

**TOWN OF LITTLE ELM  
AGENDA INFORMATION SHEET:  
CONSENT AGENDA**



**COUNCIL AGENDA:** January 19, 2010

**PROJECT:** Receive Quarterly Investment Report for the quarter ending December 31, 2009.

**BACKGROUND:** The purpose of this item is to provide a report of cash and invested balances to the Town Council and to comply with the Public Funds Investment Act (as amended).

The Town's cash and invested balances at 12-31-09 was \$47,009,704. All funds are fully collateralized with securities in the Town's name held at a 3<sup>rd</sup> party bank (Texas Independent Bank).

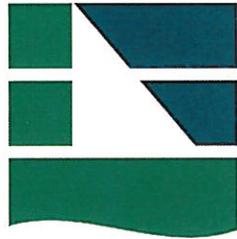
Total interest earned from all investment types and funds was \$196,148. The average yield on the total portfolio was 2.24%. The pool is earning less than ½%, while the Town's Depository Bank is paying at 12-31-09 3%. The average yield on the Town's CD's is 1.81%.

**FISCAL IMPACT:** N/A

**RECOMMENDED ACTION:** Recommend receipt and approval of Cash and Investment Report for Quarter Ending December 31, 2009.

**ATTACHMENTS:** Investment Report for Quarter Ending 12-31-09

**TOWN CONTACTS:** Alan Dickerson, Finance Director - 214.975.0415  
[adickerson@littleelm.org](mailto:adickerson@littleelm.org)



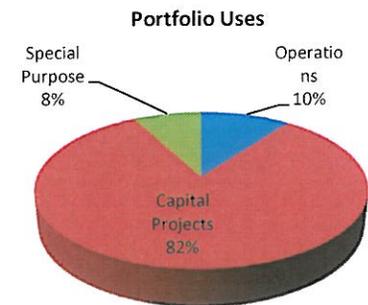
## Summary Comments

### LITTLE ELM

- ✓ \$47,009,704 - Cash and Investments on hand at 12-31-09.
- ✓ 10% or \$4,837,173 of cash and investments is for daily operations and maintenance
- ✓ 82% or \$38,477,840 - projects in progress, design or ear-marked for a specific use
- ✓ \$196,150 - Interest earned 1st quarter of fiscal year
- ✓ 45% or \$21M of funds on hand are in Certificate of Deposits
- ✓ 8% or \$4M of funds on hand are in TexPool
- ✓ 47% or \$21M of funds on hand are in interest bearing demand deposit accounts
- ✓ Average Portfolio Yield - 2.24%
- ✓ TexPool Yield - .21%

<b>CASH AND INVESTMENTS BY PORTFOLIO</b> <i>(All Funds are in interest bearing accounts.)</i>			<b>Balances</b>	<b>Balances</b>	<b>Interest</b>	<b>Use of Funds</b>
<b>Fund</b>	<b>#</b>	<b>Fund Description</b>	<b>9-30-09</b>	<b>12-31-09</b>	<b>Earned 1st Quarter</b>	
<b>General Operating</b>						
112-0101-00-00	112	CASH-GENERAL FUND	4,067,041	2,763,452	24,240	Daily Operations
115-0101-00-00	115	CASH-STREET MAINTENANCE	533,780	312,035	3,302	Restricted 1/4 Cent Sales Tax for Streets
			4,600,822	3,075,487	27,542	
<b>Special Revenue Fund</b>						
200-0101-00-00	200	CASH-SPECIAL REVENUE	44,686	58,118	371	Library, Police and Fire Restricted
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	26,113	27,269	214	Library, Police and Fire Restricted
412-0101-00-00	412	CASH-FORFEITURE	7,745	7,806	61	Police - restricted
			78,544	93,193	646	
<b>Interest and Sinking</b>						
312-0101-00-00	312	CASH-DEBT SERVICE FUND	261,730	590,464	3,188	Restricted for debt payments
861-0101-00-00	861	CASH - Tax Notes	347	0	0	
862-0101-00-00	862	CASH - Tax Notes	36,712	0	0	
			298,789	590,464	3,188	
<b>Enterprise Funds</b>						
612-0101-00-00	612	CASH-UTILITY OPERATING	1,796,151	1,999,253	17,062	Daily Operations and Debt Payments
612-1374-00-00	612	CASH-BOND RESERVE	447,021	807,293	0	Restricted for Revenue Bonds
612-1380-00-76	612	TEXPOOL-BOND RESERCE	940	0	0	
712-0101-00-00	712	CASH-SOLID WASTE	14,681	74,468	387	Restricted for Operations of Dump Site
			2,258,793	2,881,014	17,449	
<b>Enterprise Capital Project Funds</b>						
612-0101-00-76	612	RESTRICTED CASH-CO'S \$16.770M	6,262,208	3,809,307	41,234	Restricted for Water and Sewer CIP
612-1381-00-76	612	INVESTMENTS - POINT BANK -CD's	10,000,000	10,009,452	9,452	Restricted for Water and Sewer CIP
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,134	9,206	72	Restricted for Water and Sewer CIP
819-0101-00-00	819	CASH IN BANK - CONSOLIDATED	311,283	319,660	2,495	Restricted for Water and Sewer CIP
829-0101-00-00	829	CASH IN BANK	2,558	6,434	34	Restricted for Water and Sewer CIP
831-0101-00-00	831	CASH IN BANK - CONSOLIDATED	31,285	0	78	Restricted for Water and Sewer CIP
840-0101-00-00	840	CASH IN BANK - CONSOLIDATED	4,461,115	4,495,518	34,862	Restricted for Water and Sewer CIP
840-1370-00-00	840	TEXPOOL-2004 W/WW REV BONDS	24	0	0	Restricted for Water and Sewer CIP
913-0101-00-00	913	CASH IN BANK - CONSOLIDATED	1,525,462	1,551,821	12,387	Restricted for Water and Sewer CIP
			22,603,069	20,201,398	100,614	

