



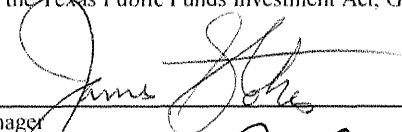
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

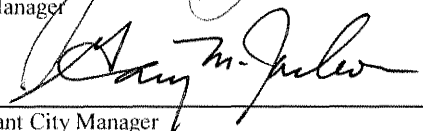
December 31, 2016

Prepared by
Valley View Consulting, L.L.C. (1)

To the best of our knowledge, this portfolio and report are in compliance with the investment strategy expressed in Chapter 2, Administration, Article VII, Division 2, Investment Policy of the Code of Ordinances of the City of Deer Park and the Texas Public Funds Investment Act, Government Code Ch. 2256, as amended.



City Manager



Assistant City Manager



Director of Finance

(1) Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	December 31, 2016		September 30, 2016	
		Book Value	Market Value	Book Value	Market Value
MMA/NOW	0.15%	\$ 43,032,631.46	\$ 43,032,631.46	\$ 32,991,076.60	\$ 32,991,076.60
LGIPs	0.47%	61,820,202.81	61,820,202.81	55,163,529.65	55,163,529.65
CDs/Securities	0.82%	16,850,824.00	16,850,824.00	16,827,350.09	16,827,350.09
Totals		\$ 121,703,658.27	\$ 121,703,658.27	\$ 104,981,956.34	\$ 104,981,956.34

Current Quarter Average Yield (1)

Total Portfolio 0.40%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.40%

Rolling Three Mo. Treas. Yield 0.43%

Rolling Six Mo. Treas. Yield 0.50%

Rolling Three Mo. Treas. Yield 0.43%

Rolling Six Mo. Treas. Yield 0.50%

Quarter End TexPool Yield 0.46%

Quarter End TexSTAR Yield 0.48%

Quarterly Interest Income \$ 108,297.44 Approximate

Year-to-date Interest Income \$ 108,297.44 Approximate

Note: Bank balances represent pooled cash accounts (General Fund, Accounts Payable and Payroll), plus the CCPD, FCPMSD, DPCDC, and Series 2002 TWDB accounts. Cash balances are unaudited. Cash balances for the beginning of the fiscal year are restated to reflect bank balances rather than book balances.

