

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**HIGHLANDS COUNTY, FLORIDA**  
**Quarterly Investment Report for FY 18-19**  
**December 31, 2018**

**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**

There were no significant changes to the Board's portfolio during the quarter ending December 31, 2018.

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, 2018.

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, 2018, the Board had funds deposited with TD Bank (21.36%), Regions Bank (8.13%), Florida Prime (17.27%), FLGIT (1.53%), FEITF (28.17%), FLCLASS (14.98%), and FL SAFE (8.56%).

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 portfolio is in compliance with all instrument and institution diversification policy limitations as of December 31, 2018.

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 December 31, 2018, the weighted average maturity (WAM) of the portfolio is 88 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, 2018, the portfolio's 30-day weighted average yield is 0.292% which is 0.160% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.132%. The portfolio's 12-month weighted average yield is 2.241% which is 0.658% higher than our 12-month yield benchmark of 1.583%.

### **III. TRANSACTIONS**

The following transactions occurred during the quarter ending December 31, 2018:

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
10/1/2018	\$3,042,970.58	FEITF Term	TD Bank
10/3/2018	\$1,350,000.00	FL CLASS	TD Bank
10/9/2018	\$1,525,000.00	FL Prime	TD Bank
10/17/2018	\$3,820,000.00	FL Prime	TD Bank
10/31/2018	\$810,000.00	FL Prime	TD Bank
11/7/2018	\$2,100,000.00	FL Prime	TD Bank
12/6/2018	\$2,500,000.00	TD Bank	FL CLASS
12/6/2018	\$3,500,000.00	TD Bank	FL Prime
12/6/2018	\$3,400,000.00	TD Bank	FEITF Term
12/6/2018	\$2,500,000.00	TD Bank	FL Safe Stable NAV
12/12/2018	\$5,000,000.00	TD Bank	FL CLASS
12/12/2018	\$5,184,000.00	TD Bank	FL Prime
12/12/2018	\$3,880,000.00	TD Bank	FEITF Term

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF DECEMBER 31, 2018  
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	\$ 7,836,419.85	\$ 8,830,099.42	0.075%	0.900%	\$ 13,541.62	\$ 13,541.62	\$ 4,923.06	(c) 4 stars	N/A	N/A	0	11.49%		11.49%
TD BANK - 12 month CD	5,090,289.31	5,090,289.31	0.144%	1.730%	-	-	N/A	NR	1/5/2018	1/7/2019	7	6.62%		
TD BANK - 12 month CD	2,500,000.00	2,500,000.00	0.176%	2.110%	-	-	N/A	NR	4/19/2018	4/19/2019	109	3.25%	21.36%	
REGIONS BANK - 12 month CD	6,250,000.00	6,250,000.00	0.176%	2.110%	-	-	N/A	NR	6/12/2018	6/12/2019	163	8.13%	8.13%	18.00%
FLORIDA PRIME	13,268,180.08	13,268,180.08	0.518%	2.560%	53,253.70	53,253.70	3.48 basis pts	(d) AAAm	Various	N/A	1	17.27%	17.27%	
FLGIT: Short-Term Bond	588,758.80	588,758.80	0.561%	1.534%	5,397.15	5,397.15	N/A	(d) AAAf	Various	N/A	3	0.77%		
FLGIT: Day to Day Fund	587,557.19	587,557.19	0.203%	1.980%	3,397.70	3,397.70	N/A	(d) AAAM	Various	N/A	1	0.76%	1.53%	
FEITF: Florida Education Investment Trust Fund	-	-	N/A	N/A	-	-	N/A	(d) AAAm	Various	N/A	1	0.00%		
FEITF Term	1,790,000.00	1,790,000.00	0.210%	2.520%	-	-	N/A	(d) AAAf	7/25/2018	7/25/2019	206	2.33%		
FEITF Term	3,400,000.00	3,400,000.00	0.237%	2.840%	-	-	N/A	(d) AAAf	12/6/2018	8/6/2019	218	4.42%		
FEITF Term	7,020,000.00	7,020,000.00	0.212%	2.540%	-	-	N/A	(d) AAAf	9/6/2018	8/15/2019	227	9.14%		
FEITF Term	3,880,000.00	3,880,000.00	0.243%	2.910%	-	-	N/A	(d) AAAf	12/12/2018	8/30/2019	242	5.05%		
FEITF Term	5,555,000.00	5,555,000.00	0.218%	2.620%	-	-	N/A	(d) AAAf	9/20/2018	9/20/2019	263	7.23%	28.17%	
FLCLASS	11,508,122.61	11,508,122.61	0.501%	2.510%	35,785.43	35,785.43	N/A	(d) AAAm	Various	N/A	1	14.98%	14.98%	
FL SAFE - Stable NAV	3,524,698.07	3,524,698.07	0.205%	2.460%	10,172.68	10,172.68	N/A	(d) AAAm	Various	N/A	1	4.59%		
FL SAFE - Variable NAV	3,054,300.00	3,054,300.00	0.286%	1.820%	18,300.00	18,300.00	N/A	(d) AAAf	11/1/2017	3/31/2019	90	3.97%	8.56%	70.51%
	<b>\$ 75,853,325.91</b>	<b>\$ 76,847,005.48</b>	<b>0.292%</b>	<b>2.241%</b>	<b>\$ 139,848.28</b>	<b>\$ 139,848.28</b>	<b>\$ 4,923.06</b>				<b>88</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Benchmark (a) 0.132% 1.583%  
Above/(Below) Benchmark 0.160% 0.658%

