

REVENUES FROM INVESTMENTS

All moneys are under the control of the Board, which extends to the Treasurer the responsibility of overseeing these funds. In addition, to the objectives detailed below, all relevant sections of the Ohio Revised Code are adhered to at all times.

Objectives:

The following objectives apply to the management of District Funds.

1. Investments are made in order to seek preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities, whether by default or erosion of market value, does not exceed the income generated from the remainder of the portfolio.
2. The District's portfolio remains sufficiently liquid to enable the District to meet reasonably anticipated operational requirements.
3. The portfolio is managed in such a way as to exceed or at least equal the market average rate of return over the course of budgetary and economic cycles, taking into account Ohio law (which restricts the type of investments), safety considerations and cash flow requirements.
4. Bank account relationships are managed in order to secure adequate services while minimizing costs.
5. All deposits are concentrated in one account except where audit control considerations dictate otherwise.
6. All interest income from investments and bank accounts is to be prorated to all funds required by state law and to any fund(s) with a balance of \$10,000.00 or more (excluding grants and debt).

Public Trust

All participants in the investment process act responsibly as custodians of public trust. Investment officials avoid any transactions that might impair confidence in the government of the District. The Board recognizes that in a diversified portfolio occasional measure losses are inevitable and must be considered within the context of the overall portfolio's investment return.

Investing Authority

The investing authority resides with the Treasurer. Such authority allows for the explicit delegation of authority to persons responsible for investment transactions.

The Treasurer signs and files the investment policies with the Auditor of State.

Authorized Financial Institutions and Dealers

U.S. Treasury and Agency securities and instrumentalities purchased outright are purchased through financial institutions located within the State of Ohio or through “primary securities dealers” located in the State of Ohio, as designated by the Federal Reserve Board, whenever possible. Changing portfolio needs may dictate the use of “primary securities dealers” outside of the State of Ohio. First consideration is given to State institutions.

Repurchase Agreements are transacted only through bank branches and/or through “primary securities dealers” located within the State of Ohio with which the District has a signed Master Repurchase Agreement as required in ORC Chapter 135.

Certificates of Deposit are transacted through commercial banks or savings and loans with either FDIC or FOLIC coverage that have branches within the District.

A list of these authorized institutions and dealers is maintained with the investing authority. Additions and deletions to this list are made when deemed in the best interest of the District.

Authorized Investments

The investing authority may invest on behalf of and in the name of the District in those instruments and other relevant sections of Chapter 135 ORC, at a price not exceeding their fair market value.

Maturity

Market conditions and cash flow requirements are considered in determining the term of an investment. Provided cash flow requirements have been satisfied, maturity length is determined by market conditions and interest rate forecasts with the goal being to buy where relative value exists along the maturity spectrum.

Diversification

Investments of the District are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities.

Collateral

All investments and deposits are collateralized pursuant to the Ohio Revised Code.

Competitive Bids

All sales and purchases of securities are bid competitively and to the extent practical are placed with the institution yielding the highest return. The right is reserved to reject the bid yielding the highest return on any investment if inconsistent with the investment strategy i.e., maturity, risk, liquidity, etc.

Internal Controls

The investing authority resides with the Treasurer. Such authority allows for the explicit delegation of authority to persons responsible for investment transactions.

The Treasurer signs and files the investment policies with the Auditor of State.

Reporting

The investing authority submits monthly an investment report that summarizes each investment, including its cost, par value, maturity date, settlement date, any coupon rate, and estimated market value, or, if available, the current market value.

Performance Evaluation

The monthly investment report contains sufficient information to permit an independent organization to evaluate the performance of the investment program.

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LEGAL REFS: Intergovernmental Cooperation Act
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