



Finance Department
Alan Dickerson, Director of Finance
Phone: 214-975-0415
adickerson@littleelm.org

TOWN COUNCIL REGULAR AGENDA

Date April 11, 2013

PROJECT

Approve Quarterly Investment Report for the period ending March 31, 2013.

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, 2013.

FISCAL IMPACT

Interest earnings for the Quarter total \$127,270. Fiscal year interest earnings total \$58,986.

RECOMMENDED ACTION

The Finance Director recommends action to accept and approve Cash and Investment Report for Quarter Ending March 31, 2013.

ATTACHMENTS

Quarterly Investment Report

Initial:

Town Manager Finance Library Public Works Parks

Town Secretary Police Fire HR Development Services

APPROVED DENIED TABLED WITHDRAWN

MEMORANDUM

TO: MATTHEW MUELLER, TOWN MANAGER
FROM: ALAN DICKERSON, FINANCE DIRECTOR
SUBJ: INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2013
CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the quarter ending March 31, 2013 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, 2013, the Town's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	% of Total
Money Market- Independent Bank & Texpool	1.01%	\$29,420,450	100%
Total Portfolio (Avg)	1.01%	\$29,420,450	100%

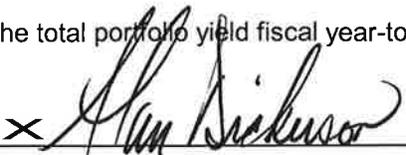
The Town does not carry any security instruments (investment type) on its books that are traded on the open market; therefore all investments are listed at 100% of market value. All Funds on deposit with Independent Bank and TexPool are fully secured and safeguarded. **Total interest earned for the quarter ending March 31, 2013 was \$58,986. Year-to-date interest earnings are \$127,270.**

Total cash and investments for the period ending December 31, 2012 was \$31,368,171 and the invested balances at March 31, 2013 were \$29,420,450, a net decrease of \$1,947,721. 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.

Of the \$29,420,450 on deposit and interest bearing, \$11,349,419 or 38% is used in daily operations; the other 62% or \$18,071,031 is for capital infrastructure and other restricted cash and policy commitments.

