

Alief Independent School District
Board Meeting
January 19, 2021

Annual Investment Review



Investment Policy Summary

- Public Funds Investment Act provides the framework for Board policies related to investments
- CDA(Local) & CDA(Legal) policies in place
 - Policies cover investment objectives, approved types of investments, internal controls, performance standards and reporting
 - No policy changes are required at this time



Investment Reports

- Quarterly investment reports are submitted to Board
 - Book value & market value of all investments
 - Investment earnings
 - Summary by investment type
 - Maturity schedule
- Annual review of internal controls and quarterly investment reports are included in the audit performed by our independent auditors



Investment Objectives

- Preservation and safety of principal
 - “Low risk” investment – credit risk/market risk
- Liquidity
- Yield
- Diversity

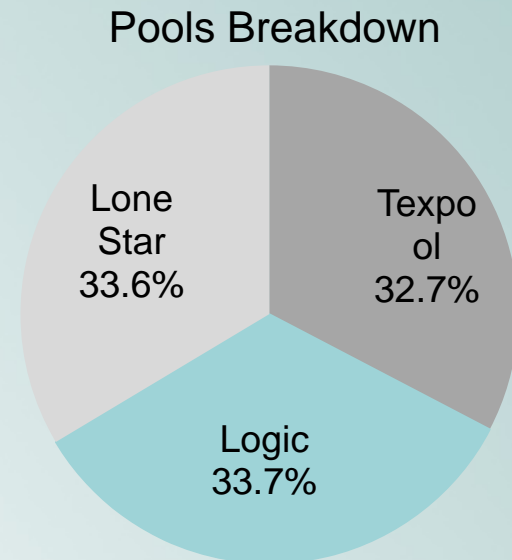
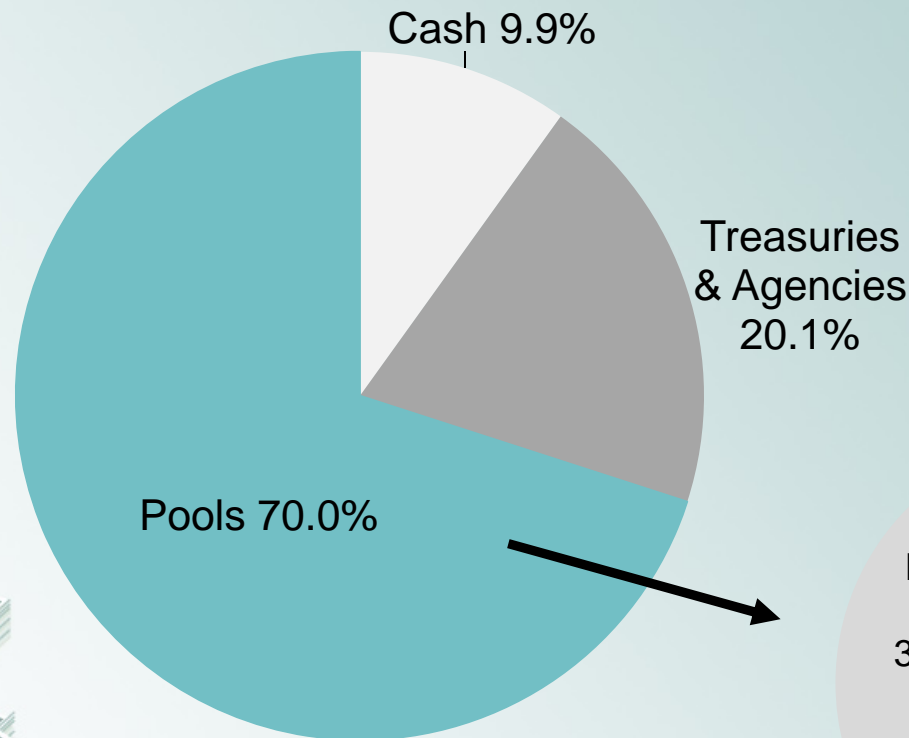


Investment Summary-by Type



	Book Value 12/31/2020
<i>Frost Bank</i>	\$ 27,994,319
<i>Texpool</i>	64,561,395
<i>Logic</i>	66,666,640
<i>LoneStar</i>	66,378,738
<i>Treasury Bills</i>	30,000,000
<i>Agency Notes</i>	26,600,000
	<u>\$ 282,201,092</u>

