

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
Quarterly Investment Report for FY 18-19  
September 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 Clerk of Courts, 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.

**SIGNIFICANT CHANGES TO CLERK'S PORTFOLIO**

There were no significant changes to the Clerk's portfolio during the quarter ending September 30, 2019.

**PORTFOLIO SUMMARY**

The primary objectives of the Clerk's investment activities are Safety, Liquidity, and Yield. The following is a summary of the Clerk's portfolio as of September 30, 2019. A comprehensive table of the Clerk's investment portfolio can be found in the appendix.

**Safety**

Safety of principal is the foremost objective of the Clerk's investment policy. The Clerk'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	51.89%	80.00%
CenterState Bank	15.27%	25.00%
FL PRIME	32.84%	30.00%

**Table 2: Portfolio Instrument Type Limitations**

Instrument Type	Investment Actual	Policy Limitation
Public Funds Depository Accounts	51.89%	80.00%
Certificates of Deposit	15.27%	50.00%
Local Government Investment Pools	32.84%	75.00%

As shown in Table 1, the Clerk’s portfolio is compliant with its institution diversification policy limitations, except FL PRIME as of September 30, 2019. However, in compliance with policy, all institution type diversifications met policy limitations at their time of purchase. As shown in Table 2, as of September 30, all instrument type limitations were met.

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 CenterState Bank are fully collateralized under the QPD program.

### Liquidity

The Clerk’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 September 30, 2019, the weighted average maturity (WAM) of the portfolio is 36 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 September 30, 2019, the portfolio’s 30-day weighted average yield is 0.112% which is 0.056% lower than our benchmark (S&P Rated Government Investment Pool Index) of 0.168%. The portfolio’s 12-month weighted average yield is 1.350% which is 0.660% lower than our 12-month yield benchmark of 2.010%.

## TRANSACTIONS

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

**Table 3: Summary of Investment Transactions**

<b>Date</b>	<b>Amount</b>	<b>Transferred From</b>	<b>Transferred To</b>
7/29/2019	\$400,000.00	TD Bank Clearing	FL PRIME
8/28/2019	\$357,135.83	TD Bank Clearing	FL PRIME
8/28/2019	\$134,036.50	TD Bank Clearing	CenterState Bank CD
8/28/2019	\$365,96350	CenterState Bank CD (rollover)	CenterState Bank CD

**HIGHLANDS COUNTY CLERK OF COURTS**  
**4<sup>TH</sup> QUARTER INVESTMENT REPORT**  
**SEPTEMBER 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	\$ 1,369,052.21	\$ 1,683,662.34	0.046%	0.550%	\$ 3,382.71	\$ 13,397.35	\$ 1,828.95	(a) 4 stars	N/A	N/A	0
TD Bank - Support	\$ 15,177.29	\$ 15,127.68	0.054%	0.650%	\$ 23.80	\$ 96.18	\$ 477.85	(a) 4 stars	N/A	N/A	0
CenterState - 15 month CD	\$ -	\$ -	N/A	N/A	\$ 9,087.48	\$ 9,087.48	(c)	Not Rated	5/20/2018	8/20/2019	0
CenterState - 9 month CD	\$ 500,000.00	\$ 500,000.00	0.167%	2.000%	\$ 901.65	\$ 901.65	(c)	Not Rated	8/29/2019	5/20/2020	233
FL PRIME	\$ 1,074,992.87	\$ 1,074,992.87	0.190%	2.310%	\$ 4,307.21	\$ 10,262.86	(c)	(b) AAAM	N/A	N/A	1
<b>Grand Total</b>	<b>\$ 2,959,222.37</b>	<b>\$ 3,273,782.89</b>	<b>0.112%</b>	<b>1.350%</b>	<b>\$ 17,702.85</b>	<b>\$ 33,745.52</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>36</b>

(a) At Bauer Financial, banks are rated by stars. As of 6/30/2019, 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.