

**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
Quarterly Investment Report for FY 16-17  
March 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**

There were no significant changes to the Clerk's portfolio during the quarter ending March 31, 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 March 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 March 31, 2017, the Clerk had funds deposited with TD Bank (63.97%), Harbor Community Bank (11.96%) and Florida Prime (24.07%).

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 March 31, 2017, the weighted average maturity (WAM) of the portfolio is 6 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, 2017, the portfolio's 30-day weighted average yield is 0.051%, which is 0.019% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.032%. The portfolio's 12-month weighted average yield is 0.604%, which is 0.358% higher than our 12-month yield benchmark of 0.246%.

## **III. TRANSACTIONS**

No transactions occurred during the quarter ending March 31, 2017.

**HIGHLANDS COUNTY CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF MARCH 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	Quarterly Fees	Quarterly Fees						% of Total Portfolio	% By Institution	% By Type
TD BANK--CLEARING	\$ 1,790,749.76	\$ 1,853,574.67	0.031%	0.370%	\$ 1,440.02	\$ 2,869.39	\$ 1,239.92	(c) 4 stars	NA	NA	0	0	63.08%			
TD BANK--SUPPORT	25,161.33	26,031.19	0.031%	0.370%	23.49	47.74	\$ 516.15	(c) 4 stars	NA	NA	0	0	0.89%	63.97%	63.97%	
HARBOR COMMUNITY BANK - 12 month CD	351,406.39	351,406.39	0.083%	1.000%	<i>Maturity</i>	<i>Maturity</i>	N/A	NR	5/20/2016	5/20/2017	50	50	11.96%	11.96%		
WAUCHULA STATE BANK -- 12 month CD	-	-	N/A	N/A	-	784.23	N/A	NR	10/22/2015	10/22/2016	0	0	0.00%	0.00%	11.96%	
FLORIDA PRIME - COURT FUNDS 171141	142,121.46	142,121.46	0.087%	1.030%	348.84	659.68	4.04 basis pts	(d) AAAm	Various	NA	1	1	4.84%			
FLORIDA PRIME - SUSPENSE FUND 171144	564,942.02	564,942.02	0.087%	1.030%	1,386.68	2,622.17	4.04 basis pts	(d) AAAm	Various	NA	1	1	19.23%	24.07%	24.07%	
	<b>\$ 2,874,380.96</b>	<b>\$ 2,938,075.73</b>	<b>0.051%</b>	<b>0.604%</b>	<b>\$ 3,199.03</b>	<b>\$ 6,983.21</b>	<b>\$ 1,756.07</b>				<b>(b) WAM</b>	<b>6</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

