



IPAIT: Maximizing Public Funds

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September 24, 2026

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Meet the Team



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Relationship Manager



The Origins of IPA IT

1986

Iowa General Assembly authorized joint investment agreements for school corporations, and the Iowa Schools Joint Investment Trust was established.

1987

Legislation expanded joint investing authority to cities, counties, and municipal utilities.

1987

The Iowa Public Agencies Investment Trust (IPA IT) formed as a Chapter 28E agency governed by a Board of Trustees.

1991

IPA IT faced challenges following the Iowa Trust scandal. Iowa Trust claimed to operate like IPA IT while offering higher returns; review determined those returns relied on practices inconsistent with money market restrictions.



IPAIT Investment Vehicle Options

IPAIT Diversified Fund

- Daily liquidity
 - Daily rate yielding 3.42%*
- Pooled investment
- Designed for the investment of Operating Funds

IPAIT FTA Program**

- Longer-term maturities (3+ months)
- Individual direct investment
- Potential for more strategic yield
- Investments include CDs or Government Securities

** for administrative purposes, minimums apply



IPAIT Board of Trustees

IPAIT is governed by an independent board of representatives from Iowa counties, cities, and utility districts.

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Jesse Otto

Trustee

Finance Manager, Cedar Falls Utilities

IPAIT – Legal Considerations

1

Investments within IPAIT adhere to Iowa Code Section 12B.10

2

Guiding principles of Safety, Liquidity, and Yield (in that order)

3

The Diversified Fund holds a AAAm rating from S&P - the highest rating in the money market classification

4

IPAIT has legal counsel and a chief compliance officer who monitor the program



Iowa Code 12B

STANDARD OF CARE REQUIRED

“

... shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity familiar with such matters would use to attain the goals of this section.

“

This standard requires that when making investment decisions, a public entity shall consider the role that the investment or deposit plays within the portfolio of assets of the public entity and the goals of investment prudence.

Iowa Code 12B

Primary Goals of Investment Prudence, in the following order of priority:

1

Safety of the principal



2

Maintaining the necessary liquidity to
match expected liabilities



3

Reasonable return



Iowa Code 12B – Authorized Investments

\$

Obligations of the US Government, its agencies and instrumentalities

\$

Certificates of Deposit and other evidences of deposit at federally insured depository institutions approved pursuant to Chapter 12C



Iowa Code 12B – Authorized Investments

Money Market Funds

SEC-registered fund that meets 2a-7 guidelines

Joint Investment Trust — Organized Under Chapter 28E

- ✓ Registered with the SEC and operated in accordance with Rule 2a-7
- ✓ Rated within the 2 highest classifications by an approved rating service, and operated per SEC Rule 2a-7 or GASB requirements for external investment pools
- ✓ Manager/Investment Adviser must be registered with the SEC under the Investment Advisor Act



Strategic Investment of District Funds

Effective fund management is critical to maximizing district resources

Strategic investment ensures financial stability, flexibility, and growth

Today's discussion will cover key challenges and best practices for investment management



Common Challenges in Managing Idle Funds

**Balancing Liquidity
vs. Yield**

**Regulatory & Policy
Constraints**

**Lack of Investment
Expertise or Time**

**Changing Interest
Rate Environment**

**Cash Flow
Uncertainty**

**Limited Investment
Options**

**Inefficient Use
of Idle Funds**

**Transparency &
Stakeholder Confidence**

**Economic & Political
Uncertainty**



Challenge: Balancing Liquidity vs. Yield

Challenges

- Need for immediate cash vs. earning higher returns
- Striking the right balance to optimize fund performance

Best Practices

- Implement a tiered (laddering) investment strategy
- Use liquid asset funds for short-term needs
- Conduct regular cash flow analysis

Example: \$20 Million to Invest

50% - LGIP (Liquid Asset Fund)	\$10 Million	3.44%
30% - 6-Month CDs / T-Bills	\$6 Million	4.01%
15% - 2-Year Treasury Note	\$3 Million	4.47%
5% - 5-Year Treasury Note	\$1 Million	4.62%
Time & Dollar Weighted Yield	\$20 Million	4.24%

Sample scenario. Not intended to provide a specific investment recommendation. Meant to emphasize that because of rate changes, laddering investments helps capture more of the yield curve (as liquidity requirements allow).

Please refer to the disclosure slide of this presentation for more information.