<b>CASH AND INVESTMENTS BY PORTFOLIO</b> <i>(All Funds are in interest bearing accounts.)</i>				Balances	Balances	Interest	Use of Funds
Fund	#	Fund Description	9-30-09	12-31-09	Earned		
					1st Quarter		
<b>Economic Development 4A Corporation</b>							
811-0101-00-00	811	CASH-ECONOMIC DEVELOPMENT	1,115,104	1,165,549	7,101	Restricted for 4A Purposes	
			1,115,104	1,165,549	7,101		
<b>Community Development 4B Corporation</b>							
814-0101-00-00	814	CASH-CDC	633,046	726,157	5,511	Restricted for 4B Purposes	
			633,046	726,157	5,511		
<b>General Capital Project Funds</b>							
822-0101-00-00	822	CASH IN BANK - STREET IMPACT FEES	12,151	12,212	95	Restricted for Street Projects	
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	152,747	153,948	1,201	Restricted for Park Projects	
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	86,513	92,563	735	Restricted for Street Projects	
850-0101-00-00	850	CASH IN BANK - 2004 GO BONDS	(286,135)	(94,377)	2,383	Restricted for 04 GO Bond Projects	
850-1372-00-00	850	TEXPOOL S2006 G.O.BONDS \$6.25M	3,274,150	3,276,728	94	Restricted for 04 GO Bond Projects	
870-0101-00-00	870	CASH IN BANK - 2009 GO BONDS	2,697,022	1,429,270	26,196	Restricted for 09 GO Bond Projects	
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	0	842,431	0	Restricted for 09 GO Bond Projects	
870-1110-00-00	870	2009 GO BOND FUND-#1000062461	1,365,275	1,367,830	2,554	Restricted for 09 GO Bond Projects	
870-1115-00-00	870	INVESTMENTS- <b>CD'S</b>	11,195,000	11,195,839	839	Restricted for 09 GO Bond Projects	
			18,496,723	18,276,442	34,097		
<b>Total Cash and Investments at 09-30-09</b>			<b>50,084,889</b>	<b>47,009,704</b>	<b>196,148</b>		
<b>Summary by Fund Type</b>							
<b>General Operating</b>			4,600,822	3,075,487	27,542		
<b>Special Revenue Fund</b>			78,544	93,193	646		
<b>Interest and Sinking</b>			298,789	590,464	3,188		
<b>Enterprise Funds</b>			2,258,793	2,881,014	17,449		
<b>Enterprise Capital Project Funds</b>			22,603,069	20,201,398	100,614		
<b>Economic Development 4A Corporation</b>			1,115,104	1,165,549	7,101		
<b>Community Development 4B Corporation</b>			633,046	726,157	5,511		
<b>General Capital Project Funds</b>			18,496,723	18,276,442	34,097		
<b>Total Cash and Investments by Portfolio Fund Type:</b>			<b>50,084,889</b>	<b>47,009,704</b>	<b>196,148</b>		



# Town of Little Elm

## INVESTMENT PORTFOLIO SUMMARY

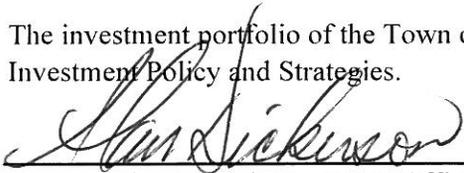
For the Quarter Ended

December 31, 2009

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.