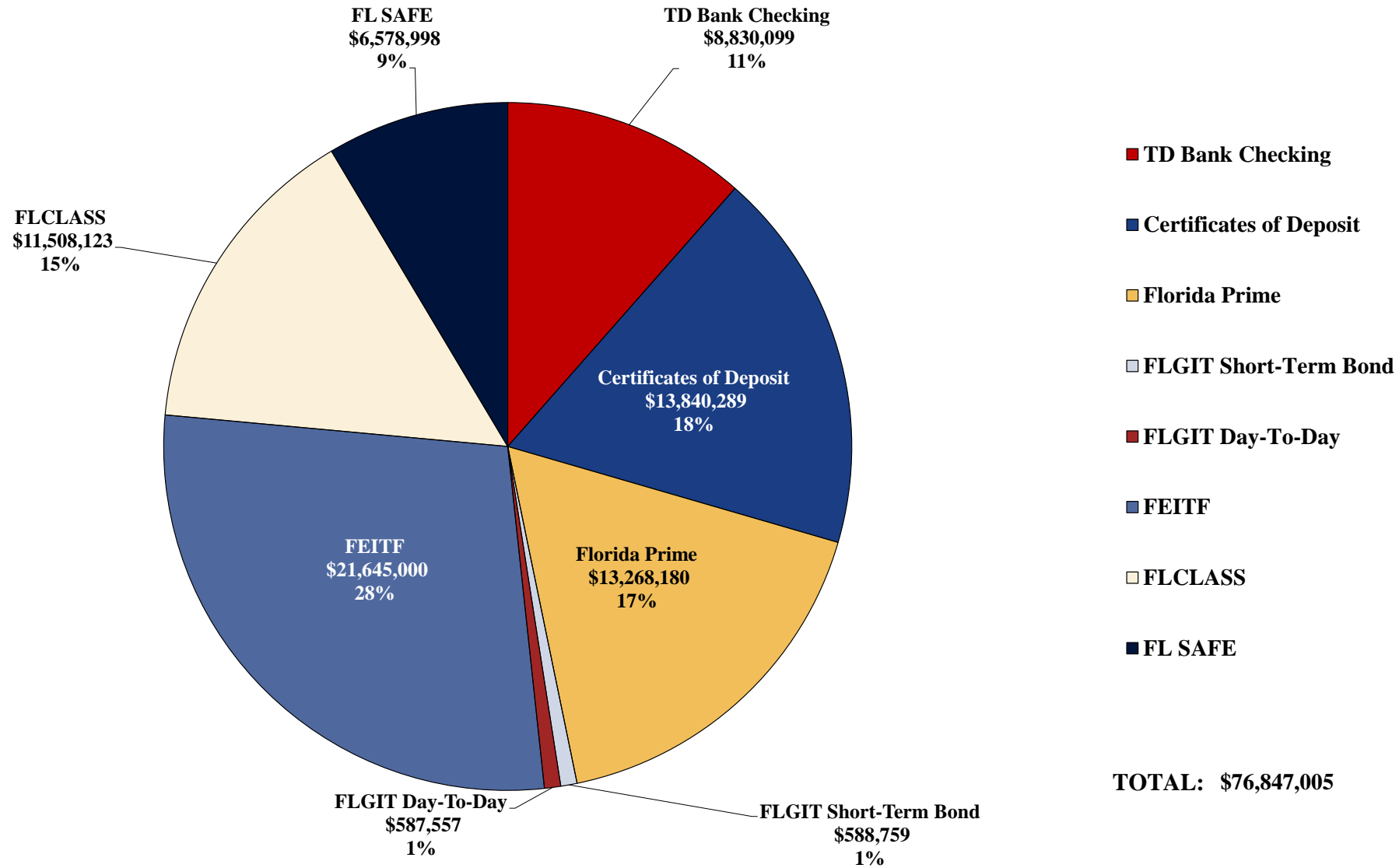
(a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark, Ticker: G1O2 (as of 12/31/2018)