Benchmark (a)	0.032%	0.246%
Above/(Below) Benchmark	<b>0.019%</b>	<b>0.358%</b>

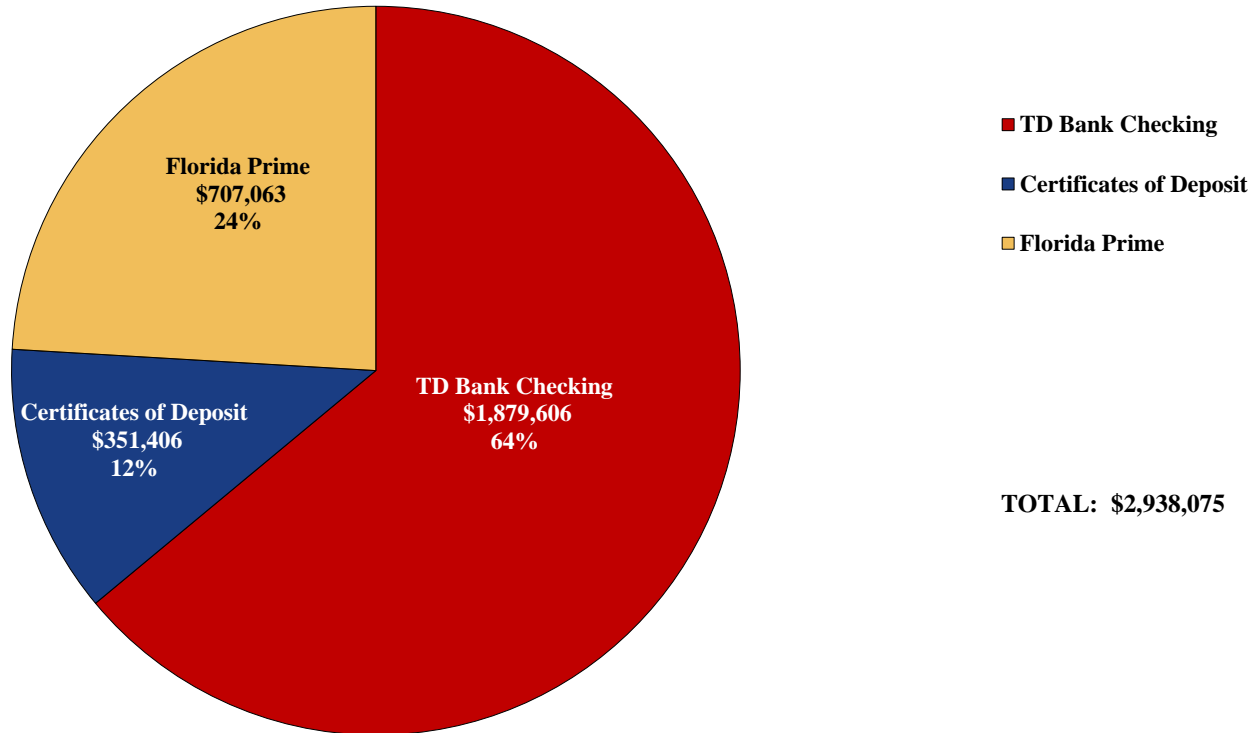
(a) BofA Merrill Lynch Index / Government Benchmark (as of 3/31/2017)

(b) WAM (Weighted Average Maturity)

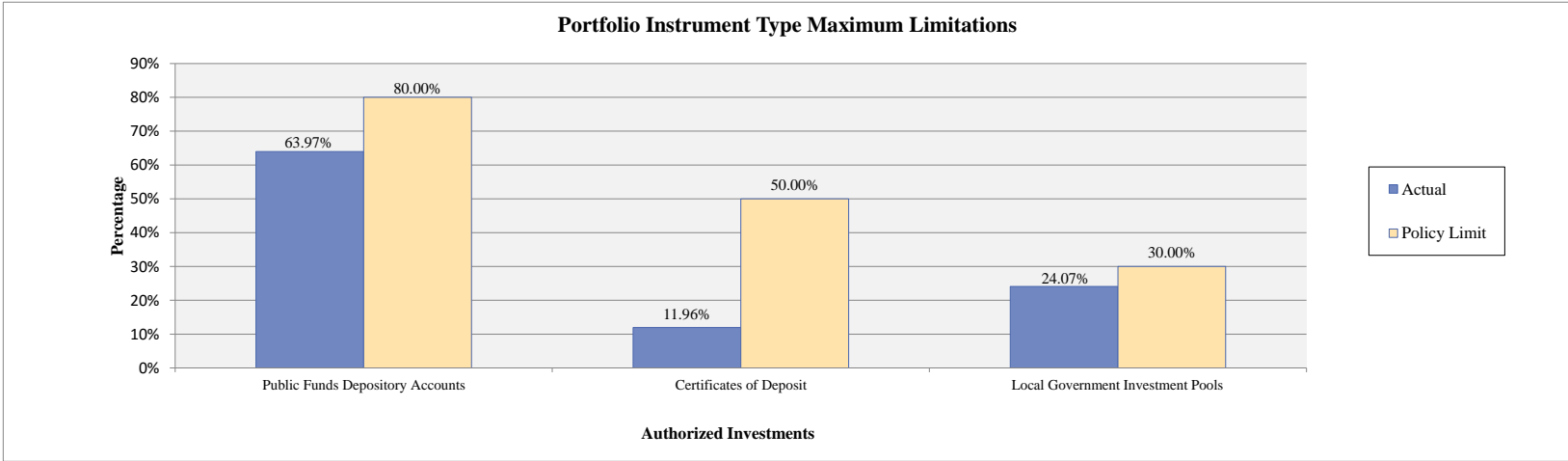
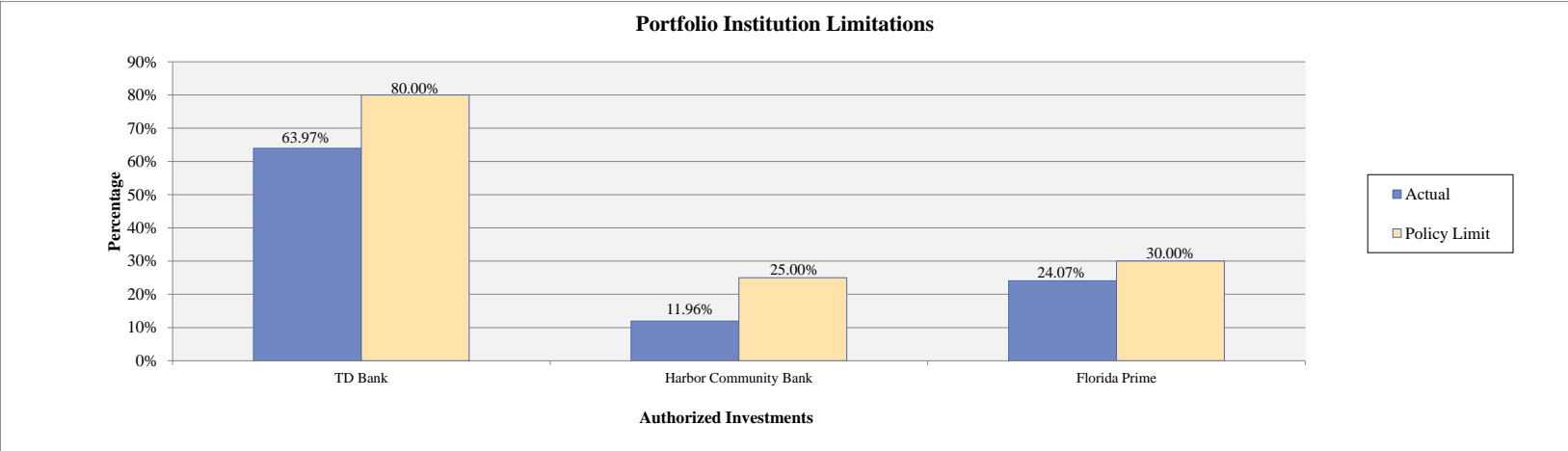
(c) At BauerFinancial, banks are rated by stars. As of 4/12/2017, TD Bank was rated 4 stars. The rating system is: 5 star-Superior; 4 star-Excellent; 3 1/2 star-Good; 3 star-Adequate; 2 star-Problematic; 1 star-Troubled.

