

## INVESTMENT OF DISTRICT FUNDS

The District recognizes that due to the timing of receipts and disbursements of funds, the District may, from time to time, have funds available for investment. The District considers an investment program a critical ingredient of sound fiscal management.

The investment program of the District will be administered in such a way that will ensure:

- A. A continuous process of temporarily investing idle funds;
- B. Investment in instruments that will provide liquidity, safety of principal and a reasonable rate of return; and
- C. All District investments comply with law.

The Superintendent or Designee shall manage all activities of the investment program in his/her discretion in such a manner as to accomplish the above objectives. The District staff shall be immune from prosecution and held harmless from any losses that may occur due to the failure of any depository to return capital and/or accrued interest to the District.

The Superintendent or Designee is authorized to execute, in the Board's name, any or all documents and transactions relating to the investment program in a timely manner and to confer with consultants regarding investment decisions when necessary.

Investments are permitted only in financial institutions designated as a public depository by the Board, in the Local Government Pooled Investment Fund, PMA Investments, and in the Wisconsin Investment Services Cooperative (WISC). Monies invested in PMA Investments and WISC may be invested in commercial paper when the security has the highest and second highest rating of one of the three national rating agencies (Moody's Investor Services, Standard & Poor or Fitch).

### Review of Financial Institutions

The Business Office may require financial institutions to submit reasonable information deemed necessary for the purpose of evaluating an institution's financial and operating condition. The information may include:

- A. Most recent audit report;
- B. Most recent quarterly report submitted to the supervising Federal agency;
- C. Most recent Uniform Bank Performance Report;
- D. Information on rating of the bank and/or bank holding company by rating firm; and
- E. Most recent management plan expressing overall mission of the financial institution.

Analytical services of an independent rating firm may be used to perform a periodic financial review. The financial review should attempt to emphasize the short-term nature of District investments and assess liquidity, credit risk, profitability and capitalization.

If a financial institution is rated in the lower 20% of peer banks, additional information on the depository will be reviewed. This additional information may include:

- A. Rating from other independent rating firms;
- B. Relationship of the financial institution with holding companies and the financial stability of the holding company;
- C. Ratings of investment or credit services; and
- D. Other factors deemed appropriate.

Legal

25.50, 66.0603, 67.10, Wis. Stats.

Approved: 10/14/2020