



Finance Committee Meeting
Thursday, February 13, 2025 at 4:15 p.m.

Meeting ID: 873 8953 8033
Passcode: 740018

Agenda

Item	Description	Presenters
1	Annual Financial Report and Audit for Texas Southmost College District for Fiscal Year Ending August 31, 2024	Dr. Gisela Figueroa Mr. Carlos Pecero
2	Consideration and possible action on adoption of a bank resolution for signature card authorization	Dr. Gisela Figueroa
3	Monthly Financial Statement Report for the months ended October 21, 2024, November 30, 2024 and December 31, 2024	Dr. Gisela Figueroa Mr. Carlos Pecero
4	Annual Investment report for Fiscal Year Ended August 31, 2024	Dr. Gisela Figueroa Mr. Carlos Pecero
5	Annual Review of CAK Local: Appropriations and Revenue Sources - Investments	Dr. Gisela Figueroa

Annual Financial Report and Audit for Texas Southmost College District for Fiscal Year Ending Aug. 31, 2024



Texas Southmost College District

BOARD AGENDA ITEM REQUEST FORM

Department/Division: Finance & Administration	Board Meeting Date: 02/20/2025
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Presenters:

Dr. Gisela Figueroa, Vice President for Finance and Administration and Mr. Carlos Pecero, Controller
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Agenda Item:

Annual Financial Report and Audit for Texas Southmost College District for Fiscal Year Ending August 31, 2024

Rationale/Background:

<p>The Texas Higher Education Coordinating Board (THECB) issues a manual for various reporting requirements, including the Annual Financial Report (AFR), in an effort to promote consistent and uniform reporting among the Texas public community and junior colleges.</p> <p>The AFR for Texas Southmost College meets the requirements of the THECB and is presented along with the audit results. All reporting requirements for the fiscal year ended 2024 have been completed and audited financial statements have been distributed to the various agencies listed in the THECB manual.</p>

Recommended Action:

There is no action required on this item. It is being provided for informational purposes only.

Fiscal Implications:

Budgeted Item: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:

FOR OFFICE USE ONLY:

Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A (Informational) <input type="checkbox"/> Tabled for action on:
Certified by: _____ Title: _____ Date: _____

Adoption of a Bank Resolution for Signature Card Authorization

2



Texas Southmost College District BOARD AGENDA ITEM REQUEST FORM

Department/Division: Finance & Administration	Board Meeting Date: 02/20/2025
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Presenters:

Dr. Gisela Figueroa, Vice President for Finance and Administration
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Agenda Item:

Consideration and possible action on adoption of a bank resolution for signature card authorization

Rationale/Background:

The banking resolution allows the College to update signature cards that reflect changes in TSC staff leadership.

Recommended Action:

To adopt a resolution for signature card authorization.

Fiscal Implications:

Budgeted Item: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:

FOR OFFICE USE ONLY:

Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A (Informational) <input type="checkbox"/> Tabled for action on:
Certified by: _____ Title: _____ Date: _____

Attachments

Bank Resolution

THE STATE OF TEXAS §

COUNTY OF CAMERON §

TEXAS SOUTHMOST COLLEGE DISTRICT

Resolution

Whereas, Texas Southmost College (the “College”) needs to maintain banking relationships with various financial institutions; and

Whereas, Such financial institutions require the College to designate officers who are authorized to sign documents on behalf of the College; and

Therefore, be it resolved by the Board of Trustees of Texas Southmost College designates the following officer(s) and/or authorized signatory(ies) as Authorized Signers to establish bank accounts on behalf of the College, close such accounts, operate such accounts, and designate persons to operate such accounts.

Name and Title

- | | |
|---------------------------------------|-----------------------|
| 1. <u>Adela G. Garza</u> | – TSC Board Chair |
| 2. <u>Dr. Norma Harris</u> | – TSC Board Secretary |
| 3. <u>Dr. Jesus Roberto Rodriguez</u> | – TSC President |
| 4. <u>Mr. Carlos Pecero</u> | - <u>Comptroller</u> |

Resolved further, that a banking institution may rely upon this resolution in its entirety until receipt of notice in writing of any modification and/or revocation of authorized persons.

Upon motion duly seconded, the above resolution was passed at the special meeting of the Board of Trustees held on the Day of February 20, 2025.

Adela G. Garza
TSC Board Chair

Dr. Norma Lopez Harris
TSC Board Secretary

Monthly Financial Statement Report for the months ended Oct. 21, 2024, Nov. 30, 2024 and Dec. 31, 2024



Texas Southmost College District

BOARD AGENDA ITEM REQUEST FORM

Department/Division: Finance & Administration	Board Meeting Date: 02/20/2025
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Presenters:

Dr. Gisela Figueroa, Vice President for Finance and Administration and Mr. Carlos Pecero, Controller

Agenda Item:

Monthly Financial Statement Report for the months ended October 21, 2024, November 30, 2024 and December 31, 2024

Rationale/Background:

The Monthly Financial Statements Report for Texas Southmost College is hereby submitted. The purpose of this report is to inform the Board on the financial conditions and performance of TSC on a monthly basis.

The preparation of monthly financial statements for Texas Southmost College is essential to ensure effective financial management, timely decision-making, and operational transparency.

Recommended Action:

No Action is Required

Fiscal Implications:

Budgeted Item: ☒ N/A ☐ Yes ☐ No If no, explain:
N/A

FOR OFFICE USE ONLY:

Board Action: Approved: ☐ Yes ☐ No ☐ N/A (Informational) ☐ Tabled for action on:

Certified by: _____ Title: _____ Date: _____

Attachments

Monthly Financial Statement Report for the month ended Oct, Nov & Dec _Presentation

MONTHLY FINANCIAL STATEMENT REPORT

Presented By:

