TOWN OF LITTLE ELM
AGENDA INFORMATION SHEET:
CONSENT AGENDA

COUNCIL AGENDA: November 02 ,2010

PROJECT: Approve Quarterly Budget and Investment Reports for the period ending September 30, 2010.

BACKGROUND: The purpose of this item is to provide Town Council an overview of the Town's cash and invested balances for the fiscal period ending September 30, 2010.

FISCAL IMPACT: Interest earnings for the Quarter total $292,083; this amount includes accruals for Certificate of Deposit accounts maturing beyond fiscal period ending September 30, 2010. Fiscal year interest earnings total $761,496.

RECOMMENDED ACTION: The Finance Director recommends consent action to accept and approve Cash and Investment Report for Quarter Ending September 30, 2010.

ATTACHMENTS: Quarterly Investment Report

TOWN CONTACTS: Alan Dickerson, Finance Director - 214.975.0415
adickerson@littleelm.org

Cash and Investment Summary Comments

Portfolio Summary as of 09-30-2010

- ✓ $46,169,154 - Cash and Investments on hand at 09-30-10; average yield 1.24%
- ✓ $4.6M - Change in Cash since end of Quarter at 06-30-10
- ✓ 18% or $8.4M of cash and investments is for daily operations and maintenance
- ✓ 76% or $34.9 - projects in progress, design or ear-marked for a specific use
- ✓ $292,083 - Interest accrued and earned in 4th quarter of fiscal year
- ✓ $761,500 - YTD Interest earned on all funds
- ✓ 58% or $26.5M of portfolio is in depository bank
- ✓ 42% or $19.6M of portfolio - CD Accounts; average CD yield is 1.11%
- ✓ 1.48% - Average fiscal year-to-date yield.
- ✓ Benchmarks: 3 Month Treasury rolling yield is .15%; 6 Month rolling Treasury yield is .21%

CASH AND INVESTMENTS BY PORTFOLIO

(All Funds are in interest bearing accounts.)

Fund	#	Fund Description	Balances 12-31-09	Balances 03-31-10	Balances 06-30-10	Balances 09-30-10	Changes from 06-30-10	Use of Funds
General Operating								
112-0101-00-00	112	CASH-GENERAL FUND	2,768,206	7,664,974	6,179,558	4,593,648	(1,585,910)	Daily Operations
115-0101-00-00	115	CASH-STREET MAINTENANCE	312,035	467,980	567,248	374,517	(192,731)	1/4 Cent Sales Tax for Streets
			3,080,241	8,132,953	6,746,806	4,968,166	(1,778,641)	
Special Revenue Fund								
200-0101-00-00	200	CASH-SPECIAL REVENUE	58,118	72,389	150,475	182,788	32,312	Library, Police and Fire Restricted
205-0101-00-00	205	CASH-TRAFFIC SAFETY	0	0	36,523	98,735	62,212	Red Light Camera Program
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	27,269	29,261	31,535	34,016	2,480	Library, Police and Fire Restricted
412-0101-00-00	412	CASH-FORFEITURE	7,806	7,691	7,712	9,477	1,765	Police - restricted
			93,193	109,342	226,246	325,016	98,770	
Interest and Sinking								
312-0101-00-00	312	CASH-DEBT SERVICE FUND	590,464	1,920,511	1,977,119	291,080	(1,686,039)	Restricted for debt payments
312-1380-00-00	312	TEXPOOL-2010 GO I&S	0	10,604	10,609	0	(10,609)	Restricted for 2010 GO Interest
861-0101-00-00	861	CASH - Tax Notes	0	0	0	0	0	
862-0101-00-00	862	CASH - Tax Notes	0	0	0	0	0	
			590,464	1,931,115	1,987,728	291,080	(1,696,648)	
Enterprise Funds								
612-0101-00-00	612	CASH-UTILITY OPERATING	2,390,412	2,128,521	1,804,751	2,464,756	660,005	Daily Operations and Debt Payments
612-0101-00-74	612	CASH-RESERVE FOR I&S	0	0	0	878,854	878,854	Restricted for Revenue Bonds
612-1374-00-00	612	TEXPOOL-BOND RESERVE	807,293	807,607	807,988	0	(807,988)	Closed
612-1380-00-76	612	TEXPOOL-RESTRICTED BOND FUNDS	0	0	0	0	0	Closed
712-0101-00-00	712	CASH-SOLID WASTE	74,452	94,964	87,891	134,510	46,619	Restricted for Courtesy Site
			3,272,158	3,031,091	2,700,631	3,478,121	777,490	
Enterprise Capital Project Funds								
612-0101-00-76	612	RESTRICTED CASH-CO'S $16.770M	3,412,985	4,896,683	0	1,242,883	1,242,883	Restricted for Water and Sewer CIP
612-1381-00-76	612	INVESTMENTS - POINT BANK **-CD's**	10,009,452	5,000,000	2,500,000	2,542,464	42,464	Restricted for Water and Sewer CIP
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,206	9,244	9,269	9,292	23	Restricted for Water and Sewer CIP
819-0101-00-00	819	CASH IN BANK - CONSOLIDATED	319,660	361,734	404,109	430,094	25,985	Restricted for Water and Sewer CIP
829-0101-00-00	829	CASH IN BANK	6,434	6,461	12,301	12,331	30	Restricted for Water and Sewer CIP
831-0101-00-00	831	CASH IN BANK - CONSOLIDATED	0	78	0	0	0	Restricted for Water and Sewer CIP
840-0101-00-00	840	CASH IN BANK - CONSOLIDATED	4,495,518	2,376,703	2,383,230	2,389,063	5,833	Restricted for Water and Sewer CIP
840-1370-00-00	840	TEXPOOL-2004 W/WW REV BONDS	0	0	0	0	0	Restricted for Water and Sewer CIP
913-0101-00-00	913	CASH IN BANK - CONSOLIDATED	1,551,821	1,612,476	1,612,164	1,642,059	29,894	Restricted for Water and Sewer CIP
			19,805,076	14,263,379	6,921,073	8,268,186	1,347,113	

