

**BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
Quarterly Investment Report for FY 18-19  
June 30, 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**

On April 25, 2019, the Board made its first investment of \$5,000,000.00 in the Local Government Investment pool FL FIT. Also, beginning June 1, 2019, the Florida Education Trust Fund (FEITF) changed its name to Florida Public Assets for Liquidity Management (FL PALM).

**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 June 30, 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	20.69%	80.00%
Regions Bank	4.03%	25.00%
FL PRIME	10.35%	30.00%
FLGIT	1.61%	30.00%
FL PALM	29.08%	30.00%
FL CLASS	12.28%	30.00%
FL SAFE	7.65%	30.00%
FL FIT	14.31%	30.00%

**Table 2: Portfolio Instrument Type Limitations**

Instrument Type	Investment Actual	Policy Limitation
Public Funds Depository Accounts	10.30%	80.00%
Certificates of Deposit	14.42%	50.00%
Local Government Investment Pools	75.28%	75.00%

As shown in Table 1, the Board's portfolio is compliant with its institution diversification policy limitations as of June 30, 2019. As shown in Table 2, as of June 30, 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 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 June 30, 2019, the weighted average maturity (WAM) of the portfolio is 58 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 June 30, 2019, the portfolio's 30-day weighted average yield is 0.231% which is 0.041% higher than our benchmark (S&P Rated Government Investment Pool Index) of 0.190%. The portfolio's 12-month weighted average yield is 2.406% which is 0.126% higher than our 12-month yield benchmark of 2.280%.

## **TRANSACTIONS**

Table 3 on the following page provides a summary of the transactions that occurred during the quarter ending June 30, 2019.

**Table 3: Summary of Investment Transactions**

<b>Date</b>	<b>Amount</b>	<b>Transferred From</b>	<b>Transferred To</b>
4/3/2019	\$940,000.00	FL SAFE Stable NAV	TD Bank Clearing
4/10/2019	\$950,000.00	FL SAFE Stable NAV	TD Bank Clearing
4/19/2019	\$2,552,750.00	TD Bank CD (Rollover)	TD Bank CD
4/24/2019	\$4,500,000.00	FL PRIME	TD Bank Clearing
4/24/2019	\$5,000,000.00	TD Bank Clearing	FL FIT
5/8/2019	\$2,500,000.00	FL CLASS	TD Bank Clearing
6/5/2019	\$5,615,000.00	TD Bank Clearing	FL FIT
6/5/2019	\$1,000,000.00	TD Bank Clearing	FL CLASS
6/12/2019	\$1,215,000.00	FL PRIME	TD Bank Clearing
6/12/2019	\$3,250,000.00	Regions Bank CD (Partial Redemption)	TD Bank Clearing
6/12/2019	\$3,000,000.00	Regions Bank CD (Rollover)	Regions Bank CD

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**3<sup>rd</sup> QUARTER INVESTMENT REPORT**  
**JUNE 30, 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	\$ 7,361,470.13	\$ 7,660,942.86	0.075%	0.900%	\$ 8,628.28	\$ 32,164.25	\$ 5,065.46	(a) 4 stars	N/A	N/A	0
TD Bank - 12 month CD	\$ -	\$ -	N/A	N/A	\$ -	\$ 23,644.02	(c)	Not Rated	1/5/2018	1/7/2019	0
TD Bank - 12 month CD	\$ -	\$ -	N/A	N/A	\$ 28,904.17	\$ 28,904.17	(c)	Not Rated	4/19/2018	4/19/2019	0
TD Bank - 12 month CD	\$ 5,178,833.85	\$ 5,178,833.85	0.203%	2.440%	\$ -	\$ -	(c)	Not Rated	1/7/2019	1/7/2020	191
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	293
Regions Bank - 12 month CD	\$ -	\$ -	N/A	N/A	\$ 91,770.55	\$ 91,770.55	(c)	Not Rated	6/12/2018	6/12/2019	0
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	347
FL PRIME	\$ 7,703,458.69	\$ 7,703,458.69	0.192%	2.550%	\$ 62,952.25	\$ 203,532.31	(c)	(b) AAAM	Various	N/A	1
FLGIT - Short-Term Bond	\$ 604,246.28	\$ 604,246.28	0.507%	3.998%	\$ 8,682.37	\$ 20,884.63	(c)	(b) AAaf	Various	N/A	3
FLGIT - Day to Day Fund	\$ 594,972.83	\$ 594,972.83	0.201%	2.390%	\$ 3,677.45	\$ 10,813.34	(c)	(b) AAAM	Various	N/A	1
FL PALM	\$ -	\$ -	0.000%	0.000%	\$ -	\$ -	(c)	(b) AAAM	Various	N/A	1
FL PALM - Term Series	\$ 1,790,000.00	\$ 1,790,000.00	0.210%	2.520%	\$ -	\$ -	(c)	(b) AAaf	7/25/2018	7/25/2019	25
FL PALM - Term Series	\$ 3,400,000.00	\$ 3,400,000.00	0.237%	2.840%	\$ -	\$ -	(c)	(b) AAaf	12/6/2018	8/6/2019	37
FL PALM - Term Series	\$ 7,020,000.00	\$ 7,020,000.00	0.212%	2.540%	\$ -	\$ -	(c)	(b) AAaf	9/6/2018	8/15/2019	46
FL PALM - Term Series	\$ 3,880,000.00	\$ 3,880,000.00	0.243%	2.910%	\$ -	\$ -	(c)	(b) AAaf	12/12/2018	8/30/2019	61
FL PALM - Term Series	\$ 5,555,000.00	\$ 5,555,000.00	0.218%	2.620%	\$ -	\$ -	(c)	(b) AAaf	9/20/2018	9/20/2019	82
FL CLASS	\$ 9,138,486.86	\$ 9,138,486.86	0.232%	2.550%	\$ 60,532.06	\$ 166,149.68	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Stable NAV	\$ 2,581,748.49	\$ 2,581,748.49	0.198%	2.380%	\$ 16,183.54	\$ 58,223.10	(c)	(b) AAAM	Various	N/A	1
FL SAFE - Variable NAV	\$ 3,109,800.00	\$ 3,109,800.00	0.281%	3.060%	\$ 27,600.00	\$ 73,800.00	(c)	(b) AAaf	11/1/2017	9/30/2019	92
FL FIT - Cash Pool	\$ 10,648,722.07	\$ 10,648,722.07	0.408%	2.570%	\$ 33,722.07	\$ 33,722.07	(c)	(b) AAaf	Various	N/A	1
<b>Grand Total</b>	<b>\$ 74,119,489.20</b>	<b>\$ 74,418,961.93</b>	<b>0.231%</b>	<b>2.406%</b>	<b>\$ 342,652.74</b>	<b>\$ 743,608.12</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>58</b>

(a) At Bauer Financial, banks are rated by stars. As of 3/31/2019, 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.