



City of Nassau Bay  
Financial Statements  
Fiscal Year 2015

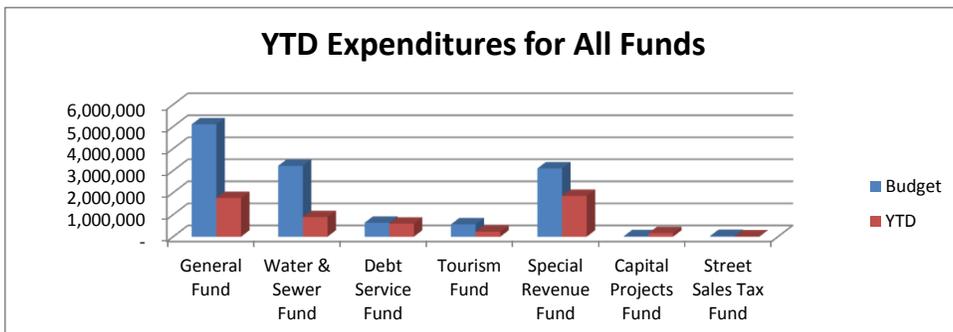
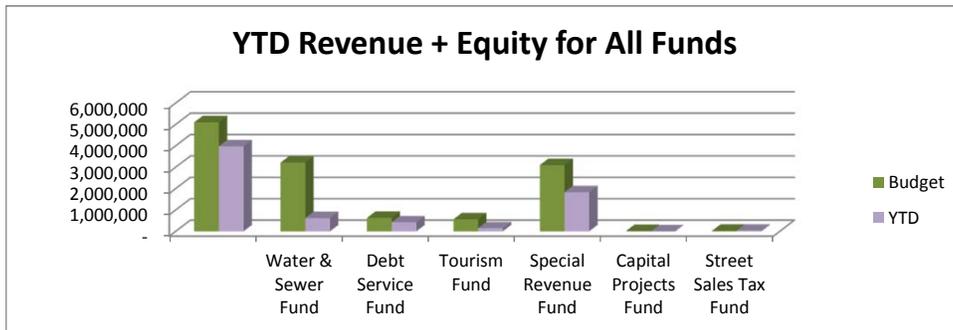
February 28, 2015

City of Nassau Bay  
Fiscal Year 2015  
Summary Financial Report  
February-2015 (42% of the fiscal year completed)

No. Department	FY15 Adopted Budget	FY15 12 Month Actual	Percent Received or Spent	5-Year Avg February each year
<b>General Fund Revenue:</b>				
Property Taxes	2,855,970	3,312,519	116%	107%
Franchise Fees	500,000	136,604	27%	28%
Sales Taxes	500,000	135,208	27%	28%
Permits and Fees	134,800	49,681	37%	39%
Fines	151,550	39,832	26%	55%
Ambulance Fees	286,000	138,552	48%	47%
Other Revenue	369,100	130,480	35%	44%
Insurance Claims & Rebates	10,000	2,186	22%	47%
Interest on Investments	5,000	1,123	22%	38%
From Other Funds	117,400	29,350	25%	26%
<b>Total Current Revenue</b>	<b>4,929,820</b>	<b>3,975,533</b>	<b>81%</b>	<b>78%</b>
Transfers (To) From	-	-	0%	0%
Equity	169,900	-	0%	0%
<b>Total Revenue Budget</b>	<b>5,099,720</b>	<b>3,975,533</b>	<b>78%</b>	<b>71%</b>
<b>General Fund Department Expenditures:</b>				
1 General & Administrative	758,220	276,954	37%	27%
2 Building Department	130,190	43,257	33%	32%
3 Emergency Management	147,870	53,047	36%	37%
4 Fire Department	364,150	126,696	35%	31%
5 Public Works	398,140	150,264	38%	35%
6 Parks and Recreation	356,070	119,449	34%	36%
7 Police Department	1,275,600	461,684	36%	39%
8 Sanitation & Recycling	236,330	78,604	33%	34%
9 Animal Control	38,240	15,631	41%	39%
10 Contingency	100,000	10,831	11%	13%
11 Information Services	256,450	75,325	29%	34%
12 Municipal Court	129,300	45,063	35%	32%
13 Emergency Medical Service	485,550	173,249	36%	38%
14 Fire Marshal	112,855	35,497	31%	33%
15 Planning & Development	15,000	454	3%	20%
16 Code Enforcement	90,755	30,540	34%	38%
17 Conference Center	205,000	57,104	28%	0%
<b>Total General Fund Expenditures</b>	<b>5,099,720</b>	<b>1,753,647</b>	<b>34%</b>	<b>33%</b>
<b>Water &amp; Sewer Fund Revenue:</b>				
Water Sales	1,100,000	307,609	28%	27%
Sewer Charges	1,040,000	296,969	29%	28%
Other Charges	35,800	17,842	50%	3%
<b>Total Current Revenue</b>	<b>2,175,800</b>	<b>622,420</b>	<b>29%</b>	<b>22%</b>
Equity	1,038,840	-	0%	0%
<b>Total W&amp;S Revenue Budget</b>	<b>3,214,640</b>	<b>622,420</b>	<b>19%</b>	<b>18%</b>
<b>W&amp;S Fund Department Expenditures:</b>				
1 General & Administrative - Water & Sewer	1,178,110	451,168	38%	37%
2 Water Department	576,700	83,492	14%	18%
3 Sewer Department	1,107,100	181,403	16%	9%
4 Debt Service & Depreciation	352,730	172,605	49%	41%
<b>Total W&amp;S Fund Expenditures</b>	<b>3,214,640</b>	<b>888,668</b>	<b>28%</b>	<b>23%</b>

City of Nassau Bay  
 Fiscal Year 2015  
 Summary Financial Report  
 February-2015 (42% of the fiscal year completed)

