

**CITY OF HOLLYWOOD, FLORIDA
THIRD QUARTER INVESTMENT REPORT**

For the Quarter Ended June 30, 2018

City of Hollywood, Florida

September 2018

**CITY OF HOLLYWOOD, FLORIDA
SUMMARY OF QUARTERLY INVESTMENT
AND EARNINGS ACTIVITY**

The following is a comparison of the City's investments (by type) and earnings at June 30, 2018 and June 30, 2017:

Investment Type	At 06/30/18		At 06/30/17	
	In Millions	% of Total	In Millions	% of Total
Demand Deposits	\$ 96.2	24%	\$ 76.1	20%
U.S. Instrumentalities	55.0	13%	55.0	15%
Certificate of Deposit	152.9	37%	144.1	38%
Money Market Account	83.0	20%	100.8	27%
LGIP	25.1	6%	0	0%
	<u>\$412.2</u>	<u>100%</u>	<u>\$376.1</u>	<u>100%</u>
Av. Investment Bal For Quarter		\$418,258,889		\$383,327,560
Interest For the Quarter		\$1,685,322		\$ 986,468
Interest Year-To-Date		\$4,129,253		\$2,515,721
Portfolio Average Yield:				
For the Quarter		1.62%		1.03%
Year-To-Date		1.37%		0.93%
Av. 91-Day Treasury Bill Rate:				
For the Quarter		1.84%		0.89%
Year-To-Date		1.54%		0.64%
Average Fed Funds Rate:				
For the Quarter		1.74%		0.95%
Year-To-Date		1.46%		0.70%

All year-to-date information shown above is presented on a fiscal year basis.

The City of Hollywood's goal for overall investment performance is to regularly exceed the average rate for 91-day U.S. Treasury Bills and the average Fed Funds rate, which are considered benchmarks for riskless investment transactions and minimum standards to measure the portfolio's overall rate of return.

Schedules 1, 2 and 3, as follows, provide further detail regarding the above information. Schedule 4 provides a short glossary of terms.

**CITY OF HOLLYWOOD, FLORIDA
INVESTMENT PORTFOLIO SUMMARY
BY INVESTMENT TYPE**

SCHEDULE 1

INVESTMENT TYPE	AT JUNE 30, 2018		AT JUNE 30, 2017	
	Book Value	%	Book Value	%
DEMAND DEPOSITS, INTEREST BEARING				
Pooled	36,471,707		46,690,642	
SRF Loan Debt Service	1,786,095		1,906,080	
SRF Loan Repayment Reserve	650,969		643,003	
2010 Water & Sewer Bonds - DS Reserve	3,002,762		2,966,017	
2010 Water & Sewer Bonds - Wells Fargo	296,449		294,058	
2015 Bch CRA Bonds Account	8,332,924		11,824,559	
2015 Bch CRA Bonds Acct Debt Svc Res	5,649,413		5,580,280	
2016A CAP IMP REV REF Bonds	3,597,667		6,230,879	
CRA Beach	17,309,437		0	
Hollywood Beach CRA	19,069,825		0	
Total Demand Deposits	96,167,249	24%	76,135,517	20%
U.S. INSTRUMENTALITIES:				
Pooled	55,000,000		55,000,000	
Total U.S. Instrumentalities	55,000,000	13%	55,000,000	15%
CERTIFICATE OF DEPOSIT:				
Pooled	152,930,510		144,090,915	
Total Certificate of Deposit	152,930,510	37%	144,090,915	38%
MONEY MARKET:				
Pooled	66,395,451		89,615,437	
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-TIAA Bank	(15)		1,265,799	
CRA Downtown-TIAA Bank	6,582,429		0	
Total Money Market	82,977,865	20%	100,881,236	27%
Local Government Investment Pool (LGIP):				
Pooled	25,091,274		-	
Total LGIP	25,091,274	6%	-	0%
TOTAL INVESTMENTS	412,166,898	100%	376,107,668	100%

CITY OF HOLLYWOOD, FLORIDA
INVESTMENT PORTFOLIO SUMMARY
Pooled Investments vs. Restricted Use