CASH AND INVESTMENTS BY PORTFOLIO

(All Funds are in interest bearing accounts.)

Fund	#	Fund Description	Balances 12-31-09	Balances 03-31-10	Balances 06-30-10	Balances 09-30-10	Changes from 06-30-10	Use of Funds
Economic Development 4A Corporation								
811-0101-00-00	811	CASH-ECONOMIC DEVELOPMENT	1,165,549	1,147,039	1,228,970	1,303,244	74,273	Restricted for 4A Purposes
			1,165,549	1,147,039	1,228,970	1,303,244	74,273	
Community Development 4B Corporation								
814-0101-00-00	814	CASH-CDC	726,157	760,686	857,886	834,141	(23,745)	Restricted for 4B Purposes
			726,157	760,686	857,886	834,141	(23,745)	
General Capital Project Funds								
822-0101-00-00	822	CASH IN BANK - STREET IMPACT FEES	12,212	12,263	12,296	12,326	30	Restricted for Street Projects
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	153,948	162,444	162,890	113,705	(49,185)	Restricted for Park Projects
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	92,563	134,251	115,682	86,147	(29,535)	Restricted for Street Projects
850-0101-00-00	850	CASH IN BANK - 2004 GO BONDS	(94,377)	2,638,959	1,023,008	1,016,364	(6,644)	Restricted for 04 GO Bond Projects
850-1115-00-00	850	CD-Sterling Bank	0	0	1,500,000	1,500,000	0	Restricted for 04 GO Bond Projects
850-1372-00-00	850	TEXPOOL S2006 G.O.BONDS $6.25M	3,276,728	0	0	0	0	Restricted for 04 GO Bond Projects
870-0101-00-00	870	CASH IN BANK - 2009 GO BONDS	1,429,270	1,005,291	140,273	2,345,838	2,205,566	Restricted for 09 GO Bond Projects
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	842,431	845,948	848,427	851,238	2,812	Restricted for 09 GO Bond Projects
870-1110-00-00	870	2009 GO BOND FUND-#1000062461	1,367,830	4,382,125	2,953,156	5,169,171	2,216,015	Restricted for 09 GO Bond Projects
870-1115-00-00	870	INVESTMENTS-**CD'S**	11,195,000	8,200,000	3,500,000	15,606,411	12,106,411	Restricted for 09 GO Bond Projects
870-1115-00-00	870	INVESTMENTS-CD'-STERLING BANK	0	0	10,606,411	0	(10,606,411)	Restricted for 09 GO Bond Projects
870-1380-00-00	870	TEXPOOL-2010 GO BONDS	0	9,146,146	0	0	0	Restricted for 09-10 Bond Projects
			18,275,603	26,527,427	20,862,144	26,701,202	5,839,059	
Total Cash and Investments at 09-30-09			47,008,441	55,903,033	41,531,484	46,169,154	4,637,670	

