TOWN OF LITTLE ELM
AGENDA INFORMATION SHEET:
CONSENT AGENDA

LITTLE ELM

COUNCIL AGENDA: August 02, 2011

PROJECT: Approve Quarterly Investment Report for the period ending June 30, 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 June 30, 2011.

FISCAL IMPACT: Interest earnings for the Quarter total $114,627. Fiscal year interest earnings total $357,823.

RECOMMENDED ACTION: The Finance Director recommends consent action to accept and approve Cash and Investment Report for Quarter Ending June 30, 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 JUNE 30, 2011

CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the quarter ending June 30, 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 June 30, 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%	$34,435,970	100%
Total Portfolio (Avg)	1.26%	$34,435,970	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 June 30, 2011 was $114,627.**

Total cash and investments for the period ending March 31, 2011 was $47,443,843 and the invested balances at June 30, 2011 was $34,435,970, a net change of $13,007,873. 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 The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.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 1.26%

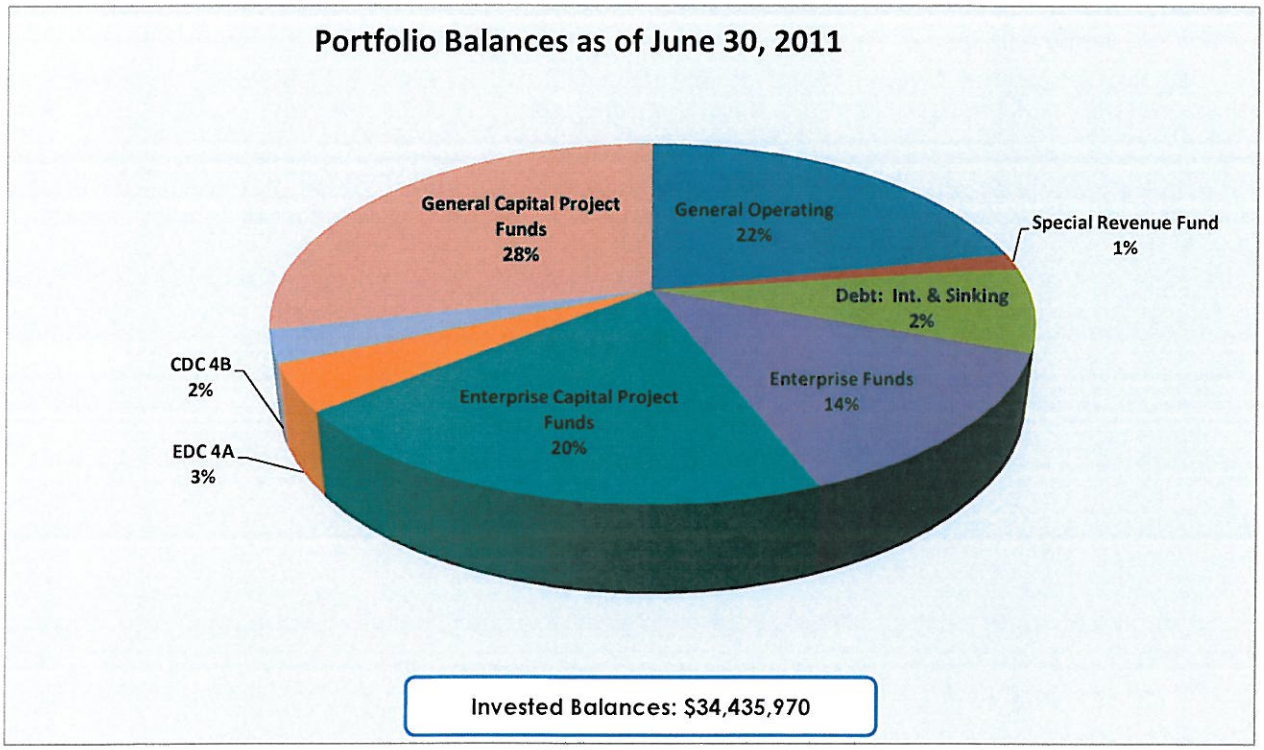
x Alan R Dickerson

LITTLE ELM

Cash and Investment Summary Comments

Portfolio Summary as of 6-30-2011

* $34,435,970 - Cash and Investments on hand at 6/30/2011; average yield 1.26%
* $13,007,872 - Change in Cash since end of Quarter at 3/31/2011 (Decrease)
* $114,627 - Interest earned for 3rd Quarter of fiscal year
* 100% or $34,435,970 of portfolio is in depository bank
* All funds on deposit with depository bank. Offering best returns. Fully collateralized.
* 1.26% - Average Fiscal Year-to-Date Average Yield on Portfolio
* Benchmarks: 3 Month Treasury Rolling Yield is .02%; 6 Month Treasury Rolling Yeild is .10%



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	Balances 6-30-11	Changes from 03-31-11
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	7,080,864	934,611
115-0101-00-00	115	CASH-STREET MAINTENANCE	312,035	467,980	567,248	374,517	168,737	232,666	338,051	(105,385)
			3,080,241	8,132,953	6,746,806	4,968,166	4,264,858	8,248,141	7,418,915	829,226
Special Revenue Fund										
200-0101-00-00	200	CASH-SPECIAL REVENUE	58,118	72,389	150,475	182,788	178,950	211,317	230,785	(19,468)
205-0101-00-00	205	CASH-TRAFFIC SAFETY	0	0	36,523	98,735	151,548	188,620	205,915	(17,294)
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	27,269	29,261	31,535	34,016	34,706	35,105	35,405	(299)
412-0101-00-00	412	CASH-FORFEITURE	7,806	7,691	7,712	9,477	9,204	9,232	9,262	(30)
			93,193	109,342	226,246	325,016	374,407	444,274	481,366	(37,092)
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	2,595,223	(146,502)
312-1380-00-00	312	TEXPOOL-2010 GO I&S	0	10,604	10,609	0	0	0	0	0
