

**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
Quarterly Investment Report for FY 17-18  
December 31, 2017**

**I. INTRODUCTION**

The formal written investment policy sets forth the investment objectives and parameters for management and investment of funds of the Highlands County Clerk of Courts. 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.

**II. SIGNIFICANT CHANGES TO CLERK'S PORTFOLIO**

In November 2017, the Investment Advisory Group determined it was no longer necessary for the Clerk to maintain two FL Prime accounts. As a result, the remaining balance of account 171144 was transferred into account 171141 in December 2017.

A summary spreadsheet, pie chart, and bar graph of the Clerk's portfolio and the Clerk's compliance with the investment policy are provided in Exhibits A, B, and C, respectively.

**III. 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 December 31, 2017.

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. As of December 31, 2017, the Clerk had funds deposited with TD Bank (61.60%), Harbor Community Bank (20.72%) and Florida Prime (17.68%).

To quickly evaluate portfolio percentage limitations, please see the two graphs in Exhibit C. These graphs show the maximum allowed percentages as indicated in the policy, compared to the actual percentages taken from data shown in Exhibit A. As shown in Exhibit C, the Clerk is compliant with both the institution and instrument diversification policy limitations.

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, Harbor Community Bank, and Wauchula State 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 December 31, 2017, the weighted average maturity (WAM) of the portfolio is 29 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 December 31, 2017, the portfolio's 30-day weighted average yield is 0.059%, which is 0.047% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.012%. The portfolio's 12-month weighted average yield is 0.690%, which is 0.268% higher than our 12-month yield benchmark of 0.422%.

## **III. TRANSACTIONS**

The following transactions occurred during the quarter ending December 31, 2017:

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
10/26/2017	\$410,000.00	FL Prime Acct #171144	TD Bank
11/3/2017	\$158,991.53	FL Prime Acct #171144	FL Prime Acct #171141
12/1/2017	\$11.87	FL Prime Acct #171144	FL Prime Acct #171141

**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2017  
Exhibit A**

Investment	Book Value	Market Value	Rate of Return		Investment Earnings		Quarterly Fees	Credit Rating	Purchase Date	Maturity Date	Average Maturity (In Days)	Portfolio Diversification			
	General Ledger Balance	Statement Balance	30-day	12-Month	Quarter	YTD						% of Total Portfolio	% By Institution	% By Type	
TD BANK--CLEARING	\$ 1,097,586.66	\$ 1,030,533.02	0.031%	0.370%	\$ 766.83	\$ 766.83	\$ 1,621.61	(c) 4 stars	NA	NA	0	60.15%			
TD BANK--SUPPORT	24,874.09	24,881.96	0.031%	0.370%	22.72	22.72	\$ 536.38	(c) 4 stars	NA	NA	0	1.45%	61.60%	61.60%	
HARBOR COMMUNITY BANK - 12 month CD	354,938.56	354,938.56	0.083%	1.000%	-	-	N/A	NR	5/20/2017	5/20/2018	140	20.72%	20.72%	20.72%	
FLORIDA PRIME - Acct #171141	302,863.48	302,863.48	0.126%	1.440%	861.75	861.75	4.04 basis pts	(d) AAAM	Various	NA	1	17.68%			
FLORIDA PRIME - Acct #171144					575.85	575.85						0.00%	17.68%	17.68%	
		<b>Closed - Dec 2017</b>													
	<b>\$ 1,780,262.79</b>	<b>\$ 1,713,217.02</b>	<b>0.059%</b>	<b>0.690%</b>	<b>\$ 2,227.15</b>	<b>\$ 2,227.15</b>	<b>\$ 2,157.99</b>				<b>(b) WAM</b>	<b>29</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Benchmark (a)	0.012%	0.422%
Above/(Below) Benchmark	<u>0.047%</u>	<u>0.268%</u>

