

Investment Portfolio



Quarterly Report

For the Period December 1, 2024
through February 28, 2025



District Business and
Finance Website:

<https://www.nisd.net/district/finance.com>



Northside
Independent School District

Investment Portfolio for the Quarter Ended

February 28, 2025

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**Northside Independent School District
5900 Evers Road
San Antonio, Texas 78238**

April 22, 2025

Members of the Board:

This report summarizes the portfolio position and activity of the Northside Independent School District for the period December 1, 2024 through February 28, 2025.

	<u>11/30/24</u>	<u>02/28/25</u>
Book Value	\$ 887,933,451	\$ 1,206,988,596
Market Value	887,992,153	1,207,013,091
Par Value	887,976,103	1,206,988,596
Weighted Average Maturity (Days)	16	7
Weighted Average Yield-to-Maturity of Portfolio	4.8089%	4.5035%
Yield-to-Maturity of 91 Day T-Bill	4.3600%	4.1800%

This quarterly report is presented in accordance with the Texas Government Code Section 2256.023 and NISD Board Policy. The investment officers hereby certify that, to the best of their knowledge on the date this report was created, Northside Independent School District is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of the District.

Respectfully submitted,

Megan Bradley

**Deputy Superintendent
Business and Finance**

Tiffany Contreras

**Assistant Superintendent
Budget and Finance**

Denise Knippa

**Director of Accounting and
Accounts Payable**

Tamara Payne

**Assistant Director Accounting
Treasury Management**

Quarterly Portfolio Compliance Review for Northside Independent School District February 28, 2025

Category		Comments
All securities purchased were authorized by the Public Funds Investment Act as well as by the District's approved local and legal investment policy	Yes	
Commercial paper rated not less than A1-P1, or equivalent	N/A	No commercial paper purchased or outstanding as of 02/28/25
Maximum maturities in all funds within legal limits of investment policies	Yes	
Portfolio benchmarked to 91 day U.S. Treasury Bill	Yes	91 Day T-Bill 4.1800% vs. 4.5035% Total Portfolio 91 Day T-Bill 4.1800% vs. 4.5087% General Fund
Pledged securities monitored according to investment policy	Yes	
Prudent measures taken to liquidate a downgraded investment	Yes	No investments were downgraded
Market prices of investments monitored in accordance with local investment policy	Yes	
Investment strategies of various District funds followed in accordance with local investment policy	Yes	
Sufficient liquidity of portfolio to meet anticipated cash flow requirements	Yes	

Investment Portfolio by Fund

02/28/25

	Days to Maturity	Current Yield	General Fund	Child Nutrition	Debt Service	Capital Projects	Internal Service	Trust & Agency	Total All Funds	% of Portfolio
Investment Pools										
L S Corporate Overnight Plus		4.52%	\$ 115,456,789	\$ 12,646,859	\$ 47,872,045	\$ 48,829,487	\$ -	\$ -	\$ 224,805,180	18.6%
L S Government Overnight		4.36%	8,616,431	-	3,178,333	-	-	-	11,794,764	1.0%
LOGIC		4.50%	68,890,924	-	28,397,016	24	11,987,851	-	109,275,815	9.1%
TexPool		4.36%	7,524,448	64,926	2,844,260	-	280,121	128,215	10,841,970	0.9%
TexPool Prime		4.49%	337,293,141	-	128,097,674	59,963,674	23,806,410	21,894,743	571,055,642	47.3%
TexSTAR		4.37%	7,244,293	-	3,210,808	-	-	-	10,455,101	0.9%
Texas CLASS		4.50%	66,330,603	-	20,235,383	147,194,138	-	-	233,760,124	19.4%
			611,356,629	12,711,785	233,835,519	255,987,323	36,074,382	22,022,958	1,171,988,596	97.1%
Agency Notes										
	0-30	5.00%	5,000,000	-	-	-	-	-	5,000,000	0.4%
	91-180	4.79%	10,000,000	-	-	-	-	5,000,000	15,000,000	1.2%
	365+	4.95%	15,000,000	-	-	-	-	-	15,000,000	1.2%
			30,000,000	-	-	-	-	5,000,000	35,000,000	2.9%
Total Invested Cash			641,356,629	12,711,785	233,835,519	255,987,323	36,074,382	27,022,958	1,206,988,596	100.0%
Accrued Interest			375,333	-	-	-	-	31,944	407,277	
Total Portfolio			\$ 641,731,962	\$ 12,711,785	\$ 233,835,519	\$ 255,987,323	\$ 36,074,382	\$ 27,054,902	\$ 1,207,395,873	
Weighted Average Maturity (Days)			13	1	1	1	1	26	7	