(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 MARCH 31, 2017  
Exhibit B



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



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**HIGHLANDS COUNTY, FLORIDA**  
**Quarterly Investment Report for FY 16-17**  
**March 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**

There were no significant changes to the Board's portfolio during the quarter ending March 31, 2017.

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, 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 March 31, 2017, the Board had funds deposited with TD Bank (27.23%), Harbor Community Bank (2.19%), Florida Prime (21.93%), FLGIT (11.48%), FEITF (31.69%), and FLCLASS (5.48%).

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 1.69% 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 March 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, Harbor Community Bank, and Wauchula State 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, 2017, the weighted average maturity (WAM) of the portfolio is 73 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, 2017, the portfolio's 30-day weighted average yield is 0.077%, which is 0.045% higher than our benchmark (Bank of America Merrill Lynch GIP Index) of 0.032%. The portfolio's 12-month weighted average yield is 0.888%, which is 0.642% higher than our 12-month yield benchmark of 0.246%.

## **III. TRANSACTIONS**

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

<u>Date</u>	<u>Amount</u>	<u>Transferred From</u>	<u>Transferred To</u>
1/23/17	\$1,000,000.00	TD Bank	FLGIT
1/27/17	\$1,000,000.00	TD Bank	FLGIT
1/31/17	\$4,000,000.00	FLGIT Day to Day	TD Bank
2/1/17	\$4,000,000.00	TD Bank	FEITF
2/3/17	\$1,000,000.00	TD Bank	FLGIT
2/10/17	\$1,000,000.00	TD Bank	FLGIT