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 1.01%

x 

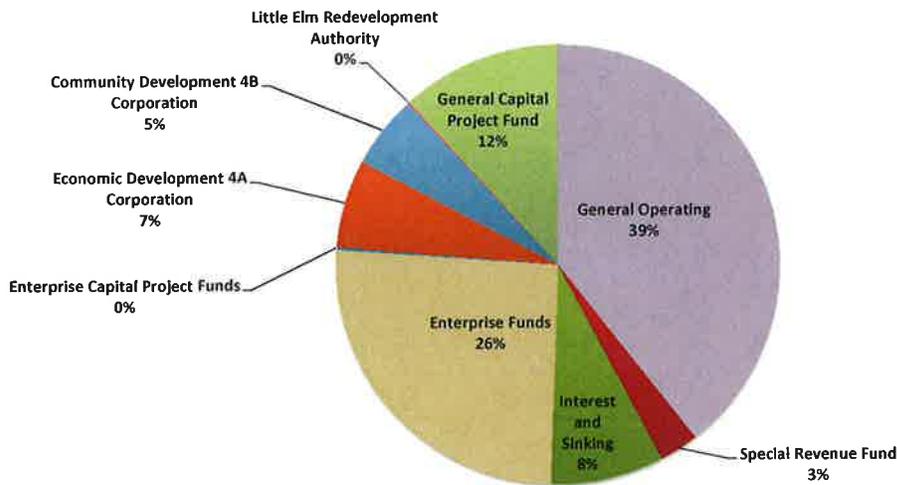


Cash and Investment Summary Comments

Portfolio Summary as of 3/31/2013

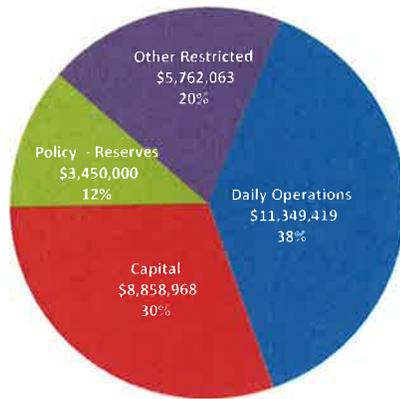
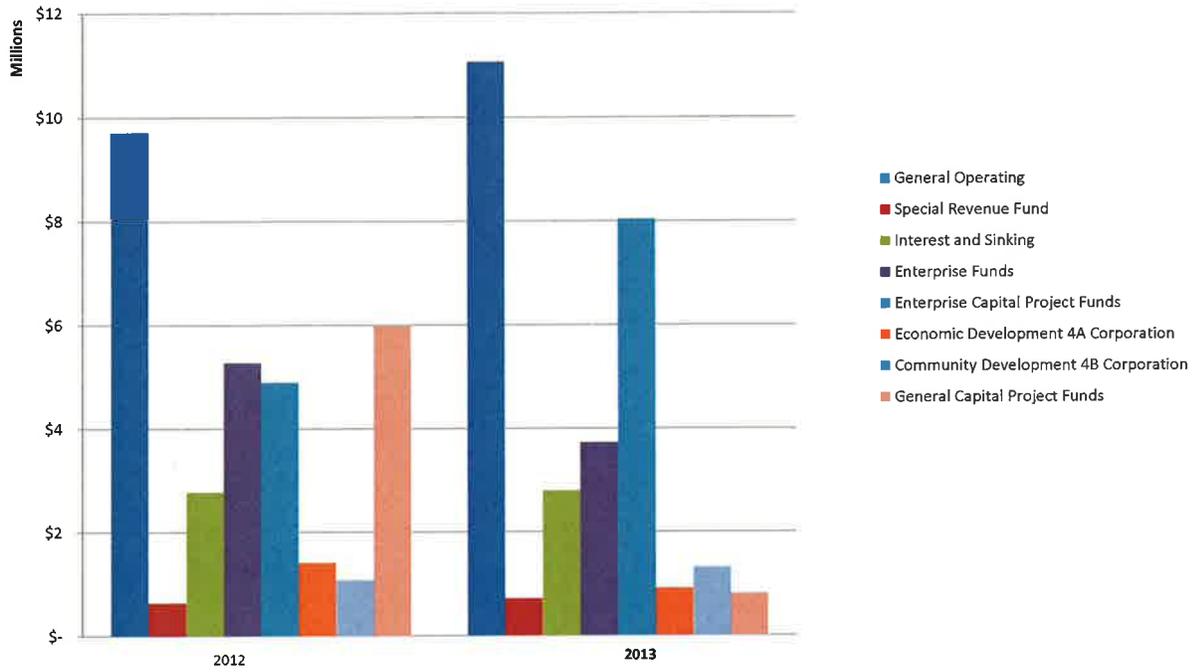
- * \$29,420,450 - Cash and Investments on hand at 3/31/2013; average yield 1.01%
- * \$1,947,721 - Change in Cash since end of Quarter at 12/31/2012 (Decrease)
- * \$58,986- Interest earned for second quarter of fiscal year
- * 100% or \$29,419,447 of portfolio is in depository bank; \$1,003 in TexPool
- * Funds on deposit with depository bank for best returns. Fully collateralized.
- * \$1,003 on deposit with TexPool to preserve accounts for diversification opportunities.
- * 1.01% - Average Fiscal Year-to-Date Average Yield on Portfolio
- * Benchmarks: 3 Month Treasury Rolling Yield is .09%; 6 Month Treasury Rolling Yield is .13%.

Interest Earnings as of March 31, 2013



Interest Earnings YTD: \$127,270

**Invested Balance Comparison Year-to-Year
FY 2012 - 2013
Quarter Ending: March 31**



Total Portfolio - \$29,420,450

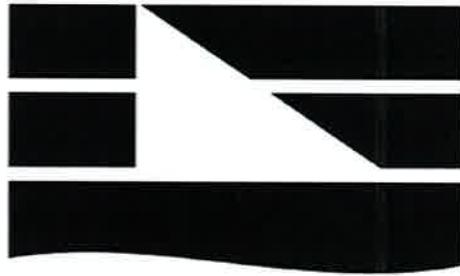
CASH AND INVESTEMENTS BY PORTFOLIO

(All Funds are in interest bearing accounts.)