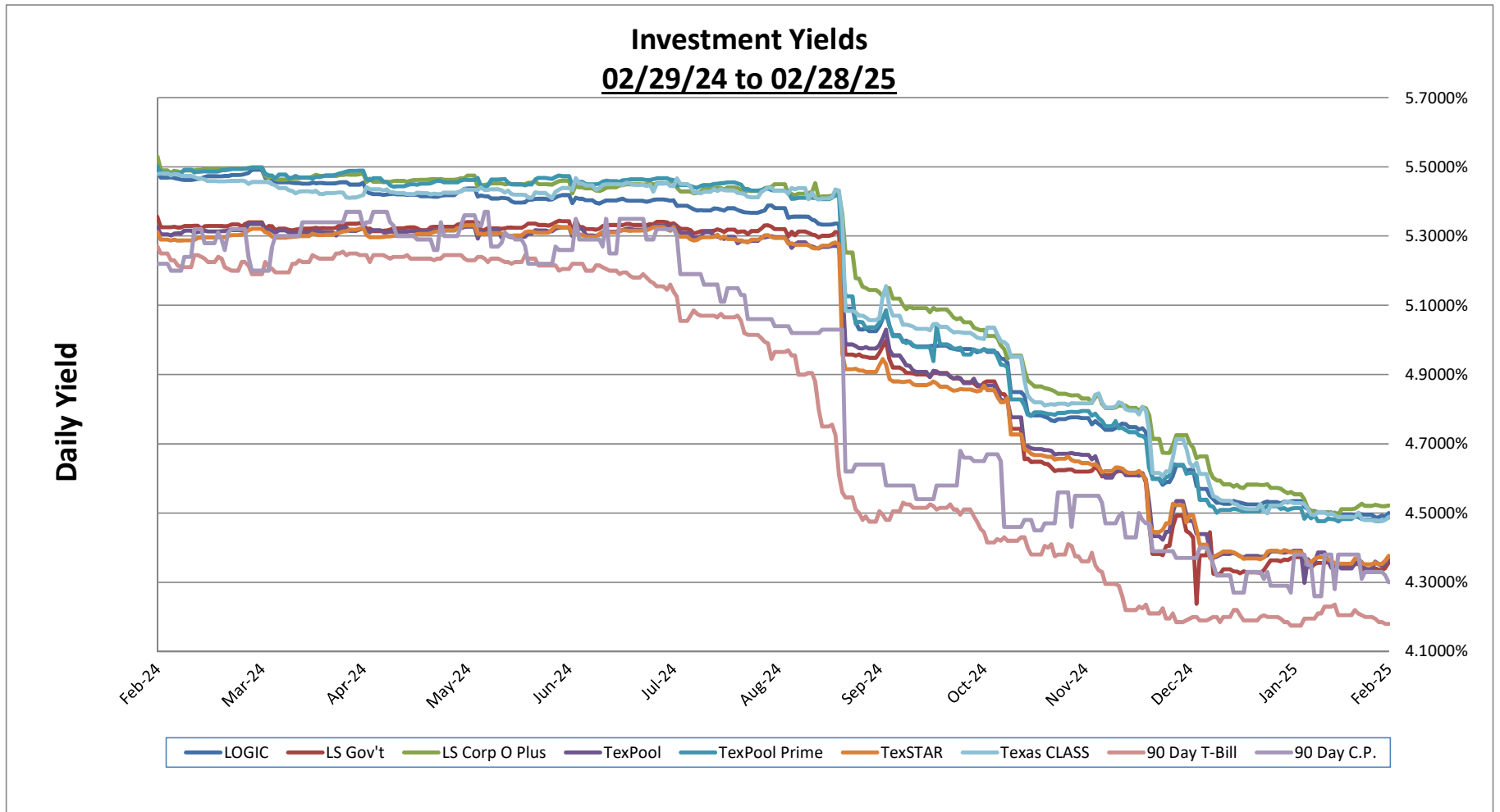
Year-to-Date Earnings and Returns

09/01/24 - 02/28/25

Cumulative Earnings:	General Fund	Child Nutrition	Debt Service	Capital Projects	Internal Service	Trust & Agency	Total All Funds
L S Corporate Overnight Plus	\$ 2,373,002	\$ 402,070	\$ 460,994	\$ 1,605,095	\$ -	\$ -	\$ 4,841,161
L S Government Overnight	195,826	-	73,185	-	-	-	269,011
LOGIC	1,611,956	-	243,885	484,360	284,663	-	2,624,864
TexPool	173,626	1,489	64,569	-	6,061	2,941	248,686
TexPool Prime	4,587,569	-	1,319,811	1,537,870	486,121	512,013	8,443,384
TexSTAR	165,650	-	73,420	-	-	-	239,070
Texas CLASS	1,651,284	-	200,241	3,677,031	-	-	5,528,556
Agency Notes (accrued)	1,201,977	-	-	-	-	125,000	1,326,977
	\$ 11,960,890	\$ 403,559	\$ 2,436,105	\$ 7,304,356	\$ 776,845	\$ 639,954	\$ 23,521,709

Annual Yields As of the Quarter Ended February 28, 2025

	Total All Funds			
	Cost	Market	Earnings	Annual Return
L S Corporate Overnight Plus	224,805,180	224,805,180	4,841,161	4.86%
L S Government Overnight	11,794,764	11,794,764	269,011	4.67%
LOGIC	109,275,815	109,275,815	2,624,864	4.83%
TexPool	10,841,970	10,841,970	248,686	4.69%
TexPool Prime	571,055,642	571,055,642	8,443,384	4.70%
TexSTAR	10,455,101	10,455,101	239,070	4.68%
Texas CLASS	233,760,124	233,760,124	5,528,556	4.84%
Agency Notes	35,000,000	35,024,495	1,326,977	4.98%
	\$ 1,206,988,596	\$ 1,207,013,091	\$ 23,521,709	4.80%



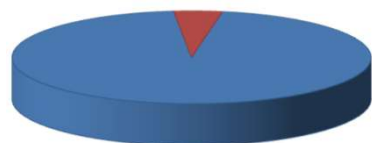
The Federal Reserve cut the federal funds rate on September 18, 2024 by 50 basis points (bps), on November 8, 2024 by 25 bps, and on December 18, 2024 by 25 bps to a range of 4.25% to 4.50%.

