



**DATA SHEET**  
**Agenda Item No. 8**

**Meeting Date: February 2, 2012**

**Agenda Item:**

Accept Quarterly Investment Report for the period ended December 31, 2011.

<b>Placement:</b>	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Individual Consideration	<input type="checkbox"/> Executive Session
<b>Vote:</b>	<input checked="" type="checkbox"/> Non-Weighted	<input type="checkbox"/> Regular Weighted Capital	<input type="checkbox"/> Special Weighted Capital
<b>Recommending Department:</b> Business Department			

**Background:**

As required by the District's Investment Policy, the Investment Officers submit an investment report each quarter. As of December 31, 2011, the District's cash and investments totaled \$47,776,965.66 - an increase of approximately \$2.15 million from the previous quarter. This increase in cash was largely due to deposits to the various Interest and Sinking Funds in preparation for debt service payments to be made February 1<sup>st</sup>.

Compared to the prior quarter, average earnings on all investments decreased by approximately 12 basis points to 0.19%. Low interest earnings continue to be a fact of life, due to market aberrations and the stagnant economy. It should be noted that during the previous quarter, approximately \$2 million of District funds were invested in Corporate Commercial Paper to achieve somewhat higher interest earnings. Investment in high grade Commercial Paper is permitted by the District's Investment Policy.

**Financial:**

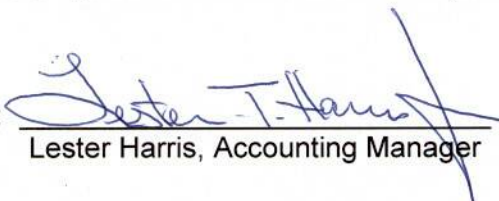
N/A

**Recommendation:**

Recommend acceptance of the enclosed Investment Report.

**Enclosures:**

Investment Portfolio Summary Prepared By First Southwest  
For more information, please contact Lester Harris at (972) 219-1228.

Submitted By:   
Lester Harris, Accounting Manager

Date: January 27, 2012



## MEMORANDUM

**TO:** Board of Directors  
**FROM:** Investment Officers  
**DATE:** January 27, 2011  
**SUBJECT:** Quarterly Investment Report for December 31, 2011

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As of December 31, 2011, the District's funds are held in TexPool accounts (44.8%), Collateralized Money market Accounts (38.9%), Agency Securities (8.4%), Commercial Paper (4.2%) and bank accounts (3.7%). Short-term construction funds and excess operating cash are invested primarily in TexPool and Collateralized Money Markets where a higher interest rate is received – as contrasted with a bank account used for liquidity purposes.

The net market value of all of the District holdings at December 31, 2011 is \$47,776,965.66. The components are as follows:

<u>Type of Holding</u>	<u>Market Value</u>	<u>Weighted Average Maturity</u>	<u>Average Yield</u>
Cash in Bank	\$ 1,753,071.80	1 day	.050%
TexPool	\$21,416,417.27	1 day	.081%
Money Markets	\$18,617,434.59	1 day	.200%
Commercial Paper	\$ 1,992,442.00	266 days	.694%
Agency Securities	\$ 3,997,600.00	691 days	.600%

Market value for cash in bank and TexPool represents the actual balance in the accounts per the end-of-the-month bank statements, and does not take into account checks that may be outstanding or deposits that may be in transit.

The details and breakout of the District holdings are reflected in the attached Quarterly Investment Report prepared by First Southwest asset Management (FSAM) in accordance with the contract between FSAM and UTRWD. The Quarterly Investment Report has been prepared in accordance with the Texas Public Funds Investment Act and the District's internal Investment Policy/Strategy.

All District funds have been invested in accordance with the existing investment policy. Maturities have been planned to meet expected cash flows. All District investments are rated AAA or its equivalent, and principal is not at risk as long as securities are held to maturity. Detailed information on each security currently held by the District is provided in the attached Quarterly Investment Report.

Respectfully submitted,

A blue ink signature of Thomas E. Taylor, written over a horizontal line.

Thomas E. Taylor  
Executive Director

A blue ink signature of William A. Greenleaf, written over a horizontal line.

William A. Greenleaf  
Director of Business  
Services

Lance Vanzant, Treasurer  
Board of Directors