

HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
Quarterly Investment Report for FY 17-18
September 30, 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 September 30, 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 September 30, 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 September 30, 2018, the Board had funds deposited with TD Bank (18.94%), Regions Bank (10.79%), Florida Prime (22.08%), FLGIT (2.02%), FEITF (29.99%), FLCLASS (9.19%), and FL SAFE (6.99%).

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 September 30, 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 September 30, 2018, the weighted average maturity (WAM) of the portfolio is 132 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, 2018, the portfolio's 30-day weighted average yield is 0.188%, which is 0.306% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of -0.118%. The portfolio's 12-month weighted average yield is 2.309%, which is 2.273% higher than our 12-month yield benchmark of 0.036%.

III. TRANSACTIONS

The following transactions occurred during the quarter ending September 30, 2018:

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
7/3/18	\$2,500,000.00	FL Prime	TD Bank
7/18/18	\$1,400,000.00	FL Prime	TD Bank
7/20/18	\$6,375,700.80	FEITF Term	FEITF Fund
7/25/18	\$1,790,000.00	FEITF Fund	FEITF Term
7/25/18	\$4,585,701.29	FEITF Fund	TD Bank
7/30/18	\$3,700,000.00	TD Bank	FL Prime
8/8/18	\$1,300,000.00	FL Prime	TD Bank
8/22/18	\$900,000.00	FL Prime	TD Bank
8/31/18	\$8,102,207.12	FEITF Term	FEITF Fund
9/5/18	\$1,084,544.31	FEITF Fund	TD Bank
9/5/18	\$7,020,000.00	FEITF Fund	FEITF Term
9/6/18	\$1,084,544.31	TD Bank	FLCLASS
9/12/18	\$500,000.00	FL Prime	TD Bank
9/19/18	\$1,700,000.00	FL Prime	TD Bank
9/20/18	\$535,000.00	FEITF Fund	TD Bank
9/20/18	\$535,000.00	TD Bank	FLCLASS
9/20/18	\$6,090,000.00	FEITF Term	FEITF Fund
9/20/18	\$5,555,000.00	FEITF Fund	FEITF Term

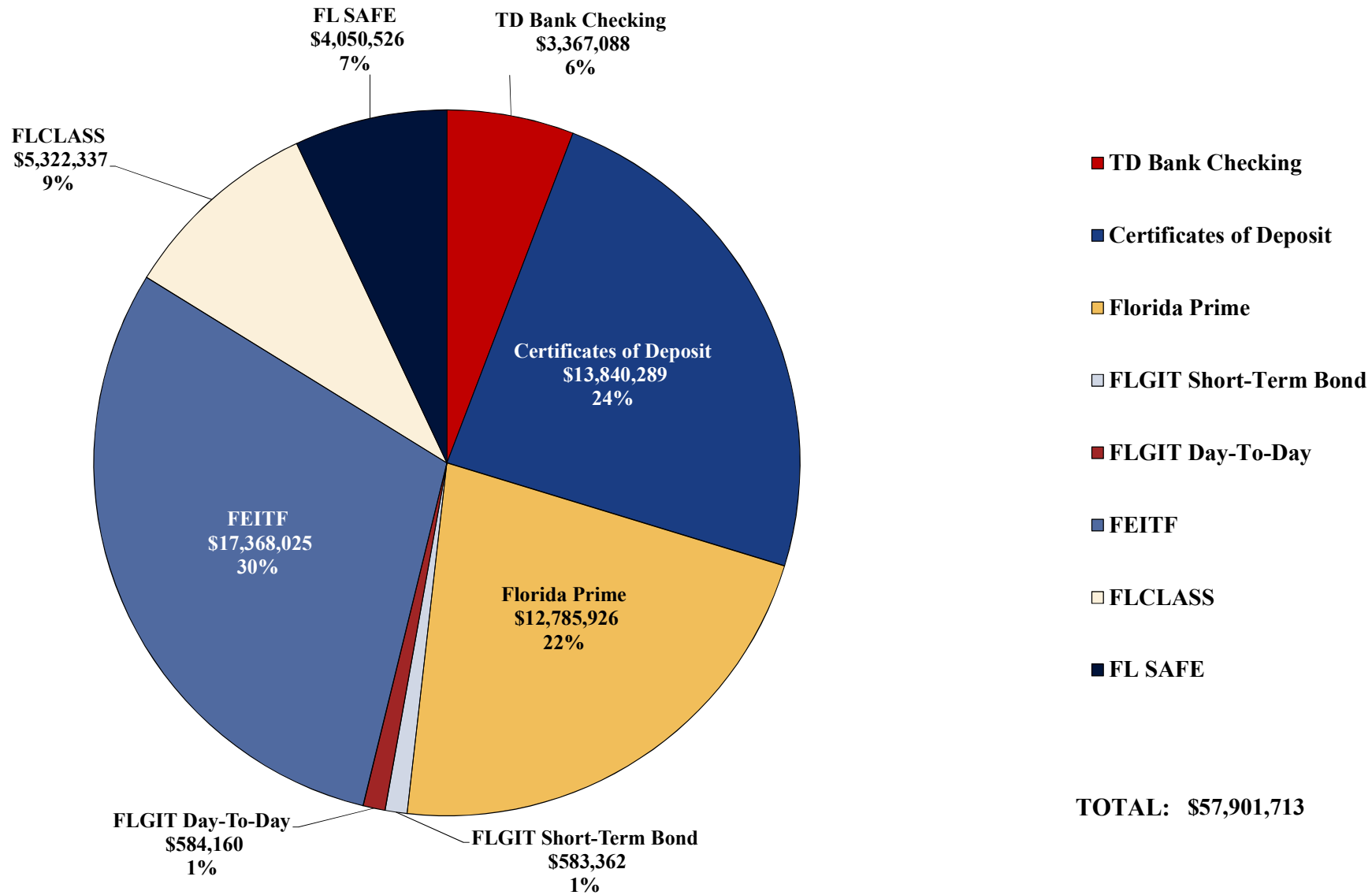
**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF SEPTEMBER 30, 2018
Exhibit A**

