

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



COUNCIL AGENDA: April 17, 2012

PROJECT: Approve Quarterly Investment Report for the period ending March 31, 2012.

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, 2012.

FISCAL IMPACT: Interest earnings for the Quarter total \$100,716. Fiscal year interest earnings total \$191,365.

RECOMMENDED ACTION: The Finance Director recommends action to accept and approve Cash and Investment Report for Quarter Ending March 31, 2012.

ATTACHMENTS: Quarterly Investment Report

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

MEMORANDUM

TO: DOUG PEACH, INTERIM TOWN MANAGER
FROM: ALAN DICKERSON, FINANCE DIRECTOR
SUBJ: INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2012
CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the quarter ending March 31, 2012 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, 2012, the City's portfolio consisted of the following investments:

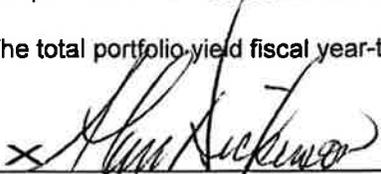
Portfolio by Type	Average Yield	Total Invested	% of Total
Money Market- Independent Bank & Texpool	1.26%	\$31,755,645	100%
Total Portfolio (Avg)	1.26%	\$31,755,645	100%

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, 2012 was \$100,716.**

Total cash and investments for the period ending December 31, 2011 was \$30,141,910 and the invested balances at March 31, 2012 was \$31,755,645, a net change of \$1,613,735. 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%



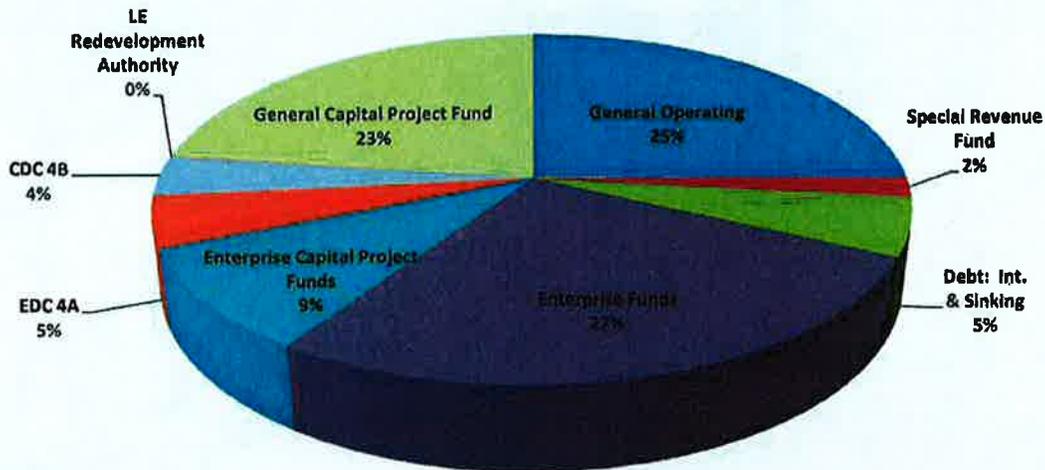


Cash and Investment Summary Comments

Portfolio Summary as of 3/31/2012

- * \$31,755,645- Cash and Investments on hand at 3/31/2012; average yield 1.26%
- * \$1,613,735 - Change in Cash since end of Quarter at 12/31/2011 (Increase)
- * \$191,365 - Interest earned for two quarters of fiscal year
- * 100% or \$30,755,645 of portfolio is in depository bank; \$1,000 in TexPool
- * Funds on deposit with depository bank for best returns. Fully collateralized.
- * \$1,000 on deposit with TexPool to preserve accounts for diversification opportunities.
- * 1.26% - Average Fiscal Year-to-Date Average Yield on Portfolio
- * Benchmarks: 3 Month Treasury Rolling Yield is .07%; 6 Month Treasury Rolling Yield is .08%.

Interest Earnings as of March 31, 2012



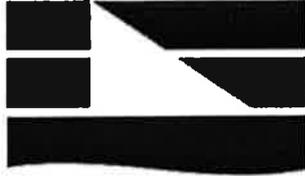
Interest Earnings YTD: \$191,365

CASH AND INVESTMENTS BY PORTFOLIO
(All Funds are in Interest bearing accounts.)

