

HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
Quarterly Investment Report for FY 17-18
June 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 June 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 June 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 June 30, 2018, the Board had funds deposited with TD Bank (15.87%), Regions Bank (9.44%), Florida Prime (26.12%), FLGIT (1.76%), FEITF (35.17%), FLCLASS (5.56%), and FL SAFE (6.08%).

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 investment 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 5.17% due to the declining TD Bank balance. However, in compliance with the policy, the investment institution limitations met all policy limitations at the time of purchase. As of June 30, 2018, 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 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 June 30, 2018, the weighted average maturity (WAM) of the portfolio is 84 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 June 30, 2018, the portfolio's 30-day weighted average yield is 0.149%, which is 0.134% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.015%. The portfolio's 12-month weighted average yield is 1.838%, which is 1.759% higher than our 12-month yield benchmark of 0.079%.

III. TRANSACTIONS

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

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
4/3/18	\$700,000.00	Florida Prime	TD Bank
4/16/18	\$2,543,836.44	FEITF	TD Bank
4/19/18	\$2,500,000.00	TD Bank	TD Bank (New CD)
4/24/18	\$478,000.00	FLGIT Short Term	TD Bank
4/24/18	\$478,000.00	TD Bank	FLGIT Day to Day
5/1/18	\$2,300,000.00	FLCLASS	TD Bank
5/1/18	\$600,000.00	FLCLASS	TD Bank
5/29/18	\$6,326,876.71	TD Bank (CD maturity)	TD Bank
6/5/18	\$400,000.00	Florida Prime	TD Bank
6/12/18	\$6,250,000.00	TD Bank	Regions Bank (CD)
6/26/18	\$300,000.00	Florida Prime	TD Bank

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF JUNE 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	\$ 3,476,606.70	\$ 2,911,317.60	0.066%	0.790%	\$ 7,690.49	\$ 29,335.53	\$ 5,483.96	(c) 4 stars	N/A	N/A	0	4.40%		4.40%
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	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%	-	-	N/A	NR	1/5/2018	1/7/2019	191	7.69%		
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	293	3.78%	15.87%	
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	347	9.44%	9.44%	20.91%
FLORIDA PRIME	17,294,947.22	17,294,947.22	0.170%	2.110%	90,533.56	233,272.00	4.04 basis pts	(d) AAAm	Various	N/A	1	26.12%	26.12%	
FLGIT: Short-Term Bond	581,015.07	581,015.07	0.040%	0.359%	1,489.61	(13,210.45)	N/A	(d) AAAf	Various	N/A	3	0.88%		
FLGIT: Day to Day Fund	581,119.80	581,119.80	0.169%	1.450%	2,226.28	2,905.39	N/A	(d) AAAm	Various	N/A	1	0.88%	1.76%	
FEITF: Florida Education Investment Trust Fund	0.49	0.49	0.173%	2.070%	0.49	686.54	N/A	(d) AAAm	Various	N/A	1	0.00%		
FEITF Term	-	-			18,254.90	18,254.90	N/A	(d) AAAf	9/22/2017	4/16/2018	0	0.00%		
FEITF Term	6,288,293.52	6,288,293.52	0.116%	1.390%	-	-	N/A	(d) AAAf	7/20/2017	7/20/2018	20	9.50%		
FEITF Term	8,000,000.00	8,000,000.00	0.145%	1.740%	-	-	N/A	(d) AAAf	12/6/2017	8/31/2018	62	12.08%		
FEITF Term	6,000,000.00	6,000,000.00	0.125%	1.500%	-	-	N/A	(d) AAAf	9/19/2017	9/19/2018	81	9.06%		
FEITF Term	3,000,000.00	3,000,000.00	0.150%	1.800%	-	-	N/A	(d) AAAf	1/4/2018	10/1/2018	93	4.53%	35.17%	
FLCLASS	3,680,307.73	3,680,307.73	0.172%	2.090%	23,139.48	63,565.44	N/A	(d) AAAm	Various	N/A	1	5.56%	5.56%	
FL SAFE - Stable NAV	1,009,164.69	1,009,164.69	0.168%	2.010%	4,885.82	8,825.24	N/A	(d) AAAm	Various	N/A	1	1.52%		
FL SAFE - Variable NAV	3,017,400.00	3,017,400.00	0.139%	2.590%	15,600.00	17,400.00	N/A	(d) AAAf	11/1/2017	9/30/2018	92	4.56%		
FL SAFE - Term	-	-			-	2,847.95	N/A	NR	9/30/2017	11/1/2017	0	0.00%	6.08%	74.69%
	\$ 66,769,144.53	\$ 66,203,855.43	0.149%	1.838%	\$ 214,584.33	\$ 455,985.41	\$ 5,483.96			(b) WAM	84	100.00%	100.00%	100.00%

