

Investment Update

January 24, 2023

CLAY COUNTY CLERK OF COURT & COMPTROLLER
TARA S. GREEN



Purpose of the Investment Committee is to provide overall direction for investing under the Investment Policy approved by the Board of County Commissioners

Current Members:

- **Tara S. Green, Clerk of Court and Comptroller**
- **Betsy Condon, Chairman of Board of County Commissioners**
- **Howard Wanamaker, County Manager**
- **Rick Dingle, Chief Administrative Officer**
- **Troy Nagle, Assistant County Manager**
- **Amy Bramlitt, Finance Officer**
- **Debbie Sileo, Director of the Office of Management and Budgets**
- **Heather Boucher, Commission Auditor**

Market Update

- Federal Reserve raised targeted interest rates in December for the 7th time this year to a range of 4.25% to 4.50%
- Interest rates on 30-year fixed rate mortgages were 3.14% a year ago and surpassed 7% in late October. Currently they have dropped but still over 6.5% in early January 2023
- Inflation for July, August and September was 8.5%, 8.3% and 8.2% respectively
- Inflation for October and November was 7.7% and 7.1%
- JP Morgan's CEO, Jamie Dimon, indicated that the Fed may need to raise interest rates to 6% to get inflation under control
- In this current market, we have not changed the mix of the portfolio at this time

We are continuing to watch the market to invest prudently to improve yields

Cash & Investments as of 9/30/2022

	Balances in Accounts	Average Returns for FY 2021/2022	Interest Collected for First Quarter	Interest Collected for Second Quarter	Interest Collected for Third Quarter	Interest Collected for Fourth Quarter	FY 2021/2022 Interest
Wells Fargo *	\$ 32,105,435	0.357%	\$ 13,350	\$ 5,816	\$ 6,574	\$ 38,167	\$ 63,907
US Bank Bond Investments	\$ 87,605,334	0.264%	\$ 62,701	\$ 56,811	\$ 60,285	\$ 68,126	\$ 247,923
Florida Palm Bond Investments	\$ 22,973,954	0.842%	\$ 1,628	\$ 11,659	\$ 72,513	\$ 136,121	\$ 221,921
Florida Class	\$ 50,065,474	0.829%	\$ 10,676	\$ 35,709	\$ 93,028	\$ 226,341	\$ 365,754
Florida Safe Investments	\$ 882	0.919%	\$ 2,573	\$ -	\$ -	\$ 2	\$ 2,575
Florida Prime Investments	\$ 215,699,199	0.913%	\$ 34,675	\$ 98,389	\$ 407,916	\$ 1,102,809	\$ 1,643,789
Total Cash & Investments	\$ 408,450,277		\$ 125,603	\$ 208,384	\$ 640,316	\$ 1,571,566	\$ 2,545,869

* This is actual cash in bank as of 9/30/2022

4th Qtr was 62% of total interest for FY 2022

Summary of Cash & Investments Q4 FY 2022

Note: All returns are net of fees

	Florida Prime	Annual Return for Qtr	Florida Safe	Annual Return for Qtr	Florida Class	Annual Return for Qtr	Florida Palm - Bond Proceeds Daily Funds/ Palm term/US Bank	Annual Return for Qtr	Wells Fargo - Operating Acct	Annual Return for Qtr	Total
Balance at 6/30/2022	\$ 181,696,390		\$ 878		\$ 50,139,413		\$ 119,864,686				
Earnings	\$ 1,102,809	2.646%	\$ 4	1.130%	\$ 226,341	1.803%	\$ 204,247	2.084%	\$ 162,626	0.721%	
Changes to Investment	\$ 32,900,000		\$ -		\$ -		\$ (5,150,000)				
Unrealized gain/(loss)					\$ (300,281) ²		\$ (4,339,645) ¹				
Balance at 9/30/2022	\$ 215,699,199		\$ 882		\$ 50,065,474		\$ 110,579,287		\$ 32,105,435		\$ 408,450,277
% Invested	52.81%		0.00%		12.26%		27.07%		7.86%		100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%		
Total in Pools											39.33%
Maximum in Pools per Investment Policy											<80%
S&P Rated GIP Index Government 30-Day Gross of Fees Yield											2.26%
S&P Rated GIP Index Government 30-Day Net of Fees Yield (All Pools for September's earnings were above this benchmark)											2.12%

Non-Cash FMV adjustment

¹ Loss will only be recognized if investment is sold prior to maturity. This long term investment guarantees returns through maturity. GAAP requires us to record the investment as market value at the fiscal year end.

