

# ISJIT

Iowa Schools Joint Investment Trust

Annual Financial Report  
June 30, 2016 and 2015

Sponsored by:  
Iowa Association of School Boards



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# Statement from the Sponsoring Association



Since 1986, the Iowa Schools Joint Investment Trust (ISJIT) has focused on serving the cash management needs of school districts, community colleges, area education agencies and other eligible participants in a safe, effective and efficient manner. ISJIT is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals.

Short-term investors continue to face many challenges brought on by near-zero, short-term interest rates and challenging, credit markets.

This interest rate environment has translated to lower earnings rates available from all types of liquid cash investment vehicles, including ISJIT. The Fund's Portfolios continue to provide a competitive return

with an emphasis on the preservation of principal and maintenance of suitable liquidity for all participants.

IASB is committed to assisting local school districts on their journey to excellence by freeing dollars in your budget that can be focused on student learning. ISJIT continues to grow and, with 402 authorized participants, has provided a much-needed investment option for Iowa schools.

As the Executive Director, I would like to thank this past year's ISJIT participants. I appreciate your continuing support as we strengthen the Iowa Association of School Boards and focus our efforts on serving Iowa's education community.

Sincerely,

A handwritten signature in black ink that reads "Lisa A. Bartusek". The signature is fluid and cursive.

Lisa A. Bartusek  
Executive Director  
Iowa Association of School Boards

# Message from the Chair



The Iowa Schools Joint Investment Trust Board is pleased to present this Annual Financial Report for the period ending June 30, 2016. We are encouraged by our high level of participation and our high level of account balances. The ISJIT board thanks you for your loyal support over the past fiscal year.

I would like to acknowledge the tremendous sacrifices by all the partners we work with on ISJIT. This includes Bankers Trust (custodian), PMA Financial Network, Inc. (administrator), PMA Securities, Inc. (marketer and fixed term provider), and RBC Global Asset Management, (U.S.), Inc. (investment advisor). The partners continue to provide a high level of service to ISJIT's Participants, while they discount fees in this low interest rate environment. I take pride in

knowing that ISJIT, in cooperation with our service partners, is doing all it can to maximize earnings for member districts, AEA's and community colleges.

ISJIT continues to partner with Brooks Lodden, P.C., as the auditor and Bob Jester of Jester Insurance Services for our insurance. Beth Grob, Ahlers Law Firm serves as our legal counsel.

Paul Kruse continues as our marketing agent and is the face of ISJIT to local business managers and superintendents.

Your comments and suggestions are always welcome and are a key element in the continual improvement of the ISJIT program. Please feel free to contact me or any other board member with your thoughts and ideas.

Together we can make ISJIT even better.

On behalf of the Board,

A handwritten signature in black ink that reads "Joan M. Corbin". The signature is written in a cursive, flowing style.

Joan Corbin  
Chair

# Board of Trustees & Team of Professionals

## ISJIT Board of Trustees:

**Joan Corbin, Trustee & Chair**  
Pella Community School District

**Keith Westercamp, Trustee & Vice Chair**  
Cedar Rapids Community School District

**Lisa Bartusek, Secretary & Executive Director**  
Iowa Association of School Boards

**W. Edward Chabel, Trustee,  
Treasurer & Assistant Secretary**  
Mt. Pleasant Community School District

**Jon Rowen, Trustee**  
Eagle Grove Community Schools

**Jill Morrill, Trustee**  
Johnston Community School District

**Jeff Thelander, Trustee**  
Lawton-Bronson Community School District

## ISJIT Team of Professionals:

**PMA Financial Network, Inc.**  
Administrator

**RBC Global Asset Management (US) Inc.**  
Investment Advisor

**Bankers Trust Company**  
Custodian

**PMA Securities, Inc.**  
Marketing Representative

**Beth Grob, Ahlers Law Firm P.C.**  
Legal Counsel

**Brooks Lodden, P.C.**  
Independent Auditors

**Iowa Association of School Boards**  
Sponsor

# Membership Profile

ADAIR-CASEY COMMUNITY SCHOOL  
ADEL-DESOTO-MINBURN CSD  
AEA 10 GRANT WOOD  
AEA 10 GRANT WOOD TRUSTEE  
AEA 11 HEARTLAND  
AEA 16 GREAT RIVER TRUST  
AEA 267  
AEA 9 MISSISSIPPI BEND  
AEA PRAIRIE LAKES  
AGWSR SCHOOL DISTRICT  
A-H-S-T COMMUNITY SCHOOL  
AKRON-WESTFIELD COMMUNITY SCHOOL  
ALBERT CITY-TRUESDALE  
ALBIA COMMUNITY SCHOOL  
ALBURNETT COMMUNITY SCHOOL  
ALDEN COMMUNITY SCHOOL  
ALGONA COMMUNITY SCHOOLS  
ALTA COMMUNITY SCHOOL  
AMES COMMUNITY SCHOOL  
ANAMOSA COMMUNITY SCHOOL  
ANDREW COMMUNITY SCHOOL  
ANKENY COMMUNITY SCHOOL  
ANTHON-OTO COMMUNITY SCHOOL  
APLINGTON COMMUNITY SCHOOL  
APLINGTON-PARKERSBURG SD  
ARMSTRONG-RINGSTED COMM SCHOOL  
AR-WE-VA COMMUNITY SCHOOL  
ATLANTIC COMMUNITY SCHOOLS  
AUDUBON COMMUNITY SCHOOL  
AURELIA COMMUNITY SCHOOL  
BALLARD COMMUNITY SCHOOL  
BANKERS TRUST TTEE JOHNSTON  
BANKERS TRUST TTEE WEST DELAWARE  
BATTLE CREEK-IDA COMM SCHOOL  
BAXTER COMMUNITY SCHOOL  
BCLUW COMMUNITY SCHOOL  
BELLE PLAINE COMMUNITY SCHOOL  
BELLEVUE COMMUNITY SCHOOLS  
BELMOND-KLEMME COMM SCHOOL  
BENNETT COMMUNITY SCHOOL  
BETTENDORF COMMUNITY SCHOOL  
BONDURANT-FARRAR COMM SCHOOL  
BOONE COMMUNITY SCHOOL  
BOYDEN-HULL COMMUNITY SCHOOL  
BOYER VALLEY COMMUNITY SCHOOL  
BROOKLYN-GUERNSEY-MALCOM  
BTC AS TRUSTEE FOR DSR FUNDS  
BTC FORT DODGE-TRUSTEE  
BTC TRUSTEE DEBUQUE COM. SCHOOL  
BTC TRUSTEE WEST DES MOINES CSD  
BURLINGTON COMMUNITY SCHOOL  
CAL COMMUNITY SCHOOL  
CALAMUS-WHEATLAND CSD  
CAM COMMUNITY SCHOOL  
CAMANCHE COMMUNITY SCHOOL  
CARDINAL COMMUNITY SCHOOL  
CARLISLE COMMUNITY SCHOOL  
CARROLL COMMUNITY SCHOOL

CEDAR FALLS COMMUNITY SCHOOL  
CEDAR RAPIDS COMMUNITY SCHOOL  
CENTER POINT-URBANA CSD  
CENTERVILLE COMMUNITY SCHOOL  
CENTRAL CITY COMM SCHOOL DIST  
CENTRAL CLINTON COMMUNITY SCHOOL  
CENTRAL DECATUR COMMUNITY SCHOOL  
CENTRAL LEE COMMUNITY SCHOOL  
CENTRAL LYON COMMUNITY SCHOOL  
CENTRAL SPRINGS COMMUNITY SD  
CHARITON COMMUNITY SCHOOL  
CHARLES CITY COMMUNITY SCHOOL  
CHELTENHAM TOWNSHIP SCHOOL DIST  
CHEROKEE COMMUNITY SCHOOL  
CLARINDA COMMUNITY SCHOOL  
CLARKE COMMUNITY SCHOOL  
CLARKSVILLE COMMUNITY SCHOOL  
CLAY CENTRAL/EVERLY CSD  
CLEAR CREEK-AMANA CSD  
CLEAR LAKE COMMUNITY SCHOOL  
CLEARFIELD COMMUNITY SCHOOL  
CLINTON COMMUNITY SCHOOL  
COLFAX-MINGO COMMUNITY SCHOOL  
COLLEGE COMMUNITY SCHOOL  
COLLINS-MAXWELL COMMUNITY SCHOOL  
COLO-NESCO COMMUNITY SCHOOL  
COLUMBUS COMMUNITY SCHOOL  
COMMUNITY FIRST STATE BANK  
COON-RAPIDS-BAYARD CSD  
CORNING COMMUNITY SCHOOL  
COUNCIL BLUFFS COMMUNITY SCHOOL  
CRESTON COMMUNITY SCHOOL  
DALLAS-CENTER-GRIMES CSD  
DANVILLE COMMUNITY SCHOOL  
DAVENPORT COMMUNITY SCHOOL  
DAVIS COUNTY COMMUNITY SCHOOL  
DECORAH COMMUNITY SCHOOL  
DEEP RIVER-MILLERSBURG CSD  
DELWOOD COMMUNITY SCHOOL  
DENISON COMMUNITY SCHOOL  
DENVER COMMUNITY SCHOOL  
DES MOINES AREA COMMUNITY  
DES MOINES AREA COMMUNITY  
DES MOINES INDEPENDENT SCHOOL  
DIAGONAL COMMUNITY SCHOOL  
DIKE-NEW HARTFORD CSD  
DUBUQUE COMMUNITY SCHOOL  
DUNKERTON COMMUNITY SCHOOL  
DURANT COMMUNITY SCHOOL  
EARLHAM COMMUNITY SCHOOL  
EAST BUCHANAN COMMUNITY SCHOOL  
EAST CENTRAL COMMUNITY SCHOOL  
EAST GREENE COMMUNITY SCHOOL  
EAST MARSHALL COMMUNITY SCHOOL  
EAST MILLS COMMUNITY SCHOOL  
EAST SAC COMMUNITY SCHOOL  
EAST UNION COMMUNITY SCHOOL  
EASTERN ALLAMAKEE CSD