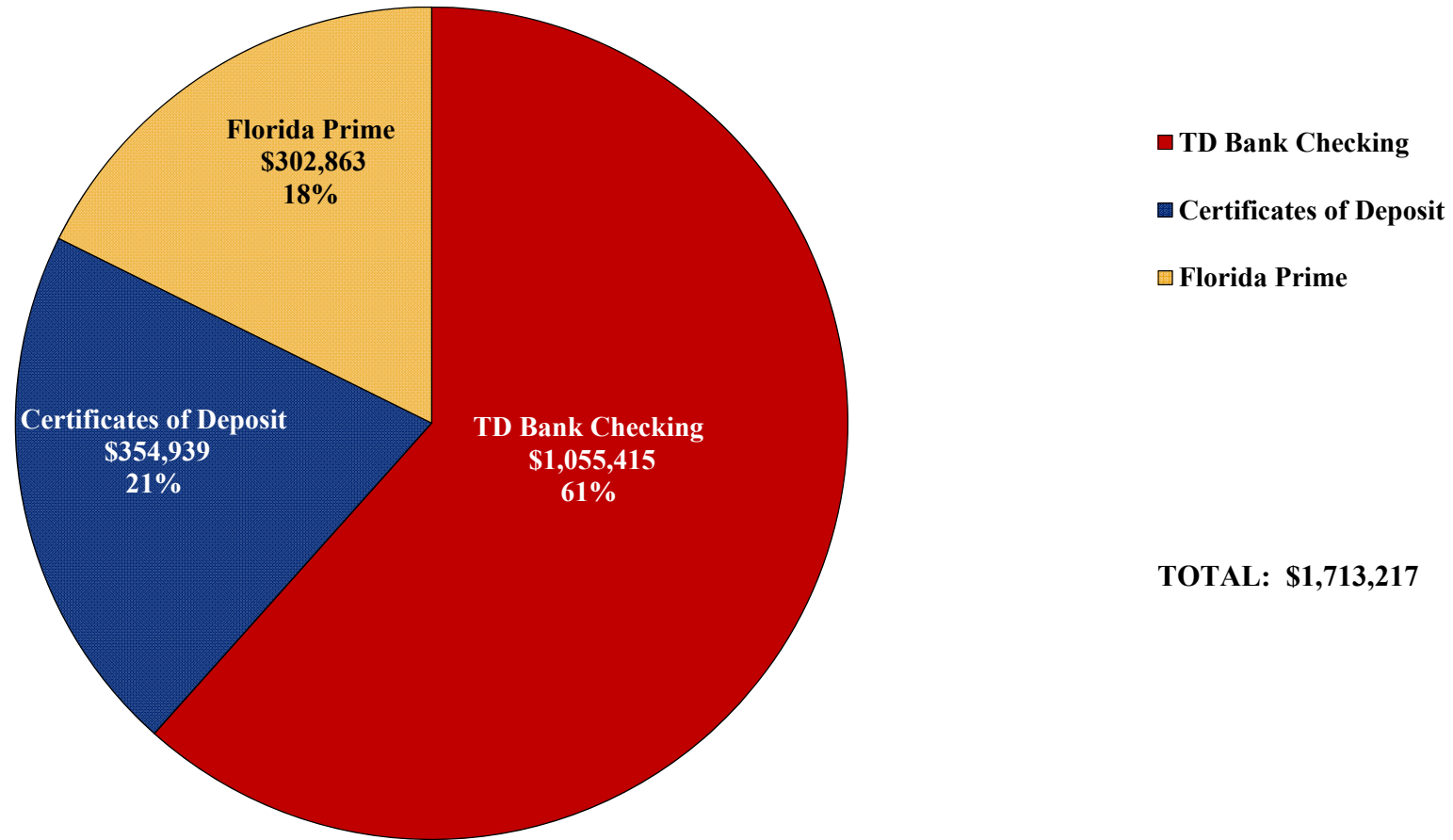
(a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark (as of 12/31/2017)

(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 9/30/2017, TD Bank was rated 4 stars. The rating system is: 5 star-Superior; 4 star-Excellent; 3 1/2 star-Good; 3 star-Adequate; 2 star-Problematic; 1 star-Troubled.