Fund	#	Fund Description	Balance 12-31-11	Balance 3-31-2012	Changes from 12-31-11	Use of Funds
General Operating						
112-0101-00-00	112	CASH-GENERAL FUND	7,647,977	9,387,299	1,739,322	Daily Operations
115-0101-00-00	115	CASH-STREET MAINTENANCE	202,282	314,136	111,854	1/4 Cent Sales Tax for Streets
	#		7,850,259	9,701,435	1,851,176	
Special Revenue Fund						
200-0101-00-00	200	CASH-SPECIAL REVENUE	332,940	116,870	(216,070)	Library, Police and Fire Restricted
201-0101-00-00	201	CASH-TEEN COURT FUND	(954)	6,074	7,027	Teen Court
202-0101-00-00	202	CASH-STREETScape FUND	12,287	286,044	273,757	Streetscape
205-0101-00-00	205	CASH-TRAFFIC SAFETY	174,969	145,135	(29,835)	Red Light Camera Program
210-0101-00-00	210	CASH-SOLAR GRANT FUND	(153,560)	0	153,560	Solar Grant Fund
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	30,493	36,357	5,864	Library, Police and Fire Restricted
412-0101-00-00	412	CASH-FORFEITURE	9,322	9,351	29	Police - restricted
815-0101-00-00	815	LE REDEVELOPMENT AUTHORITY	16,807	39,324	22,517	LE Redevelopment Authority
	#		422,304	639,154	216,851	
Interest and Sinking						
312-0101-00-00	312	CASH-DEBT SERVICE FUND	2,021,712	2,776,871	755,159	Restricted for debt payments
312-1380-00-00	312	TEXPOOL-2010 GO I&S	0	0	0	Restricted for 2010 GO Interest
861-0101-00-00	861	CASH - Tax Notes	0	0	0	
862-0101-00-00	862	CASH - Tax Notes	0	0	0	
	#		2,021,712	2,776,871	755,159	
Enterprise Funds						
612-0101-00-00	612	CASH-UTILITY OPERATING	5,335,953	9,918,884	(1,417,069)	Daily Operations and Debt Payments
612-0101-00-74	612	CASH-RESERVE FOR I&S	893,046	895,818	2,772	Restricted for Revenue Bonds
612-1374-00-00	612	TEXPOOL-BOND RESERVE	0	0	0	Closed
612-1380-00-76	612	TEXPOOL-RESTRICTED BOND FUNDS	0	0	0	Closed
712-0101-00-00	712	CASH-SOLID WASTE	340,964	369,817	28,852	Restricted for Courtesy Site
715-0101-00-00	715	CASH-STORM DRAINING FUND	738	89,770	89,032	
	#		6,570,701	5,274,288	(1,296,413)	
Enterprise Capital Project Funds						
612-0101-00-76	612	RESTRICTED CASH-CO'S \$16.770M	2,560,393	2,274,162	(286,231)	Restricted for Water and Sewer CIP
612-1381-00-76	612	INVESTMENTS - POINT BANK -CD'S	0	0	0	Restricted for Water and Sewer CIP
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,292	9,292	0	Restricted for Water and Sewer CIP
819-0101-00-00	819	CASH IN BANK - CONSOLIDATED	689,242	734,817	45,575	Restricted for Water and Sewer CIP
829-0101-00-00	829	CASH IN BANK	12,331	12,331	0	Restricted for Water and Sewer CIP
831-0101-00-00	831	CASH IN BANK - CONSOLIDATED	0	0	0	Restricted for Water and Sewer CIP
840-0101-00-00	840	CASH IN BANK - CONSOLIDATED	0	0	0	Restricted for Water and Sewer CIP
840-1370-00-00	840	TEXPOOL-2004 W/WWV REV BONDS	0	0	0	Restricted for Water and Sewer CIP
913-0101-00-00	913	CASH IN BANK - CONSOLIDATED	1,798,201	1,862,207	64,006	Restricted for Water and Sewer CIP
	#		5,069,459	4,892,809	(176,650)	
Economic Development 4A Corporation						