Benchmark (a) 0.015% 0.079%
Above/(Below) Benchmark **0.134%** **1.759%**

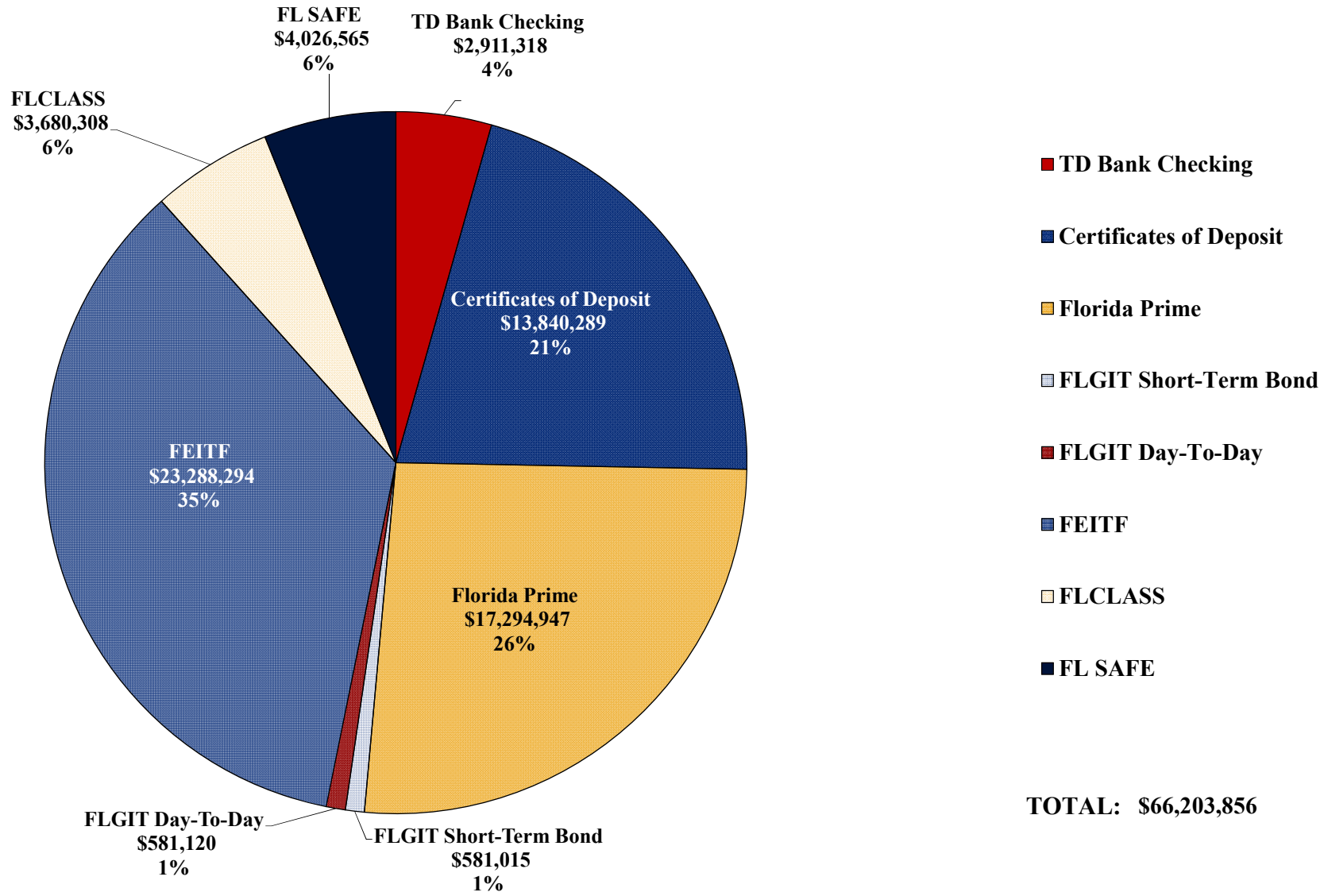
(a) BofA Merrill Lynch 1-3 Year US Treasury Index / Government Benchmark, Ticker: G1O2 (as of 6/30/2018)

(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 3/31/2018, 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.