(b) WAM (Weighted Average Maturity)

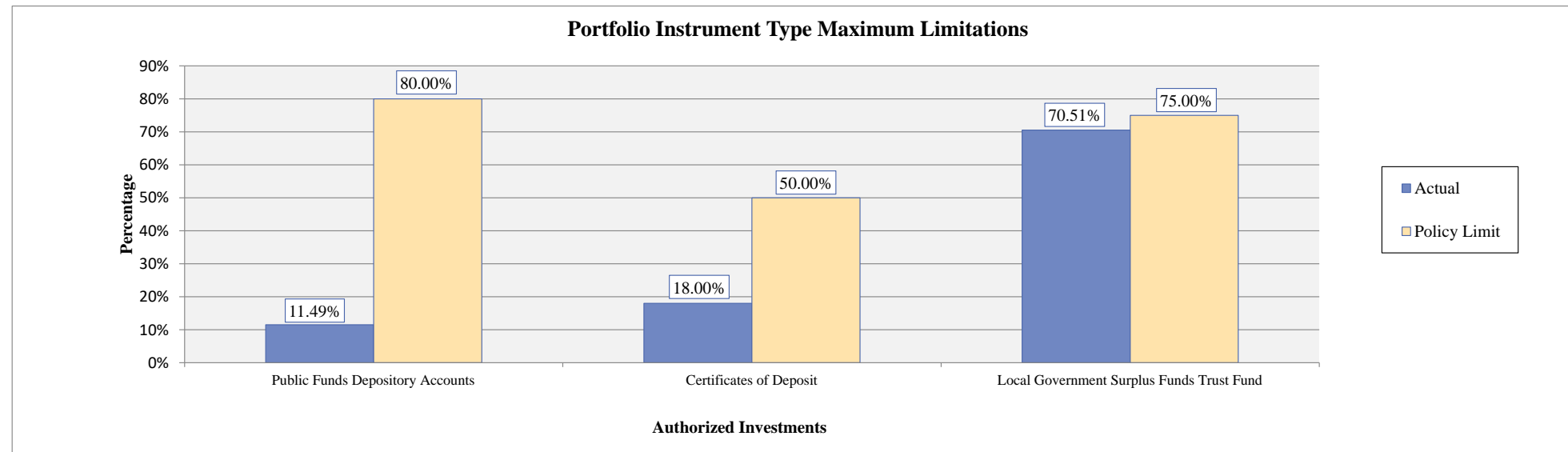
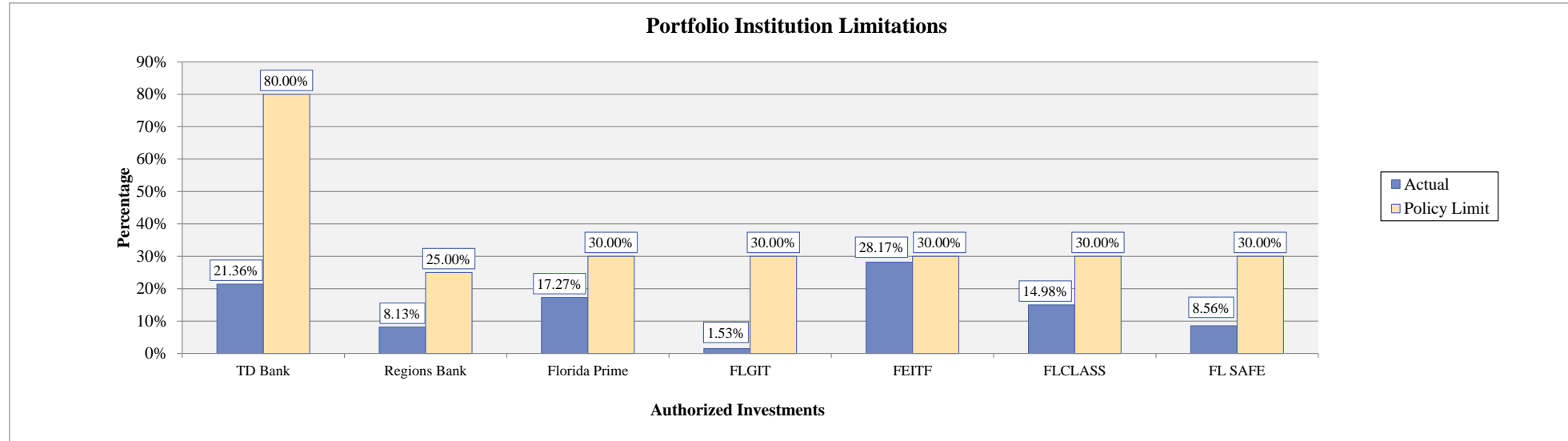
(c) At BauerFinancial, banks are rated by stars. As of 9/30/2018, TD Bank was rated 4 stars. The rating system is: 5 star-Superior; 4 star-Excellent; 3 1/2 star-Good; 3 star-Adequate; 2 star-Problematic; 1 star-Troubled.

