



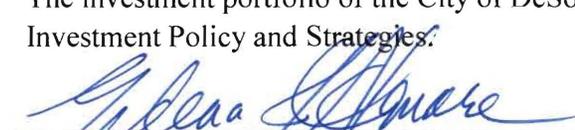
City of DeSoto
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

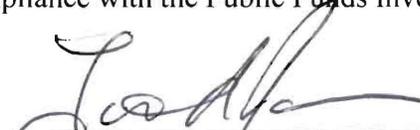
March 31, 2015

**Prepared by
Valley View Consulting, L.L.C.**

The investment portfolio of the City of DeSoto is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies:



Managing Director of Financial Services



Assistant Finance Director



City Manager



Assistant City Managers

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:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The European Central Bank (ECB) announced and began a Quantitative Easing plan. The Dollar reacted very strongly - dropping from +/--\$1.40 per Euro to +/--\$1.05 per Euro. This strength could have severe US export implications. New payroll growth plummeted to +126,000, but the unemployment rate remained unchanged. The FOMC met and deleted "patient" from their statement text, then added they would not be "impatient" regarding increasing interest rates. Unfortunately they also reduced their overall growth and interest rate expectations for 2015. The stock markets continue to maintain current levels. Financial institution deposit yields generally provide the best interest earnings opportunity. Continuing to ladder provides strategic advantage.

Quarter End Results by Investment Category:

<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA	0.00%	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
MMA/NOW	0.22%	25,310,801	25,310,801	23,260,811	23,260,811
Pools	0.09%	5,842,397	5,842,397	6,285,401	6,285,401
CDs/Securities	0.73%	23,550,082	23,548,332	21,540,918	21,532,121
Totals		\$ 55,203,279	\$ 55,201,530	\$ 51,587,130	\$ 51,578,333

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.42%	Total Portfolio	0.41%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.04%

Quarterly Interest Income \$ 53,019 Approximate
 Year-to-date Interest Income \$ 96,166 Approximate

(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.

Detail of Investment Holdings

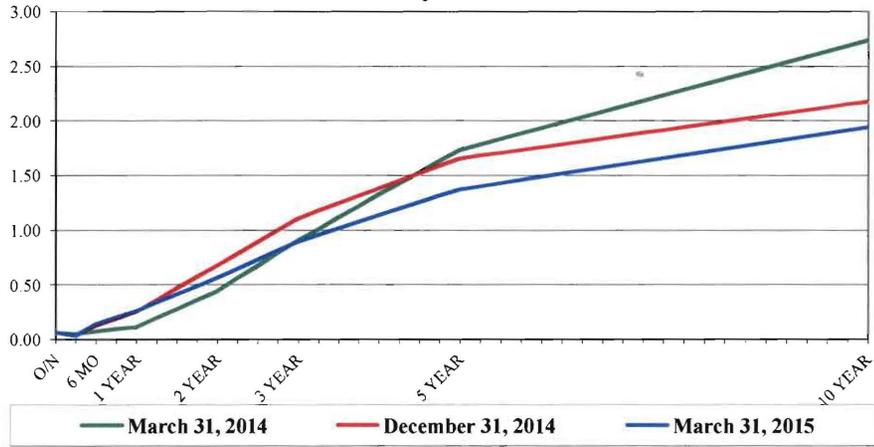
March 31, 2015

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo DDA		0.00%	04/01/15	03/31/15	\$ 500,000	\$ 500,000	1	\$ 500,000	1	0.00%
Wells Fargo MMA		0.21%	04/01/15	03/31/15	21,484,528	21,484,528	1	21,484,528	1	0.21%
BTH Bank MMA		0.46%	04/01/15	03/31/15	245,098	245,098	1	245,098	1	0.46%
BTH Bank ICS		0.43%	04/01/15	03/31/15	1,257,171	1,257,171	1	1,257,171	1	0.43%
Southside Bank MMA		0.20%	04/01/15	03/31/15	2,324,004	2,324,004	1	2,324,004	1	0.20%
Texas Class	AAAm	0.10%	04/01/15	03/31/15	4,162,922	4,162,922	1	4,162,922	1	0.10%
TexPool	AAAm	0.05%	04/01/15	03/31/15	1,679,475	1,679,475	1	1,679,475	1	0.05%
Texas Security Bank CD		0.55%	06/21/15	06/21/13	1,009,653	1,009,653	100	1,009,653	82	0.55%
Comerica CD		0.29%	08/06/15	10/22/13	1,003,127	1,003,127	100	1,003,127	128	0.29%
Comerica CD		0.29%	08/06/15	02/06/14	2,708,443	2,708,443	100	2,708,443	128	0.29%
Comerica CD		0.55%	10/22/15	10/22/13	2,015,608	2,015,608	100	2,015,608	205	0.55%
Comerica CD		0.56%	02/08/16	02/06/14	1,710,279	1,710,279	100	1,710,279	314	0.56%
Inter National Bank CD		0.63%	05/08/16	05/08/14	502,609	502,609	100	502,609	404	0.63%
BTH Bank CD		0.70%	05/20/16	11/20/14	1,002,515	1,002,515	100	1,002,515	416	0.70%
Inter National Bank CD		0.90%	08/08/16	05/08/14	1,007,479	1,007,479	100	1,007,479	496	0.90%
BTH Bank CD		0.75%	08/20/16	11/20/14	1,002,694	1,002,694	100	1,002,694	508	0.75%
Comerica CD		0.50%	09/13/16	03/13/15	2,000,000	2,000,000	100	2,000,000	532	0.50%
Inter National Bank CD		0.95%	11/08/16	05/08/14	1,511,911	1,511,911	100	1,511,911	588	0.95%
BTH Bank CD		0.85%	11/20/16	11/20/14	1,003,054	1,003,054	100	1,003,054	600	0.85%
Dallas Co Schools - Muni	Aa3	1.50%	12/01/16	05/22/14	1,035,000	1,043,849	101	1,042,100	611	0.98%
Inter National Bank CD		1.05%	02/08/17	05/08/14	2,017,559	2,017,559	100	2,017,559	680	1.05%
Comerica CD		0.86%	03/13/17	03/13/15	1,000,000	1,000,000	100	1,000,000	713	0.86%
Inter National Bank CD		1.35%	05/08/17	05/08/14	1,011,301	1,011,301	100	1,011,301	769	1.35%
Comerica CD		0.99%	06/13/17	03/13/15	1,000,000	1,000,000	100	1,000,000	805	0.99%
Comerica CD		1.13%	09/13/17	03/13/15	1,000,000	1,000,000	100	1,000,000	897	1.13%
\$ 55,194,430						\$ 55,203,279		\$ 55,201,530	198	0.42%
									(1)	(2)

