

Attachment D
Albemarle County Investment Report
Quarter Ended June 30, 2026 (CY Q2 / FY26 Q4)

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 are reflected in the financial reports under the revenue sections.

Below is a quarterly comparison, not year to date (YTD), of 4th Quarter FY 26 to FY 25.

Quarterly Earnings Comparison

The 4th Quarter of FY 26 (not YTD) earnings were \$1,434,000 compared to \$1,882,000 in the 4th Quarter of FY 25. This decrease is primarily attributed to the decreasing interest rates. Year-over-year, the average quarterly Federal Funds rate decreased from 4.33% to 3.63%. The 4th Quarter of FY 26 portfolio value is \$159.0 million, which is \$16.9 million less than FY 25's portfolio value at \$175.9 million.

Current Portfolio Statistics (rounded to nearest 000's)		
Total Portfolio Value This Quarter (Liquidity)	\$	159,030,000
Total Portfolio Value This Quarter (Long-Term)	\$	-
Total Investments Made This Quarter	\$	-
Weighted Average Yield (Liquidity)		3.64%
Weighted Average Yield (Long-Term)		
Investment Portfolio Earnings (Liquidity)	\$	1,434,000
Investment Portfolio Earnings (Long-Term)	\$	-
Total Quarterly Earnings	\$	1,434,000

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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 Local Government Investment Program (LGIP), which is administered by the Commonwealth of Virginia. In addition, the County launched a laddering program for long-term investments in the fourth quarter of FY25, introducing agency zero-coupon bonds to the portfolio. This strategy enhanced diversification and helped mitigate the risk of overexposure to short-term interest rate fluctuations. The laddering program completed its introductory phase early December, returning funds to the custodian's liquid program.

During the fourth quarter of FY26, the Board of Supervisors authorized participation in the Virginia Municipal Investment Trust (VA MINT). This further diversified the County's investment portfolio options and potential for higher interest rate yields. The first investment of \$8.35 million occurred in the next quarter (CY Q3 / FY 27 Q1) and will be included in next quarter's report.

Portfolio Allocation (rounded to nearest 000's)						
Asset Class/Type	Amount	Current Allocation	Prior Allocation	Quarter Change	Current Target	
Liquidity						
Bank of America Accts	\$ 12,089,000	7.6%	6.1%	1.5%	7.6%	
LGIP	\$ 146,337,000	92.0%	93.5%	-1.5%	92.0%	
Other	\$ 604,000	0.4%	0.0%	0.4%	0.4%	
Subtotal	\$ 159,030,000	100.0%	99.6%	0.4%	100.0%	
Certificates of Deposits ("CDs")						
CD	\$ -	0.0%	0.0%	0.0%	0.0%	
Subtotal	-	0.0%	0.0%	0.0%	0.0%	
Agencies						
AG	\$ -	0.0%	0.4%	-0.4%	0.0%	
Subtotal	\$ -	0.0%	0.4%	-0.4%	0.0%	
Treasuries						
Treasury	\$ -	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	\$ 159,030,000	100.0%	100.0%	0.0%	100.0%	