CASH AND INVESTMENTS BY PORTFOLIO

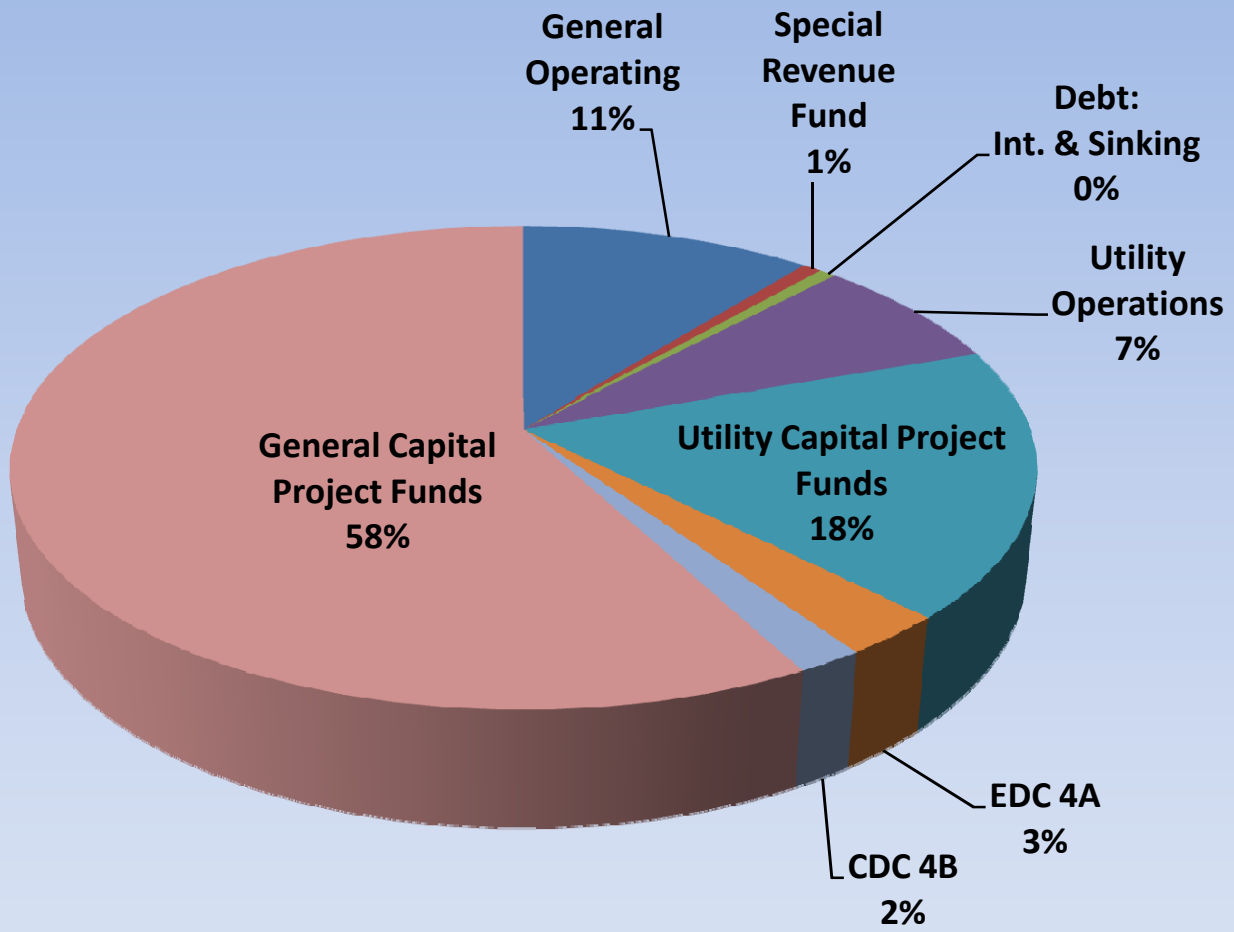
(All Funds are in interest bearing accounts.)

Fund	#	Fund Description	Balances 12-31-09	Balances 03-31-10	Balances 06-30-10	Balances 09-30-10	Changes from 06-30-10	Use of Funds

Summary by Fund Type: Invested Balances	12/31/09	3/31/10	6/30/10	9/30/10	Change
General Operating	3,080,241	8,132,953	6,746,806	4,968,166	(1,778,641)
Special Revenue Fund	93,193	109,342	226,246	325,016	98,770
Interest and Sinking	590,464	1,931,115	1,987,728	291,080	(1,696,648)
Enterprise Funds	3,272,158	3,031,091	2,700,631	3,478,121	777,490
Enterprise Capital Project Funds	19,805,076	14,263,379	6,921,073	8,268,186	1,347,113
Economic Development 4A Corporation	1,165,549	1,147,039	1,228,970	1,303,244	74,273
Community Development 4B Corporation	726,157	760,686	857,886	834,141	(23,745)
General Capital Project Funds	18,275,603	26,527,427	20,862,144	26,701,202	5,839,059
Total Cash and Investments by Portfolio Fund Type:	47,008,441	55,903,033	41,531,484	46,169,154	4,637,670

Summary by Fund Type: Earnings	12/31/09	3/31/10	6/30/10	9/30/10	Change
General Operating	27,542	32,122	19,488	15,264	(4,224)
Special Revenue Fund	646	418	385	660	274
Interest and Sinking	3,360	8,961	5,550	2,165	(3,385)
Enterprise Funds	19,173	8,949	7,686	16,671	8,985
Enterprise Capital Project Funds	90,879	75,524	48,423	67,300	18,877
Economic Development 4A Corporation	7,101	4,370	3,136	3,554	418
Community Development 4B Corporation	5,511	3,359	2,402	2,488	86
General Capital Project Funds	29,986	30,039	34,405	183,982	149,577
Total Cash and Investments by Portfolio Fund Type:	184,197	163,741	121,475	292,083	170,608

Portfolio Balances as of September 30, 2010



Invested Balances: $46,169,154

Town of Little Elm

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2010

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Town of Little Elm is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Finance Director and Investment Officer

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target at a range between 0.00% and 0.25%, with "low rates for an extended time frame" still applicable. The actual Fed Funds rate is trading at the high end of the range, therefore Investment Pools and short term investments are yielding +/-0.20%. Recently the stock market has trended higher although the longer range outlook is still uncertain. Treasury and agency yields remain stubbornly low with CDs providing the best investment option.