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	\$ 3,062,981.52	\$ 3,367,087.77	0.075%	0.900%	\$ 7,021.16	\$ 36,356.69	\$ 5,245.61	(c) 4 stars	N/A	N/A	0	5.83%		5.83%
TD BANK - 12 month CD	-	-			-	12,861.73	N/A	NR	1/5/2017	1/5/2018	0	0.00%		
TD BANK - 12 month CD	-	-			-	5,091.15	N/A	NR	1/5/2017	1/5/2018	0	0.00%		
TD BANK - 24 month CD	-	-			-	23,386.29	N/A	NR	3/24/2016	3/24/2018	0	0.00%		
TD BANK - 12 month CD	-	-			-	50,763.70	N/A	NR	5/29/2017	5/29/2018	0	0.00%		
TD BANK - 12 month CD	5,090,289.31	5,090,289.31	0.144%	1.730%	64,900.52	64,900.52	N/A	NR	1/5/2018	1/7/2019	99	8.79%		
TD BANK - 12 month CD	2,500,000.00	2,500,000.00	0.176%	2.110%	23,845.83	23,845.83	N/A	NR	4/19/2018	4/19/2019	201	4.32%	18.94%	
REGIONS BANK - 12 month CD	6,250,000.00	6,250,000.00	0.176%	2.110%	40,104.45	40,104.45	N/A	NR	6/12/2018	6/12/2019	255	10.79%	10.79%	23.90%
FLORIDA PRIME	12,785,926.38	12,785,926.38	0.228%	2.970%	90,979.16	324,251.16	3.38 basis pts	(d) AAAM	Various	N/A	1	22.08%	22.08%	
FLGIT: Short-Term Bond	583,361.65	583,361.65	0.000%	0.451%	2,346.58	(10,863.87)	N/A	(d) AAaf	Various	N/A	3	1.01%		
FLGIT: Day to Day Fund	584,159.49	584,159.49	0.177%	1.696%	3,039.69	5,945.08	N/A	(d) AAAM	Various	N/A	1	1.01%	2.02%	
FEITF: Florida Education Investment Trust Fund	3,025.37	3,025.37	0.178%	2.140%	5,362.56	6,049.10	N/A	(d) AAAM	Various	N/A	1	0.01%		
FEITF Term	-	-			-	18,254.90	N/A	(d) AAaf	9/22/2017	4/16/2018	0	0.00%		
FEITF Term	-	-			69,925.83	69,925.83	N/A	(d) AAaf	7/20/2017	7/20/2018	0	0.00%		
FEITF Term	-	-			102,207.12	102,207.12	N/A	(d) AAaf	12/6/2017	8/31/2018	0	0.00%		
FEITF Term	-	-			87,041.10	87,041.10	N/A	(d) AAaf	9/19/2017	9/19/2018	0	0.00%		
FEITF Term	3,000,000.00	3,000,000.00	0.150%	1.800%	39,945.21	39,945.21	N/A	(d) AAaf	1/4/2018	10/1/2018	1	5.18%		
FEITF Term	1,790,000.00	1,790,000.00	0.210%	2.520%	8,403.68	8,403.68	N/A	(d) AAaf	7/25/2018	7/25/2019	298	3.09%		
FEITF Term	7,020,000.00	7,020,000.00	0.212%	2.540%	11,195.14	11,195.14	N/A	(d) AAaf	9/6/2018	8/15/2019	319	12.12%		
FEITF Term	5,555,000.00	5,555,000.00	0.218%	2.620%	3,987.43	3,987.43	N/A	(d) AAaf	9/20/2018	9/20/2019	355	9.59%	29.99%	
FLCLASS	5,322,337.18	5,322,337.18	0.237%	2.220%	22,485.14	86,050.58	N/A	(d) AAAM	Various	N/A	1	9.19%	9.19%	
FL SAFE - Stable NAV	1,014,525.39	1,014,525.39	0.176%	2.110%	5,360.70	14,185.94	N/A	(d) AAAM	Various	N/A	1	1.75%		
FL SAFE - Variable NAV	3,036,000.00	3,036,000.00	0.119%	2.600%	18,600.00	36,000.00	N/A	(d) AAaf	11/1/2017	12/31/2018	92	5.24%		
FL SAFE - Term	-	-			-	2,847.95	N/A	NR	9/30/2017	11/1/2017	0	0.00%	6.99%	70.27%
	\$ 57,597,606.29	\$ 57,901,712.54	0.188%	2.309%	\$ 606,751.30	\$ 1,062,736.71	\$ 5,245.61			(b) WAM	132	100.00%	100.00%	100.00%