861-0101-00-00	861	CASH - Tax Notes	0	0	0	0	0	0	0	0
862-0101-00-00	862	CASH - Tax Notes	0	0	0	0	0	0	0	0
			590,464	1,931,115	1,987,728	291,080	767,641	2,448,722	2,595,223	(146,502)
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	3,520,483	(656,325)
612-0101-00-74	612	CASH-RESERVE FOR I&S	0	0	0	878,854	881,761	884,411	887,326	(2,915)
612-1374-00-00	612	TEXPOOL-BOND RESERVE	807,293	807,607	807,988	0	0	0	0	0
612-1380-00-76	612	TEXPOOL-RESTRICTED BOND FUNDS	0	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	245,979	89,817
			3,272,158	3,031,091	2,700,631	3,478,121	4,166,618	4,084,365	4,653,788	(569,423)
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	4,551,484	441,001
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	0	0
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,206	9,244	9,269	9,292	9,288	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	674,191	(35,263)
829-0101-00-00	829	CASH IN BANK	6,434	6,461	12,301	12,331	12,331	12,331	12,331	0
831-0101-00-00	831	CASH IN BANK - CONSOLIDATED	0	78	0	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	0
840-1370-00-00	840	TEXPOOL-2004 W/WW REV BONDS	0	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	1,777,689	(26,005)
			19,805,076	14,263,379	6,921,073	8,268,186	7,794,661	7,404,716	7,024,983	379,733
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	1,446,938	(110,609)
			1,165,549	1,147,039	1,228,970	1,303,244	1,419,811	1,336,330	1,446,938	(110,609)
Community Development 4B Corporation										
814-0101-00-00	814	CASH-CDC	726,157	760,686	857,886	834,141	938,103	900,338	1,006,721	(106,383)
			726,157	760,686	857,886	834,141	938,103	900,338	1,006,721	(106,383)
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	12,440	(41)
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	153,948	162,444	162,890	113,705	114,029	114,372	95,177	19,195
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	92,563	134,251	115,682	86,147	99,114	158,876	154,955	3,921
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	2,496,549	(5,578)
850-1115-00-00	850	CD-Sterling Bank	0	0	1,500,000	1,500,000	1,500,000	0	0	0
850-1372-00-00	850	TEXPOOL S2006 G.O.BONDS $6.25M	3,276,728	0	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	2,301,030	2,108,275
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	842,431	845,948	848,427	851,238	375,143	0	0	0
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	4,747,885	10,643,151
870-1115-00-00	870	INVESTMENTS-CD'S	11,195,000	8,200,000	3,500,000	15,606,411	3,006,411	0	0	0
870-1115-00-00	870	INVESTMENTS-CD'-STERLING BANK	0	0	10,606,411	0	0	0	0	0
870-1380-00-00	870	TEXPOOL-2010 GO BONDS	0	9,146,146	0	0	0	0	0	0
			18,275,603	26,527,427	20,862,144	26,701,202	23,907,616	22,576,958	9,808,035	12,768,923
Total Cash and Investments at 6-30-2011			47,008,441	55,903,033	41,531,484	46,169,154	43,633,715	47,443,843	34,435,970	13,007,872