Quarter End Results by Investment Category:

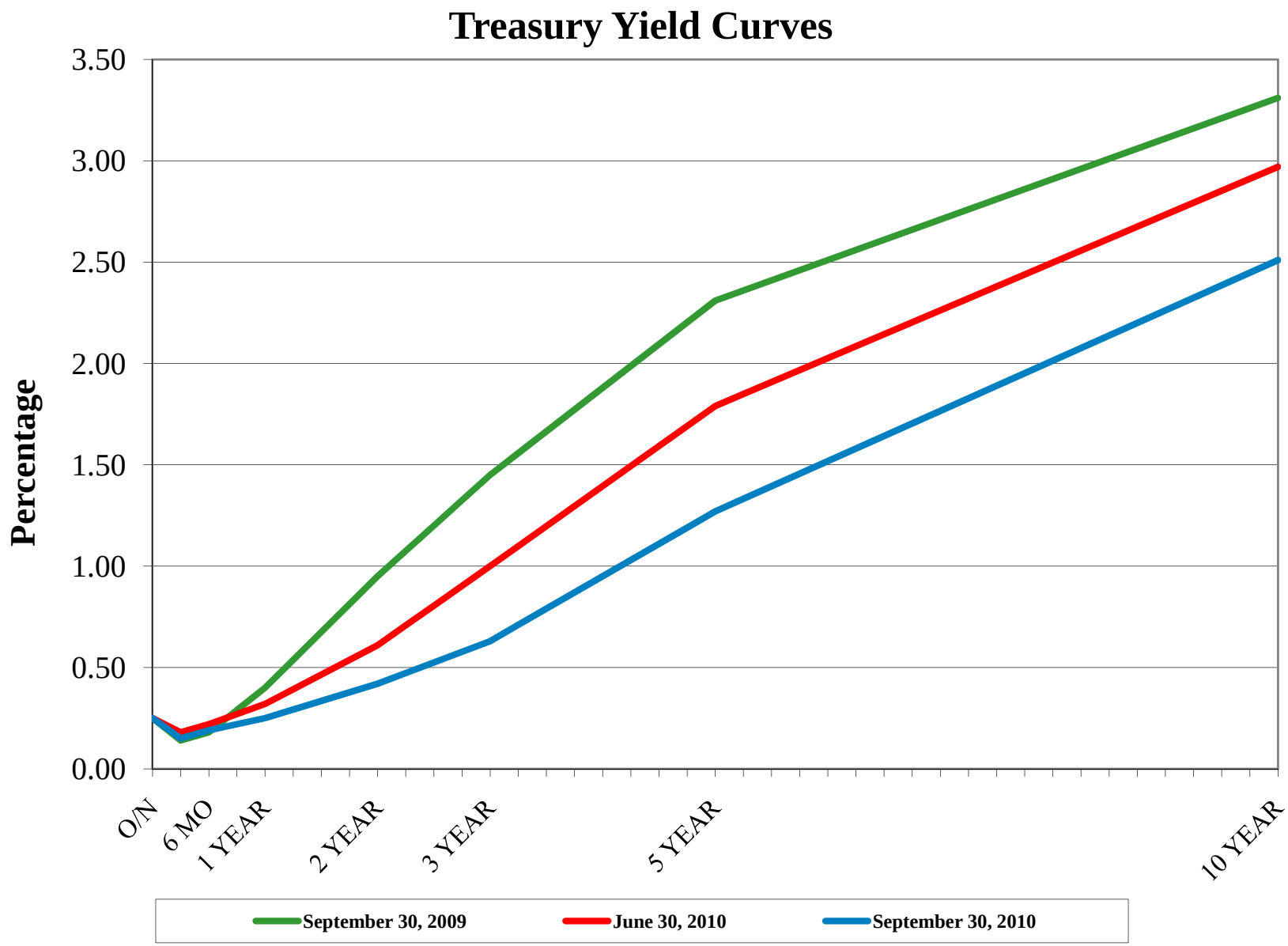
		September 30, 2010		June 30, 2010	
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Pools/Bank	1.25%	$26,520,279	$26,520,279	$23,425,073	$23,425,073
Securities/CDs	1.11%	19,648,875	19,648,875	18,106,411	18,106,411
Totals		$46,169,154	$46,169,154	$41,531,484	$41,531,484

