

**BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
Quarterly Investment Report for FY 18-19  
March 31, 2019**

**INTRODUCTION**

The formal written investment policy sets forth the investment objectives and parameters for investment decisions made by the Highlands County Clerk of Courts (Clerk). The investment policy applies to all cash and investments, under the direct control of the Highlands County Board of County Commissioners (Board), in excess of those required to meet current expenses. This policy does not apply to any funds held on behalf of any of the other Constitutional Officers.

In accordance with the investment policy, this investment report is being submitted to the Clerk of Courts and the Board of County Commissioners.

**SIGNIFICANT CHANGES TO BOARD'S PORTFOLIO**

There were no significant changes to the Board's portfolio during the quarter ending March 31, 2019.

**PORTFOLIO SUMMARY**

The primary objectives of the Board's investment activities are Safety, Liquidity, and Yield. The following is a summary of the Board's portfolio as of March 31, 2019. A comprehensive table of the Board's investment portfolio can be found in the appendix.

**Safety**

Safety of principal is the foremost objective of the Board's investment policy. The Board's investment policy sets diversification limits to minimize the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank. To quickly evaluate portfolio percentage limitations, please see Tables 1 and 2 below. These tables show the actual percentages invested, compared to the maximum allowed percentages as indicated in the policy.

**Table 1: Portfolio Institution Limitations**

Institution	Investment Actual	Policy Limitation
TD Bank	17.32%	80.00%
Regions Bank	8.53%	25.00%
FL PRIME	18.24%	30.00%
FLGIT	1.62%	30.00%
FL PALM	29.56%	30.00%
FL CLASS	14.44%	30.00%
FL SAFE	10.29%	30.00%

**Table 2: Portfolio Instrument Type Limitations**

Instrument Type	Investment Actual	Policy Limitation
Public Funds Depository Accounts	6.84%	80.00%
Certificates of Deposit	19.01%	50.00%
Local Government Investment Pools	74.15%	75.00%

As shown in Tables 1 and 2, the Board's portfolio is compliant with all institution and instrument diversification policy limitations as of March 31, 2019.

State Statutes require that public funds only be deposited in financial institutions that are certified as a qualified public depository (QPD) by the State of Florida. The QPD program is a voluntary, statewide collateralization program that provides protection of public funds, similar to FDIC insurance. All funds deposited with TD Bank and Regions Bank are fully collateralized under the QPD program.

### Liquidity

The Board's Investment Portfolio consists largely of investments with active secondary or resale markets to allow for dynamic liquidity to ensure all cash demands are met. As of March 31, 2019, the weighted average maturity (WAM) of the portfolio is 74 days.

### Yield

The Investment Portfolio is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk assumed. As of March 31, 2019, the portfolio's 30-day weighted average yield is 0.212% which is 0.020% higher than our benchmark (S&P Rated Government Investment Pool Index) of 0.193%. The portfolio's 12-month weighted average yield is 2.441% which is 0.131% higher than our 12-month yield benchmark of 2.310%.

## TRANSACTIONS

Table 3 provides a summary of the transactions that occurred during the quarter ending March 31, 2019.

**Table 3: Summary of Investment Transactions**

Date	Amount	Transferred From	Transferred To
1/16/2019	\$2,399,000.00	TD Bank Clearing	FL SAFE Stable NAV
1/22/2019	\$1,000,000.00	FL CLASS	TD Bank Clearing
3/6/2019	\$1,500,000.00	FL SAFE Stable NAV	TD Bank Clearing

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**2<sup>nd</sup> QUARTER INVESTMENT REPORT**  
**MARCH 31, 2019**  
**Appendix: Investment Portfolio**

