



Forsyth County, Georgia

Investment Review | April 30, 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 April 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 constrained labor
- 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.



Table of Contents

Investment Review| April 30, 2022

I.	Economic review	Page 3
II.	Portfolio review	
	a. Risk Summary	Page 4
	b. Summary of Investments	Page 5
III.	Investment Policy	Pages 6 and 7

Portfolio Review-Risk Summary

As of April 30, 2022



Cash and Fixed Income Summary

Risk Metric-Total	Market Value	Yield
GA Fund 1- MM	27,039,455	0.344%
Fixed Income-Agencies	49,134,766	1.670%
Fixed Income-US Treasuries	25,102,465	2.316%
Portfolio Total	101,276,686	1.463%

Risk Metric-Direct Investments	Market Value	Yield
Fixed Income-US Treasuries	25,102,465	2.32%
Fixed Income-Agencies	49,134,766	1.67%
Direct Investments	74,237,231	1.87%

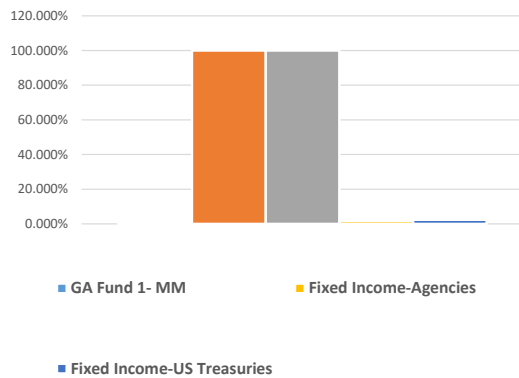
Issuer Concentration

Issuer Concentration	% of Market Value
Money Market	26.70%
US Treasury	56.64%
Federal Home Loan Bank	16.66%
Total by Issuer	100.00%

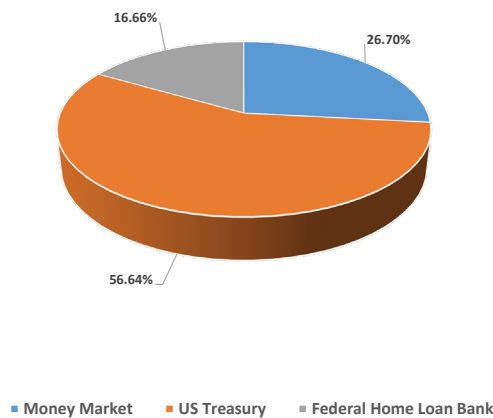
Investment Ladder

By Type	\$ Invested (PAR)	% of Market Value
Current year	27,039,455	26.70%
1 year	49,134,766	48.52%
2 years	25,102,465	24.79%
3 years	-	0.00%
Total by year of maturity	101,276,686	100.00%

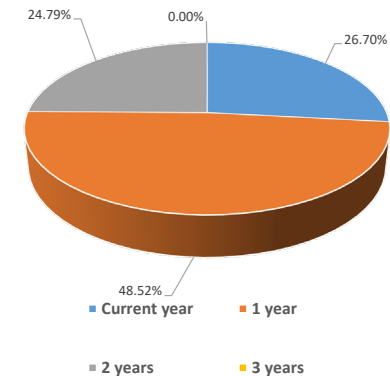
Cash and Fixed Income Yield



Issuer Concentration



Investment by Type



Portfolio Review-Summary of Investments

As of April 30, 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	16,138,924	16,138,924	100.00%	0.3438%	55,482	7,959	0.0041%	47,523	0.29446%
Georgia Fund 1-W&S		Money Market	As needed	10,900,532	10,900,532	100.00%	0.3438%	37,474	5,376	0.0041%	32,098	0.29446%
Total third Party Investment funds				27,039,455	27,039,455		0.3438%	92,956	13,335	0.0493%	79,622	0.29446%
Direct Investment program-Wells Fargo Safekeeping												
		US Treasury- 91282CEG2-Bullet	3/31/2024	8,300,000	8,232,886		2.3000%	189,356	-	0.0000%	189,356	2.30000%
		FHLB- 3130A0XE5-Bullet	3/8/2024	16,700,000	16,869,579		2.3100%	389,687	-	0.0000%	389,687	2.31000%
		Fixed Income-US Treas		25,000,000	25,102,465	33.33%	2.3162%	579,044	-	0.0000%	579,044	2.31617%
		Agency- MBS -91282CBU4-Bullet	3/31/2023	50,000,000	49,134,766	66.67%	1.6700%	820,551	-	0.0000%	820,551	1.67000%
		Total Fixed Income Agencies		50,000,000	49,134,766	66.67%	1.6700%	820,551	-	0.0000%	820,551	1.67000%
		Total Direct Program		75,000,000	74,237,231	100.00%	1.8661%	1,399,594	-	0.00%	1,399,594	1.86613%
Portfolio Total				102,039,455	101,276,686		1.4627%	1,492,550	13,335	0.01%	1,479,216	1.44965%

