



## DESCRIPTION OF INVESTMENT POOL EARNINGS ALLOCATION

The Local Government Surplus Funds Trust Fund (Florida PRIME) System is used to keep current account balance information for individual accounts participating in Florida PRIME and to apportion the pooled investment earnings back to each account. Apportionment is based on the average daily balances of participating accounts and is done on the accrual basis of accounting.

The Florida PRIME Apportionment Subsystem allocates investment earnings to participants monthly, based on a prorated dollar days participation of each account in Florida PRIME. Each day an accrued earnings amount is computed on all securities in pooled investment inventory. At the end of the month, these daily amounts are totaled and allocated to the individual participants on a pro-rata share for the month.

The amount of earnings each participant receives is based on pro-rata dollar-days participation in Florida PRIME. Every deposit and withdrawal affects the individual account balance as well as the overall Florida PRIME control balance (total of all accounts). At the end of each month, each account's daily balances are added to give a cumulative month's dollar days participation for each account. The total balances of all accounts are also added to give a cumulative month's balance which is the total dollar days for Florida PRIME.

Each account's participation in the earnings is the percentage derived by dividing the individual account's cumulative month's overall dollar days by the cumulative total dollar days for all the accounts participating in the pool.

### SAMPLE CALCULATION

#### EZ ACCOUNT

<u>Month-Day</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balances</u>
02/01	\$	\$	.00
02/02			.00
02/03			.00
02/04			.00
02/05	2,000,000.00		2,000,000.00
02/06			2,000,000.00
02/07			2,000,000.00
02/08	10,000,000.00		12,000,000.00
02/09			12,000,000.00
02/10		1,000.00	11,999,000.00
02/11	3,995,000.00		15,994,000.00
02/12			15,994,000.00
02/13			15,994,000.00
02/14			15,994,000.00
02/15			15,994,000.00
02/16	6,000.00		16,000,000.00

02/17		16,000,000.00
02/18		16,000,000.00
02/19		16,000,000.00
02/20		16,000,000.00
02/21		16,000,000.00
02/22		16,000,000.00
02/23	2,000.00	15,998,000.00
02/24		15,998,000.00
02/25		15,998,000.00
02/26		15,998,000.00
02/27		15,998,000.00
02/28		<u>15,998,000.00</u>
Cumulative Month's Dollar Days Amount for EZ Account		<b><u>329,957,000.00</u></b>

**POSTING AFTER APPORTIONMENT**

<u>Earnings</u>	<u>Balance after Closing</u>
\$136,586.83	\$16,134,532.59

**EARNINGS DISTRIBUTED IS CALCULATED AS FOLLOWS:**

$$\frac{329,957,000}{10,750,000,000} \times \$4,450,000 = \underline{\$136,586.83}$$

10,750,000,000 = Total dollar days for entire Investment Pool (example)  
4,450,000 = Total month's investment earnings for Investment Pool (example)