No. Department	FY15 Adopted Budget	FY15 12 Month Actual	Percent Received or Spent	5-Year Avg February each year
<b>Debt Service Fund - 04</b>				
Total Revenue + Equity	631,270	422,820	67%	59%
Total Expenditures	631,270	592,470	94%	92%
<b>Tourism Fund - 06</b>				
Total Revenue + Equity	561,730	147,674	26%	25%
Total Expenditures	561,730	226,294	40%	42%
<b>Special Revenue &amp; Grant Fund - 07</b>				
Total Revenue + Equity	3,097,800	1,827,978	59%	12%
Total Expenditures	3,097,800	1,851,592	60%	20%
<b>Street Sales Tax Fund - 10</b>				
Total Revenue + Equity	30,000	33,998	113%	11%
Total Expenditures	30,000	12,443	41%	20%
<b>Capital Projects Fund - 09</b>				
Total Revenue + Equity	20,000	16	<1%	49%
Total Expenditures	20,000	160,598	803%	55%
<b>Total Nassau Bay Budget</b>	<b>12,655,160</b>	<b>5,485,711</b>	<b>43%</b>	<b>34%</b>



City of Nassau Bay  
Fiscal Year 2015  
Summary Financial Report  
February-2015 (42% of the fiscal year completed)

No. Department	FY15 Adopted Budget	FY15 12 Month Actual	Percent Received or Spent	5-Year Avg February each year
<b>Combined Operating Funds Report:</b>				
<b>Operating Revenue:</b>				
General Fund	4,929,820	3,975,533	81%	78%
Water & Sewer Fund	2,175,800	622,420	29%	22%
Tourism Fund	610,600	147,674	24%	25%
Special Revenue Fund	3,106,430	1,827,978	59%	11%
<b>Total Revenue</b>	<b>10,822,650</b>	<b>6,573,605</b>	<b>61%</b>	<b>60%</b>
<b>(Increase)/Decrease in Balance Forward Yr/Yr</b>				
General Fund	169,900	-	0%	0%
Water & Sewer Fund	1,038,840	-	0%	0%
Tourism Fund	(48,870)	-	0%	0%
Special Revenue Fund	(8,630)	-	0%	0%
<b>Total Balance Forward</b>	<b>1,151,240</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Total Operating Rev &amp; Bal Forward</b>	<b>11,973,890</b>	<b>6,573,605</b>	<b>55%</b>	<b>44%</b>
<b>Operating Expenditures:</b>				
General Fund	5,099,720	1,753,647	34%	33%
Water & Sewer Fund	3,214,640	888,668	28%	23%
Tourism Fund	561,730	226,294	40%	42%
Special Revenue Fund	3,097,800	1,851,592	60%	20%
<b>Total Operating Expenditures</b>	<b>11,973,890</b>	<b>4,720,200</b>	<b>39%</b>	<b>29%</b>
<b>Combined Capital Assets Funds:</b>				
<b>Capital Assets Funds Revenue:</b>				
Debt Service Fund	689,510	422,820	61%	60%
Sales Tax Streets Fund	127,000	33,998	27%	29%
Capital Projects Fund	100	16	16%	2%
<b>Total</b>	<b>816,610</b>	<b>456,834</b>	<b>56%</b>	<b>47%</b>
<b>(Increase)/Decrease in Balance Forward Yr/Yr</b>				
Debt Service Fund	(58,240)	-	0%	0%
Sales Tax Streets Fund	(97,000)	-	0%	0%
Capital Projects Fund	19,900	-	0%	0%
<b>Total Balance Forward</b>	<b>(135,340)</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Total Capital Assets Funds Revenue</b>	<b>681,270</b>	<b>456,834</b>	<b>67%</b>	<b>45%</b>
<b>Capital Assets Funds Expenditures:</b>				
Debt Service Fund	631,270	592,470	94%	92%
Sales Tax Streets Fund	30,000	12,443	41%	20%
Capital Projects Fund	20,000	160,598	803%	55%
<b>Total Capital Assets Expenditures</b>	<b>681,270</b>	<b>765,511</b>	<b>112%</b>	<b>61%</b>
<b>Total Nassau Bay Budget</b>	<b>12,655,160</b>	<b>5,485,711</b>	<b>43%</b>	<b>34%</b>
<b>End of Year Reserves</b>				
<b>Operating</b>				
General Fund	1,252,610			
Water & Sewer Fund	594,199			
Tourism Fund	437,461			
Special Revenue Fund	74,868			
<b>Total Operating End of Year Reserves</b>	<b>2,359,138</b>			
<b>End of Year Reserves</b>				
<b>Capital</b>				
Debt Service Fund	220,249			
Sales Tax Streets Fund	345,215			
Capital Projects Fund	2,309			
<b>Total Capital End of Year Reserves</b>	<b>567,773</b>			
<b>Total End of Year Reserves</b>	<b>2,926,911</b>			

