



Investment Policy

City of White Oak, Texas

DATE OF ADOPTION:

September 10, 1996

DATE OF RATIFICATION

January 14, 2016

Prepared by the City Secretary

Approved by the City Coordinator

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CITY OF WHITE OAK INVESTMENT POLICY

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I. POLICY

It is the policy of the City of White Oak, Texas (hereinafter referred to as the "City") to administer and invest its funds in a manner which will preserve the principal and maintain the liquidity through limitations and diversification while meeting the daily cash flow requirements of the City. The City will invest all available funds in conformance with legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

II. PURPOSE

The purpose of this investment policy is to comply with all statutes governing the investment of the City's funds and Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the City to adopt a written investment policy regarding the investments of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

III. SCOPE

The City will strive to earn a return on funds invested at the highest investment return possible after taking in consideration the primary goals of preservation of principal and liquidity of funds invested, consistent with the policy objectives described below. This investment policy applies to the investment activities of the government of the City of White Oak, Texas. Funds include:

- General Fund
- Enterprise Fund
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately.
- Special Revenue Funds
- Any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.

The General, Enterprise, and Interest & Redemption Funds combined make up the consolidated bank account and accrue interest as one group. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

IV. OBJECTIVES

SAFETY The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The City will strive to minimize credit risk by limiting investments to the safest types of investments, prequalifying the financial institutions with which the City conducts business, and diversify the investment portfolio so that potential losses on individual issuers will be minimized. To minimize interest rate risk, the City will ladder the portfolio and match investments with future cash requirements and invest operating funds in shorter, more liquid securities and investments.

LIQUIDITY The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing securities with active secondary markets. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same day liquidity.

YIELD (Optimization of Interest Earnings) The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into

account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

MONITORING Monitoring shall be conducted quarterly when investment reports are compiled to ensure investments are in compliance with credit rating requirements according to PFIA 2256.005(b)(4)(F) and the liquidation of such investments if the minimum rating during this period is not satisfied.

Affected Obligations under the “Authorized Investments” in this policy and their minimum rating requirements are:

- Obligations of States (other than Texas), Agencies, Counties, Cities, and Other Political Subdivisions [Section 2256.009(a)(5)]
Rated not less than A or its equivalent by at least one nationally recognized investment rating firm
- Mutual Funds [Section 2256.014 (b) and (c)]
Rated not less than AAA or its equivalent by at least one nationally recognized investment rating firm
- Investment Pools [Section 2256.016]
Rated not less than AAA or an equivalent rating by at least one nationally recognized rating service.

V. RESPONSIBILITY AND CONTROL

DELEGATION Management responsibility for the investment activity of the City of White Oak is assigned to the Mayor with designation by him to the City Secretary and the City Coordinator, as provided for in the City’s Home Rule Charter. The City Secretary is designated as the Investment Officer and is responsible for establishing a system of controls to regulate the activities of her designated subordinates. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this investment policy as approved by the City Council. The investment authority granted to investing officers is effective until rescinded by the City Council.

PRUDENCE Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio of funds, rather than a consideration as to the prudence of a single investment.

INDEMNIFICATION Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Mayor and the City Council of the City of White Oak, and appropriate action is taken to control adverse developments.

ETHICS DISCLOSURE AND CONFLICTS OF INTEREST Investment officials involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall file a disclosure statement with the Texas Ethics Commission and the City Council if:

- a) the officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City (as defined in 2256.005 (i)(1-3); or
- b) the officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the entity.

Investment officials shall further disclose any material, personal investment positions that could be related to the performance of the City's portfolio. Investment officials and employees shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City of White Oak.

TRAINING Investment Officers shall attend at least one investment training session within 12 months after taking office or assuming duties, and shall attend an investment training session not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that day. Officers shall receive not less than 10 hours of instruction relating to investment responsibilities from an independent source approved by the City Council to insure the quality and capability of investment management in compliance with the Public Funds Investment Act. For the purposes of this policy, an "independent source" is defined as a professional organization, an institute of higher learning, or any other sponsor other than a Business Organization with whom the City may engage in investment transactions. Independent sources that may provide investment training include the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, the Texas Municipal Clerks Certification Program, or the Texas Municipal League. Training shall be in accordance with the Public Funds Investment Act and shall include education in investment controls, security risks, market risks, diversification of investment portfolio, and compliance with statutes governing the investment of public funds.