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Finance Director and Investment Officer

**Strategy Summary:**

The Federal Open Market Committee maintained the Fed Funds target at a range between 0.00% and 0.25%. The stock market shows modest strength. Economic data points cautiously positive. Employment, consumer spending, and commercial and residential real estate directions remain uncertain. The yield curve remains very positive. Re-investment of maturities and surplus funds will depend on renewal DDA interest rate and DDA balance restrictions.

**Quarter End Results by Investment Category:**

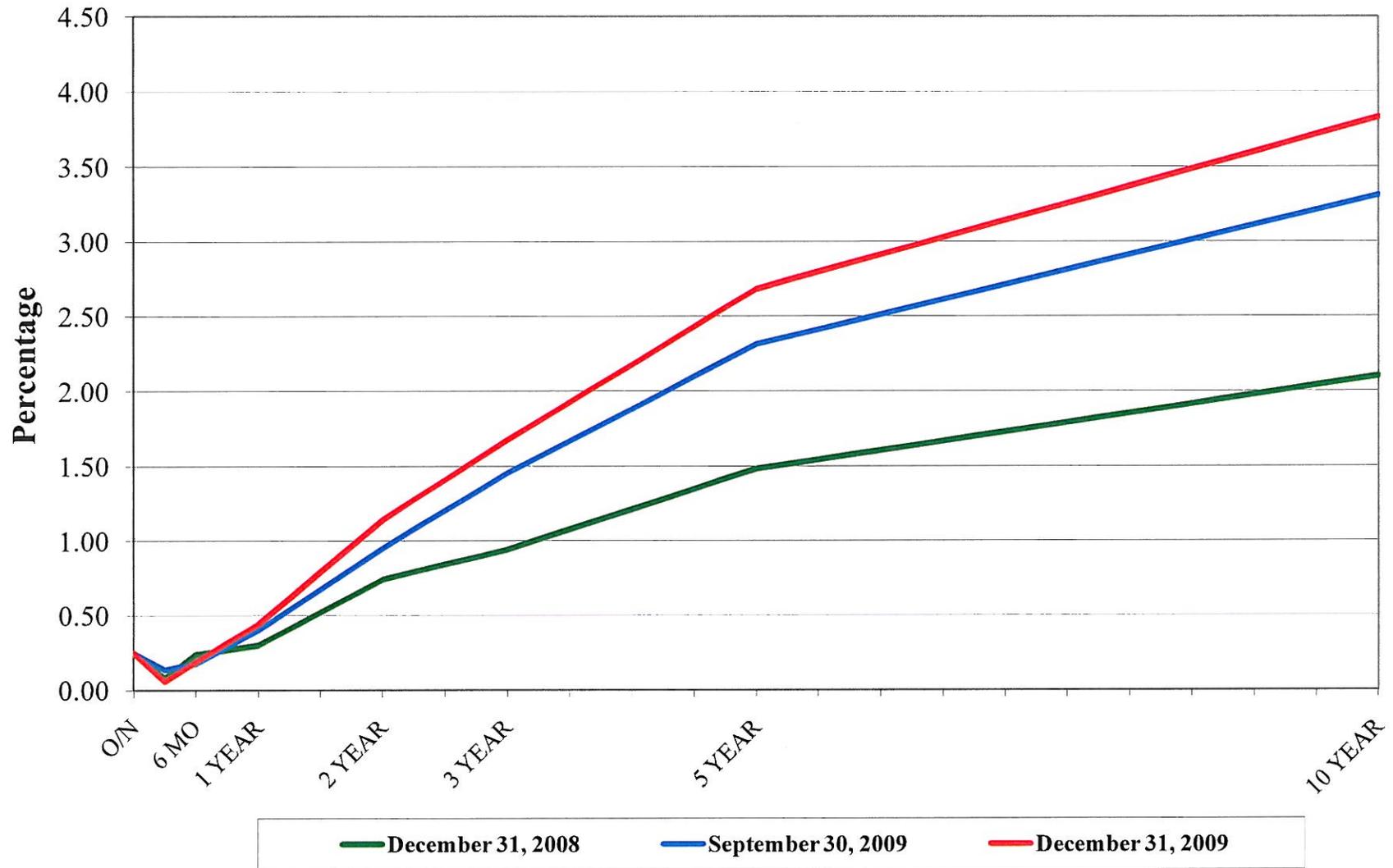
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2009</u>		<u>September 30, 2009</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	2.59%	\$25,804,423	\$25,804,423	\$28,889,889	\$28,889,889
Securities/CDs	1.81%	\$21,205,291	\$21,205,291	\$21,195,000	\$21,195,000
<b>Totals</b>		<b>\$47,009,714</b>	<b>\$47,009,714</b>	<b>\$50,084,889</b>	<b>\$50,084,889</b>

