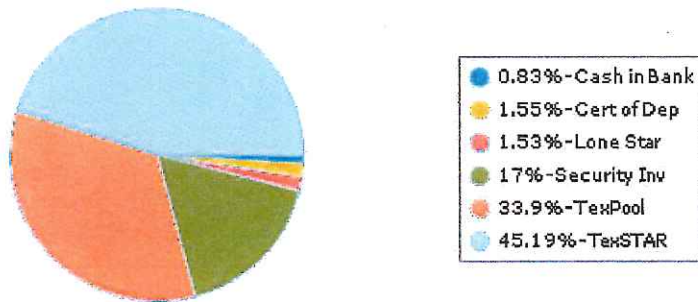


City of League City
Distribution by Asset Category - Book Value
Report Group: Capital Project Funds

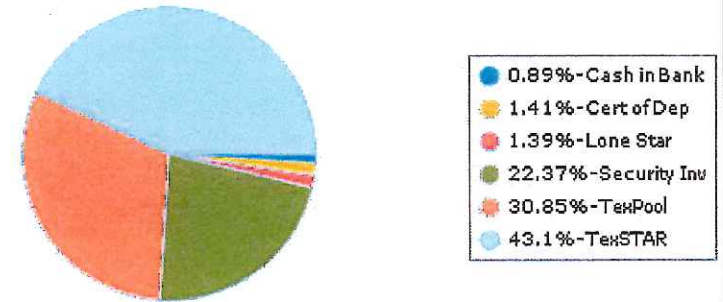
Begin Date: 6/30/2016, End Date: 9/30/2016

Asset Category Allocation				
Asset Category	Book Value 6/30/2016	% of Portfolio 6/30/2016	Book Value 9/30/2016	% of Portfolio 9/30/2016
Cash in Bank	542,754.45	0.83	643,950.82	0.89
Cert of Dep	1,012,416.13	1.55	1,013,815.81	1.41
Lone Star	1,001,957.94	1.53	1,002,934.70	1.39
Security Inv	11,121,491.70	17.00	16,130,880.43	22.37
TexPool	22,181,626.04	33.90	22,246,938.38	30.85
TexSTAR	29,569,672.98	45.19	31,085,002.75	43.10
Total / Average	65,429,919.24	100.00	72,123,522.89	100.00

Portfolio Holdings as of 6/30/2016



Portfolio Holdings as of 9/30/2016





City of League City
Portfolio Inventory
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Investment Type				06/30/2016		09/30/2016		
Description	Cusip No.	Settlement Date	Maturity Date	Book Value**	Market Value	Book Value**	Market Value	YTM @ Cost
Cash								
Cash		n/a	n/a	2,764,590.46	2,764,590.46	4,054,101.78	4,054,101.78	0.010
SubTotal / Cash				2,764,590.46	2,764,590.46	4,054,101.78	4,054,101.78	
Local Government Investment Pools								
TexPool		n/a	n/a	56,851,599.81	56,851,599.81	49,069,065.25	49,069,065.25	0.380
TexSTAR				49,155,940.91	49,155,940.91	46,974,962.42	46,974,962.42	0.412
Lonestar		n/a	n/a	3,006,270.30	3,006,270.30	3,009,200.95	3,009,200.95	0.404
SubTotal / Local Government Investment Pool				109,013,811.02	109,013,811.02	99,053,228.62	99,053,228.62	
Certificate of Deposit								
Prosperity Bank		09/17/2016	09/17/2017	3,030,129.75	3,030,129.75	3,033,176.44	3,033,176.44	0.700
Prosperity Bank		01/07/2016	01/07/2017	1,001,367.49	1,001,367.49	1,002,736.85	1,002,736.85	0.550
Prosperity Bank		02/27/2016	02/27/2017	1,012,416.13	1,012,416.13	1,013,815.81	1,013,815.81	0.550
Prosperity Bank		09/04/2016	03/04/2018	1,065,543.62	1,065,543.62	1,066,614.99	1,066,614.99	0.600
JP Morgan Chase Bank		09/22/2016	09/22/2017	-	-	1,000,000.00	1,000,000.00	0.650
SubTotal / Local Government Investment Pool				6,109,456.99	6,109,456.99	7,116,344.09	7,116,344.09	
Security Inv								
Municipal Bonds								
Harris County Flood	4140185H0	01/20/2015	10/01/2016	1,000,093.00	1,001,100.00	1,000,001.00	1,000,010.00	0.600
SubTotal / Municipal				1,000,093.00	1,001,100.00	1,000,001.00	1,000,010.00	