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Investment Holdings

December 31, 2016

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo #2800 MMA		0.05%	01/01/17	12/31/16	\$ 28,587,005.32	\$ 28,587,005.32	1.00	\$ 28,587,005.32	1	0.05%
Wells Fargo #9865 MMA		0.05%	01/01/17	12/31/16	2,545,845.84	2,545,845.84	1.00	2,545,845.84	1	0.05%
Wells Fargo #9824 MMA		0.05%	01/01/17	12/31/16	1,672,376.42	1,672,376.42	1.00	1,672,376.42	1	0.05%
Wells Fargo #5314 MMA		0.05%	01/01/17	12/31/16	191,701.08	191,701.08	1.00	191,701.08	1	0.05%
Wells Fargo #6267 MMA		0.05%	01/01/17	12/31/16	3,025,856.88	3,025,856.88	1.00	3,025,856.88	1	0.05%
Green Bank MMA		0.55%	01/01/17	12/31/16	2,004,107.36	2,004,107.36	1.00	2,004,107.36	1	0.55%
NexBank MMA		0.70%	01/01/17	12/31/16	5,005,738.56	5,005,738.56	1.00	5,005,738.56	1	0.70%
TexPool	AAAm	0.46%	01/01/17	12/31/16	33,591,434.13	33,591,434.13	1.00	33,591,434.13	1	0.46%
TexSTAR	AAAm	0.48%	01/01/17	12/31/16	28,228,768.68	28,228,768.68	1.00	28,228,768.68	1	0.48%
Southside Bank CD		0.68%	03/01/17	11/12/15	2,013,672.17	2,013,672.17	100.00	2,013,672.17	60	0.68%
LegacyTexas CD		0.85%	03/15/17	06/14/16	1,506,403.83	1,506,403.83	100.00	1,506,403.83	74	0.85%
Southside Bank CD		0.70%	04/03/17	11/12/15	1,510,556.51	1,510,556.51	100.00	1,510,556.51	93	0.70%
BTH Bank CDARS		0.75%	04/27/17	11/12/15	1,008,087.13	1,008,087.13	100.00	1,008,087.13	117	0.75%
Origin Bank CD		1.25%	05/12/17	11/12/15	245,000.00	245,000.00	100.00	245,000.00	132	1.25%
BTH Bank CDARS		0.80%	06/01/17	11/12/15	1,009,159.44	1,009,159.44	100.00	1,009,159.44	152	0.80%
BTH Bank CDARS		0.85%	06/29/17	11/12/15	1,009,734.78	1,009,734.78	100.00	1,009,734.78	180	0.85%
LegacyTexas Bank CD		0.85%	07/03/17	07/01/16	5,027,013.85	5,027,013.85	100.00	5,027,013.85	184	0.85%
BTH Bank CDARS		0.90%	07/27/17	11/12/15	1,010,310.38	1,010,310.38	100.00	1,010,310.38	208	0.90%
BTH Bank CDARS		0.95%	09/28/17	11/12/15	1,010,885.91	1,010,885.91	100.00	1,010,885.91	271	0.95%
Southside Bank CD		0.83%	11/01/17	11/01/16	1,500,000.00	1,500,000.00	100.00	1,500,000.00	305	0.83%
					\$ 121,703,658.27	\$ 121,703,658.27		\$ 121,703,658.27	23	0.40%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market funds.

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2016		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	December 31, 2016	
			Par Value	Book Value			Par Value	Book Value
Wells Fargo #2800 MMA	0.05%	01/01/17	\$ 24,801,640.69	\$ 24,801,640.69	\$ 3,785,364.63	\$ -	\$ 28,587,005.32	\$ 28,587,005.32
Wells Fargo #9865 MMA	0.05%	01/01/17	2,617,829.13	2,617,829.13	-	(71,983.29)	2,545,845.84	2,545,845.84
Wells Fargo #9824 MMA	0.05%	01/01/17	1,441,029.48	1,441,029.48	231,346.94	-	1,672,376.42	1,672,376.42
Wells Fargo #5314 MMA	0.05%	01/01/17	1,982,137.92	1,982,137.92	-	(1,790,436.84)	191,701.08	191,701.08
Wells Fargo #6267 MMA	0.05%	01/01/17	147,233.79	147,233.79	2,878,623.09	-	3,025,856.88	3,025,856.88
Green Bank MMA	0.55%	01/01/17	2,001,205.59	2,001,205.59	2,901.77	-	2,004,107.36	2,004,107.36
NexBank MMA	0.70%	01/01/17	-	-	5,005,738.56	-	5,005,738.56	5,005,738.56
TexPool	0.46%	01/01/17	34,084,485.21	34,084,485.21	-	(493,051.08)	33,591,434.13	33,591,434.13
TexSTAR	0.48%	01/01/17	21,079,044.44	21,079,044.44	7,149,724.24	-	28,228,768.68	28,228,768.68
Green Bank CD	0.60%	11/01/16	1,506,766.31	1,506,766.31	-	(1,506,766.31)	-	-
Southside Bank CD	0.68%	03/01/17	2,010,226.69	2,010,226.69	3,445.48	-	2,013,672.17	2,013,672.17
LegacyTexas CD	0.85%	03/15/17	1,503,216.00	1,503,216.00	3,187.83	-	1,506,403.83	1,506,403.83
Southside Bank CD	0.70%	04/03/17	1,507,896.00	1,507,896.00	2,660.51	-	1,510,556.51	1,510,556.51
BTH Bank CDARS	0.75%	04/27/17	1,006,679.61	1,006,679.61	1,407.52	-	1,008,087.13	1,008,087.13
Origin Bank CD	1.25%	05/12/17	245,000.00	245,000.00	-	-	245,000.00	245,000.00
BTH Bank CDARS	0.80%	06/01/17	1,007,126.60	1,007,126.60	2,032.84	-	1,009,159.44	1,009,159.44
BTH Bank CDARS	0.85%	06/29/17	1,007,573.77	1,007,573.77	2,161.01	-	1,009,734.78	1,009,734.78
LegacyTexas Bank CD	0.85%	07/03/17	5,016,375.75	5,016,375.75	10,638.10	-	5,027,013.85	5,027,013.85
BTH Bank CDARS	0.90%	07/27/17	1,008,021.09	1,008,021.09	2,289.29	-	1,010,310.38	1,010,310.38
BTH Bank CDARS	0.95%	09/28/17	1,008,468.27	1,008,468.27	2,417.64	-	1,010,885.91	1,010,885.91
Southside Bank CD	0.83%	11/01/17	-	-	1,500,000.00	-	1,500,000.00	1,500,000.00
TOTAL			\$ 104,981,956.34	\$ 104,981,956.34	\$ 20,583,939.45	\$ (3,862,237.52)	\$ 121,703,658.27	\$ 121,703,658.27

