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Board Action Required



No Action Required

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To: Coppell ISD Board of Trustees  
From: Diana Sircar  
Date: September 25, 2023

cc: Brad Hunt, Erica Devould

**Re: Annual Review of Investment Performance**

The district invests its funds mainly in investment pools. Tax revenue is collected directly into the pools and re-balanced between the pools as needed. A distinct advantage of the investment pools is that the pools strive to provide safe, liquid, and competitive investments in compliance with the Public Funds Investment Act. Money can be transferred overnight either into or out of pools.

The district uses multiple governmental investment pools to diversify the investments. Additionally, the District has invested in Certificate of Deposits (CD) through a program offered by Texas Range to gain additional interest income. CD investments are backed by FDIC Insurance. The attached graphs and data compare the rates paid on the investment pools with the rates for the 13-week and 26-week T-Bill auctions. The interest rates received on the CDs consistently exceeded both the 13-week and 26-week T-Bill rates when purchased.

Interest rates during the covid pandemic were miserable, declining below 0.03%. Rates started to climb during the summer of 2022 to around 3%. Rates continued to climb steadily, topping 5%, throughout the 22-23 fiscal year, accounting for the dramatic increase in overall interest earned on the district's investments.

Interest earnings effectively reduced the deficit that was budgeted for the 22-23 fiscal year. As of August 2023, the interest earned in the general operating fund for the fiscal year is approximately \$6.2 million, up from \$800k in fiscal year 2022. The choice to delay the payment of \$49 million in recapture in one lump sum in August impacted interest earnings and provided a significant benefit to the district's budget.

During the 2022-23 fiscal year the district capitalized on increased CD rates, building investment ladders to continue to invest available funds at increasingly higher rates. In addition, the district continued to invest the majority of liquid funds in the three pools that have provided the best rates; Texas Class, Logic and Lone Star. Rates from these pools caught up with T-bill

rates in December and the two trended closely until the pools consistently exceeded T-bill rates starting in March.

A comparison of annual interest earnings for the General Operating Fund, Food Service Fund, and Debt Service Fund is shown in the chart below.

**ANNUAL INTEREST EARNINGS by Fiscal Year and Fund**

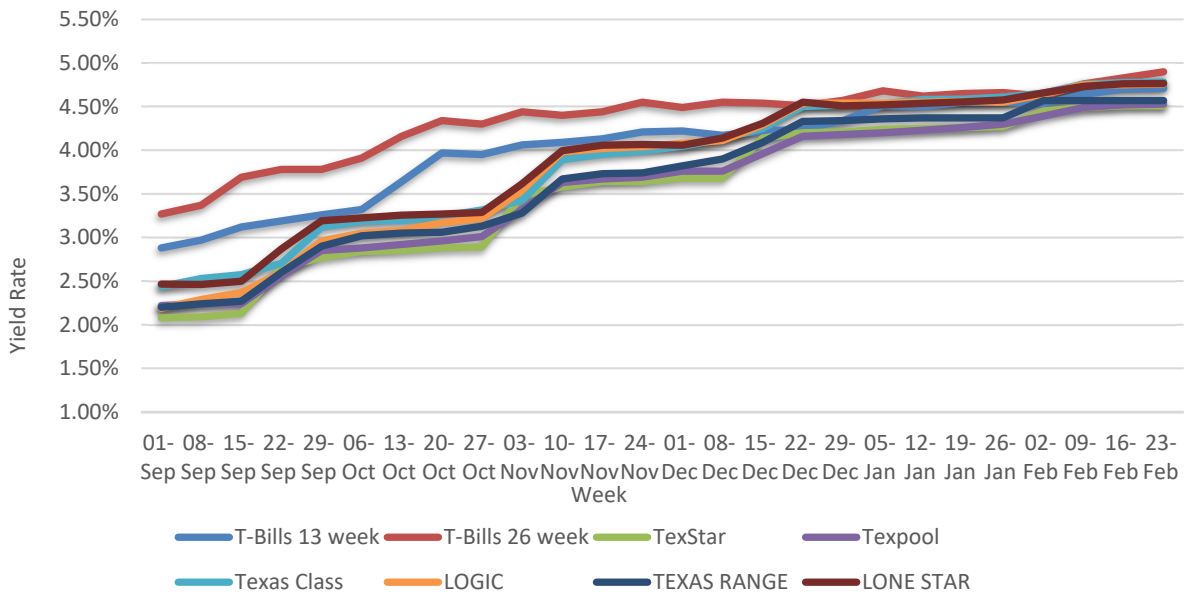
<b>FUND</b>	<b>Fiscal Year 22-23 (unaudited)</b>	<b>Fiscal Year 21-22</b>	<b>Fiscal Year 20-21</b>
General Operating (199)	\$ 6,193,313	\$ 827,465	\$ 151,435
Food Service (240)	\$ 54,557	\$ 2	\$ 771
Debt Service (599)	\$ 1,365,569	\$ 185,410	\$ 31,039

