

**BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
Quarterly Investment Report for FY 19-20
March 31, 2020**

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, 2020.

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, 2020. 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	21.17%	80.00%
JP Morgan Chase	0.28%	80.00%
Regions Bank	3.28%	25.00%
FL PRIME	11.89%	30.00%
FLGIT	1.34%	30.00%
FL PALM	26.24%	30.00%
FL CLASS	10.66%	30.00%
FL SAFE	6.31%	30.00%
FL FIT	18.83%	30.00%

Table 2: Portfolio Instrument Type Limitations

Instrument Type	Investment Actual	Policy Limitation
Public Funds Depository Accounts	13.20%	80.00%
Certificates of Deposit	11.53%	50.00%
Local Government Investment Pools	75.27%	75.00%

As shown in Table 1, the Board’s portfolio is compliant with its institution diversification policy limitations as of March 31, 2020. As shown in Table 2, as of March 31, all instrument type limitations were met, except for Local Government Investment Pools. However, in compliance with policy, all instrument type diversifications met policy limitations at their time of purchase.

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 , JP Morgan Chase, 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, 2020, the weighted average maturity (WAM) of the portfolio is 22 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, 2020, the portfolio’s 30-day weighted average yield is 0.092% which is 0.004 lower than our benchmark (S&P Rated Government Investment Pool Index) of 0.096%. The portfolio’s 12-month weighted average yield is 1.410% which is 0.260% higher than our 12-month yield benchmark of 1.150%.

TRANSACTIONS

Table 3 provides a summary of the transactions that occurred during the quarter ending March 31, 2020.

Table 3: Summary of Investment Transactions

Date	Amount	Transferred From	Transferred To
1/7/2020	\$1,320,000.00	FL PALM	TD Bank Clearing
1/31/2020	\$1,648,612.09	TD Bank Clearing	FL FIT Cash Pool

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Appendix: Investment Portfolio Summary

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	\$ 11,145,109.62	\$ 11,829,864.89	0.042%	0.500%	\$ 15,989.47	\$ 27,171.54	\$ 5,172.86	(a) 4 stars	N/A	N/A	0
JP Morgan Chase - Cigna	\$ 260,391.35	\$ 260,391.35	0.000%	0.000%	\$ -	\$ -	\$ -	(a) 5 stars	N/A	N/A	0
TD Bank - 12 month CD	\$ -	\$ -	0.000%	0.000%	\$ 33,927.76	\$ 33,927.76	(c)	Not Rated	1/7/2019	1/7/2020	0
TD Bank - 12 month CD	\$ 2,552,750.00	\$ 2,552,750.00	0.198%	2.380%	\$ -	\$ -	(c)	Not Rated	4/19/2019	4/18/2020	18
TD Bank - 12 month CD	\$ 5,000,000.00	\$ 5,000,000.00	0.138%	1.650%	\$ -	\$ -	(c)	Not Rated	12/20/2019	12/21/2020	265
Regions Bank - 12 month CD	\$ 3,000,000.00	\$ 3,000,000.00	0.161%	1.930%	\$ -	\$ -	(c)	Not Rated	6/12/2019	6/11/2020	72
FL PRIME	\$ 10,890,721.78	\$ 10,890,721.78	0.116%	1.360%	\$ 44,450.34	\$ 84,749.23	(c)	(b) AAAM	Various	N/A	1
FLGIT - Short-Term Bond	\$ 618,325.81	\$ 618,325.81	-0.152%	3.822%	\$ 7,509.08	\$ 10,324.99	(c)	(b) AAaf	Various	N/A	3
FLGIT - Day to Day Fund	\$ 603,512.54	\$ 603,512.54	0.109%	2.070%	\$ 2,327.98	\$ 5,104.61	(c)	(b) AAAM	Various	N/A	1
FL PALM	\$ 21,538,623.75	\$ 21,538,623.75	0.115%	1.380%	\$ 87,826.89	\$ 140,505.94	(c)	(b) AAAM	Various	N/A	1
FL PALM - Term Series	\$ -	\$ -	0.000%	0.000%	\$ -	\$ 20,510.74	(c)	(b) AAaf	9/17/2019	12/13/2019	0
FL PALM - Term Series	\$ -	\$ -	0.000%	0.000%	\$ -	\$ 24,683.98	(c)	(b) AAaf	9/20/2019	12/19/2019	0
FL PALM - Term Series	\$ 2,500,000.00	\$ 2,500,000.00	0.152%	1.820%	\$ -	\$ -	(c)	(b) AAaf	8/28/2019	4/24/2020	24
FL CLASS	\$ 9,763,903.69	\$ 9,763,903.69	0.122%	1.440%	\$ 39,732.59	\$ 68,832.40	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Stable NAV	\$ 2,618,208.08	\$ 2,618,208.08	0.097%	1.160%	\$ 9,831.66	\$ 22,018.63	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Variable NAV	\$ 3,156,900.00	\$ 3,156,900.00	-0.463%	2.420%	\$ 9,300.00	\$ 26,100.00	(c)	(b) AAaf	11/1/2017	6/30/2020	91
FL FIT - Cash Pool	\$ 17,248,533.37	\$ 17,248,533.37	0.127%	1.490%	\$ 70,603.70	\$ 122,726.56	(c)	(b) AAaf	Various	N/A	1
Grand Total	\$ 90,896,979.99	\$ 91,581,735.26	0.092%	1.410%	\$ 321,499.47	\$ 586,656.38	N/A	N/A	N/A	N/A	22

(a) At Bauer Financial, banks are rated by stars. As of 12/31/2019, TD Bank was rated 4 stars and JP Morgan Chase was rated 5 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.