

HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
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 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 March 31, 2019.

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 March 31, 2019.

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 March 31, 2019, the Board had funds deposited with TD Bank (17.32%), Regions Bank (8.53%), Florida Prime (18.24%), FLGIT (1.62%), FEITF (29.56%), FLCLASS (14.44%), and FL SAFE (10.29%).

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 March 31, 2019.

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 March 31, 2019, the weighted average maturity (WAM) of the portfolio is 74 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 0.212% which is 0.020% higher than our benchmark (S&P Rated Government Investment Pool Index) of 0.193%. The portfolio's 12-month weighted average yield is 2.441% which is 0.131% higher than our 12-month yield benchmark of 2.310%.

III. TRANSACTIONS

The following transactions occurred during the quarter ending March 31, 2019:

| <u>Date</u> | <u>Amount</u> | <u>Transferred From</u> | <u>Transferred To</u> |
|-------------|----------------|-------------------------|-----------------------|
| 1/16/2019 | \$2,399,000.00 | TD Bank | FL SAFE Stable NAV |
| 1/22/2019 | \$1,000,000.00 | FL CLASS | TD Bank |
| 3/6/2019 | \$1,500,000.00 | FL SAFE Stable NAV | TD Bank |

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
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 | \$ 4,682,156.99 | \$ 4,999,400.02 | 0.075% | 0.900% | \$ 9,994.35 | \$ 23,535.97 | \$ 4,909.78 | (c) 4 stars | N/A | N/A | 0 | 6.84% | | 6.84% | |
| TD BANK - 12 month CD | | | | | 23,644.02 | 23,644.02 | (e) | NR | 1/5/2018 | 1/7/2019 | 0 | 0.00% | | | |
| TD BANK - 12 month CD | 2,500,000.00 | 2,500,000.00 | 0.176% | 2.110% | - | - | (e) | NR | 4/19/2018 | 4/19/2019 | 19 | 3.41% | | | |
| TD BANK - 12 month CD | 5,178,833.85 | 5,178,833.85 | 0.203% | 2.440% | - | - | (e) | NR | 1/7/2019 | 1/7/2020 | 282 | 7.07% | 17.32% | | |
| REGIONS BANK - 12 month CD | 6,250,000.00 | 6,250,000.00 | 0.176% | 2.110% | - | - | (e) | NR | 6/12/2018 | 6/12/2019 | 73 | 8.53% | 8.53% | 19.01% | |
| FLORIDA PRIME | 13,355,506.44 | 13,355,506.44 | 0.225% | 2.650% | 87,326.36 | 140,580.06 | (e) | (d) AAAm | Various | N/A | 1 | 18.24% | 18.24% | | |
| FLGIT: Short-Term Bond | 595,563.91 | 595,563.91 | 0.595% | 2.836% | 6,805.11 | 12,202.26 | (e) | (d) AAAf | Various | N/A | 3 | 0.81% | | | |
| FLGIT: Day to Day Fund | 591,295.38 | 591,295.38 | 0.217% | 2.240% | 3,738.19 | 7,135.89 | (e) | (d) AAAm | Various | N/A | 1 | 0.81% | 1.62% | | |
| FEITF: Florida Education Investment Trust Fund | - | - | N/A | N/A | - | - | (e) | (d) AAAm | Various | N/A | 1 | 0.00% | | | |
| FEITF Term | 1,790,000.00 | 1,790,000.00 | 0.210% | 2.520% | - | - | (e) | (d) AAAf | 7/25/2018 | 7/25/2019 | 116 | 2.44% | | | |
| FEITF Term | 3,400,000.00 | 3,400,000.00 | 0.237% | 2.840% | - | - | (e) | (d) AAAf | 12/6/2018 | 8/6/2019 | 128 | 4.64% | | | |
| FEITF Term | 7,020,000.00 | 7,020,000.00 | 0.212% | 2.540% | - | - | (e) | (d) AAAf | 9/6/2018 | 8/15/2019 | 137 | 9.59% | | | |
| FEITF Term | 3,880,000.00 | 3,880,000.00 | 0.243% | 2.910% | - | - | (e) | (d) AAAf | 12/12/2018 | 8/30/2019 | 152 | 5.30% | | | |
| FEITF Term | 5,555,000.00 | 5,555,000.00 | 0.218% | 2.620% | - | - | (e) | (d) AAAf | 9/20/2018 | 9/20/2019 | 173 | 7.59% | 29.56% | | |
| FLCLASS | 10,577,954.80 | 10,577,954.80 | 0.223% | 2.620% | 69,832.19 | 105,617.62 | (e) | (d) AAAm | Various | N/A | 1 | 14.44% | 14.44% | | |
| FL SAFE - Stable NAV | 4,455,564.95 | 4,455,564.95 | 0.205% | 2.460% | 31,866.88 | 42,039.56 | (e) | (d) AAAm | Various | N/A | 1 | 6.08% | | | |
| FL SAFE - Variable NAV | 3,082,200.00 | 3,082,200.00 | 0.322% | 2.680% | 27,900.00 | 46,200.00 | (e) | (d) AAAf | 11/1/2017 | 6/30/2019 | 91 | 4.21% | 10.29% | 74.15% | |
| | \$ 72,914,076.32 | \$ 73,231,319.35 | 0.212% | 2.441% | \$ 261,107.10 | \$ 400,955.38 | \$ 4,909.78 | | | | (b) WAM | 74 | 100.00% | 100.00% | 100.00% |

