TOWN OF LITTLE ELM
AGENDA INFORMATION SHEET:
CONSENT AGENDA

LITTLE ELM

COUNCIL AGENDA: April 19, 2011

PROJECT: Approve Quarterly Investment Report for the period ending March 31, 2011.

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 March 31, 2011.

FISCAL IMPACT: Interest earnings for the Quarter total $149,725. Fiscal year interest earnings total $245,196.

RECOMMENDED ACTION: The Finance Director recommends consent action to accept and approve Cash and Investment Report for Quarter Ending March 31, 2011.

ATTACHMENTS: Quarterly Investment Report

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

MEMORANDUM

TO: IVAN LANGFORD, TOWN MANAGER

FROM: ALAN DICKERSON, FINANCE DIRECTOR

SUBJ: INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2011

CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the quarter ending March 31, 2011 of the fiscal year. This report complies with the requirements of the Town's Investment Policy and the Public Fund's Investment Act as amended. For the period ending March 31, 2011, the City's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	% of Total
Money Market-Independent Bank & Texpool	1.26%	$47,443,843	100%
Total Portfolio (Avg)	1.26%	$47,443,843	100%

The Town does not carry any security instruments (investment type) on its books that are traded on the open market; therefore all investments are listed at 100% of market value. All Funds on deposit with Independent Bank, Point Bank and TexPool are fully secured and safeguarded. **Total interest earned for the quarter ending March 31, 2011 was $149,725.**

Total cash and investments for the period ending December 31, 2010 was $43,633,715 and the invested balances at March 31, 2011 was $47,443,843, a net change of $3,810,128. It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

Over 100% of the Town's current portfolio has same day access which is sufficient to cover normal and seasonal operational costs. The Town's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools. The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.