Challenge: Regulatory & Policy Constraints

Challenges

- Strict state & district investment policies
 - 12B.10A Public investment maturity and procedural limitations
- Limited flexibility in investment choices

Best Practices

- Regularly review and update investment policies
- Advocate for policy that allow flexibility while ensuring compliance
- Work with legal and financial experts to navigate regulations



Challenge: Lack of Investment Expertise / Time

Challenges

- Lack of investment knowledge and time
- Risk of defaulting to overly conservative strategies
- Risk of missed earnings opportunities

Best Practices

- Provide ongoing investment training
- Partner with advisors specializing in public funds
- Establish an investment advisory committee



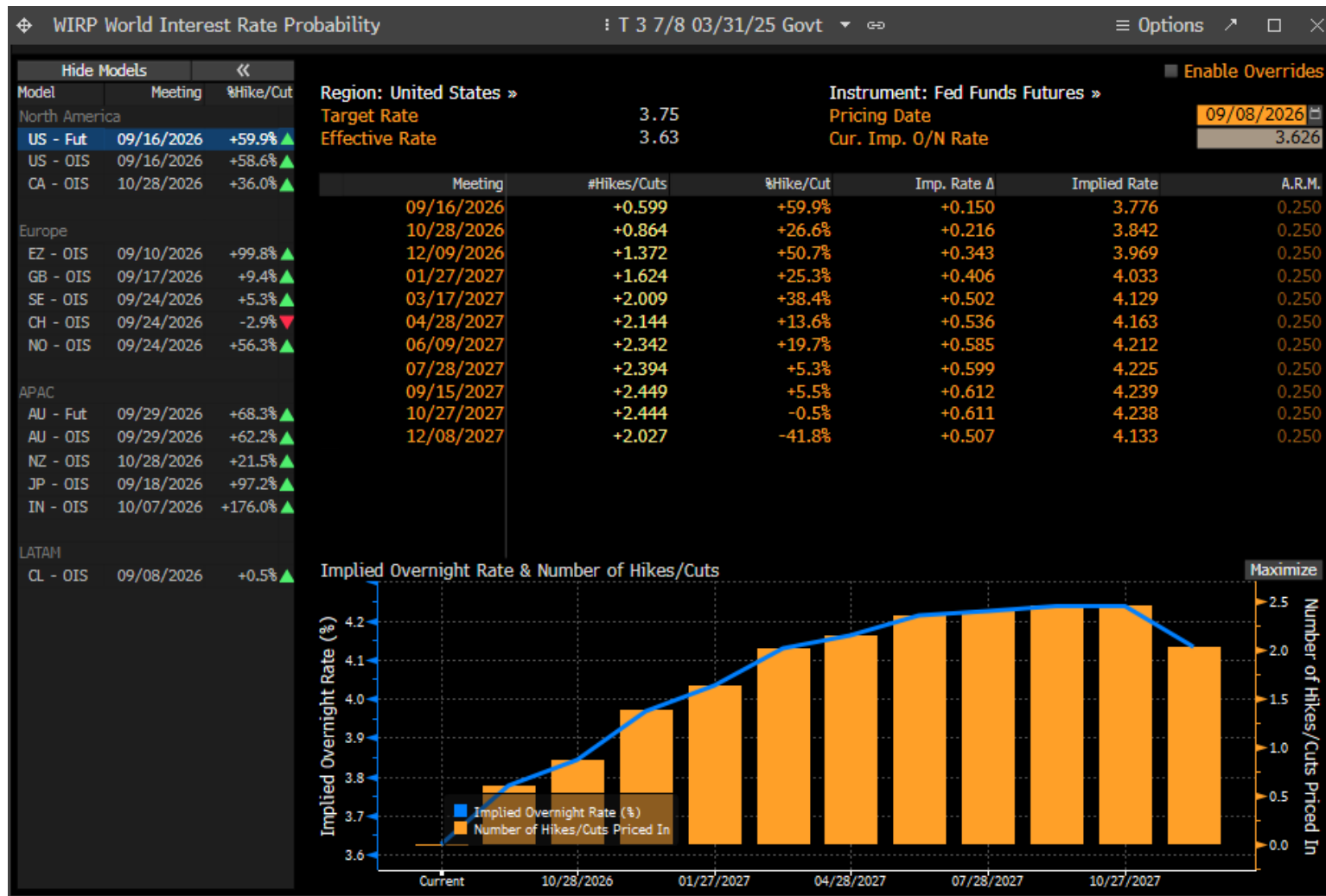
Challenge: Changing Interest Rate Environment