Fund	#	Fund Description	Balances 9-30-11	Balances 12-31-11	Balances 3-31-2012	Balances 6-30-2012	Balances 9-30-2012	Balances 12-31-2012	Balances 3-31-2013	Changes from 12-31-2012	Use of Funds
General Operating											
112-0101-00-00	112	CASH-GENERAL FUND	5,220,241	7,647,977	9,387,299	7,481,282	6,579,157	10,243,208	10,301,178	57,970	Daily Operations
115-0101-00-00	115	CASH-STREET MAINTENANCE	212,183	202,282	314,136	426,118	529,553	652,576	773,315	120,739	1/4 Cent Sales Tax for Streets
			<u>5,432,424</u>	<u>7,850,259</u>	<u>9,701,435</u>	<u>7,907,400</u>	<u>7,108,710</u>	<u>10,895,785</u>	<u>11,074,493</u>	<u>178,708</u>	
Special Revenue Fund											
200-0101-00-00	200	CASH-SPECIAL REVENUE	299,228	332,940	116,870	129,805	133,007	140,260	140,972	712	Library, Police and Fire Restricted
201-0101-00-00	201	CASH-TEEN COURT FUND		(954)	6,074	3,222	1,641	921		(921)	Teen Court
202-0101-00-00	202	CASH-STREETScape FUND		12,287	286,044	328,525	400,489	291,085	218,257	(72,828)	Streetscape
203-0101-00-00	203	CASH-PEG FUNDS						0	50,657	50,657	PEG Program
205-0101-00-00	205	CASH-TRAFFIC SAFETY	198,913	174,969	145,135	188,417	216,284	122,841	173,081	50,241	Red Light Camera Program
210-0101-00-00	210	CASH-SOLAR GRANT FUND		(153,560)	0	0	0	0	0	0	Solar Grant Fund
211-0101-00-00	211	CASH-FARMERS MARKET GRANT						0	(3,946)	(3,946)	Farmers Market grant
250-0101-00-00	250	CASH-GRANTS AND DONATIONS	30,479	30,493	36,357	35,789	38,578	33,573	19,983	(13,590)	Library, Police and Fire Restricted
412-0101-00-00	412	CASH-FORFEITURE	9,293	9,322	9,351	36,683	46,728	64,412	56,597	(7,815)	Police - restricted
815-0101-00-00	815	LE REDEVELOPMENT AUTHORITY	16,590	16,807	39,324	39,182	35,398	34,975	65,892	30,917	LE Redevelopment Authority
			<u>554,503</u>	<u>422,304</u>	<u>639,154</u>	<u>761,623</u>	<u>872,125</u>	<u>688,068</u>	<u>721,495</u>	<u>33,427</u>	
Interest and Sinking											
312-0101-00-00	312	CASH-DEBT SERVICE FUND	496,133	2,021,712	2,776,871	2,818,743	550,042	2,632,830	2,800,244	167,414	Restricted for debt payments
312-1380-00-00	312	TEXPOOL-2010 GO I&S	0	0	0	0	0	0	0	0	Restricted for 2010 GO Interest
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	
			<u>496,133</u>	<u>2,021,712</u>	<u>2,776,871</u>	<u>2,818,743</u>	<u>550,042</u>	<u>2,632,830</u>	<u>2,800,244</u>	<u>167,414</u>	
Enterprise Funds											
612-0101-00-00	612	CASH-UTILITY OPERATING	3,211,686	5,335,953	3,918,884	3,223,082	1,264,496	2,250,886	2,264,929	14,043	Daily Operations and Debt Payments
612-0101-00-74	612	CASH-RESERVE FOR I&S	890,258	893,046	895,818	898,949	588,461	670,264	671,883	1,619	Restricted for Revenue Bonds
612-1374-00-00	612	TEXPOOL-BPND RESERVE	0	0	0	0	0	0	0	0	Closed
612-1380-00-76	612	TEXPOOL-RESTRICTED BOND FUNDS	0	0	0	0	0	0	0	0	Closed
712-0101-00-00	712	CASH-SOLID WASTE	188,291	340,964	369,817	389,367	366,520	408,915	410,509	1,593	Restricted for Courtesy Site
715-0101-00-00	715	CASH-STORM DRAINING FUND		738	89,770	176,061	237,782	317,199	377,605	60,406	
			<u>4,290,236</u>	<u>6,570,701</u>	<u>5,274,288</u>	<u>4,687,459</u>	<u>2,457,258</u>	<u>3,647,265</u>	<u>3,724,926</u>	<u>77,661</u>	
Enterprise Capital Project Funds											
612-0101-00-76	612	RESTRICTED CASH-CO'S \$16.770M	3,830,883	2,560,393	2,274,162	1,936,557	0	0	0	0	Restricted for Water and Sewer CIP
612-0101-00-61	612	RESTRICTED CASH-2012 CO'S	0	0	0	5,961,594	5,992,903	5,747,127	5,732,640	(14,487)	Restricted for Water and Sewer CIP
816-0101-00-00	816	CASH IN BANK CONSOLIDATED	9,292	9,292	9,292	9,292	0	0	0	0	Restricted for Water and Sewer CIP
819-0101-00-00	819	CASH IN BANK CONSOLIDATED	719,411	689,242	734,817	778,104	1,061,819	581,981	698,728	116,746	Restricted for Water and Sewer CIP
829-0101-00-00	829	CASH IN BANK	12,331	12,331	12,331	12,331	0	0	0	0	Restricted for Water and Sewer CIP
831-0101-00-00	831	CASH IN BANK CONSOLIDATED	0	0	0	0	0	0	0	0	Restricted for Water and Sewer CIP
840-0101-00-00	840	CASH IN BANK CONSOLIDATED	0	0	0	0	0	0	0	0	Restricted for Water and Sewer CIP
840-1370-00-00	840	TEXPOOL-2004 W/WW REV BONDS	0	0	0	0	0	0	0	0	Restricted for Water and Sewer CIP
913-0101-00-00	913	CASH IN BANK CONSOLIDATED	1,808,738	1,798,201	1,862,207	1,914,639	2,098,529	1,470,526	1,612,383	141,857	Restricted for Water and Sewer CIP
			<u>6,380,655</u>	<u>5,069,459</u>	<u>4,892,809</u>	<u>10,612,516</u>	<u>9,153,251</u>	<u>7,799,634</u>	<u>8,043,751</u>	<u>244,116</u>	
Economic Development 4A Corporation											
811-0101-00-00	811	CASH-ECONOMIC DEVELOPMENT	1,505,630	1,583,979	1,414,540	1,579,526	1,492,729	1,643,680	918,209	(725,471)	Restricted for 4A Purposes
			<u>1,505,630</u>	<u>1,583,979</u>	<u>1,414,540</u>	<u>1,579,526</u>	<u>1,492,729</u>	<u>1,643,680</u>	<u>918,209</u>	<u>(725,471)</u>	
Community Development 4B Corporation											
814-0101-00-00	814	CASH-CDC	967,443	1,131,821	1,079,886	1,185,417	1,178,500	1,266,304	1,322,115	55,811	Restricted for 4B Purposes
			<u>967,443</u>	<u>1,131,821</u>	<u>1,079,886</u>	<u>1,185,417</u>	<u>1,178,500</u>	<u>1,266,304</u>	<u>1,322,115</u>	<u>55,811</u>	
General Capital Project Funds											
822-0101-00-00	822	CASH IN BANK - STREET IMPACT FEES	12,481	13,197	13,298	13,284	13,322	0	0	0	Restricted for Street Projects
825-0101-00-00	825	CASH IN BANK - PARK DEV FEES	95,492	95,707	96,004	96,340	96,609	96,900	85,855	(11,045)	Restricted for Park Projects
828-0101-00-00	828	CASH IN BANK - STREET IMPACT FEES	219,117	647,069	719,314	767,712	1,902,606	1,235,989	453,484	(782,505)	Restricted for Street Projects
850-0101-00-00	850	CASH IN BANK - 2004 GO BONDS	2,504,798	2,743	0	0	0	0	0	0	Restricted for 04 GO Bond Projects
850-1115-00-00	850	CD-Sterling Bank	0	0	0	0	0	0	0	0	Restricted for 04 GO Bond Projects
850-1372-00-00	850	TEXPOOL S2006 G.O.BONDS \$6.25M	0	0	0	0	0	0	0	0	Restricted for 04 GO Bond Projects
870-0101-00-00	870	CASH IN BANK - 2009 GO BONDS	4,325,547	(957,305)	783,710	(867,093)	473,387	1,461,717	180,047	(1,281,669)	Restricted for 09 GO Bond Projects
870-0101-00-01	870	CASH-WITT ROAD BRIDGE ESCROW			3,847,174	1,268,576	1,853,787	0	95,831	95,831	
870-0101-00-02	870	CASH-SMOTHERMAN ESCROW			517,222	334,723	330,614	0	0	0	
870-0101-00-87	870	RESTRICTED CASH-09 GO BONDS	0	0	0	0	0	0	0	0	Restricted for 09 GO Bond Projects
870-1110-00-00	870	2009 GO BOND FUND-#1000062461	3,535	0	0	0	0	0	0	0	Restricted for 09 GO Bond Projects
870-1111-00-00	870	2010 GO BOND FUND-#1000064293	5,683,100	5,690,265	0	0	0	0	0	0	
870-1115-00-00	870	INVESTMENTS-CD'S	0	0	0	0	0	0	0	0	Restricted for 09 GO Bond Projects
870-1115-00-00	870	INVESTMENTS-CD'S-STERLING BANK	0	0	0	0	0	0	0	0	Restricted for 09 GO Bond Projects
870-1380-00-00	870	TEXPOOL-2010 GO BONDS	0	0	0	0	0	0	0	0	Restricted for 09-10 Bond Projects
			<u>12,844,070</u>	<u>5,491,676</u>	<u>5,976,661</u>	<u>1,613,542</u>	<u>4,670,326</u>	<u>2,794,606</u>	<u>815,217</u>	<u>(1,979,388)</u>	
Total Cash and Investments at 12-31-2012											
			<u>32,471,092</u>	<u>30,141,910</u>	<u>31,755,645</u>	<u>31,166,226</u>	<u>27,482,939</u>	<u>31,368,171</u>	<u>29,420,450</u>	<u>(1,947,721)</u>	

