



Forsyth County, Georgia

Investment Review | March 31, 2022



Economic review

- Growth:** According to the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 6.9 percent in the fourth quarter of 2021, following an increase of 2.3 percent in the third quarter. The increase was revised down 0.1 percentage point from the "second" estimate released in February. The acceleration in the fourth quarter was led by an acceleration in inventory investment, upturns in exports and residential fixed investment and an acceleration in consumer spending. In the fourth quarter, COVID-19 cases resulted in continued restrictions and disruptions in the operations of establishments in some parts of the country. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs expired or tapered off.
- Employment:** According to the Bureau of Labor Statistics, the unemployment rate declined by 0.2 percentage point to 3.5 percent in March, and the number of unemployed persons decreased by 318,000 to 6.0M.
- Inflation:** The annual inflation rate for the United States is 8.5% for the 12 months ended March 2022- the highest since January 1982 and after rising 7.9% year-over-year in February 2022, according to U.S. Labor Department data published March 10.
- Monetary:** The labor market tightened substantially further amid high demand for workers and constrained supply, with the unemployment rate reaching the median of Federal Open Market Committee (FOMC) participants' estimates of its longer-run normal level and nominal wages rising at their fastest pace in decades. With demand strong, and amid ongoing supply chain bottlenecks and
- Fiscal:** According to the Wall Street Journal the Federal Reserve officials signaled they could raise rates by a half-percentage point at their meeting early next month and begin reducing their \$9 trillion asset portfolio as part of their most aggressive effort in more than two decades to curb price pressures.



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Portfolio Review-Risk Summary

As of March 31, 2022



Cash and Fixed Income Summary

Risk Metric-Total	Market Value	Yield
GA Fund 1- MM	22,862,704	0.173%
Fixed Income-Agencies	50,000,000	1.670%
Fixed Income-US Treasuries	25,330,071	2.307%
Portfolio Total	98,192,775	1.497%

Risk Metric-Direct Investments	Market Value	Yield
Fixed Income-US Treasuries	25,330,071	2.31%
Fixed Income-Agencies	50,000,000	1.67%
Direct Investments	75,330,071	1.90%

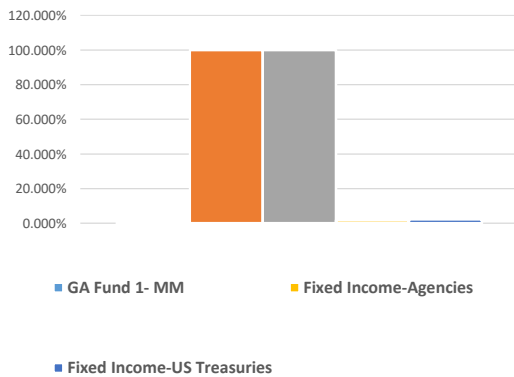
Issuer Concentration

Issuer Concentration	% of Market Value
Money Market	23.28%
US Treasury	59.37%
Federal Home Loan Bank	17.34%
Total by Issuer	100.00%

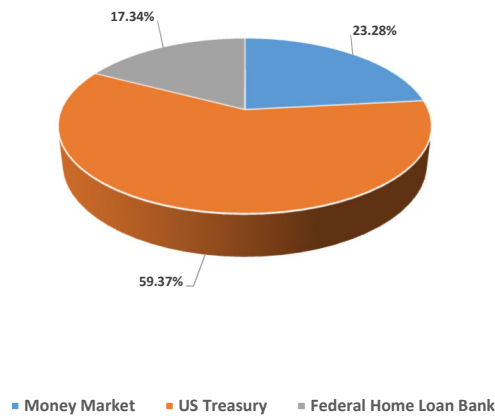
Investment Ladder

By Type	\$ Invested (PAR)	% of Market Value
Current year	22,862,704	23.28%
1 year	50,000,000	50.92%
2 years	25,330,071	25.80%
3 years	-	0.00%
Total by year of maturity	98,192,775	100.00%