Portfolio Composition & Maturity Aging

02/29/24 vs. 02/28/25

Portfolio Composition 02/29/24

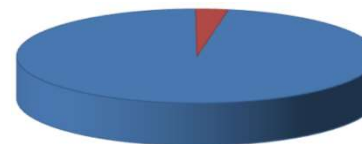
Agency Notes
4.4%



State Pools
95.6%

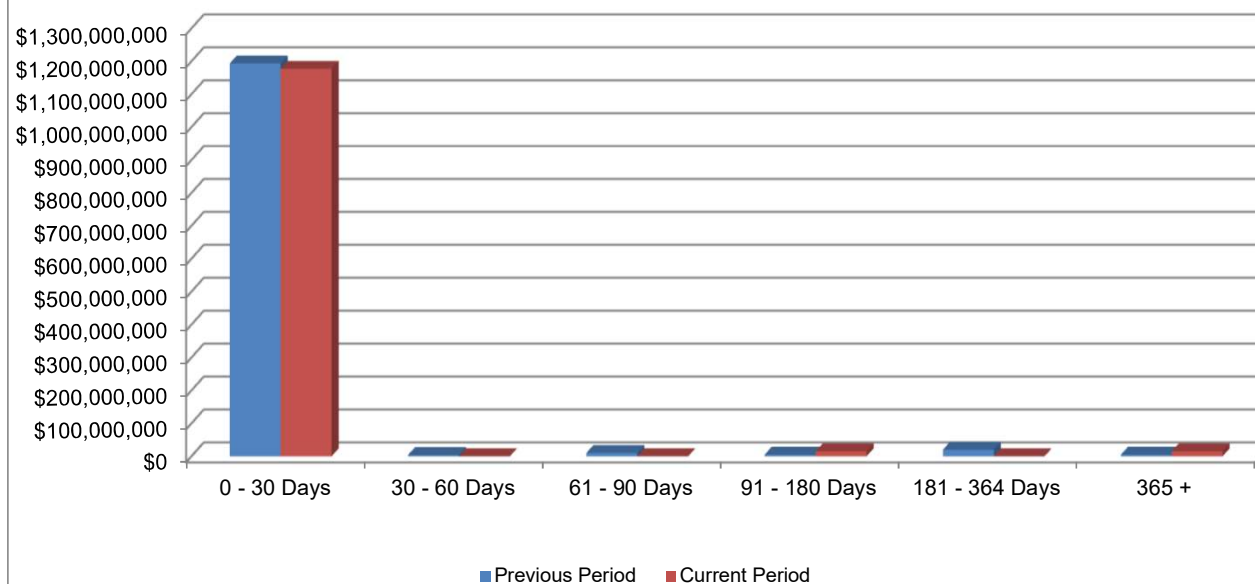
Portfolio Composition 02/28/25

Agency Notes
2.9%



State Pools
97.1%

Maturity Aging



Portfolio Position
12/01/24 - 02/28/25

Security Description	Call Date	Maturity Date	Book Value 12/01/24	Market Value 12/01/24	Purchases At Cost	Sales Proceeds	Book Value 02/28/25	Market Value 02/28/25
General Fund								
FHLBDN	Open	01/31/25	4,957,348	4,961,500	-	5,000,000	-	-
FFCB	Open	03/06/25	5,000,000	5,005,330	-	-	5,000,000	5,000,240
FFCB	Open	07/15/25	5,000,000	5,018,280	-	-	5,000,000	5,010,155
FFCB	Open	08/27/25	5,000,000	4,998,885	-	-	5,000,000	5,000,925
FHLB	01/09/25	01/09/26	5,000,000	4,995,755	-	5,000,000	-	-
FHLB	03/05/25	03/05/26	5,000,000	5,003,945	-	-	5,000,000	4,999,935
FHLB	04/24/25	04/24/26	5,000,000	5,010,710	-	-	5,000,000	5,001,710
FFCB	08/27/25	08/27/26	5,000,000	5,003,365	-	-	5,000,000	5,001,375
Agency Notes Total			39,957,348	39,997,770	-	10,000,000	30,000,000	30,014,340
TexPool			7,473,439	7,473,439	-	-	7,524,448	7,524,448
L S Corporate Overnight Plus			105,734,317	105,734,317	-	-	115,456,789	115,456,789
LOGIC			61,753,067	61,753,067	-	-	68,890,924	68,890,924
TexSTAR			7,165,549	7,165,549	-	-	7,244,293	7,244,293
TexPool Prime			134,855,977	134,855,977	-	-	337,293,141	337,293,141
L S Government Overnight			8,489,199	8,489,199	-	-	8,616,431	8,616,431
Texas CLASS			69,410,181	69,410,181	-	-	66,330,603	66,330,603
100 - Total General Fund			434,839,077	434,879,499	-	10,000,000	641,356,629	641,370,969
Food Service Fund								
TexPool			64,221	64,221	-	-	64,926	64,926
L S Corporate Overnight Plus			13,624,604	13,624,604	-	-	12,646,859	12,646,859
240 - Food Service Fund Total			13,688,825	13,688,825	-	-	12,711,785	12,711,785
Debt Service Fund								
TexPool			2,779,098	2,779,098	-	-	2,844,260	2,844,260
L S Corporate Overnight Plus			12,615,269	12,615,269	-	-	47,872,045	47,872,045
LOGIC			8,259,072	8,259,072	-	-	28,397,016	28,397,016
TexSTAR			3,175,907	3,175,907	-	-	3,210,808	3,210,808
TexPool Prime			39,724,986	39,724,986	-	-	128,097,674	128,097,674
L S Government Overnight			3,178,258	3,178,258	-	-	3,178,333	3,178,333
Texas CLASS			7,172,051	7,172,051	-	-	20,235,383	20,235,383
500 - Debt Service Fund Total			76,904,641	76,904,641	-	-	233,835,519	233,835,519
Building Fund								
L S Corporate Overnight Plus			64,397,566	64,397,566	-	-	48,829,487	48,829,487
LOGIC			16,954,737	16,954,737	-	-	24	24