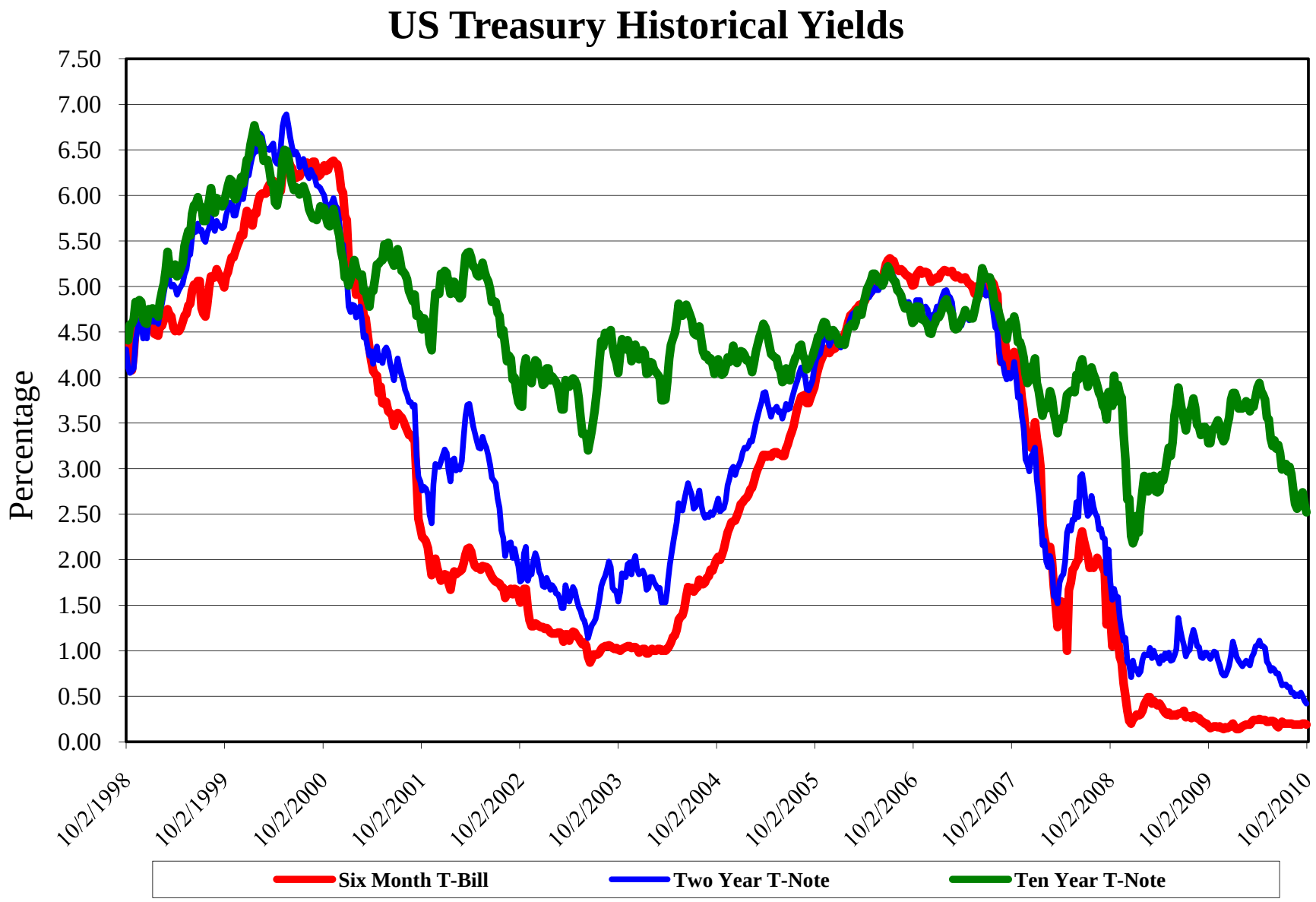
Average Yield (1)	
Total Portfolio	1.19%
Rolling Three Mo. Treas. Yield	0.15%
Rolling Six Mo. Treas. Yield	0.21%
Quarterly Interest Income	$292,083
Year-to-date Interest Income	$761,496

Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.48%
Rolling Three Mo. Treas. Yield	0.12%
Rolling Six Mo. Treas. Yield	0.20%
Quarterly TexPool Yield	0.20%

(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.


Treasury Yield Curves
Percentage
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
O/N
6 MO
1 YEAR
2 YEAR
3 YEAR
5 YEAR
10 YEAR
September 30, 2009
June 30, 2010
September 30, 2010