811-0101-00-00	811	CASH-ECONOMIC DEVELOPMENT	1,583,979	1,414,540	(169,439)	Restricted for 4A Purposes
	#		1,583,979	1,414,540	(169,439)	
Community Development 4B Corporation						
814-0101-00-00	814	CASH-CDC	1,131,821	1,079,886	(51,935)	Restricted for 4B Purposes
	#		1,131,821	1,079,886	(51,935)	
General Capital Project Funds						
822-0101-00-00	822	CASH IN BANK - STREET IMPACT FEES	13,197	13,238	41	Restricted for Street Projects
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	95,707	96,004	297	Restricted for Park Projects
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	647,069	719,314	72,245	Restricted for Street Projects
850-0101-00-00	850	CASH IN BANK - 2004 GO BONDS	2,743	0	(2,743)	Restricted for 04 GO Bond Projects
850-1115-00-00	850	CD-Sterling Bank	0	0	0	Restricted for 04 GO Bond Projects
850-1372-00-00	850	TEXPOOL \$2006 G.O. BONDS \$6.25M	0	0	0	Restricted for 04 GO Bond Projects
870-0101-00-00	870	CASH IN BANK - 2009 GO BONDS	(957,305)	783,710	1,741,015	Restricted for 09 GO Bond Projects
870-0101-00-01	870	CASH-WITT ROAD BRIDGE ESCROW	0	3,847,174	3,847,174	
870-0101-00-02	870	CASH-SMOTHERMAN ESCROW	0	517,222	517,222	
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	0	0	0	Restricted for 09 GO Bond Projects
870-1110-00-00	870	2009 GO BOND FUND-#1000062461	0	0	0	Restricted for 09 GO Bond Projects
870-1111-00-00	870	2010 GO BOND FUND-#1000064293	5,690,265	0	(5,690,265)	Restricted for 09 GO Bond Projects
870-1115-00-00	870	INVESTMENTS-CD'S	0	0	0	Restricted for 09 GO Bond Projects
870-1115-00-00	870	INVESTMENTS-CD'-STERLING BANK	0	0	0	Restricted for 09 GO Bond Projects
870-1380-00-00	870	TEXPOOL-2010 GO BONDS	0	0	0	Restricted for 09-10 Bond Projects
	#		5,491,676	5,976,661	484,985	
	#		0	0	0	
	#		30,141,910	31,755,645	1,613,735	
Total Cash and Investments at 12-30-2011						
Summary by Fund Type: Invested Balances						
	#		12/31/11	3/31/12		
General Operating	#		7,850,259	9,701,435	30.6%	
Special Revenue Fund	#		422,304	639,154	2.0%	
Interest and Sinking	#		2,021,712	2,776,871	8.7%	
Enterprise Funds	#		6,570,701	5,274,288	16.6%	
Enterprise Capital Project Funds	#		5,069,459	4,892,809	15.4%	
Economic Development 4A Corporation	#		1,583,979	1,414,540	4.5%	
Community Development 4B Corporation	#		1,131,821	1,079,886	3.4%	
General Capital Project Funds	#		5,491,676	5,976,661	18.8%	
Total Cash and Investments by Portfolio Fund Type:	#		30,141,910	31,755,645	100.0%	
Summary by Fund Type: Earnings						
	#		12/31/11	3/31/12		
General Operating	#		17,082	31,004.99		
Special Revenue Fund	#		1,795	1,621.84		
Interest and Sinking	#		2,415	7,901.05		
Enterprise Funds	#		26,789	25,011.62		
Enterprise Capital Project Funds	#		10,922	7,187.90		
Economic Development 4A Corporation	#		4,773	4,430.70		
Community Development 4B Corporation	#		3,255	3,512.63		
LE Redevelopment Authority	#		217	99.66		
General Capital Project Funds	#		23,401	19,945.58		
Total Cash and Investments by Portfolio Fund Type:	#		90,649	100,716		

