

**BOARD OF TRUSTEES
AGENDA**

<input type="checkbox"/> Workshop	<input checked="" type="checkbox"/> Regular	<input type="checkbox"/> Special
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- (A) Report Only Recognition

Presenter(s): ISMAEL MIJARES, DEPUTY SUPERINTENDENT FOR BUSINESS & FINANCE

Briefly describe the subject of the report or recognition presentation.

REVIEW INVESTMENT OFFICER'S ANNUAL REPORT OF INVESTMENT TRANSACTIONS FOR ALL FUNDS FOR THE QUARTER ENDED AUGUST 31, 2016.

- (B) Action Item

Presenter(s):

Briefly describe the action required.

- (C) **Funding source: Identify the source of funds if any are required.**

- (D) **Clarification: Explain any question or issues that might be raised regarding this item.**

THE ANNUAL INVESTMENT REPORT IS BEING PREPARED IN ACCORDANCE WITH BOARD POLICY CDA (LOCAL).

TO: Gilberto Gonzalez, Superintendent
FROM: Ismael Mijares
Deputy Superintendent for Business & Finance-Investment Officer
DATE: September 30, 2016
SUBJECT: ***ANNUAL INVESTMENT REPORT***

Attached is the District's Annual Investment Report in accordance with Board Policy CDA (Local). The Report includes statements for the period ending August 31, 2016. The following is a summary of the amounts invested in various accounts.

LONESTAR INVESTMENT POOL - CORPORATE OVERNIGHT PLUS FUND

ELEMENTARY FUND	313,940.04
GENERAL FUND	16,161,621.50
INTEREST & SINKING FUND	196,394.88
TOTAL:	\$16,671,956.42

The grand total of the District's investments on August 31, 2016 was \$16,671,956.42
The market value of these investments as of August 31, 2016 was \$16,673,774.67

The following yields earned on the District's investments should indicate the performance of the investments by comparing them to other indices.

<u>INVESTMENTS</u>	<u>AVERAGE 12-MONTH YIELD</u>	
	<u>2014-15</u>	<u>2015-16</u>
FIRST PUBLIC—LONE STAR INVESTMENT POOL - GOVERNMENT OVERNIGHT FUND	0.06%	0.26%
FIRST PUBLIC—LONE STAR INVESTMENT POOL - CORPORATE OVERNIGHT PLUS FUND	0.14%	0.43%

OTHER INDICES

<u>LONESTAR'S SOURCE</u>	<u>INDEX</u>	<u>RETURN</u>	
		<u>2014-15</u>	<u>2015-16</u>
STANDISH	30-DAY U.S. TREASURY BILL	0.01%	0.17%
STANDISH	90-DAY U.S. TREASURY BILL	0.02%	0.20%
STANDISH	6-MONTH U.S. TREASURY BILL	0.09%	0.36%
STANDISH	FEDERAL FUNDS	0.12%	0.30%

We will continue investing in the *First Public—Lone Star Investment Pool* for the 2016-17 school year.

Eagle Pass Independent School District

Schedule of Investments and Market Values

August 31, 2016

LONESTAR INVESTMENT POOL - **CORPORATE OVERNIGHT PLUS FUND**:

Account	Investments 8/31/2015	12 mth. Avg. Annual Yield	Market Values 8/31/2015	Investments 8/31/2016	12 mth. Avg. Annual Yield	Market Values 8/31/2016
Elementary Fund	312,614.31	0.14%	312,630.58	313,940.04	0.43%	313,974.28
General Fund	16,105,642.54	0.14%	16,106,480.88	16,161,621.50	0.43%	16,163,384.09
Interest & Sinking Fund	1,251,436.74	0.14%	1,251,501.88	196,394.88	0.43%	196,416.30
TOTAL OF INVESTMENTS	\$17,669,693.59	0.14%	\$17,670,613.34	\$16,671,956.42	0.43%	\$16,673,774.67

OTHER YIELD AVERAGES:

	8/31/2015*	11/30/2015*	2/29/2016*	5/31/2016*	8/31/2016**
Lonestar Investment Pool-Corporate Overnight Plus Fund	0.14%	0.20%	0.39%	0.53%	0.43%
Wall Street Journal 91-Day US Treasury Bill	0.03%	0.06%	0.28%	0.28%	0.23%
Wall Street Journal 6-Month US Treasury Bill	0.09%	0.21%	0.47%	0.42%	0.38%
Cash in bank accounts	0.13%	0.16%	0.38%	0.38%	0.33%