Investment Summary-by Type



Investment Summary - by Fund

	Book Value 12/31/2019	Book Value 12/31/2020
<i>General</i>	\$ 162,176,953	\$ 167,562,481
<i>Debt Service</i>	24,037,043	26,505,752
<i>Construction</i>	62,438,000	74,503,592
<i>Food Service</i>	5,736,899	3,625,915
<i>Insurance</i>	11,689,907	10,003,352
	<u>\$ 266,078,802</u>	<u>\$ 282,201,092</u>



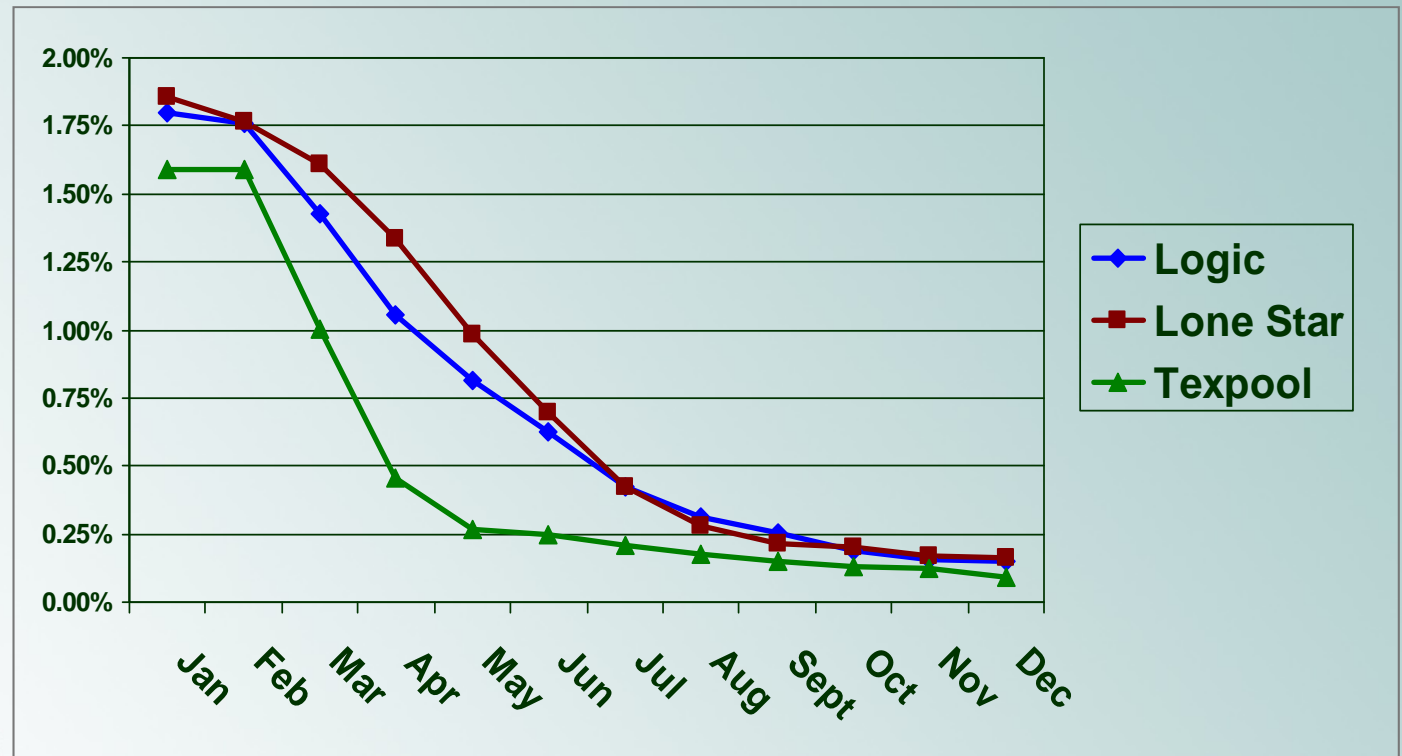
Investment Pools

- Investment pools offer a safe, efficient and liquid investment alternative to local governments
 - Economies of scale
 - Professional investment expertise
- Three pools used are rated AAA by Standard & Poor's
 - Extremely strong capacity to maintain principal stability
 - Limits exposure to credit, market & liquidity risks