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2016		Qtr to Qtr Change	December 31, 2016	
			Par Value	Market Value		Par Value	Market Value
Wells Fargo #2800 MMA	0.05%	01/01/17	\$ 24,801,640.69	\$ 24,801,640.69	\$ 3,785,364.63	\$ 28,587,005.32	\$ 28,587,005.32
Wells Fargo #9865 MMA	0.05%	01/01/17	2,617,829.13	2,617,829.13	(71,983.29)	2,545,845.84	2,545,845.84
Wells Fargo #9824 MMA	0.05%	01/01/17	1,441,029.48	1,441,029.48	231,346.94	1,672,376.42	1,672,376.42
Wells Fargo #5314 MMA	0.05%	01/01/17	1,982,137.92	1,982,137.92	(1,790,436.84)	191,701.08	191,701.08
Wells Fargo #6267 MMA	0.05%	01/01/17	147,233.79	147,233.79	2,878,623.09	3,025,856.88	3,025,856.88
Green Bank MMA	0.55%	01/01/17	2,001,205.59	2,001,205.59	2,901.77	2,004,107.36	2,004,107.36
NexBank MMA	0.70%	01/01/17	-	-	5,005,738.56	5,005,738.56	5,005,738.56
TexPool	0.46%	01/01/17	34,084,485.21	34,084,485.21	(493,051.08)	33,591,434.13	33,591,434.13
TexSTAR	0.46%	01/01/17	21,079,044.44	21,079,044.44	7,149,724.24	28,228,768.68	28,228,768.68
Green Bank CD	0.60%	11/01/16	1,506,766.31	1,506,766.31	(1,506,766.31)	-	-
Southside Bank CD	0.68%	03/01/17	2,010,226.69	2,010,226.69	3,445.48	2,013,672.17	2,013,672.17
LegacyTexas CD	0.85%	03/15/17	1,503,216.00	1,503,216.00	3,187.83	1,506,403.83	1,506,403.83
Southside Bank CD	0.70%	04/03/17	1,507,896.00	1,507,896.00	2,660.51	1,510,556.51	1,510,556.51
BTH Bank CDARS	0.75%	04/27/17	1,006,679.61	1,006,679.61	1,407.52	1,008,087.13	1,008,087.13
Origin Bank CD	1.25%	05/12/17	245,000.00	245,000.00	-	245,000.00	245,000.00
BTH Bank CDARS	0.80%	06/01/17	1,007,126.60	1,007,126.60	2,032.84	1,009,159.44	1,009,159.44
BTH Bank CDARS	0.85%	06/29/17	1,007,573.77	1,007,573.77	2,161.01	1,009,734.78	1,009,734.78
LegacyTexas Bank CD	0.85%	07/03/17	5,016,375.75	5,016,375.75	10,638.10	5,027,013.85	5,027,013.85
BTH Bank CDARS	0.90%	07/27/17	1,008,021.09	1,008,021.09	2,289.29	1,010,310.38	1,010,310.38
BTH Bank CDARS	0.95%	09/28/17	1,008,468.27	1,008,468.27	2,417.64	1,010,885.91	1,010,885.91
Southside Bank CD	0.83%	11/01/17	-	-	1,500,000.00	1,500,000.00	1,500,000.00
TOTAL			\$ 104,981,956.34	\$ 104,981,956.34	\$ 16,721,701.93	\$ 121,703,658.27	\$ 121,703,658.27