* 3-Month Average

** 12-Month Average

NOTE:

Cash in bank accounts as of 8/31/16--\$23,195,709.19: Food Service Fund \$216,675.52.; General Operating Fund \$21,445,101.58; AND I&S Fund \$1,533,932.09.
Federal Deposit Insurance Corporation and Market Value of Pledged Amount: \$500,000 + \$33,300,000 = \$33,800,000.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
Schedule of Investments and Interest Earned
As of August 31, 2016

Fund	Fund Code	Account Type	Investments	Interest Earned	Investments	Interest Earned
			Account Balance as of 08/31/2015	09/01/2014 to 8/31/2015	Account Balance as of 08/31/2016	09/01/2015 to 8/31/2016
Elementary Fund	865	Corporate Overnight Plus Fund	312,614.31	451.05	313,940.04	1,325.73
General Fund	199	Corporate Overnight Plus Fund	16,105,642.54	33,156.69	16,161,621.50	90,503.70
Interest & Sinking Fund	518	Corporate Overnight Plus Fund	1,251,436.74	6,271.66	196,394.88	15,573.76
		Total Invested/Interest Earned	<u>17,669,693.59</u>	<u>39,879.40</u>	<u>16,671,956.42</u>	<u>107,403.19</u>

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
As of August 31, 2016
Cash in Bank Accounts

Food Service Fund		216,675.52
General Fund		
Tax Collections-Escrow Account	404,254.66	
Designated Purpose Fund	111,777.30	
Tax Collections-Credit Card/ACH Payments	44,447.65	
Payroll Fund	986,745.33	
Disbursement Fund	2,735,340.11	
Elementary Fund	161,791.28	
EPISD Non-Interest Bearing Account	1,000,000.00	
Health Insurance Fund	6,328,158.52	
General Operating	9,672,586.73	21,445,101.58
I & S Fund-Bond Series		<u>1,533,932.09</u>
Total		<u><u>23,195,709.19</u></u>

* Federal Deposit Insurance Corporation	500,000.00
** Pledged Amount (LOC)	<u>33,300,000.00</u>
TOTAL	<u>33,800,000.00</u>
Amount Over/(Under) Pledged	10,604,290.81

* Federal Deposit Insurance Corporation (FDIC) amount provided by the U.S. government as collateral to insure deposits.
 ** Irrevocable Letter of Credit (ILOC) amount provided by Compass Bank as collateral to protect deposits as required by the Public Funds Investment Act. The ILOC issued by Compass Bank is held independently by the Federal Home Loan Bank of Atlanta and the school district is the only entity that is entitled to draw funds against it should the bank fail.

Checking Account Interest Rates			3-Month	12-Mo.
3-Month Avg*	3-Month Avg**	3-Month Avg***	3-Month Avg****	Average
9/15-11/15	12/15-02/16	03/16-05/16	06/16-08/16	
0.16%	0.38%	0.38%	0.40%	0.33%

- * 91-Day Treasury Bill Rate: 0.06% + Bank Basis Points: .10% = 0.16%
- ** 91-Day Treasury Bill Rate: 0.28% + Bank Basis Points: .10% = 0.38%
- *** 91-Day Treasury Bill Rate: 0.28% + Bank Basis Points: .10% = 0.38%
- **** 91-Day Treasury Bill Rate: 0.30% + Bank Basis Points: .10% = 0.40%

<u>CD Interest Rates 12-Month Average</u>		
3-Month	6-Month	9-Month
0.18%	0.22%	0.26%

BBVA Compass will evaluate each CD rate solicitation upon request.