SCHEDULE 1A

INVESTMENT TYPE	AT JUNE 30, 2018		AT JUNE 30, 2017	
	Book Value	%	Book Value	%
POOLED INVESTMENTS:				
DEMAND DEPOSITS	36,471,707	9%	46,690,642	12%
U.S. INSTRUMENTALITIES	55,000,000	13%	55,000,000	15%
CERTIFICATE OF DEPOSIT	152,930,510	37%	144,090,915	38%
MONEY MARKET	66,395,451	16%	89,615,437	24%
LGIP	25,091,274	6%		
Total Pooled Investments	335,888,942	81%	335,396,994	89%
RESTRICTED USE:				
DEMAND DEPOSITS				
SRF Loan Debt Service	1,786,095		1,906,080	
SRF Loan Repayment Reserve	650,969		643,003	
2010 Water & Sewer Bonds - DS Reserve	3,002,762		2,966,017	
2010 Water & Sewer Bonds - Wells Fargo	296,449		294,058	
2015 Bch CRA Bonds Account-FCB	8,332,924		11,824,559	
2015 Bch CRA Bonds Acct Debt Svc Res-FCB	5,649,413		5,580,280	
2016A CAP IMP REV REF Bonds-FCB	3,597,667		6,230,879	
CRA Beach-FCB	17,309,437		0	
Hollywood Beach CRA-Wells Fargo	19,069,825		0	
Total Demand Deposits	59,695,542	15%	29,444,876	8%
U.S. INSTRUMENTALITIES				
Total U.S. Instrumentalities	-	0%	-	0%
MONEY MARKET				
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-TIAA Bank	(15)		1,265,799	
CRA Downtown-TIAA Bank	6,582,429		-	
Total Money Market	16,582,414	4%	11,265,799	3%
Total Restricted Use	76,277,956	19%	40,710,675	11%
TOTAL INVESTMENTS	412,166,898	100%	376,107,669	100%

CITY OF HOLLYWOOD, FLORIDA
U.S. SECURITIES HELD AT JUNE 30, 2018

SCHEDULE 2

<u>INVESTMENT TYPE</u>	<u>Maturity Date</u>	<u>Stated Interest Rate</u>	<u>Yield To Maturity</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>
U.S. INSTRUMENTALITIES:						
Purchased FFCB Note 05/16/16	05/16/19	1.170%	1.170%	10,000,000	10,000,000	9,899,880
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,948,790
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,896,300
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,928,040
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,903,890
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,856,190
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,828,510
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,261,600</u>
TOTAL U.S. SECURITIES				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,261,600</u>

CITY OF HOLLYWOOD, FLORIDA
INVESTMENT INCOME SUMMARY
AT JUNE 30, 2018

SCHEDULE 3

INVESTMENT TYPE	BALANCE AT 06/30/18	INTEREST INCOME				WEIGHTED AVG YLD	
		YTD 06/30/18	% OF TOTAL	QTR 06/30/18	% OF TOTAL	YTD* 06/30/18	QTD** 06/30/18
DEMAND DEPOSITS, INTEREST BEARING:							
Pooled (Wells Fargo)	18,729,976	414,889		153,641			
(TD Bank)	404,298	1,363		521			
Pooled (Florida Community Bank)	<u>17,337,433</u>	36,471,707		60,353			
SRF Loan Debt Service	1,786,095	20,718		8,370			
SRF Loan Repayment Reserve	650,969	6,532		2,680			
2010 Water Sewer Bonds - DS Reserve	3,002,762	30,553		12,781			
2010 Water Sewer Bonds - Wells Fargo	296,449	1,854		583			
2015 Bch CRA Bonds Account- FCB	8,332,924	100,437		39,289			
2015 Bch CRA Bonds Acct Debt Svc Res- FCB	5,649,413	57,481		24,046			
2016A CAP IMP REV REF Bonds- FCB	3,597,667	45,801		16,852			
CRA Beach-FCB	17,309,437	262,130		95,656			
CRA BCH-Wells Fargo	<u>19,069,825</u>	<u>112,187</u>		<u>70,024</u>			
Total Demand Deposits	96,167,249	1,157,685	28%	484,795	29%	0.393%	0.501%
U.S. INSTRUMENTALITIES:							
Pooled	<u>55,000,000</u>	<u>573,591</u>		<u>191,000</u>			
Total U.S. Instrumentalities	55,000,000	573,591	14%	191,000	11%	0.194%	0.153%
CERTIFICATE OF DEPOSIT:							
Pooled	<u>152,930,510</u>	<u>1,438,323</u>		<u>583,494</u>			
Total Certificate of Deposit	152,930,510	1,438,323	35%	583,494	35%	0.497%	0.550%
MONEY MARKET:							
Pooled (BankUnited)	4,278,422	120,040		36,222			
Pooled (City National Bank)	26,561,376	312,800		114,016			
2003 Water & Sewer Rate Stabilization Fund	10,000,000	99,964		39,888			
DT CRA Note 2015 Series (TIAA Bank)	(15)	3,199		64			
CRA Downtown (TIAA Bank)	6,582,429	54,858		22,446			
Pooled (TIAA Bank)	241,703	90,538		13,738			
Pooled (Iberia Bank)	25,290,115	163,146		84,548			
Pooled (Leumi Bank)	<u>10,023,835</u>	<u>23,835</u>		<u>23,835</u>			
Total Money Market	82,977,865	868,380	21%	334,759	20%	0.273%	0.316%
Local Government Investment Pool (LGIP):							
Pooled (FLCLASS)	<u>25,091,274</u>	<u>91,274</u>		<u>91,274</u>			
Total LGIP	25,091,274	91,274	2%	91,274	5%	0.013%	0.100%
TOTAL INVESTMENTS	<u>412,166,898</u>	<u>4,129,253</u>	<u>100%</u>	<u>1,685,322</u>	<u>100%</u>	<u>1.370%</u>	<u>1.620%</u>