EDDYVILLE-BLAKESBURG CSD  
EDGEWOOD-COLESBURG CSD  
ELDORA NEW PROVIDENCE CSD  
EMMETSBURG COMMUNITY SCHOOL  
ENGLISH VALLEYS CSD  
ESSEX COMMUNITY SCHOOL  
ESTHERVILLE LINCOLN CENTRAL CSD  
EXIRA COMMUNITY SCHOOL  
FAIRFIELD COMMUNITY SCHOOLS  
FARRAGUT COMMUNITY SCHOOLS  
FOREST CITY COMMUNITY SCHOOL  
FORT DODGE COMMUNITY SCHOOL  
FORT MADISON COMMUNITY SCHOOL  
FOX VALLEY COMMUNITY SCHOOL  
FREDERICKSBURG COMMUNITY SCHOOL  
FREMONT-MILLS COMMUNITY SCHOOL  
GALVA-HOLSTEIN COMMUNITY SCHOOL  
GARNER-HAYFIELD COMMUNITY SCHOOL  
GARNER-HAYFIELD-VENTURA COMMUNITY  
SCHOOL DISTRICT  
GEORGE-LITTLE ROCK CSD  
GILBERT COMMUNITY SCHOOL  
GILMORE CITY-BRADGATE CSD  
GLADBROOK-REINBECK COMMUNITY  
GLENWOOD COMMUNITY SCHOOL  
GLIDDEN-RALSTON COMMUNITY SCHOOL  
GMG COMMUNITY SCHOOL  
GRAETTINGER COMMUNITY SCHOOL  
GRAND COMMUNITY SCHOOL  
GREAT PRAIRIE AEA  
GREEN HILLS AEA  
GREENE COUNTY COMMUNITY SD  
GRINNELL-NEWBURG COMM SCHOOL  
GRISWOLD COMMUNITY SCHOOL  
GRUNDY CENTER COMMUNITY SCHOOL  
GUTHRIE CENTER COMM SCHOOL  
GUTTENBURG COMMUNITY SCHOOL  
HAMBURG COMMUNITY SCHOOL  
HAMPTON-DUMONT CSD  
HARLAN COMMUNITY SCHOOL  
HARMONY COMMUNITY SCHOOL  
HARRIS-LAKE PARK COMMUNITY SD  
HARTLEY-MELVIN-SANBORN CSD  
HIGHLAND COMMUNITY SCHOOL  
HINTON COMMUNITY SCHOOL  
H-L-V COMMUNITY SCHOOL  
HOWARD-WINNESHIK CSD  
HUBBARD-RADCLIFFE CSD  
HUDSON COMMUNITY SCHOOL  
HUMBOLDT COMM SCHOOLS  
IMPACC  
INDEPENDENCE COMMUNITY SCHOOL  
INDIAN HILLS CC CORPORATION  
INDIAN HILLS CC FOUNDATION  
INDIAN HILLS COMMUNITY COLLEGE  
INDIANOLA COMMUNITY SCHOOL  
INTERSTATE 35 COMMUNITY SCHOOL  
IOWA CITY COMMUNITY SCHOOL

# Membership Profile (continued)

IOWA FALLS COMMUNITY SCHOOL  
IOWA LAKES COMMUNITY COLLEGE  
IOWA LAKES COMMUNITY COLLEGE TR  
IOWA SCHOOLS CASH ANTICIPATION  
IOWA SCHOOLS EMPLOYEE BENEFITS  
IOWA VALLEY COMMUNITY COLLEGE  
IOWA VALLEY COMMUNITY SCHOOL  
IOWA WESTERN COMMUNITY COLLEGE  
ISCAP - CORPORATE  
ISCAP First Loss  
ISJIT ARRA INTEREST  
ISJIT-BTC INT  
ISJIT-CORPORATE TRUST SWEEP  
JANESVILLE CONSOLIDATED SCHOOL  
JESUP COMMUNITY SCHOOL DISTRICT  
JOHNSTON COMMUNITY SCHOOL  
KEOKUK COMMUNITY SCHOOL  
KEOTA COMMUNITY SCHOOL  
KEYSTONE AEA 1  
KINGSLEY-PIERSON COMMUNITY  
KIRKWOOD COMMUNITY COLLEGE  
KIRKWOOD COMMUNITY COLLEGE TRUST  
KNOXVILLE COMMUNITY SCHOOL  
LAKE MILLS CSD  
LAMONI COMMUNITY SCHOOL  
LAURENS-MARATHON CSD  
LAWTON-BRONSON COMMUNITY SCHOOL  
LE MARS COMMUNITY SCHOOL  
LENOX COMMUNITY SCHOOL  
LEWIS CENTRAL COMMUNITY SCHOOL  
LINN-MAR COMMUNITY SCHOOL  
LISBON COMMUNITY SCHOOLS  
LITTLE ROCK COMMUNITY SCHOOL  
LOGAN-MAGNOLIA COMMUNITY SCHOOL  
LONE TREE COMMUNITY SCHOOL  
LOUISA-MUSCATINE CSD  
LUVERNE COMMUNITY SCHOOL  
LYNNVILLE-SULLY COMMUNITY SCHOOL  
MADRID COMMUNITY SCHOOL  
MANNING COMMUNITY SCHOOL  
MANSON NORTHWEST WEBSTER CSD  
MAPLE VALLEY COMMUNITY SCHOOL  
MAPLE VALLEY-ANTHON OTO CSD  
MAQUOKETA COMMUNITY SCHOOL  
MAQUOKETA VALLEY CSD  
MARCUS-MERIDEN-CLEGHORN CSD  
MARION INDEPENDENT SCHOOL  
MARSHALLTOWN COMMUNITY SCHOOL  
MARTENSDALE ST-MARYS CSD  
MASON CITY COMMUNITY SCHOOL  
MEDIAPOLIS COMMUNITY SCHOOL  
MELCHER DALLAS COMMUNITY SCHOOL  
METRO INTERAGENCY INSURANCE PRO  
MFL MARMAC  
MID PRAIRIE COMMUNITY SCHOOL  
MIDLAND COMMUNITY SCHOOLS  
MISSOURI VALLEY COMMUNITY SCHOOL  
MISSOURI VALLEY HIGH SCHOOL