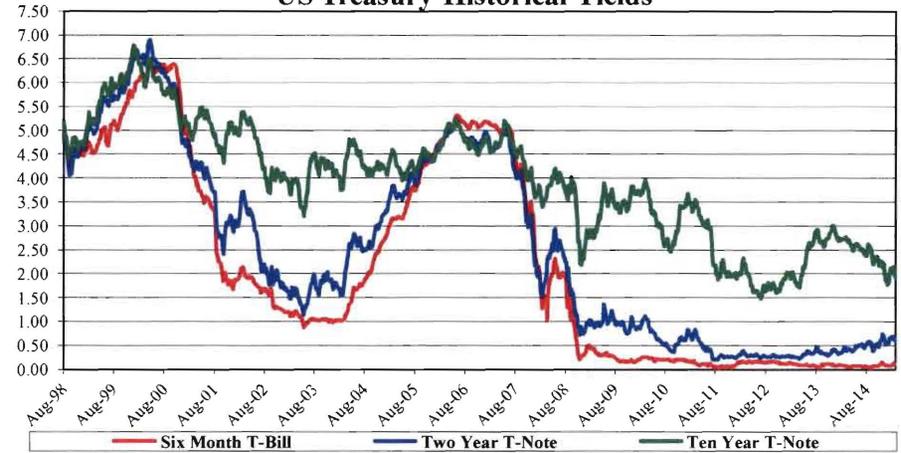
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(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.

