



Quarterly Investment Report

Period Ending June 30, 2024

Executive Summary

North Carolina General Statute 159-30 authorizes the Finance Officer to invest idle funds of the County subject to restrictions and directions of the governing board as outlined in the Cash Management and Investment Policy that was adopted January 4, 2024. The adopted policy outlines the objectives of investments, so funds are invested in a manner that ensures safety, liquidity, and yield. When evaluating investments, safety of County funds is most important followed by liquidity to ensure we have adequate cash on hand to pay the obligations of the County. The policy mirrors state statute for allowable investments and places additional restriction on the portfolio as follows:

- No investment in Repurchase Agreements shall be made unless the underlying collateral shall be placed in safekeeping in the trust department of a third-party bank. The maximum maturity may not exceed one (1) year.
- The combined total investment in commercial paper and banker's acceptances shall not exceed 35% of the total portfolio and the investment in commercial paper or banker's acceptance of a single issuer shall not exceed 5% of the total portfolio at the time of the investment.
- No more than 35% of the total portfolio may be invested in any single Agency/Instrumentality issuer.
- Obligations of the State of North Carolina and bonds and notes of any North Carolina local government or public authority must be rated in a rating category of "A" or its equivalent or better by at least two nationally recognized statistical rating organizations ("NRSROs") at the time of purchase. The combined total investment in Obligations of the State of North Carolina and obligations of any North Carolina local government or public authority may not exceed 30% of the total portfolio. No more than 5% of the total portfolio may be invested in the securities of any single issuer.
- No more than 30% of the total portfolio may be invested in certificates of deposit and no more than 10% of the total portfolio may be invested in any one issuer.
- No investment shall be made in any security with a maturity greater than five years from the date of purchase.
- All government securities and other negotiable instruments shall be held in safekeeping by the trust department of a bank.

The attached quarterly investment report provides the following information for the Board as required by policy:

- a) An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date, and interest rate.
- b) Transactions for the period.
- c) A description of the funds, investments and programs managed by contracted parties (i.e. local government investment pools)
- d) A one-page summary report that shows:

- Average maturity of the portfolio and modified duration of the portfolio;
 - Maturity distribution of the portfolio;
 - Percentage of the portfolio represented by each investment category;
 - Average portfolio credit quality; and,
 - Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the County’s market benchmark returns for the same periods;
- e) A statement of compliance with the Investment Policy, including a schedule of any transactions or holdings which do not comply with this Policy or with North Carolina General Statutes, including a justification for their presence in the portfolio and a timetable for resolution.

Table 1 - Provides investment transactions for each investment type that occurred in the preceding quarter. Information is provided to show the amount purchased, amount matured, the maturity date of the investment, and the interest rate. Staff anticipates reinvesting maturities that may mature in the next quarter into investments that are within the guidelines of NGCS 159-30 and the County's Cash Management and Investment Policy. All investment decisions consider the cash flow needs of the County when determining the term of investments.

**Table 1
INVESTMENT ACTIVITY QUARTER ENDING 06/30/24**

INVESTMENT DESCRIPTION	PURCHASE	MATURITY	MATURITY DATE	AMORITIZED YIELD	INVESTMENT NUMBER
NCCMT Government Portfolio	125,677,020	163,924,360	N/A	5.22%	N/A
NCIP Government Portfolio	51,876,754	35,000,000	N/A	5.39%	N/A
FHLB		2,850,000	04/01/24	5.50%	24-0063
FHLB		3,000,000	05/15/24	5.00%	23-0094
FHLB		2,000,000	04/27/24	5.00%	23-0055
FHLB		2,000,000	06/10/24	5.42%	24-0012
FHLB		2,220,000	06/25/24	5.29%	24-0067
FFCB	3,000,000		05/06/27	4.71%	24-0096
FFCB		1,500,000	04/08/24	70.15%	22-0078
FHLMC		5,000,000	06/18/24	0.23%	21-0091, 21-009
Commercial Paper - Arkansas Electric Coop		1,000,000	06/25/24	5.45%	24-0090
Commercial Paper - Barclays		4,400,000	05/08/24	5.27%	24-0087
Commercial Paper - Citigroup		5,000,000	05/06/24	5.84%	24-0047
Commercial Paper - Credit Agricole		8,000,000	05/06/24	5.19%	24-0085, 24-008
Commercial Paper - ING		5,000,000	04/01/24	5.83%	24-0038
Commercial Paper - JP Morgan		2,000,000	04/02/24	5.79%	24-0002
Commercial Paper - Macquarie Bank Ltd		2,000,000	04/26/24	5.79%	24-0061
Commercial Paper - Stanford University		4,030,000	06/21/24	5.28%	24-0076
Municipal Bond - Buncombe County		500,000	06/01/24	0.55%	21-0086
Municipal Bond - Watauga County		1,000,000	06/01/24	2.23%	20-0066
Treasury Bill		5,000,000	05/09/24	5.06%	24-0078
Treasury Bill		3,000,000	05/28/24	5.21%	24-0077