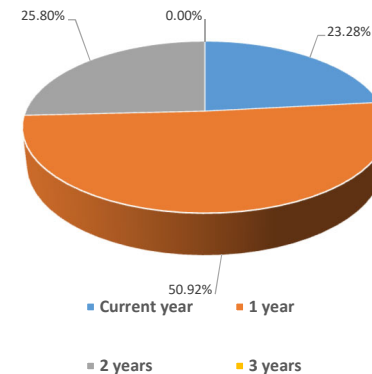
Cash and Fixed Income Yield



Issuer Concentration



Investment by Type



Portfolio Review-Summary of Investments

As of March 31, 2022



Program	Broker/Investment Co	Type	Maturity Date	Price	Market	% of Investment	Current Yield	Est. Annual Income	Est Annual Fees	Fee %	Net Yield	Net Yield %
Third Party Investment funds												
Georgia Fund 1-BOC		Money Market	As needed	11,965,252	11,965,252	100.00%	0.1725%	20,641	6,097	0.0042%	14,544	0.12155%
Georgia Fund 1-W&S		Money Market	As needed	10,897,453	10,897,453	100.00%	0.1725%	18,799	5,553	0.0042%	13,246	0.12155%
Total third Party Investment funds				22,862,704	22,862,704		0.1725%	39,440	11,651	0.0510%	27,790	0.12155%
Direct Investment program-Wells Fargo Safekeeping												
		US Treasury- 91282CEG2-Bullet	3/31/2024	8,291,933	8,300,000		2.3000%	190,900	-	0.0000%	190,900	2.30000%
		FHLB- 3130A0XE5-Bullet	3/8/2024	17,030,071	17,030,071		2.3100%	393,395	-	0.0000%	393,395	2.31000%
		Fixed Income-US Treas		25,322,004	25,330,071	33.96%	2.3075%	584,295	-	0.0000%	584,295	2.30746%
		Agency- MBS -91282CBU4-Bullet	3/31/2023	49,234,375	50,000,000	66.04%	1.6700%	835,000	-	0.0000%	835,000	1.67000%
		Total Fixed Income Agencies		49,234,375	50,000,000	66.04%	1.6700%	835,000	-	0.0000%	835,000	1.67000%
		Total Direct Program		74,556,379	75,330,071	100.00%	1.9037%	1,419,295	-	0.00%	1,419,295	1.90365%
Portfolio Total				97,419,084	98,192,775		1.4974%	1,458,735	11,651	0.01%	1,447,085	1.48542%

Summary Cash Report

March 2022



Fund #	Fund	Pooled Cash	Accounts	Demand Accounts	Self Directed		Total	
					Program-Wells Fargo Safe Keeping	Cash held by Fiscal Agents for Bonds		
100	General fund	48,120,648	94,339	48,214,987	7,503,574	75,000,000	130,718,561	
205	Law library fund	(4,180)	139,366	135,186	-	-	135,186	
210	DA Drg Sz	-	110,430	110,430	-	-	110,430	
211	SO Drg Sz	(76,695)	639,152	562,457	-	-	562,457	
212	County DATE Fund	266,905	-	266,905	-	-	266,905	
215	Emergency 911 fund	3,364,955	-	3,364,955	-	-	3,364,955	
216	Jail Fund	1,168,403	-	1,168,403	-	-	1,168,403	
217	Inmate General Welfare Fund	(14,054)	580,612	566,559	-	-	566,559	
230	VWAP Fund	51,120	-	51,120	-	-	51,120	
231	Juvenile Court Supr Fund	24,913	-	24,913	-	-	24,913	
232	American Rescue Plan Fund	-	22,875,368	22,875,368	-	-	22,875,368	
234	Local Insurance Premium Tax fund	3,028,683	200	3,028,883	-	-	3,028,883	
250	Grant fund	(1,095,145)	-	(1,095,145)	-	-	(1,095,145)	
251	Coronavirus Relief Grant Fund	(0)	-	(0)	-	-	(0)	
270	Fire Fund	42,180,958	-	42,180,958	296,361	-	42,477,319	
275	Hotel/motel tax fund	224,627	-	224,627	-	-	224,627	
301	State Pool - Grant or Trust	4,857,426	7,731,915	12,589,341	-	-	12,589,341	
311	GO Bond Fund - PARKS	(3,270)	-	(3,270)	-	1,674,998	1,671,727	
314	Trans Bond Fund	-	-	-	-	-	-	
322	SPLOST 6 FUND (2009 - 2013)	-	3,677,362	3,677,362	-	-	3,677,362	
323	SPLOST 7 FUND (2013 - 2019)	(724,003)	21,302,050	20,578,047	-	-	20,578,047	
324	SPLOST 8 FUND (2019 - 2025)	5,830,523	53,802,496	59,633,019	-	66,913,016	126,546,036	
350	Capital Outlay Fund	57,756,902	-	57,756,902	3,724,148	-	61,481,050	
410	Debt Service - GO Bond Fund	(3,299)	14,596,201	14,592,901	-	-	14,592,901	
430	Debt Service - SPLOST	-	-	-	-	-	-	
505	Water and sewer fund	(3,111,895)	36,696,588	33,584,693	10,897,453	82,718,949	127,201,094	
540	Solid Waste & Recycling fund	5,192,155	-	5,192,155	-	-	5,192,155	
610	Risk Management	1,723,865	-	1,723,865	-	-	1,723,865	
615	Employee Health Benefits	10,876,258	-	10,876,258	-	-	10,876,258	
620	Workers' Compensation	1,228,911	104,967	1,333,878	441,169	-	1,775,046	
635	Fleet Maintenance	698,100	-	698,100	-	-	698,100	
Total		181,562,811	162,351,047	343,913,857	22,862,704	75,000,000	151,306,963	593,083,524
Custodial Accounts								
711	Juvenile Court Agency Fund	-	1,390	1,390	-	-	1,390	
715	Clerk Of Superior Court Fund	-	18,342,661	18,342,661	-	-	18,342,661	
720	Probate Court Agency Fund	-	72,342	72,342	-	-	72,342	
730	Sheriff's Agency Fund	(46,737)	580,261	533,524	-	-	533,524	
740	Tax Commissioner's Agency Fund	-	8,505,696	8,505,696	-	-	8,505,696	
750	Magistrate court fund	-	264,618	264,618	-	-	264,618	
775	Pension trust fund	-	786,142	786,142	-	-	786,142	
Total		(46,737)	28,553,110	28,506,373	-	-	28,506,373	
Impact Fee Accounts								
376	Impact Fees-E911	-	31,382	31,382	-	-	31,382	
380	Impact Fees - Admin	27,862	58,770	86,632	-	-	86,632	
381	Impact Fees - Public Safety	239,403	2,166,947	2,406,350	-	-	2,406,350	
382	Impact Fees - Library	63,131	1,122,123	1,185,254	-	-	1,185,254	
383	Impact Fees - Parks & Recreation	(1,088,742)	10,032,431	8,943,689	-	-	8,943,689	
384	Impact Fees - Roads	(6,195,777)	8,451,155	2,255,377	-	-	2,255,377	
Total Impact Fees		(6,954,123)	21,862,807	14,908,684	-	-	14,908,684	
Consolidated Total		174,561,951	212,766,963	387,328,914	22,862,704	75,000,000	151,306,963	636,498,581