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
INVESTMENT PORTFOLIO  
AS OF MARCH 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	\$ 12,288,300.50	\$ 12,851,023.58	0.031%	0.370%	\$ 15,219.88	\$ 37,843.96	\$ 4,701.90	(e) 4 stars	N/A	N/A	0	14.06%		14.06%
TD BANK - 12 month CD	-	-	N/A	N/A	41,387.85	41,387.85	N/A	NR	1/5/2016	1/5/2017	0	0.00%		
TD BANK - 12 month CD	-	-	N/A	N/A	16,355.68	16,355.68	N/A	NR	1/5/2016	1/5/2017	0	0.00%		
TD BANK - 12 month CD	5,041,387.85	5,041,387.85	0.081%	0.970%	Maturity	Maturity	N/A	NR	1/5/2017	1/5/2018	280	5.51%		
TD BANK - 12 month CD	2,016,355.68	2,016,355.68	0.080%	0.960%	Maturity	Maturity	N/A	NR	1/5/2017	1/5/2018	280	2.20%		
TD BANK - 24 month CD	5,000,000.00	5,000,000.00	0.081%	0.970%	Maturity	Maturity	N/A	NR	3/24/2016	3/24/2018	358	5.46%	27.23%	
HARBOR COMMUNITY BANK --12 month CD	2,008,036.71	2,008,036.71	0.046%	0.550%	Maturity	Maturity	N/A	NA	6/15/2016	6/15/2017	76	2.19%		
HARBOR COMMUNITY BANK --12 month CD	-	-	N/A	N/A	-	1,400.31	N/A	NA	10/5/2015	10/5/2016	0	0.00%	2.19%	
WAUCHULA STATE BANK--12 month CD	-	-	N/A	N/A	-	10,942.46	N/A	NR	10/22/2015	10/22/2016	0	0.00%		
WAUCHULA STATE BANK--12 month CD	-	-	N/A	N/A	-	27,355.60	N/A	NR	10/25/2015	10/25/2016	0	0.00%	0.00%	
SEACOAST NATIONAL BANK--24 month CD	-	-	N/A	N/A	-	8,241.55	N/A	NR	11/24/2014	11/24/2016	0	0.00%	0.00%	15.36%
FLORIDA PRIME-171131	20,065,031.50	20,065,031.50	0.087%	1.030%	49,250.35	88,555.78	4.04 basis pts	(d) AAAM	Various	N/A	1	21.93%	21.93%	
FLGIT: Short-Term Bond	9,019,013.72	9,019,013.72	0.079%	0.725%	24,829.81	19,013.18	N/A	(d) AA Af	Various	N/A	3	9.86%		
FLGIT: Day to Day Fund	1,479,174.67	1,479,174.67	0.079%	0.621%	5,471.05	17,552.17	N/A	(d) AAAM	Various	N/A	1	1.62%	11.48%	
FEITF: Florida Education Investment Trust Fund	94.67	94.67	0.078%	0.940%	(398.68)	94.67	N/A	(d) AAAM	12/19/2016	N/A	1	0.00%		
FEITF Term	6,250,000.00	6,250,000.00	0.079%	0.950%	Maturity	Maturity	N/A	(d) AA Af	12/19/2016	4/4/2017	4	6.83%		
FEITF Term	6,250,000.00	6,250,000.00	0.083%	0.990%	Maturity	Maturity	N/A	(d) AA Af	12/19/2016	5/26/2017	56	6.83%		
FEITF Term	6,250,000.00	6,250,000.00	0.089%	1.070%	Maturity	Maturity	N/A	(d) AA Af	12/19/2016	7/17/2017	108	6.83%		
FEITF Term	4,000,000.00	4,000,000.00	0.100%	1.200%	Maturity	Maturity	N/A	(d) AA Af	2/1/2017	9/1/2017	154	4.37%		
FEITF Term	6,250,000.00	6,250,000.00	0.094%	1.130%	Maturity	Maturity	N/A	(d) AA Af	12/19/2016	9/15/2017	168	6.83%	31.69%	
FLCLASS	5,013,511.92	5,013,511.92	0.083%	0.980%	11,612.33	13,511.92	N/A	(d) AAAM	Various	N/A	1	5.48%	5.48%	70.58%
	<b>\$ 90,930,907.22</b>	<b>\$ 91,493,630.30</b>	<b>0.077%</b>	<b>0.888%</b>	<b>\$ 163,728.27</b>	<b>\$ 282,255.13</b>	<b>\$ 4,701.90</b>			<b>(b) WAM</b>	<b>73</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Benchmark (a) 0.032% 0.246%  
Above/(Below) Benchmark 0.045% 0.642%