The total portfolio yield fiscal year-to-date is 1.29%

X Alan Dickerson

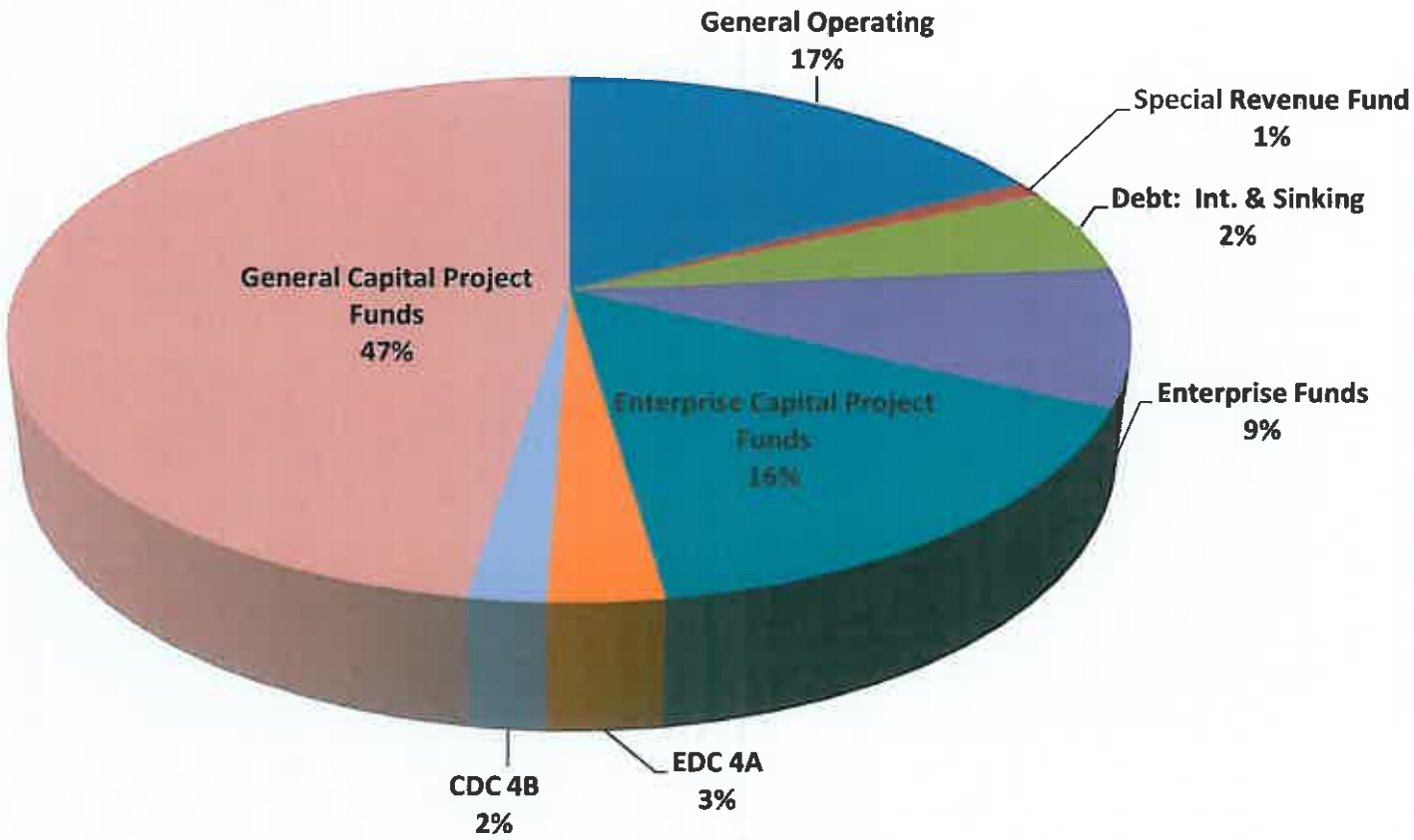
LITTLE ELM

Cash and Investment Summary Comments

Portfolio Summary as of 3-31-2011

* $47,443,843 - Cash and Investments on hand at 3/31/2011; average yield 1.26%
* $3,810,128 - Change in Cash since end of Quarter at 12/31/2010 (Increase)
* $149,725 - Interest earned for 2nd Quarter of fiscal year
* 100% or $47,443,843 of portfolio is in depository bank
* All CD's matured during the quarter. Depository bank offering best returns. Fully collateralized.
* 1.29% - Average Fiscal Year-to-Date Average Yield on Portfolio
* Benchmarks: 3 Month Treasury Rolling Yield is .13%; 6 Month Treasury Rolling Yeild is .18%

