



**Bloomington
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To: Board of Education
Dr. Jon Bartelt
From: Mr. John T. Reiniche 
Re: 4th Quarter Investment Report
Date: August 21, 2018

Background:

Board Policy 4:30 Revenue and Investments, requires that a quarterly report be presented to the Board of Education. Per the policy, the report will: (1) assess whether the investment portfolio is meeting the District's investment objectives, (2) identify each security by class or type, book value, income earned, and market value, (3) identify those institutions providing investment services to the District, and (4) include any other relevant information.

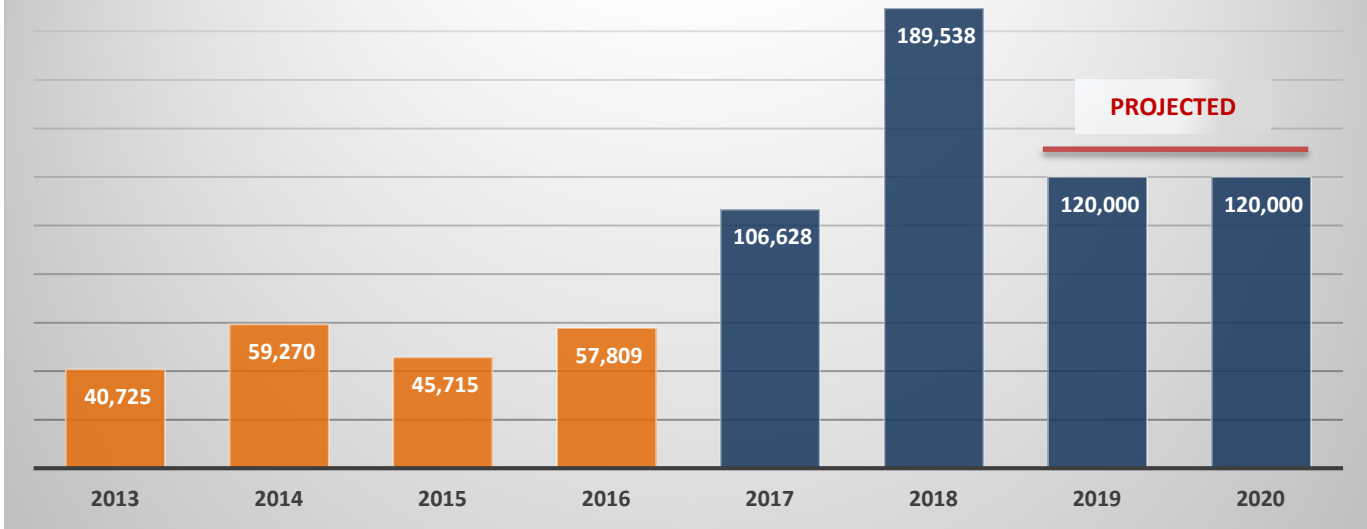
Situation:

This report addresses the district investment position for the 4th Quarter or for accounting period ending June 30, 2018. The District saw a very favorable positive outcome from its investment portfolio. At this time in FY 2015-16, the District recorded interest income of \$57,809, for FY 2016-2017 the district earned \$106,628. As of June 30, 2018 the district has earned \$189,538 in interest income or 178% higher than the prior year. Recently, we re-negotiated our operating bank account structure, which will increase the District's interest income by approximately \$12,000 per year. As expected, the District saw an upward trend with investment income for fiscal year 2018. The major contributing factors to this increase are higher interest rates, leveraging our fund balances and extending investments to take advantage of the yield curve, and maximizing our portfolio to take advantage of the FDIC \$250,000 threshold, and as mentioned renegotiating agreements. Attached to this memo are two reports. The first report will provide a nice overview of the District's investment portfolio. The second report you will find a detailed listing with all the pertinent information relative to policy 4:30.

Recommendation:

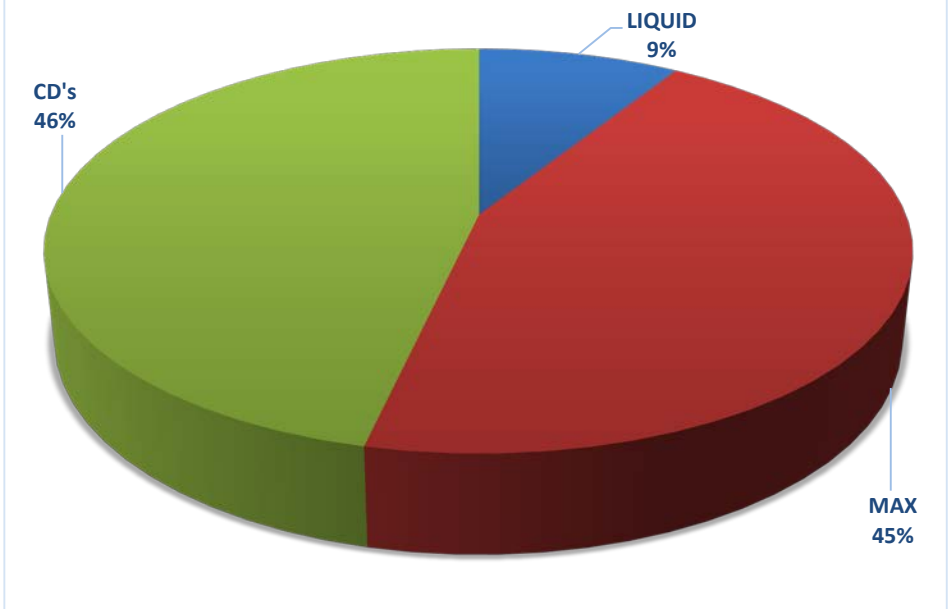
There is not recommendation to this item as it for informational purposes only.

Investment Income



The above chart reveals that interest income has increased by \$131,729 from fiscal year 2016 to fiscal year 2018 or by 325%. The preliminary interest income for 2018 is expected to be at \$189,538. Based upon the chart, it appears that the District will exceed its objectives.

Investment Summary



The chart to left provides a summary of the District's investment types to its portfolio. The majority of the District investments 46%, are with Certificate of Deposits or CD's. The District's weighted average portfolio yield is 2.035%. With a weighted average maturity of 210 days.