| | | |
|-------------------------|---------------|---------------|
| Benchmark (a) | 0.193% | 2.310% |
| Above/(Below) Benchmark | 0.020% | 0.131% |

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

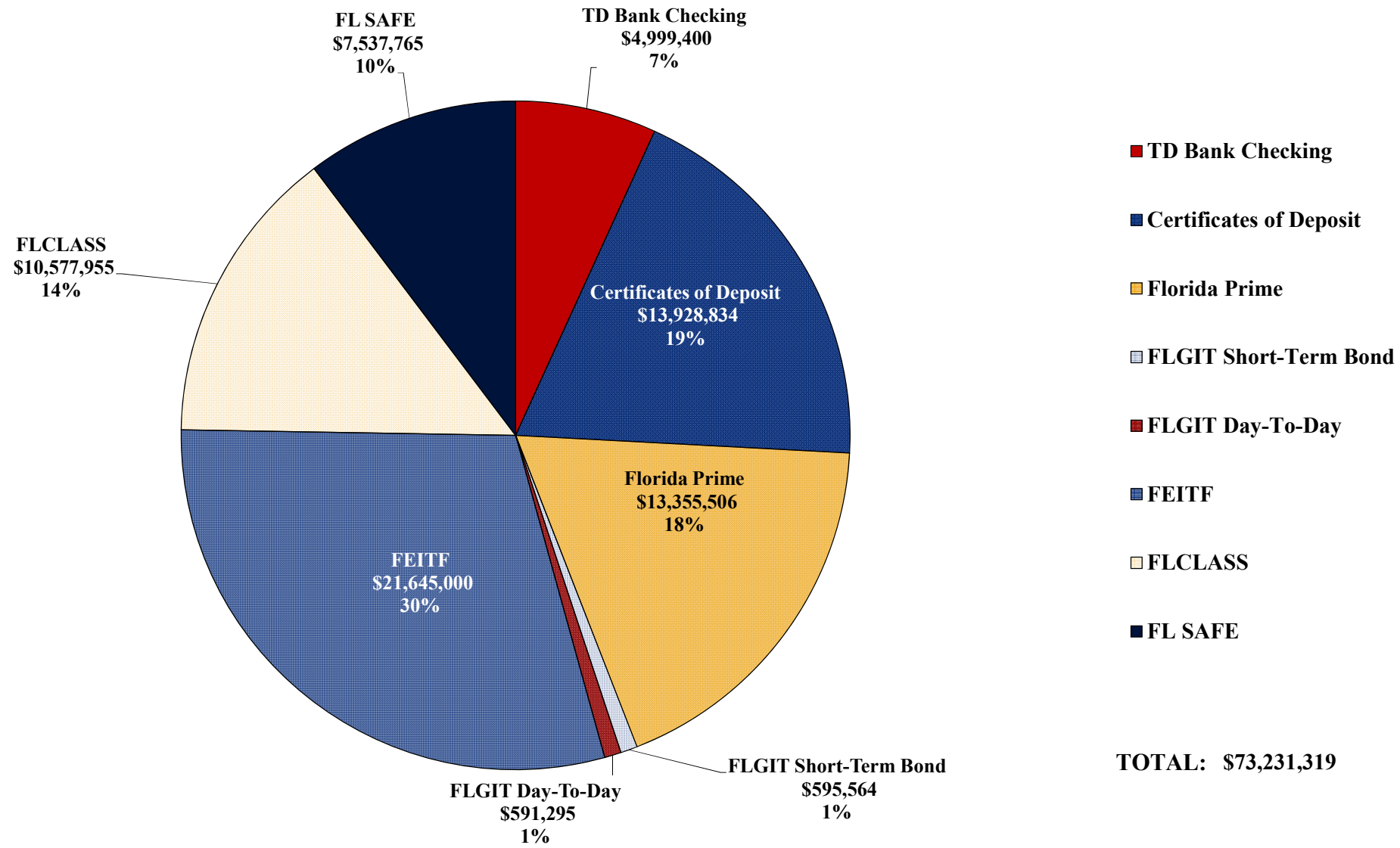
(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 12/31/2018, 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.