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	2.24%	Total Portfolio	2.24%
Rolling Three Mo. Treas. Yield	0.06%	Rolling Three Mo. Treas. Yield	0.06%
Rolling Six Mo. Treas. Yield	0.21%	Rolling Six Mo. Treas. Yield	0.21%
		Quarterly TexPool Yield	0.21%
Quarterly Interest Income	\$181,721	Approximate	
Year-to-date Interest Income	\$181,721	Approximate	

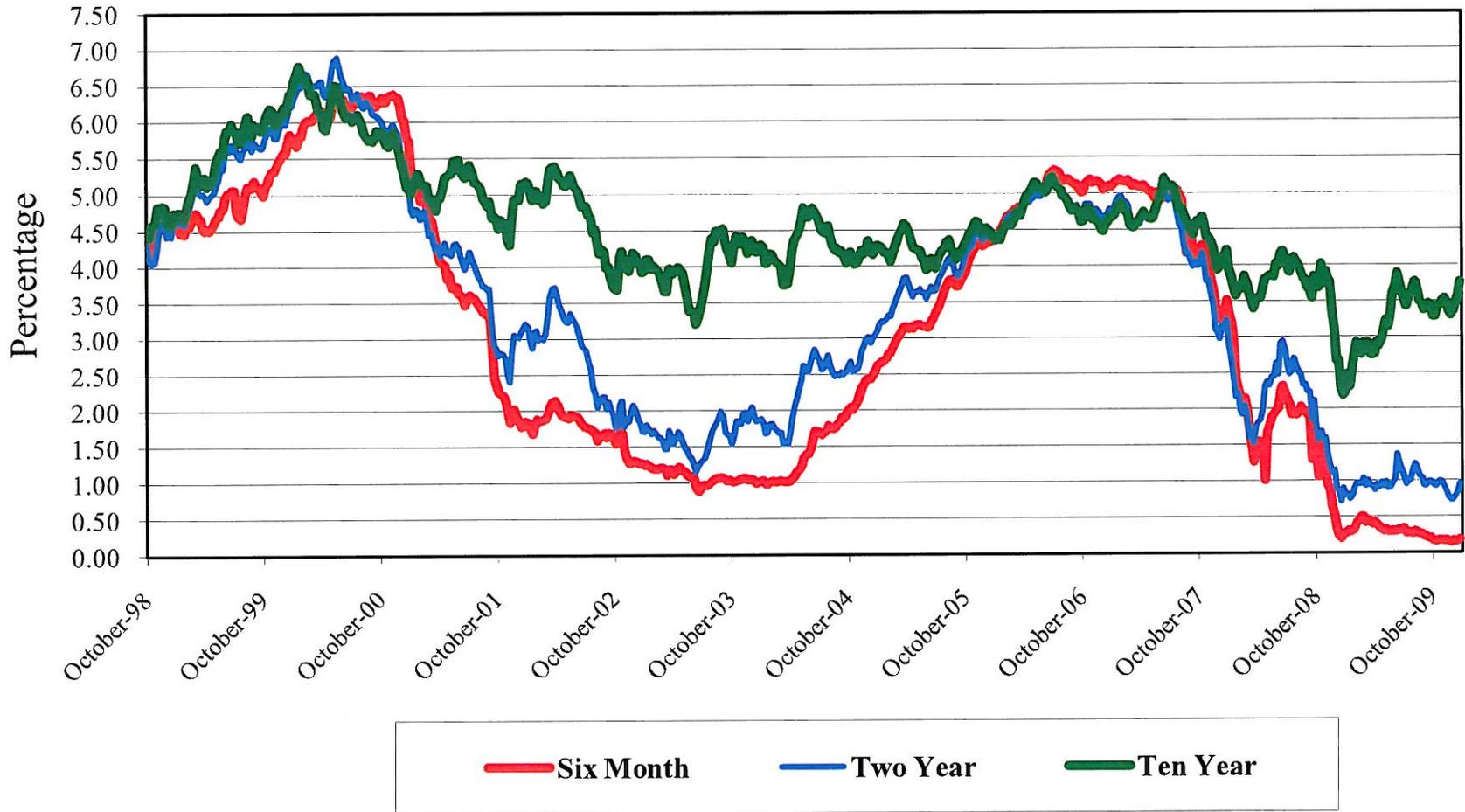
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