Dr. Gisela Figueroa

Vice President of Finance and Administration

Mr. Carlos Pecero

Controller

February 20, 2025



Texas Southmost College
Budget vs Actual Report
For the month ended 12/31/2024

<u>EDUCATIONAL & GENERAL FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
REVENUES							
State Appropriation	\$ 21,018,334	\$ 9,247,109	\$ 26,400	\$ 970,970	\$ 10,244,479	\$ -	\$ (10,773,855)
Health / TRS / ORP- State Contributions	1,107,950	146,476	145,310	135,977	564,474	-	(543,476)
Ad Valorem Tax - Maintenance & Operations	19,121,829	7,865,308	4,437,285	1,702,200	14,101,880	-	(5,019,948)
Tuition and Fees	9,352,552	(4,944)	1,866,119	691,353	7,395,923	-	(1,956,629)
Workforce Training and Continuing Education	2,421,000	136,738	121,736	21,200	612,711	-	(1,808,289)
UTRGV Lease Revenue	1,779,838	144,279	144,279	-	832,458	-	(947,380)
UTRGV Utilities Share	453,295	109,487	48,720	-	158,207	-	(295,088)
Interest Income	1,120,000	171,595	145,507	555,662	1,414,260	-	294,260
Child Care	159,320	4,223	13,384	8,043	39,007	-	(120,313)
Other Income	-	42,181	7,809	15,633	62,699	-	62,699
Dual Enrollment	830,000	31,825	10,634	-	149,806	-	\$ (680,194)
Revenues - Subtotal	\$ 57,364,118	\$ 17,894,277	\$ 6,967,182	\$ 4,101,039	\$ 35,575,904	\$ -	\$ (21,788,214)
BUDGET AMENDMENTS							
BA 25-001 PO Rollovers & Projects	\$ 8,007,102	8,007,102	-	-	8,007,102	-	-
BA 25-002 Excess Revenue	259,262	259,262	-	-	259,262	-	-
Budget Amendments - Subtotal	\$ 8,266,364	\$ 8,266,364	-	-	\$ 8,266,364	\$ -	\$ -
REVENUES	\$ 65,630,483	\$ 26,160,641	6,967,182	4,101,039	\$ 43,842,268	\$ -	\$ (21,788,214)

<u>EDUCATIONAL & GENERAL FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
EXPENSES							
SALARY & WAGES							
Adjunct & Overload Pay- Faculty	\$ 2,368,791	\$ 345,154	\$ 348,215	\$ 338,853	\$ 1,032,221	\$ -	\$ 1,336,569.91
Admin Salary Ft	6,599,791	385,063	377,137	389,083	1,547,557	-	5,052,234
Admin/Staff Stipend	45,000	1,750	1,450	750	5,700	-	39,300
Dual Enrollment Salary	400,000	-	-	-	-	-	400,000
Employee Allowance	84,120	6,408	6,238	6,090	25,383	-	58,738
Faculty Ft - Perm	6,987,369	512,119	519,934	509,050	2,047,681	-	4,939,688
Faculty FT - WTCE	826,102	68,842	67,380	63,969	269,033	-	557,069
Faculty Stipends	365,827	38,994	38,450	36,046	163,596	-	202,231
Staff Ft Pay	8,518,688	601,689	603,710	578,763	2,387,639	-	6,131,048
Staff Pt Pay	14,534	-	-	-	-	-	14,534
Student Worker	337,368	42,279	27,793	24,488	119,371	-	217,997
Overtime Pool	122,296	-	-	-	-	-	122,296
Salary & Wages -Subtotal	\$ 26,669,886	\$ 2,002,297	\$ 1,990,306	\$ 1,947,091	\$ 7,598,181	\$ -	\$ 19,071,706
BENEFITS							
Staff Benefits Budget Pool	\$ 7,255,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,255,959
Fica Taxes	-	121,788	120,504	115,788	458,509	-	(458,509)
Ft Cd Med Ins	-	214,453	218,457	222,105	871,618	-	(871,618)
Medicare Taxes	-	29,292	29,076	28,308	111,040	-	(111,040)
Optional Retirement Plan	-	19,076	18,619	18,148	72,843	-	(72,843)
Teachers Retirement System	-	127,179	141,266	124,116	501,934	-	(501,934)
State Unemployment Expense	16,879	16,879	-	-	16,879	-	-
Benefits - Subtotal	\$ 7,272,838	\$ 528,668	\$ 527,921	\$ 508,465	\$ 2,032,824	\$ -	\$ 5,240,014

<u>EDUCATIONAL & GENERAL FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
M&O							
Advertising	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Annual Commitments	5,061,859	-	-	-	-	-	5,061,859
Books & Periodicals	1,725	-	187	-	187	83	1,455
Certification / License Fees	27,952	2,011	13,588	6,682	22,282	202	5,468
Commencement	60,000	20	2,680	13,526	16,226	4,397	39,377
Conference & Registration Fees	27,565	450	525	(60)	915	-	26,650
Consultant Svcs	10,000	500	500	-	2,500	-	7,500
Contractual Svcs & Contract La	6,686,821	441,719	271,599	150,288	1,268,332	3,570,594	1,847,895
Credit Card Processing Fee	4,451	724	720	361	2,116	-	2,334.22
Electricity	2,535,000	217,906	187,617	180,956	830,053	172,841	1,532,106
Employee Tuition Program	40,000	616	-	688	2,804	-	37,196
Equipment Rental & Leases	10,442	757	378	-	1,135	3,406	5,900
Facilities & Maint. Supplies	167,550	19,573	10,567	10,680	46,951	69,806	50,793
Fees and Other Charges	150,260	13,740	(1,282)	132,078	148,284	720	1,256.37
Financial Services & Fees	1,811	791	(953)	-	607	-	1,204.12
Food, Groceries, & Meal	96,285	7,307	8,074	9,182	25,253	31,067	39,965
Freight/Ship & Handling	31,447	1,375	1,443	861	3,872	4,884	22,690
Fuel-Equipment	15,000	829	1,431	1,109	3,369	1,697	9,934
Fuel-Vehicle	16,484	1,116	1,613	819	3,548	1,621	11,314
Furn, Mach, & Equip > \$5,000	13,486	-	-	-	-	13,486	-
Furn. Mach. & Equip < \$1,000	1,819	539	-	-	539	-	1,280
Furn.Mach. & Equip \$1K-\$5K	11,625	-	-	-	-	-	11,625
Hazardous Waste Mgmt	1,268	132	-	136	268	-	1,000
HVAC	965,054	45,597	8,104	23,067	76,769	25,255	863,031
Instructional Supplies	715,103	42,154	27,371	13,133	93,601	40,111	581,391
Maintenance & Operations Pool	567,865	-	-	-	-	-	567,865
Maintenance Svcs & Repairs	37,185	1,350	430	100	2,112	13,673	21,400
MARKET & COMMUNITY RELATION	92,795	15,788	5,404	-	22,859	63,150	6,786
Membership/Fees	64,543	7,911	7,930	5,275	26,524	44	37,975
Mileage/Transportation	52,574	5,530	1,966	2,297	11,124	29,670	11,780
Natural Gas	56,500	2,207	1,989	-	6,377	-	50,123
Office Supplies	49,296	1,801	1,662	1,989	7,350	1,356	40,590
Other Supplies	161,334	6,096	9,580	14,022	30,069	56,539	74,726
Postage	21,521	-	39	3,771	3,881	15,429	2,211
Printing & Duplicating	12,242	600	-	130	730	890	10,622
Professional Svcs & Contract	39,965	-	11,466	1,714	13,180	23,711	3,075
Promotional Activites & Items	132,146	15,717	448	20	16,185	46,265	69,696
PUB - City Fees	43,050	3,561	4,331	4,331	15,784	4,331	22,936