VI. INVESTMENT STRATEGY BY FUND TYPE

OPERATING FUNDS

Operating funds will have as their primary objective to assure that anticipated daily cash requirements are matched with adequate investment liquidity. The secondary objective is to create a portfolio that will minimize volatility during changing economic cycles. There should also be marketability of the investment if the need arises to liquidate the investment before maturity.

DEBT SERVICE FUNDS

Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date or funds shall be maintained in an investment pool or money market mutual fund to be available for debt service payments.

DEBT SERVICE RESERVE FUNDS

Investments will have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund within the limits set forth by the bond ordinance or debt covenants specific to each individual bond issue. Individual securities may be invested to a stated final maturity of ten years or less and no more than a five-year dollar-weighted average life.

CAPITAL PROJECT AND SPECIAL PURPOSE FUNDS

These funds will have as their primary objective to assure that anticipated cash outflows are matched with adequate investment liquidity. These portfolios should have liquid securities to allow

for unanticipated project expenditures or accelerated project outlays due to a better than expected or changed construction schedule. The stated final maturity dates of securities held should not exceed the estimated project completion date.

VII. SAFEKEEPING OF SECURITIES AND COLLATERAL

SAFEKEEPING AND CUSTODIAN AGREEMENTS

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third party bank approved by the City.

COLLATERAL POLICY

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the City has a current custodial agreement. The City Secretary is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

COLLATERAL DEFINED

The City shall accept only the following types of collateral:

- FDIC insurance coverage;
- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the State of Texas or its agencies and instrumentalities;
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less;
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A; and
- A letter of credit issued to the City by the Federal Home Loan Bank.

SUBJECT TO AUDIT All collateral shall be subject to inspection and audit by the City Secretary or the City's independent auditors.

DELIVERY VERSUS PAYMENT

All investment transactions, with the exception of local government investment pools and mutual fund transactions, shall be purchased using the delivery versus payment method. That is, funds shall not be wired or paid until verification has been made that the collateral was received by the Trustee. The collateral shall be held in the name of the City or held on behalf of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

VIII. MANAGEMENT AND INTERNAL CONTROLS

The City Secretary is responsible for establishing and maintaining an internal control structure, which shall be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City.

Controls and managerial emphasis deemed most important that shall be employed where practical are:

- Control of collusion
- Separation of duties
- Separation of transaction authority from accounting and record keeping
- Custodian safekeeping receipts records management
- Avoidance of physical delivery securities
- Clear delegation of authority
- Written confirmation of telephone transactions
- Compliance with investment policies
- Accurate and timely reports
- Validation of investment maturity decision with supporting cash flow data
- Adequate training and development of Investment Officers
- Review of financial condition of depository institutions
- Staying informed about market conditions, changes, and trends that require adjustments in investment strategies.

COMPLIANCE AUDIT

The City of White Oak shall perform, in conjunction with its annual financial audit, a compliance audit of management controls on investments and adherence to the entity's established investment policies. The audit shall include a formal review of the quarterly investment reports by an independent auditor and the results reported to the governing body by the independent auditor. Also, the governing body shall review its investment policy and investment strategy not less than annually and adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and strategy, and recorded any changes made to them.

IX. AUTHORIZED INVESTMENTS

Funds of the City of White Oak, Texas, may be invested in the following investments, as authorized by Chapter 2256 of the Government Code of the State of Texas, known as the "Public Funds Investment Act," and as authorized by this investment policy. Investments not specifically listed below are not authorized.