Treasury Note	2,500,000		03/15/27	4.87%	24-0092
Treasury Note	2,500,000		04/15/27	4.86%	24-0091
Treasury Note	4,000,000		11/15/26	4.74%	24-0094
Treasury Note	4,000,000		04/30/26	4.86%	24-0093
Treasury Note	4,000,000		05/15/27	4.66%	24-0095
Treasury Note	3,000,000		05/31/26	4.77%	24-0097
Treasury Note	2,000,000		10/31/28	4.28%	24-0098
Treasury Note	2,500,000		05/31/29	4.24%	24-0100
Treasury Note	2,500,000		06/15/27	4.44%	24-0099
Total Investments	207,553,774	258,424,360			

Table 2 - Provides a summary of the total portfolio distribution as of the end of the quarter and the graph that follows provides a visual representation of the portfolio distribution. Information is provided to show the par amount, the range of maturities, weighted average maturity, range of yields and the weighted average yield for the portfolio. The graph provides information on the composition of the portfolio and the corresponding percentages. Bond funds are included in the investment balance for the quarter, but the funds are restricted to projects satisfying the original bond purpose. Unspent bond proceeds are kept in separate accounts at the North Carolina Capital Management Trust or the North Carolina Investment Pool.

**Table 2
INVESTMENT PORTFOLIO AT 06/30/24**

INVESTMENT DESCRIPTION	PAR AMOUNT	MATURITIES	WEIGHTED AVERAGE MATURITIES	YIELDS	WEIGHTED AVERAGE YIELDS
NCCMT Government Portfolio	83,882,344	N/A	N/A	5.22%	5.36%
NCIP Government Portfolio	75,635,500	N/A	N/A	5.39%	5.62%
Government Agency - FFCB	15,315,000	65d to 2.8y	1.6y	0.53% to 5.52%	5.15%
Government Agency - FHLB	112,395,000	26d to 4.4y	1.7y	0.13% to 5.72%	1.90%
Government Agency - FHLMC	20,631,000	82d to 4.5y	2.5y	0.34% to 5.62%	5.04%
Government Agency - FNMA	14,973,000	1y to 2.1y	1.4y	0.23% to 5.21%	2.24%
Treasury Note	0	230d to 4.9y	2.7y	4.24% to 5.16%	4.70%
NCCMT - Bond Funds	71,426,120	N/A	N/A	5.22%	5.36%
NCIP - Bond Funds	105,251,499	N/A	N/A	5.39%	5.62%
Total Portfolio	499,509,463				

INVESTMENT PORTFOLIO COMPOSITION

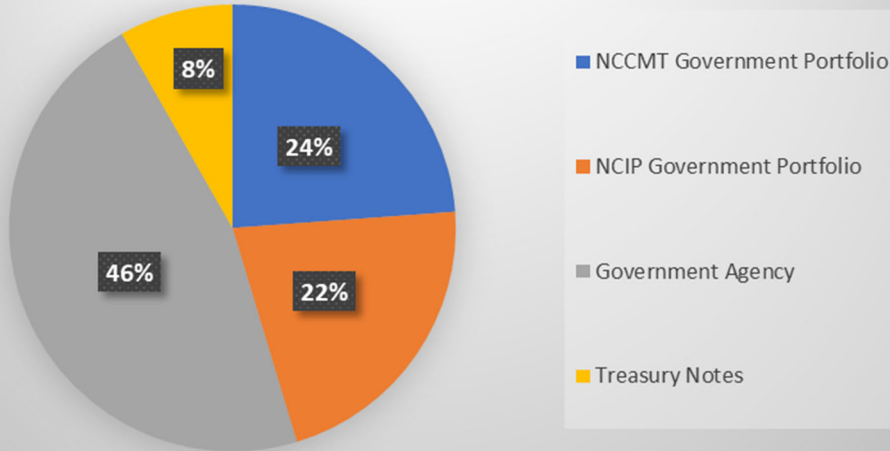


Table 3 - Provides information on quarter-to-date and year-to-date investment earnings as of the end of the quarter for the entire portfolio and the General Fund. Information is also provided based on the year-to-date investment earnings compared to the amount budgeted for interest earnings for the current fiscal year for the General Fund. The interest earnings as presented during the year are subject to the Governmental Accounting Standards Board (GASB) Statement 31 Mark-to-Market calculation at year end and will have an impact on actual interest earnings recorded for the year. The County budgets interest every year which is used to balance the General Fund budget. The budget variance is due to interest rates on short-term investments increasing significantly, and the County has been able to take advantage of higher yields on funds in North Carolina Capital Management Trust (NCCMT) and the North Carolina Investment Pool (NCIP). Additionally, lower yielding investments have matured, and the County has been able to reinvest at higher yields.

Table 3

INVESTMENT EARNINGS	QTD	FYTD	MARK TO MKT	ADJ FYTD	BUDGET	VARIANCE
County Investment Portfolio	3,400,043	15,223,720	3,671,679	18,895,399		
Amount Allocated to General Fund	2,961,352	12,093,369	2,790,476	14,883,845	5,992,000	8,891,845

Table 4 - Provides information on quarter-to-date and year-to-date investment earnings as of the end of the quarter for the unspent bond proceeds based on series. Interest earned on unspent bond proceeds are restricted to projects satisfying the original bond purpose and all funds are kept in separate accounts at the NCCMT and NCIP. It should be noted that the County could be subject to an arbitrage payment to the IRS if the County’s interest earnings on unspent bond proceeds are in excess of allowable calculated amounts compared to the interest that is paid on tax exempt debt.