(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, 2018**  
 Exhibit B



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
COMPLIANCE WITH INVESTMENT POLICY  
AS OF DECEMBER 31, 2018  
Exhibit C**



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

**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**

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

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 March 31, 2019.

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 March 31, 2019, the Clerk had funds deposited with TD Bank (77.55%), Center State Bank (11.72%) and Florida Prime (10.23%).

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 and Center 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 March 31, 2019, the weighted average maturity (WAM) of the portfolio is 17 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 0.085%, which is 0.108% lower than our benchmark (S&P Rated Government Investment Pool Index) of 0.193%. The portfolio's 12-month weighted average yield is 1.014%, which is 1.296% lower than our 12-month yield benchmark of 2.310%.

## **III. TRANSACTIONS**

There were no transactions that occurred during the quarter ending March 31, 2019.

**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF MARCH 31, 2019  
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	\$ 2,062,137.23	\$ 2,360,839.21	0.054%	0.650%	\$ 3,477.28	\$ 6,212.27	\$ 1,883.22	(c) 4 stars	NA	NA	0	77.55%			
TD BANK--SUPPORT	15,175.58	15,095.83	0.054%	0.650%	23.91	48.09	\$ 475.85	(c) 4 stars	NA	NA	0	0.50%	78.05%	78.05%	
CENTERSTATE BANK - 15 month CD	356,876.02	356,876.02	0.168%	2.010%	-	-	(e)	NR	5/20/2018	8/20/2019	142	11.72%	11.72%	11.72%	
FLORIDA PRIME - Acct #171141	311,540.21	311,540.21	0.225%	2.650%	2,037.04	3,946.03	(e)	(d) AAAM	Various	NA	1	10.23%	10.23%	10.23%	
	<b>\$ 2,745,729.04</b>	<b>\$ 3,044,351.27</b>	<b>0.085%</b>	<b>1.014%</b>	<b>\$ 5,538.23</b>	<b>\$ 10,206.39</b>	<b>\$ 2,359.07</b>				<b>(b) WAM</b>	<b>17</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Benchmark (a)	0.193%	2.310%
Above/(Below) Benchmark	<u>-0.108%</u>	<u>-1.296%</u>

(a) S&P Rated GIP Index/Government Net Yield Benchmark (as of 4/12/2019)

(b) WAM (Weighted Average Maturity)

