

Ohio Government Finance Officers Association

Real World Case Studies in Public Finance

Presented by:

Jason Click and Eileen Stanic

“A man who asks is a fool for five minutes. A man who never asks is a fool for life.”

-Chinese Proverb

“Experience is what you get when you didn’t get what you wanted.”

-Randy Pausch

“Experience is the best teacher.”

-Latin Proverb



“The time is always right to do
what is right.”

– Martin Luther King, Jr.

CASH

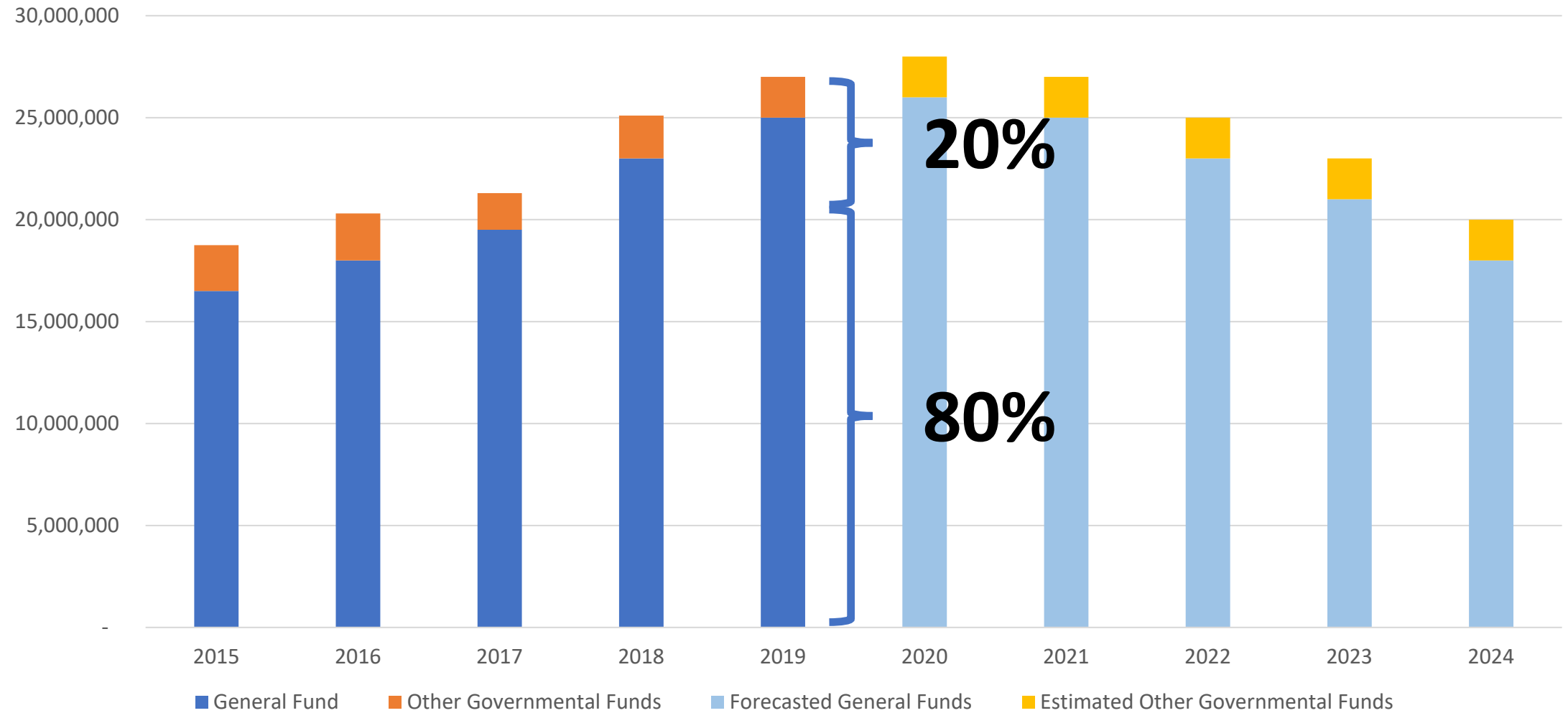
\$20,000,000

INVESTMENTS

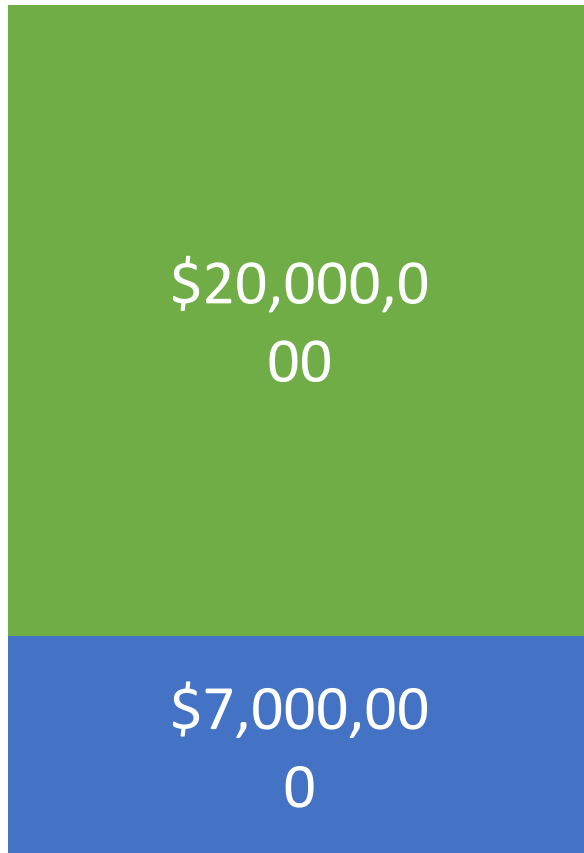
\$7,000,000

SCHOOL DISTRICT X

Historical Cash Flow



Before



CASH

INVESTMENTS

After



SCHOOL DISTRICT X

SCHOOL DISTRICT X

\$130,000