INTEREST ALLOCATION

	Oct-11	Nov-11	Dec-11	1st Qtr 2012	Jan-12	Feb-12	Mar-12	2nd Qtr 2012		
General Operating	5,968.45	5,213.11	5,900.64	17,082.20	9,105.06	10,678.53	11,221.40	31,004.99	48,087.19	25%
Special Revenue Fund	606.02	611.63	549.05	1,795.22	455.30	531.53	608.26	1,621.84	3,417.06	2%
Interest and Sinking	564.85	631.23	1,218.57	2,414.65	2,188.90	2,710.88	3,001.27	7,901.05	10,315.70	5%
Enterprise Funds	8,526.65	8,570.72	9,691.68	26,789.05	7,168.84	8,750.03	9,092.75	25,011.62	51,800.67	27%
Enterprise Capital Project Funds	4,187.27	3,519.04	3,215.80	10,922.11	2,318.59	2,339.06	2,530.25	7,187.90	18,110.01	9%
Economic Development 4A Corporation	1,937.29	1,442.14	1,393.18	4,772.61	1,377.50	1,544.25	1,508.95	4,430.70	9,203.31	5%
Community Development 4B Corporation	1,068.36	1,076.65	1,109.85	3,254.86	970.18	1,210.16	1,332.29	3,512.63	6,767.49	4%
LE Redevelopment Authority	18.13	17.14	181.77	217.04	16.52	39.64	43.50	99.66	316.70	0%
General Capital Project Funds	8,970.57	7,559.46	6,871.27	23,401.30	8,071.51	6,234.92	5,639.15	19,945.58	43,346.88	23%
Total Cash and Investments by Portfolio Fund Type:	31,847.59	28,641.12	30,131.81	90,649.04	31,672.40	34,039.00	34,977.82	100,715.97	191,365.01	100%



LITTLE ELM

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 2012

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.

Alan Nickerson
Finance Director

Deanne Peterson
Assistant Finance Director

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10bps). After their January meeting, they extended the projected lower interest rate environment through late 2014. The Greece debt default situation has stabilized, although the EU and European banks are still subject to credit difficulties. Stock values are rising. Employment and unemployment show modest improvement. Other economic data generally record unsteady growth.

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	March 31, 2012		December 31, 2011	
		Book Value	Market Value	Book Value	Market Value
Pools/Bank DDA	1.26%	\$ 31,755,645	\$ 31,755,645	\$ 30,141,910	\$ 30,141,910
Securities/CDs		-	-	-	-
Totals		\$ 31,755,645	\$ 31,755,645	\$ 30,141,910	\$ 30,141,910

Average Yield (1)

Total Portfolio 1.26%

Rolling Three Mo. Treas. Yield 0.07%
Rolling Six Mo. Treas. Yield 0.08%

Quarterly Interest Income \$ 100,716
Year-to-date Interest Income \$ 191,365

Fiscal Year-to-Date Average Yield (2)