<u>EDUCATIONAL & GENERAL FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
Security -General	1,854,323	167,212	98,115	47,843	313,170	1,539,503	1,651
SECURITY OFFICERS - PD	332,800	25,840	24,840	16,640	91,120	-	241,680
Signage	18,900	-	-	15	15	-	18,885
Software License Fees	3,071,345	56,567	168,920	36,956	1,005,787	106,879	1,958,679
Sponsorship Expense	10,000	1,500	750	-	7,750	-	2,250
Subscriptions	230,309	26,388	422	124,839	170,974	11,483	47,852
Technical Support	500	-	-	-	-	-	500
Telecomm & Peri Eqpt > \$5K	50,000	-	-	-	-	-	50,000
Telecommunication Supplies	14,550	-	-	1,224	1,224	-	13,326
Telecommunication Svcs	423,769	29,303	23,956	5,808	68,405	348,944	6,420
Testing Software & Supplies	76,481	1,577	8,256	6,075	69,056	1,589	5,836
Toner	8,171	3,762	857	-	5,503	49	2,619
Uniform	17,751	1,832	1,038	693	4,683	4,547	8,520
Vehicle Operating Expense	12,300	1,061	3,966	97	5,124	3,653	3,523
Water & Sewer	504,000	48,091	36,236	34,290	150,687	30,579	322,734
M&O - Subtotal	\$ 24,609,719	\$ 1,221,551	\$ 946,760	\$ 851,639	\$ 4,599,284	\$ 6,242,453	\$ 13,767,983

<u>EDUCATIONAL & GENERAL FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
TRAVEL							
Conference & Reg Fees (Travel)	\$ 90,127	\$ 4,870	\$ 7,105	\$ (776)	\$ 11,199	\$ 3,564	\$ 75,364
Student Travel	75,783	-	-	-	75,783	-	0
Staff Development	24,848	726	7,048	3,617	11,391	895	12,562
Travel Expenses	183,317	9,703	13,582	5,079	30,135	13,576	139,606
Travel - Subtotal	\$ 374,074	\$ 15,299	\$ 27,735	\$ 7,920	\$ 128,508	\$ 18,035	\$ 227,532
GENERAL INSTITUTIONAL							
Audit Fees	\$ 32,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,900
Catalogs, Publications & News	30,000	1,382	4,145	2,875	8,401	15,599	6,000
Commencement	12,000	-	-	-	-	-	12,000
CONTRACTUAL SVCS & CONTRACT LA	8,000	1,000	2,535	1,000	4,535	2,400	1,065
Consultant Svcs	91,925	14,425	3,000	8,500	25,925	52,000	14,000
Credit Card Processing Fee	41,252	3,074	4,111	386	17,572	-	23,680
Elections	18,000	-	-	-	-	-	18,000
Equipment Rental & Leases	75,000	7,384	3,812	924	14,206	47,794	13,000
Institutional Membership/Dues	44,316	38,860	-	-	41,360	2,956	-
Institutional Official Functions	2,000	-	-	-	-	-	2,000
Insurance	1,937,928	21,259	-	-	21,259	21,109	1,895,560
Legal	268,200	26,509	5,577	20,430	75,761	133,019	59,420
Market & Community Relations	397,319	48,670	20,618	23,948	116,036	234,129	47,155
Membership/Fees	8,304	1,500	-	-	1,500	-	6,804
Postage	3,000	154	-	-	206	1,794	1,000
Printing & Duplicating	25,000	2,932	75	22	3,028	20,972	1,000
Property Tax Expense	344,090	-	87,463	-	188,134	-	155,956
Special Projects	1,790,767	-	-	-	-	-	1,790,767
Travel Expenses	241,294	-	-	-	-	-	241,294
General Institutional-Subtotal	\$ 5,371,295	\$ 167,148	\$ 131,335	\$ 58,084	\$ 517,923	\$ 531,772	\$ 4,321,601

<u>EDUCATIONAL & GENERAL FUND</u>		<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
OTHER								
SCHOLARSHIPS								
Scholarship Expense	\$	139,470	\$ 100,728	\$ 5,929	\$ 8,687	\$ 139,470	\$ -	\$ 0
Other - Subtotal	\$	139,470	\$ 100,728	\$ 5,929	\$ 8,687	\$ 139,470	\$ -	\$ 0
TRANSFERS OUT								
Transfer To Debt Service	\$	1,193,200	\$ -	\$ 298,300	\$ -	\$ 298,300	\$ -	\$ 894,900
Transfers Out - Subtotal	\$	1,193,200	\$ -	\$ 298,300	\$ -	\$ 298,300	\$ -	\$ 894,900
EXPENSES TOTAL	\$	65,630,483	\$ 4,035,692	\$ 3,928,287	\$ 3,381,885	\$ 15,314,488	\$ 6,792,259	\$ 43,523,736
Total Net Revenue over Expenses	\$	-	\$ 22,124,949	\$ 3,038,896	\$ 719,153	\$ 28,527,780	\$ (6,792,259)	\$ 21,735,522