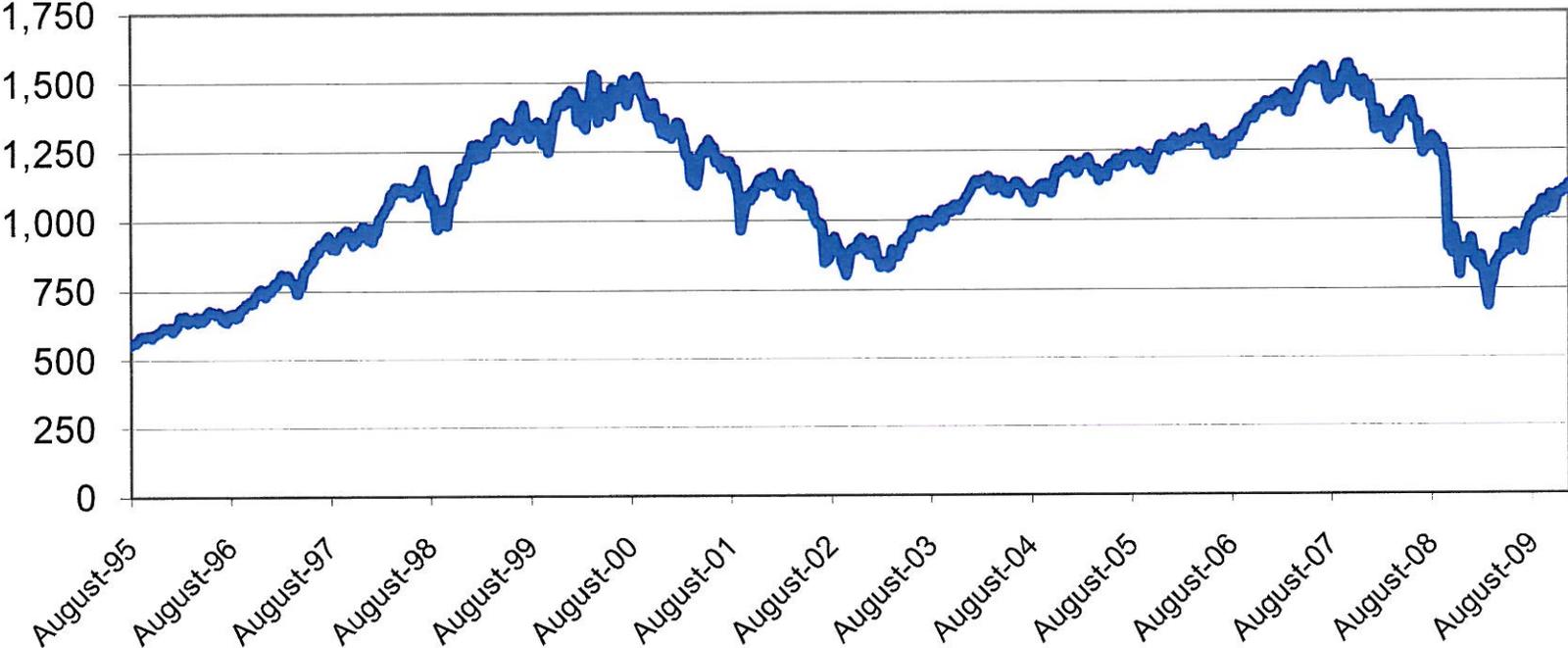
## Treasury Yield Curves



# US Treasury Historical Yields



# S&P 500



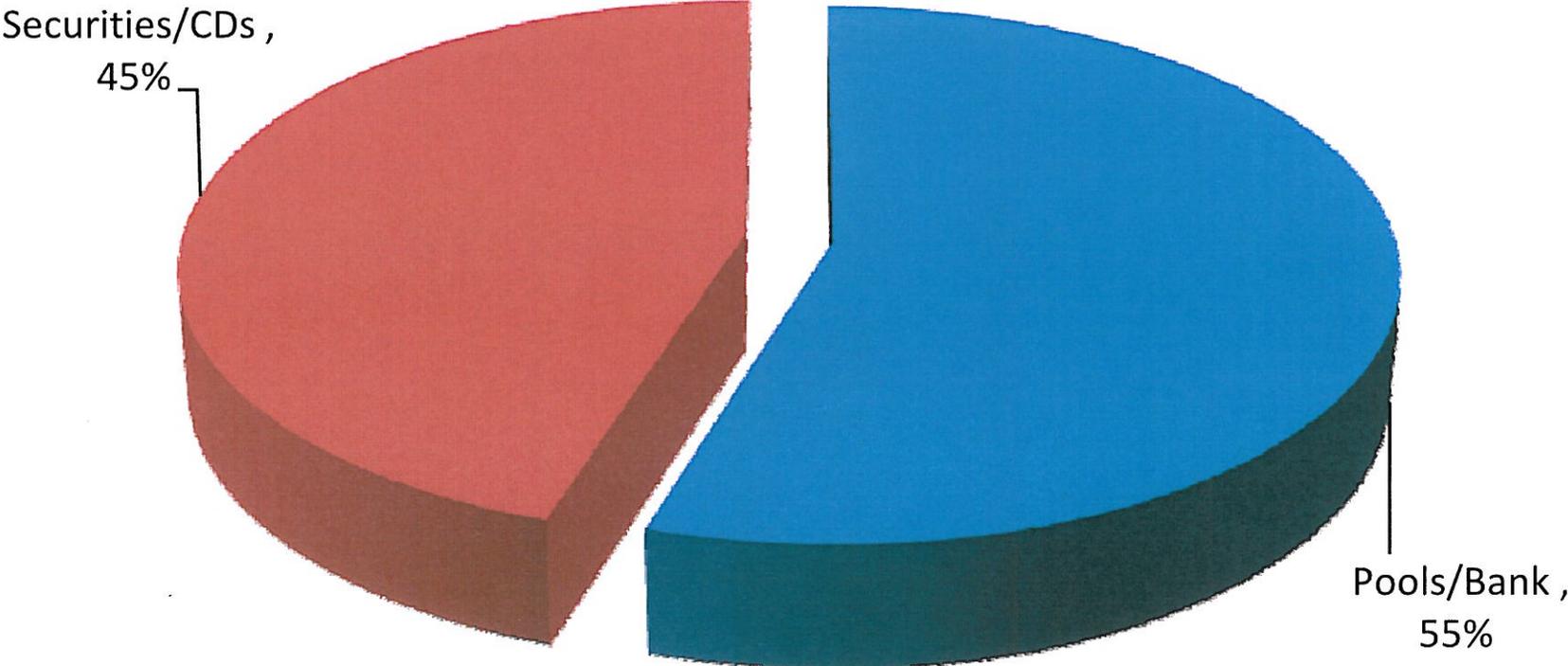
## Detail of Holdings December 31, 2009

Security Description	Ratings	Coupon/Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA/MMA		3.04%	1/1/2010	12/31/2009	\$21,720,402	\$21,720,402	1.000	\$21,720,402	0.03	3.04%
TexPool	AAAm	0.21%	1/1/2010	12/31/2009	4,084,021	4,084,021	1.000	4,084,021	0.03	0.21%
Point Bank CD		1.51%	1/7/2010	10/16/2009	2,509,452	2,509,452	100.000	2,509,452	0.23	1.51%
Independent Bank CD		0.40%	1/13/2010	12/14/2008	165,151	165,151	100.000	165,151	0.43	0.40%
Independent Bank CD		0.40%	1/14/2010	12/15/2009	180,319	180,319	100.000	180,319	0.46	0.40%
Independent Bank CD		1.10%	1/15/2010	9/8/2009	1,500,000	1,500,000	100.000	1,500,000	0.49	1.10%
Point Bank CD		1.99%	1/16/2010	7/16/2009	2,500,000	2,500,000	100.000	2,500,000	0.52	1.99%
Independent Bank CD		1.35%	2/15/2010	9/8/2009	500,000	500,000	100.000	500,000	1.51	1.35%
Independent Bank CD		1.35%	3/15/2010	9/8/2009	500,000	500,000	100.000	500,000	2.43	1.35%