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

<b>TexPool Investments</b>					
<b>Fund</b>	<b>Investments 2/1/2015</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>Investments 2/28/2015</b>
General Fund	\$ 91,525.50	\$ -	\$ 3.13	\$ -	\$ 91,528.63
Water & Sewer Fund	\$ 12,877.85	\$ -	\$ 0.53	\$ -	\$ 12,878.38
Debt Service Fund	\$ 3,837.52	\$ -	\$ -	\$ -	\$ 3,837.52
Tourism Fund	\$ 5,563.89	\$ -	\$ 0.28	\$ -	\$ 5,564.17
Special Rev. & Grants	\$ 719,245.95	\$ -	\$ 16.34	\$ 526,653.53	\$ 192,608.76
Capital Projects Fund	\$ 97.60	\$ -	\$ -	\$ -	\$ 97.60
Street Sales Tax	\$ 4,690.00	\$ -	\$ 0.28	\$ -	\$ 4,690.28
<b>Sub-Total</b>	<b>\$ 837,838.31</b>	<b>\$ -</b>	<b>\$ 20.56</b>	<b>\$ 526,653.53</b>	<b>\$ 311,205.34</b>
Nassau Bay Economic Development Corporation	\$ 78,447.42	\$ 28,835.69	\$ 2.99	\$ -	\$ 107,286.10
Nassau Bay Tax Increment Reinvestment Zone No. I	\$ -	\$ -	\$ -	\$ -	\$ -
TIRZ Revenue - RDA Equity	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ 78,447.42</b>	<b>\$ 28,835.69</b>	<b>\$ 2.99</b>	<b>\$ -</b>	<b>\$ 107,286.10</b>
<b>TexPool Grand Total</b>	<b>\$ 916,285.73</b>	<b>\$ 28,835.69</b>	<b>\$ 23.55</b>	<b>\$ 526,653.53</b>	<b>\$ 418,491.44</b>

Texpool's weighted average maturity (\*) was 66 days and the average interest rate was 0.0441%.

(\*) TexPool WAM Days (2) To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

<b>Logic Investments</b>					
<b>Fund</b>	<b>Investments 2/1/2015</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>Investments 2/28/2015</b>
General Fund	\$ 1,150,081.50	\$ 1,070,900.00	\$ 135.12	\$ -	\$ 2,221,116.62
Water & Sewer Fund	\$ 152,980.80	\$ -	\$ 10.80	\$ -	\$ 152,991.60
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Tourism Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special Rev. & Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Street Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ 1,303,062.30</b>	<b>\$ 1,070,900.00</b>	<b>\$ 145.92</b>	<b>\$ -</b>	<b>\$ 2,374,108.22</b>
Nassau Bay Economic Development Corporation	\$ -	\$ -	\$ -	\$ -	\$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	\$ -	\$ -	\$ -	\$ -	\$ -
TIRZ Revenue - RDA Equity	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Logic Grand Total</b>	<b>\$ 1,303,062.30</b>	<b>\$ 1,070,900.00</b>	<b>\$ 145.92</b>	<b>\$ -</b>	<b>\$ 2,374,108.22</b>

Logic's weighted average maturity (\*) was 56 days and the average interest rate was 0.0921%.

(\*) Logic WAM Days To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

**Texas Citizens Bank - DDA**

TCB DDA Minimum Balance - Qualifies the City for a .90 earnings credit on account analysis fees  
 \$ 650,000.00

**Texas Citizens Bank - MMA Investments**

Fund	Investments 2/1/2015	Additions	Interest	Withdrawals	Investments 2/28/2015
General Fund	\$ 1,319,180.49	\$ 516,000.00	\$ 187.65	\$ 884,802.99	\$ 950,565.15
Water & Sewer Fund	\$ 916,308.71	\$ 61,000.00	\$ 141.25	\$ -	\$ 977,449.96
Debt Service Fund	\$ 551.26	\$ -	\$ 0.09	\$ -	\$ 551.35
Tourism Fund	\$ 419,681.39	\$ -	\$ 64.11	\$ 25,614.84	\$ 394,130.66
Special Rev. & Grants	\$ 72,429.75	\$ -	\$ 6.75	\$ 72,400.00	\$ 36.50
Capital Projects Fund	\$ 20,105.10	\$ -	\$ 1.88	\$ 20,000.00	\$ 106.98
Street Sales Tax	\$ 250,957.00	\$ 14,417.83	\$ 38.66	\$ -	\$ 265,413.49
<b>Sub-Total</b>	<b>\$ 2,999,213.70</b>	<b>\$ 591,417.83</b>	<b>\$ 440.39</b>	<b>\$ 1,002,817.83</b>	<b>\$ 2,588,254.09</b>
Nassau Bay Economic Development Corporation	\$ -	\$ -	\$ -	\$ -	\$ -
Nassau Bay Tax Increment Reinvestment Zone No. I	\$ -	\$ -	\$ -	\$ -	\$ -
TIRZ Revenue - RDA Equity	\$ -				\$ -
<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MMA Grand Total</b>	<b>\$ 2,999,213.70</b>	<b>\$ 591,417.83</b>	<b>\$ 440.39</b>	<b>\$ 1,002,817.83</b>	<b>\$ 2,588,254.09</b>

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

**Texas Citizens Bank - Repurchase Agreement**

TCB Repurchase Agreement - Sweep Account to collect all excess over \$650,000 minimum in DDA

Weighted Average	\$ 205,598.42
Ending Balance as of 02/28/2015	\$ 111,156.74
Interest Rate	0.15%
Interest Earned	\$ 24.47

Fund	Investments 2/1/2015	Interest	Investments 2/28/2015
General Fund	\$ 159,883.58	\$ 9.52	\$ 58,870.48
Water & Sewer Fund	\$ 144,596.84	\$ 14.95	\$ 52,286.26
Debt Service Fund	\$ -	\$ -	\$ -
Tourism Fund	\$ -	\$ -	\$ -
Special Rev. & Grants	\$ -	\$ -	\$ -
Capital Projects Fund	\$ -	\$ -	\$ -
Street Sales Tax	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ 304,480.42</b>	<b>\$ 24.47</b>	<b>\$ 111,156.74</b>
Nassau Bay Economic Development Corporation	\$ -	\$ -	\$ -
Nassau Bay Tax Increment Reinvestment Zone No. I	\$ -	\$ -	\$ -
TIRZ Revenue - RDA Equity	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Repo Grand Total</b>	<b>\$ 304,480.42</b>	<b>\$ 24.47</b>	<b>\$ 111,156.74</b>

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**

**February 28, 2015**

**TWDB Combination Tax and Revenue Obligations - Series 2011**

Closed - March 24, 2011	\$ 2,445,000
Release of Funds - Portion of Initial	\$ (2,246,072)
<b>Investments - Portion of Initial</b>	<b>\$ 198,928</b>