City of League City
Portfolio Inventory
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Investment Type				06/30/2016		09/30/2016		YTM @ Cost
Description	Cusip No.	Settlement Date	Maturity Date	Book Value**	Market Value	Book Value**	Market Value	
US Agency								
FHLMC	3137EADS5	02/10/2015	10/14/2016	1,000,764.73	1,001,040.00	1,000,101.00	1,000,200.00	0.613
FFCB	3133EEUS7	03/23/2015	11/23/2016	1,000,099.17	1,000,615.00	1,000,036.68	1,000,146.30	0.600
FHLB	3130A3Q64	01/15/2015	12/12/2016	1,000,874.10	1,000,953.90	1,000,386.72	1,000,302.10	0.505
FHLB	3130A46U1	02/13/2015	02/13/2017	1,000,000.00	1,001,099.80	1,000,000.00	1,000,744.20	0.720
FHLMC	3134G6YC1	04/29/2015	05/30/2017	1,000,181.68	1,000,950.00	1,000,131.64	1,000,100.00	0.650
FHLB	3130A4ZB1	06/01/2015	03/30/2017	1,000,000.00	1,000,347.60	1,000,000.00	1,000,174.60	0.625
FHLB	3130A66Q5	08/14/2015	08/04/2016	999,975.42	999,892.90	-	-	0.000
FHLB	313371PV2	08/14/2015	12/09/2016	1,120,222.53	1,120,330.37	1,117,256.65	1,117,581.11	0.561
FFCB	3133EE7M6	08/19/2015	06/19/2017	999,458.43	1,000,301.90	999,599.18	999,558.10	0.706
FHLMC	3134G7SH5	08/27/2015	02/27/2018	1,000,000.00	1,000,636.00	-	-	0.000
FNMA	3135G0CM3	09/30/2015	09/28/2016	1,002,081.87	1,001,980.00	-	-	0.000
FHLB	3130A3LY8	09/30/2015	11/28/2017	1,003,592.41	1,004,840.10	1,002,951.90	1,003,387.90	0.743
FHLMC	3134G3S50	11/25/2015	11/01/2016	1,000,000.00	1,000,600.00	1,000,000.00	1,000,230.00	0.625
FHLMC	3137EADH9	11/25/2015	06/29/2017	1,001,876.29	1,003,570.00	1,001,402.06	1,002,290.00	0.810
FFCB	3133EFWC7	02/11/2016	11/27/2017	2,000,773.55	2,003,168.93	2,000,099.44	2,000,888.56	0.740
FNMA	3135G0VM2	03/17/2016	03/14/2017	1,000,212.98	1,001,270.00	1,000,136.74	999,440.00	0.720
FHLB	3130A62S5	03/17/2016	08/28/2017	999,358.79	1,001,616.80	999,497.92	999,501.29	0.806
FHLB	3130A62S5	08/11/2016	08/28/2017	-	-	1,000,995.74	1,000,999.11	0.640
FNMA	3135G0RT2	05/06/2016	12/20/2017	1,002,554.82	1,004,057.30	1,002,117.94	1,001,290.00	0.700
FFCB	3133EF6U6	05/10/2016	08/10/2017	1,000,000.00	1,000,611.80	1,000,000.00	999,152.70	0.650
FFCB	3133EEN48	06/14/2016	05/22/2017	999,618.71	1,000,006.50	999,726.32	999,619.70	0.668
FNMA	3135G0MZ3	06/14/2016	08/28/2017	1,002,424.14	1,002,760.00	1,001,898.15	1,001,144.58	0.666
FNMA	3135G0MZ3	08/11/2016	08/28/2017	-	-	1,002,309.29	1,001,555.42	0.621
FFCB	3133EGKP9	08/11/2016	01/08/2018	-	-	999,115.15	998,670.00	0.740
FFCB	3133EE7C8	08/11/2016	08/14/2017	-	-	1,000,780.22	999,989.00	0.660
FHLB	3130A8NZ2	07/26/2016	01/08/2018	-	-	998,297.63	999,034.80	0.785
FHLB	3130A5QL6	08/11/2016	06/30/2017	-	-	1,001,538.27	1,000,550.90	0.594
FHLB	313383WF4	07/26/2016	08/21/2017	-	-	1,005,292.81	1,005,434.00	0.681
FHLMC	3137EADL0	08/11/2016	09/29/2017	-	-	1,003,094.88	1,002,610.00	0.688
FNMA	3135G0ZB2	08/11/2016	04/20/2017	-	-	1,001,131.94	1,000,950.00	0.545
FHLMC	3134G45U8	09/28/2016	12/12/2017	-	-	1,001,399.46	1,001,100.00	0.733
FNMA	3135G0PQ0	09/28/2016	10/26/2017	-	-	1,002,353.96	1,001,210.00	0.654