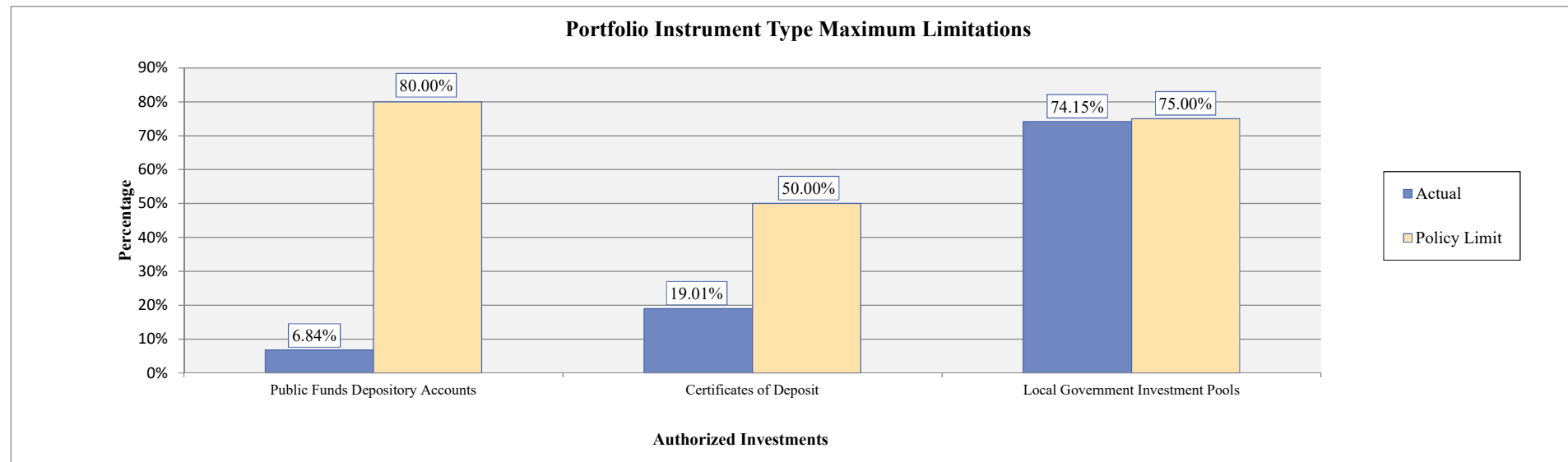
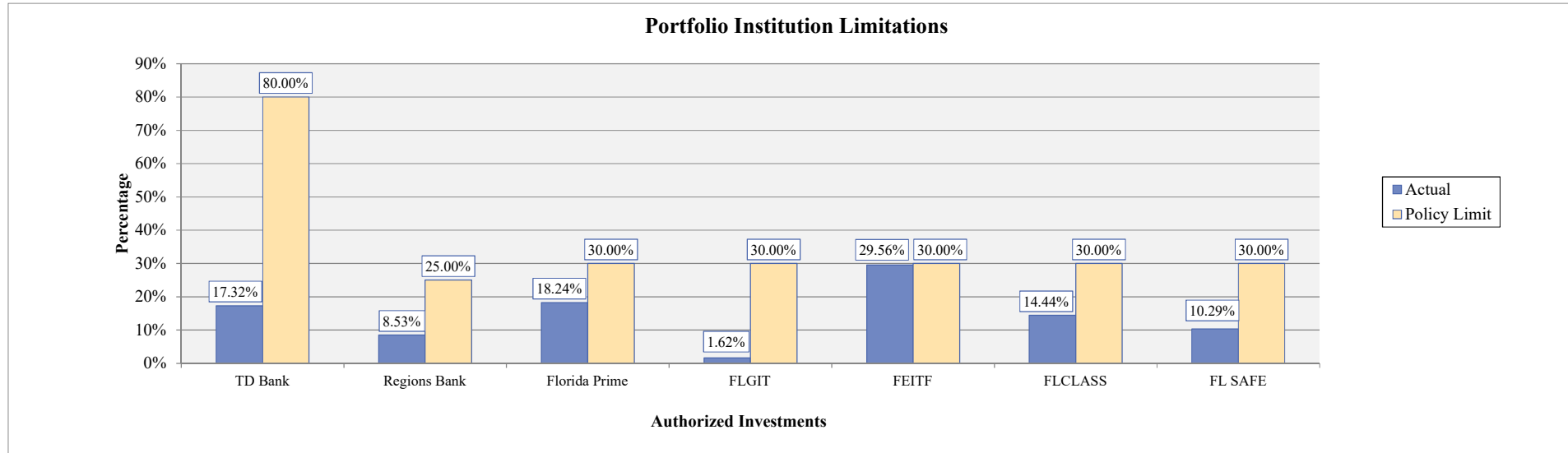
(d) The Standard & Poor's rating scale is as follows, from excellent to poor: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D. Any rating lower than a BBB- is considered a speculative or junk bond.