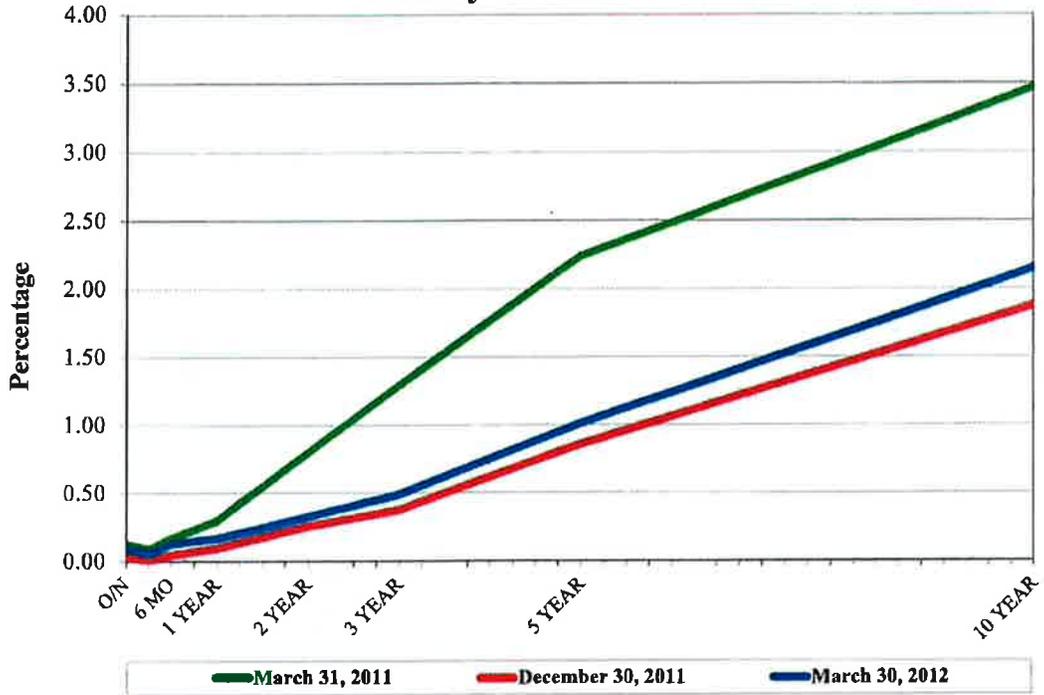
Total Portfolio 1.26%

Rolling Three Mo. Treas. Yield 0.04%
Rolling Six Mo. Treas. Yield 0.07%
Quarterly TexPool Yield 0.10%

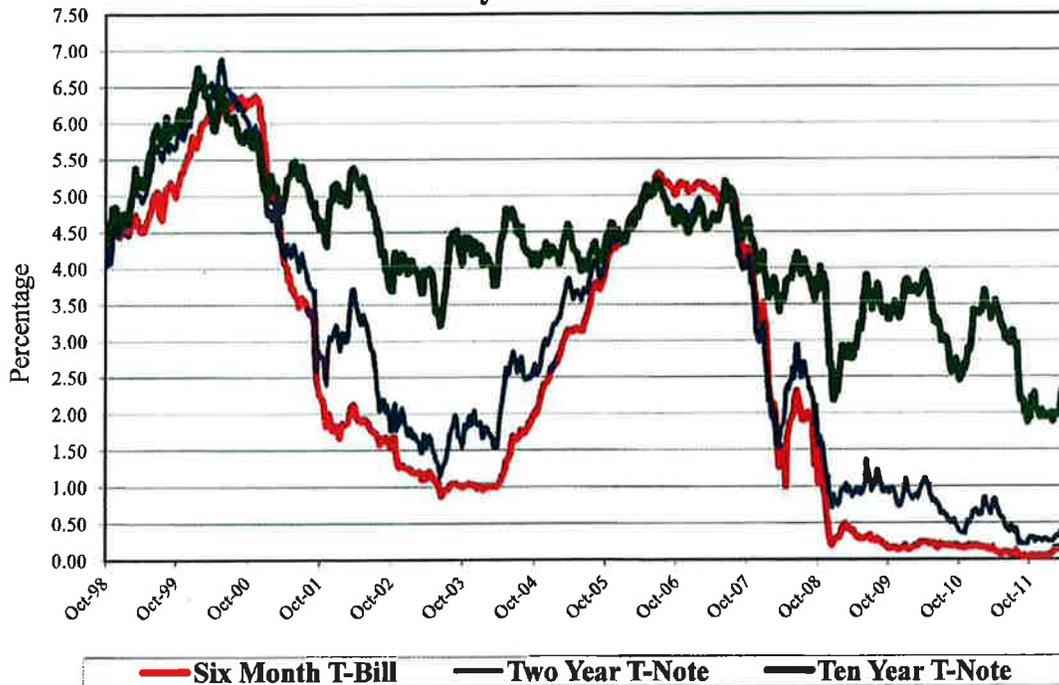
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

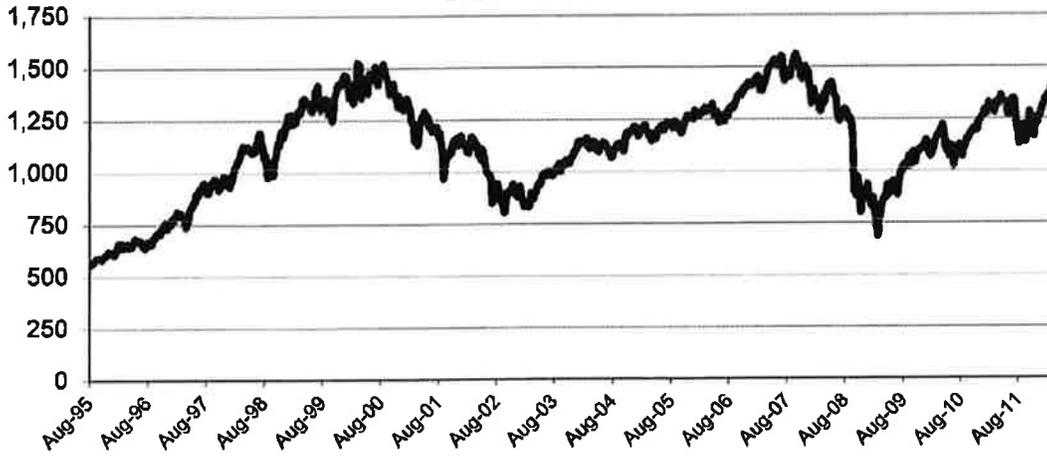
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



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Page 4.