**RECOMMENDATION:** The Coppell ISD Board of Trustees accepts the annual review of the portfolio performance as presented.

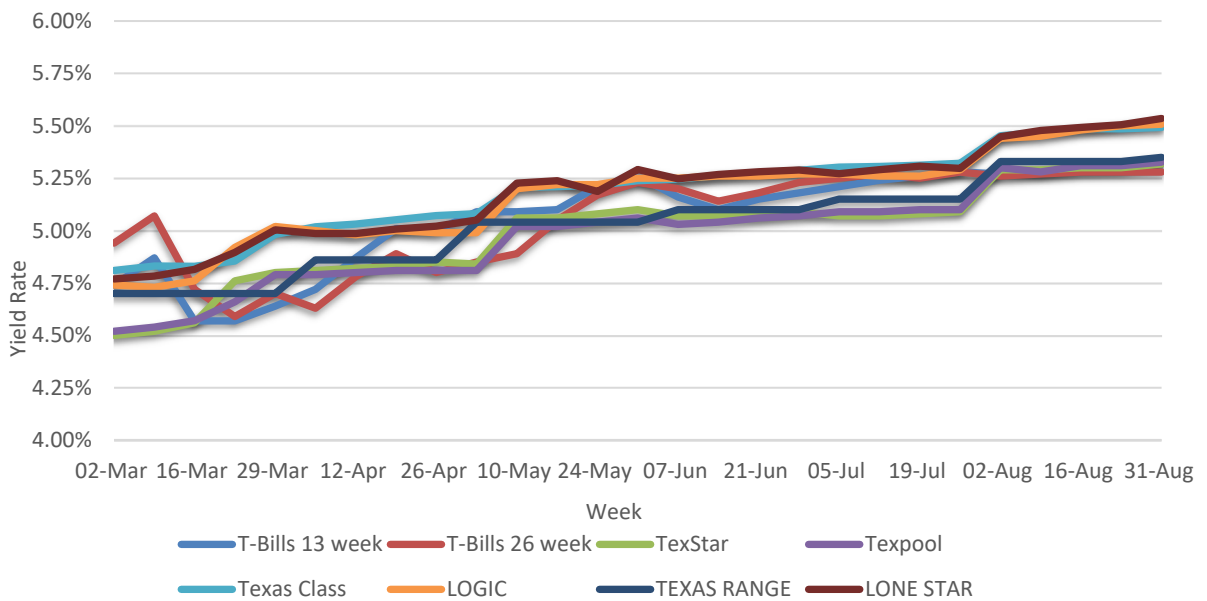
<b>Date: 2022- 2023</b>	<b>T-Bills 13 week</b>	<b>T-Bills 26 week</b>	<b>TexStar</b>	<b>Texpool</b>	<b>Texas Class</b>	<b>LOGIC</b>	<b>TEXAS RANGE^</b>	<b>LONE STAR</b>
01-Sep	2.88%	3.27%	2.08%	2.22%	2.44%	2.19%	2.20%	2.47%
08-Sep	2.97%	3.37%	2.09%	2.24%	2.53%	2.29%	2.24%	2.46%
15-Sep	3.12%	3.69%	2.13%	2.24%	2.57%	2.37%	2.27%	2.50%
22-Sep	3.19%	3.78%	2.66%	2.56%	2.70%	2.60%	2.60%	2.87%
29-Sep	3.26%	3.78%	2.77%	2.85%	3.12%	2.96%	2.90%	3.19%
06-Oct	3.32%	3.91%	2.84%	2.88%	3.19%	3.05%	3.02%	3.22%
13-Oct	3.64%	4.16%	2.85%	2.92%	3.20%	3.08%	3.05%	3.26%
20-Oct	3.97%	4.34%	2.88%	2.96%	3.24%	3.17%	3.06%	3.27%
27-Oct	3.95%	4.30%	2.89%	3.01%	3.32%	3.22%	3.13%	3.29%
03-Nov	4.06%	4.44%	3.48%	3.32%	3.42%	3.54%	3.28%	3.61%