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	Balances 6-30-11
Summary by Fund Type: Invested Balances	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11
General Operating	3,080,241	8,132,953	6,746,806	4,968,166	4,264,858	8,248,141	7,418,915
Special Revenue Fund	93,193	109,342	226,246	325,016	374,407	444,274	481,366
Interest and Sinking	590,464	1,931,115	1,987,728	291,080	767,641	2,448,722	2,595,223
Enterprise Funds	3,272,158	3,031,091	2,700,631	3,478,121	4,166,618	4,084,365	4,653,788
Enterprise Capital Project Funds	19,805,076	14,263,379	6,921,073	8,268,186	7,794,661	7,404,716	7,024,983
Economic Development 4A Corporation	1,165,549	1,147,039	1,228,970	1,303,244	1,419,811	1,336,330	1,446,938
Community Development 4B Corporation	726,157	760,686	857,886	834,141	938,103	900,338	1,006,721
General Capital Project Funds	18,275,603	26,527,427	20,862,144	26,701,202	23,907,616	22,576,958	9,808,035
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	34,435,970

INTEREST ALLOCATION	Total	Oct-10	Nov-10	Dec-10	1st Qtr 2011	Jan-11	Feb-11	Mar-11	2nd Qtr 2011	Apr-11	May-11	Jun-11	3rd Qtr 2011	YTD FY 2011
General Operating	94,416.59	5,110.38	2,057.96	4,549.34	11,717.68	6,654.43	8,630.38	8,939.10	24,223.91	7,265.81	8,647.37	8,390.33	24,303.51	60,245.10
Special Revenue Fund	2,108.57	357.73	208.80	409.27	975.80	275.25	386.74	484.91	1,146.90	409.89	516.80	544.39	1,471.08	3,593.78
Interest and Sinking	20,034.85	336.49	317.12	789.79	1,443.40	2,584.56	2,235.68	2,625.31	7,445.55	2,296.56	2,785.96	2,877.09	7,959.61	16,848.56
Enterprise Funds	52,479.00	9,219.88	4,914.72	6,946.13	21,080.73	3,780.43	6,518.94	7,099.94	17,399.31	5,400.92	7,817.20	7,915.23	21,133.35	59,613.39
Enterprise Capital Project Funds	282,124.91	1,171.50	2,657.36	3,367.94	7,196.80	24,467.39	5,186.70	5,468.74	35,122.83	5,431.38	4,963.44	5,059.61	15,454.43	57,774.06
Economic Development 4A Corporation	18,161.27	1,339.03	1,376.28	1,445.41	4,160.72	1,041.52	1,262.28	1,390.80	3,694.60	1,131.74	1,366.11	1,319.23	3,817.08	11,672.40
Community Development 4B Corporation	13,759.72	926.51	923.69	999.57	2,849.77	728.31	966.62	1,012.53	2,707.46	784.17	1,034.86	1,042.36	2,861.39	8,418.62
General Capital Project Funds	278,411.39	19,117.02	6,983.94	17,944.94	44,045.90	10,858.30	11,677.95	35,448.53	57,984.78	8,938.33	13,888.59	14,799.22	37,626.14	139,656.82
Total Cash and Investments by Portfolio Fund Type:	761,496.30	37,578.54	19,439.87	36,452.39	93,470.80	50,390.19	36,865.29	62,469.86	149,725.34	31,658.80	41,020.33	41,947.46	114,626.59	357,822.73

