

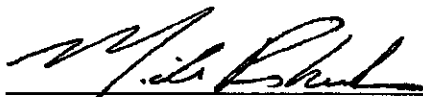
**ORDER: APPROVE DISTRIBUTION OF \$563,416.00 TO THE COUNTY FOR
FISCAL 2021 EARNINGS ON THE TRUST FUND**

Motion was made by Larry Gillespie, duly seconded by Brent Larson, to approve distribution of \$563,416.00 to the County for Fiscal Year 2021 earnings on the Trust Fund.

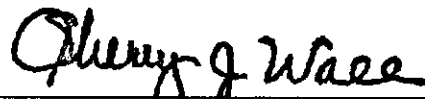
The vote on the motion was as follows:

Supervisor Brent Larson, voted yes
Supervisor Larry Gillespie, voted yes
Supervisor David Rikard, voted yes
Supervisor Chad McLarty, voted yes
Supervisor Mike Roberts, voted yes

After the vote, President Roberts, declared the motion carried, this the 6th day of July, 2021.



**Mike Roberts, President
Board of Supervisors**



Sherry Wall, Chancery Clerk

LAFAYETTE COUNTY RESERVE AND TRUST FUND

Notes to Financial Statements

Note 5 – Distribution to Lafayette County General Fund (Continued)

The Board of Trustees is required to report to the Board of Supervisors the earnings component and the expenditures therefrom on or before July 1st, and thereafter the funds comprising the earnings component may be transferred from the Trust to the general fund of Lafayette County at the direction of the Clerk and upon a vote of the Board of Supervisors and shall be available for appropriation and spending by the Board of Supervisors.

The maximum distributable amount as of March 31, 2021 is as follows:

Trust Equity, 3/31/2021	\$ 21,643,595
Initial Trust Deposit	<u>(20,000,000)</u>
Excess (Deficiency) Trust Equity	<u>1,643,595</u>
Maximum Distributable amount	<u>\$ 649,308</u>

In accordance with the trust agreement no distribution of the earnings component will be allowed if the full fund balance falls below an amount equal to the initial deposit to the fund.

The distributions made to the County in prior years are as follows:

Distribution for:	
FYE 3/31/2014	\$ 566,834
FYE 3/31/2015	550,449
FYE 3/31/2016	-
FYE 3/31/2017	635,181
FYE 3/31/2018	641,661
FYE 3/31/2019	426,099
FYE 3/31/2020	-
Total Amount of Distributions to Date:	<u>\$ 2,820,224</u>

The distributions are disbursed by the Trust and received by the County in the following fiscal year of the allowable distribution determination.

649,308

(9520) 2021 exp.

(8155) 2020 exp

(68,217) \$nu. exp

563,416

LAFAYETTE COUNTY RESERVE AND TRUST FUND

Notes to Financial Statements

Note 2 – Investments in Marketable Securities

Investments in marketable securities consist of the following at the fiscal year end:

	<u>Market Value</u> <u>3/31/2021</u>	<u>Percentage</u> <u>of Portfolio</u>
Fixed Income:		
Exchange Traded Products (10)	\$ 8,103,444	40%
Bond Funds (1)	992,777	5%
Bonds (14)	5,610,618	28%
Equities:		
Stocks and other equities (36)	2,995,505	15%
Exchange Traded Products (1)	2,632,432	13%
Total	<u>\$ 20,334,776</u>	<u>100%</u>

Market values were obtained from the brokerage firm's March 31, 2021 monthly report.

Concentrations

At March 31, 2021 the Lafayette County Reserve and Trust Fund held positions in multiple publicly traded bond funds that exceeded 5% of the Trust balance. There were no singular positions in any equities or debt securities that exceeded 5% of the total Trust balance.

Note 3 – Management and General Expenses

The Lafayette County General Fund has paid all legal and accounting fees since the inception of the trust. The fees paid by the Lafayette County General Fund on behalf of the Trust for the following periods are reported below:

	<u>2021</u>	<u>2020</u>
Accounting fees	\$ 5,800	\$ 5,935
Attorney fees	<u>3,720</u>	<u>2,220</u>
Total	<u>9,520</u>	<u>8,155</u>

The Trust will need to reimburse the Lafayette County General Fund \$17,675 which is the combined total for all unreimbursed legal and accounting fees accrued through March 31, 2021. This expense will be recognized in the in the Statement of Support, Revenues, Expenses and Changes in Trust Equity in the period in which the Trust reimburses the Lafayette County General Fund.

LAFAYETTE COUNTY RESERVE AND TRUST FUND

Notes to Financial Statements

Note 4 – Return on Assets

The Trust's return on assets for the last two fiscal years is as follows:

	For the Years Ended:	
	<u>3/31/2021</u>	<u>3/31/2020</u>
Realized investment income:		
Interest income collected	\$ 28,212	\$ 111,256
Dividends received	305,646	303,461
Capital gain distributions	14,855	3,054
Net realized gain on sale of investments	<u>648,256</u>	<u>87,999</u>
Total realized investment income	996,969	505,770
Management and general expenses	-	(11,010)
Investment fees paid	(68,217)	(67,154)
Unrealized gain (loss) in value of investments	1,117,950	(798,386)
Amortization of bond premiums	<u>(32,327)</u>	<u>-</u>
Net Return on Assets	<u>\$ 2,014,375</u>	<u>\$ (370,780)</u>
Average Assets	<u>\$ 21,036,347</u>	<u>\$ 20,027,660</u>
Return on Assets	<u>9.58%</u>	<u>(1.85%)</u>

Note 5 – Distribution to Lafayette County General Fund

Pursuant to the Trust Agreement, the Board of Trustees is required annually to calculate the earnings component as defined in the Trust Agreement and report such earnings to the Board of Supervisors. The earnings component is considered to be an amount equal to three percent (3%) of the amount of the Full Fund. After calculating the earnings component, the Board of Trustees is authorized to expend from the earnings component amounts required in connection with the management by the Board of Trustees of the Fund, including, but not limited to, payments for accounting fees, legal fees, consulting fees, and Investment Managers or Fund management fees. However, no distribution shall be made if the full Fund balance falls below the initial deposit to the Fund.

As described in Note 3 above, the Lafayette County General Fund has paid all accounting and attorney fees incurred by the Trust since inception. The Trust annually reimburses the County General Fund for these expenses, which will reduce the earnings component of the Trust for the fiscal year in which the reimbursement is made. The board of trustees is specifically given the power to expend from the corpus component amounts required to pay the amounts required in connection with the management by the trustees of the fund if the earnings component is insufficient to pay the amounts required in connection with the management by the trustees of the fund.