10-Nov	4.09%	4.40%	3.58%	3.63%	3.89%	3.98%	3.67%	3.99%
17-Nov	4.13%	4.44%	3.64%	3.67%	3.95%	4.02%	3.73%	4.06%
24-Nov	4.21%	4.55%	3.64%	3.69%	3.99%	4.04%	3.74%	4.07%
01-Dec	4.22%	4.49%	3.68%	3.76%	4.04%	4.08%	3.82%	4.06%
08-Dec	4.17%	4.55%	3.68%	3.76%	4.13%	4.11%	3.90%	4.14%
15-Dec	4.22%	4.54%	4.14%	3.96%	4.25%	4.29%	4.09%	4.31%
22-Dec	4.24%	4.51%	4.20%	4.16%	4.50%	4.54%	4.33%	4.55%
29-Dec	4.34%	4.57%	4.21%	4.18%	4.52%	4.54%	4.34%	4.51%
05-Jan	4.51%	4.68%	4.24%	4.20%	4.53%	4.54%	4.36%	4.52%
12-Jan	4.50%	4.62%	4.25%	4.23%	4.58%	4.55%	4.37%	4.54%
19-Jan	4.55%	4.65%	4.26%	4.26%	4.59%	4.56%	4.37%	4.55%
26-Jan	4.55%	4.66%	4.27%	4.30%	4.61%	4.55%	4.37%	4.58%
02-Feb	4.53%	4.62%	4.45%	4.39%	4.65%	4.64%	4.57%	4.66%
09-Feb	4.64%	4.76%	4.49%	4.49%	4.76%	4.75%	4.57%	4.73%
16-Feb	4.70%	4.83%	4.51%	4.52%	4.78%	4.75%	4.57%	4.76%
23-Feb	4.71%	4.90%	4.51%	4.53%	4.78%	4.76%	4.57%	4.77%