“A plan is what, a schedule is when. It takes both a plan and a schedule to get things done.”

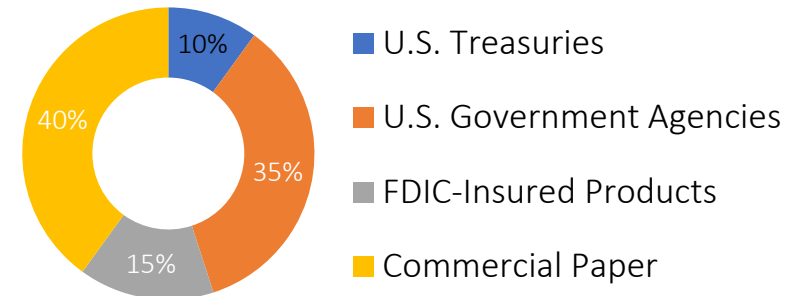
– Peter Turla

Project Funds

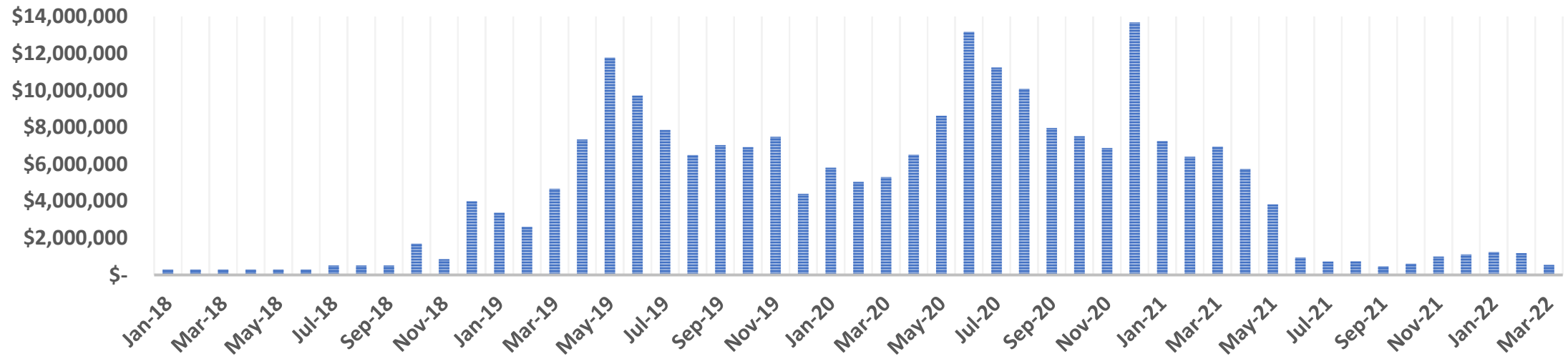
Portfolio

| | |
|------------------------|----------------------|
| Cash | \$ 11,500,000 |
| Securities | \$218,500,000 |
| Total Portfolio | \$230,000,000 |

Asset Allocation



INITIAL DRAW SCHEDULE



Estimated Interest Income:

\$11 million +

Keys

- Facilitate communication with construction manager and investment advisor
- Maintain proper liquidity
- Adjust strategy as project changes
- Adjust strategy as market/economy changes



Maybe I should have someone else take a look at this...