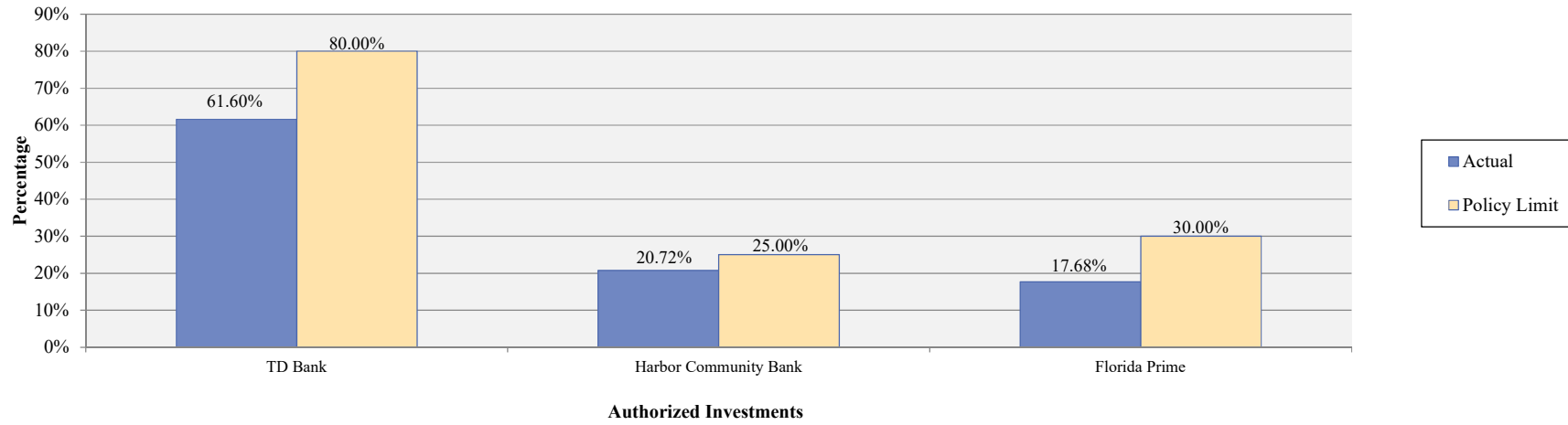
(d) The Standard & Poor's rating scale is as follows, from excellent to poor: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D. Any rating lower than a BBB- is considered a speculative or junk bond.

HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2017  
Exhibit B

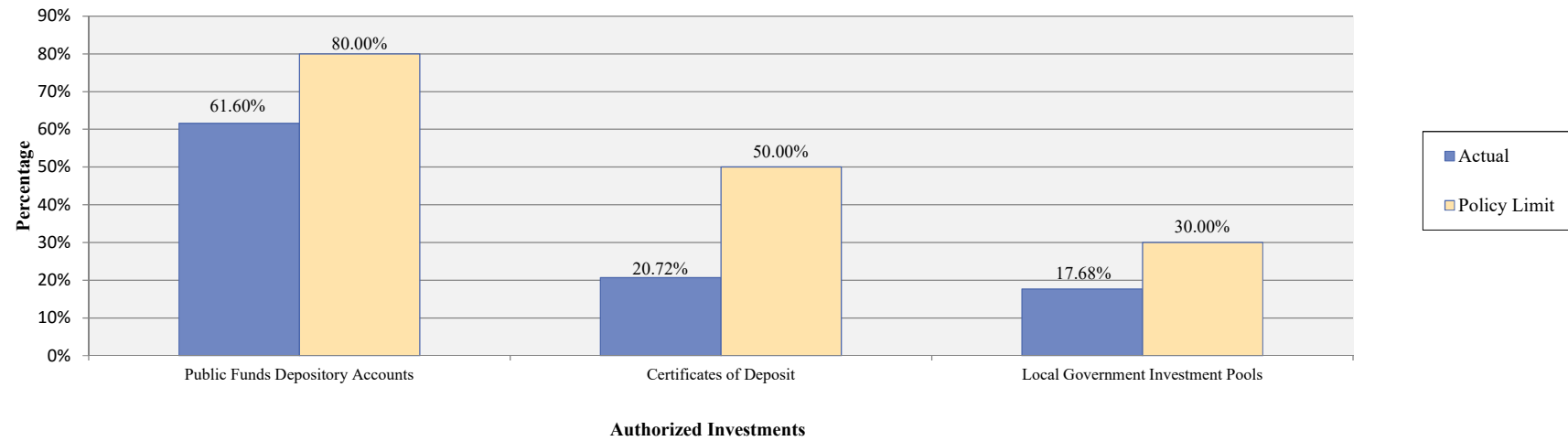


**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMPLIANCE WITH INVESTMENT POLICY  
AS OF DECEMBER 31, 2017  
Exhibit C**

**Portfolio Institution Limitations**



**Portfolio Instrument Type Maximum Limitations**



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**HIGHLANDS COUNTY, FLORIDA**  
**Quarterly Investment Report for FY 17-18**  
**December 31, 2017**

**I. INTRODUCTION**

The formal written investment policy sets forth the investment objectives and parameters for investment decisions made by the Highlands County Clerk of Courts. The investment policy applies to all cash and investments, under the direct control of the Highlands County Board of County Commissioners, 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.