² Due to recent interest rate drop and long term nature. Average Maturity of fund is 4 months and should turn around in next 6-12 months. GAAP requires us to record the investment as market value at the fiscal year end.

Future Changes to Bond Investments

Future Gains + Interest

FY 2023 \$1,006,160

FY 2024 \$3,059,813

FY 2025 \$ 781,773

Total \$4,847,696

Net Earnings by Investment FY 2021/2022

	Current Investments					
	Florida Prime	Florida Safe	Florida Palm	PFM/US Bank *	Florida Class	Wells Fargo
Average	0.913%	0.919%	0.842%	0.264%	0.829%	0.357%
High	3.713%	2.728%	2.293%	0.301%	2.174%	1.063%
Low	0.095%	0.000%	0.007%	0.142%	0.236%	0.213%

*** Since invested in Treasury Investments**

Note: All of these funds with the exception of the bond proceeds are liquid funds with same day to 3 days availability

Cash & Investments as of 12/31/2022

	Balances in Accounts	Average Returns for FY 2022/2023	Interest Collected for First Quarter
Wells Fargo *	\$ 45,929,083	1.067%	\$ 102,728
US Bank Bond Investments	\$ 88,179,748	1.662%	\$ 364,058
Florida Palm Bond Investments	\$ 19,178,405	3.803%	\$ 204,451
Florida Class	\$ 50,577,227	3.271%	\$ 410,535
Florida Safe Investments	\$ 90,166,728	3.527%	\$ 165,846
Florida Prime Investments	\$ 206,686,039	3.659%	\$ 1,986,840
Total Cash & Investments	\$ 500,717,229		\$ 3,234,458

* This is actual cash in bank as of 12/31/2022

Summary of Cash & Investments Q1 FY 2023

Note: All returns are net of fees

	Florida Prime	Annual Return for Qtr	Florida Safe	Annual Return for Qtr	Florida Class	Annual Return for Qtr	Florida Palm - Bond Proceeds Daily Funds/ Palm term/US Bank	Annual Return for Qtr	Wells Fargo - Operating Acct	Annual Return for Qtr	Total
Balance at 9/30/2022	\$ 215,699,199		\$ 882		\$ 50,065,474		\$ 110,579,287				
Earnings	\$ 1,986,840	3.659%	\$ 165,846	2.116%	\$ 410,535	3.271%	\$ 568,509	3.803%	\$ 466,786	1.067%	
Changes to Investment	\$ (11,000,000)		\$ 90,000,000		\$ -		\$ (4,000,000)				
Unrealized gain/(loss)					\$ 101,218 ²		\$ 210,357 ¹				
Balance at 12/31/2022	\$ 206,686,039		\$ 90,166,728		\$ 50,577,227		\$ 107,358,153		\$ 45,929,083		\$ 500,717,229
% Invested	41.28%		18.01%		10.10%		21.44%		9.17%		100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%		
Total in Pools											49.55%
Maximum in Pools per Investment Policy											<80%
S&P Rated GIP Index Government 30-Day Gross of Fees Yield											4.05%
S&P Rated GIP Index Government 30-Day Net of Fees Yield (All pools for December's earnings were above this benchmark)											3.91%

Non-Cash FMV increase adjustment

¹ Net loss will only be recognized if investment is sold prior to maturity. This long term investment guarantees returns through maturity. GAAP requires us to record the investment as market value at the fiscal year end.

² This is a market fluctuating fund with longer term investments. Average Maturity of fund is 4 months and is now turning positive as investments mature and are reinvested. GAAP requires us to record the investment as market value at the fiscal year end.