MOC-FLOYD VALLEY CSD  
MONTEZUMA COMMUNITY SCHOOL  
MONTGOMERY COUNTY COMMUNITY  
COLLEGE  
MONTGOMERY COUNTY I.U.#23  
MONTICELLO COMMUNITY SCHOOL  
MORAVIA COMMUNITY SCHOOL  
MORMON TRAIL COMMUNITY SCHOOL  
MORNING SUN COMM SCHOOL  
MOULTON-UDELL COMMUNITY SCHOOL  
MOUNT AYR COMMUNITY SCHOOL  
MOUNT PLEASANT COMMUNITY SCHOOL  
MOUNT VERNON COMMUNITY SCHOOL  
MURRAY COMMUNITY SCHOOL  
MUSCATINE COMMUNITY SCHOOL  
NASHUA-PLAINFIELD CSD  
NEVADA COMMUNITY SCHOOL  
NEW HAMPTON COMMUNITY SCHOOL  
NEW LONDON COMMUNITY SCHOOL  
NEW MARKET COMMUNITY SCHOOL  
NEWELL-FONDA CSD  
NEWTON COMMUNITY SCHOOL  
NISHNA VALLEY COMMUNITY SCHOOL  
NODAWAY VALLEY COMMUNITY SCHOOL  
NORTH BUTLER COMMUNITY SCHOOL  
DISTRICT  
NORTH CEDAR CSD  
NORTH FAYETTE COMMUNITY SCHOOL  
NORTH IOWA COMMUNITY SCHOOL  
NORTH KOSSUTH COMMUNITY SCHOOL  
NORTH MAHASKA COMMUNITY SCHOOL  
NORTH POLK COMMUNITY SCHOOL  
NORTH SCOTT COMMUNITY SCHOOL  
NORTH TAMA COUNTY COMMUNITY SD  
NORTH WINNESHIEK COMM SCHOOL  
NORTHEAST COMMUNITY SCHOOLS  
NORTHEAST HAMILTON CSD  
NORTHEAST IOWA COMMUNITY COLLEGE  
NORTHERN TRAILS AEA 2  
NORTHERN TRAILS TRUST  
NORTH-LINN COMMUNITY SCHOOL  
NORTHWEST AREA EDUCATION AGENCY  
NORTHWEST IOWA COMMUNITY COLLEGE  
NORTHWOOD-KENSETT CSD  
NORWALK COMMUNITY SCHOOL  
ODEBOLT-ARTHUR COMMUNITY SCHOOL  
OELWEIN COMMUNITY SCHOOL  
OGDEN COMMUNITY SCHOOL  
OKOBOJI COMMUNITY SCHOOL  
OKOBOJI CSD-BTC TRUSTEE  
OLIN CONSOLIDATED SCHOOL  
ORIENT-MACKSBURG COMM SCHOOL  
OSAGE COMMUNITY SCHOOL DISTRICT  
OTTUMWA COMMUNITY SCHOOL  
PARKERSBURG COMMUNITY SCHOOL  
PCM COMMUNITY SCHOOL  
PEKIN COMMUNITY SCHOOL  
PELLA COMMUNITY SCHOOL

PERRY COMMUNITY SCHOOL  
PLEASANTVILLE COMMUNITY SCHOOL  
PMA Reporting ISJIT  
POCAHONTAS AREA COMM COLLEGE  
POMEROY-PALMER SCHOOL  
POSTVILLE COMMUNITY SCHOOLS  
PR LKS AEA8 WF AS TTEE  
PRAIRIE VALLEY COMMUNITY SCHOOL  
PRESCOTT COMMUNITY SCHOOL  
PRESTON COMMUNITY SCHOOL  
RED OAK COMMUNITY SCHOOL  
RIVER VALLEY COMMUNITY SCHOOL  
ROCK VALLEY COMMUNITY SCHOOL  
ROCKWELL CITY-LYTTON CSD  
ROLAND STORY CSD  
RUDD, ROCKFORD, MARBLE ROCK CSD  
SAYDEL COMMUNITY SCHOOL  
SCHLESWIG COMMUNITY SCHOOL  
CENTRAL COMMUNITY SCHOOL  
SERGEANT BLUFF-LUTON CSD  
SEYMOUR COMMUNITY SCHOOL  
SHELDON COMMUNITY SCHOOL  
SHENANDOAH COMMUNITY SCHOOL  
SIBLEY-OCHEYEDAN CSD  
SIDNEY COMMUNITY SCHOOL  
SIGOURNEY COMMUNITY SCHOOL  
SIOUX CENTER COMMUNITY SCHOOL  
SIOUX CENTRAL CSD  
SIOUX CITY COMMUNITY SCHOOL  
SOLON COMMUNITY SCHOOL  
SOUTH CENTRAL CALHOUN COMMUNITY  
SCHOOL DISTRICT  
SOUTH HAMILTON COMMUNITY SCHOOL  
SOUTH OBRIEN COMM SCHOOL DIST  
SOUTH PAGE COMMUNITY SCHOOL  
SOUTH TAMA COUNTY CSD  
SOUTH WINNESHIEK COMMUNITY  
SOUTHEAST IOWA SCHOOLS HEALTH  
SOUTHEAST POLK COMMUNITY SCHOOL  
SOUTHEAST WARREN COMMUNITY  
SOUTHEAST WEBSTER-GRAND  
SOUTHEASTERN COMMUNITY COLLEGE  
SOUTHERN CAL COMMUNITY SCHOOL  
SPENCER COMMUNITY SCHOOL  
SPRINGVILLE COMMUNITY SCHOOL  
ST ANSGAR COMMUNITY SCHOOL  
STANTON COMMUNITY SCHOOL  
STARMONT COMMUNITY SCHOOL  
STORM LAKE COMMUNITY SCHOOL  
STRATFORD COMMUNITY SCHOOL  
SUMNER COMMUNITY SCHOOL  
TERRIL COMMUNITY SCHOOL  
TIPTON COMMUNITY SCHOOL  
TREYNOR COMMUNITY SCHOOL  
TRI-CENTER COMMUNITY SCHOOL  
TRI-COUNTY COMMUNITY SCHOOL  
TRIPOLI COMMUNITY SCHOOL  
TURKEY VALLEY COMMUNITY SCHOOL

# Membership Profile (continued)

TWIN CEDARS COMMUNITY SCHOOL  
UNDERWOOD COMMUNITY SCHOOL  
UNION COMMUNITY SCHOOL  
UNITED COMMUNITY SCHOOL  
URBANDALE COMMUNITY SCHOOL  
VALLEY COMMUNITY SCHOOL  
VAN BUREN COMMUNITY SCHOOL  
VAN METER COMMUNITY SCHOOL  
VENTURA COMMUNITY SCHOOL  
VILLISCA COMMUNITY SCHOOL  
VINTON-SHELLSBURG COMM SCHOOL  
WACO COMMUNITY SCHOOL  
WALL LAKE COMMUNITY SCHOOL  
WALNUT COMMUNITY SCHOOL  
WAPELLO COMMUNITY SCHOOL  
WAPSIE VALLEY COMMUNITY SCHOOL  
WASHINGTON COMMUNITY SCHOOL  
WATERLOO COMMUNITY SCHOOL  
WAUKEE COMMUNITY SCHOOL  
WAYNE COMMUNITY SCHOOL  
WEBSTER CITY COMMUNITY SCHOOL  
WEST BEND-MALLARD CSD  
WEST BRANCH COMMUNITY SCHOOL  
WEST BURLINGTON COMMUNITY SCHOOL  
WEST CENTRAL COMMUNITY SCHOOL  
WEST CENTRAL VALLEY CSD  
WEST DELAWARE COMMUNITY SCHOOL  
WEST DES MOINES COMMUNITY SCHOOL  
WEST FORK COMMUNITY SD  
WEST HANCOCK COMMUNITY SCHOOL  
WEST HARRISON COMMUNITY SCHOOL  
WEST LIBERTY COMMUNITY SCHOOL  
WEST LYON COMMUNITY SCHOOL  
WEST MARSHALL COMMUNITY SCHOOL  
WEST MONONA COMMUNITY SCHOOL  
WEST SIOUX COMMUNITY SCHOOL  
WESTERN DUBUQUE COMMUNITY SCHOOL  
WESTERN IOWA TECH COMM COLLEGE  
WESTWOOD COMMUNITY SCHOOL  
WHITING COMMUNITY SCHOOL  
WILLIAMSBURG COMMUNITY SCHOOL  
WILTON COMMUNITY SCHOOL



# Program Services & Features

- ° ISJIT is sponsored by the Iowa Association of School Boards (IASB). IASB's management team meets regularly with the program's service providers to monitor all elements of program operation.
- ° Unique internet-based reporting system, PMA GPS™, offers user-friendly and convenient access to participant's ISJIT accounts at any time over a secured server. PMA GPS™ allows ISJIT participants to process redemptions, purchases, transfers and exchanges online over a secured server. Monthly account statements, daily confirms, historical statements and fixed rate investment portfolios are all available through PMA GPS™.
- ° Provides daily liquid investment alternative: The Diversified portfolio is tailored to meet specific participant investment needs, and has been structured to produce yields that compare favorably to yields available in other liquid account structures and fixed-term investments with limited liquidity.
- ° Provides toll-free telephone access to experienced ISJIT representatives who can personally assist with any investment-related inquiry or request.
- ° Invests available funds with Iowa financial institutions, offering competitive rates of interest, whenever possible.
- ° Through its Fixed Term Automated Program, ISJIT offers participants the opportunity to purchase certificates of deposit from Iowa financial institutions and other securities that are permitted for investment by school corporations under Iowa law. Within the Fixed Term Program, the Bond Proceeds Management Program offers the perfect investment capability for bond proceeds.