^Texas Range monthly rates have been reported between 1/12/23 – 8/31/23

### Investment Rates - September 2022-February 2023



### Investment Rates - March 2023 - August 2023



<b>Date: 2023</b>	<b>T-Bills 13 week</b>	<b>T-Bills 26 week</b>	<b>TexStar</b>	<b>Texpool</b>	<b>Texas Class</b>	<b>LOGIC</b>	<b>TEXAS RANGE</b>	<b>LONE STAR</b>
02-Mar	4.74%	4.94%	4.50%	4.52%	4.81%	4.74%	4.70%	4.77%
09-Mar	4.87%	5.07%	4.52%	4.54%	4.83%	4.73%	4.70%	4.78%
16-Mar	4.57%	4.72%	4.56%	4.57%	4.83%	4.76%	4.70%	4.81%
23-Mar	4.57%	4.59%	4.76%	4.66%	4.86%	4.92%	4.70%	4.90%
29-Mar	4.64%	4.70%	4.80%	4.79%	4.98%	5.02%	4.70%	5.00%
05-Apr	4.72%	4.63%	4.81%	4.79%	5.02%	5.00%	4.86%	4.99%
12-Apr	4.87%	4.78%	4.82%	4.80%	5.03%	4.98%	4.86%	4.99%
19-Apr	5.01%	4.89%	4.83%	4.81%	5.05%	5.00%	4.86%	5.01%
26-Apr	5.00%	4.80%	4.85%	4.81%	5.07%	4.99%	4.86%	5.02%
03-May	5.09%	4.85%	4.84%	4.81%	5.08%	4.99%	5.04%	5.05%
10-May	5.09%	4.89%	5.06%	5.02%	5.21%	5.20%	5.04%	5.23%
17-May	5.10%	5.05%	5.06%	5.02%	5.21%	5.22%	5.04%	5.24%
24-May	5.21%	5.17%	5.08%	5.04%	5.22%	5.22%	5.04%	5.19%
31-May	5.26%	5.23%	5.10%	5.06%	5.24%	5.25%	5.04%	5.29%
07-Jun	5.16%	5.20%	5.07%	5.03%	5.25%	5.25%	5.10%	5.25%
14-Jun	5.10%	5.14%	5.07%	5.04%	5.26%	5.26%	5.10%	5.27%
21-Jun	5.15%	5.18%	5.07%	5.06%	5.28%	5.26%	5.10%	5.28%
28-Jun	5.18%	5.23%	5.09%	5.07%	5.29%	5.27%	5.10%	5.29%
05-Jul	5.21%	5.25%	5.07%	5.09%	5.30%	5.27%	5.15%	5.27%
12-Jul	5.24%	5.27%	5.07%	5.09%	5.31%	5.26%	5.15%	5.29%
19-Jul	5.26%	5.25%	5.08%	5.10%	5.31%	5.26%	5.15%	5.31%
26-Jul	5.28%	5.28%	5.09%	5.10%	5.32%	5.29%	5.15%	5.30%
02-Aug	5.27%	5.26%	5.29%	5.30%	5.45%	5.44%	5.33%	5.45%
09-Aug	5.28%	5.27%	5.29%	5.28%	5.47%	5.45%	5.33%	5.48%
16-Aug	5.29%	5.28%	5.30%	5.31%	5.49%	5.48%	5.33%	5.49%
23-Aug	5.30%	5.28%	5.30%	5.31%	5.49%	5.50%	5.33%	5.51%
31-Aug	5.32%	5.28%	5.32%	5.33%	5.49%	5.51%	5.35%	5.54%

**Pool Balances as of 8/31/2023**

FUND:	199	240	599	600	TOTAL
Texpool	51,186		1,515		52,701
Lone Star	63,614,652		887,522		64,502,174
Logic	174,395	1,554,995	2,487,716	100,279,040	104,496,145
TexStar	5,760		107,831		113,591
Texas CLASS	21,089,549		8,425,839		29,515,388
Texas Range	8,152,661				8,152,661
Balance:	93,088,203	1,554,995	11,910,423	100,279,040	206,832,661