Detail of Holdings March 31, 2012

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA		1.26%	4/1/2012	3/31/2012	\$ 31,755,645	\$ 31,755,645	1.000	\$ 31,755,645	0.03	1.26%
					\$ 31,755,645	\$ 31,755,645			0.03	1.26%
									(1)	(2)

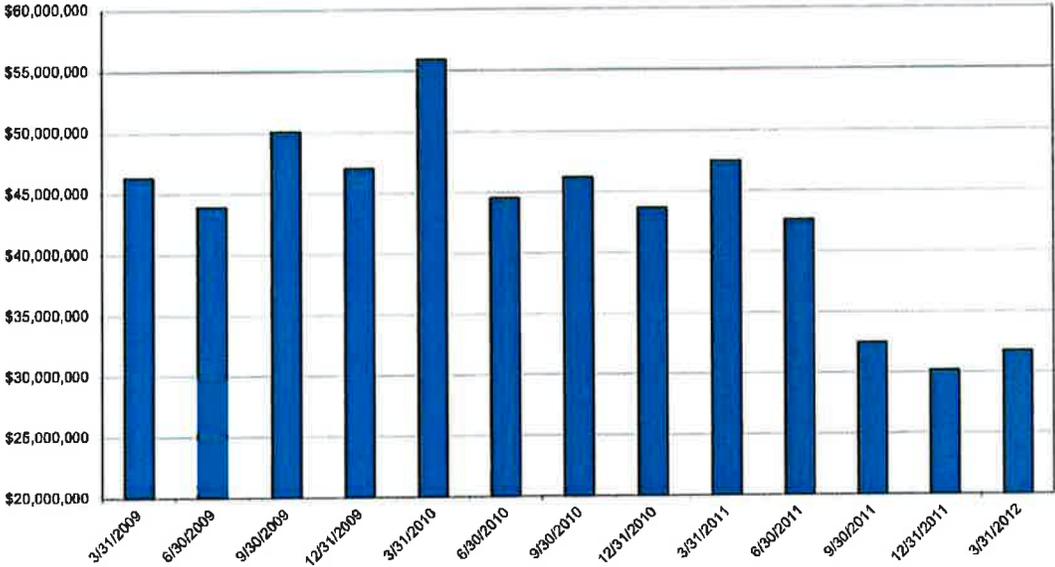
(1) **Weighted average life** - For purposes of calculating weighted average life, pool and bank account investments are assumed to have a one day maturity.

(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.

Valley View Consulting, L.L.C.

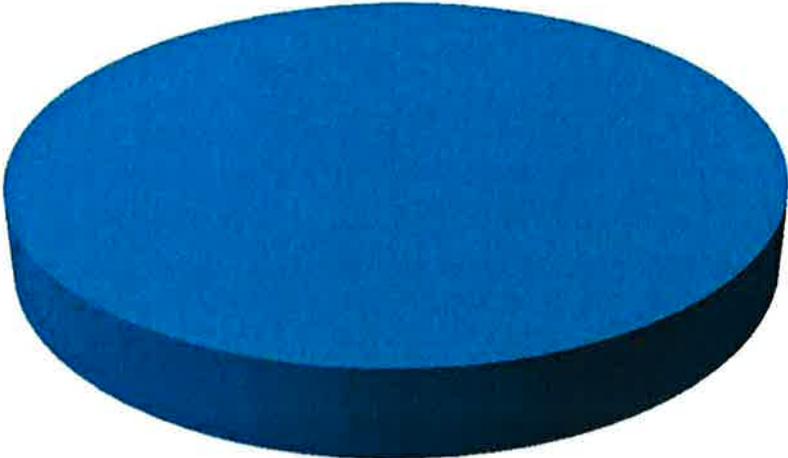
Page 5.