"The ISJIT Fixed Term program worked with us to invest the funds for our \$81 million new high school. By providing a laddering of CD's, we were able to generate a higher rate of return at the same time, having the funds available when needed for construction costs."

-Beverly Lyons  
Johnston Community School District



New Johnston High School

# Management Discussion & Analysis

This section of the ISJIT Annual Report presents management's discussion and analysis of the financial position and results of operations for the fiscal years ended June 30, 2016 (FY 2016) and June 30, 2015 (FY 2015). This information is being presented to provide additional information regarding the activities of ISJIT. This discussion and analysis should be read in conjunction with the Independent Auditor's Report of Brooks Lodden P.C., the financial statements, and the accompanying notes.

ISJIT is primarily responsible for providing proactive cash management practices and responsiveness to the unique needs of school corporations across Iowa. ISJIT is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29 of the Iowa Code, as amended, which authorizes Iowa schools to jointly invest money pursuant to a joint investment agreement. ISJIT currently operates the Diversified Portfolio. The Diversified Plus and Direct Government Obligation Portfolios suspended operations on January 8, 2009 and October 27, 2010, respectively, due to economic factors and are closed to new investments. ISJIT management expects the Diversified Plus and DGO Portfolios will remain closed to new investment for the foreseeable future, but the ISJIT Board has retained the right to reactivate the portfolios in the future. The objective of the portfolios is to maintain safety of principal and a high degree of liquidity through investment in short-term securities as permitted for Iowa schools under Iowa law. Activities of the Diversified Portfolio are described in the Management's Discussion and Analysis and accompanying financial statements and notes to financial statements.

## **Overview of the Financial Statements**

The Management's Discussion and Analysis provides an introduction to and overview of the financial statements of ISJIT Diversified Portfolio. The following components comprise the financial statements for the Diversified Portfolio: 1) Statement of Assets and Liabilities, 2) Statement of Operations, 3) Statement of Changes in Net Assets 4) Portfolio of Investments for FY 2016, and 5) Notes to Financial Statements. The Statement of Assets and Liabilities displays the financial position (assets and liabilities) of the funds as of June 30, 2016 and 2015. The Statement of Operations displays the results of operations (income and expenses) and the Statement of Changes in Net Assets displays participant/unitholder activity (sales and redemptions) for each of the two most recent fiscal years. The Portfolio of Investments lists each security held by the Diversified Portfolio as of June 30, 2016. The Notes to Financial Statements describe significant accounting policies of ISJIT and other supplemental information.

# Management Discussion & Analysis

## Condensed Financial Information and Financial Analysis

Year-to-year variances in most financial statement amounts reports in ISJIT's Diversified Portfolio are caused by a single variable – the level of average net assets (which fluctuates based on the overall levels of participant/unitholder invested balances). Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned.

Condensed financial information and variance explanations for years ended June 30, 2016 and 2015:

<b>Diversified Portfolio:</b>	<b>2016</b>		<b>2015</b>		<b>% Change</b>
Assets	\$	314,645,414	\$	401,421,219	-21.62%
Liabilities	\$	1,390,369	\$	39,372	3,431.37%
Net Assets	\$	313,255,045	\$	401,381,847	-21.96%
Average Net Assets	\$	372,371,127	\$	408,513,658	-8.85%
Investment Income	\$	1,131,380	\$	490,458	130.68%
Total Expenses	\$	945,562	\$	391,944	141.25%
Net Investment Income	\$	185,818	\$	98,514	88.62%
Units Sold (\$1 per unit)		1,756,034,022		1,450,174,350	21.09%
Units Redeemed (\$1 per unit)		1,844,351,267		1,464,648,761	25.92%
Total Return		0.046%		0.122%	
Ratio of Expenses to Average Net Assets		0.254%		0.115%	
Ratio of Net Investment Income to Average Net Assets		0.050%		0.115%	
Net Asset Value per Unit, Beginning of Period	\$	1.000	\$	1.000	
Net Investment Income per Unit		0.000		0.000	
Dividends Distributed per Unit		(0.0005)		(0.00005)	
Net Asset Value per Unit, End of Period	\$	1.000	\$	1.000	

During FY 2016, the average net assets for the Diversified Portfolio decreased 8.85% to \$372,371,127 from average net assets of \$408,513,658 during FY 2015 as a result of withdrawals by participants in the Portfolio.

Net investment income increased 88.62% in the Diversified Portfolio during FY 2016 compared to FY 2015 due to changes in the short-term interest rate environment throughout FY 2016.

Expenses of the Portfolio are calculated on the daily net assets totals. Total expenses increased in the Diversified Portfolio during FY 2016 by 76.96% due to a decrease in waived fees.

# Auditor's Opinion Letter



Telford A. Lodden, CPA, CFP®,  
CFF, CVA, ABV, Shareholder  
Bruce W. Hartley, CPA, Shareholder  
John E. Lamale, CPA, Shareholder  
Brent L. Alexander, CPA, Shareholder

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Unitholders  
Iowa Schools Joint Investment Trust

### Report on the Financial Statements

We have audited the accompanying financial statements of the Iowa Schools Joint Investment Trust (ISJIT) Diversified Portfolio, which comprise the statements of assets and liabilities as of June 30, 2016 and 2015, and the related statements of operations, and statements of changes in net assets for the years then ended, and the related notes to the financial statements. We have also audited the accompanying schedule of investments of the Diversified Portfolio for the year ended June 30, 2016.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

# Auditor's Opinion Letter

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ISJIT Diversified Portfolio as of June 30, 2016 and 2015, and the changes in net assets for the years ended June 30, 2016 and 2015, and the schedule of investments as of June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on page 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2016, on our consideration of ISJIT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ISJIT's internal control over financial reporting and compliance.