Table 4

INVESTMENT EARNINGS	QTD		ARBITRAGE LIABILITY	YIELD REDUCTION	REVISED FYTD
		FYTD			
2017A Public Building Bonds	48,461	191,138			191,138
2017B Public Improvement Bonds	127,882	597,433			597,433
2019A GO Public Improvement Bonds	236,606	993,767			993,767
2012A GO Bonds	391	1,543		(272)	1,271
2010B Build America Bonds	10,528	41,525			41,525
2007A GO Bonds	468	1,845			1,845
2022A GO Public Improvement Bonds	511,145	2,245,130	(1,170,708)		1,074,422
2022B GO School Bonds	126,444	2,427,218	(1,827,348)		599,870
2024A GO School Bonds	1,525,543	2,147,025			2,147,025
Total Bond Interest Earned	2,587,469	8,646,623	(2,998,056)	(272)	5,648,296

Table 5 - Provides information on quarter-to-date and year-to-date investment earnings as of the end of the quarter for the Honor Capital Funds that are restricted in the General Fund. The Honor Capital Funds are the 7.6 cents of property tax approved by the Board of Commissioners that are the committed funding for debt service related to the \$1.7 billion in authorized school GO bonds dedicated.

Table 5

INVESTMENT EARNINGS	QTD	FYTD
Honor Capital Funds	636,395	1,595,955

Additional Information

- All investments complied with NCGS 159.30 and the Guilford County Cash Management and Investment Policy at the time of purchase.
- As of June 1, 2024, the first installment evaluation date, an \$806,523.41 yield reduction payment was due to the Internal Revenue Service for the Series 2019A Bonds. This payment must be sent to the IRS no later than 60 days from the evaluation date. In FY 2023 the calculation showed a liability of \$237,013 and we did a journal entry to reduce interest earned on the bonds for the year and establish a liability. For FY 2024, we did another journal entry to reduce interest earned for the additional liability of \$569,510 and the payment to the IRS was made on June 13, 2024.
- The County’s arbitrage rebate service did the second-year arbitrage calculation on the County’s, Series 2022A and 2022B GO Bonds. It showed we owe the IRS \$3,142,474.91 for what is called an “arbitrage rebate liability”. As we did in FY 2023, staff completed a journal entry to reduce the interest earned and increased the liability by the difference of \$2,998,056. A payment is not due to the IRS until after the fifth year of the bonds, which is April 1, 2027, so the liability will be adjusted either up or down depending on the annual calculation until a payment is due.

- At the end of the 2024 fiscal year, staff had to do the annual calculation for the GASB 31 Mark-to-Market. The calculation looks at what our investments are worth today compared to what we paid for them. We have to make an accounting entry to record an increase or gain if it is more or a decrease or loss if it is less. For the fiscal year 2024 it was a gain of \$1,809,813. As you may recall, last year was a loss for fiscal year 2023 of \$1,809,813. The significant increase is because we were able to buy new investments with higher interest rates during the year to replace investments with lower interest rates that became due during the year. As more lower interest rate investments become due and we are able to buy investments at higher interest rates, so we expect the GASB 31 entry will be positive for fiscal year 2025.
- The attached Holdings Report provides an asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation is Source ICE Data Indices, LLC ("ICE"), type of investment, issuer, maturity date, and interest rate.