INTEREST ALLOCATION

	Jul-12	Aug-12	Sep-12	4th Qtr 2012		Oct-12	Nov-12	Dec-12	1st Qtr 2013	Jan-13	Feb-13	Mar-13	2nd Qtr 2013		
General Operating	7,955.19	8,412.38	7,559.42	23,926.99	96,732.32	7,355.71	6,828.91	9,456.41	23,641.03	11,817.76	7,428.02	7,258.85	26,504.63	50,145.66	39%
Special Revenue Fund	852.85	880.16	876.89	2,609.90	7,995.58	749.03	689.83	546.95	1,985.81	711.86	496.97	435.22	1,644.05	3,629.86	3%
Interest and Sinking	621.40	848.92	845.89	2,316.21	20,880.58	621.79	752.93	2,291.12	3,665.84	3,279.40	1,772.94	1,847.82	6,900.16	10,566.00	8%
Enterprise Funds	4,776.11	5,084.37	6,320.14	16,180.62	82,903.59	6,460.51	6,576.65	5,247.94	18,285.10	6,764.04	3,532.12	3,972.78	14,268.94	32,554.04	26%
Enterprise Capital Project Funds	8,939.02	8,278.47	6,310.06	23,527.55	59,692.19	36.29	38.00	30.44	104.73	35.84	47.95	43.48	127.27	232.00	0%
Economic Development 4A Corporation	1,422.89	1,660.28	1,385.84	4,469.01	17,598.73	1,566.60	1,595.68	1,649.69	4,811.97	1,752.53	891.85	807.29	3,451.67	8,263.64	6%
Community Development 4B Corporation	1,037.71	1,209.35	1,211.78	3,458.84	13,710.47	1,289.21	1,313.08	1,311.98	3,914.27	1,209.08	852.85	842.90	2,904.83	6,819.10	5%
LE Redevelopment Authority	44.67	38.16	37.19	120.02	555.80	36.29	38.00	30.44	104.73	35.84	47.95	43.48	127.27	232.00	0%
General Capital Project Funds	4,199.66	4,620.53	4,892.58	13,712.77	73,797.18	5,055.35	4,286.16	2,431.89	11,773.40	1,815.68	700.39	537.94	3,054.01	14,827.41	12%
Total Cash and Investments by Portfolio Fund Type:	29,849.50	31,032.62	29,439.79	90,321.91	373,865.44	23,170.78	22,119.24	22,996.86	68,286.88	27,422.03	15,771.04	15,789.76	58,982.83	127,269.71	100%



LITTLE ELM

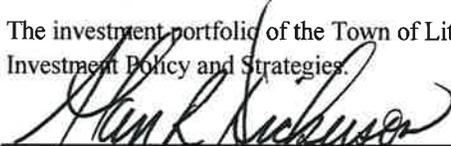
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2013

**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


Senior Accountant

Disclaimer: These reports were compiled using information provided by the City. 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.