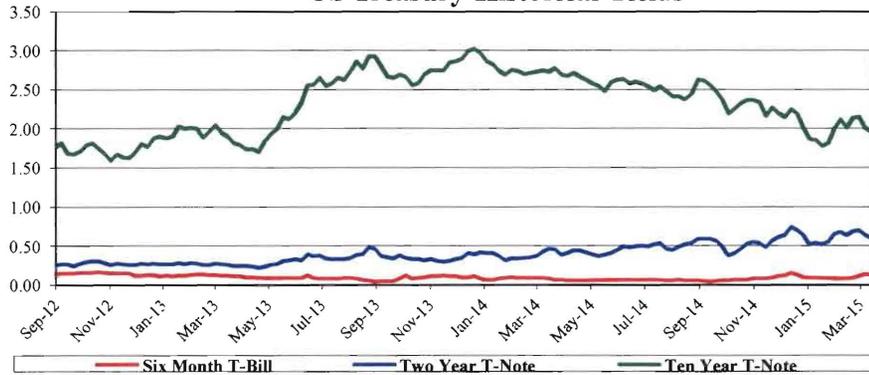
Treasury Yield Curves



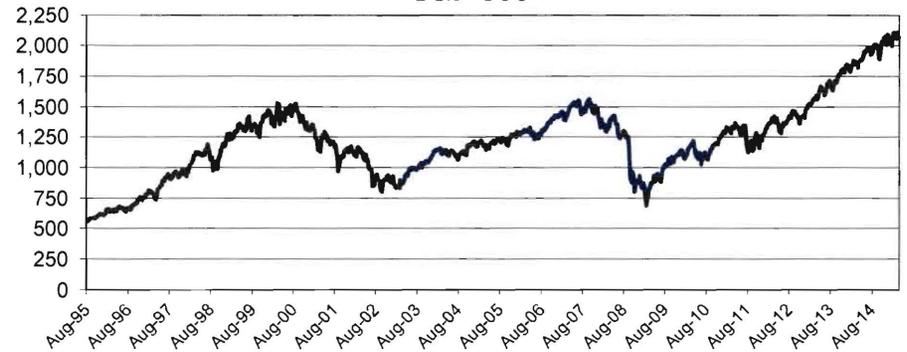
US Treasury Historical Yields



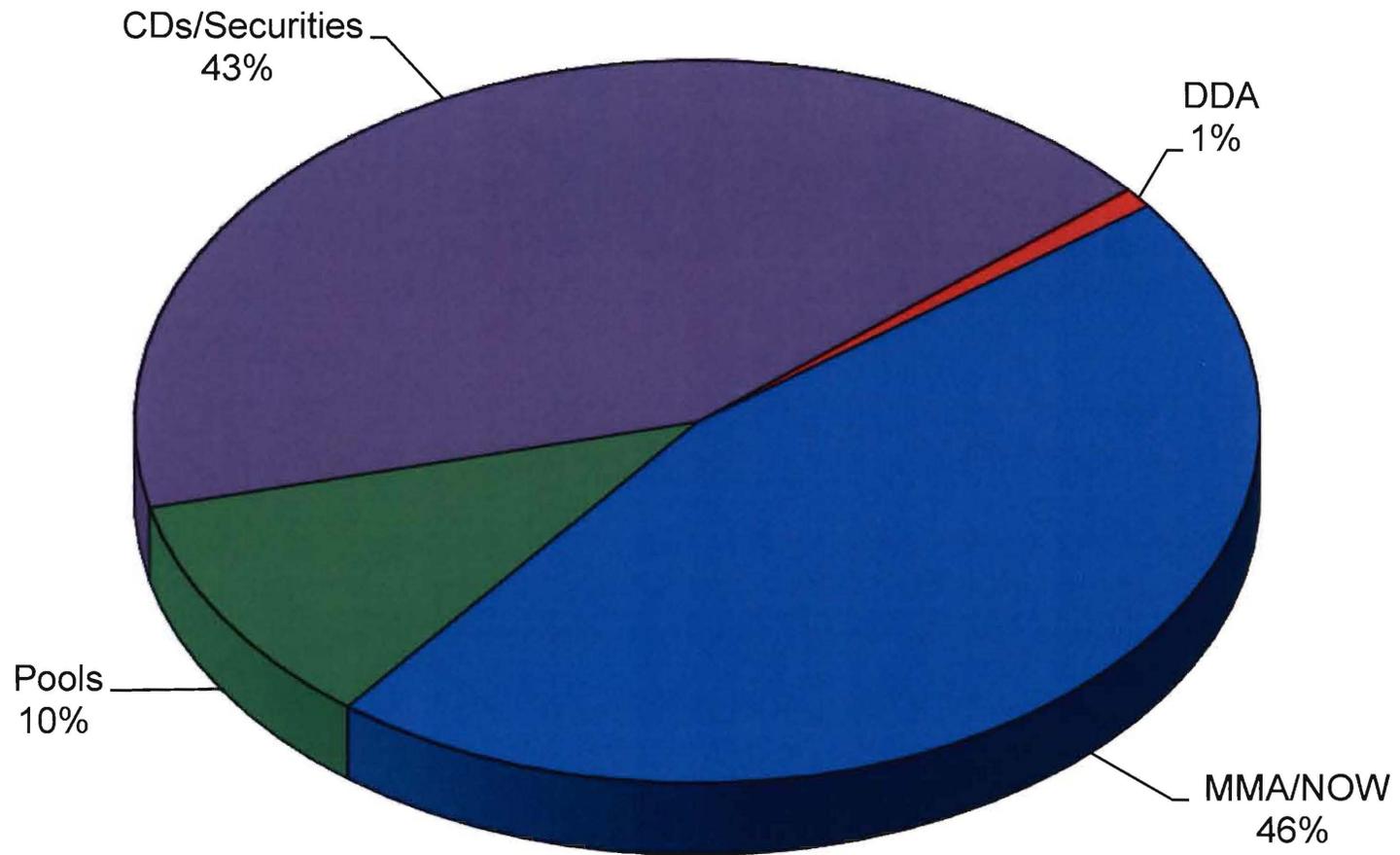
US Treasury Historical Yields



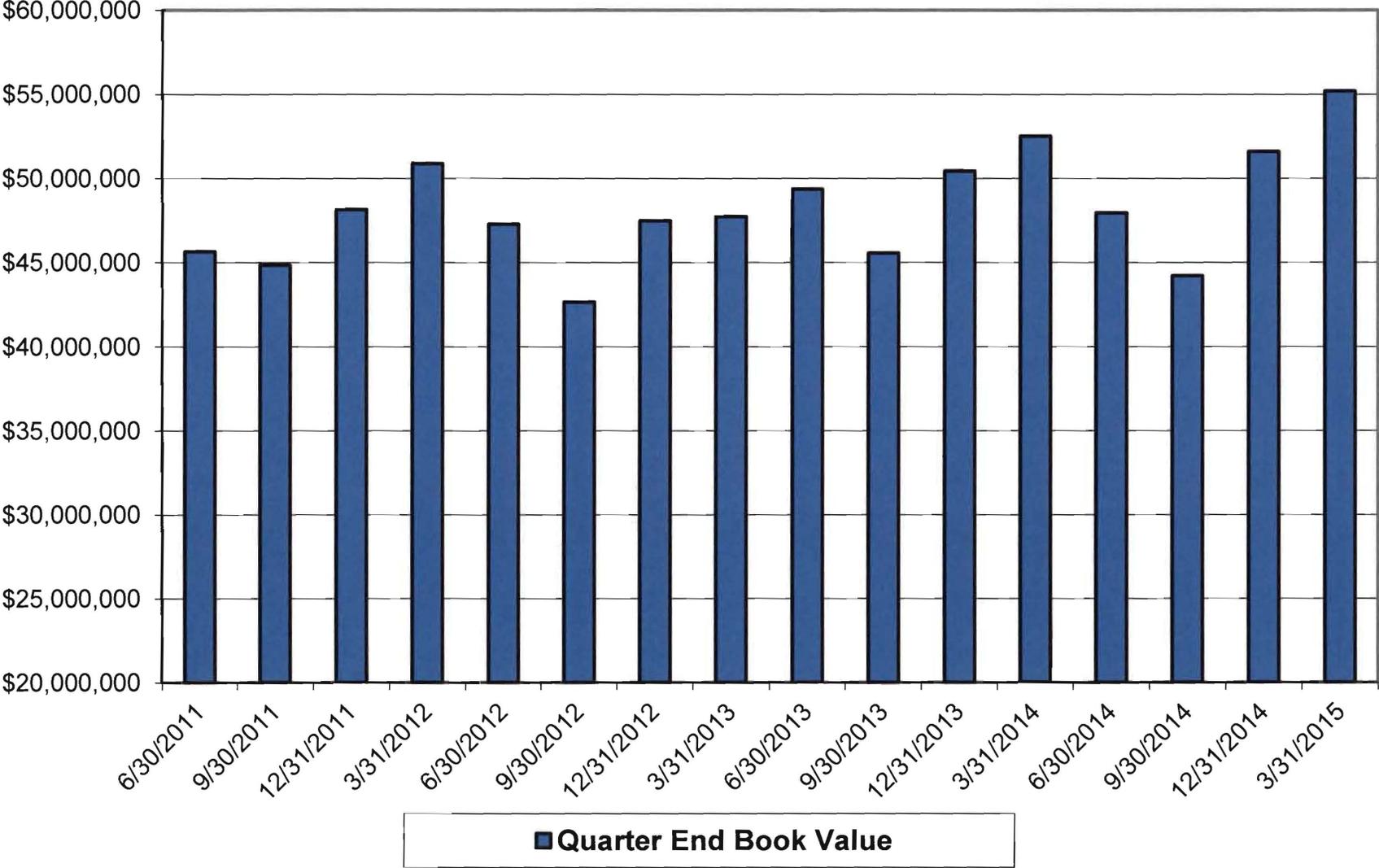
S&P 500



Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014			March 31, 2015		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value
Wells Fargo DDA	0.00%	04/01/15	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 500,000
Wells Fargo MMA	0.21%	04/01/15	19,437,338	19,437,338	2,047,190		21,484,528	21,484,528
BTH Bank MMA	0.46%	04/01/15	245,079	245,079	18		245,098	245,098
BTH Bank ICS	0.43%	04/01/15	1,255,515	1,255,515	1,656		1,257,171	1,257,171
Southside Bank MMA	0.20%	04/01/15	2,322,878	2,322,878	1,126		2,324,004	2,324,004
Texas Class	0.10%	04/01/15	5,813,570	5,813,570		(1,650,649)	4,162,922	4,162,922
TexPool	0.05%	04/01/15	471,831	471,831	1,207,644		1,679,475	1,679,475
Comerica CD	0.43%	03/16/15	3,019,427	3,019,427		(3,019,427)		
Texas Security Bank CD	0.55%	06/21/15	1,008,286	1,008,286	1,367		1,009,653	1,009,653
Comerica CD	0.29%	08/06/15	1,002,410	1,002,410	717		1,003,127	1,003,127
Comerica CD	0.29%	08/06/15	2,706,507	2,706,507	1,936		2,708,443	2,708,443
Comerica CD	0.55%	10/22/15	2,012,877	2,012,877	2,731		2,015,608	2,015,608
Comerica CD	0.56%	02/08/16	1,707,919	1,707,919	2,359		1,710,279	1,710,279
Inter National Bank CD	0.63%	05/08/16	501,835	501,835	774		502,609	502,609
BTH Bank CD	0.70%	05/20/16	1,000,786	1,000,786	1,728		1,002,515	1,002,515
Inter National Bank CD	0.90%	08/08/16	1,005,259	1,005,259	2,220		1,007,479	1,007,479
BTH Bank CD	0.75%	08/20/16	1,000,842	1,000,842	1,852		1,002,694	1,002,694
Comerica CD	0.50%	09/13/16			2,000,000		2,000,000	2,000,000
Inter National Bank CD	0.95%	11/08/16	1,508,375	1,508,375	3,536		1,511,911	1,511,911
BTH Bank CD	0.85%	11/20/16	1,000,955	1,000,955	2,099		1,003,054	1,003,054
Dallas Co Schools - Muni	1.50%	12/01/16	1,035,000	1,045,153		(1,304)	1,035,000	1,043,849
Inter National Bank CD	1.05%	02/08/17	2,012,345	2,012,345	5,215		2,017,559	2,017,559
Comerica CD	0.86%	03/13/17			1,000,000		1,000,000	1,000,000
Inter National Bank CD	1.35%	05/08/17	1,007,942	1,007,942	3,359		1,011,301	1,011,301
Comerica CD	0.99%	06/13/17			1,000,000		1,000,000	1,000,000