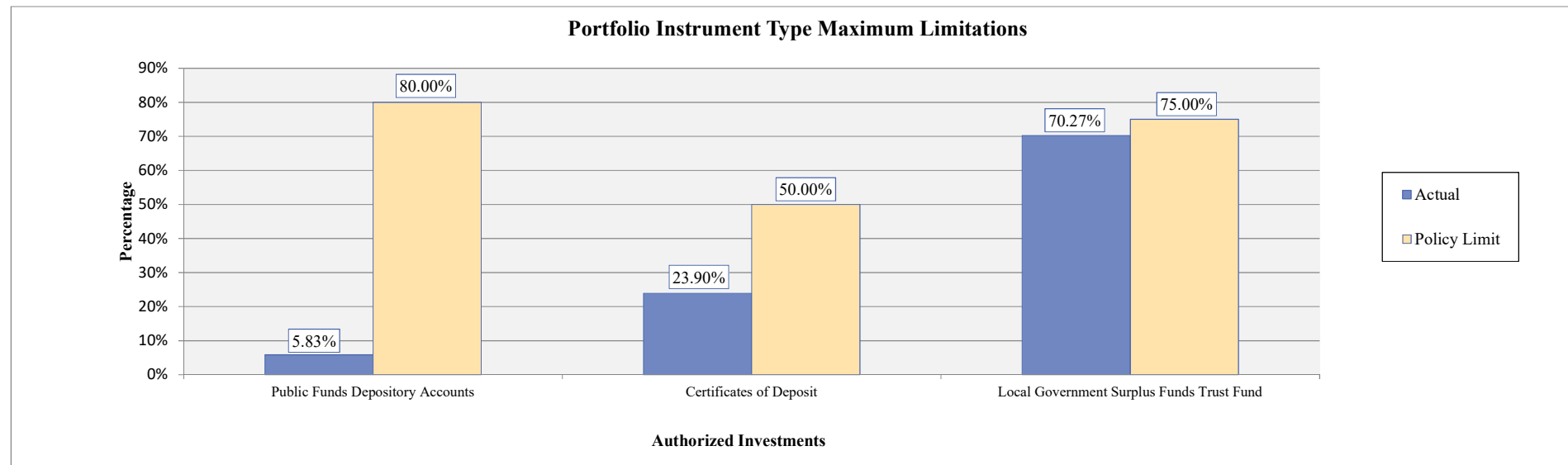
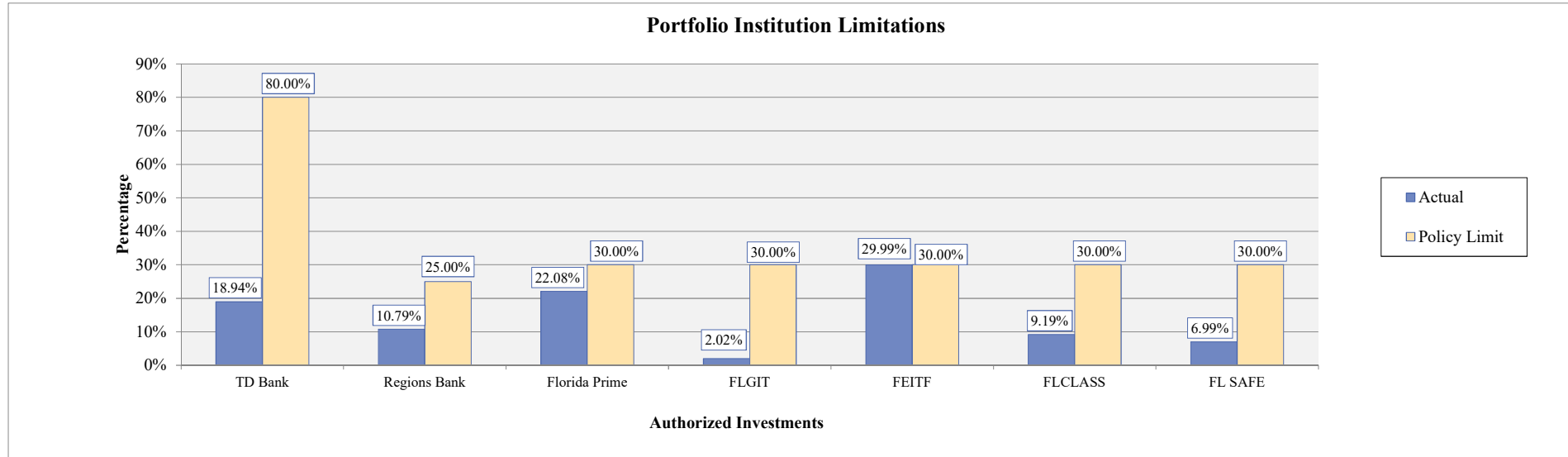
Benchmark (a)	-0.118%	0.036%
Above/(Below) Benchmark	0.306%	2.273%