HOLDINGS REPORT AS OF JUNE 30, 2024

CUSIP	SECURITY DESCRIPTION	PAR VALUE	PURCH DATE PURCH YIELD	COST VALUE BOOK VALUE	MKT PRICE MKT YTM	MKT VALUE ACCRUED INT
AGENCY						
3130AQKW2	FEDERAL HOME LOAN BANKS 1.05 07/26/2024	580,000.00	01/27/2022 1.20%	577,825.00 579,940.25	99.69 5.39%	578,180.17 2,622.08
3130AULT9	FEDERAL HOME LOAN BANKS 5.0 07/26/2024	3,000,000.00	01/30/2023 5.00%	3,000,000.00 3,000,000.00	99.96 5.45%	2,998,786.50 64,583.33
3130ASUE7	FEDERAL HOME LOAN BANKS 5.0 08/23/2024	1,570,000.00	08/23/2022 3.95%	1,568,430.00 1,569,886.01	99.91 5.57%	1,568,633.06 8,286.11
3133EL5S9	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.48 09/03/2024	20,000.00	09/10/2021 0.53%	19,970.00 19,998.24	99.05 5.96%	19,809.69 31.47
3134GXW91	FEDERAL HOME LOAN MORTGAGE CORP 4.15 09/20/2024	2,000,000.00	09/20/2022 4.17%	1,999,300.00 1,999,922.33	99.64 5.73%	1,992,782.72 23,286.11
3130APCW3	FEDERAL HOME LOAN BANKS 1.0 10/21/2024	500,000.00	10/21/2021 0.66%	500,000.00 500,000.00	98.54 5.82%	492,687.97 972.22
3130AY5N2	FEDERAL HOME LOAN BANKS 5.3 12/13/2024	2,640,000.00	12/19/2023 5.35%	2,638,680.00 2,639,393.31	99.89 5.54%	2,636,991.51 6,996.00
3130AY7A8	FEDERAL HOME LOAN BANKS 4.875 12/19/2024	3,000,000.00	12/19/2023 4.93%	2,998,390.50 2,999,245.96	99.78 5.34%	2,993,487.36 4,875.00
3130AUFW9	FEDERAL HOME LOAN BANKS 5.35 01/27/2025	3,000,000.00	01/27/2023 4.96%	3,000,900.00 3,000,000.00	99.85 5.61%	2,995,531.44 68,658.33
3130ANK66	FEDERAL HOME LOAN BANKS 0.875 02/26/2025	2,000,000.00	08/26/2021 0.44%	2,000,000.00 2,000,000.00	97.40 5.41%	1,947,973.94 1,701.39
3130AV7L0	FEDERAL HOME LOAN BANKS 5.0 02/28/2025	5,000,000.00	08/18/2023 5.20%	4,985,775.00 4,993,841.77	99.80 5.30%	4,990,117.65 85,416.67
3130AP5B7	FEDERAL HOME LOAN BANKS 0.9 04/07/2025	2,000,000.00	10/07/2021 0.63%	2,000,000.00 2,000,000.00	96.68 5.42%	1,933,659.18 4,200.00
3133ELC28	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.73 05/27/2025	70,000.00	08/27/2021 0.74%	69,965.00 69,991.56	95.97 5.33%	67,182.44 48.26
3136G4XZ1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.74 06/30/2025	500,000.00	12/21/2020 0.23%	501,335.00 500,000.00	95.48 5.45%	477,384.87 10.28
3130AQHV8	FEDERAL HOME LOAN BANKS 1.25 07/25/2025	280,000.00	01/27/2022 1.43%	278,250.00 279,465.66	96.08 5.06%	269,022.19 1,516.67
3133EPRS6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.875 07/28/2025	5,000,000.00	08/17/2023 5.02%	4,987,000.00 4,992,822.54	99.80 5.06%	4,990,181.35 103,593.75
3136G4C43	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.65 08/14/2025	25,000.00	09/20/2021 0.77%	24,887.50 24,967.67	95.26 5.05%	23,815.31 61.84
3136G4M75	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.52 08/18/2025	3,000,000.00	08/18/2020 0.52%	3,000,000.00 3,000,000.00	95.06 5.06%	2,851,808.61 5,763.33
3136G4L84	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.57 08/18/2025	3,000,000.00	08/18/2020 0.57%	3,000,000.00 3,000,000.00	94.96 5.21%	2,848,835.46 6,317.50
3130ANJA9	FEDERAL HOME LOAN BANKS 1.0 08/25/2025	4,000,000.00	-- 0.82%	3,999,060.00 3,999,728.29	95.70 4.88%	3,828,069.56 14,000.00
3133EPUK9	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.54 08/28/2025	5,000,000.00	09/07/2023 5.52%	5,000,000.00 5,000,000.00	99.81 5.71%	4,990,359.30 94,641.67
3130ANRA0	FEDERAL HOME LOAN BANKS 1.2 09/09/2025	850,000.00	09/16/2021 1.13%	849,736.50 849,921.11	96.82 4.99%	822,938.75 3,173.33
3134GXAP9	FEDERAL HOME LOAN MORTGAGE CORP 0.6 11/12/2025	1,000,000.00	01/08/2021 0.35%	1,002,130.00 1,000,000.00	94.21 5.04%	942,110.56 816.67
3130AKJ72	FEDERAL HOME LOAN BANKS 1.125 12/15/2025	2,000,000.00	12/15/2020 0.41%	2,000,000.00 2,000,000.00	95.22 4.99%	1,904,307.78 1,000.00