**BBVA COMPASS
EAGLE PASS INDEPENDENT SCHOOL DISTRICT
DEPOSITORY CONTRACT
LIMITS**

PLEGDED AMOUNT:

FDIC	\$	500,000.00
SECURITIES: Book Value		-
Market Value		-
Letter of credit (LOC)	\$	33,300,000.00

Total Collateral	\$	33,800,000.00
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BANK ACCOUNT BALANCES AS OF: August 31, 2016

Eagle Pass ISD	3003202299	1,000,000.00
Designated Purpose Fund	3001202264	111,777.30
Disbursement Fund	3003202248	2,735,340.11
Elementary Fund	3003202272	161,791.28
Tax Collections-Escrow Account	0110400402	404,254.66
Food Service Fund	3001202280	216,675.52
General Operating Fund	3003603125	9,672,586.73
Health Insurance Fund	2517032800	6,328,158.52
I&S Fund	3003202307	1,533,932.09
Payroll Fund	3003202221	986,745.33
Tax Collections-Credit Card/ACH	3003018664	44,447.65

Certificates of Deposit	\$	-
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Total Checking Account Balances	\$	23,195,709.19
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Amount Over/(Under) Pledged	\$	10,604,290.81
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**BBVA COMPASS
EAGLE PASS INDEPENDENT SCHOOL DISTRICT
DEPOSITORY CONTRACT
LIMITS**

PLEGDED AMOUNT:

FDIC	\$	500,000.00
SECURITIES: Book Value		-
Market Value		-
Letter of credit (LOC)	\$	33,300,000.00

Total Collateral	\$	33,800,000.00
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BANK ACCOUNT BALANCES AS OF: August 31, 2015

Eagle Pass ISD	3003202299	1,000,000.00
Designated Purpose Fund	3001202264	50,194.49
Disbursement Fund	3003202248	1,779,355.01
Elementary Fund	3003202272	88,826.27
Tax Collections-Escrow Account	0110400402	365,585.60
Food Service Fund	3001202280	427,057.44
General Operating Fund	3003603125	9,145,520.12
Health Insurance Fund	2517032800	5,127,409.86
I&S Fund	3003202307	385,302.79
Payroll Fund	3003202221	3,962,225.93
Tax Collections-Credit Card/ACH	3003018664	30,039.03

Certificates of Deposit	\$	-
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Total Checking Account Balances	\$	22,361,516.54
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Amount Over/(Under) Pledged	\$	11,438,483.46
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Participant #: 159901

Lone Star
Investment Pool **2016 4th Quarter**
Quarterly Statement

Statement Period: 06/01/2016 to 08/31/2016

Ismael Mijares
Eagle Pass ISD
1420 Eidson Rd
Eagle Pass, Texas 78852-5410



Summary of Portfolio Holdings

Account	Fund	Number of Shares	Price Per Share	Account Book Value (USD)	Account Market Value (USD)	% Port.
<i>Elementary Fund</i>	Corporate Overnight Plus Fund	627,880.08	0.50	313,940.04	313,974.28	1.88%
Totals:				313,940.04	313,974.28	

Account	Fund	Number of Shares	Price Per Share	Account Book Value (USD)	Account Market Value (USD)	% Port.
<i>General Fund</i>	Corporate Overnight Plus Fund	32,323,243.00	0.50	16,161,621.50	16,163,384.09	96.94%
Totals:				16,161,621.50	16,163,384.09	

Account	Fund	Number of Shares	Price Per Share	Account Book Value (USD)	Account Market Value (USD)	% Port.
<i>Interest & Sinking Fund</i>	Corporate Overnight Plus Fund	392,789.76	0.50	196,394.88	196,416.30	1.18%
Totals:				196,394.88	196,416.30	

Totals

Fund	Number of Shares	Price Per Share	Fund Balance (USD)	% Port.
Corporate Overnight Fund	0.00	1.00	0.00	0.00 %
Government Overnight Fund	0.00	1.00	0.00	0.00 %
Corporate Overnight Plus Fund	33,343,912.84	.50	16,671,956.42	100.00 %
Total Value:			16,671,956.42	100.00 %

Portfolio Transactions

Elementary Fund - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
06/01/2016	Starting Balance	626,957.22			313,478.61
06/30/2016	Interest	627,246.26	289.04	0.50	144.52
07/29/2016	Interest	627,553.60	307.34	0.50	153.67
08/31/2016	Interest	627,880.08	326.48	0.50	163.24
08/31/2016	Ending Balance	627,880.08			313,940.04