Comerica CD	1.13%	09/13/17			1,000,000		1,000,000	1,000,000
TOTAL			\$ 51,576,977	\$ 51,587,130	\$ 8,287,529	\$ (4,671,379)	\$ 55,194,430	\$ 55,203,279

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014		Qtr to Qtr Change	March 31, 2015	
			Par Value	Market Value		Par Value	Market Value
Wells Fargo DDA	0.00%	04/01/15	\$ 500,000	\$ 500,000	\$	\$ 500,000	\$ 500,000
Wells Fargo MMA	0.21%	04/01/15	19,437,338	19,437,338	2,047,190	21,484,528	21,484,528
Bank Texas MMA	0.46%	04/01/15	245,079	245,079	18	245,098	245,098
Bank Texas ICS	0.43%	04/01/15	1,255,515	1,255,515	1,656	1,257,171	1,257,171
Southside Bank MMA	0.20%	04/01/15	2,322,878	2,322,878	1,126	2,324,004	2,324,004
Texas Class	0.10%	04/01/15	5,813,570	5,813,570	(1,650,649)	4,162,922	4,162,922
TexPool	0.05%	04/01/15	471,831	471,831	1,207,644	1,679,475	1,679,475
Comerica CD	0.43%	03/16/15	3,019,427	3,019,427	(3,019,427)		
Texas Security Bank CD	0.55%	06/21/15	1,008,286	1,008,286	1,367	1,009,653	1,009,653
Comerica CD	0.29%	08/06/15	1,002,410	1,002,410	717	1,003,127	1,003,127
Comerica CD	0.29%	08/06/15	2,706,507	2,706,507	1,936	2,708,443	2,708,443
Comerica CD	0.55%	10/22/15	2,012,877	2,012,877	2,731	2,015,608	2,015,608
Comerica CD	0.56%	02/08/16	1,707,919	1,707,919	2,359	1,710,279	1,710,279
Inter National Bank CD	0.63%	05/08/16	501,835	501,835	774	502,609	502,609
BTH Bank CD	0.70%	05/20/16	1,000,786	1,000,786	1,728	1,002,515	1,002,515
Inter National Bank CD	0.90%	08/08/16	1,005,259	1,005,259	2,220	1,007,479	1,007,479
BTH Bank CD	0.75%	08/20/16	1,000,842	1,000,842	1,852	1,002,694	1,002,694
Comerica CD	0.50%	09/13/16			2,000,000	2,000,000	2,000,000
Inter National Bank CD	0.95%	11/08/16	1,508,375	1,508,375	3,536	1,511,911	1,511,911
Bank Texas CD	0.75%	11/20/16	1,000,955	1,000,955	2,099	1,003,054	1,003,054
Dallas Co Schools - Muni	1.50%	12/01/16	1,035,000	1,036,356	5,744	1,035,000	1,042,100
Inter National Bank CD	1.05%	02/08/17	2,012,345	2,012,345	5,215	2,017,559	2,017,559
Comerica CD	0.86%	03/13/17			1,000,000	1,000,000	1,000,000
Inter National Bank CD	1.35%	05/08/17	1,007,942	1,007,942	3,359	1,011,301	1,011,301
Comerica CD	0.99%	06/13/17			1,000,000	1,000,000	1,000,000
Comerica CD	1.13%	09/13/17			1,000,000	1,000,000	1,000,000
TOTAL			\$ 51,576,977	\$ 51,578,333	\$ 3,623,198	\$ 55,194,430	\$ 55,201,530