Summary Cash Report

April 2022



Fund #	Fund	Pooled Cash	Accounts	Demand Accounts	Self Directed		Cash held by Fiscal Agents for Bonds	Total
					Program-Wells Fargo Safe Keeping	GA fund 1		
100	General fund	42,201,788	114,050	42,315,838	11,675,344	73,754,178	-	127,745,359
205	Law library fund	(5,178)	139,366	134,188	-	-	-	134,188
210	DA Drg Sz	-	110,430	110,430	-	-	-	110,430
211	SO Drg Sz	46,706	650,823	697,529	-	-	-	697,529
212	County DATE Fund	257,507	-	257,507	-	-	-	257,507
215	Emergency 911 fund	3,325,538	-	3,325,538	-	-	-	3,325,538
216	Jail Fund	1,206,443	-	1,206,443	-	-	-	1,206,443
217	Inmate General Welfare Fund	(23,278)	600,666	577,388	-	-	-	577,388
230	VWAP Fund	32,655	-	32,655	-	-	-	32,655
231	Juvenile Court Supr Fund	25,438	-	25,438	-	-	-	25,438
232	American Rescue Plan Fund	(3,635)	22,881,604	22,877,969	-	-	-	22,877,969
234	Local Insurance Premium Tax fund	1,716,000	200	1,716,200	-	-	-	1,716,200
250	Grant fund	(1,330,099)	-	(1,330,099)	-	-	-	(1,330,099)
251	Coronavirus Relief Grant Fund	(0)	-	(0)	-	-	-	(0)
270	Fire Fund	39,517,823	-	39,517,823	296,488	-	-	39,814,311
275	Hotel/motel tax fund	188,374	-	188,374	-	-	-	188,374
301	State Pool - Grant or Trust	4,855,396	7,746,952	12,602,348	-	-	-	12,602,348
311	GO Bond Fund - PARKS	(4,622)	-	(4,622)	-	-	1,675,085	1,670,462
314	Trans Bond Fund	-	-	-	-	-	-	-
322	SPLOST 6 FUND (2009 - 2013)	-	3,679,680	3,679,680	-	-	-	3,679,680
323	SPLOST 7 FUND (2013 - 2019)	(727,119)	21,212,649	20,485,530	-	-	-	20,485,530
324	SPLOST 8 FUND (2019 - 2025)	6,037,004	67,502,814	73,539,818	-	-	53,704,975	127,244,793
350	Capital Outlay Fund	56,494,947	-	56,494,947	3,725,736	-	-	60,220,682
410	Debt Service - GO Bond Fund	(3,299)	14,680,759	14,677,459	-	-	-	14,677,459
430	Debt Service - SPLOST	-	-	-	-	-	-	-
505	Water and sewer fund	(484,897)	35,689,777	35,204,881	10,900,532	-	80,420,585	126,525,997
540	Solid Waste & Recycling fund	5,218,175	-	5,218,175	-	-	-	5,218,175
610	Risk Management	1,681,055	-	1,681,055	-	-	-	1,681,055
615	Employee Health Benefits	11,329,845	-	11,329,845	-	-	-	11,329,845
620	Workers' Compensation	1,253,584	72,465	1,326,049	441,357	-	-	1,767,405
635	Fleet Maintenance	719,416	-	719,416	-	-	-	719,416
Total		173,525,564	175,082,234	348,607,799	27,039,455	73,754,178	135,800,644	585,202,076
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	(53,608)	606,223	552,615	-	-	-	552,615
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	-	705,777	705,777	-	-	-	21,582,959
Total		(53,608)	28,498,707	28,445,100	-	-	-	49,322,281
Impact Fee Accounts								
376	Impact Fees-E911	-	31,402	31,402	-	-	-	31,402
380	Impact Fees - Admin	19,203	58,807	78,009	-	-	-	78,009
381	Impact Fees - Public Safety	291,892	2,168,312	2,460,204	-	-	-	2,460,204
382	Impact Fees - Library	78,362	1,122,830	1,201,193	-	-	-	1,201,193
383	Impact Fees - Parks & Recreation	(1,568,026)	10,038,753	8,470,728	-	-	-	8,470,728
384	Impact Fees - Roads	(5,993,294)	8,456,481	2,463,187	-	-	-	2,463,187
Total Impact Fees		(7,171,863)	21,876,585	14,704,723	-	-	-	14,704,723
Consolidated Total		166,300,094	225,457,527	391,757,621	27,039,455	73,754,178	135,800,644	649,229,080

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

April 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