HOLDINGS REPORT AS OF JUNE 30, 2024

CUSIP	SECURITY DESCRIPTION	PAR VALUE	PURCH DATE PURCH YIELD	COST VALUE BOOK VALUE	MKT PRICE MKT YTM	MKT VALUE ACCRUED INT
3130AKJJ6	FEDERAL HOME LOAN BANKS 1.0 12/30/2025	2,500,000.00	12/30/2020 0.22%	2,500,725.00 2,500,000.00	96.19 4.98%	2,404,678.75 69.44
3135G06Q1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.64 12/30/2025	3,000,000.00	01/08/2021 0.30%	3,009,930.00 3,000,000.00	93.72 5.04%	2,811,659.94 53.33
3135GALS8	FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.35 01/12/2026	1,708,000.00	02/09/2024 5.39%	1,706,719.00 1,706,978.12	99.87 5.44%	1,705,830.50 42,896.89
3130ALRR7	FEDERAL HOME LOAN BANKS 1.0 01/15/2026	165,000.00	09/22/2021 1.00%	165,000.00 165,000.00	94.11 5.02%	155,274.74 760.83
3135GAMH1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.0 01/16/2026	1,545,000.00	02/08/2024 5.01%	1,544,613.75 1,544,691.87	99.68 5.21%	1,540,106.75 33,475.00
3130AKP67	FEDERAL HOME LOAN BANKS 0.6 01/26/2026	20,000.00	01/26/2021 0.63%	19,975.00 19,992.14	93.35 5.05%	18,669.74 51.67
3130AKNA0	FEDERAL HOME LOAN BANKS 0.75 01/26/2026	3,620,000.00	-- 0.52%	3,619,676.00 3,619,897.98	94.10 5.01%	3,406,589.85 11,689.58
3130AKRQ1	FEDERAL HOME LOAN BANKS 1.0 01/28/2026	3,000,000.00	01/28/2021 0.62%	3,000,000.00 3,000,000.00	94.14 4.99%	2,824,169.82 12,750.00
3130AKPW0	FEDERAL HOME LOAN BANKS 0.6 01/28/2026	3,000,000.00	01/28/2021 0.51%	3,000,000.00 3,000,000.00	93.75 4.99%	2,812,401.66 7,650.00
3130AKTT3	FEDERAL HOME LOAN BANKS 0.75 01/29/2026	3,000,000.00	01/29/2021 0.45%	3,000,000.00 3,000,000.00	93.86 4.99%	2,815,850.07 9,500.00
3134H1US0	FEDERAL HOME LOAN MORTGAGE CORP 5.5 02/23/2026	5,000,000.00	02/27/2024 5.52%	4,998,500.00 4,998,756.20	100.04 5.47%	5,001,919.55 97,777.78
3130AL6A7	FEDERAL HOME LOAN BANKS 0.8 02/26/2026	2,000,000.00	02/26/2021 0.49%	2,000,000.00 2,000,000.00	93.55 5.03%	1,871,024.56 5,555.56
3130AL6Z2	FEDERAL HOME LOAN BANKS 1.0 02/26/2026	3,000,000.00	02/26/2021 0.70%	3,000,000.00 3,000,000.00	93.92 4.87%	2,817,585.06 10,416.67
3130ALW67	FEDERAL HOME LOAN BANKS 1.1 04/22/2026	500,000.00	09/16/2021 0.13%	500,460.00 500,000.00	93.44 4.93%	467,189.48 1,054.17
3130AM6U1	FEDERAL HOME LOAN BANKS 1.25 04/28/2026	2,000,000.00	04/28/2021 1.00%	2,000,000.00 2,000,000.00	93.81 4.83%	1,876,174.34 4,375.00
3130AM7K2	FEDERAL HOME LOAN BANKS 1.25 04/30/2026	1,000,000.00	04/30/2021 1.00%	1,000,000.00 1,000,000.00	93.75 4.85%	937,483.92 2,118.06
3130AMDD1	FEDERAL HOME LOAN BANKS 1.125 05/20/2026	750,000.00	08/24/2021 0.24%	750,667.50 750,000.00	93.35 4.85%	700,102.82 960.94
3130AMMW9	FEDERAL HOME LOAN BANKS 1.5 06/10/2026	2,000,000.00	06/10/2021 1.19%	2,000,000.00 2,000,000.00	93.85 4.85%	1,876,952.94 1,750.00
3130AMSR4	FEDERAL HOME LOAN BANKS 2.0 06/22/2026	4,000,000.00	06/22/2021 0.62%	4,000,000.00 4,000,000.00	94.65 4.87%	3,785,939.04 2,000.00
3130AMSZ6	FEDERAL HOME LOAN BANKS 1.5 06/30/2026	1,360,000.00	07/28/2021 0.24%	1,360,584.80 1,360,000.00	94.33 4.88%	1,282,867.94 56.67
3130AMYQ9	FEDERAL HOME LOAN BANKS 1.05 06/30/2026	2,000,000.00	06/30/2021 0.96%	2,000,000.00 2,000,000.00	92.84 4.85%	1,856,867.86 58.33
3130AN5K2	FEDERAL HOME LOAN BANKS 1.5 07/20/2026	2,000,000.00	07/20/2021 1.25%	2,000,000.00 2,000,000.00	93.52 4.85%	1,870,465.14 13,416.67
3130AN3F5	FEDERAL HOME LOAN BANKS 1.07 07/21/2026	90,000.00	07/21/2021 1.07%	89,982.00 89,992.60	92.62 4.88%	83,355.72 428.00
3130AN3X6	FEDERAL HOME LOAN BANKS 1.4 07/21/2026	2,000,000.00	07/27/2021 0.29%	2,001,860.00 2,000,000.00	93.32 4.85%	1,866,425.56 12,444.44
3135GAMM0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.125 07/24/2026	2,195,000.00	02/14/2024 5.21%	2,190,610.00 2,191,285.76	99.82 5.22%	2,190,941.23 48,434.81
3130ANGD6	FEDERAL HOME LOAN BANKS 1.0 07/28/2026	1,000,000.00	07/29/2021 0.92%	1,000,000.00 1,000,000.00	92.48 4.85%	924,796.30 4,250.00