**Allocation
December 31, 2016**

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 36,022,785.54	\$ 28,587,005.32	\$ -	\$ 191,701.08	\$ 2,545,845.84	\$ -
Green Bank MMA	2,004,107.36		2,004,107.36			
NexBank MMA	5,005,738.56		5,005,738.56			
TexPool	33,591,434.13		10,794,642.88	18,767,131.04		1,930,304.59
TexSTAR	28,228,768.68		2,513,094.13	25,715,674.55		
03/01/17–Southside Bank CD	2,013,672.17		2,013,672.17			
03/15/17–LegacyTexas CD	1,506,403.83		1,506,403.83			
04/03/17–Southside Bank CD	1,510,556.51		1,510,556.51			
04/27/17–BTH Bank CDARS	1,008,087.13		1,008,087.13			
05/12/17–Origin Bank CD	245,000.00		245,000.00			
06/01/17–BTH Bank CDARS	1,009,159.44		1,009,159.44			
06/29/17–BTH Bank CDARS	1,009,734.78		1,009,734.78			
07/03/17–LegacyTexas Bank CD	5,027,013.85		5,027,013.85			
07/27/17–BTH Bank CDARS	1,010,310.38		1,010,310.38			
09/28/17–BTH Bank CDARS	1,010,885.91		1,010,885.91			
11/01/17–Southside Bank CD	1,500,000.00		1,500,000.00			
Total	\$ 121,703,658.27	\$ 28,587,005.32	\$ 37,168,406.93	\$ 44,674,506.67	\$ 2,545,845.84	\$ 1,930,304.59

**Allocation
December 31, 2016**

(Continued)

Book & Market Value

	East Boulevard Fund	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MMA	\$ -	\$ 1,672,376.42	\$ -	\$ -	\$ 3,025,856.88	\$ -	\$ -
Green Bank MMA							
NexBank MMA							
TexPool	27,012.26		74,890.33	1,849,311.39		111,694.41	36,447.23
TexSTAR							
03/01/17–Southside Bank CD							
03/15/17–LegacyTexas CD							
04/03/17–Southside Bank CD							
04/27/17–BTH Bank CDARS							
05/12/17–Origin Bank CD							
06/01/17–BTH Bank CDARS							
06/29/17–BTH Bank CDARS							
07/03/17–LegacyTexas Bank CD							
07/27/17–BTH Bank CDARS							
09/28/17–BTH Bank CDARS							
11/01/17–Southside Bank CD							
Total	\$ 27,012.26	\$ 1,672,376.42	\$ 74,890.33	\$ 1,849,311.39	\$ 3,025,856.88	\$ 111,694.41	\$ 36,447.23