Hi,

We have some maturities in your portfolio this week. Similar to what we've done in the past, I would like to reinvest these in A1/P1 commercial paper to yield 2.15%.

Thanks,

Questions

- What are my other alternatives?
- What issuers would be purchased?
- Would I remain in compliance?
- What rates are available elsewhere?

Previous Execution

- 2 purchases of commercial paper
- Both were for 150 day maturity
- Both were sold to yield 2.30%

- These same issuers were shown by other brokers that day to yield 2.76%
- **\$1,916.67 in commission per million**

Issuers purchased:

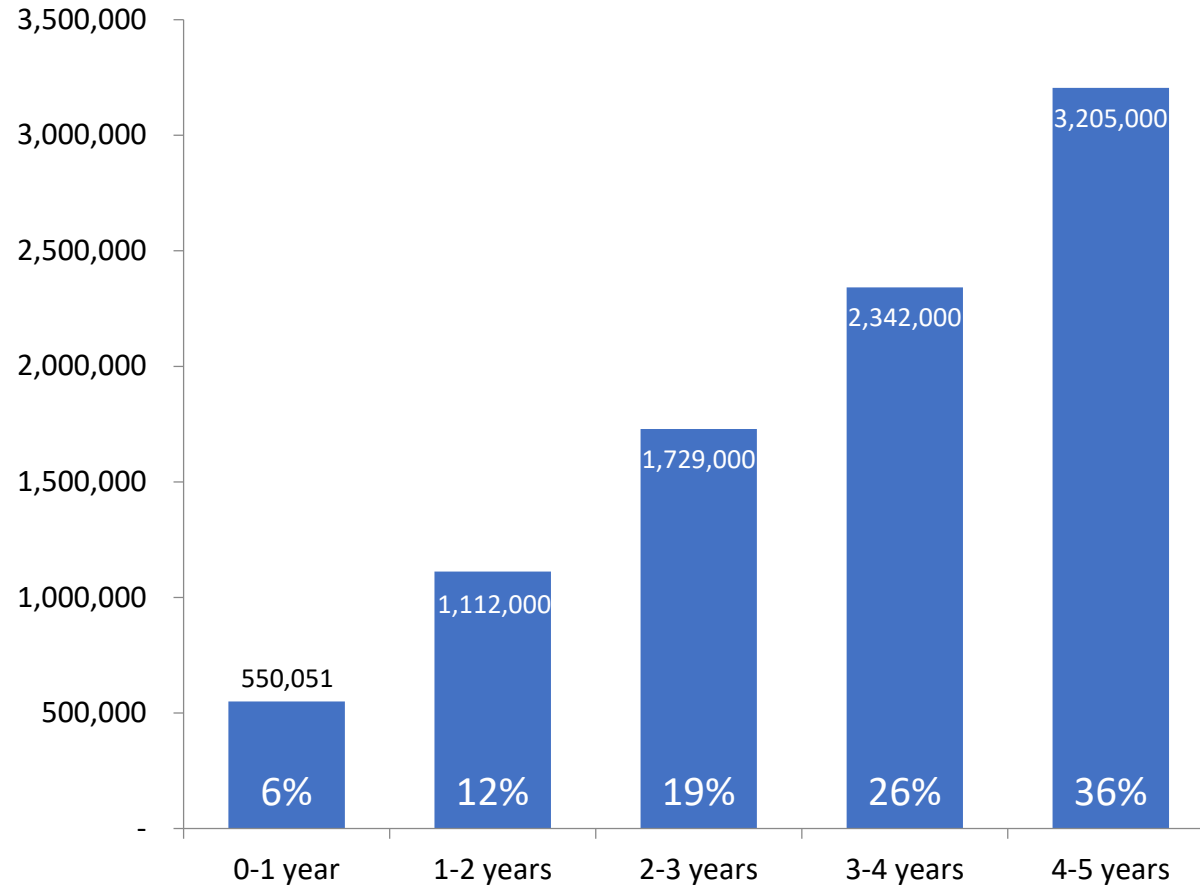


- 4(a)2 commercial paper

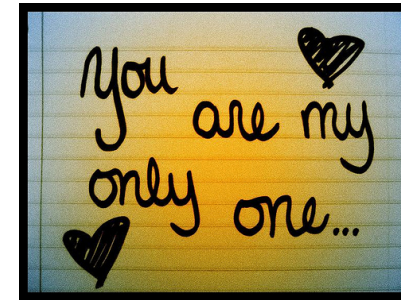
Know the Types of Service Providers

| <i>STAR Ohio/Plus</i> | <i>Banks</i> | <i>Investment Advisors</i> | <i>Brokers</i> |
|--|---|---|--|
| <ul style="list-style-type: none">• STAR Ohio<ul style="list-style-type: none">• Know the investments of STAR Ohio• Look over the annual report• STAR Plus<ul