EDUCATIONAL & GENERAL FUND

Budget

October

November

December

YTD

Encumbrance

Variance

Texas Southmost College
Status of Budget Amendments
For the month ended 12/31/2024

EDUCATIONAL & GENERAL FUND

Budget

October

November

December

YTD

Encumbrance

Variance

BUDGET AMENDMENTS

BA 25-001 PO Rollovers & Projects

\$ 8,007,102

\$ 1,356,014

\$ -

\$ -

\$ 1,356,014

\$ 6,651,088

\$ -

BA 25-002 Excess Revenue

259,262

-

-

-

-

259,262

-

-

-

-

-

-

-

Budget Amendments - Subtotal

\$ 8,266,364

\$ 1,356,014

\$ -

\$ -

\$ 1,356,014

\$ 6,910,350

\$ -

Texas Southmost College
Budget vs Actual Report
For the month ended 12/31/2024

<u>AUXILIARY FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
REVENUES							
Student Fees	\$ 1,106,500	\$ 1,072	\$ 154,612	\$ 60,250	\$ 641,158	\$ -	\$ (465,342)
UTRGV REK Contribution	700,000	-	-	-	-	-	(700,000)
Parking Permits	95,000	5,865	2,008	1,285	23,173	-	(71,828)
Broadband Lease	35,421	2,937	2,937	2,937	11,748	-	(23,673)
Facility Leasing income	269,400	41,832	27,442	53,310	156,692	-	(112,709)
Café	12,000	-	2,591	-	3,700	-	(8,300)
Other Revenue	201,000	21,607	13,463	76,578	124,541	-	(76,459)
Revenues - Subtotal	<u>\$ 2,419,321</u>	<u>\$ 73,313</u>	<u>\$ 203,051</u>	<u>\$ 194,360</u>	<u>\$ 961,012</u>	<u>\$ -</u>	<u>\$ (1,458,309)</u>

<u>AUXILIARY FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
SALARY & WAGES							
Admin Salary Ft	\$ 71,515	\$ 4,494	\$ 4,494	\$ 4,494	\$ 17,976	\$ -	\$ 53,538
Employee Allowance	1,680	140	140	140	543	-	1,138
Staff Ft Pay	298,076	22,824	24,270	24,496	90,356	-	207,720
Staff PT Pay	16,667	-	-	-	-	-	16,667
Faculty Ft - Perm	65,343	5,445	5,445	5,445	21,781	-	43,562
Faculty Stipends	4,565	380	380	380	1,522	-	3,043
Student Worker	188,000	24,570	17,119	16,020	74,289	-	113,711
Salary & Wages - Subtotal	\$ 645,846	\$ 57,854	\$ 51,849	\$ 50,975	\$ 206,467	\$ -	\$ 439,379
BENEFITS							
Staff Benefits Budget Pool	\$ 157,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,939
Fica Taxes	-	3,589	3,216	3,162	12,808	-	(12,808)
Ft Cd Med Ins	-	5,612	5,613	5,927	22,325	-	(22,325)
Medicare Taxes	-	839	752	740	2,995	-	(2,995)
Teachers Retirement System	-	2,734	2,854	2,872	10,617	-	(10,617)
Benefits - Subtotal	\$ 157,939	\$ 12,774	\$ 12,436	\$ 12,701	\$ 48,746	\$ -	\$ 109,193

<u>AUXILIARY FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
M&O							
Annual Commitments	\$ 140,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,688
Catalogs, Publications & News	200	-	-	-	-	-	200
Certification / License Fees	600	-	-	-	-	-	600
Cleaning Supplies	300	-	-	-	-	-	300
Conference & Registration Fees	600	-	-	-	-	-	600
Contractual Svcs & Contract Labor	185,352	36,531	14,976	13,871	72,751	101,639	10,961
Credit Card Processing Fee	3,207	439	235	229	1,171	-	2,035
Electricity	192,000	7,740	7,367	7,583	30,655	7,387	153,958
Fees and Other Charges	400	-	-	-	-	-	400
Food, Groceries, & Meal	8,104	1,206	381	-	1,587	-	6,517
Freight/Ship & Handling	2,787	126	7	12	152	51	2,584
Fuel-Vehicle	50	-	-	7	7	-	43

<u>AUXILIARY FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
Insurance	16,000	-	-	-	-	-	16,000
MARKET & COMMUNITY RELATION	400	-	-	-	-	-	400
Maintenance & Operations Pool	14,806	-	-	-	-	-	14,806
Membership/ Fees	6,890	890	-	-	5,890	-	1,000
Mileage/Transportation	5,600	-	-	-	-	-	5,600
Office Supplies	3,170	273	-	49	322	-	2,848
Other Supplies	17,091	2,767	1,412	2,997	11,316	1,901	3,875
PPE	100	-	-	-	-	-	100
Printing & Duplicating	1,000	-	-	-	-	-	1,000
Promotional Activites & Items	11,570	-	-	-	108	-	11,462
PUB - City Fees	240	20	20	20	80	20	140
Security-Other	500	-	-	-	-	-	500
Signage	285	285	-	-	285	-	-
Software License Fees	16,046	114	3,500	-	13,317	-	2,729
Toner	250	-	-	-	-	-	250
Water & Sewer	36,000	1,549	1,490	1,552	5,784	10,845	19,371
M&O - Subtotal	\$ 664,236	\$ 51,941	\$ 29,388	\$ 26,319	\$ 143,425	\$ 121,843	\$ 398,968