**II. SIGNIFICANT CHANGES TO BOARD'S PORTFOLIO**

In November 2017, FL SAFE introduced a Variable NAV Fund. This Local Government Investment Fund invests in high quality fixed income investments with short term maturities around one year, in compliance with Florida State Statutes. The Investment Advisory Group chose to utilize this fund as an opportunity to diversify the Board's Investment portfolio.

A summary spreadsheet, pie chart, and bar graph of the Board's portfolio and the Board's compliance with the investment policy are provided in Exhibits A, B, and C, respectively.

**III. 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 December 31, 2017.

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. As of December 31, 2017, the Board had funds deposited with TD Bank (32.05%), Florida Prime (19.69%), FLGIT (1.37%), FEITF (30.38%), FLCLASS (11.80%), and FL SAFE (4.71%).

To quickly evaluate portfolio percentage limitations, please see the two graphs in Exhibit C. These graphs show the maximum allowed percentages as indicated in the policy, compared to the actual percentages taken from data shown in Exhibit A. As shown in Exhibit C, the Board's FEITF investment exceeds the 30% institution limitation by 0.38% due to a decrease in the TD Bank balance. In compliance with the investment policy, the FEITF investment was within the 30% limitation at the time of purchase. As of December 31, 2017, the Board's portfolio is in compliance with all instrument diversification policy limitations.

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 Harbor Community 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 December 31, 2017, the weighted average maturity (WAM) of the portfolio is 79 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 December 31, 2017, the portfolio's 30-day weighted average yield is 0.117%, which is 0.105% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.012%. The portfolio's 12-month weighted average yield is 1.281%, which is 0.859% higher than our 12-month yield benchmark of 0.422%.

## III. TRANSACTIONS

The following transactions occurred during the quarter ending December 31, 2017:

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
10/4/2017	\$3,500,000.00	FL CLASS	TD Bank
10/11/2017	\$1,200,000.00	FL CLASS	TD Bank
10/18/2017	\$2,500,000.00	FL Prime	TD Bank
11/1/2017	\$497,152.05	FL Prime	FL SAFE Variable NAV
11/1/2017	\$2,502,847.95	FL SAFE Term	FL SAFE Variable NAV
11/9/2017	\$530,000.00	FL Prime	TD Bank
11/30/2017	\$6,000,000.00	FLGIT Short-Term Bond	TD Bank
12/06/2017	\$7,996,377.74	TD Bank	FEITF
12/29/2017	\$9,000,000.00	TD Bank	FL CLASS
12/29/2017	\$3,000,000.00	TD Bank	FEITF Fixed Term
12/29/2017	\$1,000,000.00	TD Bank	FL SAFE Stable NAV