US Treasury Historical Yields
Percentage
7.50
7.00
6.50
6.00
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4.00
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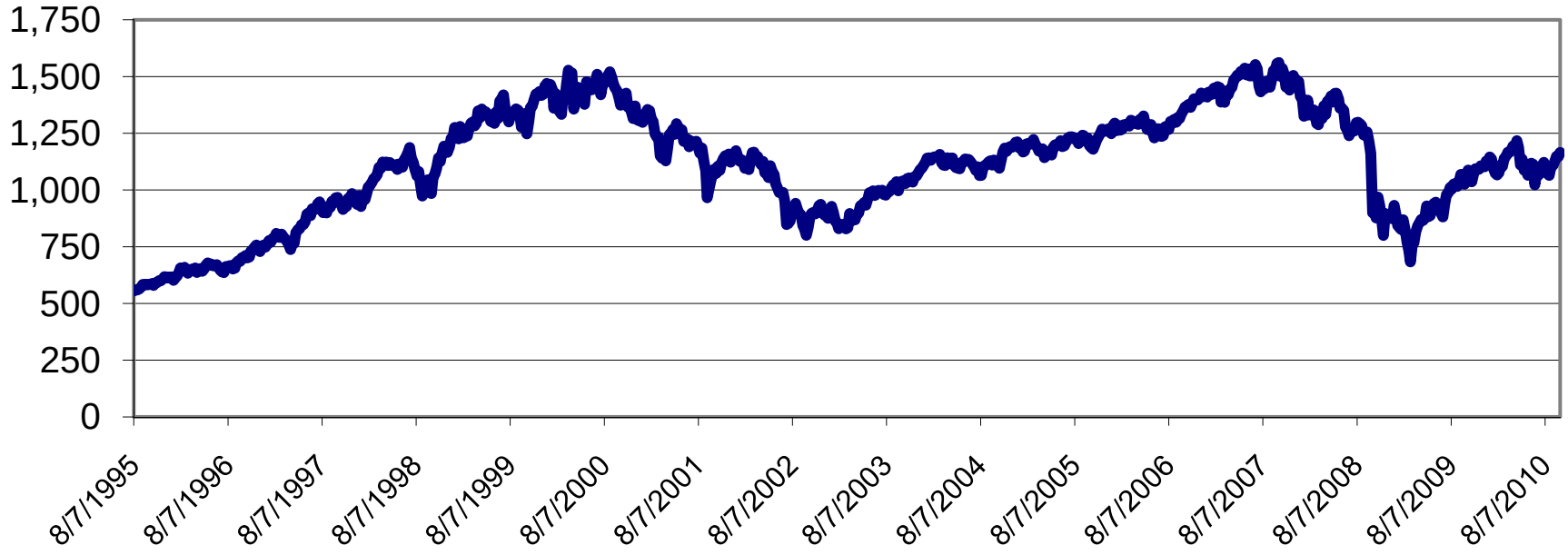
10/2/2010
Six Month T-Bill
Two Year T-Note
Ten Year T-Note

S&P 500


1,750
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750
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250
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8/7/2009
8/7/2010