A. OBLIGATIONS OF, OR GUARANTEED BY GOVERNMENTAL ENTITIES

- 1) AUTHORIZED INVESTMENTS UNDER THIS SECTION

- a) Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- b) Direct obligations of this state or its agencies and instrumentalities;
- c) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
- d) Obligations of states, agencies, counties, cities, and other political subdivisions of any state, rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

2) **UNAUTHORIZED INVESTMENTS UNDER THIS SECTION**

- a) Obligations whose payment represents the coupon payments on the outstanding principle balance of the underlying mortgage-backed security collateral and pays no principal;
- b) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest;
- c) Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- d) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

B. CERTIFICATES OF DEPOSIT

A Certificate of deposit is an authorized investment under this Subchapter if the certificate is issued by a depository institution that has its main office or branch office in this state and is:

- 1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- 2) secured in any other manner and amount provided by law for deposits of the City;

C. MUTUAL FUNDS

- 1) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:
 - a) is registered and regulated by the Securities and Exchange Commission;
 - b) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 80a-1 et seq.);
 - c) has a dollar-weighted average stated maturity of 90 days or less;
 - d) includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share.

- 2) In addition to a no-load money market mutual fund permitted in Subsection (1), a no-load mutual fund is an authorized investment under this Section if the mutual fund:
 - a) is registered with the Securities and Exchange Commission;
 - b) has an average weighted maturity of less than two years;
 - c) is invested exclusively in obligations approved by this subchapter;
 - d) is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and
 - e) conforms to the requirements set forth in Sections 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.
- 3) The City is not authorized by this section to:
 - a) invest in the aggregate more than 15% of its monthly average fund balance, excluding bond proceeds, reserves in other funds held for debt service, in mutual funds described in Subsection (2) or mutual funds either separately or collectively;
 - b) invest in any bond proceeds, reserves and funds held for debt service, in mutual funds described in Subsection (2); or
 - c) invest its funds or funds under its control, including bond proceeds, reserves and other funds held for debt service in any one mutual fund described in Sections (1) and (2) that exceeds 10% of the total assets of the mutual fund.

D. INVESTMENT POOLS

- 1) The City Council by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from the City in authorized investments permitted by this policy. An investment pool may invest the funds it receives from the City in authorized investments permitted by and consistent with this subchapter.
- 2) To be eligible to receive funds from and invest funds on behalf of the City under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the City an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:
 - a) the types of investments in which money is allowed to be invested;
 - b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date of the pool;
 - c) the maximum stated maturity date any investment security within the portfolio has;
 1. the objectives of the pool;
 2. the size of the pool;

3. the names of the members of the advisory board of the pool and the dates their terms expire;
 4. the custodian bank that will safekeep the pool's assets;
 5. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 6. whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance of guarantees, and a description of the secondary source of payment.
 7. the name and address of the independent auditor of the pool;
 8. the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 9. the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
- 3) To maintain eligibility to receive funds from and invest funds on behalf of the City under this section, an investment pool must furnish to the investment officer or other authorized representative of the City:
- a) investment transaction confirmations; and
 - b) a monthly report that contains, at a minimum, the following information:
 1. the types and percentage breakdown of securities in which the pool is invested;
 2. the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 3. the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 4. the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 5. the size of the pool;
 6. the number of participants in the pool;
 7. the custodian bank that is safekeeping the assets of the pool;
 8. a listing of daily transaction activity of the City participating in the pool;
 9. the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
 10. the portfolio managers of the pool; and
 11. any changes or addenda to the offering circular.

- 4) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
- 5) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.
- 6) To be eligible to receive funds from and invest funds on behalf of the City under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.
- 7) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:
 - a) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or
 - b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
- 8) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- 9) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (2), (3)(b), and (6) must be posted on the website.
- 10) To maintain eligibility to receive funds from and invest funds on behalf of the City under this policy, an investment pool must make available to the City an annual audited financial statement of the investment pool in which the City has funds invested.
- 11) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

PROCUREMENT Authorized investments may be made only after competitive bids are solicited from at least three sources, with the exception of a) transactions with money market mutual funds and local government investment pools, and b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

LENGTH OF INVESTMENTS The maximum stated maturity, from the date of purchase, for any individual investment may not exceed 5 years and the maximum dollar-weighted average maturity for the pooled fund group (investment portfolio) may not exceed 2 years.