**Book Value
March 31, 2015**

	Maturity	Total	Concentration Fund	2006 Drainage Improvements	2009 Street Improvements	2009 Water CIP CO	2011B CO - Water CIP
Wells Fargo DDA		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Wells Fargo MMA		21,484,528	21,484,528				
Bank Texas MMA		245,098	245,098				
Bank Texas ICS		1,257,171	1,257,171				
Southside Bank MMA		2,324,004	1,318,783			1,005,221	
Texas Class		4,162,922	993,668	50,447	656,377	648,447	1,012,534
TexPool		1,679,475	1,636,976				
Texas Security Bank CD	06/21/15	1,009,653					
Comerica CD	08/06/15	1,003,127	1,003,127				
Comerica CD	08/06/15	2,708,443	2,708,443				
Comerica CD	10/22/15	2,015,608	2,015,608				
Comerica CD	02/08/16	1,710,279	1,710,279				
Inter National Bank CD	05/08/16	502,609	502,609				
BTH Bank CD	05/20/16	1,002,515	1,002,515				
Inter National Bank CD	08/08/16	1,007,479	1,007,479				
BTH Bank CD	08/20/16	1,002,694	1,002,694				
Comerica CD	09/13/16	2,000,000	2,000,000				
Inter National Bank CD	11/08/16	1,511,911	1,511,911				
BTH Bank CD	11/20/16	1,003,054	1,003,054				
Dallas Co Schools - Muni	12/01/16	1,043,849	1,043,849				
Inter National Bank CD	02/08/17	2,017,559	2,017,559				
Comerica CD	03/13/17	1,000,000	1,000,000				
Inter National Bank CD	05/08/17	1,011,301	1,011,301				
Comerica CD	06/13/17	1,000,000	1,000,000				
Comerica CD	09/13/17	1,000,000	900,000				
Total		\$ 55,203,279	\$ 49,876,652	\$ 50,447	\$ 656,377	\$ 1,653,669	\$ 1,012,534

**Book Value
March 31, 2015**

	Maturity	2013 Water- Sewer CIP	DPDC Bonds	Health Facilities Corporation	Housing Finance Corporation	Industrial Development Board
Wells Fargo DDA		\$ -	\$ -	\$ -	\$ -	\$ -
Wells Fargo MMA						
Bank Texas MMA						
Bank Texas ICS						
Southside Bank MMA						
Texas Class		801,449				
TexPool			8,037	13,087		21,375
Texas Security Bank CD	06/21/15	1,009,653				
Comerica CD	08/06/15					
Comerica CD	08/06/15					
Comerica CD	10/22/15					
Comerica CD	02/08/16					
Inter National Bank CD	05/08/16					
BTH Bank CD	05/20/16					
Inter National Bank CD	08/08/16					
BTH Bank CD	08/20/16					
Comerica CD	09/13/16					
Inter National Bank CD	11/08/16					
BTH Bank CD	11/20/16					
Dallas Co Schools - Muni	12/01/16					
Inter National Bank CD	02/08/17					
Comerica CD	03/13/17					
Inter National Bank CD	05/08/17					
Comerica CD	06/13/17					
Comerica CD	09/13/17				100,000	
Total		\$ 1,811,103	\$ 8,037	\$ 13,087	\$ 100,000	\$ 21,375

**Market Value
March 31, 2015**

	Maturity	Total	Concentration Fund	2006 Drainage Improvements	2009 Street Improvements	2009 Water CIP CO	2011B CO - Water CIP
Wells Fargo DDA		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Bank Texas MMA		245,098	245,098				
Bank Texas ICS		1,257,171	1,257,171				
Wells Fargo MMA		21,484,528	21,484,528				
Southside Bank MMA		2,324,004	1,318,783			1,005,221	
Texas Class		4,162,922	993,668	50,447	656,377	648,447	1,012,534
TexPool		1,679,475	1,636,976				
Texas Security Bank CD	06/21/15	1,009,653					
Comerica CD	08/06/15	1,003,127	1,003,127				
Comerica CD	08/06/15	2,708,443	2,708,443				
Comerica CD	10/22/15	2,015,608	2,015,608				
Comerica CD	02/08/16	1,710,279	1,710,279				
Inter National Bank CD	05/08/16	502,609	502,609				
BTH Bank CD	05/20/16	1,002,515	1,002,515				
Inter National Bank CD	08/08/16	1,007,479	1,007,479				
BTH Bank CD	08/20/16	1,002,694	1,002,694				
Comerica CD	09/13/16	2,000,000	2,000,000				
Inter National Bank CD	11/08/16	1,511,911	1,511,911				
BTH Bank CD	11/20/16	1,003,054	1,003,054				
Dallas Co Schools - Muni	12/01/16	1,042,100	1,042,100				
Inter National Bank CD	02/08/17	2,017,559	2,017,559				
Comerica CD	03/13/17	1,000,000	1,000,000				
Inter National Bank CD	05/08/17	1,011,301	1,011,301				
Comerica CD	06/13/17	1,000,000	1,000,000				
Comerica CD	09/13/17	1,000,000	900,000				
Total		\$ 55,201,530	\$ 49,874,903	\$ 50,447	\$ 656,377	\$ 1,653,669	\$ 1,012,534

**Market Value
March 31, 2015**

	Maturity	2013 Water- Sewer CIP	DPDC Bonds	Health Facilities Corporation	Housing Finance Corporation	Industrial Development Board
Wells Fargo DDA		\$ -	\$ -	\$ -	\$ -	\$ -
Bank Texas MMA						
Bank Texas ICS						
Wells Fargo MMA						
Southside Bank MMA						
Texas Class		801,449				
TexPool			8,037	13,087		21,375
Texas Security Bank CD	06/21/15	1,009,653				
Comerica CD	08/06/15					
Comerica CD	08/06/15					
Comerica CD	10/22/15					
Comerica CD	02/08/16					
Inter National Bank CD	05/08/16					
BTH Bank CD	05/20/16					
Inter National Bank CD	08/08/16					
BTH Bank CD	08/20/16					
Comerica CD	09/13/16					
Inter National Bank CD	11/08/16					
BTH Bank CD	11/20/16					
Dallas Co Schools - Muni	12/01/16					
Inter National Bank CD	02/08/17					
Comerica CD	03/13/17					
Inter National Bank CD	05/08/17					
Comerica CD	06/13/17					
Comerica CD	09/13/17				100,000	
Total		\$ 1,811,103	\$ 8,037	\$ 13,087	\$ 100,000	\$ 21,375