- (a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark, Ticker: G1O2 (as of 9/30/2018)
(b) WAM (Weighted Average Maturity)
(c) At BauerFinancial, banks are rated by stars. As of 6/30/2018, 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 SEPTEMBER 30, 2018
 Exhibit B



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
COMPLIANCE WITH INVESTMENT POLICY
AS OF SEPTEMBER 30, 2018
Exhibit C**



**HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
Quarterly Investment Report for FY 17-18
September 30, 2018**

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 September 30, 2018.

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 September 30, 2018.

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 September 30, 2018, the Clerk had funds deposited with TD Bank (73.90%), Center State Bank (14.02%) and Florida Prime (12.08%).

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 September 30, 2018, the weighted average maturity (WAM) of the portfolio is 46 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, 2018, the portfolio's 30-day weighted average yield is 0.093%, which is 0.211% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of -0.118%. The portfolio's 12-month weighted average yield is 1.121%, which is 1.085% higher than our 12-month yield benchmark of 0.036%.

III. TRANSACTIONS

There were no transactions that occurred during the quarter ending September 30, 2018.

**HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF SEPTEMBER 30, 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	\$ 1,838,832.76	\$ 1,866,233.01	0.054%	0.650%	\$ 3,047.05	\$ 7,096.29	\$ 1,714.47	(c) 4 stars	NA	NA	0	73.30%		
TD BANK--SUPPORT	15,371.39	15,316.84	0.054%	0.650%	23.55	78.85	\$ 476.27	(c) 4 stars	NA	NA	0	0.60%	73.90%	73.90%
HARBOR COMMUNITY BANK - 12 month CD	-	-			-	1,937.46	N/A	NR	5/20/2017	5/20/2018	0	0.00%		
CENTERSTATE BANK - 15 month CD	356,876.02	356,876.02	0.168%	2.010%	-	-	N/A	NR	5/20/2018	8/20/2019	324	14.02%	14.02%	14.02%
FLORIDA PRIME - Acct #171141	307,594.18	307,594.18	0.244%	2.970%	1,895.47	5,592.45	3.38 basis pts	(d) AAAM	Various	NA	1	12.08%		
FLORIDA PRIME - Acct #171144	Closed - Dec 2017				-	575.85			Closed - Dec 2017			0.00%	12.08%	12.08%
	\$ 2,518,674.35	\$ 2,546,020.05	0.093%	1.121%	\$ 4,966.07	\$ 15,280.90	\$ 2,190.74			(b) WAM	46	100.00%	100.00%	100.00%

