Cisco College Board of Regents
Annual Investment Policy Review
October 19, 2026

The Public Funds Investment Act requires that the Board review our Investment Policy at least annually. Cisco College performs this task in October of each year. A copy of the College's Investment Policy was provided to the Board on the above date. During the last year, there have been no changes.

Additionally, the following disclosures must be made annually:

- The College uses several outside advisors and/or brokers. A list of these is included in the investment policy. None of these advisors have authority to make decisions for the College without our approval.
- The College does not use soft dollar arrangements.
- The College became associated with an independent foundation on May 22, 2025. The market value of the foundation's investments on August 31, 2026 was $253,555.68.

CISCO COLLEGE

Investment Policy

(Reviewed October 19, 2026)

I. PURPOSE AND OBJECTIVES

This investment policy is intended to provide guidelines for the investment officer and other College employees empowered to deposit, withdraw, invest, transfer, or manage in any other manner the funds of Cisco College. The overall investment objectives of the College are, in order of priority:

- preservation of capital and protection of principal,
- maintenance of sufficient liquidity,
- yield,
- diversification to avoid unreasonable risks, and
- maintain public trust from prudent investment activities

Cisco College's funds shall be managed in accordance with the following standard of care:

> Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

II. OPERATIONAL GUIDELINES

A. Investment Responsibilities

The investment officer is designated to be the Vice President of Business Services, and is given the responsibility for the investment and all other authority over the College's funds. In the absence of or at the direction of the Vice President of Business Services, the President and/or the Director of Business Services may deposit, withdraw, invest, transfer, or manage in any other manner the funds of the College. Authority granted by this policy is effective until rescinded by the College or until termination of employment.

An investment officer who has a personal business relationship with an entity seeking to sell an investment to the College shall file a statement disclosing the relationship. The statement must be filed with the Texas Ethics Committee and the Cisco College governing board. The same requirements shall be met for an investment officer who is related in the second degree by marriage (affinity) or blood (consanguinity) to an individual seeking to sell an investment to the College.

When deciding whether an investment officer's actions were prudent, the determination should be based upon total investment portfolio, rather than an individual investment in the portfolio. However, an investment transaction not consistent with the written investment policy would not be considered prudent.

B. Internal Procedures

The investment officer shall attend at least one training session relating to their responsibilities for investments within six months after assuming duties. Each member of the College governing board shall attend, during the member's first two years of service as a member of a governing board, at least one training program under Texas law. [Education Code 61.084] The Texas Higher Education Coordinating Board shall certify this training. It will include education in investment controls, security risks, strategy risks, market risks, and compliance with the law.

Further, the investment officer shall attend a training session (at least five hours) not less than once in a two-year period from any independent source approved by the governing body or its designee. Also, the investment officer shall prepare a report on the Public Funds Investment Act and deliver it to the governing body not later than the 180th day after the last day of each regular session of the legislature.

The College's governing board shall review its investment policy at least annually.

A printed copy of the investment policy shall be presented to any person or business organization seeking to sell an investment to the College. The registered principal of the organization seeking to sell the investment shall execute a written document, which states the principal has received and thoroughly reviewed the College's investment policy. The document shall acknowledge that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities between the College and the business organization. The investment officer may not buy any securities from a person or business organization who has not delivered such document to the College.

The College shall perform or cause to be performed a compliance audit of management controls on its investments and of adherence to the established investment policy at least annually. This may be done in conjunction with the College's annual financial audit.

C. Management Reports

The College's investment officer shall prepare or cause to be prepared and submit, not less than quarterly, a written report of the investment transactions for all funds to the governing board.

At a minimum, the submitted report shall:

a) describe in detail the investment position of the College on the date of the report;
b) include a signed compliance statement proclaiming adherence to the investment policy, the investment strategy, and the applicable provisions of the Public Funds Investment Act;
c) state the book value and market value of each investment that has a maturity date;
d) state the fund or pooled group fund for which each investment was acquired, and;
e) include the beginning market value for the reporting period, the changes to market value for the reporting period, and the ending market value for the reporting period for each investment that has a maturity value.

III. INVESTMENT STRATEGY

As a part of the investment policy, an investment strategy for each accounting fund of the College shall be developed. The investment strategy for each particular fund shall be set forth by listing, in order of importance, investment objectives, which will also show the level of acceptable risk. The investment objectives are as follows:

a) Preservation and safety of principal;
b) Liquidity;
c) Marketability of the investment (ability to liquidate before maturity);
d) Yield;
e) Diversification of the investment portfolio.

