Attachment E
Albemarle County Investment Report
Quarter Ended September 30, 2026 (CY Q3 / FY27 Q1)

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. Available cash includes all County-held financial assets except for escrowed funds, monies in certain external-program bank accounts, unreimbursed bond proceeds and related interest, and earned credit account balances. Interest earnings are allocated monthly to participating funds and reported as revenue in the County's financial statements.

Below is a quarterly comparison, not year to date (YTD), of 1st Quarter FY 27 to FY 26.

Quarterly Earnings Comparison

The 1st Quarter of FY 27 (not YTD) interest earnings were $2,434,000 compared to $2,541,000 in the 1st Quarter of FY 26. This decrease is primarily attributed to the decreasing interest rates. Year-over-year, the average quarterly Federal Funds rate decreased from 4.29% to 3.67%. The portfolio value at the close of the 1st Quarter of FY 27 is $231.0 million, which is $35.0 million greater than FY 26's portfolio value at $196.0 million.

Quarterly Portfolio Summary
(rounded to nearest 000's)

		FY27 Q1	FY26 Q1
Portfolio Value At Quarter's End			
Liquidity	$	231,038,000	194,028,000
Long-Term	$	-	1,986,000
Weighted Average Yield			
Liquidity		3.77%	4.34%
Long-Term		0.00%	4.29%
Investment Portfolio Earnings			
Liquidity	$	2,434,000	2,520,000
Long-Term	$	-	21,000
Total Quarterly Earnings	**$**	**2,434,000**	**2,541,000**

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Quarterly Portfolio Allocation 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, the Local Government Investment Program (LGIP), which is administered by the Commonwealth of Virginia, and Virginia Municipal Investment Trust (VA MINT). Participation in VA MINT was authorized by the Board of Supervisors in the fourth quarter of FY26. 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 this reporting period (CY Q3 / FY 27 Q1) and is also reflected below.

Currently, there is a de minimis balance of interest earnings in a mutual fund associated with the prior laddering program and is in the process of being fully liquidated; otherwise, the County has no active holdings under the laddering program. The strategy is being evaluated this fall in parallel with the budget development process to assess potential opportunities for reengagement. Additional information and recommendations are expected to be provided in the next quarterly update.

All investment assets are within their maximums which is demonstrated by comparing the Current Allocation to the Portfolio Max.

Quarterly Portfolio Allocation
(rounded to nearest 000's)

		FY27 Q1		FY26 Q1		
Asset Class/Type		Value at Quarter's End	Portfolio Allocation	Value at Quarter's End	Portfolio Allocation	Portfolio Max
Liquidity						
Bank of America Accts	$	15,230,000	6.6%	9,293,000	4.7%	100.0%
LGIP	$	207,395,000	89.8%	184,734,000	94.3%	100.0%
VA MINT		8,413,000	3.6%	-	0.0%	100.0%
Mutual Funds	$	-	0.0%	-	0.0%	30.0%
Subtotal	**$**	**231,038,000**	**100.0%**	**194,027,000**	**99.0%**	
Agencies						
AG	$	-	0.0%	1,986,000	1.0%	100.0%
Subtotal	**$**	-	**0.0%**	**1,986,000**	**1.0%**	**100.0%**
Treasuries						
Treasury	$	-	0.0%	-	0.0%	0.0%
Subtotal	**$**	-	**0.0%**	-	**0.0%**	**0.0%**
GRAND TOTAL	**$**	**231,038,000**	**100.0%**	**196,013,000**	**100.0%**	**PASSED**

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Quarterly Transactions Summary

This is a new report aligning with the investment policy updates approved in June 2026, which emphasized enhanced transparency and reporting of portfolio activity. The new quarterly transactions table supports this objective by providing a clear summary of activity by investment category, including purchases, maturities, interest earnings, and net cash flows.

The report organizes each investment class according to the transaction activity. Transaction activity reflecting a blank indicates it is not applicable. The Cash Equivalents activity includes the bank activity and Investment Pools (LGIP and VA MINT). Mutual Funds includes activity associated with the prior laddering program in the process of being fully liquidated.

The Net Cash Equivalent column summarizes the total quarterly activity for Cash and Investment Pools. This includes the bank's total deposits minus withdrawals and the investment pools' total purchases minus sales.

Quarterly Transactions By Investment Class
(rounded to nearest 000's)

Investment Class	Quarter's Beginning Value	Total Quarterly Transaction Activity					Net Cash Equivalent Deposit/(Withdrawal)	Quarter's Ending Value
		Buys	Sells	Maturities	Calls	Interest		
Cash Equivalents								
Cash	$ 24,334,000					$ 50,000	$ (9,153,000)	$ 15,230,000
Investment Pools	266,073,000					2,384,000	(52,650,000)	215,808,000
Agencies	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Mutual Funds	5,000	-	(5,000)	-	-	-		-
Treasuries	-	-	-	-	-	-		-
Totals	**$ 290,412,000**	$ -	$ (5,000)	$ -	$ -	$ 2,434,000	$ (61,803,000)	**$ 231,038,000**