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds are trading +/-15 bps). The FOMC continued monthly easing operations with the objectives of unemployment below 6.5% and inflation less than 2.0%. The Federal budget, deficit and debt ceiling are in various stages of temporary resolution. The European credit crisis gained headlines as Cyprus nearly collapsed. Domestic employment growth is erratic but modestly positive. Overall economic activity remains low to moderate. The US stock markets reached new highs. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

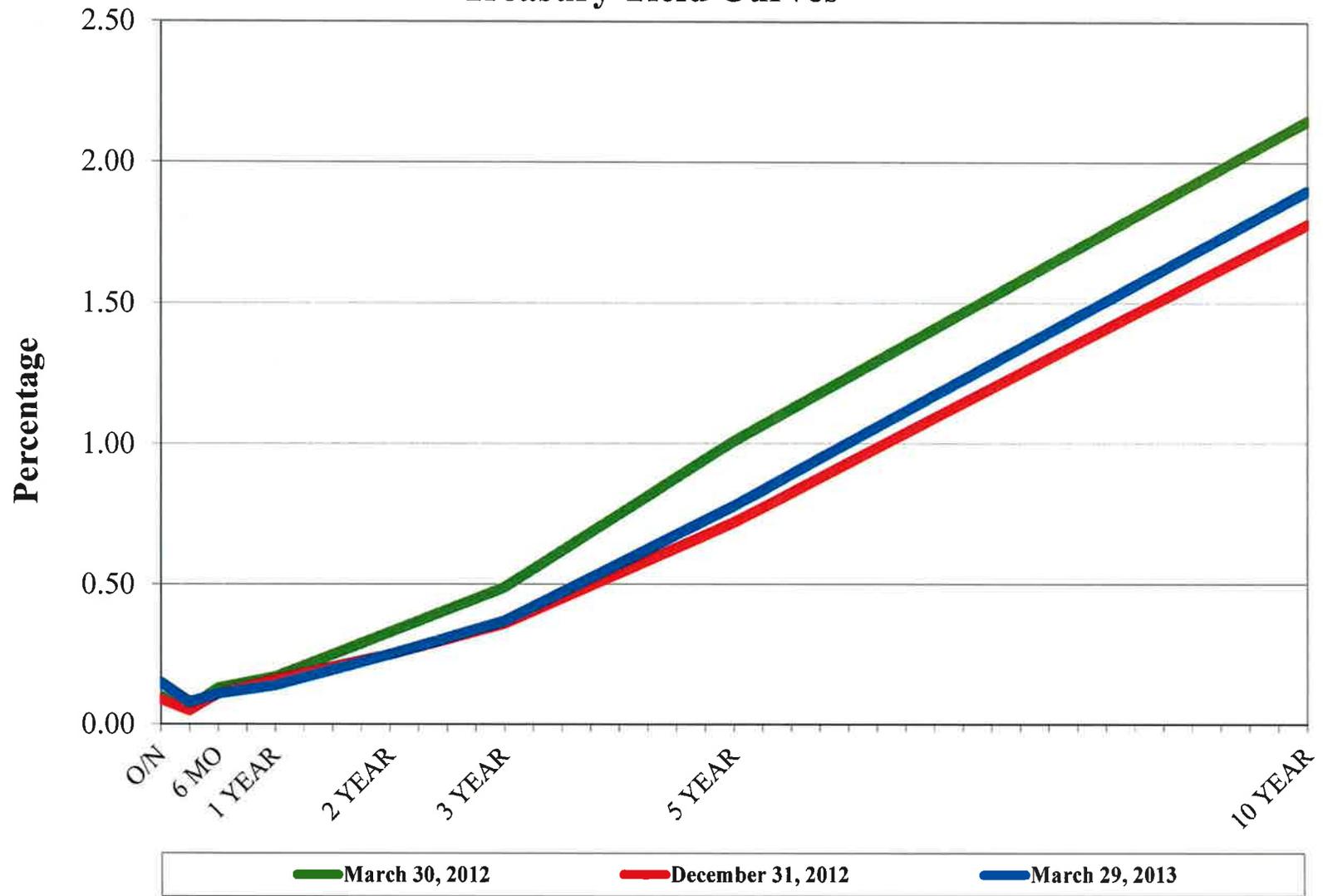
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2013</u>		<u>December 31, 2012</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank DDA	0.75%	\$ 29,420,450	\$ 29,420,450	\$ 31,368,171	\$ 31,368,171
Securities/CDs		-	-	-	-
Totals		\$ 29,420,450	\$ 29,420,450	\$ 31,368,171	\$ 31,368,171

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.75%	Total Portfolio	1.01%
Rolling Three Mo. Treas. Yield	0.09%	Rolling Three Mo. Treas. Yield	0.09%
Rolling Six Mo. Treas. Yield	0.13%	Rolling Six Mo. Treas. Yield	0.13%
		Quarterly TexPool Yield	0.13%
Quarterly Interest Income	\$ 68,287		
Year-to-date Interest Income	\$ 127,270		