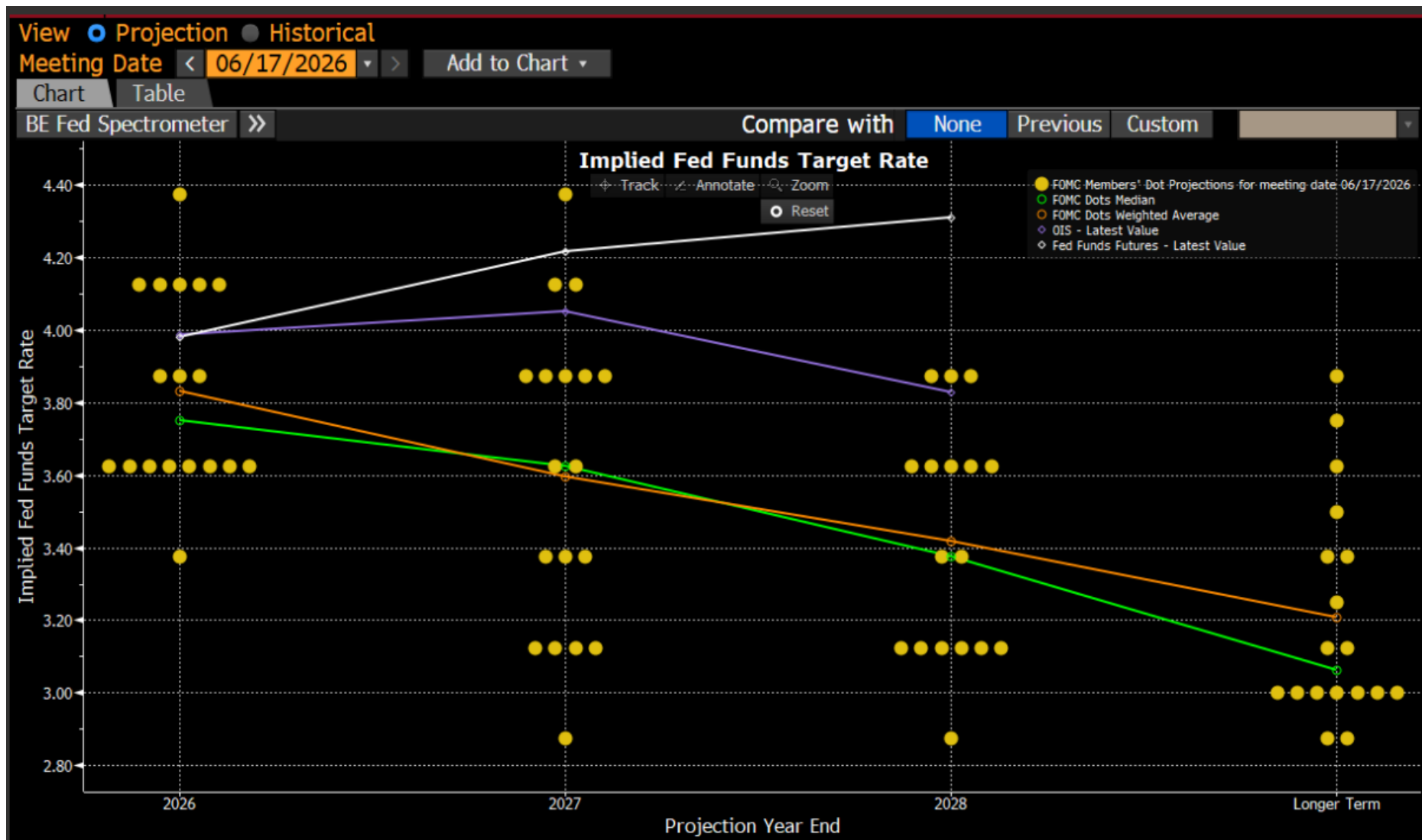
Challenge

- Market fluctuations impact investment returns

Best Practices

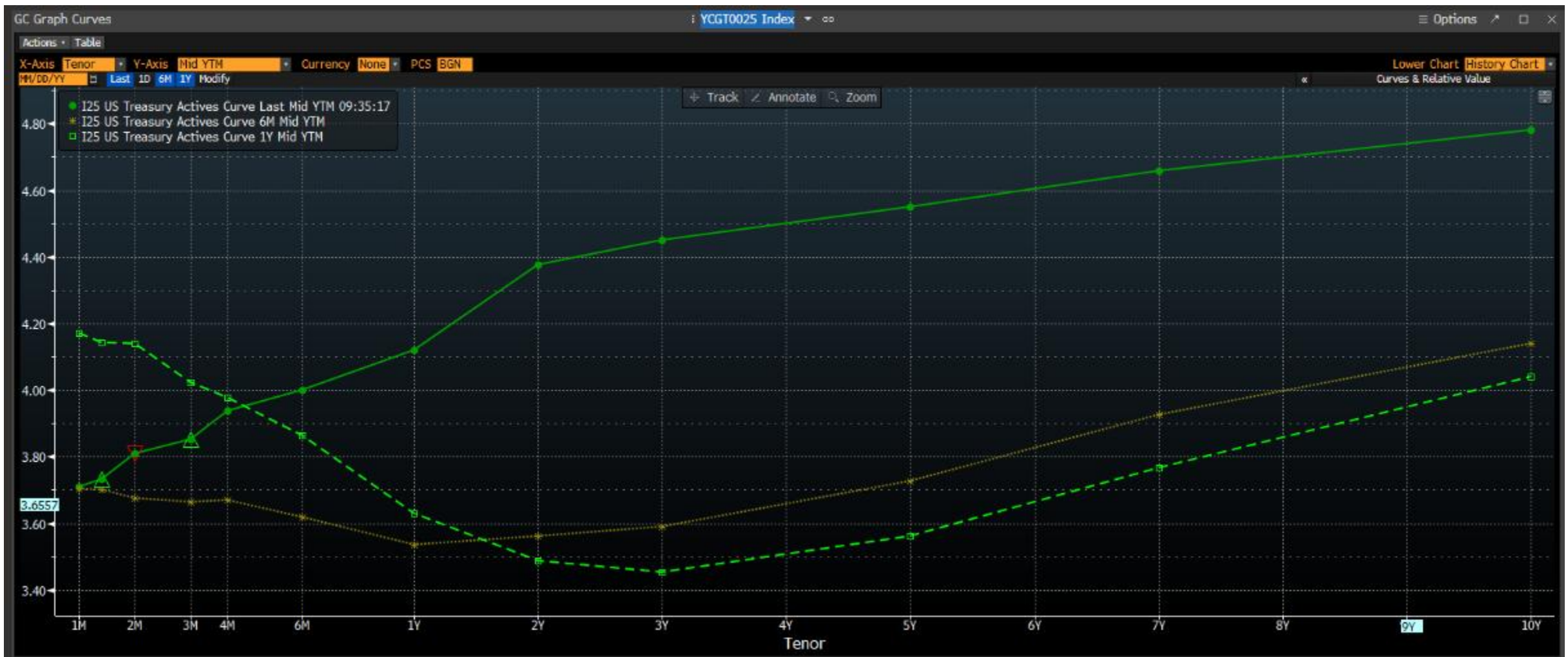
- Implement a laddering strategy for CDs and bonds
- Stay informed on economic trends
- Consider flexible investment products





Source: Bloomberg as of 06/17/2026

Please refer to the disclosure slide of this presentation for more information.



Challenge: Cash Flow Uncertainty

Challenge

- Unpredictable revenue and unexpected expenses

Best Practices

- Conduct cash flow forecasting
- Establish a rainy-day fund
- Use short-term investment vehicles for flexibility