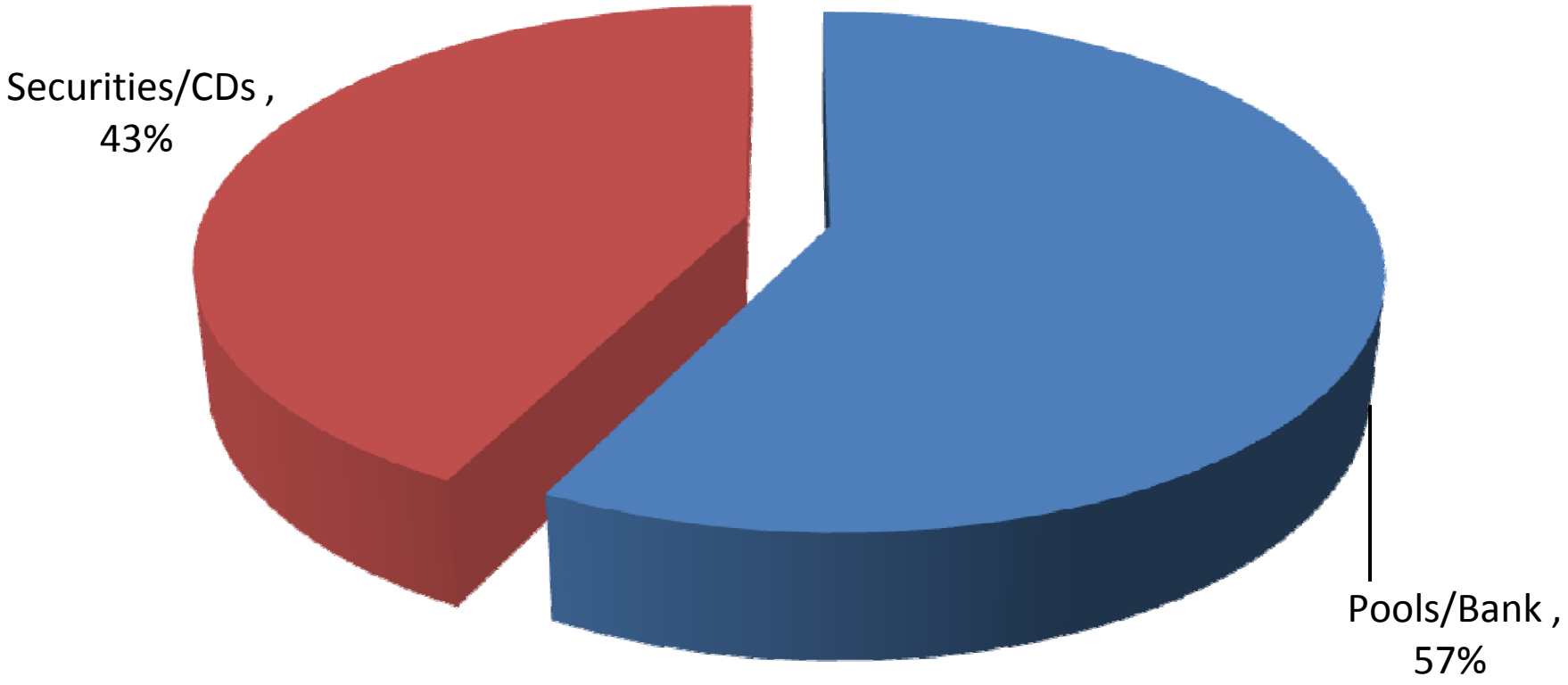
Detail of Holdings
September 30, 2010

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA/MMA		1.25%	10/1/2010	9/30/2010	$26,520,279	$26,520,279	1.000	$26,520,279	0.03	1.25%
Sterling Bank		0.35%	10/12/2010	7/14/2010	4,006,411	4,006,411	100.000	4,006,411	0.39	0.35%
Sterling Bank		0.85%	10/12/2010	4/15/2010	6,600,000	6,600,000	100.000	6,600,000	0.39	0.85%
Independent Bank CD		1.86%	12/15/2010	9/8/2009	2,000,000	2,000,000	100.000	2,000,000	2.49	1.86%
Sterling Bank		0.95%	1/10/2011	4/15/2010	1,500,000	1,500,000	100.000	1,500,000	3.34	0.95%
Point Bank CD		1.51%	1/16/2011	7/16/2010	2,542,464	2,542,464	100.000	2,542,464	3.54	1.51%
Independent Bank CD		1.92%	3/15/2011	9/8/2009	3,000,000	3,000,000	100.000	3,000,000	5.44	1.92%
					$46,169,154	**$46,169,154**		**$46,169,154**	**0.87**	**1.19%**
									(1)	**(2)**

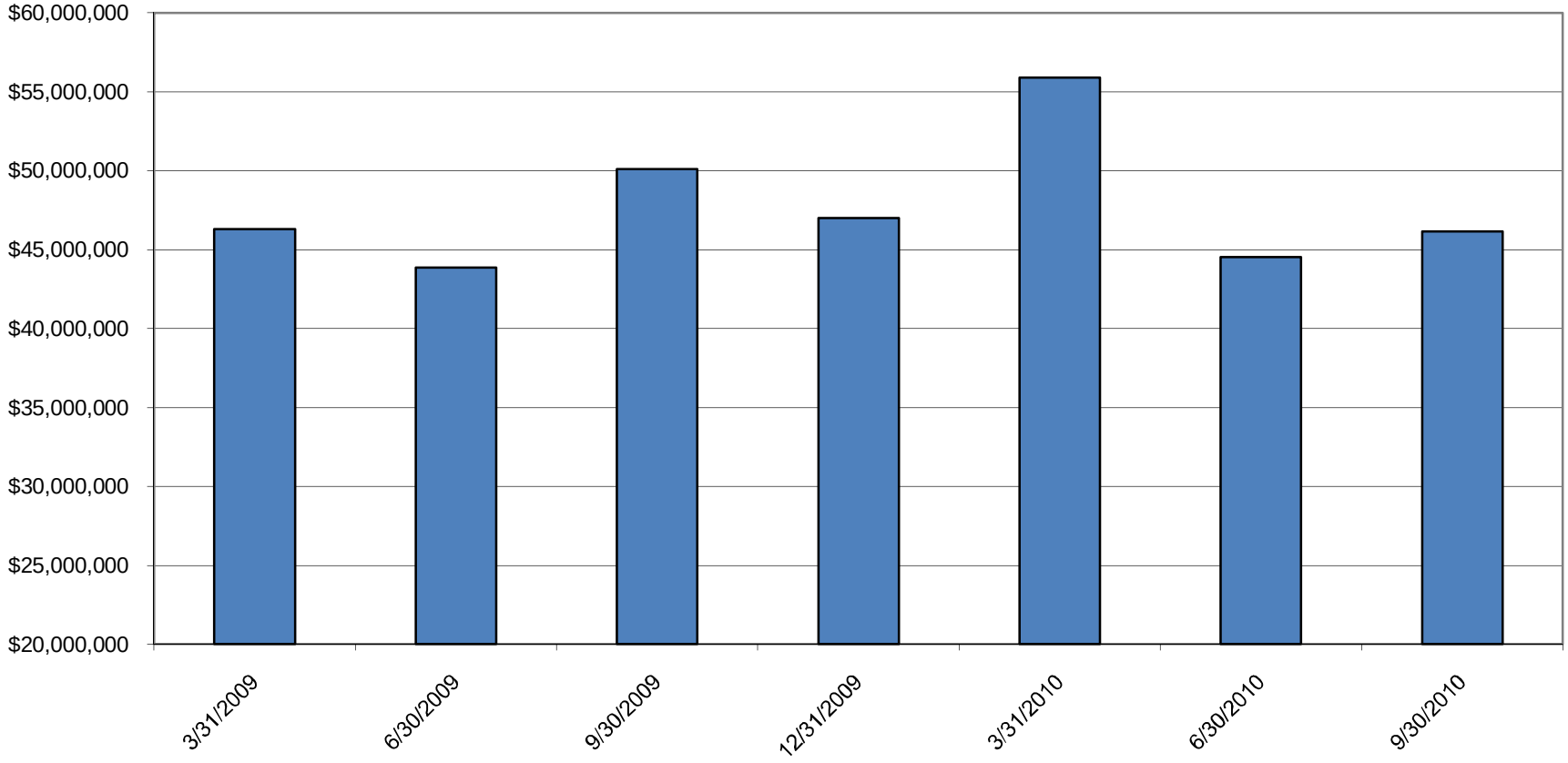
(1) Weighted average life - For purposes of calculating weighted average life, TexPool and bank account investments are assumed to have a one day maturity.