Total Portfolio



Portfolio Composition

Securities/CDs
0%



Pools/Bank
DDA 100%

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2011		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2012	
			Par Value	Book Value			Par Value	Book Value
DDA	1.26%	4/1/2012	\$ 30,141,910	\$ 30,141,910	\$ 1,613,735	\$ -	\$ 31,755,645	\$ 31,755,645
TOTAL			\$ 30,141,910	\$ 30,141,910	\$ 1,613,735	\$ -	\$ 31,755,645	\$ 31,755,645

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2011		Qtr to Qtr Change	March 31, 2012	
			Par Value	Market Value		Par Value	Market Value
DDA	1.26%	4/1/2012	\$ 30,141,910	\$ 30,141,910	\$ 1,613,735	\$ 31,755,645	\$ 31,755,645
TOTAL			\$ 30,141,910	\$ 30,141,910	\$ 1,613,735	\$ 31,755,645	\$ 31,755,645

Allocation

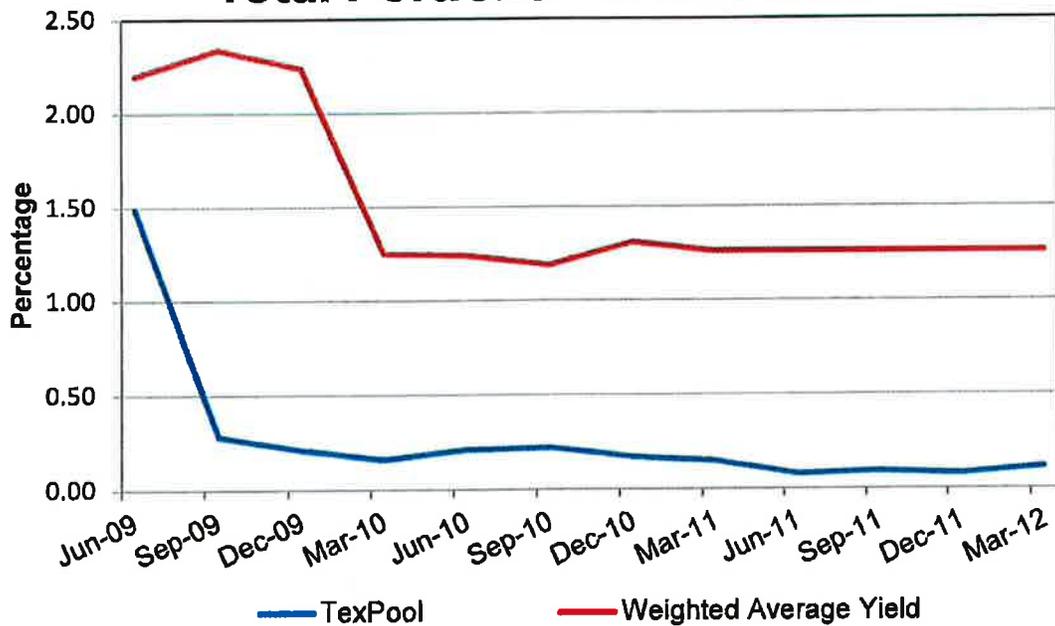
Book & Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	March 31, 2012		
							EDC 4A	EDC 4B	General Capital Projects
DDA	\$ 31,755,645	\$ 9,701,435	\$ 639,154	\$ 2,776,871	\$ 5,274,288	\$ 4,892,809	\$ 1,414,540	\$ 1,079,886	\$ 5,976,661
Totals	\$ 31,755,645	\$ 9,701,435	\$ 639,154	\$ 2,776,871	\$ 5,274,288	\$ 4,892,809	\$ 1,414,540	\$ 1,079,886	\$ 5,976,661

Allocation

December 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	\$ 30,141,910	\$ 7,850,259	\$ 422,304	\$ 2,021,712	\$ 6,570,701	\$ 5,069,459	\$ 1,583,979	\$ 1,131,821	\$ 5,491,676
Totals	\$ 30,141,910	\$ 7,850,259	\$ 422,304	\$ 2,021,712	\$ 6,570,701	\$ 5,069,459	\$ 1,583,979	\$ 1,131,821	\$ 5,491,676

Total Portfolio Performance



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.