Benchmark (a)	-0.118%	0.036%
Above/(Below) Benchmark	<u>0.211%</u>	<u>1.085%</u>

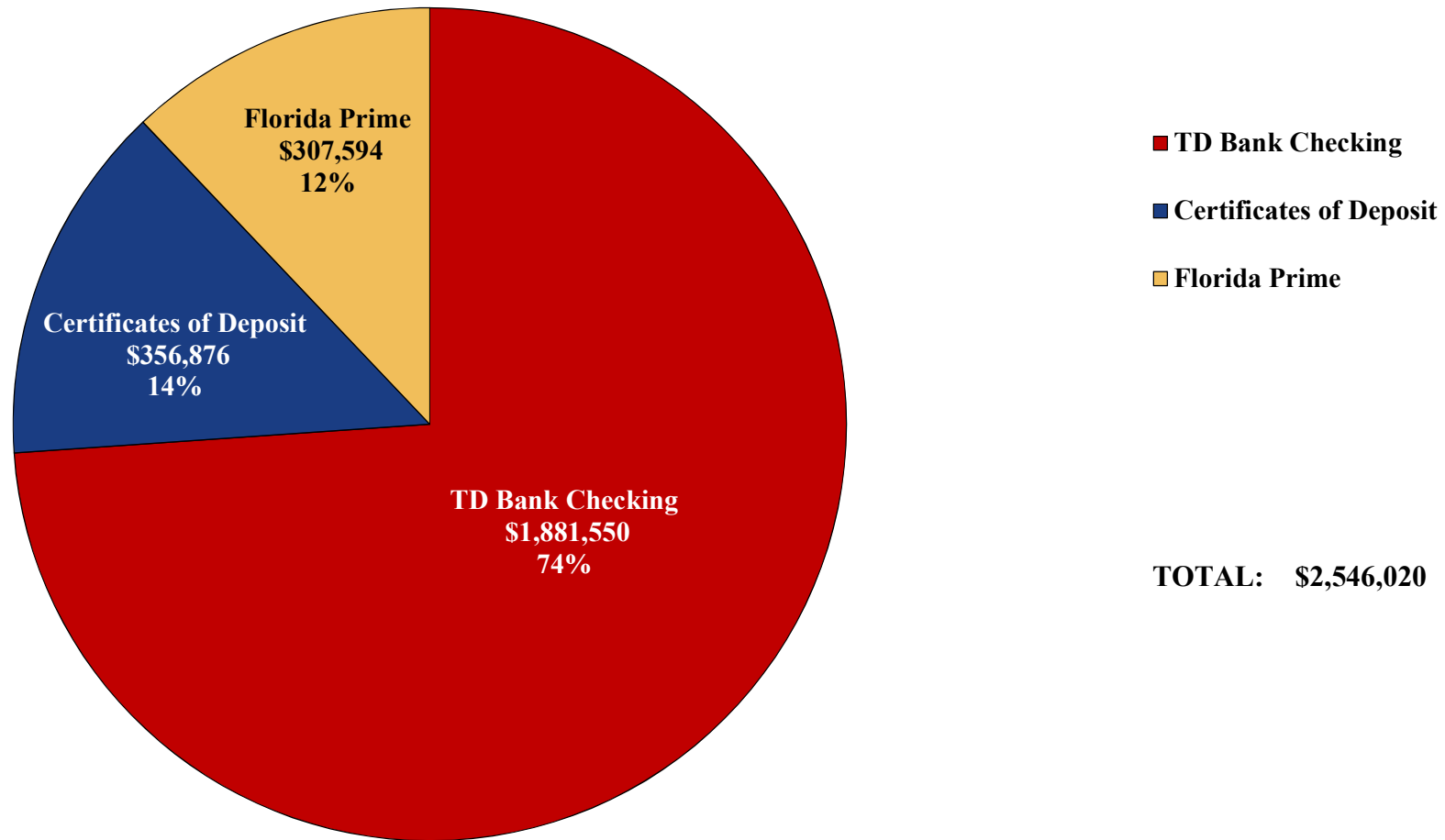
(a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark (as of 9/30/2018)

(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 6/30/2018, 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.

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HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF SEPTEMBER 30, 2018
Exhibit B



**HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMPLIANCE WITH INVESTMENT POLICY
AS OF SEPTEMBER 30, 2018
Exhibit C**