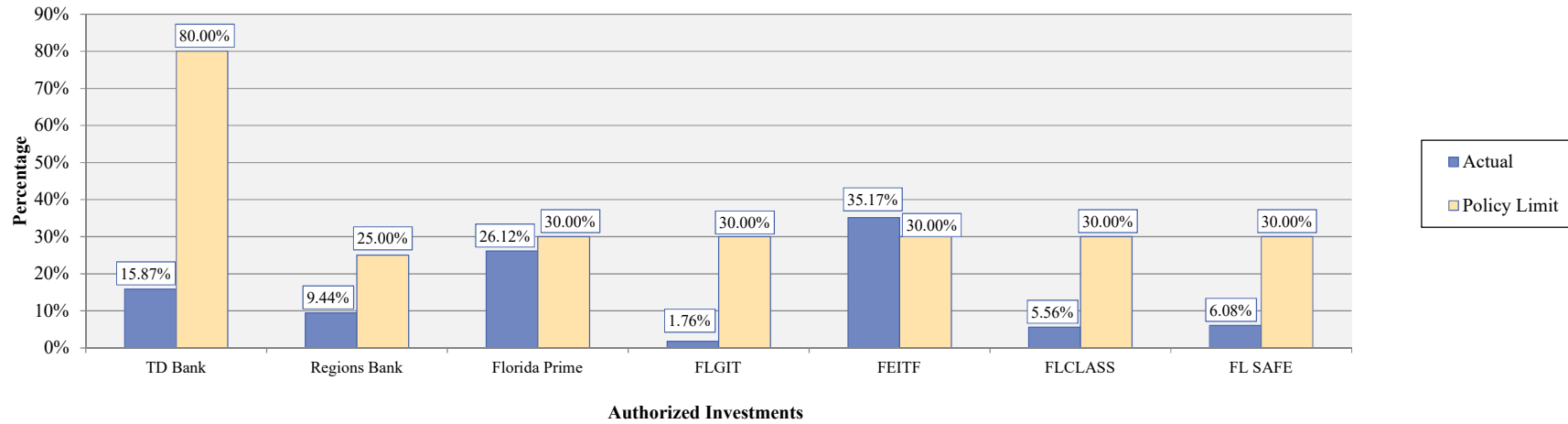
(d) The Standard & Poor's rating scale is as follows, from excellent to poor: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D. Any rating lower than a BBB- is considered a speculative or junk bond.

HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF JUNE 30, 2018
 Exhibit B

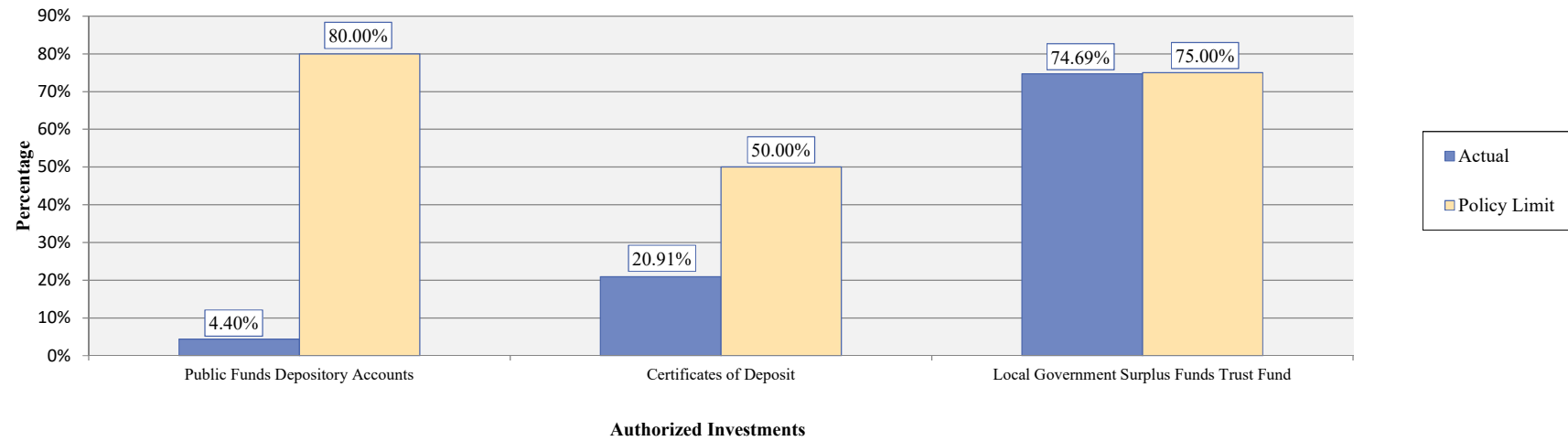


**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
HIGHLANDS COUNTY, FLORIDA
COMPLIANCE WITH INVESTMENT POLICY
AS OF JUNE 30, 2018
Exhibit C**

Portfolio Institution Limitations



Portfolio Instrument Type Maximum Limitations



**HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
Quarterly Investment Report for FY 17-18
June 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 June 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 June 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 June 30, 2018, the Clerk had funds deposited with TD Bank (79.04%), Center State Bank (11.29%) and Florida Prime (9.67%).