Allocation
September 30, 2016

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 30,989,871.01	\$ 24,801,640.69	\$ -	\$ 1,982,137.92	\$ 2,617,829.13	\$ -
Green Bank MMA	2,001,205.59		2,001,205.59			
TexPool	34,084,485.21		10,783,414.33	19,292,851.18		1,928,296.70
TexSTAR	21,079,044.44		2,510,315.48	18,568,728.96		
11/01/16--Green Bank CD	1,506,766.31		1,506,766.31			
03/01/17--Southside Bank CD	2,010,226.69		2,010,226.69			
03/15/17--LegacyTexas CD	1,503,216.00		1,503,216.00			
04/03/17--Southside Bank CD	1,507,896.00		1,507,896.00			
04/27/17--BTH Bank CDARS	1,006,679.61		1,006,679.61			
05/12/17--Origin Bank CD	245,000.00		245,000.00			
06/01/17--BTH Bank CDARS	1,007,126.60		1,007,126.60			
06/29/17--BTH Bank CDARS	1,007,573.77		1,007,573.77			
07/03/17--LegacyTexas Bank CD	5,016,375.75		5,016,375.75			
07/27/17--BTH Bank CDARS	1,008,021.09		1,008,021.09			
09/28/17--BTH Bank CDARS	1,008,468.27		1,008,468.27			
Total	<u>\$ 104,981,956.34</u>	<u>\$ 24,801,640.69</u>	<u>\$ 32,122,285.49</u>	<u>\$ 39,843,718.06</u>	<u>\$ 2,617,829.13</u>	<u>\$ 1,928,296.70</u>

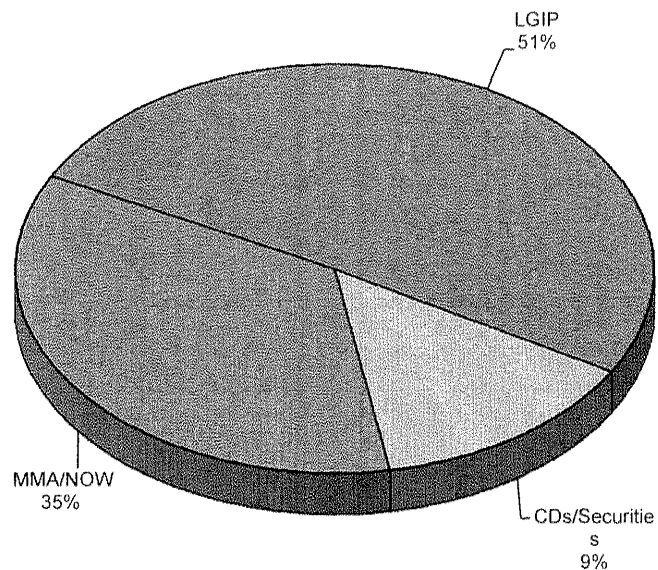
**Allocation
September 30, 2016**

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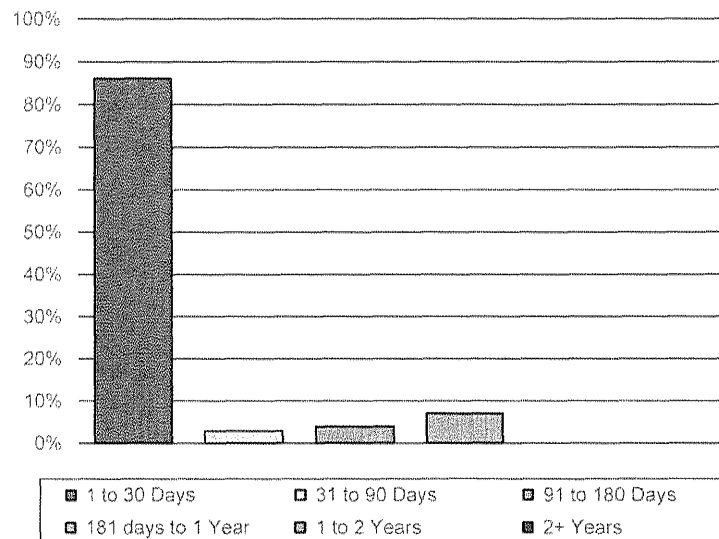
Book & Market Value