General Fund - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
06/01/2016	Starting Balance	50,630,811.60			25,315,405.80
06/02/2016	Withdrawal	50,608,067.92	-22,743.68	0.50	-11,371.84
06/02/2016	Withdrawal	40,608,067.92	-10,000,000.00	0.50	-5,000,000.00
06/06/2016	Deposit	40,698,086.36	90,018.44	0.50	45,009.22
06/06/2016	Deposit	40,865,006.36	166,920.00	0.50	83,460.00
06/06/2016	Withdrawal	40,608,067.92	-256,938.44	0.50	-128,469.22
06/07/2016	Withdrawal	40,414,572.34	-193,495.58	0.50	-96,747.79
06/10/2016	Deposit	42,194,418.46	1,779,846.12	0.50	889,923.06
06/13/2016	Withdrawal	40,414,572.34	-1,779,846.12	0.50	-889,923.06
06/14/2016	Deposit	40,479,306.92	64,734.58	0.50	32,367.29
06/14/2016	Withdrawal	40,414,572.34	-64,734.58	0.50	-32,367.29
06/14/2016	Vendor Payment Texas State Natural Gas, Inc. RFC-87629 Monthly Billing	40,411,450.42	-3,121.92	0.50	-1,560.96
06/14/2016	Withdrawal	30,411,450.42	-10,000,000.00	0.50	-5,000,000.00
06/15/2016	Deposit	30,414,117.10	2,666.68	0.50	1,333.34
06/16/2016	Vendor Payment Tristar Risk Management RFC-94818 INV-98504	30,385,518.22	-28,598.88	0.50	-14,299.44
06/16/2016	Vendor Payment Tristar Risk Management RFC-94830 INV-98429	30,360,603.72	-24,914.50	0.50	-12,457.25
06/24/2016	Deposit	30,365,937.06	5,333.34	0.50	2,666.67
06/24/2016	Deposit	48,553,011.06	18,187,074.00	0.50	9,093,537.00
06/27/2016	Vendor Payment HEB Grocery Company, LP Acct10013731000, Monthly Billing	48,528,661.62	-24,349.44	0.50	-12,174.72
06/27/2016	Withdrawal	48,520,661.60	-8,000.02	0.50	-4,000.01
06/29/2016	Withdrawal	38,520,661.60	-10,000,000.00	0.50	-5,000,000.00
06/30/2016	Interest	38,538,555.24	17,893.64	0.50	8,946.82
07/06/2016	Withdrawal	38,457,579.06	-80,976.18	0.50	-40,488.09
07/08/2016	Vendor Payment Tristar Risk Management RFC-94819 INV-98650	38,447,898.58	-9,680.48	0.50	-4,840.24
07/08/2016	Vendor Payment Tristar Risk Management RFC-94790 INV-98730	38,421,609.92	-26,288.66	0.50	-13,144.33
07/12/2016	Deposit	38,424,862.96	3,253.04	0.50	1,626.52
07/12/2016	Vendor Payment Texas State Natural Gas, Inc. RFC-97356 Monthly Billing	38,423,080.72	-1,782.24	0.50	-891.12
07/12/2016	Vendor Payment HEB Grocery Company, LP Acct No.10013731000, Monthly Billing	38,417,272.78	-5,807.94	0.50	-2,903.97
07/14/2016	Withdrawal	38,414,019.74	-3,253.04	0.50	-1,626.52
07/14/2016	Withdrawal	26,414,019.74	-12,000,000.00	0.50	-6,000,000.00
07/21/2016	Deposit	26,617,695.74	203,676.00	0.50	101,838.00
07/21/2016	Deposit	27,164,379.74	546,684.00	0.50	273,342.00
07/21/2016	Deposit	29,894,779.74	2,730,400.00	0.50	1,365,200.00
07/21/2016	Deposit	30,224,983.74	330,204.00	0.50	165,102.00
07/21/2016	Deposit	30,287,767.74	62,784.00	0.50	31,392.00
07/25/2016	Deposit	48,205,855.74	17,918,088.00	0.50	8,959,044.00
07/25/2016	Withdrawal	44,332,107.74	-3,873,748.00	0.50	-1,936,874.00
07/29/2016	Interest	44,349,729.56	17,621.82	0.50	8,810.91
08/02/2016	Vendor Payment TASB Risk Management Fund 2Q2016	44,334,568.96	-15,160.60	0.50	-7,580.30

General Fund - Corporate Overnight Plus Fund (Continued)

