

Erica Firnhaber

Shelby County Treasurer
301 East Main Street
Post Office Box 326
Shelbyville, IL 62565

Phone: 217/774-3841
Email: shcotre@shelbycounty-il.com
Office Hours: 8-4 Monday-Friday

County Board Members and Taxpayers of Shelby County,

In light of the false accusations being shared on social media, I would like to go on record clarifying the investment of the ARPA funds and interest earned on all county funds over the last eight years. I will also attach a report with interest totals from 2016 to present.

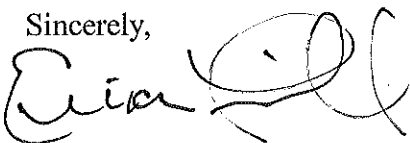
The FY 23 APRA Fund had \$3,833,417.00 budgeted. If funds are in a budget that means they can be spent at any time and have to be available for cash flow. When funds are deposited in a CD, they are not readily available for cash flow. Any funds that would have to be borrowed against a CD would cost the county more than the interest being earned. I am sure most of you have personal accounts – checking and savings accounts – that are used for keeping cash that is readily available for use. County funds operate much the same way. The cash that needs to be readily available is determined by what is appropriated in the budget. When there is excess money over what is appropriated, those funds can be invested in a limited number of ways in order to earn more interest. CDs are the option most often used. The length and term of the CD is chosen based on the interest rate being paid at the time and the length of time before the money will need to be available.

When it became abundantly clear that the window project would not start this summer, I felt it would be safe to put \$1,250,000 appropriated for the capital improvement project into a CD. The rate and term that fit the situation best was 4.6% APY for 11 months. When it became abundantly clear that ARPA premium pay was going to decrease significantly, I purchased a \$1,000,000 three month CD at a rate of 4.75% APY. Rest assured; Shelby County has not lost interest income as the ARPA funds were invested once it was determined there would be a period of time before they would be spent. I would also like to remind people that Bellwether was hired to oversee these funds. Before investing these funds, a conversation was had with Bellwether for confirmation as to the timeline of funds being used. I was informed during that conversation that any interest made in ARPA accounts can be moved to the General Fund and used as the county sees fit. The interest on the invested ARPA money does not have to be reported in the federal reports pertaining to ARPA, it does not have to be budgeted under ARPA funds and the interest earned will not be returned to the federal government.

The last point I would like to address is the fact that my father, Richard Firnhaber, is the president of the board at First Federal Savings and Loan of Central Illinois. County funds were held at First Federal long before I took office. I would like to advise that First Federal is a mutual bank and as a depositor in the bank, the county is the shareholder. My family does not benefit from county funds being held in the bank. The county accounts are deposited in First Federal and Shelby County State Bank because the banks can then use that money to serve the needs of Shelby County residents. I will not invest money in banks outside of Shelby County for others to benefit from.

If you have any questions regarding the safekeeping of county funds, please contact me as I will share the truth with you.

Sincerely,



INTEREST EARNED ON ALL COUNTY FUNDS

FISCAL YEAR	AMOUNT
2016	\$ 12,474.36
2017	\$ 13,490.58
2018	\$ 14,463.62
2019	\$ 69,270.57
2020	\$ 120,647.71
2021	\$ 88,844.69
2022	\$ 61,167.13
2023	\$ 102,086.53 to date 8.29.23