TWDB - Bank of Texas	Investments 2/1/2015	Additions	Total Dividends	Withdrawals	Investments 2/28/2015
Cavanal Hill US Treas-Admin Fd#0002	\$ 208,726.08	\$ -	\$ -	\$ -	\$ 208,726.08
<b>Total TWDB Investments</b>	<b>\$ 208,726.08</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 208,726.08</b>

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

**Economic Development Corporation**

	<b>Investments 2/1/2015</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>Investments 2/28/2015</b>
Texpool - Economic Development Corp.	\$ 78,447.42	\$ 28,835.69	\$ 2.99	\$ -	\$ 107,286.10
TCB - City MMA	\$ -	\$ -	\$ -	\$ -	\$ -
TCB - EDC BizReward Checking	\$ 20,038.85	\$ -	\$ -	\$ -	\$ 20,038.85
TCB - EDC BizReward Savings	\$ 215,559.56	\$ -	\$ 66.14	\$ -	\$ 215,625.70
<b>Total EDC Investments</b>	<b>\$ 314,045.83</b>	<b>\$ 28,835.69</b>	<b>\$ 69.13</b>	<b>\$ -</b>	<b>\$ 342,950.65</b>

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

**Nassau Bay Redevelopment Authority**

	<b>Investments 2/1/2015</b>	<b>Additions</b>	<b>Interest Paid/Accrued</b>	<b>Withdrawals</b>	<b>Investments 2/28/2015</b>
Texpool - Nassau Bay Redevelopment Authority	\$ -	\$ -	\$ -	\$ -	\$ -
Logic - Nassau Bay Redevelopment Authority	\$ 311.30	\$ -	\$ -	\$ -	\$ 311.30
BB&T CD - 08/25/2015 APY 0.23%	\$ 150,155.08	\$ -	\$ 26.49	\$ -	\$ 150,181.57
TCB - RDA BizReward Checking	\$ 20,387.88	\$ -	\$ -	\$ -	\$ 20,387.88
TCB - RDA BizReward Savings	\$ 231,640.02	\$ -	\$ 71.08	\$ -	\$ 231,711.10
<b>Total RDA Investments</b>	<b>\$ 402,494.28</b>	<b>\$ -</b>	<b>\$ 97.57</b>	<b>\$ -</b>	<b>\$ 402,591.85</b>

**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**February 28, 2015**

**Month Ending Investment Portfolio Balances by Fund\***

Fund	TexPool	Logic	TCB - MMA	TCB Repo Agreement	TWDB Bank of Texas	Investments 2/28/2015
General Fund	\$ 91,528.63	\$ 2,221,116.62	\$ 950,565.15	\$ 58,870.48	\$ -	\$ 3,322,080.88
Water & Sewer Fund	\$ 12,878.38	\$ 152,991.60	\$ 977,449.96	\$ 52,286.26	\$ 208,726.08	\$ 1,404,332.28
Debt Service Fund	\$ 3,837.52	\$ -	\$ 551.35	\$ -	\$ -	\$ 4,388.87
Tourism Fund	\$ 5,564.17	\$ -	\$ 394,130.66	\$ -	\$ -	\$ 399,694.83
Special Rev. & Grants	\$ 192,608.76	\$ -	\$ 36.50	\$ -	\$ -	\$ 192,645.26
Capital Projects Fund	\$ 97.60	\$ -	\$ 106.98	\$ -	\$ -	\$ 204.58
Street Sales Tax	\$ 4,690.28	\$ -	\$ 265,413.49	\$ -	\$ -	\$ 270,103.77
<b>Sub-Total</b>	<b>\$ 311,205.34</b>	<b>\$ 2,374,108.22</b>	<b>\$ 2,588,254.09</b>	<b>\$ 111,156.74</b>	<b>\$ 208,726.08</b>	<b>\$ 5,593,450.47</b>
Nassau Bay Economic Development Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIRZ Revenue - RDA Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 311,205.34</b>	<b>\$ 2,374,108.22</b>	<b>\$ 2,588,254.09</b>	<b>\$ 111,156.74</b>	<b>\$ 208,726.08</b>	<b>\$ 5,593,450.47</b>

\*City Investment Portfolio Balances exclude the EDC & RDA

This investment report is in compliance with the investment strategy as established by the City of Nassau Bay & the Public Funds Investment Act (Chapter 2256).