<u>AUXILIARY FUND</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
TRAVEL							
Conference & Reg Fees (Travel)	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Travel Expenses	18,300	2,100	1,846	-	4,598	-	13,702
Student Travel	50,000	6,102	10,185	-	16,287	-	33,713
Travel - Subtotal	\$ 69,300	\$ 8,202	\$ 12,032	\$ -	\$ 20,886	\$ -	\$ 48,414
Subtotal - Expenses	\$ 1,537,321	\$ 130,771	\$ 105,703	\$ 89,996	\$ 419,523	\$ 121,843	\$ 995,955
TRANSFERS OUT							
Transfer To Debt Service	\$ 882,000	\$ -	\$ 220,500	\$ -	\$ 220,500	\$ -	\$ 661,500
Transfers - Subtotal	\$ 882,000	\$ -	\$ 220,500	\$ -	\$ 220,500	\$ -	\$ 661,500
EXPENSES & TRANSFERS OUT	\$ 2,419,321	\$ 130,771	\$ 326,203	\$ 89,996	\$ 640,023	\$ 121,843	\$ 1,657,455
Total Net Revenue over Expenses	\$ -	\$ (57,458)	\$ (123,152)	\$ 104,364	\$ 320,989	\$ (121,843)	\$ 199,146

Texas Southmost College
Budget vs Actual Report
For the month ended 12/31/2024

<u>General Obligation & Revenue Bond Funds</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
REVENUES							
<i>General Obligation Bonds & Tax Notes</i>							
Ad Valorem Tax-General Obligation & Maintenance Bonds	\$ 4,370,314	\$ 1,858,295	\$ 1,024,711	\$ 393,414	\$ 3,295,942	\$ -	\$ (1,074,372)
Prior Year Collections	318,536	(3,399)	21,961	6,641	30,237	-	(288,299)
Investment Income	30,000	5,593	5,376	85,990	107,897	-	77,897
General Obligation Bonds & Tax Notes - Subtotal	<u>\$ 4,718,850</u>	<u>\$ 1,860,489</u>	<u>\$ 1,052,049</u>	<u>\$ 486,045</u>	<u>\$ 3,434,076</u>	<u>\$ -</u>	<u>\$ (1,284,774)</u>
Revenues - Total	<u>\$ 4,718,850</u>	<u>\$ 1,860,489</u>	<u>\$ 1,052,049</u>	<u>\$ 486,045</u>	<u>\$ 3,434,076</u>	<u>\$ -</u>	<u>\$ (1,284,774)</u>
Transfer from General Fund	\$ 1,193,200	\$ -	\$ 298,300	\$ -	\$ 298,300	\$ -	\$ (894,900)
Transfer from Auxiliary	882,000	-	220,500	-	220,500	-	(661,500)
Bond Refunding - Transfer In Total	<u>\$ 2,075,200</u>	<u>\$ -</u>	<u>\$ 518,800</u>	<u>\$ -</u>	<u>\$ 518,800</u>	<u>\$ -</u>	<u>\$ (1,556,400)</u>
REVENUES & TRANSFERS IN	<u>\$ 6,794,050</u>	<u>\$ 1,860,489</u>	<u>\$ 1,570,849</u>	<u>\$ 486,045</u>	<u>\$ 3,952,876</u>	<u>\$ -</u>	<u>\$ (2,841,174)</u>

<u>General Obligation & Revenue Bond Funds</u>	<u>Budget</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>	<u>Encumbrance</u>	<u>Variance</u>
EXPENSE							
<i>General Obligation Bonds & Tax Notes</i>							
Debt Service - Principal	\$ 4,835,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,835,000
Debt Service - Interest	634,250	-	-	-	-	-	634,250
Fiscal Agent Fees	27,700	-	-	-	-	-	27,700
General Obligation Bonds & Tax Notes - Subtotal	<u>\$ 5,496,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,496,950</u>
<i>Revenue Bonds</i>							
Debt Service - Principal	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Debt Service - Interest	281,000	-	-	-	-	-	281,000
Fiscal Agent Fees	16,100	-	-	-	-	-	16,100
Revenue Bonds - Subtotal	<u>\$ 1,297,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,297,100</u>
EXPENSES TOTAL	<u>\$ 6,794,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,794,050</u>
Total Net Revenue over Expenses	<u>\$ -</u>	<u>\$ 1,860,489</u>	<u>\$ 1,570,849</u>	<u>\$ 486,045</u>	<u>3,952,876</u>	<u>\$ -</u>	<u>\$ 5,509,276</u>

Texas Southmost College
Health Benefits
For the month ended 11/30/2024

General Fund		
FT Hs Med Ins - Employees		
ADEO	AD&D Employee Optout	12.00
ADFP	FT CDH Medical Insurance	24.00
CDE	FT CDH Medical Insurance	13,074.60
CDS	FT CDH Medical Ins. Spouse	2,941.80
DCES	Dental Choice Spouse-Optout	-
DCFP	Dental-Choice Family President	206.88
DTLP	Dependent Term Life President	4.38
EOL2	Ers Life Insurance (2x)	21,029.83
EOLA	Ers Opt Life Modified (1x)	274.82
FMC	FT HS Medical Ins. Children	133,857.30
FME	FT HS Medical Ins. Employee	390,050.43
FMF	FT HS Medical Ins. Family	58,574.40
FMP	Medical Ins President's Family	718.14
FMS	FT HS Medical Ins. Spouse	23,583.44
FAH	FT CDH Medical Ins. Spouse	636.00
HSRE	Dental Choice Spouse-Optout	945.00
HSRS	Ers Life Insurance (2x)	270.00
LTDP	Ers Opt Life Modified (1x)	204.00
OPTC	FT HS Medical Ins. Children	360.00
STDP	FT HS Medical Ins. Employee	72.00
TLIF	FT HS Medical Ins. Family	1,952.59
TVDO	Medical Ins President's Family	241.98
VSEO	FT HS Medical Ins. Spouse	-
VSFP	Tx Vision Family President	29.76
YTD Totals		649,063.35

Auxiliary Fund		
FT Hs Med Ins - Employees		
EOL2	Ers Life Insurance (2x)	130.59
FMC	FT HS Medical Ins. Children	2,586.90
FME	FT HS Medical Ins. Employee	7,471.20
FMF	FT HS Medical Ins. Family	3,660.90
FMS	FT HS Medical Ins. Spouse	2,941.80
TLIF	ERS Basic Term Life Ins.	46.62
YTD Totals		16,838.01

Debt Service Payments

General Obligation Limited Tax Debt Outstanding Limited Tax Ref. Bond, Series 2014A