**Book Value
December 31, 2014**

	Maturity	Total	Concentration Fund	2006 Drainage Improvements	2009 Street Improvements	2009 Water CIP CO	2011B CO - Water CIP
Wells Fargo DDA		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Wells Fargo MMA		19,437,338	19,437,338				
BTH Bank MMA		245,079	245,079				
BTH Bank ICS		1,255,515	1,255,515				
Southside Bank MMA		2,322,878	1,318,144			1,004,734	
Texas Class		5,813,570	2,571,666	50,433	729,716	648,270	1,012,256
TexPool		471,831	429,337				
Comerica CD	03/16/15	3,019,427	3,019,427				
Texas Security Bank CD	06/21/15	1,008,286					
Comerica CD	08/06/15	1,002,410	1,002,410				
Comerica CD	08/06/15	2,706,507	2,706,507				
Comerica CD	10/22/15	2,012,877	2,012,877				
Comerica CD	02/08/16	1,707,919	1,707,919				
Inter National Bank CD	05/08/16	501,835	501,835				
BTH Bank CD	05/20/16	1,000,786	1,000,786				
Inter National Bank CD	08/08/16	1,005,259	1,005,259				
BTH Bank CD	08/20/16	1,000,842	1,000,842				
Inter National Bank CD	11/08/16	1,508,375	1,508,375				
BTH Bank CD	11/20/16	1,000,955	1,000,955				
Dallas Co Schools - Muni	12/01/16	1,045,153	1,045,153				
Inter National Bank CD	02/08/17	2,012,345	2,012,345				
Inter National Bank CD	05/08/17	1,007,942	1,007,942				
Total		\$ 51,587,130	\$ 46,289,712	\$ 50,433	\$ 729,716	\$ 1,653,004	\$ 1,012,256

**Book Value
December 31, 2014**

	Maturity	2013 Water- Sewer CIP	DPDC Bonds	Health Facilities Corporation	Housing Finance Corporation	Industrial Development Board
Wells Fargo DDA		\$ -	\$ -	\$ -	\$ -	\$ -
Wells Fargo MMA						
BTH Bank MMA						
BTH Bank ICS						
Southside Bank MMA						
Texas Class		801,230				
TexPool			8,036	13,085		21,372
Comerica CD	03/16/15					
Texas Security Bank CD	06/21/15	1,008,286				
Comerica CD	08/06/15					
Comerica CD	08/06/15					
Comerica CD	10/22/15					
Comerica CD	02/08/16					
Inter National Bank CD	05/08/16					
BTH Bank CD	05/20/16					
Inter National Bank CD	08/08/16					
BTH Bank CD	08/20/16					
Inter National Bank CD	11/08/16					
BTH Bank CD	11/20/16					
Dallas Co Schools - Muni	12/01/16					
Inter National Bank CD	02/08/17					
Inter National Bank CD	05/08/17					
Total		\$ 1,809,516	\$ 8,036	\$ 13,085	\$ -	\$ 21,372