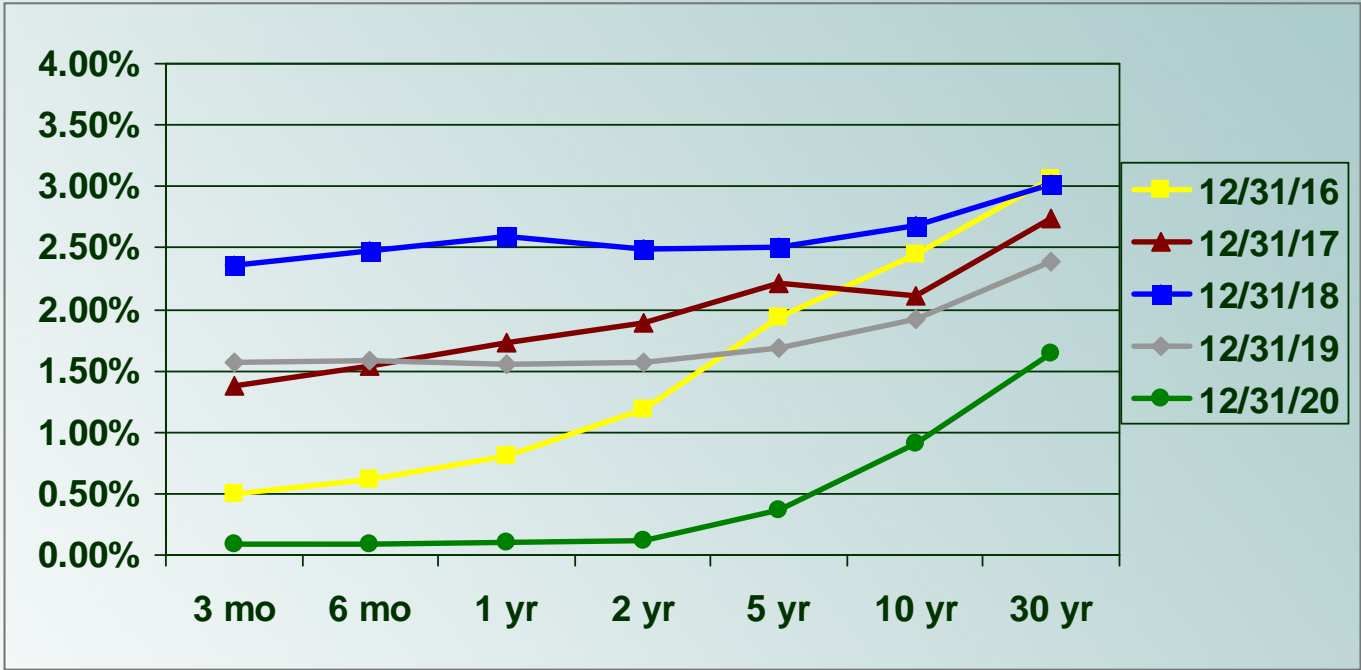
Investment Pool Rates

January – December, 2020 (monthly averages)