<u>For the year ended</u> <u>August 31,</u>	Principal	Interest	Total
2025	\$ 3,170,000	\$ 239,000	\$ 3,409,000
2026	3,195,000	79,875	3,274,875
	<u>\$ 6,365,000</u>	<u>\$ 318,875</u>	<u>\$ 6,683,875</u>

Limited Tax Ref. Bonds, Series 2015

<u>For the year ended</u> <u>August 31,</u>	Principal	Interest	Total
2025	\$ 390,000	\$ 245,600	\$ 635,600
2026	395,000	232,838	627,838
2027	880,000	210,525	1,090,525
2028	910,000	178,063	1,088,063
2029	945,000	142,100	1,087,100
2030-2033	3,080,000	188,200	3,268,200
	<u>\$ 6,600,000</u>	<u>\$ 1,197,326</u>	<u>\$ 7,797,326</u>

Limited Tax Ref. Bonds, Series 2017

<u>For the year ended</u> <u>August 31,</u>	Principal	Interest	Total
2025	\$ 545,000	\$ 82,050	\$ 627,050
2026	790,000	55,350	845,350
2027	150,000	36,550	186,550
2028	100,000	31,550	131,550
2029	95,000	82,050	177,050
2030-2033	790,000	55,325	845,325
	<u>\$ 2,470,000</u>	<u>\$ 342,875</u>	<u>\$ 2,812,875</u>

General Obligation Maintenance Tax Debt Outstanding

Maintenance Tax Ref. Bonds, Series 2014B

<u>For the year ended</u> <u>August 31,</u>	Principal	Interest	Total
2025	\$ 290,000	\$ 18,200	\$ 308,200
2026	365,000	5,475	370,475
	<u>\$ 655,000</u>	<u>\$ 23,675</u>	<u>\$ 678,675</u>

Maint Tax Ref. Bonds, Series 2017

<u>For the year ended</u> <u>August 31,</u>	Principal	Interest	Total
2025	\$ 440,000	\$ 49,400	\$ 489,400
2026	300,000	42,000	342,000
2027	535,000	28,300	563,300
2028	410,000	9,400	419,400
2029	30,000	600	30,600
	<u>\$ 1,715,000</u>	<u>\$ 129,700</u>	<u>\$ 1,844,700</u>

Combined Fee Debt Outstanding			
Revenue Ref. Bonds, Series 2017			
For the year ended August 31,	Principal	Interest	Total
2025	\$ 310,000	\$ 98,000	\$ 408,000
2026	320,000	85,600	405,600
2027	335,000	72,800	407,800
2028	350,000	59,400	409,400
2029	365,000	45,400	410,400
2030-2033	770,000	46,600	816,600
	<u>\$ 2,450,000</u>	<u>\$ 407,800</u>	<u>\$ 2,857,800</u>

Wellness Debt Outstanding			
Rek Center Ref. Bonds, Series 2017			
For the year ended August 31,	Principal	Interest	Total
2025	\$ 690,000	\$ 183,000	\$ 873,000
2026	720,000	155,400	875,400
2027	745,000	126,600	871,600
2028	775,000	96,800	871,800
2029	805,000	65,800	870,800
2030-2033	840,000	33,600	873,600
	<u>\$ 4,575,000</u>	<u>\$ 661,200</u>	<u>\$ 5,236,200</u>

Annual Investment Report for Fiscal Year Ended Aug. 31, 2024

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Texas Southmost College District BOARD AGENDA ITEM REQUEST FORM

Department/Division: Finance & Administration	Board Meeting Date: 02/20/2025
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Presenters:

Dr. Gisela Figueroa, Vice President for Finance and Administration and Mr. Carlos Pecero, Controller

Agenda Item:

Annual Investment report for Fiscal Year Ended August 31, 2024

Rationale/Background:

The Public Funds Investment Act requires the presentation of an annual investment report to the governing body and the State Auditor's Office. This report covers the period from September 1, 2023, to August 31, 2024.

Recommended Action:

No Action Required

Fiscal Implications:

Budgeted Item: ☒ N/A ☐ Yes ☐ No If no, explain:

FOR OFFICE USE ONLY:

Board Action: Approved: ☐ Yes ☐ No ☐ N/A (Informational) ☐ Tabled for action on:

Certified by: _____ Title: _____ Date: _____

Attachments

Annual Investment Report

ANNUAL INVESTMENT REPORT

Presented By:

Dr. Gisela Figueroa

Vice President of Finance and Administration

Mr. Carlos Pecero

Controller

February 20, 2025



Annual Investment Report

Texas Southmost College District
Annual Investment Report (Including Deposits)

Investment or Deposit Type	August 31, 2024 Market Value
Publicly Traded Equity and Similar Investments	
Common Stock (U.S. and foreign stocks held in separately managed accounts or internally managed by institution investment staff; exclude mutual or commingled funds)	286,679.00
Equity/Stock Mutual Funds	
Balanced Mutual Funds (where target allocation is > 50% equities)	
"Commonfund" Equity Commingled Funds	
Other Equity Commingled Funds (if primarily invested in publicly traded equities)	
Preferred Stock	
Other - list by type	
Total Publicly Traded Equity and Similar Investments	286,679.00
"Other" Investments - Other than Publicly Traded Equity and Debt Investments	
Real Estate (include direct ownership & investments in real estate limited partnerships, private REITs, or similar vehicles; include a portfolio of publicly traded REITs if managed as a separate asset allocation category rather than comprising part of a broadly diversified stock portfolio)	
Other Real Asset Investments (e.g. investments in infrastructure funds)	
Private Equity	
Hedge Funds	
"Commonfund" Alternative Asset Commingled Funds (Real Estate, Private Equity, Hedge Funds, Commodities, etc.)	
Annuities	
Commodities	
Collectibles	
Other - list by type	
Total "Other" Investments - Other than Publicly Traded Equity & Debt Investments	0.00
Publicly Traded Debt & Similar Investments > 1 year maturity	
U.S. Government Securities ("Treasures")	
U.S. Government Agency Securities ("Agencies")	
Mortgage Pass-Throughs - "Agency"	
Mortgage Pass-Throughs - "Private Label"	
Asset-Backed Securities (ABS) (other than mortgage-backed securities)	
Sovereign Debt (non-U.S.)	
Municipal Obligations	
Collateralized Mortgage Obligations (CMOs) - list below by category	
Interest Only Strips (IOs)	
Principal Only Strips (POs)	
Inverse Floaters	
Stated Final Maturity longer than 10 years	
Other CMOs - "Agency"	
Other CMOs - "Private Label"	
Corporate Obligations (U.S. or foreign companies) - list below by rating	
Highly Rated (AAA/AA or equivalent)	
Other Investment Grade (A/BBB or equivalent)	
High Yield Bonds (<BBB or equivalent)	
Not Rated (NR)	
Fixed Income/Bond Mutual Funds (longer term; registered with the SEC)	
Balanced Mutual Funds (where target allocation is > 50% bonds or other debt securities)	
"Commonfund" Fixed Income/Bond Commingled Funds	