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 June 30, 2018, the weighted average maturity (WAM) of the portfolio is 47 days.

Yield

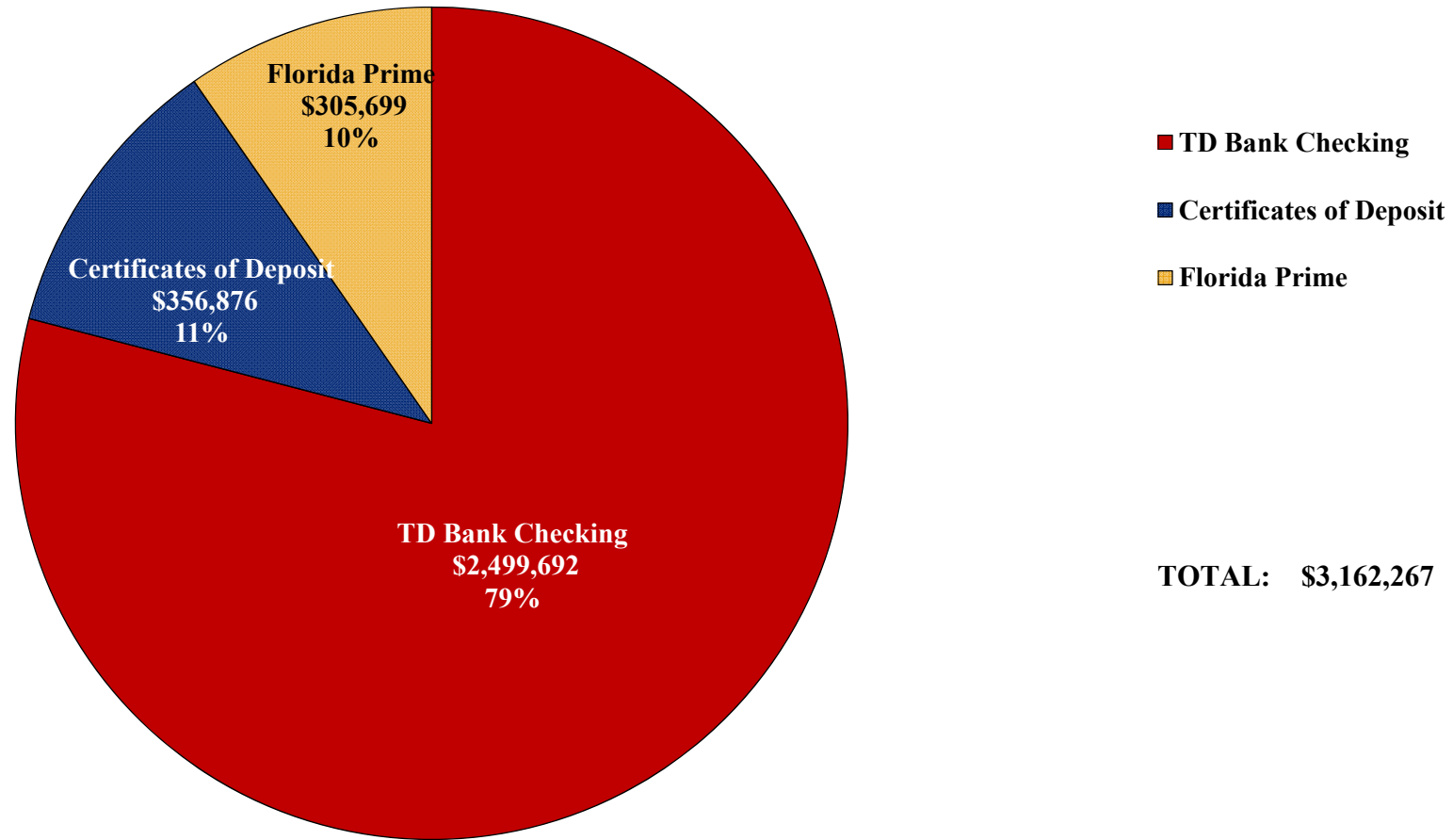
The Investment Portfolio is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk assumed. As of June 30, 2018, the portfolio's 30-day weighted average yield is 0.075%, which is 0.060% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.015%. The portfolio's 12-month weighted average yield is 0.897%, which is 0.818% higher than our 12-month yield benchmark of 0.079%.