Prepared By:   
 Jaime Vasquez, Senior Accountant

Verified By:   
 Csilla L. Stiles, Finance Director



# TMRS Quarterly Summary

Period Ended: December 31, 2014

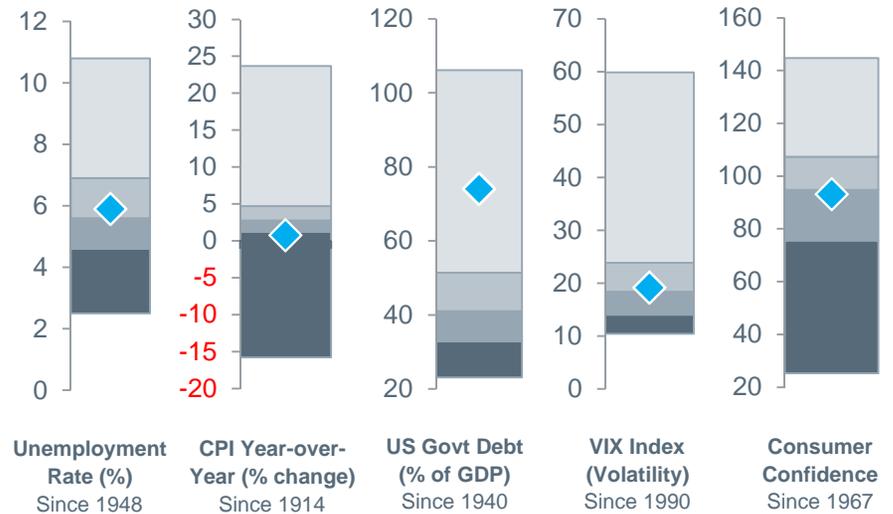


**Fourth Quarter Economic Environment**

**Key Economic Indicators**

Multiple periods of heightened volatility hit global markets in Q4. However, a strengthening of the U.S. dollar combined with rapidly falling oil prices caused domestic markets to decouple from international markets. The U.S. economy continues to show strength compared to foreign regions. Non-farm payroll jobs increased at an average monthly rate of 289,000 rounding out the strongest year of job gains since 1999. Furthermore, the unemployment rate continued to decline, ending the year at 5.6%. While market participants continue to forecast interest rate hikes by mid-2015, further signs of disinflation could push the date out further. Economic developments in Europe and emerging economies were less impressive. European monetary policy has proven successful in recapitalizing the banking system; however, lending remains constrained due to weak loan demand from the private sector. Within emerging economies, falling oil prices and a rising U.S. dollar have led to renewed concerns over possible balance of payments issues and capital flight.

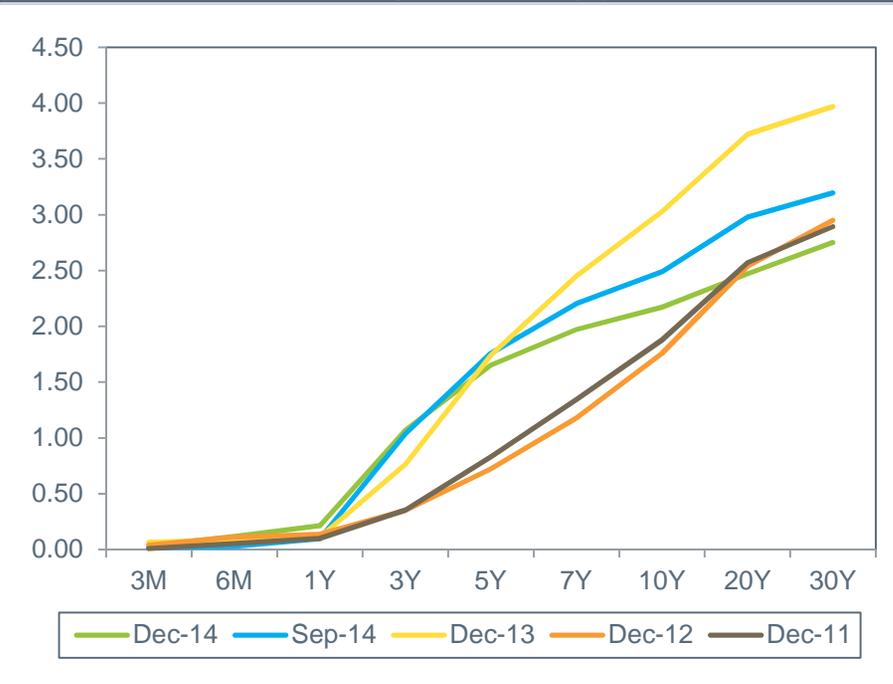
**Key Economic Indicators**



**Economic Indicators**

	Dec-14	Sep-14	Dec-13	Dec-11	20 Yr
Federal Funds Rate (%)	0.06 ▼	0.07	0.07	0.04	2.85
Breakeven Infl. - 1 Yr (%)	-0.21 ▼	-0.19	1.50	1.22	1.14
Breakeven Infl. - 10 Yr (%)	1.68 ▼	1.97	2.23	1.95	2.05
CPI YoY (Headline) (%)	0.80 ▼	1.70	1.50	3.00	2.38
Unemployment Rate (%)	5.60 ▼	5.90	6.70	8.50	6.01
Real GDP YoY (%)	2.50 ▼	2.70	3.10	1.70	2.47
PMI - Manufacturing	53.50 ▼	56.10	56.10	52.80	52.03
USD Total Wtd Idx (%)	85.13 ▲	81.09	76.20	73.35	86.26
WTI Crude Oil per Barrel (\$)	53 ▼	91	98	99	53.51
Gold Spot per Oz (\$)	1,185 ▼	1,208	1,206	1,564	704

**Treasury Yield Curve (%)**



**Market Performance (%)**

	QTD	YTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	4.93	13.69	13.69	15.45	7.67
Russell 2000	9.73	4.89	4.89	15.54	7.77
MSCI EAFE (Net)	-3.57	-4.90	-4.90	5.33	4.43
MSCI EAFE SC (Net)	-2.27	-4.95	-4.95	8.63	6.04
MSCI Emg Mkts (Net)	-4.50	-2.19	-2.19	1.78	8.43
Barclays US Agg Bond	1.79	5.97	5.97	4.45	4.71
BofA ML 3 Mo US T-Bill	0.00	0.04	0.04	0.09	1.54
NCREIF ODCE (Gross)	3.26	12.50	12.50	13.93	7.10
Wilshire US REIT	15.13	31.78	31.78	17.26	8.26
HFN FOF Multi-Strat	0.67	3.03	3.03	3.12	2.75
Bloomberg Comdty (TR)	-12.10	-17.01	-17.01	-5.53	-1.86