Annual Investment Report

Texas Southmost College District
Annual Investment Report (Including Deposits)

Investment or Deposit Type	August 31, 2024 Market Value
Other Fixed Income/Bond Commingled Funds (primarily invested in publicly traded debt securities; not registered with the SEC)	
GICs (Guaranteed Investment Contracts)	
Other - list by type	
Total Publicly Traded Debt & Similar Investments >1 year	0.00
Short-Term Investments & Deposits	
U.S. Government Securities ("Treasures")	
U.S. Government Agency Securities ("Agencies")	
Bankers' Acceptances	
Commercial Paper - A1/P1 (or equivalent)	
Other Commercial Paper - lower rated	
Repurchase Agreements (Repos)	
Money Market Mutual Funds (registered with the SEC)	
Short-Term Mutual Funds Other than Money Market Mutual Funds (registered with the SEC)	
Public Funds Investment Pool Created to Function as a Money Market Mutual Fund (not registered w/ SEC but "2a7-like")	
TexPool (and TexPool Prime)	
Other Public Funds Investment Pools Functioning as Money Market Mutual Funds	6,186,988.00
Other Investment Pools - Short-Term (not created to function as a money market mutual fund)	
Certificates of Deposit (CD) - Nonnegotiable	69,949,199.00
Certificates of Deposit (CD) - Negotiable	
Bank Deposits	14,701,130.00
Cash Held at State Treasury	
Securities Lending Collateral Reinvestments (direct investments or share of pooled collateral)	
Other - list by type	
Total Short-Term Investments & Deposits	90,837,317.00
TOTAL INVESTMENTS and DEPOSITS	91,123,996.00

Annual Investment Report

TEXAS SOUTHMOST COLLEGE DISTRICT
Required Disclosure of Certain Investment
Information For the Year Ended August 31, 2024

1. Does the institution employ outside investment advisors or managers and, if so, who are they (provide individual or firm name and address)?

YES

Contact Information for the individual who manages the investments:

Nick Vaccari, CTP
Director, Advisory Services
Meeder Public Funds
6125 Memorial Drive
Dublin, OH 43017

If YES, to question #1, do the outside investment advisors or managers have the authority to make investment decisions without obtaining prior approval?

NO

2. Does the institution use soft dollar, directed brokerage or directed commission, commission recapture, or similar arrangements (these arrangements typically involve using brokerage commissions as a means of paying for other related investment services through credits of a portion of brokerage commissions paid rather than through direct payments, or using selected brokers who will rebate a portion of commissions they receive on trades for the investor)? If the answer to this question is yes, the institution must summarize briefly the guidelines that govern the use of such arrangements.

NO

3. Is the institution associated with an independent endowment or foundation? If the answer to this question is yes, the institution must provide contact information (name and address) for the individual(s) who manage the independent endowment or foundation. The institution must also provide, if available, the market value of the endowment's or foundation's investments.

YES

Contact Information for the individual who manages the investments of the Foundation:

Thomas Meyerson, Relationship Manager
Principal Financial Services
711 High Street
Des Moines, IA 50392

The market value of the Foundation's investments was \$12,084,321 at August 31, 2024.

Annual Review of CAK Local: Appropriations and Revenue Sources - Investments

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Texas Southmost College District BOARD AGENDA ITEM REQUEST FORM

Department/Division: Finance & Administration	Board Meeting Date: 02/20/2025
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Presenters:

Dr. Gisela Figueroa, Vice President for Finance and Administration
--

Agenda Item:

Annual Review of CAK Local: Appropriations and Revenue Sources - Investments
--

Rationale/Background:

<p>The Public Funds Investment Act (PFIA), as described in Government Code Chapter 2256 governs the investments of government funds in Texas. Texas Southmost College investments fall under the PFIA.</p> <p>Government Code 2256.005 requires the governing body to review its investment policy, not less than annually. CAK Local was last revised on January 22, 2025. The attached policy, as presented, does not have any recommended changes or updates.</p>
--

Recommended Action:

To acknowledge the annual review of CAK Local: Appropriations and Revenue Sources - Investments

Fiscal Implications:

Budgeted Item: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:

FOR OFFICE USE ONLY:

Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A (Informational) <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

Attachments

CAK (LOCAL) Investments

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Investment Authority The vice president of finance and administration or other person designated by Board resolution shall serve as the investment officer of the College District and shall invest College District funds as directed by the Board and in accordance with the College District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

Approved Investment Instruments From those investments authorized by law and described further in CAK(LEGAL) under Authorized Investments, the Board shall permit investment of College District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds as permitted by Government Code 2256.014.
5. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
6. Public funds investment pools as permitted by Government Code 2256.016.
7. Cash management and fixed income funds as permitted by Government Code 2256.020.
8. Negotiable certificates of deposit as permitted by Government Code 2256.020.
9. Corporate bonds, debentures, or similar debt obligations as permitted by Government Code 2256.020.

Safety The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to optimize financial returns within current market conditions in accordance with this policy. Investments shall be made with the exercise of due care, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for the

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

investment, considering the probable safety of their own capital as well as the probable income to be derived. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio.

The investment officers shall seek to act responsibly as custodians of the public trust. The investment officers shall avoid transactions that might impair public confidence in the College District's ability to govern effectively. Any investment officer with a personal business interest, with a business organization, or who is related by affinity or consanguinity, as provided in Government Code 2256.005(i) shall disclose that relationship to the Texas Ethics Commission and the Board.