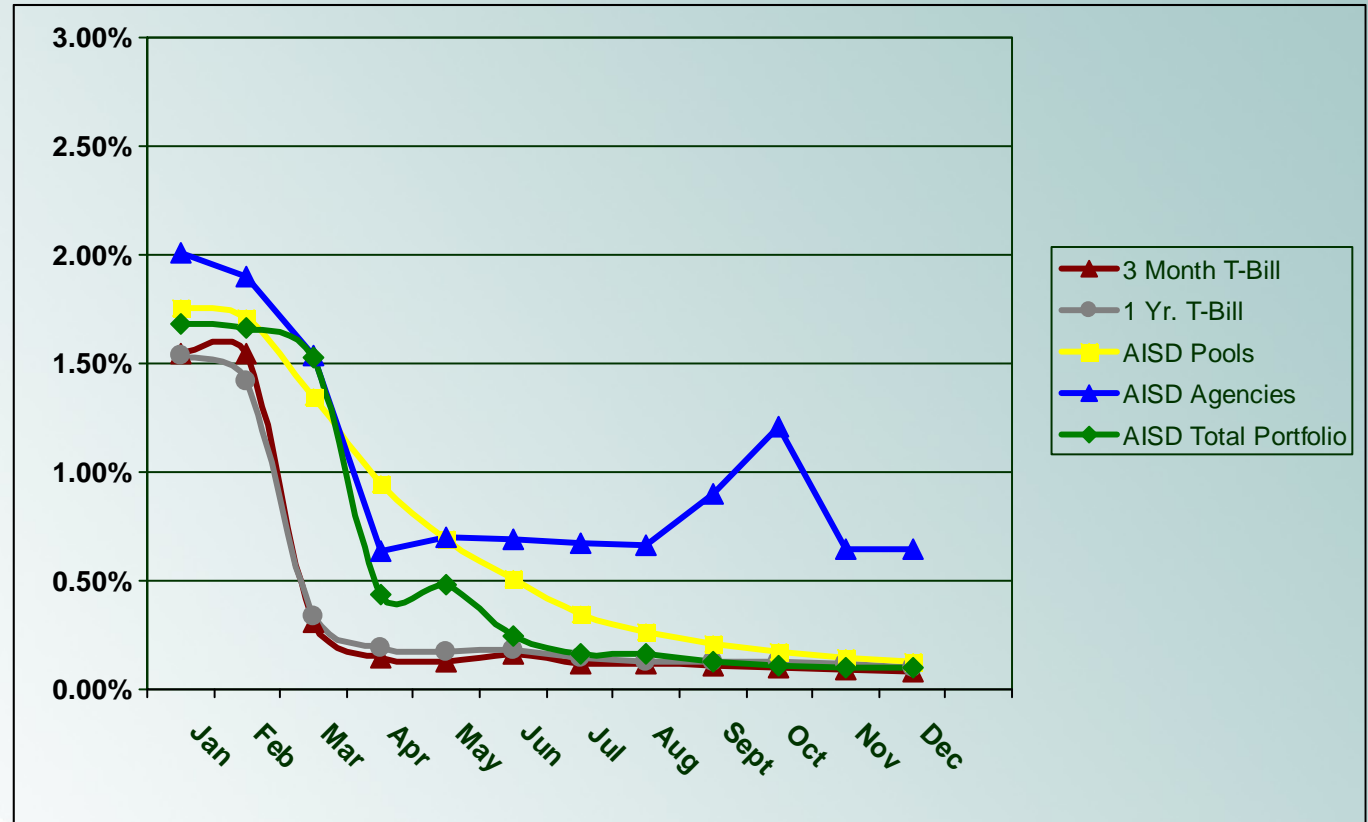
Yield Curve

Historical Comparison



AISD Portfolio vs. Benchmarks

January – December, 2020 (monthly averages)



