

September 12, 2018

To: MMLL Finance Committee  
From: Sheryl Mase, MMLL director  
Re: Potential investment of a portion of fund balance



Mid-  
Michigan  
Library  
League

Our fund balance at the end of FY18 is \$274,101, and it has remained at that level to this point. It is enough for the cooperative to operate for a year without any income. For cash flow, we cannot tie up this entire amount because of the late payment installments for State Aid each year. The fund balance assures our operation in case of non-appropriation or drastic cut to State Aid. Our total State Aid (direct and indirect) income for FY2019 will be \$267,998 (was \$240,997 in FY18). Our lowest \*savings account\* balance over the past two years was in June of 2016 at \$73,445 (probably because we had to payout Jack’s sick time) and again in June of 2017 at \$103,000. We would most likely be fine to invest in a 12 or even 18 month CD at an amount no higher than about \$65,000. I’m not much of a gambler...

As of 9-7-18, Fifth Third Bank, where we have our checking and savings accounts, offers the following CD rates for \$5,000-\$99,999:

- 11 Months 1.49%/APY 1.5%
- 18 Months 1.98%/APY 2.00%
- 27 Months 2.47%/APY 2.50%

Wells Fargo Bank CD rates are:

- 13 month 2.45%
- 18 month 2.55%

Chemical Bank CD rate just announced 9-12-18:

- 17 month 2.75%

Another possible option is investing through Michigan CLASS. This is a link for more information

<https://www.michiganclass.org/about/>

**Michigan CLASS Mission:** Michigan CLASS strives to offer public agencies in Michigan a safe, liquid, and competitive investment option. CLASS welcomes all legal public entities without favor to one type. The Board membership represents the diversity of such agencies and works to maintain a product that services the needs of all Michigan public agencies.

**Rates as of September 12, 2018**

Daily Yield (%)	2.1651
YTD Yield (%)	1.9068
7-Day Yield (%)	2.1665
30-Day Yield (%)	2.1732
Weighted Average Maturity (To Reset)	51
Weighted Average Maturity (To Final)	68
Daily Dividend	0.000059317808
Net Asset Value (NAV)	1.00009577

**How much could you have earned?**  
(from calculator on website,  
<https://www.michiganclass.org/#calculator>)

**Amount Invested: \$65,000**  
**Start Date: April 12, 2017**  
**End Date: September 12, 2018**  
**Earnings = \$1,416.00**  
[Yields Disclaimer](#)