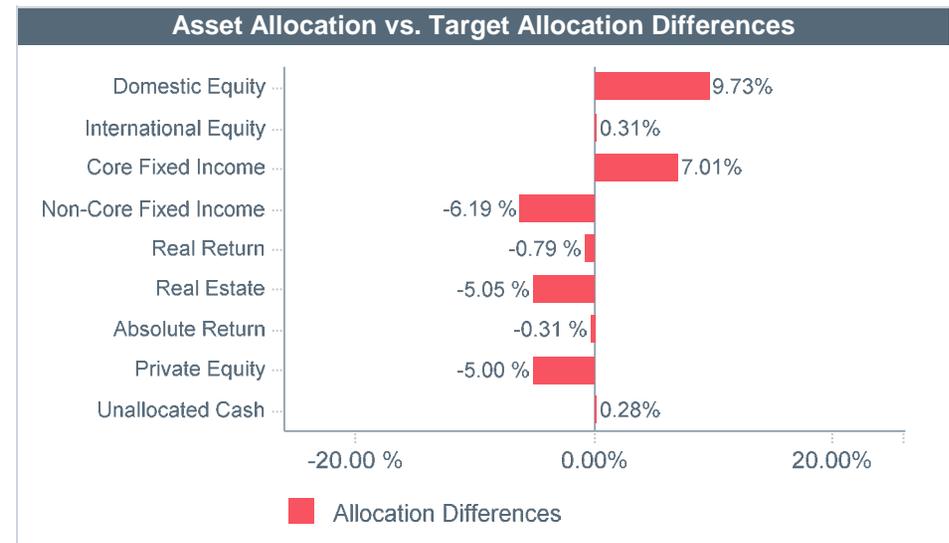
Treasury data courtesy of the U.S. Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

Total Fund Composite

Asset Alloc. by Manager, Asset Alloc. vs. Target, and Schedule of Investable Assets

Asset Allocation by Manager		
December 31, 2014: \$23,635,673,306		
	Market Value (\$)	Allocation (%)
Sasco U.S. Contrarian Value (SA)	220,424,016	0.93
Epoch U.S. Choice (SA)	234,676,566	0.99
SSgA Russell Fundamental US (CF)	291,916,059	1.24
UBS US Equity Min Vol Fund (CF) (NL)	290,409,599	1.23
Northern Trust R3000 Index (CF) (NL)	4,993,534,865	21.13
Champlain Mid-Cap Core (SA)	198,843,545	0.84
The Boston Company Opp Value (SA)	205,523,211	0.87
Citigroup Global Markets, Inc.	3,971	0.00
SSgA Russell Fund. Global Ex-US (CF)	221,933,574	0.94
UBS World Ex US Min Vol Fund (CF) (NL)	244,044,194	1.03
Northern Trust ACW ex US IMI (CF) (NL)	3,360,992,809	14.22
Wellington International Horizons (SA)	193,744,746	0.82
Lazard International Equity Plus (SA)	189,282,398	0.80
BlackRock, Inc. Core (SA)	6,718,810,937	28.43
PIMCO Core Plus Fixed Income (SA)	2,029,830,380	8.59
Guggenheim Bandera Strategic Credit Partners II, LP	150,960,430	0.64
Highland Bandera Strategic Credit Partners I, LP	250,894,744	1.06
Voya RMBS/CMBS (SA)	249,836,805	1.06
Ellington RMBS/CMBS (SA)	249,429,051	1.06
Colchester Global Inflation Linked Bond (SA)	994,900,830	4.21
Core Real Estate	631,809,010	2.67
Non-Core Real Estate	353,907,934	1.50
Harrison St. Real Estate Securities	185,143,231	0.78
Blackstone Treaty Oak Fund, LP	1,108,297,073	4.69
State Street Government STIF 6 (CF) - Cash	66,523,329	0.28

Asset Allocation vs. Target Allocation			
	Market Value (\$)	Allocation (%)	Target (%)
Domestic Equity	6,435,331,832	27.23	17.50
International Equity	4,209,997,721	17.81	17.50
Core Fixed Income	8,748,641,318	37.01	30.00
Non-Core Fixed Income	901,121,029	3.81	10.00
Real Return	994,900,830	4.21	5.00
Real Estate	1,170,860,174	4.95	10.00
Absolute Return	1,108,297,073	4.69	5.00
Private Equity	-	-	5.00
Unallocated Cash	66,523,329	0.28	0.00
<b>Total Fund</b>	<b>23,635,673,306</b>	<b>100.00</b>	<b>100.00</b>