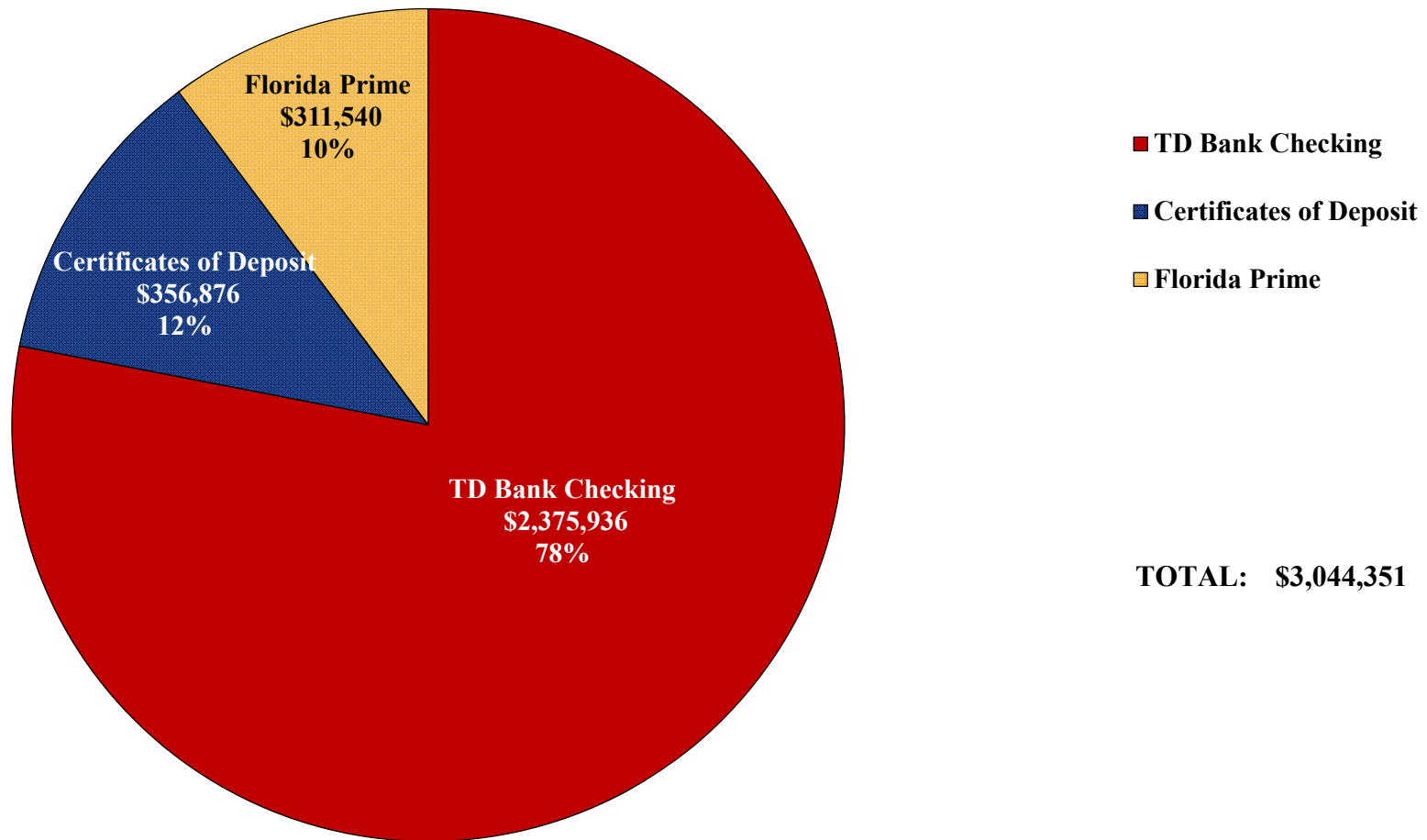
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(d) The Standard & Poor's rating scale is as follows, from excellent to poor: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D. Any rating lower than a BBB- is considered a speculative or junk bond.

(e) All rates of return are reported net of fees.



HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF MARCH 31, 2019  
Exhibit B



**HIGHLANDS COUNTY CLERK OF COURTS**  
**HIGHLANDS COUNTY, FLORIDA**  
**COMPLIANCE WITH INVESTMENT POLICY**  
**AS OF MARCH 31, 2019**  
**Exhibit C**