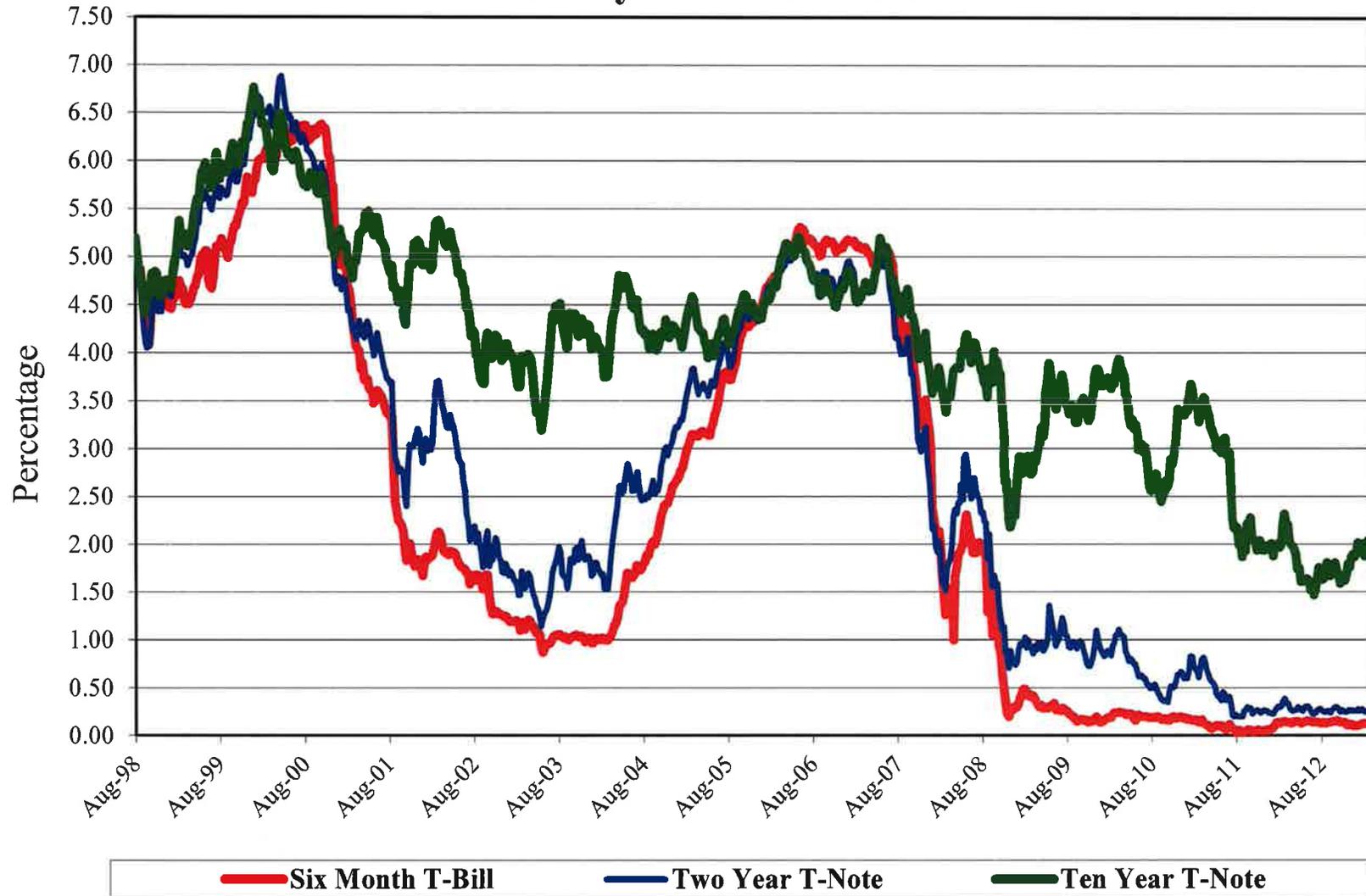
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