III. TRANSACTIONS

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

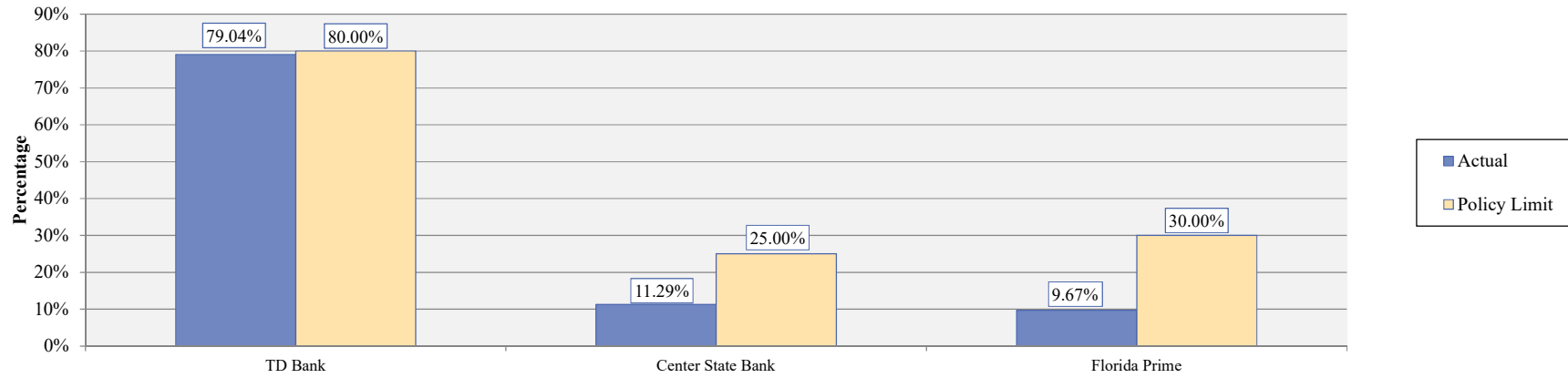
<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
5/20/2018	\$356,876.02	Center State Bank	Center State Bank (Rollover)

HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
INVESTMENT PORTFOLIO
AS OF JUNE 30, 2018
Exhibit B



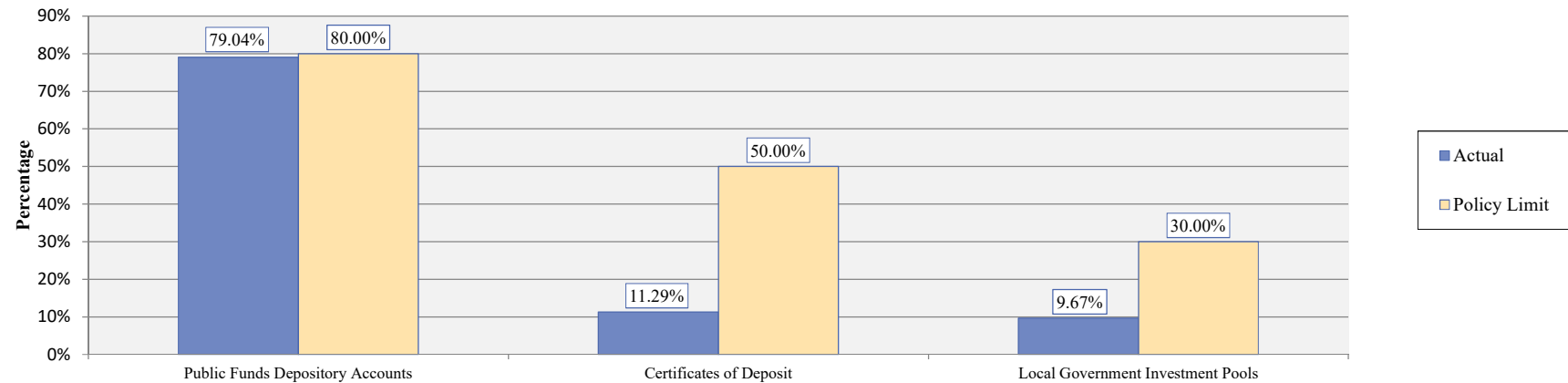
**HIGHLANDS COUNTY CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMPLIANCE WITH INVESTMENT POLICY
AS OF JUNE 30, 2018
Exhibit C**

Portfolio Institution Limitations



Authorized Investments

Portfolio Instrument Type Maximum Limitations



Authorized Investments