Net Earnings by Investment FY 2022/2023

	Current Investments					
	Florida Prime	Florida Safe	Florida Palm	PFM/US Bank *	Florida Class	Wells Fargo
Average	3.659%	3.527%	3.803%	1.662%	3.271%	1.067%
High	4.300%	4.084%	4.397%	1.689%	3.853%	1.202%
Low	3.173%	2.953%	3.238%	1.631%	2.767%	0.962%

*** Since invested in Treasury Investments**

Note: All of these funds with the exception of the bond proceeds are liquid funds with same day to 3 days availability

Comparison of Net Earnings by Investment

	Average Returns					
	Florida Prime	Florida Safe	Florida Palm	PFM/US Bank	Florida Class	Wells Fargo
Q1 FY 2023	3.659%	3.527%	3.803%	1.662%	3.271%	1.067%
Full Year FY 2022	0.913%	0.919%	0.842%	0.264%	0.829%	0.357%

Note: All of these funds with the exception of the bond proceeds are liquid funds with same day to 3 days availability

Questions

Appendix

Detail Earnings for FY 2021/2022

	Florida Prime	Annual Return	Florida Safe	Annual Return	Florida Class	Annual Return	Florida Palm - Bond Proceeds Daily Funds/ Palm term	Annual Return	Florida Palm - US Bank -Treasuries	Annual Gross Return	Wells Fargo - Operating Acct	Annual Gross Return	Total
Balance at 6/30/2022	\$ 181,696,390		\$ 878		\$ 50,139,413		\$ 26,087,833		\$ 93,776,852		\$ 86,805,231		\$ 382,681,677
Interest July 2022	\$ 278,321	1.84%	\$ 1	1.56%	\$ 56,841	1.36%	\$ 36,793	1.69%	\$ 23,560	0.30%	\$ 30,232	0.45%	
Interest August 2022	\$ 362,097	2.39%	\$ 1	1.37%	\$ 78,401	1.87%	\$ 49,317	2.27%	\$ 26,499	0.33%	\$ 31,130	0.65%	
Interest September 2022	\$ 462,391	3.71%	\$ 2	2.73%	\$ 91,099	2.17%	\$ 50,011	2.29%	\$ 18,067	0.23%	\$ 33,138	1.06%	
Change in Principle											\$ (54,794,296)		
Change in Principle-July													
Change in Principle-August	\$ 32,900,000						\$ (3,250,000)		\$ (1,900,000)				
Change in value for year end GAAP Reporting					\$ (300,281)				\$ (4,339,645)				
Investment Premium & Accrued Interest													
Balance at 9/30/2022	\$ 215,699,199		\$ 882		\$ 50,065,474		\$ 22,973,954		\$ 87,605,334		\$ 32,105,435		\$ 408,450,277
% Invested	52.81%		0.00%		12.26%		5.62%		21.45%		7.86%		100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%		<40%		
Total in Pools													39.33%
Maximum in Pools per Investment Policy													<80%

Detail Earnings for FY 2022/2023

	Florida Prime	Annual Return	Florida Safe	Annual Return	Florida Class	Annual Return	Florida Palm - Bond Proceeds Daily Funds/ Palm term	Annual Return	Florida Palm - US Bank -Treasuries	Annual Gross Return	Wells Fargo - Operating Acct	Annual Gross Return	Total
Balance at 9/30/2022	\$ 215,699,199		\$ 882		\$ 50,065,474		\$ 22,973,954		\$ 87,605,334		\$ 32,105,435		\$ 408,450,277
Interest October 2022	\$ 570,348	3.17%	\$ 2	2.95%	\$ 115,445	2.77%	\$ 61,999	3.24%	\$ 121,711	1.67%	\$ 33,138	1.20%	
Interest November 2022	\$ 663,906	3.51%	\$ 3	3.54%	\$ 133,527	3.19%	\$ 72,443	3.77%	\$ 119,061	1.63%	\$ 33,626	1.04%	
Interest December 2022	\$ 752,586	4.30%	\$ 165,841	4.08%	\$ 161,563	3.85%	\$ 70,009	4.40%	\$ 123,285	1.69%	\$ 35,964	0.96%	
Change in Principle											\$ 13,720,919		
Change in Principle- October	\$ (11,000,000)												
Change in Principle- November							\$ (4,000,000)						
Change in Principle- December			\$ 90,000,000										
Change in value for year end GAAP Reporting					\$ 101,218				\$ 210,357				
Balance at 12/31/2022	\$ 206,686,039		\$ 90,166,728		\$ 50,577,227		\$ 19,178,405		\$ 88,179,748		\$ 45,929,083		\$ 500,717,229
% Invested	41.28%		18.01%		10.10%		3.83%		17.61%		9.17%		100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%		<40%		
Total in Pools													49.55%
Maximum in Pools per Investment Policy													<80%