

Investment Policies Review

- Required Resolution to amend policies (if any)
- List of Brokers included
- List of training sources

- 10 Hours Required Training
- Collateralization for all funds
 - Securities pledged by bank
 - Or Securities purchased
 - OR Investment Pool

Local Governments can invest in:

- A) Obligations of or guaranteed by Governmental entities (US and agencies)
- B) Certificates of Deposit (CDs)
- C) Repurchase Agreements (Repos)
- D) Banker's Acceptances (BA)
- E) Commercial Paper (A1, P1 Short Loans)

Local Governments can invest in:

F) Mutual Funds (No load –reg by SEC)

\$1 dollar Net Asset value -stable, 90 days or fewer, avg maturity of less than 2 years in securities in PFI Act, AAA)

G) Investment Pools (\$1 dollar Net Asset Value -stable, AAA)

Types of controls

- Strategy
- Diversification
- Three quotes (if available) when purchasing
- Investment pools
 - MBIA, Lone Star, TxTERM, Logic, Texpool
- Bank funds
- Four Investment Officers (co-authorization)
 - Jesus Amezcua, Rosa Maria Torres, Laura Mccoy and Belinda Salazar

Amount of Funds as of September 30, 2002

- Book Value \$163,561,288
- Market Value \$163,792,666
- Interest earned in: Average Yield
 - 2002-2003 Projected \$3,040,000 2%
 - 2001-2002 \$4,455,565 4%
 - 2000-2001 \$4,546,768 4%
 - 1999-2000 \$5,683,863 6%

Market Interest Rates Today