Interest Earnings – by Fund

Compared to Prior Years

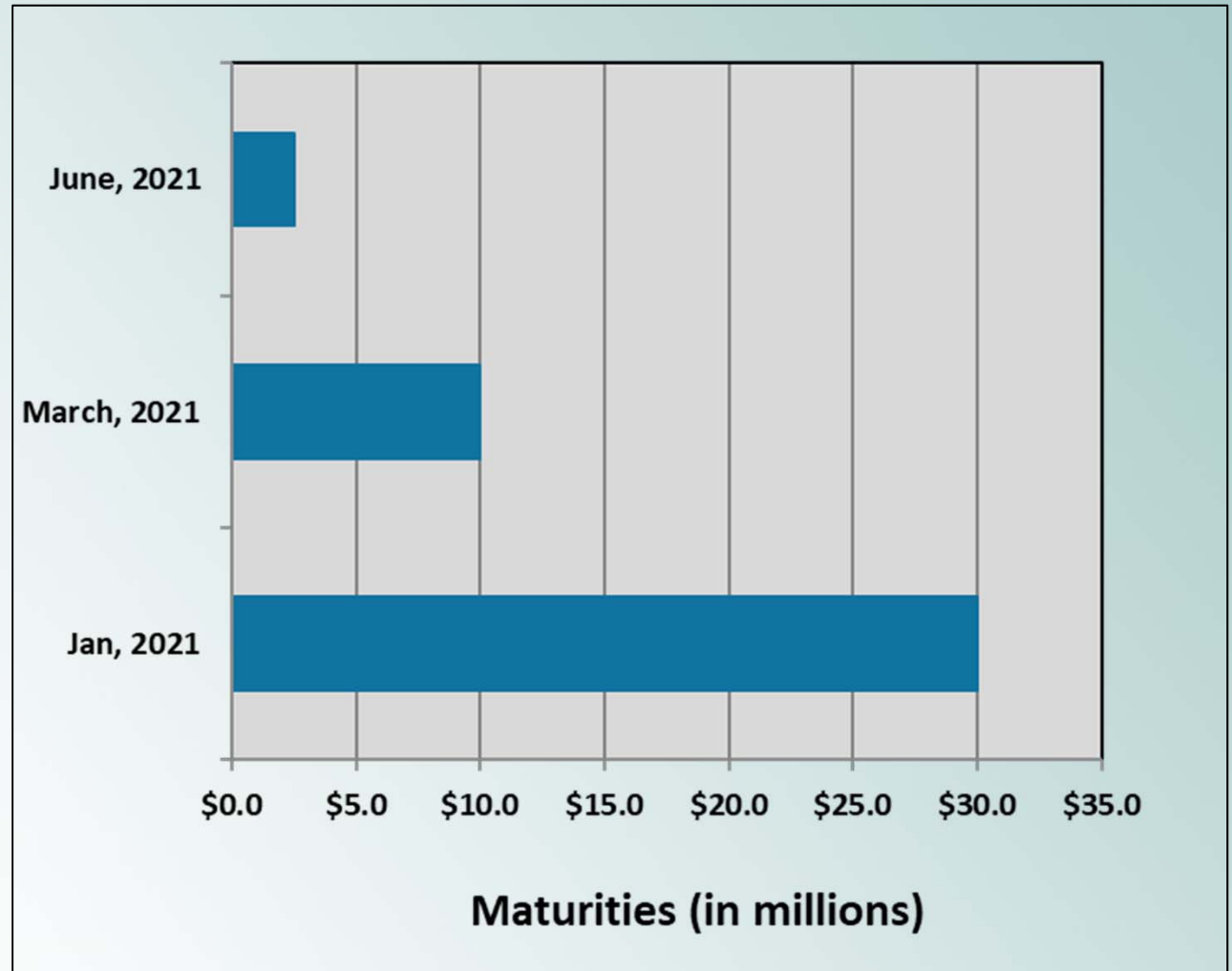
	Earnings for the years ended				
	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
<i>General</i>	\$ 593,146	\$ 1,221,340	\$ 2,299,640	\$ 3,082,438	\$ 1,020,316
<i>Food Service</i>	44,890	84,797	136,532	130,908	38,511
<i>Debt Service</i>	126,919	370,115	454,500	623,897	427,334
<i>Capital Projects</i>	284,812	802,460	1,039,060	1,294,044	369,726
<i>Internal Service</i>	28,023	45,780	96,209	108,548	52,967
	<u>\$ 1,077,790</u>	<u>\$ 2,524,492</u>	<u>\$ 4,025,941</u>	<u>\$ 5,239,835</u>	<u>\$ 1,908,854</u>
<i>1 yr Treasury rate average for year</i>	0.60%	1.19%	2.30%	2.06%	0.38%

Note - earnings exclude the year-end adjustment to fair market value.