Investment Policy



Policy Statement

It is the policy of Forsyth County that the administration of its funds and the investment of those funds shall be handled as the highest public trust. Investments shall be made in a manner that will provide the maximum security of principal invested, employing limitations on maturities and diversification of the portfolio while meeting the daily cash flow needs of the government statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to safety and liquidity requirements. It is the intent of the County to be in complete compliance with all applicable law, and this policy shall be read in conformity therewith. The earnings from investments will be used in a manner that best serves the public trust and interests of the County.

Scope

This policy applies to activities of Forsyth County with regard to investing the financial assets of all funds ("Covered Funds"); except that funds held by trustees or fiscal agents are excluded from the rules. However, all funds are subject to regulations established by the state of Georgia. Further, this policy shall not apply to procurement of underwriting services or other professional services associated with debt or bond transactions. The Covered Funds, and any new funds created by the County, unless specifically exempted by this policy, are specified in the County's Comprehensive Annual Financial Report. Note that this policy excludes pension fund assets held by a third party custodian. Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in bond documents and in compliance with Georgia Code Section 36-82-7. Except for funds in certain restricted and special funds, the County commingles its funds to maximize investment earnings and to increase efficiencies and regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Objectives and Strategy

The suitability of each investment decision will be made on the basis of these objectives. The primary objectives, in priority order, of the investment activities shall be:

- A. Safety and Principal
- B. Liquidity
- C. Diversification
- D. Yield/Return on Investment

For a copy of the full Investment Policy please see Forsyth County Finance Department
March 2022



Investment Policy-continued

Authorized Investments

- | | | | |
|----|---|----|---|
| A. | The local government investment pool [including Georgia Fund 1] | G. | Repurchase agreements (not to exceed 180 days to stated maturity; provided an executed Master Repurchase Agreement is on file with the County and the counter party bank) |
| B. | Obligations of the State of Georgia or of other states | H. | Obligations of other political subdivisions of this state |
| C. | Obligations issued by the United States government | J. | <u>Other authorized investments:</u> |
| D. | Obligations fully insured by or guaranteed by a U.S. government | | Amounts with eligible depository institutions |
| E. | Obligations of any corporation of the U.S. government | | Obligations of any agency or instrumentality of the United States |
| F. | Prime Banker's acceptance | | Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities |
| | | | Certificates of Deposit of banks which have deposits insured by the FDIC Corp |
| | | | Interest bearing deposit accounts |

Diversification and Maturity Limitations

It is the goal of Forsyth County to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over concentration of assets in specific maturity, specific issuer, or specific classes of securities. The investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk.

Safekeeping and Collateralization

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. Any third-party custodian shall be required to issue original safekeeping receipts to the County listing each specific security, rate, description, maturity, and CUSIP number. Each safekeeping receipt will clearly state that the security is held or pledged for Forsyth County. All securities pledged to the County for certificates of deposit or demand deposits shall be held by an independent depository. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

For a copy of the full Investment Policy-please see Forsyth County Finance Department