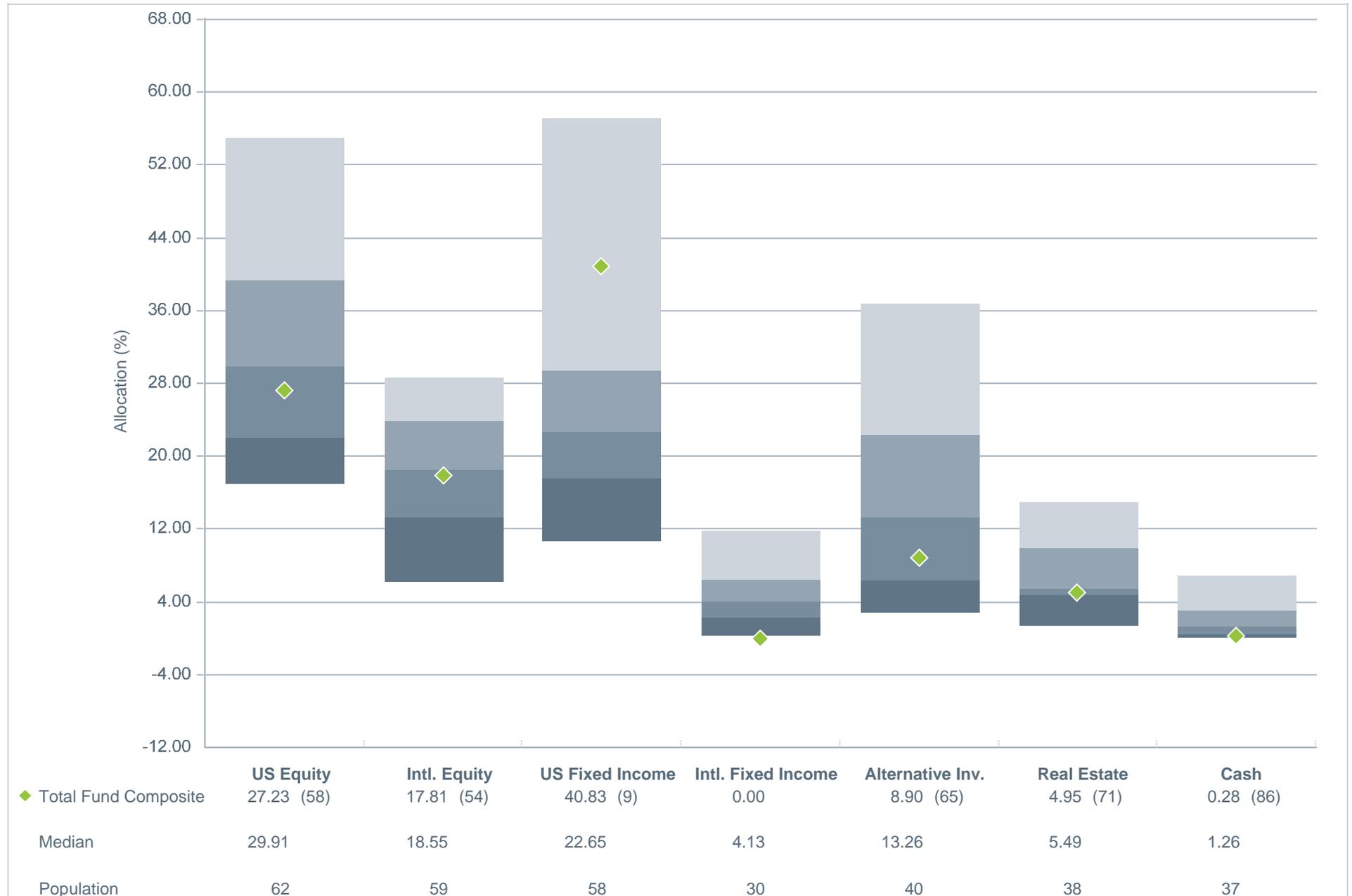
Schedule of Investable Assets						
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
CYTD	22,374,178,482	-35,464,416	1,296,959,241	23,635,673,306	5.99	105.99

Performance shown is gross of fees and provided by State Street. Allocations shown may not sum up to 100% exactly due to rounding. Gain/Loss figure includes both realized and unrealized gains and losses. During December 2014, Voya RMBS/CMBS (SA) and Ellington RMBS/CMBS (SA) were funded. The market value shown for Citigroup Global Markets, Inc. represents residual assets from Domestic Mid-Cap manager fundings.



**Texas Municipal Retirement System**  
**All Public Plans > \$1B-Total Fund**  
**Plan Sponsor TF Asset Allocation**

As of December 31, 2014



Parentheses contain percentile ranks. Allocations shown may not sum up to 100% exactly due to rounding.



**Texas Municipal Retirement System  
Comparative Performance**

As of December 31, 2014

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	2013	Since Incep.	Inception Date
<b>Total Fund Composite</b>	<b>1.47</b>	<b>5.99</b>	<b>5.99</b>	<b>8.57</b>	<b>7.40</b>	<b>6.51</b>	<b>6.45</b>	<b>9.75</b>	<b>8.87</b>	<b>01/01/1989</b>
Actual Allocation Benchmark	1.46	5.63	5.63	8.25	7.20	6.36	5.91	9.70	8.26	
Difference	0.01	0.36	0.36	0.32	0.20	0.15	0.54	0.05	0.61	
<b>Global Equity Composite</b>	<b>1.29</b>	<b>5.39</b>	<b>5.39</b>	<b>15.40</b>	<b>10.16</b>	<b>N/A</b>	<b>N/A</b>	<b>24.87</b>	<b>4.63</b>	<b>02/01/2008</b>
Global Equity Benchmark	0.61	4.08	4.08	14.80	9.79	N/A	N/A	24.49	4.33	
Difference	0.68	1.31	1.31	0.60	0.37	N/A	N/A	0.38	0.30	
<b>Domestic Equity Composite</b>	<b>5.23</b>	<b>12.61</b>	<b>12.61</b>	<b>20.39</b>	<b>15.56</b>	<b>N/A</b>	<b>N/A</b>	<b>33.20</b>	<b>8.57</b>	<b>02/01/2008</b>
R 3000 Index	5.24	12.55	12.55	20.51	15.63	7.54	7.94	33.55	8.61	
Difference	-0.01	0.06	0.06	-0.12	-0.07	N/A	N/A	-0.35	-0.04	
<b>International Equity Composite</b>	<b>-3.65</b>	<b>-3.11</b>	<b>-3.11</b>	<b>9.73</b>	<b>4.40</b>	<b>N/A</b>	<b>N/A</b>	<b>16.31</b>	<b>0.37</b>	<b>02/01/2008</b>
International Equity Benchmark	-3.88	-3.89	-3.89	9.22	4.02	-1.36	3.78	15.82	0.02	
Difference	0.23	0.78	0.78	0.51	0.38	N/A	N/A	0.49	0.35	
<b>Core Fixed Income Composite</b>	<b>1.63</b>	<b>5.77</b>	<b>5.77</b>	<b>2.86</b>	<b>4.60</b>	<b>4.49</b>	<b>5.04</b>	<b>-1.94</b>	<b>8.31</b>	<b>01/01/1989</b>
Fixed Income Benchmark	1.79	5.97	5.97	2.66	4.45	4.40	4.54	-2.02	7.72	
Difference	-0.16	-0.20	-0.20	0.20	0.15	0.09	0.50	0.08	0.59	
<b>Non-Core Fixed Income Composite</b>	<b>0.81</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.81</b>	<b>10/01/2014</b>
Non-Core Fixed Income Benchmark	0.47	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.47	
Difference	0.34	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.34	
<b>Real Return Composite</b>	<b>0.03</b>	<b>4.44</b>	<b>4.44</b>	<b>3.56</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-4.06</b>	<b>4.53</b>	<b>02/01/2011</b>
Barclays Wrld Gov Infl-Lnkd Index (Unhedged)	0.31	4.08	4.08	1.94	4.03	3.57	4.22	-4.84	3.98	
Difference	-0.28	0.36	0.36	1.62	N/A	N/A	N/A	0.78	0.55	
<b>Real Estate Composite</b>	<b>5.51</b>	<b>20.35</b>	<b>20.35</b>	<b>12.81</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>11.69</b>	<b>12.81</b>	<b>01/01/2012</b>
NCREIF ODCE Index (Gross) (AWA) - 1 Quarter Lag	3.24	12.40	12.40	12.34	12.40	2.63	7.14	13.04	12.34	
Difference	2.27	7.95	7.95	0.47	N/A	N/A	N/A	-1.35	0.47	
<b>Absolute Return Composite</b>	<b>0.18</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.86</b>	<b>08/01/2014</b>
HFRI FOF Diversified Index - 1 Month Lag	0.76	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.56	
Difference	-0.58	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.70	