DIVERSIFICATION It is the policy of the City of White Oak to diversify its investment portfolios. Assets held in the common investment portfolio shall be diversified to eliminate the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically by the Investment Officers.

FINANCIAL INSTRUMENTS Maximum allowable percentages of the total portfolio for investments are stated as follows:

Investment Type	Maximum Limit
Investment Pools	100%
Money Market Accounts	100%
Certificates of Deposit	100%
U.S. Government Securities	100%
U.S. Agency Securities	80%
Repurchase Agreements	50%
Bankers' Acceptances	10%
Commercial Paper	10%

X. UNAUTHORIZED INVESTMENTS

A. The following instruments are not eligible for direct purchase but may be included in the portfolio of certain Investment Pool(s), money market mutual funds, or mutual funds:

1. Repurchase Agreements
2. Reverse Repurchase Agreements
3. Bankers' Acceptances
4. Commercial Paper
5. Bond Mutual Funds
6. Bonds issued, assumed, or guaranteed by the State of Israel

B. Investment instruments not authorized for purchase include:

1. obligations whose payment represents the coupon payments on the outstanding principle balance of the underlying mortgage-backed security collateral and pays no principal;
2. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest;
3. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

C. The City is not required to liquidate investments that were authorized investments at the time of purchase.

XI. AUTHORIZED BUSINESS ORGANIZATIONS

A qualified representative of a business organization that seeks to execute investment transactions with the City must provide a signed Certification Form to the Investment Officer which attests that the individual responsible for the City's account with that organization has:

- 1) Received and reviewed the investment policy of the City; and

- 2) Has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude transactions that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, or requires an interpretation of subjective investment standards.

An investment officer of the City may not acquire or otherwise obtain any authorized investments described in the investment policy of the City from a person who has not delivered to the City a signed Certification Form.

INSURABILITY All business organizations that desire to become qualified bidders for investment transactions must supply the Investment Officer with audited financial statements, evidence of Federal insurance, and other information upon request:

At least annually, the City Coordinator and City Secretary shall review, revise, and adopt a list of qualified bidders that are authorized to engage in investment transactions with the entity. New business organizations may be added as needed with the agreement of both financial officers.

XII. INVESTMENT REPORTS

The City Secretary, under the direction of the Mayor shall submit quarterly an investment report, to the City Council that includes:

- A) Investment position of the City on the date of the report;
- B) A signature of each investment official of the City;
- C) A summary statement of each pooled fund or individual portfolio, that states the:
 1. Beginning market value for the reporting period;
 2. Ending market value for the period; and
 3. The resulting change in market value that may have occurred; and
 4. Methods used to monitor the market price of investments.
- D) State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- E) State the duration or average maturity of each portfolio;
- F) State the accounting fund or pooled group fund for which individual investments were acquired, by name or number or both;
- G) State the compliance of the investment portfolio as it related to the investment strategy in the City's investment policy and compliance with all laws governing the City's investments.
- H) Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

CITY OF WHITE OAK

APPROVED LIST OF FINANCIAL INSTITUTIONS & INVESTMENT POOLS

FINANCIAL INSTITUTIONS

CAPITAL ONE BANK

TEXAS BANK AND TRUST

CITIZENS NATIONAL BANK

BANKTEXAS HOLDINGS BANK (“BankTexas”/ “BTH Bank”)

INVESTMENT POOLS

TEXPOOL

LOGIC INVESTMENT POOL

TEXAS CLASS

**INVESTMENT CERTIFICATION FORM
CITY OF WHITE OAK, TEXAS**

Name of Organization: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-Mail Address: _____

I hereby certify that I am a qualified representative of the above named business organization seeking to sell an authorized investment to the City of White Oak, Texas.

I, and those responsible for the City of White Oak's account, have received and have thoroughly reviewed the City of White Oak's Investment Policy, adopted September 10, 1996 and ratified on January 14, 2016.

I acknowledge that the above named business organization of which I am a qualified representative has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude transactions that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, or requires an interpretation of subjective investment standards.

Signed this _____ day of _____, 20____.

Signature of Qualified Representative

Printed Name

Title