HOLDINGS REPORT AS OF JUNE 30, 2024

CUSIP	SECURITY DESCRIPTION	PAR VALUE	PURCH DATE PURCH YIELD	COST VALUE BOOK VALUE	MKT PRICE MKT YTM	MKT VALUE ACCRUED INT
3130ANDE7	FEDERAL HOME LOAN BANKS 1.05 07/28/2026	2,000,000.00	07/28/2021 0.97%	2,000,000.00 2,000,000.00	92.58 4.85%	1,851,545.72 8,925.00
3130AND56	FEDERAL HOME LOAN BANKS 1.0 08/10/2026	1,825,000.00	08/31/2021 1.56%	1,822,718.75 1,824,026.30	96.02 4.87%	1,752,436.16 7,147.92
3130AQR62	FEDERAL HOME LOAN BANKS 2.0 08/25/2026	2,000,000.00	02/25/2022 2.01%	2,000,000.00 2,000,000.00	95.45 4.88%	1,908,999.12 14,000.00
3130ANNR7	FEDERAL HOME LOAN BANKS 1.6 08/26/2026	1,500,000.00	08/26/2021 1.32%	1,500,000.00 1,500,000.00	93.42 4.85%	1,401,367.14 8,333.33
3130ANL73	FEDERAL HOME LOAN BANKS 1.6 09/08/2026	5,000,000.00	09/08/2021 1.31%	5,000,000.00 5,000,000.00	93.29 4.85%	4,664,423.50 5,111.11
3130ANT34	FEDERAL HOME LOAN BANKS 1.5 09/08/2026	5,000,000.00	09/08/2021 0.30%	5,089,700.00 5,000,000.00	93.12 4.85%	4,656,015.60 23,541.67
3130AX5H7	FEDERAL HOME LOAN BANKS 5.5 09/11/2026	3,000,000.00	09/18/2023 5.51%	2,999,250.00 2,999,447.15	99.77 5.61%	2,993,180.82 50,416.67
3130ANWH9	FEDERAL HOME LOAN BANKS 1.08 09/15/2026	2,000,000.00	09/16/2021 0.49%	2,002,860.00 2,000,000.00	92.21 4.84%	1,844,209.14 6,360.00
3130ANZ52	FEDERAL HOME LOAN BANKS 1.0 09/28/2026	305,000.00	10/20/2021 1.31%	303,322.50 304,238.01	93.58 4.87%	285,418.30 787.92
3130ANUX6	FEDERAL HOME LOAN BANKS 1.1 09/28/2026	2,000,000.00	09/28/2021 1.10%	2,000,000.00 2,000,000.00	92.11 4.85%	1,842,203.94 5,683.33
3130ANWR7	FEDERAL HOME LOAN BANKS 1.375 09/29/2026	4,000,000.00	09/29/2021 0.29%	4,042,880.00 4,000,000.00	92.73 4.83%	3,709,212.32 14,055.56
3130ANWX4	FEDERAL HOME LOAN BANKS 1.25 09/30/2026	3,000,000.00	09/30/2021 1.00%	3,000,000.00 3,000,000.00	92.41 4.85%	2,772,400.26 9,479.17
3133EPXX8	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.64 10/16/2026	2,225,000.00	02/14/2024 5.40%	2,228,337.50 2,226,463.58	99.93 5.67%	2,223,405.77 26,143.75
3130APEN1	FEDERAL HOME LOAN BANKS 1.5 10/27/2026	1,000,000.00	10/27/2021 0.39%	1,010,960.00 1,000,000.00	92.76 4.83%	927,631.40 2,666.67
3130APHJ7	FEDERAL HOME LOAN BANKS 1.625 10/28/2026	2,000,000.00	10/28/2021 1.36%	2,000,000.00 2,000,000.00	92.98 4.85%	1,859,610.16 5,687.50
3134H1LA9	FEDERAL HOME LOAN MORTGAGE CORP 5.2 12/04/2026	1,126,000.00	02/08/2024 5.00%	1,127,700.26 1,126,887.09	99.75 5.31%	1,123,204.78 4,391.40
3130AXXQ6	FEDERAL HOME LOAN BANKS 5.6 12/22/2026	2,630,000.00	12/22/2023 5.61%	2,629,474.00 2,629,565.75	99.64 5.76%	2,620,629.20 3,682.00
3130AQB88	FEDERAL HOME LOAN BANKS 1.875 12/30/2026	2,000,000.00	12/30/2021 1.33%	2,000,000.00 2,000,000.00	94.29 4.87%	1,885,700.16 104.17
3134H1NG4	FEDERAL HOME LOAN MORTGAGE CORP 5.0 01/06/2027	1,530,000.00	02/08/2024 5.02%	1,529,235.00 1,529,338.01	99.88 5.05%	1,528,140.48 37,400.00
3134H1UP6	FEDERAL HOME LOAN MORTGAGE CORP 5.6 02/23/2027	5,000,000.00	02/27/2024 5.62%	4,997,500.00 4,997,784.14	99.97 5.61%	4,998,703.35 99,555.56
3133ERDS7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/06/2027	3,000,000.00	05/13/2024 4.71%	3,003,270.00 3,003,128.48	100.37 4.61%	3,011,123.94 21,770.83
3130AWTK6	FEDERAL HOME LOAN BANKS 5.72 08/22/2028	1,000,000.00	12/22/2023 5.72%	1,000,000.00 1,000,000.00	99.68 5.81%	996,802.69 20,496.67
3130AXXN3	FEDERAL HOME LOAN BANKS 5.4 12/04/2028	2,710,000.00	12/22/2023 5.40%	2,710,000.00 2,710,000.00	99.87 5.43%	2,706,459.87 10,975.50
3134H1LP6	FEDERAL HOME LOAN MORTGAGE CORP 5.25 12/11/2028	4,975,000.00	12/22/2023 5.25%	4,975,000.00 4,975,000.00	100.30 5.17%	4,989,677.99 14,510.42
Total Agency		163,314,000.00	2.66%	163,433,145.56 163,291,597.87	96.61 5.14%	157,622,482.48 1,227,791.97