LITTLE ELM

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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% (actual Fed Funds traded +/-10bps). The $600 billion Quantitative Easing II government security purchases are almost complete. Recent data reflects uncertain economic growth trends (domestic and international). The stock market dipped but is attempting to recover. The European and Middle East situations complicate near-term outlooks. Short-term yields provide limited earnings. Continuing to maximize DDA balances and then to ladder, when additional collateral is unavailable, will provide the best earnings opportunity.

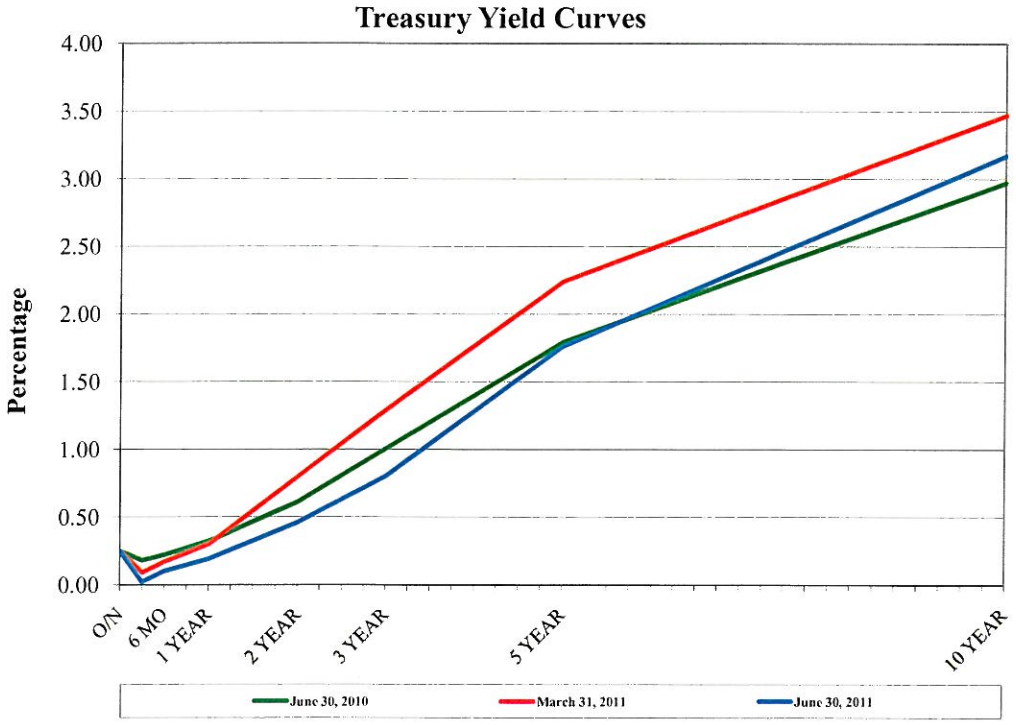
Quarter End Results by Investment Category:

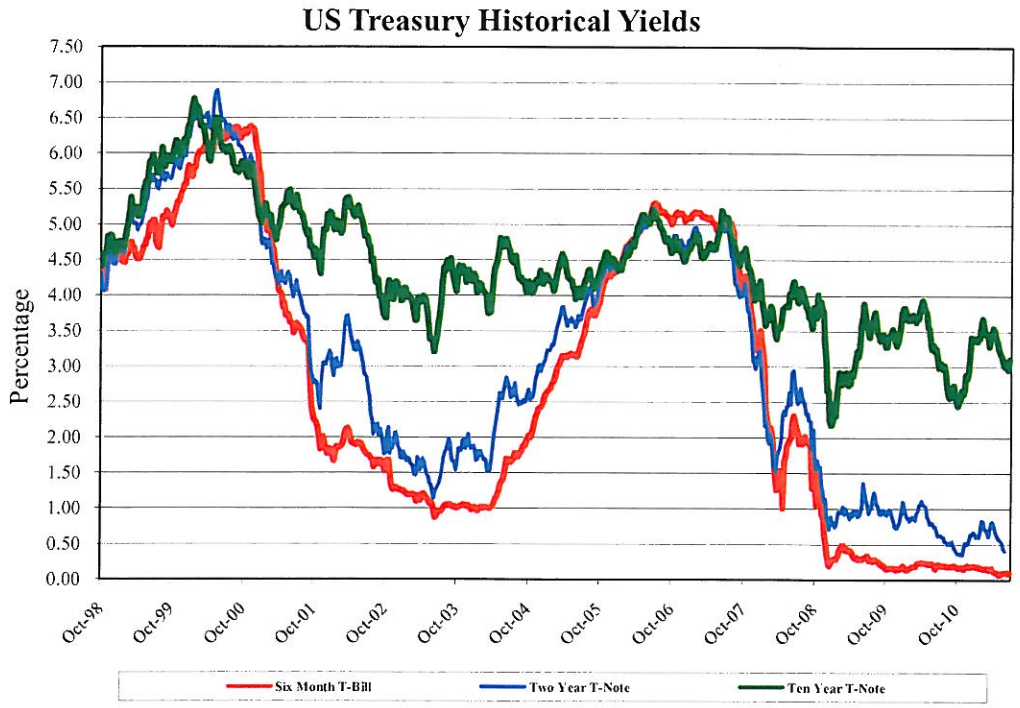
		June 30, 2011		March 31, 2011	
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Book Value**	**Market Value**
Pools/Bank DDA	1.26%	$ 34,435,970	$ 34,435,970	$ 47,443,843	$ 47,443,843
Securities/CDs		-	-	-	-
Totals		**$ 34,435,970**	**$ 34,435,970**	**$ 47,443,843**	**$ 47,443,843**

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.26%	Total Portfolio	1.31%
Rolling Three Mo. Treas. Yield	0.05%	Rolling Three Mo. Treas. Yield	0.10%
Rolling Six Mo. Treas. Yield	0.14%	Rolling Six Mo. Treas. Yield	0.17%
		Quarterly TexPool Yield	0.13%
Quarterly Interest Income	$ 114,627		
Year-to-date Interest Income	$ 357,823		

(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.