	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MMA	\$ 1,441,029.48	\$ -	\$ -	\$ 147,233.79	\$ -	\$ -
Green Bank MMA						
TexPool		74,812.41	1,847,387.78		111,578.28	19,160.34
TexSTAR						
 11/01/16--Green Bank CD						
03/01/17--Southside Bank CD						
03/15/17--LegacyTexas CD						
04/03/17--Southside Bank CD						
04/27/17--BTH Bank CDARS						
05/12/17--Origin Bank CD						
06/01/17--BTH Bank CDARS						
06/29/17--BTH Bank CDARS						
07/03/17--LegacyTexas Bank CD						
07/27/17--BTH Bank CDARS						
09/28/17--BTH Bank CDARS						
 Total	\$ 1,441,029	\$ 74,812	\$ 1,847,388	\$ 147,234	\$ 111,578	\$ 19,160

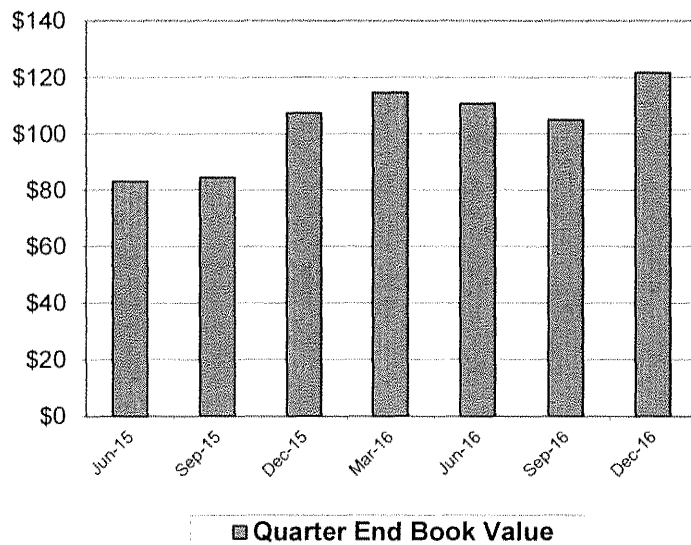
Portfolio Composition



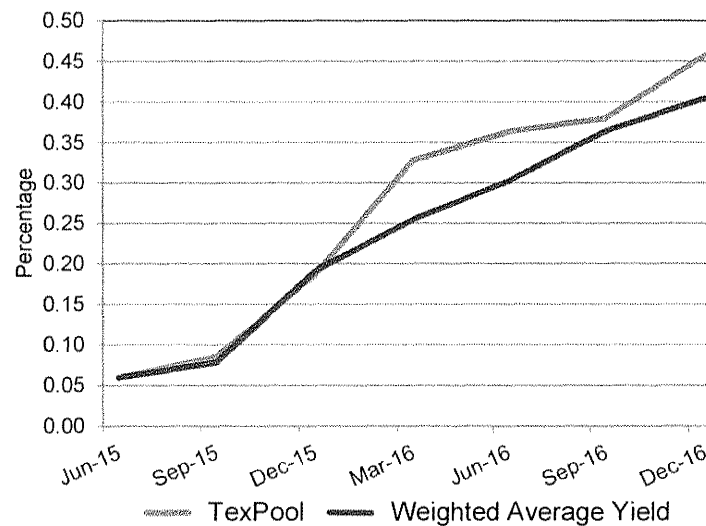
Distribution by Maturity



Total Portfolio (Millions)