TexPool Prime			65,638,116	65,638,116	-	-	59,963,674	59,963,674
Texas CLASS			154,545,322	154,545,322	-	-	147,194,138	147,194,138
600 - Building Fund Total			301,535,741	301,535,741	-	-	255,987,323	255,987,323
Internal Service Fund								
TexPool			280,586	280,586	-	-	280,121	280,121
LOGIC			12,006,212	12,006,212	-	-	11,987,851	11,987,851
TexPool Prime			22,025,924	22,025,924	-	-	23,806,410	23,806,410
700 - Internal Service Fund Total			34,312,722	34,312,722	-	-	36,074,382	36,074,382
Trust and Agency Fund								
FFCB	Open	07/15/25	5,000,000	5,018,280	-	-	5,000,000	5,010,155
Agency Notes Total			5,000,000	5,018,280	-	-	5,000,000	5,010,155
TexPool			126,822	126,822	-	-	128,215	128,215
TexPool Prime			21,525,623	21,525,623	-	-	21,894,743	21,894,743
800 - Trust and Agency Fund Total			26,652,445	26,670,725	-	-	27,022,958	27,033,113
PORTFOLIO GRAND TOTAL			887,933,451	887,992,153	-	10,000,000	1,206,988,596	1,207,013,091

Notes to Investment Portfolio

Period Ended February 28, 2025

1. SUMMARY OF INVESTMENT REQUIREMENTS AND RESPONSIBILITIES

House Bill 2459 of the 74th Texas Legislature requires that all governmental units have investment policies, restrict investment portfolios to only those specifically authorized by law, and submit quarterly reports to the governing body disclosing book and market values, and activity of the portfolio.

In compliance with HB2459, this report is intended to fulfill the legal requirement of reporting. All investments have been made in accordance with those prescribed by law and District policy.

Management of day-to-day activity is the responsibility of the Director of Accounting. The Deputy Superintendent of Business and Finance, the Assistant Superintendent for Budget and Finance, the Director of Accounting, and the Assistant Director of Accounting-Treasury Management, have been designated by the Board of Trustees as the District's Investment Officers.

2. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Resources are allocated and are accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Accordingly, the District's investments are accounted for by fund. District requirements and legal compliance preclude the accounting of investments in a single fund. Excess cash from various funds can be pooled to purchase a single investment; however, each individual fund is credited with their share of the investment and the related earnings for the investment.

The District's investments are reported at fair value in accordance with Governmental Accounting Standards Board, Statement No. 72, Fair Value Measurement and Application.