US Treasury Historical Yields
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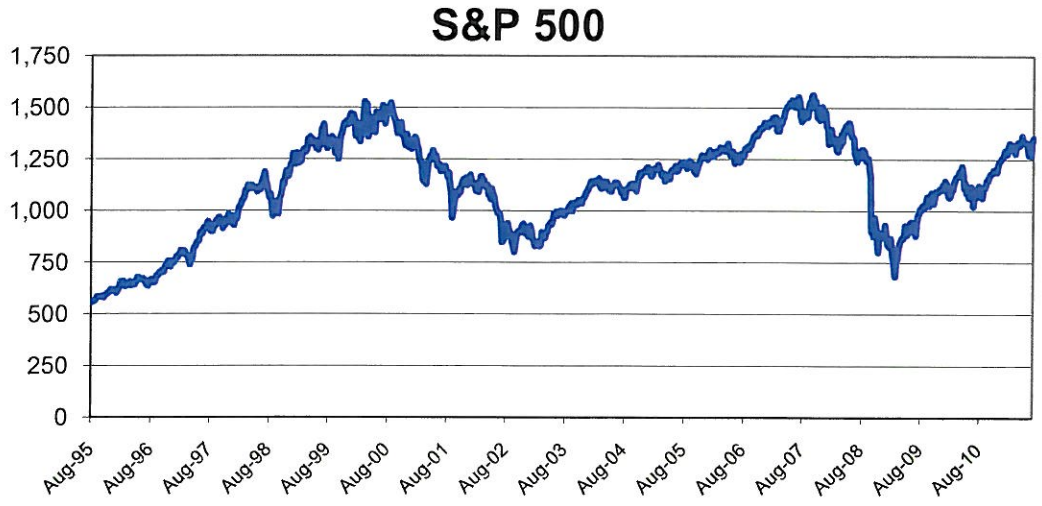
Six Month T-Bill
Two Year T-Note
Ten Year T-Note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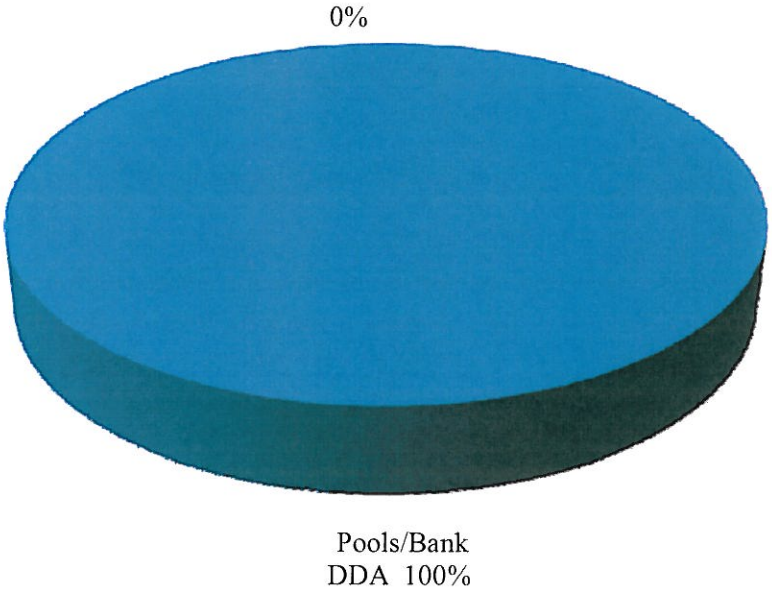
Detail of Holdings
June 30, 2011

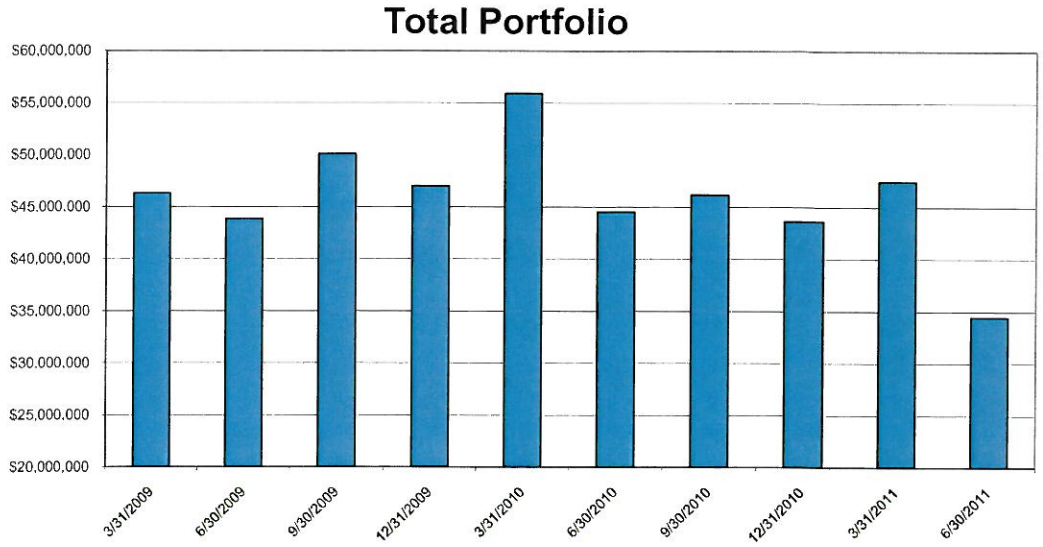
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA		1.26%	7/1/2011	6/30/2011	$ 34,435,970	$ 34,435,970	1.000	$ 34,435,970	0.03	1.26%
					$ 34,435,970	**$ 34,435,970**		**$ 34,435,970**	**0.03**	**1.26%**
									(1)	**(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	March 31, 2011 Par Value	March 31, 2011 Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2011 Par Value	June 30, 2011 Book Value
DDA	1.26%	7/1/2011	$ 47,443,843	$ 47,443,843	$ -	$ (13,007,872)	$ 34,435,970	$ 34,435,970
TOTAL			**$ 47,443,843**	**$ 47,443,843**	**$ -**	**$ (13,007,872)**	**$ 34,435,970**	**$ 34,435,970**