**Investment
Management**

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for College District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

**Liquidity and
Maturity**

The College District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

The maximum dollar weighted maturity and stated final maturity of the College District's investments are outlined at Funds/Strategies, below.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

**Monitoring Market
Prices**

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the College District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done at least quarterly, as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

**Monitoring Rating
Changes**

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and take all prudent measures that are consistent with this policy to liquidate investments that do not maintain satisfactory ratings.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Funds / Strategies	Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the College District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.
Operating Funds	Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. Any approved investment instrument is suitable and provides acceptable marketability. The maximum dollar weighted maturity shall be 270 days, and the maximum stated final maturity shall be two years. The appropriate yield target shall be the College District's main public investment pool yield.
Custodial Funds	Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. Any approved investment instrument is suitable and provides acceptable marketability. The maximum stated final maturity shall be two years. The appropriate yield target shall be the College District's main public funds investment pool yield.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Any approved investment instrument is suitable and provides acceptable marketability. The maximum stated final maturity shall be the next debt service payment date not already funded by pending approved investment instruments. The appropriate yield target shall be the College District's main public funds investment pool yield.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Any approved investment instrument is suitable and provides acceptable marketability. The maximum stated final maturity shall be the lesser of the anticipated cash flow schedule and the applicable "temporary period" allowed by the IRS. Achieving positive spread to the cost of borrowing is the desired objective, within the limits of this policy's risk constraints. The default yield target shall be the College District's main public funds investment pool yield.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

**Safekeeping and
Custody**

The College District shall retain clearly marked receipts providing proof of the College District's ownership. The College District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with College District funds by the investment pool.

Safekeeping
Agreement

The College District shall contract with a third-party financial institution for the safekeeping of securities owned by the College District as a part of its investment portfolio.

Collateralization

Consistent with the requirements of state law, the College District requires all banks, savings banks, and credit union deposits to be federally insured or collateralized with eligible obligations. Financial institutions serving as College District depositories will be required to sign an agreement with the College District in compliance with federal regulations. The agreement shall require compliance with Government Code 2256 and this investment policy; establish an independent custodian for all pledged collateral; define the eligible collateral and the College District's rights to the collateral in case of default, bankruptcy, or closing; and establish a perfected security interest in compliance with federal and state regulations. Specifically, the agreement must be:

- In writing;
- Executed by the depository and the College District contemporaneously with the acquisition of the asset;
- Approved by resolution of the board of directors or the designated committee of the depository, and a copy of the meeting minutes or resolution reference must be delivered to the College District; and
- Part of the depository's official record continuously since its execution.

Allowable Collateral

For financial institution deposits, eligible collateral is defined by Government Code 2257. The eligibility of specific issues as collateral may at times be restricted or prohibited, at the sole discretion of the College District.

Collateral Levels

Collateral is valued at current market plus interest accrued through the date of valuation.

For financial institution deposits, the market value of securities pledged as collateral for deposits must at all times be equal to or greater than 102 percent of the par value of the deposit plus accrued interest, less the amount insured by the FDIC or the National Credit Union Share Insurance Fund or their successors. The depository shall be liable for monitoring and maintaining the collateral

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and collateral margins at all times. Letters of credit pledged as collateral shall at all times be equal to the total value of the deposits plus accrued interest less the applicable level of FDIC insurance. The letters of credit shall expire not less than two business days after the anticipated deposit withdrawal. If rolling letters of credit are utilized, advance notice prior to any expiration must be provided along with a letter of credit extension. Any letter of credit extension issued to cover the expiration of an investment should expire no less than two business days beyond the final maturity date of the investment.

Monitoring
Collateral Adequacy

For financial institution deposits, the College District requires monthly reports with market values of pledged securities from all the custodians of financial institutions with which the College District has collateralized deposits. The College District will regularly monitor the adequacy of collateral.

Collateral
Reductions

Should the collateral's market value exceed the required amount, any broker/dealer or financial institution may request approval from the investment officer(s) to reduce collateral. Collateral reductions may be permitted only if the College District's records indicate that the collateral's market value exceeds the required amount.

Custody of
Collateral

All collateral-securing financial institution deposits must be held by an independent, third-party financial institution approved by the College District, a Federal Home Loan Bank, or the Federal Reserve Bank.

**Sellers of
Investments**

Prior to handling investments on behalf of the College District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law.

Representatives of brokers/dealers and representatives with distributors of investment pools shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC) and be in good standing with the Financial Industry Regulatory Authority (FINRA). Distributors of investment pools shall also be registered in good standing with the Municipal Securities Rulemaking Board (MSRB).

The College District will provide all investment providers with updates to the investment policy and will require acknowledgment of receipt of the policy from the investment providers.

Brokers / Dealers

Securities shall only be purchased from brokers/dealers approved by the Board. This list of approved brokers/dealers must be reviewed at least annually by the Board.

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Competitive Environment	In order to get the best return on its investments, the College District may solicit quotes from multiple providers for each investment transaction, including certificates of deposit.
Soliciting Bids for CDs	In order to get the best return on its investments, the College District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.
Interest Rate Risk	<p>To reduce exposure to changes in interest rates that could adversely affect the value of investments, the College District shall use final and weighted-average-maturity limits and diversification.</p> <p>The College District shall monitor interest rate risk using weighted average maturity and specific identification.</p>
Internal Controls	<p>A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the College District. Controls deemed most important shall include:</p> <ol style="list-style-type: none">1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.2. Avoidance of collusion.3. Custodial safekeeping.4. Clear delegation of authority.5. Written confirmation of telephone transactions.6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.7. Avoidance of bearer-form securities. <p>These controls shall be reviewed by the College District's independent auditing firm.</p>
Portfolio Report	In addition to the quarterly report required by law and signed by the College District's investment officer, a comprehensive report on the investment program and activity shall be presented annually to the Board. The annual report may be a component of the fourth quarter report. Weighted average yield to maturity shall be the portfolio performance standard presented in the report.

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Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the College District shall perform a compliance audit of management controls on investments and adherence to the College District's established investment policies.