*Bruce L. Linder, P.C.*

West Des Moines, Iowa  
September 22, 2016

# Iowa Schools Joint Investment Trust- Diversified Portfolio

## Portfolio of Investments (June 30, 2016)

Principal Amount	Description	Amortized Value (Note 2)	Market Value
<b>Commercial Paper -- 9.2% (a)</b>			
6,500,000	American Honda Finance, 0.47%, 08/23/2016	\$ 6,495,502	\$ 6,494,638
4,500,000	Coca-Cola Corporation, 0.90%, 01/05/2017	4,479,085	4,482,068
4,000,000	John Deere Financial Ltd, 0.41%, 07/07/2016	3,999,727	3,999,712
3,000,000	JP Morgan Securities LLC, 0.98%, 09/09/2016	2,994,341	2,997,083
4,000,000	PACCAR Financial Corporation, 0.42%, 07/06/2016	3,999,767	3,999,754
5,000,000	Toronto Dominion Hdg USA, 0.82%, 11/02/2016	4,985,878	4,987,240
2,000,000	Toyota Motor Credit Corporation, 0.82%, 07/05/2016	1,999,818	1,999,880
	<b>Total Commercial Paper</b>	<b>28,954,118</b>	<b>28,960,375</b>
<b>U.S. Government Agency &amp; Treasury Obligations -- 88.1% (a)</b>			
1,000,000	Federal Farm Credit Bank, 0.45%, 07/03/2016 (b)	1,000,039	1,000,039
3,865,000	Federal Farm Credit Bank, 0.40%, 07/06/2016 (b)	3,862,166	3,863,079
2,000,000	Federal Farm Credit Bank, 0.47%, 07/08/2016 (b)	2,000,044	2,000,054
560,000	Federal Farm Credit Bank, 0.48%, 07/08/2016 (b)	559,763	559,908
2,500,000	Federal Farm Credit Bank, 0.65%, 07/12/2016	2,500,137	2,500,360
600,000	Federal Farm Credit Bank, 0.48%, 07/12/2016 (b)	600,063	600,095
3,000,000	Federal Farm Credit Bank, 0.49%, 07/13/2016 (b)	3,000,075	3,000,027
5,000,000	Federal Farm Credit Bank, 0.50%, 07/17/2016 (b)	5,001,684	5,000,325
2,750,000	Federal Farm Credit Bank, 0.50%, 07/17/2016 (b)	2,750,566	2,750,129
4,500,000	Federal Farm Credit Bank, 0.45%, 07/19/2016 (b)	4,499,798	4,499,797
6,750,000	Federal Farm Credit Bank, 0.43%, 07/20/2016 (b)	6,749,789	6,750,364
2,500,000	Federal Farm Credit Bank, 0.54%, 07/21/2016 (b)	2,500,654	2,501,005
7,610,000	Federal Farm Credit Bank, 0.47%, 07/26/2016 (b)	7,610,362	7,611,233
3,750,000	Federal Farm Credit Bank, 0.43%, 07/27/2016 (b)	3,749,777	3,750,304
1,085,000	Federal Farm Credit Bank, 0.51%, 07/27/2016 (b)	1,084,784	1,085,110
4,000,000	Federal Farm Credit Bank, 0.63%, 09/13/2016 (b)	4,003,298	4,002,960
3,000,000	Federal Home Loan Bank, 0.49%, 07/01/2016 (b)	3,000,000	3,000,000
1,000,000	Federal Home Loan Bank, 0.48%, 07/01/2016 (b)	999,998	1,000,074
3,250,000	Federal Home Loan Bank, 0.46%, 07/07/2016 (b)	3,250,318	3,250,208
4,000,000	Federal Home Loan Bank, 0.38%, 07/12/2016 (b)	4,000,000	3,999,692
2,000,000	Federal Home Loan Bank, 0.48%, 07/12/2016 (b)	2,000,454	2,000,334
1,300,000	Federal Home Loan Bank, 0.31%, 07/13/2016	1,299,866	1,299,926
8,500,000	Federal Home Loan Bank, 0.33%, 07/15/2016	8,498,888	8,499,439
4,500,000	Federal Home Loan Bank, 0.42%, 07/16/2016 (b)	4,499,916	4,499,829
4,250,000	Federal Home Loan Bank, 0.40%, 07/17/2016 (b)	4,250,014	4,250,021
3,000,000	Federal Home Loan Bank, 0.39%, 07/18/2016 (b)	2,999,955	2,999,982
2,000,000	Federal Home Loan Bank, 0.42%, 07/18/2016 (b)	2,000,000	1,999,848
2,250,000	Federal Home Loan Bank, 0.35%, 07/18/2016	2,249,628	2,249,820
4,500,000	Federal Home Loan Bank, 0.39%, 07/19/2016 (b)	4,500,199	4,500,023
6,000,000	Federal Home Loan Bank, 0.39%, 07/22/2016 (b)	6,000,000	6,000,054
5,750,000	Federal Home Loan Bank, 0.35%, 07/22/2016	5,748,843	5,749,431
550,000	Federal Home Loan Bank, 0.41%, 07/24/2016 (b)	549,956	549,996
4,500,000	Federal Home Loan Bank, 0.35%, 07/25/2016	4,498,965	4,499,492
8,000,000	Federal Home Loan Bank, 0.33%, 07/27/2016	7,998,047	7,999,016
4,000,000	Federal Home Loan Bank, 0.34%, 07/29/2016	3,998,942	3,999,472
2,500,000	Federal Home Loan Bank, 0.56%, 08/01/2016 (b)	2,500,000	2,500,670
3,750,000	Federal Home Loan Bank, 0.33%, 08/03/2016	3,748,873	3,749,141
3,500,000	Federal Home Loan Bank, 0.50%, 08/07/2016 (b)	3,499,687	3,500,238
2,250,000	Federal Home Loan Bank, 0.49%, 08/17/2016 (b)	2,249,891	2,250,171

# Iowa Schools Joint Investment Trust- Diversified Portfolio

## Portfolio of Investments cont. (June 30, 2016)

Principal Amount	Description	Amortized Value (Note 2)	Market Value
<b>U.S. Government Agency &amp; Treasury Obligations -- 88.1% (a) (continued)</b>			
2,750,000	Federal Home Loan Bank, 0.35%, 08/17/2016	\$ 2,748,744	\$ 2,749,104
2,750,000	Federal Home Loan Bank, 0.43%, 08/19/2016	2,748,394	2,749,065
4,500,000	Federal Home Loan Bank, 0.49%, 08/23/2016 (b)	4,500,000	4,499,397
5,000,000	Federal Home Loan Bank, 0.46%, 08/24/2016	4,996,558	4,998,125
2,000,000	Federal Home Loan Bank, 0.55%, 08/26/2016 (b)	2,000,309	2,000,242
1,000,000	Federal Home Loan Bank, 0.44%, 08/26/2016	1,000,050	1,000,235
2,750,000	Federal Home Loan Bank, 0.40%, 09/01/2016	2,748,106	2,748,674
4,000,000	Federal Home Loan Bank, 0.40%, 09/02/2016	3,997,200	3,998,040
5,750,000	Federal Home Loan Bank, 0.39%, 09/07/2016	5,745,651	5,746,958
1,000,000	Federal Home Loan Bank, 0.43%, 09/09/2016	1,002,983	1,003,031
1,750,000	Federal Home Loan Bank, 0.40%, 09/09/2016	1,748,646	1,749,048
1,750,000	Federal Home Loan Bank, 0.41%, 09/14/2016	1,748,523	1,748,980
3,750,000	Federal Home Loan Bank, 0.52%, 09/16/2016 (b)	3,750,000	3,749,734
1,750,000	Federal Home Loan Bank, 0.41%, 09/21/2016	1,748,366	1,748,883
2,100,000	Federal Home Loan Bank, 0.52%, 10/14/2016	2,096,815	2,097,795
4,500,000	Federal Home Loan Bank, 0.85%, 11/23/2016	4,496,016	4,502,416
2,500,000	Federal Home Loan Mortgage Corporation, 0.43%, 07/02/2016 (b)	2,500,000	2,499,978
2,000,000	Federal Home Loan Mortgage Corporation, 0.36%, 07/07/2016	1,999,880	1,999,944
3,000,000	Federal Home Loan Mortgage Corporation, 0.39%, 07/17/2016 (b)	3,000,000	3,000,030
1,250,000	Federal Home Loan Mortgage Corporation, 0.33%, 08/05/2016	1,249,599	1,249,696
6,500,000	Federal Home Loan Mortgage Corporation, 0.45%, 10/14/2016	6,506,307	6,508,281
1,500,000	Federal Home Loan Mortgage Corporation, 0.74%, 01/27/2017	1,497,926	1,499,922
3,500,000	Federal Home Loan Mortgage Corporation, 0.60%, 02/22/2017	3,505,652	3,508,362
4,500,000	Federal Home Loan Mortgage Corporation, 0.61%, 03/08/2017	4,511,887	4,514,755
7,250,000	Federal National Mortgage Association, 0.31%, 07/05/2016	7,250,052	7,249,993
3,500,000	Federal National Mortgage Association, 0.46%, 07/16/2016 (b)	3,500,307	3,500,325
2,000,000	Federal National Mortgage Association, 0.53%, 07/21/2016	1,999,911	2,000,368
2,667,000	Federal National Mortgage Association, 0.43%, 09/15/2016	2,692,960	2,693,305
1,750,000	Federal National Mortgage Association, 0.44%, 09/15/2016	1,756,181	1,756,253
1,000,000	Federal National Mortgage Association, 0.48%, 09/28/2016	1,001,867	1,001,981
3,575,000	Federal National Mortgage Association, 0.49%, 11/15/2016	3,582,811	3,587,319
2,500,000	Federal National Mortgage Association, 0.61%, 02/13/2017	2,567,533	2,569,450
1,250,000	Federal National Mortgage Association, 0.62%, 04/20/2017	1,251,326	1,252,525
1,599,000	Federal National Mortgage Association, 0.66%, 04/27/2017	1,605,104	1,606,080
2,250,000	Federal National Mortgage Association, 0.71%, 06/12/2017	2,348,774	2,349,979
750,000	Housing Urban Development, 0.50%, 08/01/2016	753,147	753,184
525,000	Overseas Private Investment Corporation, 0.36%, 07/06/2016 (b)	525,000	525,000
2,000,000	Overseas Private Investment Corporation, 0.39%, 07/06/2016 (b)	2,000,000	2,000,000
4,000,000	Overseas Private Investment Corporation, 0.42%, 07/06/2016 (b)	4,000,000	4,000,000
2,000,000	Overseas Private Investment Corporation, 0.42%, 07/06/2016 (b)	2,000,000	2,000,000
2,000,000	Overseas Private Investment Corporation, 0.39%, 07/06/2016 (b)	2,000,000	2,000,000
4,774,210	Overseas Private Investment Corporation, 0.36%, 07/06/2016 (b)	4,774,211	4,774,211
1,500,000	Overseas Private Investment Corporation, 0.76%, 03/30/2017	1,501,880	1,503,004
1,500,000	U.S. Treasury, 0.45%, 07/31/2016	1,500,058	1,500,382
1,500,000	U.S. Treasury, 0.43%, 08/15/2016	1,500,363	1,500,713
4,000,000	U.S. Treasury, 0.42%, 08/31/2016	4,000,518	4,001,324
1,500,000	U.S. Treasury, 0.49%, 10/15/2016	1,500,601	1,501,172
1,500,000	U.S. Treasury, 0.63%, 10/31/2016	1,512,395	1,513,712
1,250,000	U.S. Treasury, 0.40%, 11/15/2016	1,269,669	1,269,825