Independent Bank CD		0.40%	3/15/2010	12/15/2009	150,370	150,370	100.000	150,370	2.43	0.40%
Independent Bank CD		1.40%	4/15/2010	9/8/2009	500,000	500,000	100.000	500,000	3.44	1.40%
Point Bank CD		2.26%	4/16/2010	7/16/2009	2,500,000	2,500,000	100.000	2,500,000	3.48	2.26%
Independent Bank CD		1.40%	5/15/2010	9/8/2009	500,000	500,000	100.000	500,000	4.43	1.40%
Independent Bank CD		1.60%	6/15/2010	9/8/2009	700,000	700,000	100.000	700,000	5.44	1.60%
Independent Bank CD		1.60%	7/15/2010	9/8/2009	500,000	500,000	100.000	500,000	6.43	1.60%
Point Bank CD		2.50%	7/16/2010	7/16/2009	2,500,000	2,500,000	100.000	2,500,000	6.46	2.50%
Independent Bank CD		1.60%	8/15/2010	9/8/2009	500,000	500,000	100.000	500,000	7.44	1.60%
Independent Bank CD		1.81%	9/15/2010	9/8/2009	500,000	500,000	100.000	500,000	8.46	1.81%
Independent Bank CD		1.86%	12/15/2010	9/8/2009	2,000,000	2,000,000	100.000	2,000,000	11.44	1.86%
Independent Bank CD		1.92%	3/15/2011	9/8/2009	3,000,000	3,000,000	100.000	3,000,000	14.39	1.92%
					<b>\$47,009,714</b>	<b>\$47,009,714</b>		<b>\$47,009,714</b>	<b>2.46</b>	<b>2.24%</b>
									(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