3. TYPES OF INVESTMENTS

From those investments authorized by law and described further in Board policy CDA (LEGAL), the Board has permitted investment of funds in only certain investments, consistent with strategies and maturities defined in its policy. The District

Notes to Investment Portfolio

Period Ended February 28, 2025

TYPES OF INVESTMENTS (continued)

limits its investments to these categories: government investment pools, U.S. agency securities, municipal bonds, commercial paper, repurchase agreements, and money market mutual funds.

a. GOVERNMENT INVESTMENT POOLS

The pools were organized in conformity with the Interlocal Cooperation Act and the Public Funds Investment Act which allow certain local governments and agencies of the State of Texas to jointly invest their funds in permitted investments. The objective of the pools is to yield the highest possible rate of return, while providing necessary safekeeping and protection of principle.

b. U. S. GOVERNMENT AGENCY NOTES

The federal government has established various agencies to channel funds to particular sectors of our economy. The agencies primary source of funds is the sale of debt securities. They are in the market every day and issue notes with maturities of less than 360 days, which may be purchased at a discount. They also issue medium-term notes with maturities of more than one year. All securities are held by Wells Fargo Securities Safekeeping/Customer Clearings Department, which provides safekeeping and securities clearing services for the District's securities.

The most commonly purchased notes by the District for the year were issued by the following agencies:

- Federal National Mortgage Association (FNMA), a federally chartered and stockholder owned corporation, is the largest investor in home mortgages in the United States.
- Federal Farm Credit Bank System (FFCB) provides credit and related services to agricultural related businesses and cooperatives, and rural utilities. System institutions are federally chartered and regulated by the Farm Credit Administration.
- Federal Home Loan Bank System (FHLB or FHLBDN) includes eleven Federal Home Loan Banks and their member institutions. The banks are instrumentalities of the United States and operate under the supervision of the Federal Housing Finance Agency. The FHLB System is a government sponsored enterprise to support mortgage lending and related community investment and are government chartered, member owned corporations.

Notes to Investment Portfolio

Period Ended February 28, 2025

TYPES OF INVESTMENTS (continued)

- Federal Home Loan Mortgage Corporation (FHLMC), also known as Freddie Mac, a federally chartered and stockholder owned corporation which provides funding to lenders in support of home ownership and rental housing for middle-income Americans.

c. COMMERCIAL PAPER

On February 10, 1999, the Board Finance Committee approved the discussion item on investing in commercial paper instruments. Commercial paper is primarily issued by corporations to finance receivables. It is a short-term promissory note ranging from three to 365 days in maturity. Commercial paper instruments are an approved investment consistent with the Northside ISD investment policy and objectives, and are permitted by Government Code 2256.013. No commercial paper was purchased or outstanding during 2024-25 fiscal year.

d. Municipal Bonds

Municipal bonds are debt securities issued by states, cities, countries, and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.

Investment balances as of the last five quarters were as follows:

	<u>02/29/24</u>	<u>05/31/24</u>	<u>08/31/24</u>	<u>11/30/24</u>	<u>02/28/25</u>
Government Investment Pools	\$ 1,183,298,840	\$ 1,090,702,888	\$ 816,731,820	\$ 842,976,103	\$ 1,171,988,596
U.S. Government Agency Notes (FFCB)	-	5,000,000	25,000,000	25,000,000	25,000,000
U.S. Government Agency Notes (FHLB)	15,000,000	35,000,000	35,000,000	15,000,000	10,000,000
U.S. Government Agency Notes (FHLMC)	15,000,000	15,000,000	10,000,000	-	-
U.S. Government Agency Notes (FNMA)	24,000,000	15,000,000	5,000,000	-	-
U.S. Government Agency Notes (FHLB Discount Note)	-	4,831,114	4,894,394	4,957,348	-
Accrued Interest	815,240	631,199	890,824	552,910	407,277
Total Portfolio	<u>\$1,238,114,080</u>	<u>\$1,166,165,201</u>	<u>\$ 897,517,038</u>	<u>\$ 888,486,361</u>	<u>\$ 1,207,395,873</u>

Notes to Investment Portfolio Period Ended February 28, 2025

4. **BROKER/ DEALERS**

Broker/Dealers currently registered with the District include:

Wells Fargo Brokerage Services, LLC
Hilltop Securities
FHN Financial
Mischler Financial