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
08/03/2016	Vendor Payment Tristar Risk Management RFC-94797 INV-98867	44,303,243.76	-31,325.20	0.50	-15,662.60
08/04/2016	Withdrawal	34,303,243.76	-10,000,000.00	0.50	-5,000,000.00
08/10/2016	Vendor Payment Tristar Risk Management RFC-94807 INV-98947	34,285,590.62	-17,653.14	0.50	-8,826.57
08/11/2016	Withdrawal	34,226,690.06	-58,900.56	0.50	-29,450.28
08/12/2016	Vendor Payment Texas State Natural Gas, Inc. RFC-97383 Monthly Billing	34,224,651.20	-2,038.86	0.50	-1,019.43
08/15/2016	Deposit	34,713,899.66	489,248.46	0.50	244,624.23
08/15/2016	Deposit	34,797,929.66	84,030.00	0.50	42,015.00
08/15/2016	Withdrawal	34,224,651.20	-573,278.46	0.50	-286,639.23
08/16/2016	Withdrawal	30,224,651.20	-4,000,000.00	0.50	-2,000,000.00
08/16/2016	Withdrawal	30,214,651.20	-10,000.00	0.50	-5,000.00
08/17/2016	Deposit	30,224,651.20	10,000.00	0.50	5,000.00
08/19/2016	Deposit	31,465,756.72	1,241,105.52	0.50	620,552.76
08/19/2016	Deposit	31,703,914.72	238,158.00	0.50	119,079.00
08/19/2016	Deposit	31,729,168.72	25,254.00	0.50	12,627.00
08/19/2016	Deposit	31,960,194.72	231,026.00	0.50	115,513.00
08/19/2016	Deposit	33,220,070.72	1,259,876.00	0.50	629,938.00
08/19/2016	Vendor Payment Tristar Risk Management RFC-94815 INV-99087	33,188,821.50	-31,249.22	0.50	-15,624.61
08/19/2016	Withdrawal	30,193,401.98	-2,995,419.52	0.50	-1,497,709.76
08/22/2016	Deposit	30,382,966.40	189,564.42	0.50	94,782.21
08/25/2016	Deposit	30,645,994.40	263,028.00	0.50	131,514.00
08/25/2016	Withdrawal	30,456,429.98	-189,564.42	0.50	-94,782.21
08/25/2016	Vendor Payment HEB Grocery Company, LP Acct-10013731000, Monthly Billing	30,455,940.30	-489.68	0.50	-244.84
08/30/2016	Deposit	30,482,076.14	26,135.84	0.50	13,067.92
08/30/2016	Deposit	32,332,076.14	1,850,000.00	0.50	925,000.00
08/30/2016	Withdrawal	32,305,940.30	-26,135.84	0.50	-13,067.92
08/31/2016	Interest	32,323,243.00	17,302.70	0.50	8,651.35
08/31/2016	Ending Balance	32,323,243.00			16,161,621.50

Interest & Sinking Fund - Corporate Overnight Plus Fund

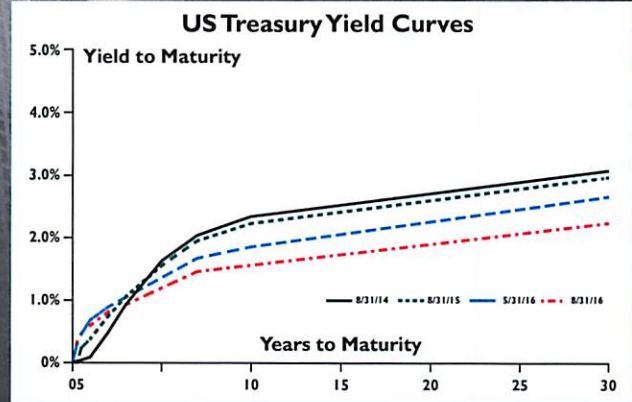
Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
06/01/2016	Starting Balance	9,805,880.70			4,902,940.35
06/30/2016	Interest	9,810,401.46	4,520.76	0.50	2,260.38
07/29/2016	Interest	9,815,208.44	4,806.98	0.50	2,403.49
08/08/2016	Withdrawal	5,132,426.22	-4,682,782.22	0.50	-2,341,391.11
08/08/2016	Withdrawal	391,526.22	-4,740,900.00	0.50	-2,370,450.00
08/31/2016	Interest	392,789.76	1,263.54	0.50	631.77
08/31/2016	Ending Balance	392,789.76			196,394.88