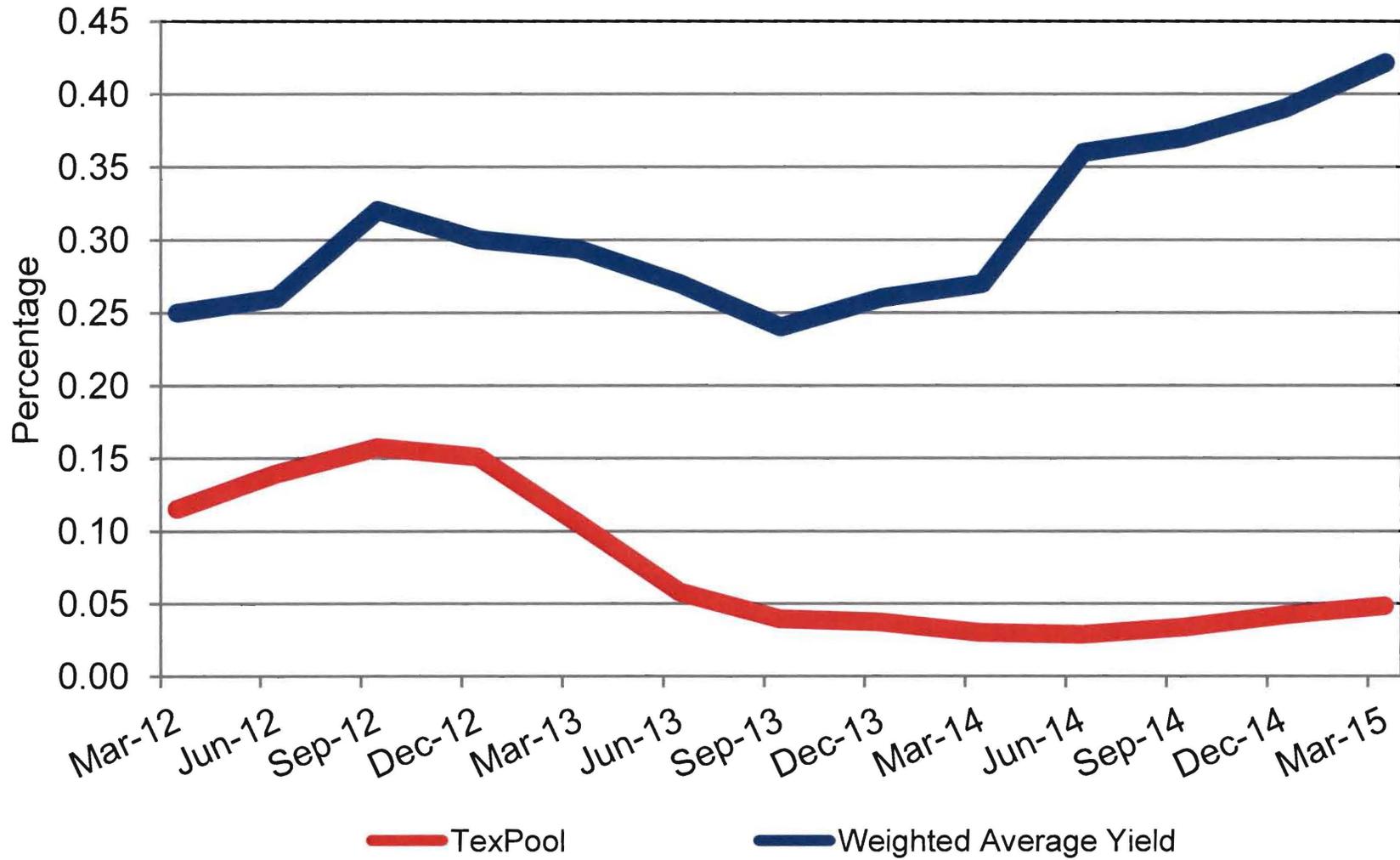
**Market Value
December 31, 2014**

	Maturity	Total	Concentration Fund	2006 Drainage Improvements	2009 Street Improvements	2009 Water CIP CO	2011B CO - Water CIP
Wells Fargo DDA		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Bank Texas MMA		245,079	245,079				
BTH Bank MMA		1,255,515	1,255,515				
Wells Fargo MMA		19,437,338	19,437,338				
Southside Bank MMA		2,322,878	1,318,144			1,004,734	
Texas Class		5,813,570	2,571,666	50,433	729,716	648,270	1,012,256
TexPool		471,831	429,337				
Comerica CD	03/16/15	3,019,427	3,019,427				
Texas Security Bank CD	06/21/15	1,008,286					
Comerica CD	08/06/15	1,002,410	1,002,410				
Comerica CD	08/06/15	2,706,507	2,706,507				
Comerica CD	10/22/15	2,012,877	2,012,877				
Comerica CD	02/08/16	1,707,919	1,707,919				
Inter National Bank CD	05/08/16	501,835	501,835				
BTH Bank CD	05/20/16	1,000,786	1,000,786				
Inter National Bank CD	08/08/16	1,005,259	1,005,259				
BTH Bank CD	08/20/16	1,000,842	1,000,842				
Inter National Bank CD	11/08/16	1,508,375	1,508,375				
BTH Bank CD	11/20/16	1,000,955	1,000,955				
Dallas Co Schools - Muni	12/01/16	1,036,356	1,036,356				
Inter National Bank CD	02/08/17	2,012,345	2,012,345				
Inter National Bank CD	05/08/17	1,007,942	1,007,942				
Total		\$ 51,578,333	\$ 46,280,915	\$ 50,433	\$ 729,716	\$ 1,653,004	\$ 1,012,256

**Market Value
December 31, 2014**

	Maturity	2013 Water- Sewer CIP	DPDC Bonds	Health Facilities Corporation	Housing Finance Corporation	Industrial Development Board
Wells Fargo DDA		\$ -	\$ -	\$ -	\$ -	\$ -
Bank Texas MMA						
BTH Bank MMA						
Wells Fargo MMA						
Southside Bank MMA						
Texas Class		801,230				
TexPool			8,036	13,085		21,372
Comerica CD	03/16/15					
Texas Security Bank CD	06/21/15	1,008,286				
Comerica CD	08/06/15					
Comerica CD	08/06/15					
Comerica CD	10/22/15					
Comerica CD	02/08/16					
Inter National Bank CD	05/08/16					
BTH Bank CD	05/20/16					
Inter National Bank CD	08/08/16					
BTH Bank CD	08/20/16					
Inter National Bank CD	11/08/16					
BTH Bank CD	11/20/16					
Dallas Co Schools - Muni	12/01/16					
Inter National Bank CD	02/08/17					
Inter National Bank CD	05/08/17					
Total		\$ 1,809,516	\$ 8,036	\$ 13,085	\$ -	\$ 21,372

Total Portfolio Performance



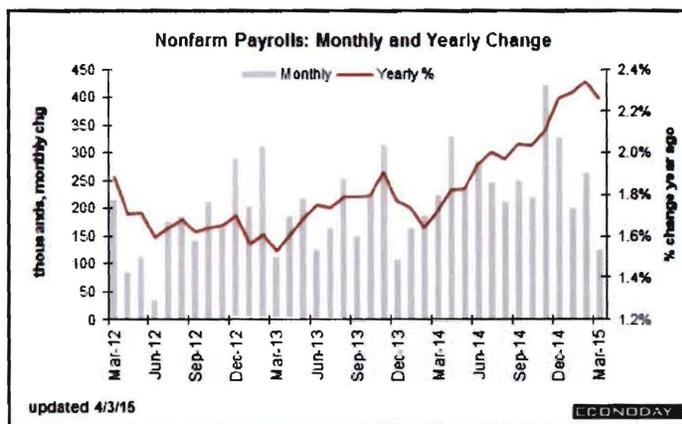


Market Outlook

April 3, 2015

Whether it was due to the frigid weather or the global economic cooling, it is obvious that the domestic economy has experienced some slowdown during the first quarter. It is understandable that consumers bunkered down during the snow events, but there were other developments that cast a pall over the potential for growth once the weather improved. The most significant event was the implementation of the European Central Bank's (ECB) version of quantitative easing, which began on March 10th. Because of the aggressiveness of the ECB's program, there was an immediate currency reaction, and the Euro plummeted. Prior to the easing, the value of the Euro was €1=\$1.3895. Immediately following the ease, the value dropped to €1=\$1.0496. The price ratio has settled to €1=\$1.0895, but the dollar remains significantly stronger than normal. For American businesses that trade with foreign consumers, this translates to an increase of approximately 28% in the cost of their product overseas and impacts the trade appetite abroad. Corporations that produce for trade internationally are concerned about this situation and are paring back their production and business plans. This behavior trickles down to impact the companies that supply production components and, in turn, their business plans suffer. Although the Federal Open Market Committee (FOMC) seemed to acknowledge this situation when they met on March 17-18, they also offered the markets some indications that the Federal Funds rate could be increased sometime this year. But when the Employment number proved to be a huge disappointment, the markets began to question the staying power of the recovery and whether the FOMC could risk raising the Fed Funds rate anytime soon.