Portfolio Balances as of March 31, 2011



Invested Balances: $47,443,843

CASH AND INVESTEMENTS 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	Balances 12-31-10	Balances 3-31-11	Changes from 09-30-10
General Operating									
112-0101-00-00	112	CASH-GENERAL FUND	2,768,206	7,664,974	6,179,558	4,593,648	4,096,121	8,015,475	(3,919,354)
115-0101-00-00	115	CASH-STREET MAINTENANCE	312,035	467,980	567,248	374,517	168,737	232,666	(63,929)
			3,080,241	8,132,953	6,746,806	4,968,166	4,264,858	8,248,141	(3,983,283)
Special Revenue Fund									
200-0101-00-00	200	CASH-SPECIAL REVENUE	58,118	72,389	150,475	182,788	178,950	211,317	(32,367)
205-0101-00-00	205	CASH-TRAFFIC SAFETY	0	0	36,523	98,735	151,548	188,620	(37,073)
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	27,269	29,261	31,535	34,016	34,706	35,105	(399)
412-0101-00-00	412	CASH-FORFEITURE	7,806	7,691	7,712	9,477	9,204	9,232	(28)
			93,193	109,342	226,246	325,016	374,407	444,274	(69,867)
Interest and Sinking									
312-0101-00-00	312	CASH-DEBT SERVICE FUND	590,464	1,920,511	1,977,119	291,080	767,641	2,448,722	(1,681,080)
312-1380-00-00	312	TEXPOOL-2010 GO I&S	0	10,604	10,609	0	0	0	0
861-0101-00-00	861	CASH - Tax Notes	0	0	0	0	0	0	0
862-0101-00-00	862	CASH - Tax Notes	0	0	0	0	0	0	0
			590,464	1,931,115	1,987,728	291,080	767,641	2,448,722	(1,681,080)
Enterprise Funds									
612-0101-00-00	612	CASH-UTILITY OPERATING	2,390,412	2,128,521	1,804,751	2,464,756	3,162,739	2,864,158	298,581
612-0101-00-74	612	CASH-RESERVE FOR I&S	0	0	0	878,854	881,761	884,411	(2,650)
612-1374-00-00	612	TEXPOOL-BOND RESERVE	807,293	807,607	807,988	0	0	0	0
612-1380-00-76	612	TEXPOOL-RESTRICTED BOND FUNDS	0	0	0	0	0	0	0
712-0101-00-00	712	CASH-SOLID WASTE	74,452	94,964	87,891	134,510	122,118	335,796	(213,679)
			3,272,158	3,031,091	2,700,631	3,478,121	4,166,618	4,084,365	82,253
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	3,064,600	4,992,485	(1,927,885)
612-1381-00-76	612	INVESTMENTS - POINT BANK -CD's	10,009,452	5,000,000	2,500,000	2,542,464	2,542,464	0	2,542,464
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,206	9,244	9,269	9,292	9,288	9,288	0
819-0101-00-00	819	CASH IN BANK - CONSOLIDATED	319,660	361,734	404,109	430,094	500,708	638,928	(138,220)
829-0101-00-00	829	CASH IN BANK	6,434	6,461	12,301	12,331	12,331	12,331	0
831-0101-00-00	831	CASH IN BANK - CONSOLIDATED	0	78	0	0	0	0	0
840-0101-00-00	840	CASH IN BANK - CONSOLIDATED	4,495,518	2,376,703	2,383,230	2,389,063	0	0	0
840-1370-00-00	840	TEXPOOL-2004 W/WW REV BONDS	0	0	0	0	0	0	0
913-0101-00-00	913	CASH IN BANK - CONSOLIDATED	1,551,821	1,612,476	1,612,164	1,642,059	1,665,271	1,751,684	(86,414)
			19,805,076	14,263,379	6,921,073	8,268,186	7,794,661	7,404,716	389,945
Economic Development 4A Corporation									
811-0101-00-00	811	CASH-ECONOMIC DEVELOPMENT	1,165,549	1,147,039	1,228,970	1,303,244	1,419,811	1,336,330	83,481
			1,165,549	1,147,039	1,228,970	1,303,244	1,419,811	1,336,330	83,481
Community Development 4B Corporation									
814-0101-00-00	814	CASH-CDC	726,157	760,686	857,886	834,141	938,103	900,338	37,765
			726,157	760,686	857,886	834,141	938,103	900,338	37,765
General Capital Project Funds									
822-0101-00-00	822	CASH IN BANK - STREET IMPACT FEES	12,212	12,263	12,296	12,326	12,362	12,399	(37)
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	153,948	162,444	162,890	113,705	114,029	114,372	(343)
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	92,563	134,251	115,682	86,147	99,114	158,876	(59,762)
850-0101-00-00	850	CASH IN BANK - 2004 GO BONDS	(94,377)	2,638,959	1,023,008	1,016,364	932,702	2,490,970	(1,558,268)
850-1115-00-00	850	CD-Sterling Bank	0	0	1,500,000	1,500,000	1,500,000	0	1,500,000
850-1372-00-00	850	TEXPOOL S2006 G.O.BONDS $6.25M	3,276,728	0	0	0	0	0	0
870-0101-00-00	870	CASH IN BANK - 2009 GO BONDS	1,429,270	1,005,291	140,273	2,345,838	0	4,409,304	(4,409,304)
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	842,431	845,948	848,427	851,238	375,143	0	375,143
870-1110-00-00	870	2009 GO BOND FUND-#1000062461	1,367,830	4,382,125	2,953,156	5,169,171	17,867,854	15,391,036	2,476,818
870-1115-00-00	870	INVESTMENTS-CD'S	11,195,000	8,200,000	3,500,000	15,606,411	3,006,411	0	3,006,411
870-1115-00-00	870	INVESTMENTS-CD'-STERLING BANK	0	0	10,606,411	0	0	0	0
870-1380-00-00	870	TEXPOOL-2010 GO BONDS	0	9,146,146	0	0	0	0	0
			18,275,603	26,527,427	20,862,144	26,701,202	23,907,616	22,576,958	1,330,658
Total Cash and Investments at 3-31-2011			47,008,441	55,903,033	41,531,484	46,169,154	43,633,715	47,443,843	(3,810,127)