style="list-style-type: none">• Understand how program works• Monitor deposit Banks | <ul style="list-style-type: none">• Make sure they understand nuances of public entities• Work with banks you know and trust | <ul style="list-style-type: none">• Acts as a fiduciary in the client's best interest• Who do they work with?• What are their credentials?• Check them out: www.investor.gov | <ul style="list-style-type: none">• Recommends suitable investments• Who do they work with?• What do they do and how much do they charge?• Check them out: www.finra.org |

Exhibit B



How did it get here?



\$17,000+ in commissions

What if you need cash?

- New project
- Negotiations
- Funding change

Earnings Credit Rates



0.40%

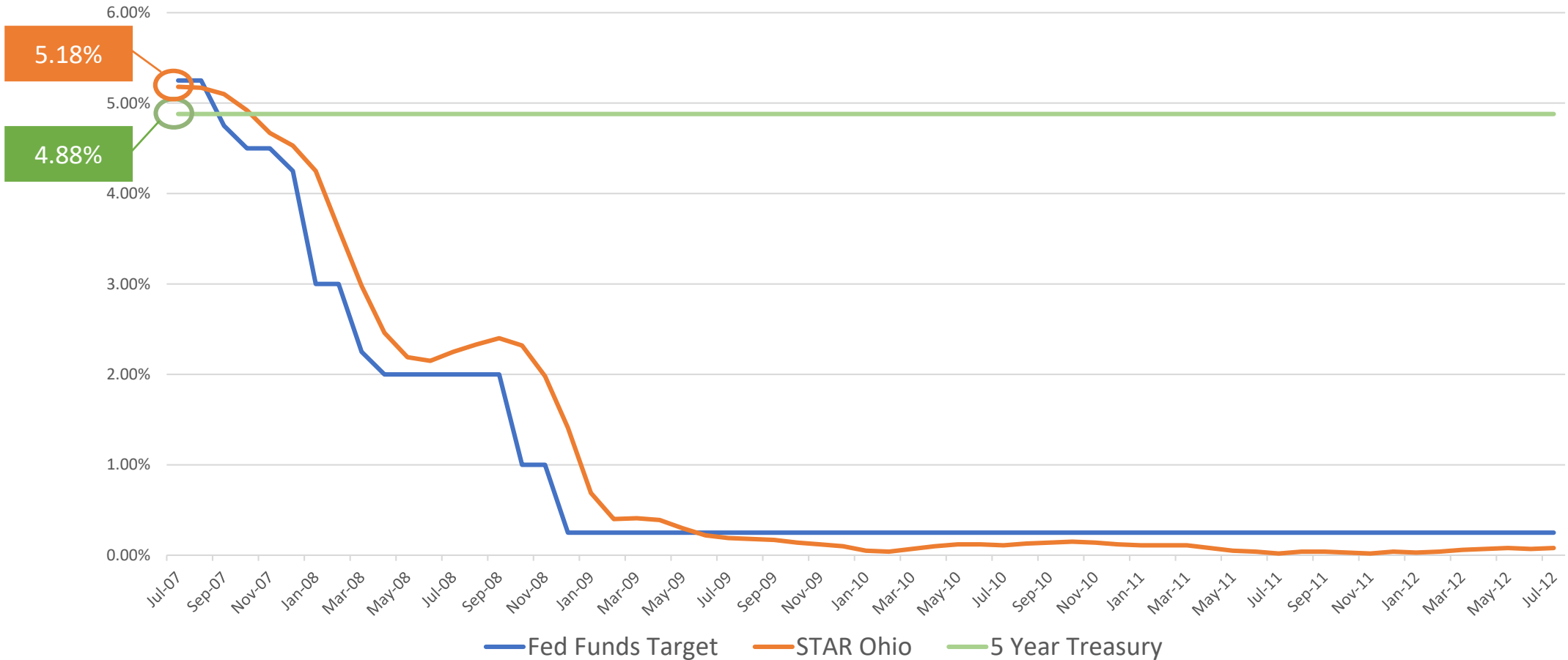


1.50%

+1.10%

Today's Interest Rate Environment

July 2007



5 year Treasury: 4.88% vs STAR Ohio 5 year average: 1.08%

THANK YOU

Jason Click, CFP

614-760-2120

jclick@meederinvestment.com

Eileen Stanic

614-760-2580

estanic@meederinvestment.com