(a) BofA Merrill Lynch Index / Government Benchmark (as of 3/31/2017)

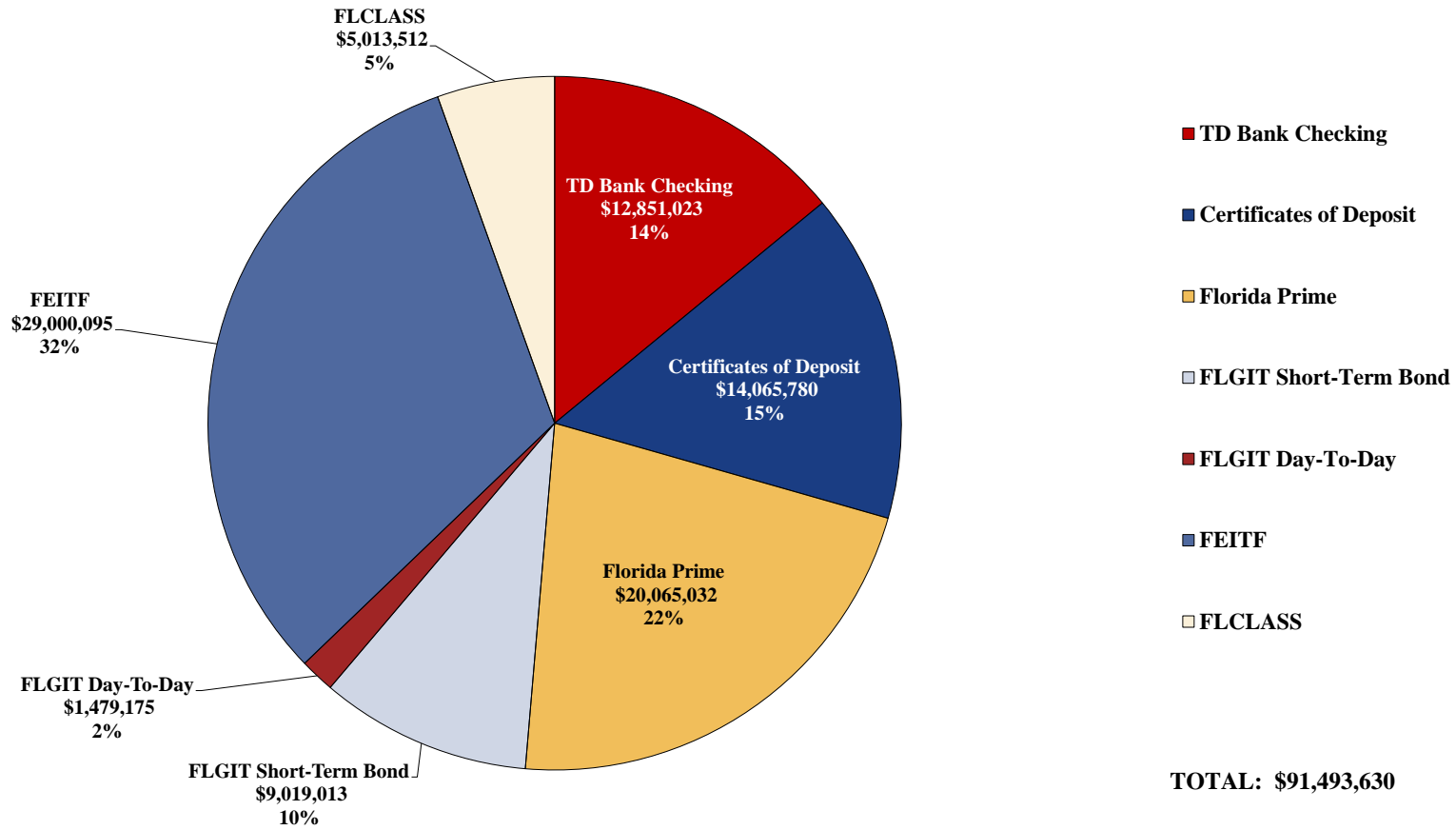
(b) WAM (Weighted Average Maturity)

(c) At BauerFinancial, banks are rated by stars. As of 4/12/2017, 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, 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 MARCH 31, 2017  
Exhibit B



**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
HIGHLANDS COUNTY, FLORIDA  
COMPLIANCE WITH INVESTMENT POLICY  
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Exhibit C**