Note: Interest does not reflect change in FV of investments and
arbitrage rebate liabilities.

BENCHMARKS (Average Rates):	YTD*	QTD**
91 Day Treasury Bill:	1.54%	1.84%
Fed Funds Rate:	1.46%	1.74%

*YTD - 10/01/17-06/30/18 **QTD - 04/01/18-06/30/18

CITY OF HOLLYWOOD, FLORIDA
SCHEDULE 4: INVESTMENT REPORT GLOSSARY

Book Value- The carrying amount of the investment in the City's financial records, in accordance with generally accepted accounting principles.

Certificate of Deposit- A non-negotiable certificate proving the deposit of a sum of money for a specified period of time at a specified interest rate with a bank. The City invests only with banks participating in the State of Florida's "Public Depository" program which guarantees such investments.

Demand Deposit- An account balance that can be drawn on by check, cash withdrawal, or wire transfer without prior notice to the bank (also referred to as a checking account). All of the City's demand deposit accounts are interest-bearing. Monies maintained in this account are considered public deposits and collateralized by the corresponding bank in accordance with Florida Statutes Chapter 280.

Fed Funds Rate- The interest rate that banks charge each other for overnight loans generally to meet Fed reserve requirements.

Money Market Account- An investment vehicle that allows for the pooling and investing of numerous investors' assets in traditional money market instruments, typically U.S. government securities and instrumentalities. With the exception of some small balance reserve accounts overseen by a bank trustee, all the money market accounts included in the report total are considered public deposits and collateralized by the corresponding bank in accordance with Florida Statutes Chapter 280.

Par Value- The face (stated) value of the security.

Local Government Investment Pool (LGIP)- The Florida Local Government Investment Trust is a short-term bond fund that seeks to maintain safety of principal and maximize available yield through a balance of quality and diversification. All securities in the fund are limited to a maximum duration of five years.

Stated Interest Rate- The annual rate of interest that the issuer promises to pay to the security holder.

U.S. Government Agencies- Bonds, debentures, notes or callables issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government and have an active secondary market.

U.S. Treasury Bills and Notes- Obligations of the United States Treasury. These securities are among the most widely used investment vehicles. Payment of principal and interest is backed by the full faith and credit of the United States government. The market for Treasury securities is among the most liquid in the world, with billions of dollars in securities changing hands daily. Treasury bills are short-term investments of under one year, while Treasury notes have a duration of between one and ten years.

U.S. Instrumentalities - Securities issued by banks or corporations chartered by the Federal government. Although they are not backed by the full faith and credit of the U.S. government, applicable federal law makes them highly secure. Among these investments are notes and bonds issued by the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), and the Federal Farm Credit Banks (FFCB).

Weighted Average Yield - Daily averages are used to calculate all quarter-to-date and year-to-date yields. All year-to-date percentages shown are presented on a fiscal year basis.

Yield to Maturity - Annualized overall rate of return, considering the time value of money and compounding of interest.