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

HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2019
Exhibit B



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
COMPLIANCE WITH INVESTMENT POLICY
AS OF MARCH 31, 2019
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% | |
| | \$ 2,745,729.04 | \$ 3,044,351.27 | 0.085% | 1.014% | \$ 5,538.23 | \$ 10,206.39 | \$ 2,359.07 | | | | (b) WAM | 17 | 100.00% | 100.00% | 100.00% |

| | | |
|-------------------------|----------------|----------------|
| 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)

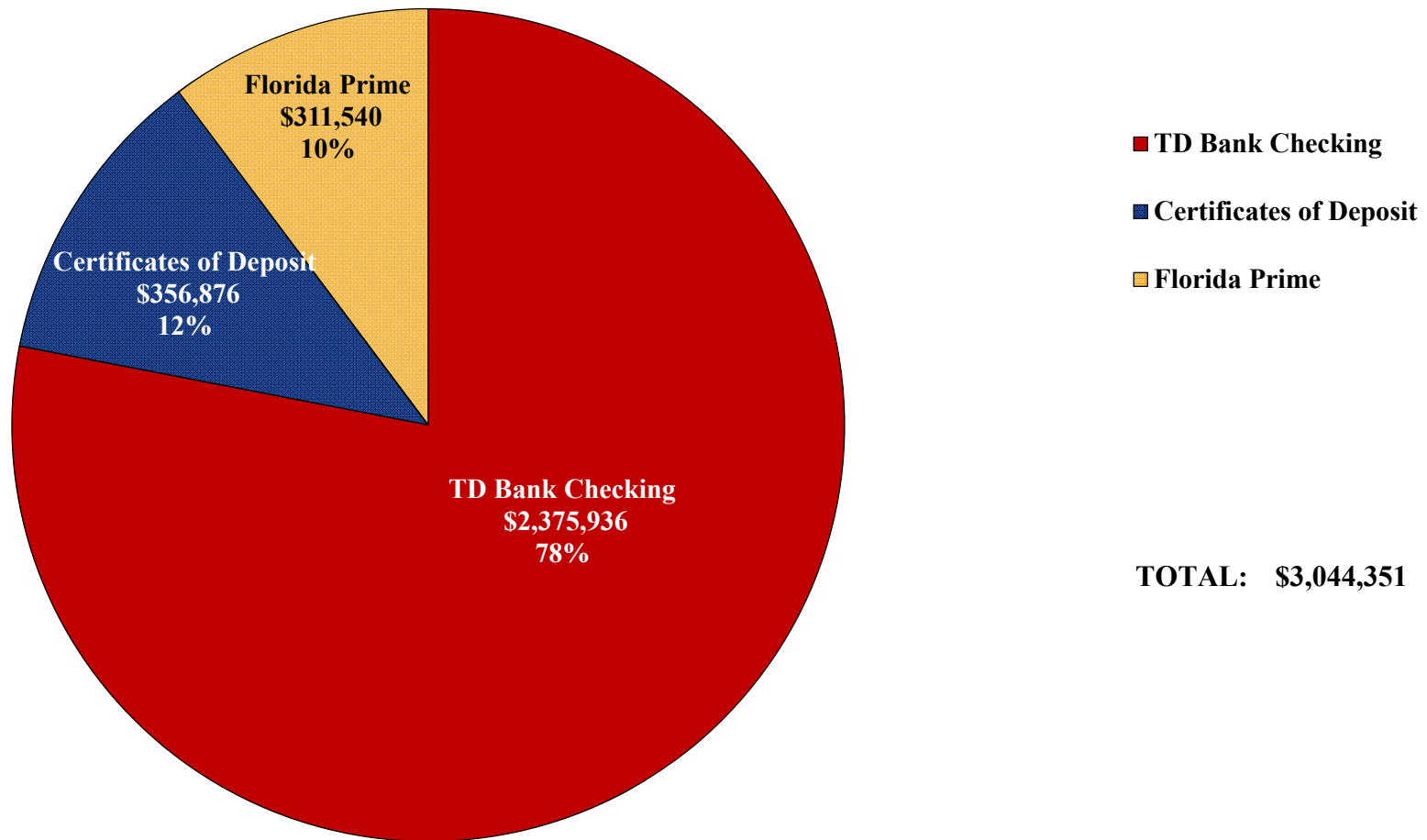
(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 12/31/2018, 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.

(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