# Portfolio Composition



## Book Value Comparison

Security Description	Coupon/Discount	Maturity Date	September 30, 2009		Purchases/Adjustments	Sales/Adjust/Maturities	December 31, 2009	
			Par Value	Book Value			Par Value	Book Value
DDA/MMA	3.04%	1/1/2010	25,614,776	25,614,776		(3,894,373.53)	21,720,402	21,720,402
TexPool	0.21%	1/1/2010	3,275,114	3,275,114	808,907.52		4,084,021	4,084,021
Independent Bank CD	0.90%	10/15/2009	165,000	165,000		(165,000)		
Point Bank CD	1.51%	10/16/2009	2,500,000	2,500,000		(2,500,000)		
Independent Bank CD	0.95%	11/15/2009	180,000	180,000		(180,000)		
Independent Bank CD	1.00%	12/15/2009	150,000	150,000		(150,000)		
Point Bank CD	1.51%	1/7/2010			2,509,452		2,509,452	2,509,452
Independent Bank CD	0.40%	1/13/2010			165,151		165,151	165,151
Independent Bank CD	0.40%	1/14/2010			180,319		180,319	180,319
Independent Bank CD	1.10%	1/15/2010	1,500,000	1,500,000			1,500,000	1,500,000
Point Bank CD	1.99%	1/16/2010	2,500,000	2,500,000			2,500,000	2,500,000
Independent Bank CD	1.35%	2/15/2010	500,000	500,000			500,000	500,000
Independent Bank CD	1.35%	3/15/2010	500,000	500,000			500,000	500,000
Independent Bank CD	0.40%	3/15/2010			150,370		150,370	150,370
Independent Bank CD	1.40%	4/15/2010	500,000	500,000			500,000	500,000
Point Bank CD	2.26%	4/16/2010	2,500,000	2,500,000			2,500,000	2,500,000
Independent Bank CD	1.40%	5/15/2010	500,000	500,000			500,000	500,000
Independent Bank CD	1.60%	6/15/2010	700,000	700,000			700,000	700,000
Independent Bank CD	1.60%	7/15/2010	500,000	500,000			500,000	500,000
Point Bank CD	2.50%	7/16/2010	2,500,000	2,500,000			2,500,000	2,500,000
Independent Bank CD	1.60%	8/15/2010	500,000	500,000			500,000	500,000
Independent Bank CD	1.81%	9/15/2010	500,000	500,000			500,000	500,000
Independent Bank CD	1.86%	12/15/2010	2,000,000	2,000,000			2,000,000	2,000,000
Independent Bank CD	1.92%	3/15/2011	3,000,000	3,000,000			3,000,000	3,000,000
<b>TOTAL</b>			<b>\$50,084,889</b>	<b>\$50,084,889</b>	<b>\$3,814,199</b>	<b>(\$6,889,374)</b>	<b>\$47,009,714</b>	<b>\$47,009,714</b>