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2011 Par Value	March 31, 2011 Market Value	Qtr to Qtr Change	June 30, 2011 Par Value	June 30, 2011 Market Value
DDA	1.26%	7/1/2011	$ 47,443,843	$ 47,443,843	$ (13,007,872)	$ 34,435,970	$ 34,435,970
TOTAL			**$ 47,443,843**	**$ 47,443,843**	**$ (13,007,872)**	**$ 34,435,970**	**$ 34,435,970**

Allocation

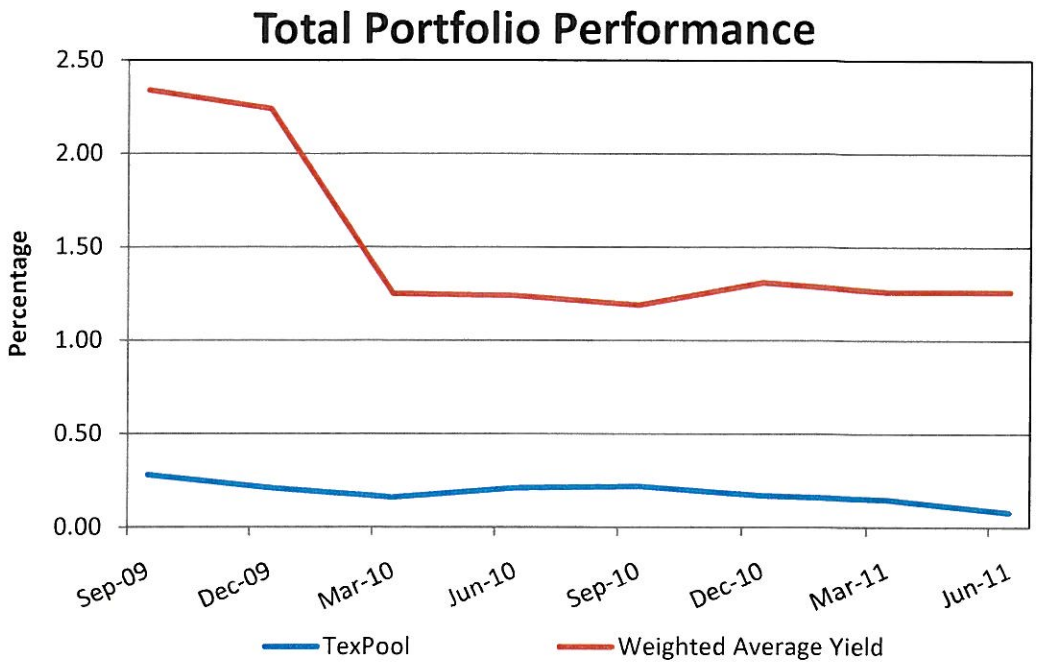
June 30, 2011

Book & Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA	$ 34,435,970	$ 7,418,915	$ 481,366	$ 2,595,223	$ 4,653,788	$ 7,024,983	$ 1,446,938	$ 1,006,721	$ 9,808,035
Totals	**$ 34,435,970**	**$ 7,418,915**	**$ 481,366**	**$ 2,595,223**	**$ 4,653,788**	**$ 7,024,983**	**$ 1,446,938**	**$ 1,006,721**	**$ 9,808,035**

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**



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.