# Iowa Schools Joint Investment Trust- Diversified Portfolio

## Portfolio of Investments cont.

June 30, 2016

Principal Amount	Description	Amortized Value (Note 2)	Market Value
<b>U.S. Government Agency &amp; Treasury Obligations -- 88.1% (a) (continued)</b>			
2,000,000	U.S. Treasury, 0.54%, 11/30/2016	\$ 1,999,699	\$ 2,001,076
1,500,000	U.S. Treasury, 0.62%, 11/30/2016	1,501,552	1,503,075
2,750,000	U.S. Treasury, 0.60%, 02/15/2017	2,750,085	2,752,978
2,000,000	U.S. Treasury, 0.72%, 03/15/2017	2,000,430	2,003,748
1,500,000	U.S. Treasury, 0.62%, 04/30/2017	1,503,107	1,504,557
	<b>Total U.S. Government Agency &amp; Treasury Obligations</b>	<b>275,812,592</b>	<b>275,867,900</b>
<b>Repurchase Agreement -- 2.3% (a)</b>			
7,200,000	TD Securities USA LLC, 0.40%, 07/01/2016	7,200,000	7,200,000
	<b>Total Repurchase Agreement</b>	<b>7,200,000</b>	<b>7,200,000</b>
	Total Investments - 99.6% (at amortized cost)	\$ 311,966,710	
	Other assets in excess of liabilities - 0.4%	1,188,335	
	<b>Net Assets - 100.00%</b>	<b>\$ 313,155,045</b>	

(a) Unless otherwise noted, each issue shows the yield to maturity at the time of purchase (unaudited)

(b) Denotes variable rate securities, which show current rate and next reset date

Note: The categories of investments are shown as a percentage of total net assets at June 30, 2016



# Iowa Schools Joint Investment Trust Statement of Assets and Liabilities

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
	<u>Diversified Portfolio</u>	<u>Diversified Portfolio</u>
<b>Assets</b>		
Investment in securities, at value (Note 1)		
Certificate of deposits	\$ -	\$ 735,000
Commercial paper	28,954,118	36,965,729
U.S. government agency obligations	275,812,592	331,279,506
Repurchase agreement	7,200,000	30,747,000
Total investments, at value	<u>311,966,710</u>	<u>399,727,235</u>
Cash	2,374,335	1,083,467
Interest receivable	296,040	610,517
Prepaid expenses	8,329	-
	<u>314,645,414</u>	<u>401,421,219</u>
<b>Liabilities</b>		
Cash received from Participants pending investment in fund shares	1,273,545	34
Administration fee payable	20,449	8,474
Investment advisory fee payable	18,876	7,822
Marketing fee payable	22,022	9,125
Sponsorship fee payable	25,168	10,429
Professional fees payable	20,453	-
Custodian and cash management fees payable	9,856	2,607
Other Payable	-	881
	<u>1,390,369</u>	<u>39,372</u>
Net assets (board designated)	100,000	-
Net assets (equivalent to \$1.00 per share on shares of participants beneficial interest outstanding)	<u>\$ 313,155,045</u>	<u>\$ 401,381,847</u>
Shares outstanding	313,155,045	401,381,847
Diversified Portfolio		

# Iowa Schools Joint Investment Trust Statement of Operations

June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
	<b>Diversified Portfolio</b>	<b>Diversified Portfolio</b>
Investment income	\$ 1,131,380	\$ 490,458
Expenses (Note 2)		
Administration fees	242,368	258,877
Investment advisory fees	223,725	249,645
Marketing fees	261,012	284,772
Sponsorship fees	298,299	325,454
Custodian fees	97,174	81,364
Professional fees	46,741	47,359
Other expenses	37,098	16,873
Total expenses before fee waivers	<u>1,206,417</u>	<u>1,264,344</u>
Fee Waivers (Note 2)		
Administration fees waived	(57,478)	(192,224)
Investment advisory fees waived	(53,057)	(177,437)
Marketing fees waived	(61,891)	(207,010)
Sponsorship fees waived	(70,743)	(236,583)
Custodian fees waived	(17,686)	(59,146)
Total fees waived	<u>(260,855)</u>	<u>(872,400)</u>
Net expenses	<u>945,562</u>	<u>391,944</u>
Net investment income	<u>\$ 185,818</u>	<u>\$ 98,514</u>

# Iowa Schools Joint Investment Trust Statements of Changes in Net Assets

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
	<u>Diversified Portfolio</u>	<u>Diversified Portfolio</u>
<b>Increase in net assets</b>		
Net investment income	\$ 185,818	\$ 98,514
<b>Dividends to participants from</b>		
Net investment income	(185,818)	(98,514)
<b>Share transactions</b>		
Net proceeds from sale of shares	1,756,034,022	1,450,174,350
Net asset value of shares issued to participants in reinvestment of dividends	185,818	98,514
Cost of shares redeemed	(1,844,446,642)	(1,464,648,761)
Net decrease in net assets resulting from share transactions	(88,226,802)	(14,375,897)
Total decrease in net assets	(88,226,802)	(14,375,897)
<b>Net assets</b>		
Beginning of year	401,381,847	415,757,744
End of year	<u>\$ 313,155,045</u>	<u>\$ 401,381,847</u>
<b>Other information</b>		
Share transactions		
Shares sold	1,756,034,022	1,450,174,350
Shares issued to participants in reinvestment of dividends	185,818	98,514
Shares redeemed	(1,844,446,642)	(1,464,648,761)
Net decrease in shares outstanding	(88,226,802)	(14,375,897)
<b>Shares outstanding</b>		
Beginning of year	401,381,847	415,757,744
End of year	<u>313,155,045</u>	<u>401,381,847</u>

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

### 1. Summary of Significant Accounting Policies

#### Reporting Entity

Iowa Schools Joint Investment Trust (ISJIT) is a common law trust established under Iowa law pursuant to Chapter 28E and Section 2 9.29 of the Iowa Code, as amended, which authorizes Iowa schools to jointly invest moneys pursuant to a joint investment agreement. ISJIT is a Standard & Poor's rated money market fund pursuant to the requirements of Iowa Code Section 12B.10. ISJIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1986, and commenced operations on December 16, 1986. The Joint Powers Agreement and Declaration of Trust was amended on November 1, 1988, and again on May 1, 1993. Under this authority, ISJIT operates various investment programs for its participants, which included the Diversified Portfolio. The Diversified Plus and DGO Portfolios are authorized investment programs that suspended operations on January 8, 2009 and October 2, 2010, respectively, due to economic factors. The Trustees have retained the right to reactivate these Portfolios in the future. The accompanying financial statements include only the activities of the Diversified Portfolio.

#### Regulatory Oversight

The operation of ISJIT is governed by a six member Board of Trustees, and non-voting persons as may be appointed by the Board. Trustees are appointed by the Board of Trustees, of which four of the Trustees shall be members of the Board of Directors of Iowa Association of School Boards (IASB), who are directors participating in ISJIT, a superintendent of a school corporation participating in ISJIT, and a school board secretary or business official of a school corporation participating in ISJIT. IASB serves as the Sponsor of ISJIT.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

ISJIT reports the Diversified Portfolio's financial position and the results of operations using investment trust funds. Investment trust funds are fiduciary funds that are used to account for the assets held in a trustee capacity. The primary purpose of the funds is to generate financial resources while maintaining a high degree of liquidity and safety of principal through investment in short-term securities as permitted for the participants under the Iowa Code.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, net assets, revenues, expenditures, and other financing sources and uses. The financial statements are accounted for on a flow of economic resources measurements focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The financial statements of ISJIT have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

#### Use of Estimates

The preparation of financial statements under GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the period. Actual results could differ from those estimates. The most sensitive estimate affecting the financial statements is interest receivable. Management's estimate of interest receivable is based on the accretion of interest on a straight-line basis over the term of the investment with a cutoff at June 30, 2016.