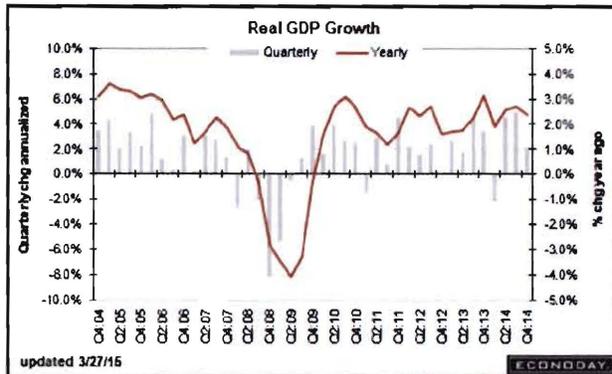
The Employment reports for March were a big disappointment, coming in at +126,000, which was lower by half what the market had expected and the weakest result since December 2013. Adding to the bad news, the reports for January and February were adjusted downward by a net of 69,000 jobs. The report marks an end to a 12-month string of reports exceeding 200,000 per month. The Average Hourly Earnings Rate improved another +0.3% following the +0.1% uptick in February. The Unemployment Rate remained at 5.5%. This 5.5% unemployment rate is the lowest since March 2008. The private sector added 129,000 jobs (compared to +264,000 in February) and the government sector lost 3,000 jobs. Future employment reports may be disappointing due to lower oil prices and constrained overseas markets. Corporations impacted by reduced revenues from these areas may find themselves in a position of reducing their workforce until the situation improves.



The housing sector was stronger during February. Existing Home Sales improved 1.2% after a dismal decline of 4.9% in January. The supply of Existing Homes remained at 4.6 months (the same as January), but is well below the normal 6-month supply level. Sales of single-family units improved and first-time homebuyers accounted for 29% of the total, which are both positive indicators. Median prices rose 2.5%, the best increase since February 2014. New Home Sales were very strong in February, rising 7.8% following a 3.7% rise in January and an 8.1% rise in December.

Realtors report that high rents are driving consumers to purchase rather than lease homes. Supply of

New Homes has slipped to 4.7 months from 5.1 months in January. The median price of New Homes Sold slipped 4.8%, indicating that some builders may have been willing to negotiate with purchasers in order to move inventory. The S&P Case-Shiller report of home values for the 20 metropolitan regions in the U.S. for January showed that all 20 cities had positive results (averaging +0.9%), but several areas remain tepid.



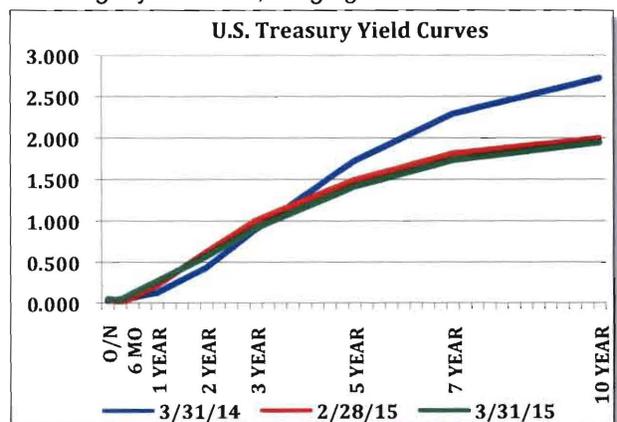
The production side of the economy was also soft during the month. The final report for Gross Domestic Product (GDP) for the fourth quarter came in at +2.2%, much below the +5.0% result of the third quarter of 2014. Durable Goods Orders fell 1.4% in February after rising 2.0% in January. This number was skewed by the strong aircraft orders during January and not due to mainstream consumer product appetite. Industrial Production grew 0.1% in February following a 0.3% decline in January. Business Inventories were flat in both January and

December, as businesses attempted to remedy a mismatch between inventories and sales. The report gives some insight into the reluctance of corporations to ramp up inventory orders, particularly if they are destined for overseas markets. The Producer Price Index (PPI) fell 0.5% in February after falling 0.8% in January. The Consumer Price Index (CPI) rose 0.2% in February compared to a decline of 0.7% in January.

On the consumption front, Retail Sales fell 0.6% in February after falling 0.8% in January. Some of this may be due to the extreme weather, but the market is becoming fearful that consumers' appetites for spending appear to be waning. The Consumer Confidence and Consumer Sentiment reports verify that the consumer has lost some of the euphoria that was reported at the end of 2014. It will be critical for this more positive dynamic to return in the coming months to keep the recovery on track.

The FOMC met on March 17 and 18 and the announcement following the meeting removed the word "patient" from the text when describing the mood of the FOMC towards raising the Fed Funds rate. They did however emphasize that they will not be "impatient" when deciding when to make this critical move. So the markets were left wondering if the FOMC's assessment of the economy has really changed at all. The meeting was followed by the quarterly press conference and the release of the FOMC member's projections of some of the more important economic indicators. In each of the projections, the members lowered their expectations from last quarter. As an example, their consensus is that GDP will range between +2.3% and +2.7% in 2015 (compared to +2.6% to +3.0% that they expected when they met in December). This is a clear sign that they see the economic recovery becoming more constrained.

Current Government Security Investment Pool rates rose slightly in March, ranging in the +/-0.04% to +/-0.11% area. Certificate of Deposit rates finished March with the 2-year between 0.70% and 0.80% (compared to between 0.80% and 0.90% in February). The one-year CD remained mostly in a range of 0.20% to 0.30%, the same as in the previous seven months, but isolated banks were willing to pay up to 0.65% for 1-year. The U.S. Treasury and Agency rates fell early in the month due to the Euro plunge and an investor flight to own U.S. denominated debt. Following the release of the Employment number, the yields for U.S. Treasury and Agency securities lost more ground and ended the week with the 1-year Treasury yield at 0.21% (compared to 0.27% last month) and the 2-year Treasury yield at 0.49% (compared to 0.73% last month). Rates for Certificates of Deposit will likely adjust to these lower ranges.



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