Maturity Schedule - Unreserved

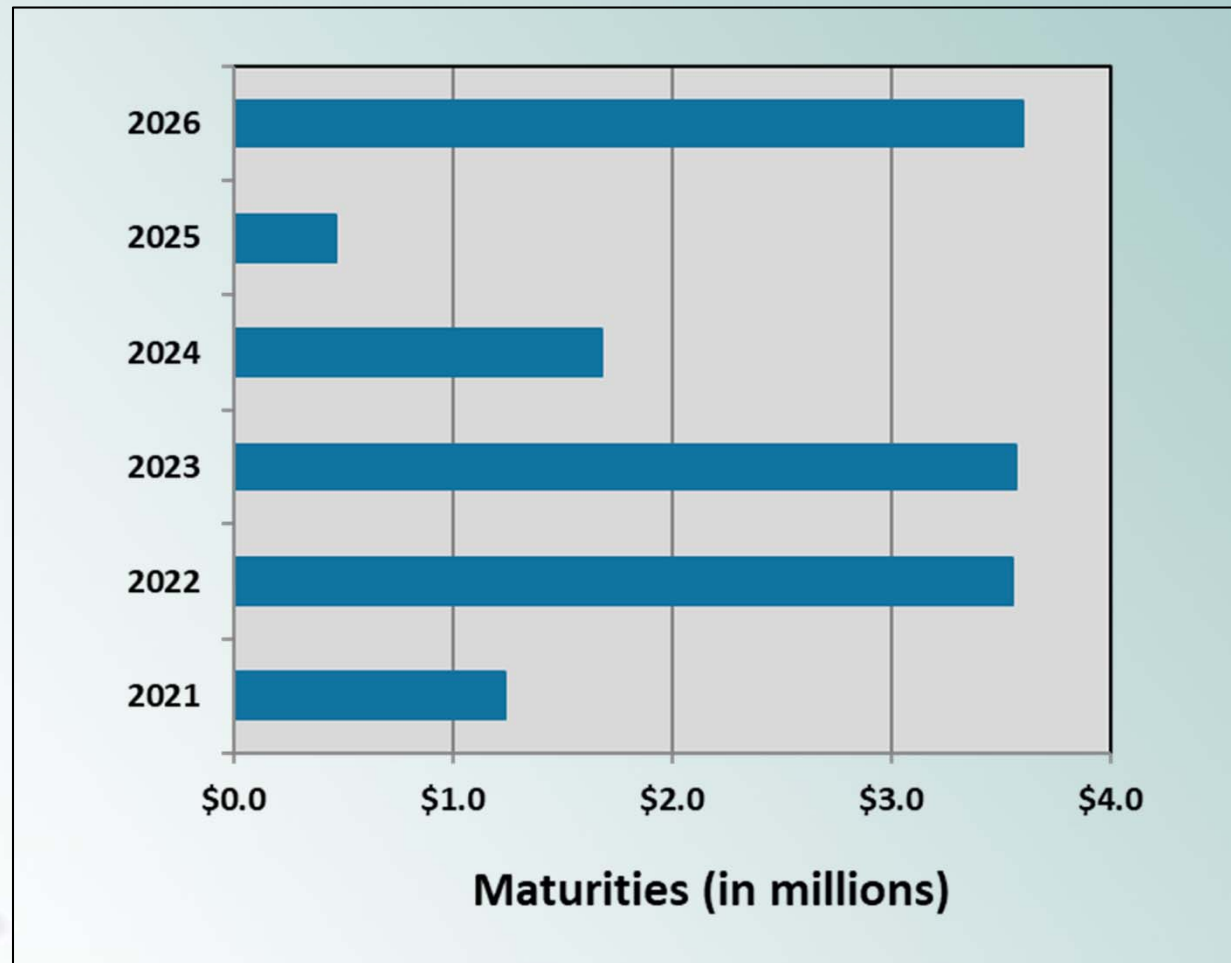
Investments Owned at 12/31/20



Maturity Schedule – Reserved


Investments Owned at 12/31/20

Reserved for 2009 & 2010 QSCB Bonds payable in 2024 & 2027



Authorized Brokers

At least annually the Board shall review and approve a list of qualified brokers that are authorized to engage in investment transactions with the District.



FHN Bank – John Saragusa & Buddy Saragusa

UBS – Phil Hartigan

Multi-Bank Securities – Luigi Mancini

Wells Fargo – Susan Ward

Hilltop Securities – Gil Ramon

Cantor Fitzgerald & Co.– James Shamoun

Raymond James – Kathryn Perry

Cash Management Goals

- Ensure proper collateralization of deposits
- Ensure adequate balances to cover cash disbursement needs
- Maximize interest earnings
- Minimize bank charges



Investment Strategy

The following investment strategy is designed to meet our investment objectives and ensure the safety and liquidity of District funds.

- Invest the portfolio fully based on projected cash flow forecasts while minimizing bank charges.
- Stay in short to medium term highly rated liquid investments to avoid market risk and credit risk.
- Maintain liquidity base invested in pools to provide for short term disbursement needs.
- Study investment alternatives and monitor market conditions.



Authorized Providers – PFIA Training

At least annually the Board shall review and approve a list of authorized providers for required Public Funds Investment Act Training.



Approved Investment Pools	Approved Broker/Bank Dealers	ASBO – Association of School Business Officials
ATTA - Alliance of Texas Treasury Associations	GFOA – Government Finance Officers Association	GFOAT – Government Finance Officers Assoc. of Texas
GTOT – Govt. Treasurer’s Organization of Texas	HCDE – Harris County Department of Education	TASB – Texas Association of School Boards
TASBO – Texas Assoc. of School Business Officials	UNT – University of North Tx Center for Public Mgmt.	Whitley Penn, LLP – Certified Public Accountants

Board Action

- It is recommended that the Board of Trustees of the Alief Independent School District consider approval of the Ordinance stating that they have reviewed the investment policy and investment strategies.
- It is recommended that the Board of Trustee of the Alief Independent School District consider approval of the independent sources of training and approval of the list of qualified brokers.

