

Summary of Investment Policy Revisions 2018

Revised Policy includes the following changes summarized by the applicable section of the policy:

PREAMBLE

Added “as permitted by State statute” to define the source of the authorization to invest public funds.

SECTION II – GENERAL OBJECTIVES

1.b. Interest Rate Risk

Added the Illinois Trust Local Government Investment Pool as an additional interest bearing account investment option. This fund is AAA rated money market fund that provides a competitive option for the short-term cash investment needs of Illinois governments.

Added Corporate Notes as an additional investment option in accordance with the amendment to the Public Funds Investment Act (30 ILCS 235) effective August 10, 2018. This amendment provides authorization to invest public funds in obligations of corporations organized in the United States with assets exceeding \$500,000,000 with a maturity not later than 3 years (currently 270 days) from the date of purchase. The District will be authorized to purchase corporate notes in addition to short term commercial paper obligations which is currently an authorized investment subject to limitations based on the size of the investment portfolio. Corporate Notes must be rated within the top three investment grade ratings to be qualified for purchase by the District.

SECTION V – SUITABLE AND AUTHORIZED INVESTMENTS

1.b.i.,d., and g. Investment Types

Updated to use the merged name for the renamed Farm Credit Systems Bank due to the restructuring to the Farm Credit System pursuant to the Agricultural Credit Act of 1987. The District purchases government agency discount notes and bonds under this authorization.

Added allowable investment types summarized in 1.b. above.

SECTION VI – INVESTMENT PARAMETERS

1. Diversification

Added allowable investment types summarized in 1.b. above.

SECTION VII – REPORTING AND PERFORMANCE MEASURES

3. Marking to Market

Updated to reflect the implementation of GASB Statement 72, “Fair Value Measurement and Application” to define the market value calculation method for the investment portfolio. Effective for District financial statements 12/31/2016.

General Policy Updates

Replaced all references to Treasury Analyst and replaced with Treasury staff where possible to simplify references to positions within the Treasury staff. Added Accounting Manager as supervisory position that now exists within Treasury.

Replaced “major rating services” with “nationally recognized rating agencies” or “accredited national rating agencies” which is the current market definition.

Reorganized sections which define collateral requirements, bank and broker dealer qualifications to better clarify requirements.