Investment Name	Book Value (General Ledger Balance)	Market Value (Statement Balance)	30 Day Rate of Return	12 Month Rate of Return	Quarterly Investment Earnings	YTD Investment Earnings	Quarterly Fees	Credit Rating	Purchase Date	Maturity Date	Average Maturity (In Days)
TD BANK--CLEARING	\$ 4,682,156.99	\$ 4,999,400.02	0.075%	0.900%	\$ 9,994.35	\$ 23,535.97	\$ 4,909.78	(a) 4 stars	N/A	N/A	0
TD BANK - 12 month CD	\$ -	\$ -	N/A	N/A	\$ 23,644.02	\$ 23,644.02	(c)	NR	1/5/2018	1/7/2019	0
TD BANK - 12 month CD	\$ 2,500,000.00	\$ 2,500,000.00	0.176%	2.110%	\$ -	\$ -	(c)	NR	4/19/2018	4/19/2019	19
TD BANK - 12 month CD	\$ 5,178,833.85	\$ 5,178,833.85	0.203%	2.440%	\$ -	\$ -	(c)	NR	1/7/2019	1/7/2020	282
REGIONS BANK - 12 month CD	\$ 6,250,000.00	\$ 6,250,000.00	0.176%	2.110%	\$ -	\$ -	(c)	NR	6/12/2018	6/12/2019	73
FLORIDA PRIME	\$ 13,355,506.44	\$ 13,355,506.44	0.225%	2.650%	\$ 87,326.36	\$ 140,580.06	(c)	(b) AAAM	Various	N/A	1
FLGIT: Short-Term Bond	\$ 595,563.91	\$ 595,563.91	0.595%	2.836%	\$ 6,805.11	\$ 12,202.26	(c)	(b) AAaf	Various	N/A	3
FLGIT: Day to Day Fund	\$ 591,295.38	\$ 591,295.38	0.217%	2.240%	\$ 3,738.19	\$ 7,135.89	(c)	(b) AAAM	Various	N/A	1
FEITF: Florida Education Investment Trust Fund	\$ -	\$ -	N/A	N/A	\$ -	\$ -	(c)	(b) AAAM	Various	N/A	1
FEITF Term	\$ 1,790,000.00	\$ 1,790,000.00	0.210%	2.520%	\$ -	\$ -	(c)	(b) AAaf	7/25/2018	7/25/2019	116
FEITF Term	\$ 3,400,000.00	\$ 3,400,000.00	0.237%	2.840%	\$ -	\$ -	(c)	(b) AAaf	12/6/2018	8/6/2019	128
FEITF Term	\$ 7,020,000.00	\$ 7,020,000.00	0.212%	2.540%	\$ -	\$ -	(c)	(b) AAaf	9/6/2018	8/15/2019	137
FEITF Term	\$ 3,880,000.00	\$ 3,880,000.00	0.243%	2.910%	\$ -	\$ -	(c)	(b) AAaf	12/12/2018	8/30/2019	152
FEITF Term	\$ 5,555,000.00	\$ 5,555,000.00	0.218%	2.620%	\$ -	\$ -	(c)	(b) AAaf	9/20/2018	9/20/2019	173
FLCLASS	\$ 10,577,954.80	\$ 10,577,954.80	0.223%	2.620%	\$ 69,832.19	\$ 105,617.62	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Stable NAV	\$ 4,455,564.95	\$ 4,455,564.95	0.205%	2.460%	\$ 31,866.88	\$ 42,039.56	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Variable NAV	\$ 3,082,200.00	\$ 3,082,200.00	0.322%	2.680%	\$ 27,900.00	\$ 46,200.00	(c)	(b) AAaf	11/1/2017	6/30/2019	91
<b>Grand Total</b>	<b>\$ 72,914,076.32</b>	<b>\$ 73,231,319.35</b>	<b>0.212%</b>	<b>2.441%</b>	<b>\$ 261,107.10</b>	<b>\$ 400,955.38</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>74</b>

- (a) At Bauer Financial, banks are rated by stars. As of 12/31/2018, TD Bank was rated 4 stars. The rating system is: 5 star is Superior; 4 star is Excellent; 3 1/2 star is Good; 3 star is Adequate; 2 star is Problematic; 1 star is Troubled.
- (b) The Standard & Poor's rating scale is as follows, from excellent to poor: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D. Any rating lower than a BBB- is considered a speculative or junk bond.
- (c) All rates of return are reported net of fees.