CASH AND INVESTEMENTS 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	Balances 12-31-10	Balances 3-31-11	Changes from 09-30-10
Summary by Fund Type: Invested Balances	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	
General Operating	3,080,241	8,132,953	6,746,806	4,968,166	4,264,858	8,248,141	17.39%
Special Revenue Fund	93,193	109,342	226,246	325,016	374,407	444,274	0.94%
Interest and Sinking	590,464	1,931,115	1,987,728	291,080	767,641	2,448,722	5.16%
Enterprise Funds	3,272,158	3,031,091	2,700,631	3,478,121	4,166,618	4,084,365	8.61%
Enterprise Capital Project Funds	19,805,076	14,263,379	6,921,073	8,268,186	7,794,661	7,404,716	15.61%
Economic Development 4A Corporation	1,165,549	1,147,039	1,228,970	1,303,244	1,419,811	1,336,330	2.82%
Community Development 4B Corporation	726,157	760,686	857,886	834,141	938,103	900,338	1.90%
General Capital Project Funds	18,275,603	26,527,427	20,862,144	26,701,202	23,907,616	22,576,958	47.59%
Total Cash and Investments by Portfolio Fund Type:	47,008,441	55,903,033	41,531,484	46,169,154	43,633,715	47,443,843	100.00%

Account Number	Fund Description	Interest 10/2010	Interest 11/2010	Interest 12/2010	1st Qtr Interest FY 2011	Interest 1/2011	Interest 2/2011	Interest 3/2011	2nd Qtr Interest FY 2011	YTD Total Earnings
		Oct-10	Nov-10	Dec-10	1st Qtr 2011	Jan-11	Feb-11	Mar-11	2nd Qtr 2011	YTD FY 2011
General Operating		5,110.38	2,057.96	4,549.34	11,717.68	6,654.43	8,630.38	8,939.10	24,223.91	35,941.59
Special Revenue Fund		357.73	208.80	409.27	975.80	275.25	386.74	484.91	1,146.90	2,122.70
Interest and Sinking		336.49	317.12	789.79	1,443.40	2,584.56	2,235.68	2,625.31	7,445.55	8,888.95
Enterprise Funds		9,219.88	4,914.72	6,946.13	21,080.73	3,780.43	6,518.94	7,099.94	17,399.31	38,480.04
Enterprise Capital Project Funds		1,171.50	2,657.36	3,367.94	7,196.80	24,467.39	5,186.70	5,468.74	35,122.83	42,319.63
Economic Development 4A Corporation		1,339.03	1,376.28	1,445.41	4,160.72	1,041.52	1,262.28	1,390.80	3,694.60	7,855.32
Community Development 4B Corporation		926.51	923.69	999.57	2,849.77	728.31	966.62	1,012.53	2,707.46	5,557.23
General Capital Project Funds		19,117.02	6,983.94	19,944.94	46,045.90	10,858.30	11,677.95	35,448.53	57,984.78	104,030.68
Total Cash and Investments by Portfolio Fund Type:		37,578.54	19,439.87	38,452.39	95,470.80	50,390.19	36,865.29	62,469.86	149,725.34	245,196.14

LITTLE ELM

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 2011

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

Assistant Finance Director

Strategy Summary:

The Federal Open Market Committee (FOMC) continued the Fed Funds target range between 0.00% and 0.25%. It also announced up to $600 billion in additional government security purchases. Recent economic data has encouraged the stock market to extend its higher trend. Treasury and agency yields have also risen, but bank deposits still provide the best investment option. Continuing to maximize DDA balances and then to ladder, when additional collateral is unavailable, will provide the best earnings opportunity.

Quarter End Results by Investment Category:

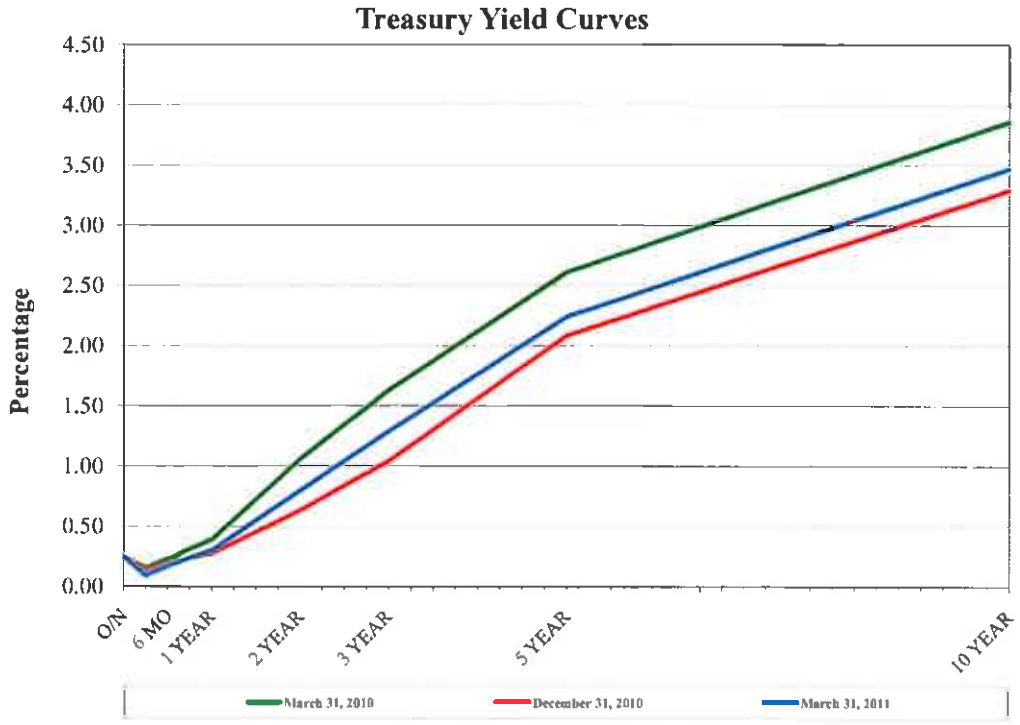
		March 31, 2011		December 31, 2010	
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Pools/Bank DDA	1.26%	$ 47,443,843	$ 47,443,843	$ 36,584,840	$ 36,584,840
Securities/CDs		-	-	7,048,875	7,048,875
Totals		**$ 47,443,843**	**$ 47,443,843**	**$ 43,633,715**	**$ 43,633,715**

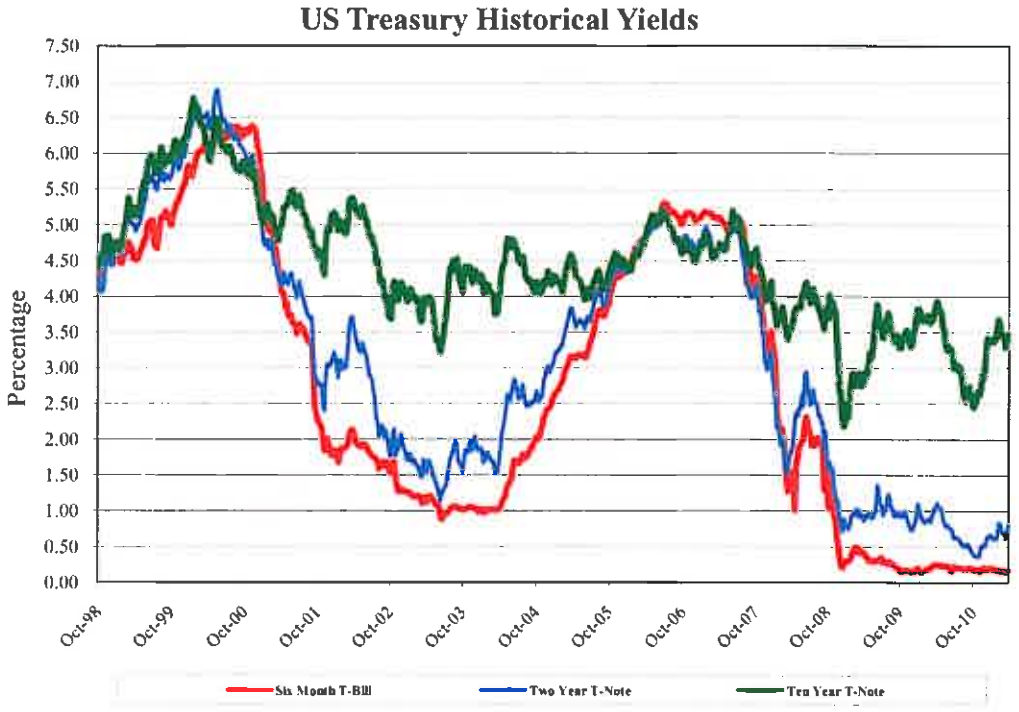
Average Yield (1)	
Total Portfolio	1.26%
Rolling Three Mo. Treas. Yield	0.14%
Rolling Six Mo. Treas. Yield	0.19%
Quarterly Interest Income	$ 149,725
Year-to-date Interest Income	$ 245,196

Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.29%
Rolling Three Mo. Treas. Yield	0.13%
Rolling Six Mo. Treas. Yield	0.18%
Quarterly TexPool Yield	0.16%