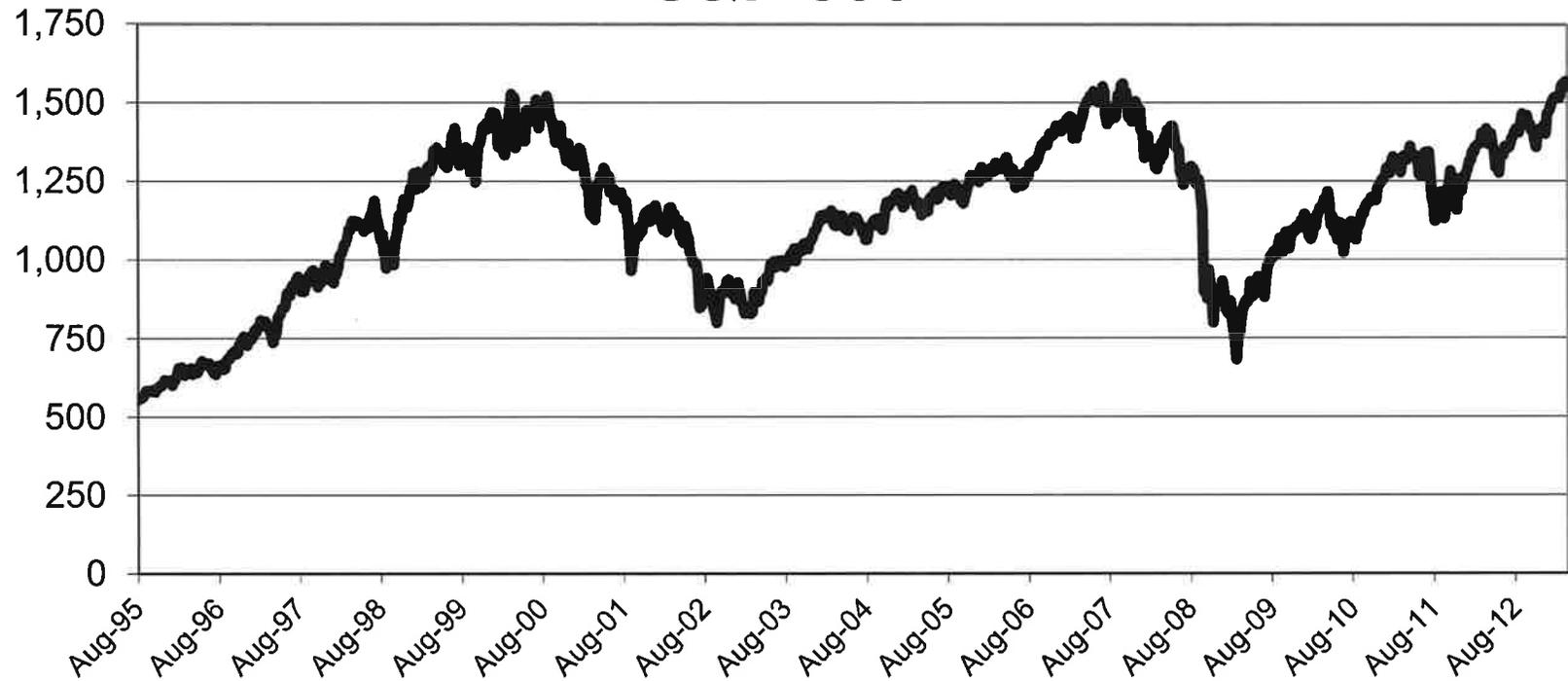
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



Detail of Holdings March 31, 2013

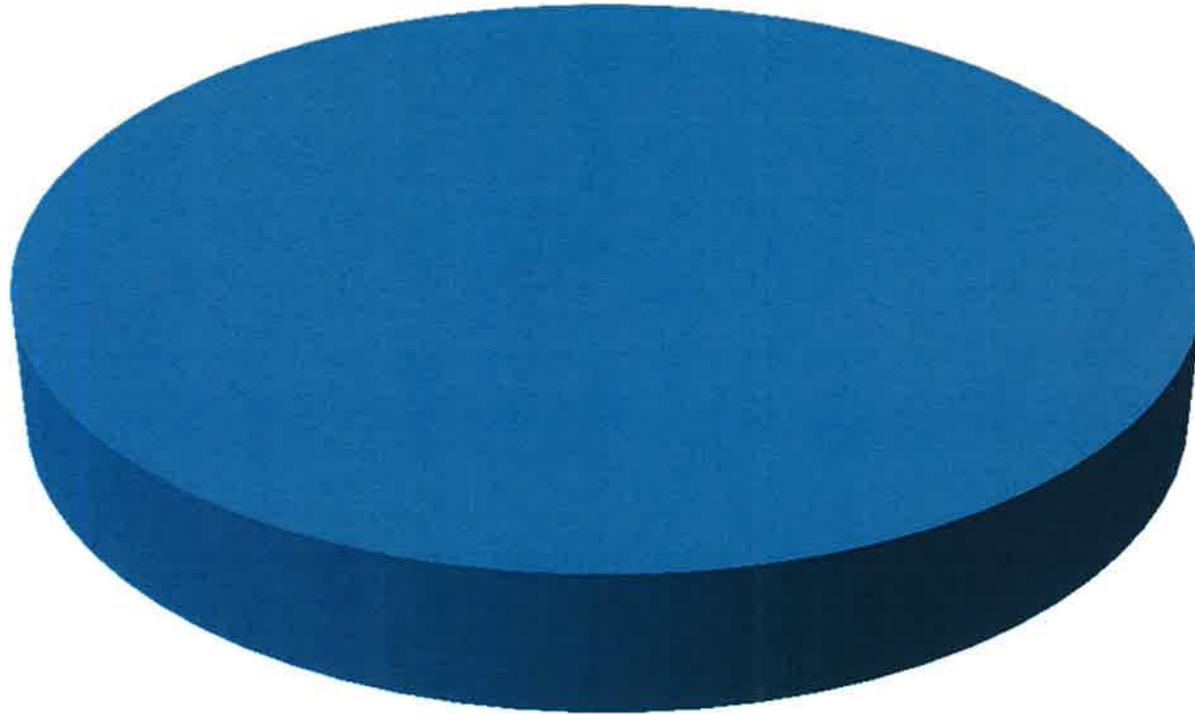
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA		0.75%	04/01/2013	03/31/2013	\$ 29,420,450	\$ 29,420,450	1.000	\$ 29,420,450	1	0.75%
					<u>\$ 29,420,450</u>	<u>\$ 29,420,450</u>		<u>\$ 29,420,450</u>	<u>1</u>	<u>0.75%</u>
									(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.