#### Authorized Investments

ISJIT's policy is to only invest in securities specifically permitted for participants under the Iowa Code, as it now or in the future exists, including the following types of securities and instruments:

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

Securities issued or guaranteed as to payment of principal and interest by the U.S. Government. These include, for example, Treasury bills, bonds, and notes that are direct obligations of the U.S. Government.

Obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the U.S. Government. Such agencies and instrumentalities include, for example, Federal Intermediate Credit Banks, Federal Home Loan Banks, the Federal National Mortgage Association, and the Farmers Home Administration. Such securities will include those supported by the full faith and credit of the United States Treasury or the right of the agency or instrumentality to borrow from the Treasury, as well as those supported only by the credit of the issuing agency or instrumentality.

Collateralized repurchase agreements secured by U.S. Government or U.S. Government agency obligations. A repurchase agreement involves the sale of such securities to ISJIT with the concurrent agreement of the seller to repurchase them at a specified time and price to yield an agreed upon rate of interest. The securities collateralizing the agreement are held in custody by a third-party custodian, are regularly verified by ISJIT's Custodian, and are maintained daily in an amount equal to at least 102% of the agreement.

Certificates of Deposits in federally insured Iowa financial institutions. Each CD that ISJIT places with an Iowa institution on behalf of the participants in ISJIT is insured by FDIC for the first \$250,000 of value. All amounts in excess of \$250,000 in a Iowa institution are protected by provisions in the Iowa Code. The acceptance of public funds by a financial institution constitutes agreement by the financial institution to pledge collateral as required by Iowa Code Section 12C.22 and agreement by the financial institution to provide accurate information and to otherwise comply with the requirements of Iowa Code Chapter 12C.

Commercial paper or other short term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the Iowa superintendent of banking provided that at the time of purchase, no more than five percent of all amounts invested in commercial paper and other short term corporate debt shall be invested in paper and debt rated in the second highest classification. At the time of purchase no more than ten percent of the investment portfolio shall be in these investments and that at the time of purchase no more than five percent of the investment portfolio shall be invested in securities of a single issuer.

ISJIT adheres to Iowa law and Standard and Poor's criteria for money market funds developed to minimize risk that the value of investments in the portfolio might vary. ISJIT's investment policy presently places several restrictions on ISJIT's portfolio investments, including the following:

- The remaining maturity of any individual investment may not exceed more than 397 days from the date of purchase.
- The maximum dollar weighted average maturity of all portfolios' investments may not exceed 60 days.
- Investments are monitored by its Investment Advisor and Administrator to assure that the value of each ISJIT investment does not materially deviate in the value from its amortized cost.

As a general policy, investments are held until maturity. However, in an effort to increase yields or liquidity, ISJIT may sell securities and realize capital gains or losses when there are perceived disparities between maturities for various categories of investments.

### **Deposits and Investment**

ISJIT reports as "Cash" all cash on hand and on deposit in banks. All cash deposits are held by banks as required under Chapter 12C of the Code of Iowa. Certificates of Deposit are listed separately on the financial statements.

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

ISJIT reports investments at amortized cost, consistent with Government Accounting Standards. Amortized cost involves valuing a portfolio security at its original date of purchase, and thereafter amortizing any premium or accreting any discount on a straight line basis to maturity. The amount of premium or discount amortized or accreted to income under the straight line method does not differ materially from the amount that would be amortized to income under the interest method. These procedures are followed in an effort to maintain a constant net asset value of \$1.00 per unit for each portfolio.

Investments are purchased on a delivery versus payment basis and are accounted for on the settlement date. No other settlement procedure is allowed. Interest income, including the accretion of discount and amortization of premium, is recorded daily on the accrual basis. ISJIT does not hold any certificates of deposit as of June 30, 2016.

### **Method used to determine participants' units sold and redeemed**

On a daily basis, ISJIT declares dividends and distributions from its net investment income, other income and net realized gains or losses from securities transactions, if any. Dividends and distributions are payable to participants of record at the time of the previous computation of their net asset value.

All purchases or withdrawals of shares of the Diversified Portfolio are executed at the net asset value per share determined at the close of that day as long as a properly executed order is received by the Distributor, the funds are received on a timely basis and the participant notifies the Administrator prior to 10:00 a.m., central time. Orders received after this time will be executed on the following business day. Participants are entitled to receive dividends beginning on the day of purchase.

### **Frequency of determining value of shares**

The net asset value of each portfolio trust unit is determined once each day, as of the close of the New York Stock Exchange. Except for federal holidays, such other holidays that are officially observed by commercial banks in Iowa, the Administrator will compute the portfolio net asset value on each day the New York Stock Exchange is open for trading. The net asset value of each portfolio trust unit is computed by adding the value of all securities and other assets (including income receivable), subtracting liabilities (including accrued expenses) attributable to each portfolio and dividing by the number of trust units of each portfolio outstanding.

The Administrator computes the net asset value of portfolio trust units by using the amortized cost method for valuing securities. Under the amortized cost method a security is initially valued at cost on the date of purchase and, thereafter, any discount or premium is amortized on a straight line basis to maturity, regardless of fluctuating interest rates or the market value of the security. However, the Investment Advisor has established procedures to stabilize the net asset value of trust units at \$1.00 per trust unit. These procedures include a review by the Investment Advisor as to the extent of the deviation of net asset value based upon available market quotations from the portfolio's \$1.00 amortized cost per value unit. If such deviation exceeds 0.5%, the Investment Advisor will consider what action, if any, should be initiated to reasonably eliminate or reduce material dilution or other results to participants.

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

### Legally binding guarantees

The Board of Trustees has not provided or obtained any legally binding guarantees during the fiscal years ended June 30, 2016 and 2015.

### Involuntary participation

There is no requirement under Iowa law for any local government to involuntarily participate in ISJIT .

### Limitations or restrictions on withdrawals

Withdrawals will be processed by the close of that day as long as the participant notifies the administrator prior to 10:00 a.m., central time. Orders received after this time will be executed on the following business day.

### Income Taxes

ISJIT is exempt from both state and federal income taxes pursuant to Section 115 of the Internal Revenue Code.

## 2. Fees and Expenses

ISJIT has entered into contracts for the following services: Administrator, Investment Advisor, Marketing, Sponsorship, and Custodian. In addition, ISJIT also pays the operating expenses incurred directly by ISJIT and its Trustees in connection with the discharge of their duties. During fiscal year ended June 30, 2015, Bankers Trust Company (Bankers Trust) served as Administrator and Custodian. However, for the fiscal year ended June 30, 2016, the Administrator for ISJIT changed to PMA Financial Network, Inc. ("PMA") and Bankers Trust remained as Custodian. During the fiscal years ended June 30, 2016 and 2015, RBC Global Asset Management (US) Inc. (RBC GAM) served as the Investment Advisor, PMA Securities, Inc. (PMA) served as the Marketing Services Provider, and IASB served as the Sponsor. Under separate agreements, Bankers Trust, RBC GAM, PMA and IASB are paid fees based upon a percentage of ISJIT's average daily net assets. All fees are computed on a daily basis and paid monthly to the service providers. The following tables display the fees waived by the service providers for the years ended June 30, 2016 and 2015:

#### 2016 Waived Fees:

Portfolio	Administrator	Investment Advisor	Marketing	Custodian	Sponsor	TOTAL
Diversified Portfolio	\$ 57,478	\$ 53,057	\$ 61,891	\$ 17,686	\$ 70,743	\$ 260,855

#### 2015 Waived Fees:

Portfolio	Administrator	Investment Advisor	Marketing	Custodian	Sponsor	TOTAL
Diversified Portfolio	\$ 192,224	\$ 177,437	\$ 207,010	\$ 59,146	\$ 236,583	\$ 872,400

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

### **Administrator**

Under its administration agreement with ISJIT, PMA performs all related administrative services. Furthermore, under the agreement, the Administrator bears the Fund's expenses for printing certain documents and administrative costs of the Fund (such as postage, telephone charges, and computer time). PMA receives a fee equal to 0.065% of the average daily net asset value of the Diversified Portfolio. This contractual fee is gross of any fees that PMA may voluntarily agree to waive. For the year ended June 30, 2016, the Diversified Portfolio incurred actual expenses of \$184,890 for services services all shareholder accounts, maintains the books and records, provides administrative personnel, equipment and office space, determines the net asset value of the Diversified Portfolio on a daily basis and provided by PMA. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$66,653 for services provided by Bankers Trust. The amount due to PMA on June 30, 2016 was \$20,449 and the amount due to Bankers Trust on June 30, 2015 was \$8,474, respectively, for the Diversified Portfolio.