5. **INVESTMENT STRATEGIES**

a. **OPERATING FUNDS**

The strategy is to support the objectives of the investment policy. Investment strategies for operating funds (including any commingled pools containing operating funds) have as their primary objective safety, liquidity, and maturity sufficient to meet anticipated cash flow requirements. General funds and other operating funds are invested in investment pools as well as quality short-term instruments whose maturities do not exceed two years unless a temporary extension of maturities is reviewed by the Finance Committee of the Board of Trustees. The portfolio is diversified to protect against market risk and credit risk in any one sector.

b. **DEBT SERVICE FUNDS**

Investment strategies for debt service funds have as their objective sufficient liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.

c. **CAPITAL PROJECTS FUNDS**

Investment strategies for capital projects funds have as their objective sufficient liquidity to timely meet capital project obligations. If the District has funds from bond proceeds, they are invested in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.

d. **INTERNAL SERVICE AND TRUST & AGENCY FUNDS**

Investment strategies for internal service and agency funds have as their primary investment objective safety, liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Investment Portfolio Glossary of Terms

Book Value - The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

Broker - A broker brings buyers and sellers together for a commission.

Call Date - The date, prior to maturity, on which a called bond may be redeemed.

Certificate of Deposit - A low-risk, FDIC-insured or fully collateralized debt instrument offered by banks or savings and loans. It is a short or medium-term interest bearing instrument. It is also known as a "time deposit" because the account holder has agreed to keep the money in the account for a specified amount of time. Money removed before maturity is subject to a penalty.

Commercial Paper - A short-term investment instrument maturing between three and 365 days, which is primarily issued by corporations to finance receivables and inventory. A wide range of firms issue commercial paper, so credit ratings issued by Standard and Poor's Corporation and Moody's Investor's Service are closely watched. Public investors generally insist on short maturities, bank credit guarantees, and a rating of at least A1, P1.

Cusip # - A uniform security identification system established and administered by the Committee of Uniform Security Identification Procedures (CUSIP).

Discount - The difference between the cost price of a security and its maturity when quoted at lower than face value.

Discount Agency Notes - Securities whose principal and interest payments are guaranteed by government agencies, such as the Federal Home Loan Mortgage Corporation ("Freddie Mac") or the Federal National Mortgage Association ("Fannie Mae"). Discount notes are issued at a discount from the face (maturity) value. The investor's return, if held to maturity, is the difference between the purchase price and the face value.

Diversification - A risk management technique that involves dividing investment funds among a variety of securities offering independent returns.

Federal Funds Rate - The interest rate that banks with excess reserves at a Federal Reserve district bank charge other banks that need overnight loans. Changes in the Fed Funds rate, as it is called, often point to the direction of U.S. interest rate changes.

Investment Portfolio Glossary of Terms (continued)

Market Value - The current/face/par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing on the valuation date.

Maturity Date - The date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Note - A corporate debt instrument that is continuously offered to investors by an agent of the issuer. Investors can select from the following maturities: 9 months to 1 year, more than 1 year to 18 months, 18 months to 2 years, etc., up to 30 years.

Money Market Mutual Fund - A fund that invests in only short-term securities. The net asset value per share is maintained at \$1.00. Such funds are not federally insured, although the portfolio may consist of guaranteed securities and/or may have private insurance protection.

Net Asset Value - The value of a fund's investments. For a mutual fund, the net asset value per share represents the fund's market price.

Portfolio - A collection of securities held by an investor.

Repurchase Agreement - An agreement with a commitment by the seller to buy a security back from the purchaser at a designated future date. Also called a Repo, it represents a collateralized short-term loan, where the collateral may be a Treasury security, money market instrument, federal agency security, or mortgage-backed security.

Weighted Average Maturity - The average length of a portfolio weighted by the representative dollars invested at each maturity date.

Yield - The rate of annual income return on an investment expressed as a percentage.

Security Descriptions

FFCB	Federal Farm Credit Bank System Bond
FHLB	Federal Home Loan Bank System Bond
FHLMC	Federal Home Loan Mortgage Corporation Medium-term Note
FNMA	Federal National Mortgage Association Note
FHLBDN	Federal Home Loan Bank System Discount Note