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2017  
Exhibit A**

Investment	Book Value	Market Value	Rate of Return		Investment Earnings		Quarterly Fees	Credit Rating	Purchase Date	Maturity Date	Average Maturity (In Days)	Portfolio Diversification		
	General Ledger Balance	Statement Balance	30-day	12-Month	Quarter	YTD						% of Total Portfolio	% By Institution	% By Type
TD BANK--CLEARING	\$ 7,513,757.67	\$ 8,908,066.42	0.051%	0.610%	\$ 15,105.56	\$ 15,105.56	\$ 5,273.79	(c) 4 stars	N/A	N/A	0	10.49%		10.49%
TD BANK - 12 month CD	5,041,387.85	5,041,387.85	0.081%	0.970%	-	-	N/A	NR	1/5/2017	1/5/2018	5	5.94%		
TD BANK - 12 month CD	2,016,355.68	2,016,355.68	0.080%	0.960%	-	-	N/A	NR	1/5/2017	1/5/2018	5	2.37%		
TD BANK - 24 month CD	5,000,000.00	5,000,000.00	0.081%	0.970%	-	-	N/A	NR	3/24/2016	3/24/2018	83	5.89%		
TD BANK - 12 month CD	6,250,000.00	6,250,000.00	0.102%	1.220%	-	-	N/A	NR	5/29/2017	5/29/2018	149	7.36%	32.05%	21.56%
FLORIDA PRIME	16,722,945.17	16,722,945.17	0.122%	1.440%	61,269.95	61,269.95	4.04 basis pts	(d) AAAm	Various	N/A	1	19.69%	19.69%	
FLGIT: Short-Term Bond	1,058,846.90	1,058,846.90	0.044%	0.848%	(13,378.62)	(13,378.62)	N/A	(d) AAAf	Various	N/A	3	1.25%		
FLGIT: Day to Day Fund	100,516.95	100,516.95	0.106%	1.039%	302.54	302.54	N/A	(d) AAAm	Various	N/A	1	0.12%	1.37%	
FEITF: Florida Education Investment Trust Fund	3,000,336.95	3,000,336.95	0.108%	1.300%	344.28	344.28	N/A	(d) AAAm	Various	N/A	1	3.53%		
FEITF Term	2,524,068.84	2,524,068.84	0.112%	1.340%	-	-	N/A	(d) AAAf	9/22/2017	4/16/2018	106	2.97%		
FEITF Term	6,288,293.52	6,288,293.52	0.116%	1.390%	-	-	N/A	(d) AAAf	7/20/2017	7/20/2018	201	7.40%		
FEITF Term	8,000,000.00	8,000,000.00	0.145%	1.740%	-	-	N/A	(d) AAAf	12/6/2017	8/31/2018	243	9.42%		
FEITF Term	6,000,000.00	6,000,000.00	0.125%	1.500%	-	-	N/A	(d) AAAf	9/19/2017	9/19/2018	262	7.06%	30.38%	
FLCLASS	10,021,931.11	10,021,931.11	0.221%	1.380%	5,188.82	5,188.82	N/A	(d) AAAm	Various	N/A	1	11.80%	11.80%	
FL SAFE - Stable NAV	1,000,448.76	1,000,448.76	0.105%	1.260%	109.31	109.31	N/A	(d) AAAm	Various	N/A	1	1.18%		
FL SAFE - Variable NAV	3,000,300.00	3,000,300.00	0.060%	1.660%	300.00	300.00	N/A	(d) AAAf	11/1/2017	3/31/2018	90	3.53%		
FL SAFE - Term	-	-	-	-	2,847.95	2,847.95	N/A	NR	N/A	Matured - 11/1/2017	N/A	0.00%	4.71%	67.95%
	<b>\$ 83,539,189.40</b>	<b>\$ 84,933,498.15</b>	<b>0.117%</b>	<b>1.281%</b>	<b>\$ 72,089.79</b>	<b>\$ 72,089.79</b>	<b>\$ 5,273.79</b>			<b>(b) WAM</b>	<b>79</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Benchmark (a) 0.012% 0.422%  
Above/(Below) Benchmark **0.105%** **0.859%**

(a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark, Ticker: G102 (as of 12/31/2017)

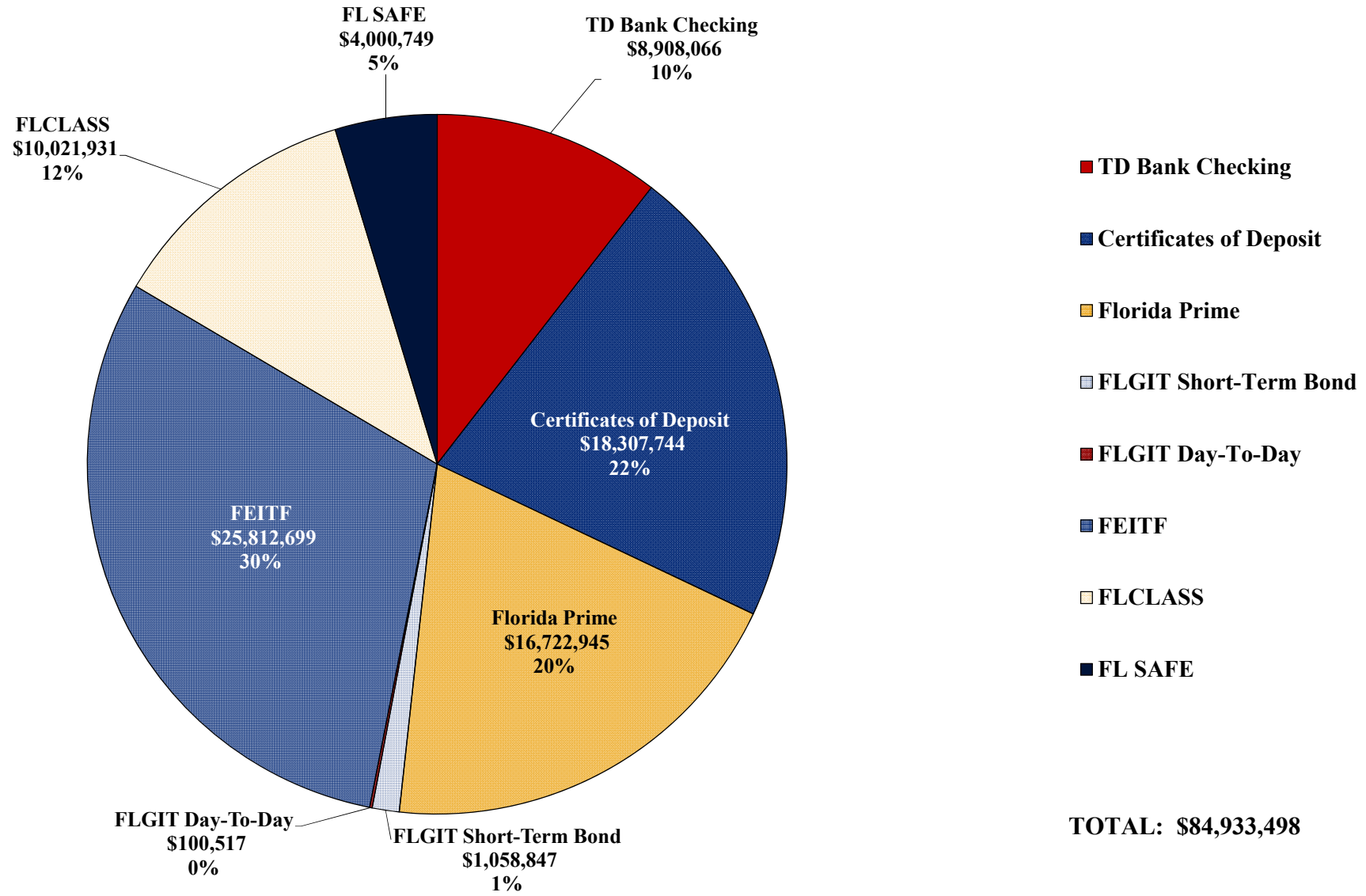
(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 9/30/2017, TD Bank was rated 4 stars. The rating system is: 5 star-Superior; 4 star-Excellent; 3 1/2 star-Good; 3 star-Adequate; 2 star-Problematic; 1 star-Troubled.