**CD and Fixed Term Investment Inventory as of 8/31/2023**

**INVESTMENT INVENTORY AS OF 08/31/2023 (In order of maturity)**

HELD AT	DESCRIPTION	PURCHASE DATE	MATURITY DATE	DAYS TO MATURITY 8/31/2023	WEIGHTED AVERAGE MATURITY	INTEREST RATE	INVESTMENT AMOUNT	ACCRUED INTEREST	EST VALUE at MATURITY
Texas Range	Financial Federal Savings Bank, TN	08/17/22	08/17/23	-14	(0.02)	3.30	242,000.00	6,301.28	249,986.00
Texas Range	Great Midwest Bank,Ssb, WI	09/13/22	09/13/23	13	0.02	3.53	241,000.00	6,083.30	249,507.30
Texas Range	Corebank, OK	09/13/22	09/13/23	13	0.02	3.45	241,000.00	5,945.44	249,314.50
Texas Range	Security Bank, TN	10/04/22	10/04/23	34	0.04	4.20	239,000.00	6,600.33	249,038.00
Texas Range	The Bank of Jackson, TN	10/04/22	10/04/23	34	0.04	4.20	239,000.00	6,600.33	249,038.00
Texas Range	Texas Heritage National Bank, TX	10/12/22	10/12/23	42	0.05	4.21	239,000.00	6,395.51	249,061.90
Texas Range	First Priority Bank, OK	10/24/22	10/24/23	54	0.06	4.50	239,000.00	6,482.47	249,755.00
Texas Range	Global Bank, NY	10/25/22	10/25/23	55	0.06	4.65	238,000.00	6,596.40	249,067.00
Texas Range	T Bank, TX	10/25/22	10/25/23	55	0.06	4.60	239,000.00	6,640.20	249,994.00
Texas Range	Modern Bank, N.A., NY	10/26/2022	10/26/2023	56	0.06	4.65	238,000.00	6,609.88	249,067.00
Texas Range	Milledgeville State Bank, IL	12/15/2022	12/15/2023	106	0.12	4.90	238,000.00	5,367.72	249,662.00
Texas Range	Maplemark Bank, Tx	1/17/2023	1/17/2024	139	0.16	5.00	238,000.00	4,225.32	249,900.00
Texas Range	American Plus Bank, CA	1/17/2023	1/17/2024	139	0.16	4.80	238,000.00	4,225.32	249,424.00
Texas Range	Pacific Western Bank, CA	1/17/2023	1/17/2024	139	0.16	4.80	238,000.00	4,225.32	249,424.00
Texas Range	Eastbank, Na, NY	1/17/2023	1/17/2024	139	0.16	4.80	238,000.00	4,401.37	249,424.00
Texas Range	Bank of China, NY	2/21/2023	2/21/2024	174	0.20	5.00	238,000.00	3,260.27	249,900.00
Texas Range	West Pointe Bank, WI	2/21/2023	2/21/2024	174	0.20	5.00	238,000.00	3,260.27	249,900.00
Texas Range	First Internet Bank of Indiana, IN	3/23/2023	3/22/2024	204	0.23	5.59	236,000.00	2,431.68	249,192.40
Texas Range	Preferred Bank, CA	3/23/2023	3/22/2024	204	0.23	5.35	237,000.00	2,530.05	249,679.50
Texas Range	Royal Business Bank, CA	3/31/2023	3/28/2024	210	0.24	5.50	237,000.00	2,214.17	249,963.58
Texas Range	Mainstreet Bank, VA	4/12/2023	4/11/2024	224	0.26	5.45	237,000.00	1,769.38	249,916.50
Texas Range	First National Bank of Mogregor (The), TX	6/2/2023	5/31/2024	274	0.31	5.45	237,000.00	1,026.24	249,881.11
Texas Range	Farmers & Merchants Union Bank, WI	7/11/2023	7/10/2024	314	0.36	5.65	236,000.00	767.16	249,334.00
Texas Range	First Bank Of Ohio, OH	7/28/2023	7/26/2024	330	0.38	5.60	236,000.00	144.83	249,179.79
Texas Range	High Plains Bank, OK	7/28/2023	7/26/2024	330	0.38	5.70	236,000.00	147.42	249,415.15
Texas Range	Caldwell Bank & Trust Company	8/17/2023	8/16/2024	351	0.40	5.70	236,000.00	552.82	249,452.00
<b>CD Total</b>							5,481,000.00	104,804.48	6,487,476.73
								Est earnings	
<b>Texas Term</b>	Term -Texas TERM Dec 23	4/12/2022	03/31/23	-153	(0)	1.77	248,000.00	3,872.47	252,233.26
<b>TERM Fixed rate/fixed term TOTAL</b>							248,000.00	3,872.47	252,233.26