City of League City
Portfolio Inventory
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Investment Type				06/30/2016		09/30/2016		YTM @ Cost
Description	Cusip No.	Settlement Date	Maturity Date	Book Value**	Market Value	Book Value**	Market Value	
SubTotal / US Agency				22,134,069.62	22,150,648.90	30,141,651.69	30,137,854.37	
SubTotal / Security Inv				23,134,162.62	23,151,748.90	31,141,652.69	31,137,864.37	
Total / Average				141,022,021.09	141,039,607.37	141,365,327.18	141,361,538.86	

**For reporting purposes, Securities will be recorded at Market Value



City of League City
Portfolio Activity
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Purchases

Description	Cusip No.	Interest Rate	Settlement Date	Maturity Date	Face Amount Shares
Certificate of Deposit					
Prosperity Bank		0.60	09/04/2016	03/04/2018	1,066,614.99
Prosperity Bank		0.70	09/17/2016	09/17/2017	3,033,176.44
JP Morgan Chase Bank		0.65	09/22/2016	09/22/2017	1,000,000.00
					5,099,791.43

Municipal Bond

0.00

US Agency

FHLB	3130A8NZ2	0.785	07/26/2016	01/08/2018	1,000,000.00
FHLB	313383WF4	0.681	07/26/2016	08/21/2017	1,000,000.00
FFCB	3133EGKP9	0.740	08/11/2016	01/08/2018	1,000,000.00
FFCB	3133EE7C8	0.660	08/11/2016	08/14/2017	1,000,000.00
FHLB	3130A62S5	0.640	08/11/2016	08/28/2017	1,000,000.00
FHLB	3130A5QL6	0.594	08/11/2016	06/30/2017	1,000,000.00
FHLMC	3137EADL0	0.688	08/11/2016	09/29/2017	1,000,000.00
FNMA	3135G0ZB2	0.545	08/11/2016	04/20/2017	1,000,000.00
FNMA	3135G0MZ3	0.621	08/11/2016	08/28/2017	1,000,000.00
FHLMC	3134G45U8	0.733	09/28/2016	12/12/2017	1,000,000.00
FNMA	3135G0PG0	0.654	09/28/2016	10/26/2017	1,000,000.00

11,000,000.00

Total **16,099,791.43**

Maturities

Description	Cusip No.	Maturity Date	Face Amount Shares
Certificate of Deposit			
Prosperity Bank		09/04/2016	1,066,614.99 Renewed
Prosperity Bank		09/17/2016	3,033,176.44 Renewed
			4,099,791.43

Municipal Bond

0.00

US Agency

		Matured/Called Date	
FHLB	3130A66Q5	08/04/2016	1,000,000.00 Matured
FNMA	3135G0CM3	09/28/2016	1,000,000.00 Matured
FHLMC	3134G7SH5	08/27/2016	1,000,000.00 Called

3,000,000.00

Total **7,099,791.43**

On 9/23/16 we transferred ownership of FHLMC Cusip# 3137EADS5 (Face Value \$1,000,000) from the Bond Reserve Fund to the General Fund



City of League City
Pledged Collateral
Report Group: Quarterly Investment Report

Begin Date: 06/30/2016, End Date: 09/30/2016

Investments

Description	Market Value
JPMorgan Cash (End of Day Ledger Balance)	154,168.60
JP Morgan Chase Bank - Certificate of Deposit	1,000,000.00
	<u>1,154,168.60</u>
 JPMorgan Cash Repo	 3,999,920.33
 Prosperity Bank - Certificate of Deposit	 6,116,344.09
Accrued Interest	3,176.10
	<u>6,119,520.19</u>

Total	7,273,688.79
--------------	---------------------

Investment Policy

Collateralization must be 102% of the Market Value

Collateralization is required on three types of investments: Cash, Certificate of Deposit, and Repurchase (and reverse) Agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of the market value of principal and accrued interest.

Collateral

Description	Market Value	Collateralized Percentage
Pledged Securities	5,091,187.20	
FDIC Coverage	250,000.00	
	<u>5,341,187.20</u>	462.77%
 Pledged Securities	 4,079,916.00	 102.00%
 Pledged Securities	 7,189,568.65	 121.57%
FDIC Coverage	250,000.00	
	<u>7,439,568.65</u>	

Total	12,780,755.85	175.71%
--------------	----------------------	----------------