### **Investment Advisor**

Under its investment advisory agreement with ISJIT, RBC GAM receives a fee equal to 0.060% of the average daily net asset value for the Diversified Portfolio for investment advisor services. This contractual fee is gross of any fees that RBC GAM may voluntarily agree to waive. For the year ended June 30, 2016, the Diversified Portfolio incurred actual expenses of \$170,668 for services provided by RBC GAM. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$72,208 for services provided by RBC GAM. The amount due to RBC GAM at June 30, 2016 and 2015 was \$18,876 and \$7,822, respectively, for the Diversified Portfolio.

### **Custodian**

Under its agreement for custodial services, Bankers Trust receives a fee equal to 0.020% of the average daily net asset value for the Diversified Portfolio for custodial services. This contractual fee is gross of any fees that Bankers Trust may voluntarily agree to waive. For the year ended June 30, 2016, the Diversified Portfolio incurred actual expenses of \$56,889 for services provided by Bankers Trust. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$22,218 for services provided by Bankers Trust. The amount due to Bankers Trust at June 30, 2016 and 2015 was \$6,292 and \$2,607, respectively, for the Diversified Portfolio. Subsequent to year end, ISJIT's custodian and cash management services will be provided by a new financial institution.

### **Marketing**

Under its marketing services agreement with ISJIT, PMA receives a fee equal to 0.070% of the average daily net asset value of the Portfolio. This contractual fee is gross of any fees that PMA may voluntarily agree to waive. For the years ended June 30, 2016 and 2015, the Diversified Portfolio incurred actual expenses of \$199,121 and \$77,762, respectively, for services provided by PMA for marketing. The amount due to PMA at June 30, 2016 and 2015 was \$22,022 and \$9,125, respectively for the Diversified Portfolio.

### **Sponsorship**

Under its sponsorship agreement with ISJIT, IASB receives an annual fee equal to 0.080% of the average daily net asset value of the Portfolio. This contractual fee is gross of any fees that IASB may voluntarily agree to waive. For the year ended June 30, 2016, the Diversified Portfolio incurred actual expenses of \$227,556 to IASB. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$88,871 to IASB. The amount due to IASB at June 30, 2016 and 2015 was \$25,168 and \$10,429 respectively, for the Diversified Portfolio.



# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

### **Other Fund Expenses**

The Fund pays out-of-pocket expenses incurred by its Trustees (in connection with the discharge of their duties), insurance for the Trustees, audit and legal fees. Bankers Trust provides cash management services to ISJIT. Bankers Trust received \$22,599 for cash management services for the year ended June 30, 2016.

### **3. Net Assets (board designated)**

The ISJIT board has designated \$100,000 for the insurance deductible the Board anticipates it would pay in the event of a claim against the Fund.

### **4. Deposit and Investment Risk Disclosures**

Under Governmental Accounting Standards Statement No. 40, Deposit and Investment Risk Disclosures (GASB 40), the deposit and investments of state and local governments are exposed to risks that have the potential to result in losses. This Statement addresses common deposit and investment risks related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk.

#### **Interest Rate Risk**

Interest rate risk is the risk that the instruments in which ISJIT invests will decline in value because of changes in interest rates. As a means of limiting its exposure to losses arising from rising interest rates, ISJIT's investment policy limits the purchase of investments to a maturity date of no more than 397 days from the purchase date. The maximum dollar weighted average maturity for each Portfolio is 60 days or less. Any commercial paper and other short-term corporate debt purchased for the Diversified Plus Portfolio is further limited to a maturity of no more than 270 days from the purchase date.

#### **Credit Risk**

Credit risk is the risk that the issuer of a particular security will default. ISJIT is only authorized to invest in instruments authorized by Iowa law which governs the investment of funds by Iowa governmental agencies. The investments in the Federal agencies (Federal Home Loan Mortgage Co., Federal National Mortgage Assn., and Federal Home Loan Bank) are all rated AA+ by Standard and Poor's. The Repurchase Agreements are all collateralized by Federal agency notes which are rated AA+ by Standard and Poor's. The investment in Certificate of Deposits in Iowa financial institutions is insured by the FDIC for the first \$250,000 and amounts in excess of that are protected by collateralization provisions in the Iowa Code.

#### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, ISJIT will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In connection with transactions in repurchase agreements, a third party custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller defaults and the value of the collateral declines, realization of the collateral by ISJIT may be delayed or limited.

At June 30, 2016, and June 30, 2015 the securities purchased under overnight agreements to resell were collateralized by government and government agency securities with market values of \$7,273,147 and \$31,137,333 respectively for the Diversified Portfolio.

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

### **Concentration of Credit Risk**

ISJIT complies with the following Standard & Poor's limits with respect to the concentration of portfolio investments: 1) 25% maximum concentration per counterparty if less than or equal to 7 days to maturity and a 10% limit beyond 7 days to maturity for repurchase agreements for all Portfolios; and 2) 10% in total and a maximum of 5% of any single issuer for commercial paper and other short-term corporate debt for the Diversified Portfolio. The following charts detail the concentration of investments held by the Portfolio.

Governmental Accounting Standards Statement No. 72, Fair Value Measurements and Application, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices of similar assets or liabilities in active markets or quoted prices for identical or similar assets in inactive markets and Level 3 inputs have the lowest priority. When available, the Fund measures fair value using Level 1 inputs because they generally provide the more reliable evidence of fair value.

#### *Level 1 Fair Value Measurements*

The fair value measurements are based on quoted market values.

#### *Level 2 Fair Value Measurements*

The fair value is based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from observable market data.

#### *Level 3 Fair Value Measurements*

The fair value is based on unobservable inputs which are the Fund's own assumptions about what market participants would assume when determining a price to pay. Level 3 inputs are used when there is little, if any, market activity for the asset or liability at the measurement date. ISJIT does not hold any Level 3 investments.

# Iowa Schools Joint Investment Trust

## Notes to Financial Statements

June 30, 2016

Fair values of the assets measured on a recurring basis at June 30, 2016 and 2015 are detailed in the following charts:

### Diversified as of June 30, 2016

Investment Type	Amortized Cost	(Level 2) Market Value	Weighted Average Days to Maturity	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	\$ 131,418,801	\$ 131,436,604	40	A-1+	42.13%
Federal Home Loan Mortgage Co.	24,771,251	24,780,968	124	A-1+	7.94%
TD Securities USA, Repurchase Agreement	7,200,000	7,200,000	1	A-1+	2.31%
Overseas Private Inv. Corp.	16,801,091	16,802,215	31	A-1+	5.39%
Federal Farm Credit Bank	51,472,999	51,474,789	122	A-1+	16.50%
Federal National Mortgage Assn.	29,556,826	29,567,578	112	A-1+	9.47%
Commercial Paper	28,954,118	28,960,375	72	A-1+	9.28%
Housing & Urban Development	753,147	753,185	32	A-1+	0.24%
US Treasury Notes	<u>21,038,477</u>	<u>21,052,561</u>	144	A-1+	<u>6.74%</u>
TOTAL	\$ 311,966,710	\$ 312,028,275			100%

### Diversified as of June 30, 2015

Investment Type	Amortized Cost	(Level 2) Market Value	Weighted Average Days to Maturity	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	\$ 162,358,523	\$ 162,365,775	79	AA+	40.62%
Federal Home Loan Mortgage Co.	49,808,605	49,810,922	68	AA+	12.46%
BNP Paribas, Repurchase Agreement	747,000	747,000	4	AA+	0.19%
Citibank Repurchase Agreement	15,000,000	15,000,000	7	AA+	3.75%
Merrill Lynch Repurchase Agreement	15,000,000	15,000,000	2	AA+	3.75%
Overseas Private Inv. Corp.	16,152,698	16,152,698	76	AA+	4.04%
Federal Farm Credit Bank	41,384,852	41,385,725	170	AA+	10.35%
Federal National Mortgage Assn.	52,181,118	52,181,152	65	AA+	13.05%
Iowa Bank CD's	735,000	735,000	211	N/A	0.18%
Commercial Paper	36,965,729	36,971,535	92	AA+	9.25%
Housing & Urban Development	1,350,000	1,350,000	1	AA+	0.34%
US Treasury Notes	<u>8,043,712</u>	<u>8,044,080</u>	357	AA+	<u>2.01%</u>
TOTAL	\$ 399,727,235	\$ 399,743,888			100%

## 5. Reclassifications

Certain 2015 amounts on the financial statements have been reclassified to conform to the 2016 classifications. Such reclassifications have no effect on the reported change in total net assets.

## 6. Date of Management's Review

Subsequent events were evaluated through September 22, 2016, the date the financial statements were available to be issued.