Performance shown is gross of fees and provided by State Street. Performance is annualized for periods greater than one year. Real Estate performance is available quarterly. Real Estate fund returns are calculated by Private Edge and are lagged 1 quarter. Inception date shown for the Real Estate Composite represents the first full quarter following initial funding. Inception dates for non-real estate composites represents the first full month following initial funding.



**Texas Municipal Retirement System  
Comparative Performance**

**As of December 31, 2014**

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	2013	Since Incep.	Inception Date
<b>TMRS Unallocated Cash (SA)</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.13</b>	<b>0.11</b>	<b>N/A</b>	<b>N/A</b>	<b>0.12</b>	<b>0.25</b>	<b>06/01/2008</b>
BofA ML 3 Mo US T-Bill Index	0.00	0.04	0.04	0.07	0.09	0.39	1.54	0.07	0.26	
Difference	0.18	0.14	0.14	0.06	0.02	N/A	N/A	0.05	-0.01	

- Historical performance shown for the Global Equity, Domestic Equity, International Equity, and Total Fixed Income composites is provided by State Street.
- RVK cautions that for private market investments like Commercial Real Estate, for which there are no market prices, as are available for public securities, and for which an appraised value is calculated only quarterly, daily time weighted return calculations (public market return methodology) are imperfect at best and usually misleading.

Performance shown is gross of fees and provided by State Street. Performance is annualized for periods greater than one year. Real Estate performance is available quarterly. Real Estate fund returns are calculated by Private Edge and are lagged 1 quarter. Inception date shown for the Real Estate Composite represents the first full quarter following initial funding. Inception dates for non-real estate composites represents the first full month following initial funding.



Custom Benchmark Comments

The **Actual Allocation Benchmark** is calculated monthly using beginning of month asset class weights applied to each corresponding benchmark return and currently consists of the following:

- Russell 3000 Index
- International Equity Benchmark
- Fixed Income Benchmark
- Non-Core Fixed Income Benchmark
- Non-Core Fixed Income Benchmark - 1 Month Lag
- Barclays World Government Inflation-Linked Index (Unhedged)\*
- NCREIF Open-End Diversified Core Equity Index (Gross) (AWA)\*\*
- HFRI Fund of Funds Diversified Index - 1 Month Lag
- BofA Merrill Lynch 3 Month US Treasury Bill Index

\*As the Real Return asset class structure becomes diversified, the performance objective will be the Consumer Price Index + 4%.

\*\*Performance for the NCREIF Open-End Diversified Core Equity Index (Gross) (AWA) is available quarterly and lagged 1 quarter; interim months assume a 0.00% return.

The **Global Equity Benchmark** is calculated monthly and consists of 50% Russell 3000 Index and 50% MSCI EAFE Index (Net) through July 31, 2010; a blend of the Russell 3000 Index, MSCI All Country World Excluding US Investable Market Index (Net) and MSCI EAFE Index (Net) at beginning of month investment weights through November 30, 2012; and 50% Russell 3000 Index and 50% MSCI All Country World Excluding US Investable Market Index (Net) thereafter.

The **International Equity Benchmark** is calculated monthly and consists of the MSCI EAFE Index (Net) through July 31, 2010; a blend of the MSCI All Country World Excluding US Investable Market Index (Net) and MSCI EAFE Index (Net) at beginning of month investment weights through January 31, 2012; and the MSCI All Country World Excluding US Investable Market Index (Net) thereafter.

The **Fixed Income Benchmark** is calculated monthly and consists of the Barclays Gov't/Credit Long Term Bond Index through June 30, 2009; Barclays US Aggregate Bond Index thereafter.

The **Non-Core Fixed Income Benchmark** is calculated monthly and consists of 50% Barclays US Corporate: High Yield Index, 25% JPM GBI-EM Global Diversified Total Return Index (USD) (Unhedged), and 25% JPM CEMBI Broad Diversified Index.

Real Estate Performance Comment

"Privately held real estate fund returns are one-quarter lagged and are provided by Private Edge. Quarterly returns are incorporated in the last month of that particular quarter. The returns for the first two months are zero.

Market values are previous quarter-end values as reported, rolled forward with current cash flows. Returns and market values provided by Private Edge are rolled into their respective Real Estate composite and the Total Plan composite.

Publicly traded real estate fund performance is non-lagged, reflecting monthly fluctuations. Detailed information regarding methodology can be found in the internal TMRS Performance Reporting Policy statement" (State Street Performance Team).

PORTLAND

CHICAGO

NEW YORK

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