HOLDINGS REPORT AS OF JUNE 30, 2024

CUSIP	SECURITY DESCRIPTION	PAR VALUE	PURCH DATE PURCH YIELD	COST VALUE BOOK VALUE	MKT PRICE MKT YTM	MKT VALUE ACCRUED INT
CASH						
CCYUSD	Receivable	43,750.00	-- 0.00%	43,750.00 43,750.00	1.00 0.00%	43,750.00 0.00
Total Cash		43,750.00	0.00%	43,750.00	0.00%	43,750.00
US TREASURY						
91282CDZ1	UNITED STATES TREASURY 1.5 02/15/2025	2,000,000.00	08/17/2023 5.16%	1,896,120.00 1,956,510.93	97.66 5.34%	1,953,222.66 11,291.21
91282CKK6	UNITED STATES TREASURY 4.875 04/30/2026	4,000,000.00	05/13/2024 4.86%	4,000,781.25 4,000,729.90	100.15 4.79%	4,005,937.52 32,853.26
91282CKS9	UNITED STATES TREASURY 4.875 05/31/2026	3,000,000.00	06/05/2024 4.77%	3,005,742.19 3,005,551.58	100.20 4.76%	3,006,093.75 12,387.30
91282CJK8	UNITED STATES TREASURY 4.625 11/15/2026	4,000,000.00	05/13/2024 4.74%	3,989,062.50 3,989,624.93	99.95 4.64%	3,998,125.00 23,627.72
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	2,500,000.00	05/01/2024 4.87%	2,458,886.72 2,461,242.78	99.20 4.57%	2,479,980.48 31,182.07
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	2,500,000.00	05/01/2024 4.86%	2,475,683.59 2,477,037.01	99.85 4.55%	2,496,289.05 23,668.03
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	4,000,000.00	05/13/2024 4.66%	3,981,875.00 3,982,652.97	99.87 4.55%	3,994,687.52 22,989.13
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	2,500,000.00	06/18/2024 4.44%	2,512,695.31 2,512,578.73	100.29 4.52%	2,507,226.55 5,054.64
91282CJF9	UNITED STATES TREASURY 4.875 10/31/2028	2,000,000.00	06/14/2024 4.28%	2,046,953.12 2,046,570.67	101.87 4.40%	2,037,343.76 16,426.63
91282CKT7	UNITED STATES TREASURY 4.5 05/31/2029	2,500,000.00	06/18/2024 4.24%	2,528,222.66 2,528,066.30	100.68 4.34%	2,516,992.20 9,528.69
Total US Treasury		29,000,000.00	4.70%	28,896,022.34 28,960,565.80	99.99 4.64%	28,995,898.49 189,008.67
Total Portfolio		192,357,750.00	2.98%	192,372,917.90 192,295,913.67	97.11 5.07%	186,662,130.96 1,416,800.64
Total Market Value + Accrued						188,078,931.61

Glossary

Amortized Yield - Amortized yield on investments refers to the average annualized rate of return earned by the government entity on its investments over a given period of time, after taking into account any fees, expenses, and losses associated with those investments.

Arbitrage - Local governments may choose to invest the bond proceeds in higher-yielding taxable securities. The difference between the interest earned on the taxable securities and the interest paid on the tax-exempt bonds is the arbitrage profit. There are strict regulations governing arbitrage for tax-exempt bonds to prevent abuse and ensure that the practice is not used for personal gain. The Internal Revenue Service (IRS) requires local governments to calculate their arbitrage profit and pay any excess earnings to the U.S. Treasury.

Arbitrage Rebate Liability - The amount that is owed to the to the federal government from profit earned from arbitrage.

Arbitrage Rebate Payment - The dollar profit earned from arbitrage that is paid back (or rebated) to the federal government.

Banker's Acceptance - Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has out-standing publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.

Commercial Paper - Short-term, unsecured debt issued by companies and financial institutions to finance their short-term funding needs. It is typically issued for a term of between 1 and 270 days and is generally sold at a discount to its face value.