(d) 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.

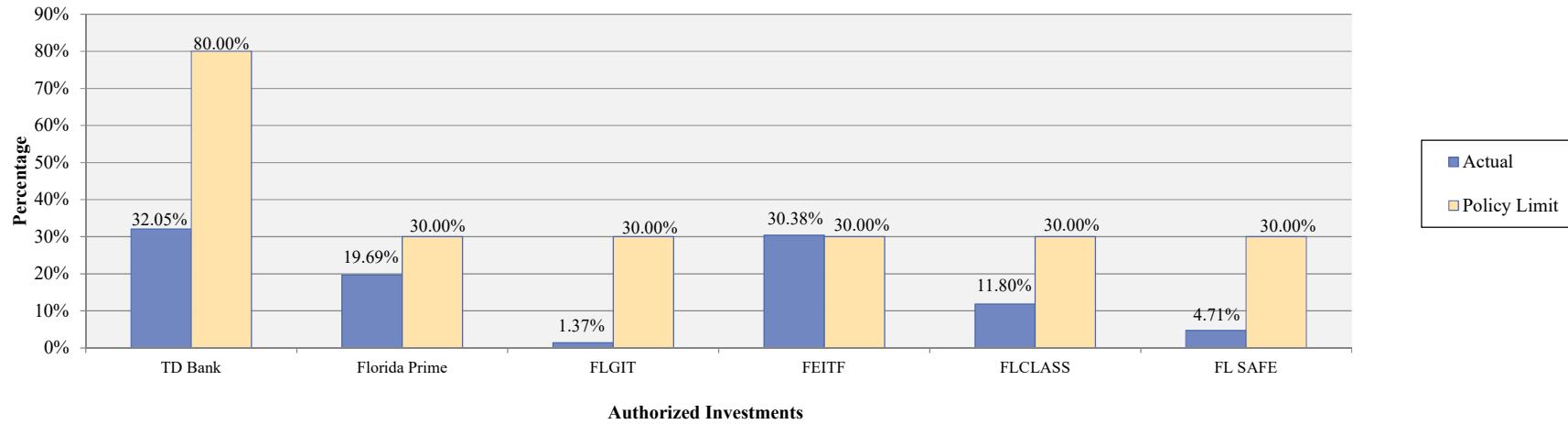


HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2017  
Exhibit B



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
COMPLIANCE WITH INVESTMENT POLICY  
AS OF DECEMBER 31, 2017  
Exhibit C**

**Portfolio Institution Limitations**



**Portfolio Instrument Type Maximum Limitations**