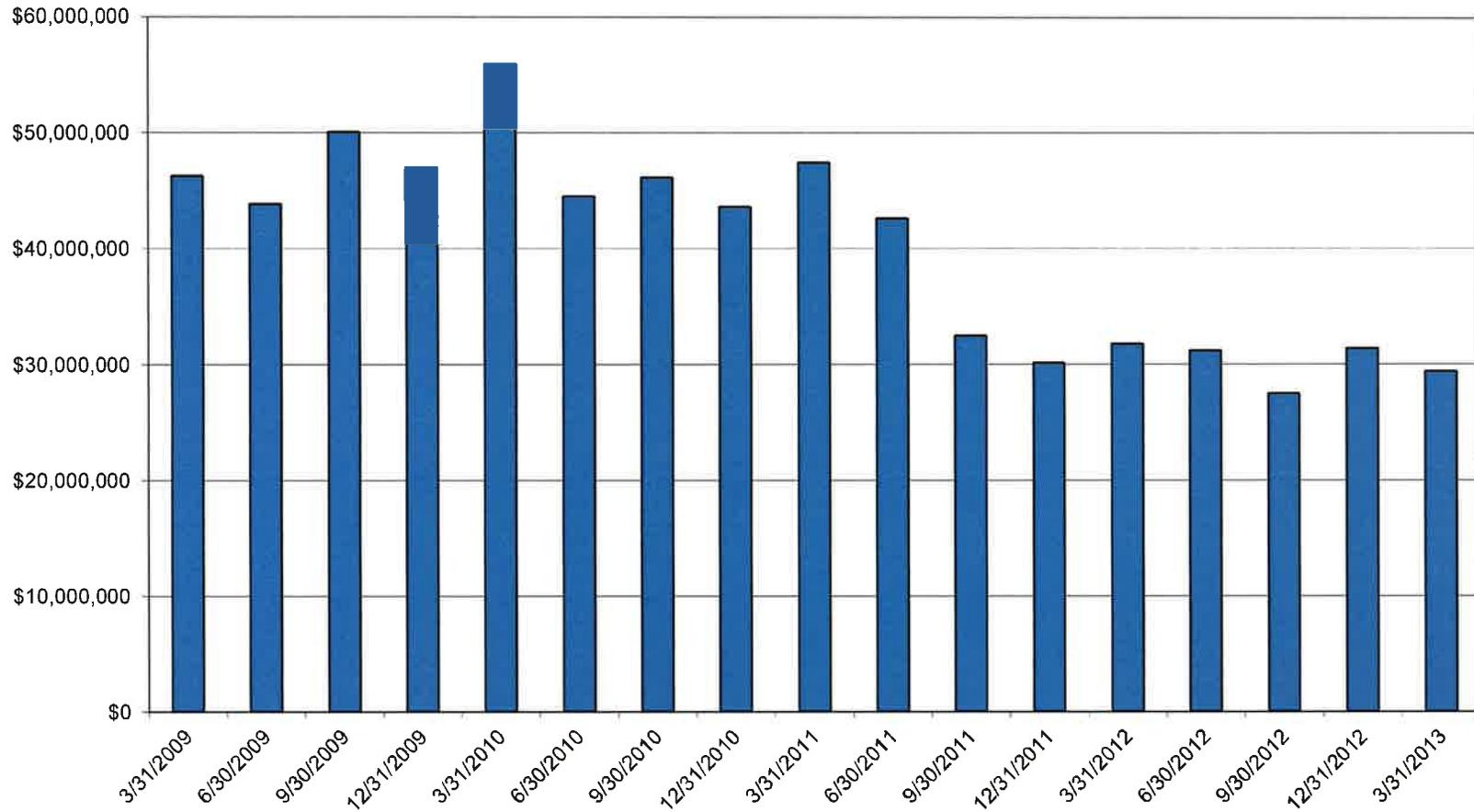
Portfolio Composition

Securities/CDs
0%



Pools/Bank
DDA 100%

Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012			March 31, 2013		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
DDA	0.75%	04/01/2013	\$ 31,368,171	\$ 31,368,171	\$ -	\$ (1,947,721)	\$ 29,420,450	\$ 29,420,450
TOTAL			\$ 31,368,171	\$ 31,368,171	\$ -	\$ (1,947,721)	\$ 29,420,450	\$ 29,420,450

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012		Qtr to Qtr Change	March 31, 2013	
			Par Value	Market Value		Par Value	Market Value
DDA	0.75%	04/01/2013	\$ 31,368,171	\$ 31,368,171	\$ (1,947,721)	\$ 29,420,450	\$ 29,420,450
TOTAL			\$ 31,368,171	\$ 31,368,171	\$ (1,947,721)	\$ 29,420,450	\$ 29,420,450

Allocation

March 31, 2013

Book & Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA	\$ 29,420,450	\$ 11,074,493	\$ 721,495	\$ 2,800,244	\$ 3,724,926	\$ 8,043,751	\$ 918,209	\$ 1,322,115	\$ 815,217
Totals	\$ 29,420,450	\$ 11,074,493	\$ 721,495	\$ 2,800,244	\$ 3,724,926	\$ 8,043,751	\$ 918,209	\$ 1,322,115	\$ 815,217

Allocation

December 31, 2012

Book & Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Enterprise Capital Projects	EDC 4A	EDC 4B	General Capital Projects
DDA	\$ 31,368,171	\$ 10,895,785	\$ 688,068	\$ 2,632,830	\$ 3,647,265	\$ 7,799,634	\$ 1,643,680	\$ 1,266,304	\$ 2,794,606
Totals	\$ 31,368,171	\$ 10,895,785	\$ 688,068	\$ 2,632,830	\$ 3,647,265	\$ 7,799,634	\$ 1,643,680	\$ 1,266,304	\$ 2,794,606

Total Portfolio Performance