(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
4.50
4.00
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
March 31, 2010
December 31, 2010
March 31, 2011


US Treasury Historical Yields
Percentage
7.50
7.00
6.50
6.00
5.50
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Oct-98
Oct-99
Oct-00
Oct-01
Oct-02
Oct-03
Oct-04
Oct-05
Oct-06
Oct-07
Oct-08
Oct-09
Oct-10
Six Month T-Bill
Two Year T-Note
Ten Year T-Note

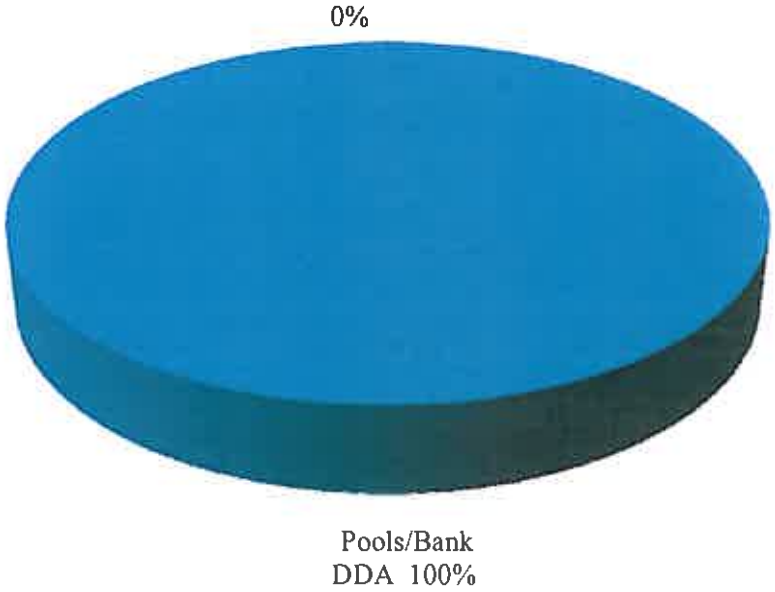
Detail of Holdings
March 31, 2011

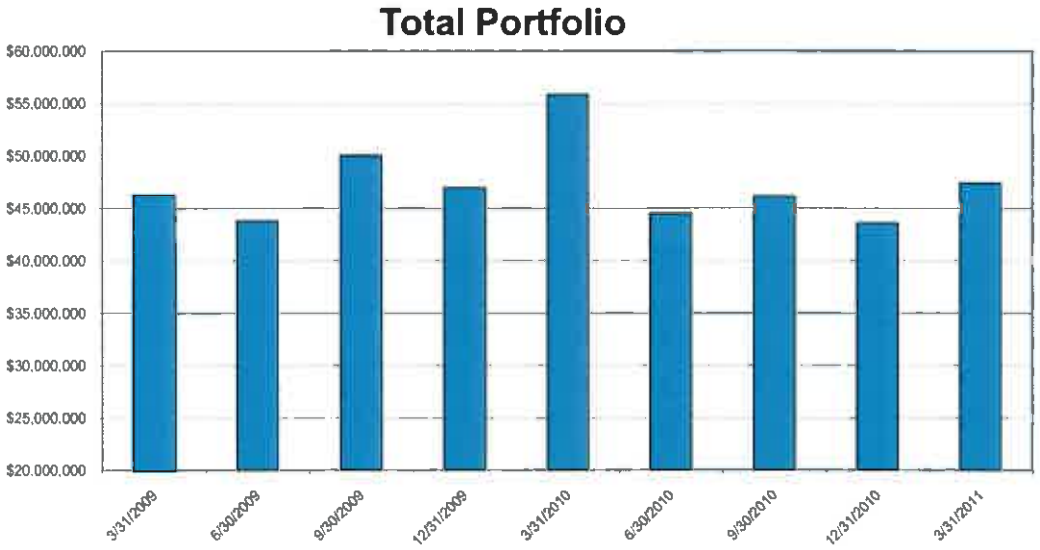
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA		1.26%	4/1/2011	3/31/2011	$ 47,443,843	$ 47,443,843	1 000	$ 47,443,843	0.03	1.26%
					$ 47,443,843	$ 47,443,843		$ 47,443,843	0.03	1.26%
									(1)	(2)

(1) Weighted average life - For purposes of calculating weighted average life, pool 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 pool and bank account investments.