Total Portfolio Performance

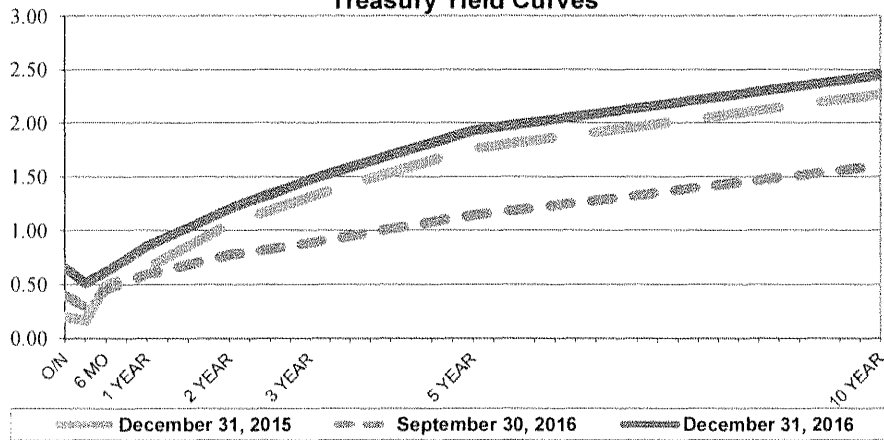


Economic Overview

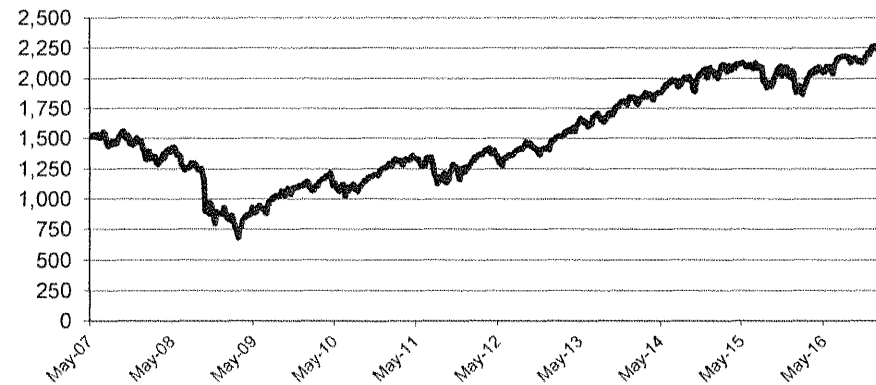
12/31/2016

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 0.50% - 0.75% (actual Fed Funds currently trading +/-65 bps). The FOMC also projected the possibility of three additional increases during 2017. Third Quarter US GDP revised up to 3.5%. Other economic data recorded mixed results. December Non Farm Payroll Employment provided 156,000 new jobs. The US Stock markets recorded record highs. Treasury yields peaked and settled slightly lower. When available, CD and Taxable Municipal yields generally exceed government securities. The banks' reactions to recent market movements will determine if MMAs and CDs continue to be attractive.

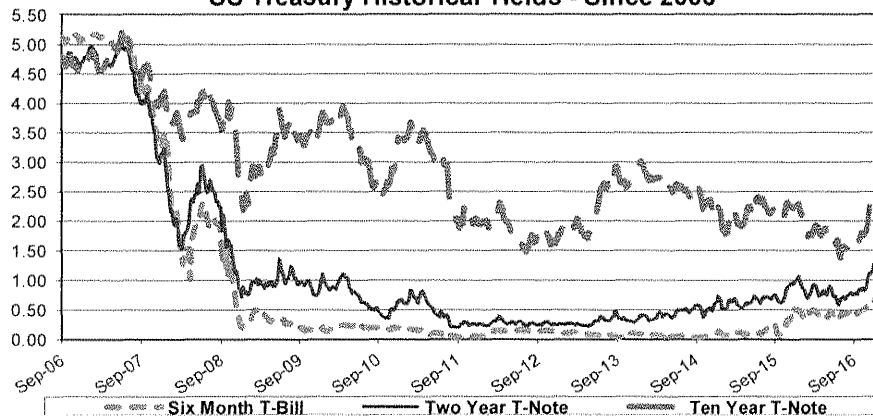
Treasury Yield Curves



S&P 500



US Treasury Historical Yields - Since 2006



US Treasury Historical Yields - Since Nov 2015