Important Information about this statement

Please review this statement carefully, it is the official record of your account with Lone Star Investment Pool and First Public, LLC. If you disagree with any transaction, or if there are any errors or omissions in this statement please notify us promptly in writing, but no later than 10 business days after receipt of this statement. Trades pending settlement will not appear on this statement. All such trades will appear in the next monthly statement. The yield for the period is an annualized rate that reflects the relationship between the average amount of income earned and the average daily balance for the account. Please notify First Public promptly and in writing of any changes of address or phone number. Times of transactions will be furnished upon written request. The Lone Star Investment Pool Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, charges and expenses associated with municipal fund securities before investing. All transactions are no load. No remuneration has, or will be, paid to any entity in connection with this transaction. An investor may obtain an Information Statement by contacting First Public at the address and phone number identified above. An investment in Lone Star investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency and although Lone Star Investment Pool seeks to preserve the value of the investment at a fixed share price, it is possible to lose money by investing in municipal fund securities.

Lone Star Investment Pool Quarterly Position Report—August 31, 2016

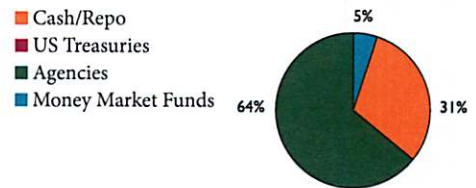
Treasury yields were volatile in the three-month period ending in August as the two-year note traded in a range of 0.55% to 0.90%. Yields fell sharply in June due to a shockingly weak payroll number and the UK referendum that resulted in a vote to leave the European Union. Yields bounced back in July and August as the following two labor reports were strong enough to convince the market that May was not an indication of a weakening labor market, and the market shrugged off the referendum vote. Money market reform will be fully implemented in October, and that has caused a sharp increase in the steepness of the money market curve as three-month LIBOR rose to 0.84% as of the end of August. The next FOMC meeting is scheduled for September 21. Pricing in the Fed funds futures market as of August 31 was indicating a 32% chance of a rate hike at this meeting and a 59% chance of a hike by the December meeting.



Government Overnight Fund

Duration 0.13693

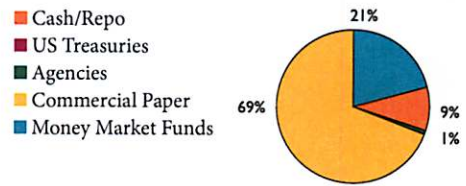
	Participant Assets	Market Value
Beginning-of-Quarter Balance	3,364,958,327.46	3,365,301,328.95
Deposits	1,339,882,594.18	
Withdrawals	(2,138,227,814.61)	
End-of-Quarter Balance	2,566,613,107.03	2,567,436,701.42



Corporate Overnight Fund

Duration 0.14233

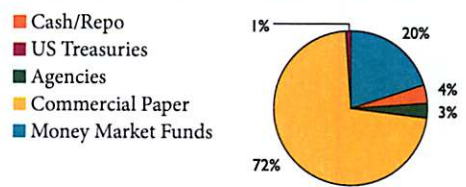
	Participant Assets	Market Value
Beginning-of-Quarter Balance	1,917,795,506.26	1,918,049,995.14
Deposits	948,825,130.77	
Withdrawals	(1,354,516,831.64)	
End-of-Quarter Balance	1,512,103,805.39	1,512,250,354.58



Corporate Overnight Plus Fund

Duration 0.15759

	Participant Assets	Market Value
Beginning-of-Quarter Balance	4,161,174,056.63	4,161,855,051.86
Deposits	2,561,129,810.94	
Withdrawals	(3,455,300,629.35)	
End-of-Quarter Balance	3,267,003,238.22	3,267,359,538.32



Returns

	June		July		August	
	Average Rate	7-day SEC Yield	Average Rate	7-day SEC Yield	Average Rate	7-day SEC Yield
Govt Overnight Fund	0.36%	0.38%	0.37%	0.37%	0.39%	0.40%
Corp Overnight Fund	0.54%	0.55%	0.56%	0.55%	0.58%	0.59%
Corp Overnight Plus Fund	0.56%	0.57%	0.58%	0.58%	0.61%	0.62%

William Mastrodicasa
William Mastrodicasa

Lone Star Investment Pool Investment Officers

Chris Szaritsko
Chris Szaritsko

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