Portfolio Composition





Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2010 Par Value	December 31, 2010 Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2011 Par Value	March 31, 2011 Book Value
DDA	1.26%	4/1/2011	$ 36,584,840	$ 36,584,840	$ 10,859,002	$ -	$ 47,443,843	$ 47,443,843
Sterling Bank	0.95%	1/10/2011	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	3,006,411	3,006,411		(3,006,411)		
TOTAL			$ 43,633,715	$ 43,633,715	$ 10,859,002	$ (7,048,875)	$ 47,443,843	$ 47,443,843

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2010 Par Value	December 31, 2010 Market Value	Qtr to Qtr Change	March 31, 2011 Par Value	March 31, 2011 Market Value
DDA	1.26%	4/1/2011	$ 36,584,840	$ 36,584,840	$ 10,859,002	$ 47,443,843	$ 47,443,843
Sterling Bank	0.95%	1/10/2011	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	3,006,411	3,006,411	(3,006,411)		
TOTAL			$ 43,633,715	$ 43,633,715	$ 3,810,127	$ 47,443,843	$ 47,443,843

Allocation

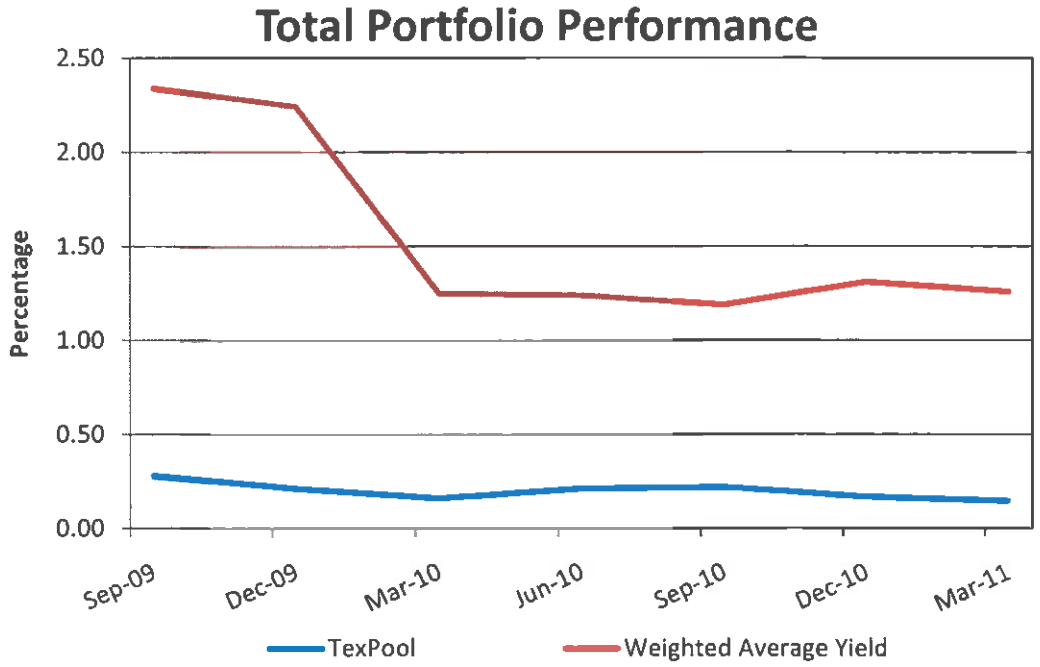
March 31, 2011

Book & Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA	$ 47,443,843	$ 8,248,141	$ 444,274	$ 2,448,722	$ 4,084,365	$ 7,404,716	$ 1,336,330	$ 900,338	$ 22,576,958
Totals	$ 47,443,843	$ 8,248,141	$ 444,274	$ 2,448,722	$ 4,084,365	$ 7,404,716	$ 1,336,330	$ 900,338	$ 22,576,958

Allocation

December 31, 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	$ 36,584,840	$ 4,264,858	$ 374,407	$ 767,641	$ 4,166,618	$ 5,252,197	$ 1,419,811	$ 938,103	$ 19,401,205
1/10/2011	1,500,000								1,500,000
1/16/2011	2,542,464					2,542,464			
3/15/2011	3,006,411								3,006,411
Totals	**$ 43,633,715**	**$ 4,264,858**	**$ 374,407**	**$ 767,641**	**$ 4,166,618**	**$ 7,794,661**	**$ 1,419,811**	**$ 938,103**	**$ 23,907,616**



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.