

Attachment D
Albemarle County Investment Report
Second Quarter Ended: June 30, 2025 (4th Quarter, FY 25)

Discussion

Albemarle County invests available cash, in accordance with the County's Investment Policy and all applicable local, state and federal codes and regulations, on behalf of its funds and those of its fiscal agencies. The interest earnings are allocated monthly to participating funds and reflected in the financial reports under the revenue sections.

Below is a quarterly comparison, not year to date (YTD), of 4th Quarter FY 25 to FY 24.

Quarterly Earnings Comparison

The 4th Quarter of FY 25 (not YTD) earnings were \$1,883,000 compared to \$2,345,224 in the 4th Quarter of FY 24. This decrease is primarily attributed to the decreasing interest rates. Year-over-year, the average quarterly Federal Funds rate decreased from 5.33% to 4.33%. The 4th Quarter of FY 25 portfolio value is \$175.9 million, which is less than FY 24's portfolio value at \$178.2 million.

| Current Portfolio Statistics (rounded to nearest 000's) | |
|--|---------------------|
| Total Portfolio Value This Quarter (Liquidity) | \$ 175,942,000 |
| Total Portfolio Value This Quarter (Long-Term) | \$ 688,000 |
| Total Investments Made This Quarter | \$ - |
| Weighted Average Yield (Liquidity) | 4.29% |
| Weighted Average Yield (Long-Term) | 4.27% |
| Investment Portfolio Earnings (Liquidity) | \$ 1,875,000 |
| Investment Portfolio Earnings (Long-Term) | \$ 8,000 |
| Total Quarterly Earnings | \$ 1,883,000 |

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Portfolio Summary

The allocations below show the percentage investments based on the approved asset classes/types, as approved in the Investment Policy, and dictated by the Commonwealth of Virginia.

Cash remains liquid in Bank of America and the LGIP Local Government Investment Program, which is administered by the Commonwealth of Virginia. As part of the strategy to enhance portfolio diversification while mitigating the risk of concentrating all assets in the prevailing short-term interest rate landscape, the 4th quarter of FY 25 newly includes the purchase of an agency zero coupon bond. This amount is shown in the "Agencies" category in the below table.

| Portfolio Allocation (rounded to nearest 000's) | | | | | | |
|--|-----------------------|---------------------------|-------------------------|-----------------------|-----------------------|--|
| Asset Class/Type | Amount | Current Allocation | Prior Allocation | Quarter Change | Current Target | |
| Liquidity | | | | | | |
| Bank of America Accts | \$ 10,743,000 | 6.1% | 5.5% | 0.6% | 5.0% | |
| LGIP | \$ 164,511,000 | 93.5% | 94.5% | -1.0% | 94.6% | |
| LGIP EM | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Subtotal | \$ 175,254,000 | 99.6% | 100.0% | -0.4% | 99.6% | |
| Certificates of Deposits ("CDs") | | | | | | |
| CD | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Subtotal | - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Agencies | | | | | | |
| AG | \$ 688,000 | 0.4% | 0.0% | 0.4% | 0.4% | |
| Subtotal | \$ 688,000 | 0.4% | 0.0% | 0.4% | 0.4% | |
| Treasuries | | | | | | |
| TD Bank | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Subtotal | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Commercial Paper | | | | | | |
| CP | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| Subtotal | \$ - | 0.0% | 0.0% | 0.0% | 0.0% | |
| GRAND TOTAL | \$ 175,942,000 | 100.0% | 100.0% | 0.0% | 100.0% | |