## Market Value Comparison

Security Description	Coupon/Discount	Maturity Date	September 30, 2009		Change from Prev. Quarter	December 31, 2009	
			Par Value	Market Value		Par Value	Market Value
DDA/MMA	3.04%	1/1/2010	25,614,776	25,614,776		21,720,402	21,720,402
TexPool	0.21%	1/1/2010	3,275,114	3,275,114		4,084,021	4,084,021
Independent Bank CD	0.90%	10/15/2009	165,000	165,000			
Point Bank CD	1.51%	10/16/2009	2,500,000	2,500,000			
Independent Bank CD	0.95%	11/15/2009	180,000	180,000			
Independent Bank CD	1.00%	12/15/2009	150,000	150,000			
Point Bank CD	1.51%	1/7/2010				2,509,452	2,509,452
Independent Bank CD	0.40%	1/13/2010				165,151	165,151
Independent Bank CD	0.40%	1/14/2010				180,319	180,319
Independent Bank CD	1.10%	1/15/2010	1,500,000	1,500,000		1,500,000	1,500,000
Point Bank CD	1.99%	1/16/2010	2,500,000	2,500,000		2,500,000	2,500,000
Independent Bank CD	1.35%	2/15/2010	500,000	500,000		500,000	500,000
Independent Bank CD	1.35%	3/15/2010	500,000	500,000		500,000	500,000
Independent Bank CD	0.40%	3/15/2010				150,370	150,370
Independent Bank CD	1.40%	4/15/2010	500,000	500,000		500,000	500,000
Point Bank CD	2.26%	4/16/2010	2,500,000	2,500,000		2,500,000	2,500,000
Independent Bank CD	1.40%	5/15/2010	500,000	500,000		500,000	500,000
Independent Bank CD	1.60%	6/15/2010	700,000	700,000		700,000	700,000
Independent Bank CD	1.60%	7/15/2010	500,000	500,000		500,000	500,000
Point Bank CD	2.50%	7/16/2010	2,500,000	2,500,000		2,500,000	2,500,000
Independent Bank CD	1.60%	8/15/2010	500,000	500,000		500,000	500,000
Independent Bank CD	1.81%	9/15/2010	500,000	500,000		500,000	500,000
Independent Bank CD	1.86%	12/15/2010	2,000,000	2,000,000		2,000,000	2,000,000
Independent Bank CD	1.92%	3/15/2011	3,000,000	3,000,000		3,000,000	3,000,000
<b>TOTAL</b>			<b>\$50,084,889</b>	<b>\$50,084,889</b>	<b>(\$3,075,175)</b>	<b>\$47,009,714</b>	<b>\$47,009,714</b>

**Allocation**

**December 31, 2009**

<b>Book Value</b>	<b>Security Total</b>	<b>General Operating</b>	<b>Special Revenue</b>	<b>Interest &amp; Sinking</b>	<b>Enterprise Funds</b>	<b>Enterprise Capital Projects</b>	<b>EDC 4A</b>	<b>EDC 4B</b>	<b>General Capital Projects</b>
DDA/MMA	21,720,402	3,075,487	93,193	590,464	2,073,721	10,191,945	1,165,549	726,157	3,803,886
TexPool	4,084,021				807,293	-			3,276,728
1/7/2010	2,509,452					2,509,452			
1/13/2010	165,151								165,151
1/14/2010	180,319								180,319
1/15/2010	1,500,000								1,500,000
1/16/2010	2,500,000					2,500,000			
2/15/2010	500,000								500,000
3/15/2010	500,000								500,000
3/15/2010	150,370								150,370
4/15/2010	500,000								500,000
4/16/2010	2,500,000					2,500,000			
5/15/2010	500,000								500,000
6/15/2010	700,000								700,000
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
12/15/2010	2,000,000								2,000,000
3/15/2010	3,000,000								3,000,000
<b>Totals</b>	<b>47,009,714</b>	<b>3,075,487</b>	<b>93,193</b>	<b>590,464</b>	<b>2,881,014</b>	<b>20,201,398</b>	<b>1,165,549</b>	<b>726,157</b>	<b>18,276,452</b>

**Allocation**

**September 30, 2009**

<b>Book Value</b>	<b>Security Total</b>	<b>General Operating</b>	<b>Special Revenue</b>	<b>Interest &amp; Sinking</b>	<b>Enterprise Funds</b>	<b>Enterprise Capital Projects</b>	<b>EDC 4A</b>	<b>EDC 4B</b>	<b>General Capital Projects</b>
DDA/MMA	25,614,776	4,600,822	78,544	298,789	2,257,853	12,603,046	1,115,104	633,046	4,027,573
TexPool	3,275,114				940	24			3,274,150
10/15/2009	165,000								165,000
10/16/2009	2,500,000					2,500,000			
11/15/2009	180,000								180,000
12/15/2009	150,000								150,000
1/15/2010	1,500,000								1,500,000
1/16/2010	2,500,000					2,500,000			
2/15/2010	500,000								500,000
3/15/2010	500,000								500,000
4/15/2010	500,000								500,000
4/16/2010	2,500,000					2,500,000			
5/15/2010	500,000								500,000
6/15/2010	700,000								700,000
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
12/15/2010	2,000,000								2,000,000
3/15/2010	3,000,000								3,000,000
<b>Totals</b>	<b>50,084,889</b>	<b>4,600,822</b>	<b>78,544</b>	<b>298,789</b>	<b>2,258,793</b>	<b>22,603,069</b>	<b>1,115,104</b>	<b>633,046</b>	<b>18,496,723</b>

***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.