Cash Flow Projections

Base Projections					
	Total Revenues		Total Expenditures		Surplus/ (Deficit)
FY2025	\$29,817,105		\$29,749,908		\$67,197
Monthly Projections					
	Total Revenues	Avg. %	Total Expenditures	Avg. %	Fund Balance
Jul-24	\$2,192,043	7.35%	\$2,945,671	9.90%	\$6,916,868
Aug-24	\$442,313	1.48%	\$2,484,859	8.35%	\$4,874,322
Sep-24	\$1,240,169	4.16%	\$2,435,616	8.19%	\$3,678,875
Oct-24	\$9,554,394	32.04%	\$2,161,809	7.27%	\$11,071,460
Nov-24	\$4,004,134	13.43%	\$2,373,757	7.98%	\$12,701,838
Dec-24	\$2,179,280	7.31%	\$2,277,589	7.66%	\$12,603,529
Jan-25	\$1,984,340	6.66%	\$2,602,699	8.75%	\$11,985,170
Feb-25	\$1,586,122	5.32%	\$2,016,197	6.78%	\$11,555,095
Mar-25	\$2,582,955	8.66%	\$3,049,315	10.25%	\$11,088,735
Apr-25	\$2,268,505	7.61%	\$1,971,210	6.63%	\$11,386,031
May-25	\$1,284,200	4.31%	\$2,426,571	8.16%	\$10,243,660
Jun-25	\$498,644	1.67%	\$3,004,609	10.10%	\$7,737,694
		100.00%		100.00%	
Base Projections					
	Revenues		Expenditures		Surplus/ (Deficit)
Current Projection	\$29,817,105		\$29,749,908		\$67,197
Base Projection	\$29,817,105		\$29,749,908		\$67,197
Over/Under	(\$0)		\$0		

Sample scenario. Not intended to provide an investment recommendation.

Please refer to the disclosure slide of this presentation for more information.



Cash Flow Analysis

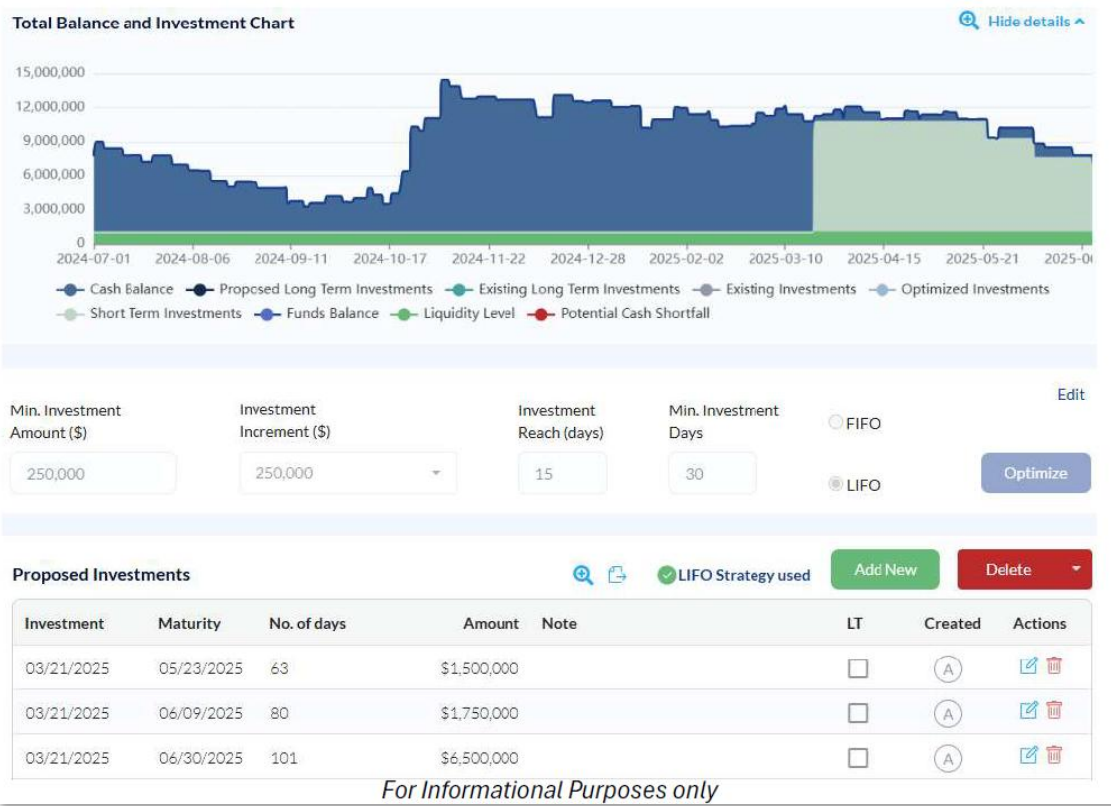


Sample scenario. Not intended to provide an investment recommendation.

Please refer to the disclosure slide of this presentation for more information.



Investment Optimization



Sample scenario. Not intended to provide an investment recommendation.

Please refer to the disclosure slide of this presentation for more information.