Federal Farm Credit Bank (FFCB) - Investment in an obligation of the Federal Farm Credit Bank refers to purchasing debt securities issued by the FFCB. The FFCB is a government-sponsored entity that provides funding and financial services to agricultural and rural communities in the United States. FFCB obligations are considered to be a safe investment because they are backed by the full faith and credit of the U.S. government.

Federal Home Loan Bank (FHLB) - Investment in an obligation of the Federal Home Loan Bank refers to purchasing debt securities issued by the FHLB. The FHLB is a government-sponsored entity created by Congress in 1932 to support the housing finance activities of its member institutions, such as commercial banks, thrifts, credit unions, and insurance companies. FHLB obligations are considered to be a safe investment because they are backed by the full faith and credit of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC) – Investments in obligations of the Federal Home Loan Mortgage Corp. (FHLMC), commonly referred to as Freddie Mac, refers to purchasing debt securities issues by Freddie Mac. FHLMC obligations are considered to be a safe investment because they are backed by the full faith and credit of the U.S. government.

Federal National Mortgage Association (FNMA) - Investment in an obligation of the Federal National Mortgage Association, commonly known as Fannie Mae, refers to purchasing debt securities issued by Fannie Mae. Fannie Mae is a government-sponsored enterprise (GSE) that was established by

Congress in 1938 to expand the secondary mortgage market by purchasing and securitizing mortgages from lenders. FNMA obligations are considered to be a safe investment because they are backed by the full faith and credit of the U.S. government.

Governmental Accounting Standards Board (GASB) - A private, non-profit organization that sets accounting and financial reporting standards for state and local governments in the United States. GASB is recognized as the official source of Generally Accepted Accounting Principles (GAAP) for state and local governments in the US, and its standards are used by thousands of government entities across the country.

Government Agencies - government agency obligations refers to buying debt securities issued by government agencies, which are typically backed by the full faith and credit of the U.S. government. These obligations are essentially loans made by investors to government agencies to finance their operations or specific projects. Examples of government agency obligations include bonds issued by agencies such as the Federal National Mortgage Association (FNMA or Fannie Mae), and Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) in the mortgage market, or bonds issued by agencies such as the Federal Farm Credit Bank in the lending market.

Honor Capital - The Board of Commissioners adopted a plan to set aside 7.3 cents of dedicated property tax during the 2022 property revaluation process, or approximately \$50 million per year, to accrue enough reserves in the first 3 years of the model to cover the spike in debt service payments in later years associated with the issuance of \$2.0 billion in school capital debt.

Interest Rate - An investment interest rate is the rate of return that an investor can earn on an investment. It is the interest rate that an investor receives from an investment.

Mark-to-Market – GASB Statement No. 31, the "mark-to-market" requirement mandates that state and local governments must report the fair value of their investments at the end of each reporting period. This means that investments must be valued based on their current market prices or other relevant market data, rather than at their original cost or historical value and any unrealized gain or loss is record in the financial statements.

Maturity - The agreed-upon date on which the investment ends, often triggering the repayment of an investment.

North Carolina Capital Management Trust (NCCMT) - A an investment pool for local governments in North Carolina. The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAM rating from S&P.

North Carolina Investment Pool (NCIP) - A commingled local government investment pool established to invest idle funds in various short-term investments in accordance with North Carolina General Statute 159-30. NCIP is duly authorized under North Carolina General Statute 159-30(c)(10), was created by an interlocal agreement established under North Carolina General Statute 160A-461 through 464 and is administered by a statutorily compliant trust for the benefit of North Carolina Units of Local Government and governed by a board of trustees comprised of representatives of those Units of Local Government.

Par Amount - Par amount refers to the face value or the principal amount of a financial security, such as a bond. It is the amount that the security was issued for and represents the initial investment.

Repurchase Agreement - A transaction in which the borrower temporarily lends a security to the lender for cash with an agreement to buy it back in the future at a pre-determined price.

Treasury Bill - A Treasury bill (T-Bill) is a short-term U.S. government debt obligation backed by the Treasury Department with a maturity of one year or less.

Treasury Note - A Treasury note (T-note) is a marketable U.S. government debt security with a fixed interest rate and a maturity between two and 10 years.

Weighted Average Maturity - Weighted average maturity (WAM) is a measure used in finance to calculate the average time it takes for a pool of financial instruments or investments to mature.

Weighted Average Yield - A weighted average yield is a financial calculation that considers the different yields of various investments, weighted by the amount of money invested in each investment.

Yield - Investment yield refers to the return on an investment, expressed as a percentage of the amount invested. It is the profit or income earned on an investment over a specific period of time and is usually calculated on an annual basis. Yield considers the interest payments and any discounts, premiums, capital gains or losses, whereas interest rate only reflects the interest payments.

Yield Reduction Payment – Yield restriction calculations are performed after the three-year temporary period on the bonds is complete and unspent bond proceeds remain outstanding. The County is allowed to earn investment yield equivalent to your bond yield plus 0.125%. Any amount in excess of that limit should be paid to the IRS as a yield reduction payment.