Conestoga Valley School District
Annual Investment Summary
July 20, 2026

In accordance with the Conestoga Valley School District policy #609 – Investment of District Funds, we provide the School Board with an update on our investment strategy for the upcoming fiscal year based upon our cash flow projections. As in previous years, our investment strategy is very conservative with the primary objective being as follows:

- Legality and Safety – All investments shall be made in accordance with the Pennsylvania School Code section 440.1 with preservation of principal as the highest priority.

- Liquidity – The District develops cash flow projections and investments are made as cash is available thus minimizing un-invested balances. These investments are staggered to mature based upon projected expenditures, such as debt service, payroll, monthly expenditures, etc.

- Yield – The Federal Reserve has held interest rates steady around 3.4% with some minor fluctuations. Due to elevated inflation and significant increases in fuel and energy, it is anticipated that the Federal Reserve will increase rates rather than reduce rates which is a typical move within a higher inflationary environment.

We continue to work with our investment representatives from PSDLAF (Pennsylvania School District Liquid Asset Fund) and PLGIT (Pennsylvania Local Government Investment Trust) to ensure the funds are optimally invested without sacrificing safety or liquidity and maintaining a positive cash flow.

In 2016, Act 10 amended the PA School Cose section 440.1 and permitted school districts to invest in specific investments that could provide a higher yield but increased the risk of the principal. The District's investment policy specifically states that Act 10 permissible investments may not be used.

The types of investments that are permissible in accordance with the District's policy #609 are as follows:

- US Treasury Bills, short-term or long-term
- Obligations of US Agencies – 1 year or less
- Obligations of US Government backed by full faith & credit, short-term or long-term
- CDs insured by FDIC - $250,000
- Collateralized CDs in excess of FDIC limit if collateralized by US Treasury and Agency and/or by Federal Home Loan Bank Irrevocable letter of credit.

All investments, their maturity dates and yields are listed in the monthly Treasurer's report.