In all matters concerning investment strategy, the investment officer should display an understanding of the suitability of the investment as it pertains to the financial requirements of each particular accounting fund of the College. Each accounting fund is listed below with its corresponding investment objectives:

- Local Fund - A, B, C, D, E
- Appropriation Fund - A, B, C, D, E
- Bond Revenue Fund - A, B, C, D, E
- Bond Interest & Sinking Fund - A, B, C, D, E
- Grants & Aid Fund - A, B, C, D, E
- Endowment Fund - A, D, C, B, E
- Federal Aid Fund - A, B, C, D, E
- Loan Fund - A, B, C, D, E
- Agency Fund - A, B, C, D, E

IV. AUTHORIZED INVESTMENTS

Cisco College's investment authority is derived from the Public Funds Investment Act (the Act). There are numerous types of investments authorized by the Act. The College's investment officer should, however, remain keenly aware of his own level of expertise in any and all investment decisions. However, the maximum stated maturity of any individual investment should be no longer than 10 years, and the maximum dollar-weighted average maturity of any pooled fund should be no longer than 1 year. Cisco College will not invest with companies that do business in Sudan, Iran, with Foreign Terrorist Organizations, or with companies that boycott Israel. A list of these organizations can be found on the Texas Comptroller website.

The investments set out below are deemed to be appropriate for Cisco College.

Government Securities
The College may invest in obligations of, or guaranteed by, governmental agencies and instrumentalities except as provided by Subsection (b) of Section 2256.009 of the Public Funds Investment Act. The following are authorized investments under this policy: 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of this state or its agencies and instrumentalities; 3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States; 4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; 5) 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; 6) bonds issued, assumed, or guaranteed by the State of Israel; 7) interest-bearing banking deposits that are guaranteed or insured by: a) the Federal Deposit Insurance Corporation or its successor; or b) the National Credit Union Share Insurance Fund or its successor; and 8) interest-bearing banking deposits other than those described by Subdivision (7) if: a) the funds invested in the banking deposits are invested through: i) a broker with a main

office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or ii) a depository institution with a main office or branch office in this state that the investing entity selects; b) the broker or depository institution selected as described by paragraph (a) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions for the investing entity's account; c) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and d) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: i) the depository institution selected as described by paragraph (a); ii) an entity described by Section 2257.041 (d); or iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rules.

Certificates of Deposit

College funds may be invested in certificates of deposit if they are issued by a state or national bank domiciled in the State of Texas or a savings and loan association domiciled in the State of Texas and guaranteed by the Federal Deposit Insurance Corporation or its successor. Collateral for the certificates of deposit must be in investments authorized by the Public Funds Investment Act and approved by the College.

Money Market Mutual Funds

The College may invest in a no-load money market mutual fund if it: 1) is registered with and regulated by the Securities and Exchange Commission; 2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act; and 3) complies with federal Securities and Exchange Commission Rule 2a-7 promulgated by the Securities and Exchange Commission. In addition, a no-load money market mutual fund has an average weighted maturity of less than two years and either: A) has a duration of one year or more and is invested exclusively in obligations approved by the Public Funds Investment Act: or B) has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

The College is specifically prohibited from: 1) investing in the aggregate more than 80 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in money market mutual funds; 2) investing any portion of bond proceeds, reserves, and funds held for debt service in a money market mutual fund that has a dollar-weighted average stated maturity of 91 days or more, and does not include in its investment objectives the maintenance of a stable net asset value of $1 for each share, and; 3) investing in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

Investment Pools

The College may invest its funds in eligible investment pools if the governing board specifically authorizes transfers of funds to the particular pool. In order to be an eligible investment pool, the investment pool must meet the qualifications set forth in the Public Funds Investment Act for investment pools. A public funds investment pool using amortized cost shall report yield to its investors consistent with applicable Securities and Exchange Commission rules and regulations.

V. AUTHORIZED BROKERS

The governing body of Cisco College shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the College. As of the date of this amended policy, the qualified brokers are:

First Financial Bank, Abilene, Texas

Local Government Investment Cooperative (LOGIC)

Lone Star Investment Pool (First Public, LLC)

Texas Short Term Asset Reserve Program (TexSTAR)

Ameriprise Advisor Services, Inc.

Prosperity Bank, Cisco, TX

Hilltop Securities