(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 TexPool and bank account investments.

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2010 Par Value	June 30, 2010 Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2010 Par Value	September 30, 2010 Book Value
DDA/MMA	1.25%	10/1/2010	$22,606,476	$22,606,476	$3,913,803		$26,520,279	$26,520,279
TexPool			818,597	818,597		(818,597)	-	-
Independent Bank CD	1.60%	7/15/2010	500,000	500,000		(500,000)	-	-
Point Bank CD	2.50%	7/16/2010	2,500,000	2,500,000		(2,500,000)	-	-
Independent Bank CD	1.60%	8/15/2010	500,000	500,000		(500,000)	-	-
Independent Bank CD	1.81%	9/15/2010	500,000	500,000		(500,000)	-	-
Sterling Bank	0.35%	10/12/2010	4,006,411	4,006,411			4,006,411	4,006,411
Sterling Bank	0.85%	10/12/2010	6,600,000	6,600,000			6,600,000	6,600,000
Independent Bank CD	1.86%	12/15/2010	2,000,000	2,000,000			2,000,000	2,000,000
Sterling Bank	0.95%	1/10/2011	1,500,000	1,500,000			1,500,000	1,500,000
Point Bank CD	1.51%	1/16/2011			2,542,464		2,542,464	2,542,464
Independent Bank CD	1.92%	3/15/2011	3,000,000	3,000,000			3,000,000	3,000,000
TOTAL			**$44,531,484**	**$44,531,484**	**$6,456,267**	**($4,818,597)**	**$46,169,154**	**$46,169,154**

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2010 Par Value	June 30, 2010 Market Value	Qtr to Qtr Change	September 30, 2010 Par Value	September 30, 2010 Market Value
DDA/MMA	1.25%	10/1/2010	$22,606,476	$22,606,476	$3,913,803	$26,520,279	$26,520,279
TexPool			818,597	818,597	(818,597.46)	-	-
Independent Bank CD	1.60%	7/15/2010	500,000	500,000	(500,000.00)	-	-
Point Bank CD	2.50%	7/16/2010	2,500,000	2,500,000	(2,500,000.00)	-	-
Independent Bank CD	1.60%	8/15/2010	500,000	500,000	(500,000.00)	-	-
Independent Bank CD	1.81%	9/15/2010	500,000	500,000	(500,000.00)	-	-
Sterling Bank	0.35%	10/12/2010	4,006,411	4,006,411	-	4,006,411	4,006,411
Sterling Bank	0.85%	10/12/2010	6,600,000	6,600,000	-	6,600,000	6,600,000
Independent Bank CD	1.86%	12/15/2010	2,000,000	2,000,000	-	2,000,000	2,000,000
Sterling Bank	0.95%	1/10/2011	1,500,000	1,500,000	-	1,500,000	1,500,000
Point Bank CD	1.51%	1/16/2011			2,542,464	2,542,464	2,542,464
Independent Bank CD	1.92%	3/15/2011	3,000,000	3,000,000	-	3,000,000	3,000,000
TOTAL			**$44,531,484**	**$44,531,484**	**$1,637,670**	**$46,169,154**	**$46,169,154**

Allocation

September 30, 2010

Book & Market Value	Security Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA/MMA	$26,520,279	$4,968,166	$325,016	$291,080	$3,478,121	$5,725,721	$1,303,244	$834,141	$9,594,791
TexPool	-			-	-				
10/12/2010	6,600,000								6,600,000
10/12/2010	4,006,411								4,006,411
12/15/2010	2,000,000								2,000,000
1/10/2011	1,500,000								1,500,000
1/16/2011	2,542,464					2,542,464			
3/15/2011	3,000,000								3,000,000
Totals	$46,169,154	$4,968,166	$325,016	$291,080	$3,478,121	$8,268,186	$1,303,244	$834,141	$26,701,202

Allocation

June 30, 2010

Book & Market Value	Security Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA/MMA	$22,606,476	$6,746,806	$226,246	$1,977,119	$1,892,643	$4,421,073	$1,228,970	$857,886	$5,255,733
TexPool	818,597			10,609	807,988				
7/15/2010	500,000								500,000
7/16/2010	2,500,000					2,500,000			
8/15/2010	500,000								500,000
9/15/2010	500,000								500,000
10/12/2010	6,600,000								6,600,000
10/12/2010	4,006,411								4,006,411
12/15/2010	2,000,000								2,000,000
1/10/2011	1,500,000								1,500,000
3/15/2011	3,000,000								3,000,000
Totals	$44,531,484	$6,746,806	$226,246	$1,987,728	$2,700,631	$6,921,073	$1,228,970	$857,886	$23,862,144

Disclaimer

These reports were compiled using information provided by the Town. 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.