Challenge: Limited Investment Options

Challenge

- Restrictive policies limit diversification

Best Practices

- Explore diversified low-risk investment options
- Collaborate with other districts for better investment opportunities



Challenge: Inefficient Use of Idle Funds

Challenge

- Cash sitting in low-yield accounts

Best Practices

- Conduct regular investment audits
- Automate investment processes (e.g. direct deposits)
- Establish clear investment guidelines

Current Rate Hypothetical				
Account	Principal	Interest	Annual Interest	Monthly Interest
CD's	\$302,943.89	0.75%	\$2,272.08	\$189.34
Money Market	\$1,200,000.00	0.50%	\$6,000.00	\$500.00
General	\$680,487.56	0.05%	\$340.24	\$28.35
Sewer	\$201,578.61	0.80%	\$1,612.63	\$134.39
			\$0.00	\$0.00
			\$0.00	\$0.00
Total	\$2,385,010.06	0.429%	\$10,224.95	\$852.08
Difference		-3.001%	(71,580.89)	(5,965.07)

IPAIT Current Daily Rate Hypothetical			
Principal	Interest	Annual Interest	Monthly Interest
\$302,943.89	3.430%	\$10,390.98	\$865.91
\$1,200,000.00	3.430%	\$41,160.00	\$3,430.00
\$680,487.56	3.430%	\$23,340.72	\$1,945.06
\$201,578.61	3.430%	\$6,914.15	\$576.18
	3.430%	\$0.00	\$0.00
	3.430%	\$0.00	\$0.00
\$2,385,010.06	3.430%	\$81,805.85	\$6,817.15
	3.001%	71,580.89	5,965.07

The above portfolio is an indication of investment rates and interest earned on the district's account balances.

Investment rates are general market rates for illustration only.

Investment rates quoted are net of all fees, including insurance.

Investment rates are indicative as of 09/17/26. Investment Rates at the time of execution may vary, based on market conditions at that time.

The table on the left details an actual scenario of an LGIP Participant.

The table on the right shows if the funds been had been invested in IPAIT at rates as of 09/08/2026. It should be noted that IPAITs rates will fluctuate. The intention is not to provide a specific recommendation. It is to show that without proper due diligence and oversight, potential income may be missed.

There is no guarantee that IPAIT has the best rates. You should consult with a professional about your particular situation before making any investment decisions.



How Funds are Commonly Held

Operating Funds	Reserve Funds	Strategic Funds
Typical Approach:	Typical Approach:	Typical Approach:
Bank / Checking	Bank / Savings	Not clearly segmented
Opportunity:	Opportunity:	Opportunity:
Low yield, high liquidity	Often underutilized	Missed yield potential



A More Strategic Approach

Segment Your Cash Based on Purpose

Operating Payroll, expenses, short-term obligations	Reserve Capital projects, planned expenditures	Strategic Funds not needed immediately
Solution: Daily liquidity	Solution: Weekly liquidity / short-term options	Solution: Fixed-term investments (CDs, Treasuries)
Priority: Safety and access	Priority: Balance of yield & flexibility	Priority: Enhanced yield



Challenge: Transparency & Stakeholder Confidence

Challenge

City Council and taxpayers demand accountability

Best Practices

- Develop clear investment reporting processes
- Use investment dashboards for tracking & reporting
- Hold regular finance meetings



Challenge: Economic & Political Uncertainty

Challenges

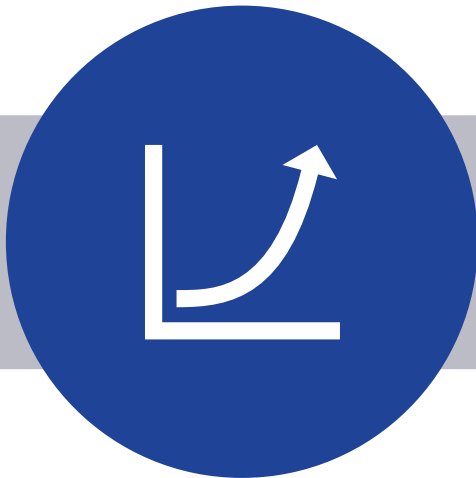
- Inflation, budget cuts, and federal funding shifts

Best Practices

- Adopt a conservative yet flexible investment approach
- Diversify investments
- Stay engaged with policymakers



Closing Thoughts



Strategic investments
are key to financial
sustainability



Proactive planning
helps cities maximize
returns while ensuring
liquidity



Thank you for your
time—let's continue
the conversation!



What Questions Do You Have?

Email us at ipait@pmanetwork.com



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