

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

For the Quarter Ended September 30, 2017

City of Hollywood, Florida

November 2017

**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 September 30, 2017 and September 30, 2016:

Investment Type	At 09/30/17		At 09/30/16	
	In Millions	% of Total	In Millions	% of Total
Demand Deposits	\$95.4	26%	\$115.9	34%
U.S. Instrumentalities	55.0	15%	30.0	9%
Certificate of Deposit	122.1	33%	119.1	35%
Money Market Account	<u>97.9</u>	<u>26%</u>	<u>74.6</u>	<u>22%</u>
	\$370.4	100%	\$339.6	100%
Avg Investment Balance for the Quarter		\$378,402,421		\$347,445,282
Interest for the Quarter		\$1,021,386		\$683,208
Interest Year-To-Date		\$3,537,107		\$2,181,501
Portfolio Average Yield:				
for the Quarter		1.10%		0.76%
Year-To-Date		0.97%		0.64%
Av. 91-Day Treasury Bill Rate:				
for the Quarter		1.04%		0.30%
Year-To-Date		0.74%		0.24%
Average Fed Funds Rate:				
for the Quarter		1.15%		0.40%
Year-To-Date		0.81%		0.32%

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

<u>INVESTMENT TYPE</u>	<u>AT SEPTEMBER 30, 2017</u>		<u>AT SEPTEMBER 30, 2016</u>	
	<u>Book Value</u>	<u>%</u>	<u>Book Value</u>	<u>%</u>
DEMAND DEPOSITS	95,448,116	26%	115,922,084	34%
U.S. INSTRUMENTALITIES	55,000,000	15%	30,000,000	9%
CERTIFICATE OF DEPOSIT	122,090,915	33%	119,090,915	35%
MONEY MARKET	<u>97,903,539</u>	<u>26%</u>	<u>74,599,590</u>	<u>22%</u>
TOTAL INVESTMENTS	<u>\$ 370,442,571</u>	<u>100%</u>	<u>\$ 339,612,589</u>	<u>100%</u>

CITY OF HOLLYWOOD, FLORIDA
 INVESTMENT PORTFOLIO SUMMARY
 BY INVESTMENT TYPE

SCHEDULE 1A

INVESTMENT TYPE	AT SEPTEMBER 30, 2017		AT SEPTEMBER 30, 2016	
	Book Value	%	Book Value	%
DEMAND DEPOSITS, INTEREST BEARING				
Pooled	58,211,394		82,004,426	
SRF Loan Debt Service	2,859,406		2,844,646	
SRF Loan Repayment Reserve	644,345		639,919	
2010 Water & Sewer Bonds - DS Reserve	2,972,210		3,207,973	
2010 Water & Sewer Bonds - Wells Fargo	294,594		311,510	
2015 Bch CRA Bonds Account	10,673,647		14,062,756	
2015 Bch CRA Bonds Acct Debt Svc Res	5,591,932		5,553,515	
2016A CAP IMP REV REF Bonds	5,072,527		7,297,339	
CRA Beach	9,128,061		0	
Total Demand Deposits	95,448,116	26%	115,922,084	34%
U.S. INSTRUMENTALITIES:				
Pooled	55,000,000		30,000,000	
Total U.S. Instrumentalities	55,000,000	15%	30,000,000	9%
CERTIFICATE OF DEPOSIT:				
Pooled	122,090,915		119,090,915	
Total Certificate of Deposit	122,090,915	33%	119,090,915	35%
MONEY MARKET:				
Pooled	83,443,831		62,821,460	
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-EverBank	1,256,662		1,778,130	
CRA Downtown-EverBank	3,203,046		0	
Total Money Market	97,903,539	26%	74,599,590	22%
TOTAL INVESTMENTS	370,442,571	100%	339,612,589	100%

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

SCHEDULE 1B

<u>INVESTMENT TYPE</u>	<u>AT SEPTEMBER 30, 2017</u>		<u>AT JUNE 30, 2017</u>	
	<u>Book Value</u>	<u>%</u>	<u>Book Value</u>	<u>%</u>
POOLED INVESTMENTS:				
DEMAND DEPOSITS	58,211,394	15%	46,690,642	12%
U.S. INSTRUMENTALITIES	55,000,000	15%	55,000,000	15%
CERTIFICATE OF DEPOSIT	122,090,915	33%	144,090,915	38%
MONEY MARKET	83,443,831	23%	89,615,437	24%
Total Pooled Investments	<u>318,746,140</u>	<u>86%</u>	<u>335,396,994</u>	<u>89%</u>
RESTRICTED USE:				
DEMAND DEPOSITS				
SRF Loan Debt Service	2,859,406		1,906,080	
SRF Loan Repayment Reserve	644,345		643,003	
2010 Water & Sewer Bonds - DS Reserve	2,972,210		2,966,017	
2010 Water & Sewer Bonds - Wells Fargo	294,594		294,058	
2015 Bch CRA Bonds Account-FCB	10,673,647		11,824,559	
2015 Bch CRA Bonds Acct Debt Svc Res-FCB	5,591,932		5,580,280	
2016A CAP IMP REV REF Bonds-FCB	5,072,527		6,230,879	
CRA Beach-FCB	9,128,061		0	
Total Demand Deposits	<u>37,236,722</u>	10%	<u>29,444,875</u>	8%
U.S. INSTRUMENTALITIES				
Total U.S. Instrumentalities	<u>-</u>	0%	<u>-</u>	0%
MONEY MARKET				
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-EverBank	1,256,662		1,265,799	
CRA Downtown-EverBank	3,203,046		-	
Total Money Market	<u>14,459,708</u>	4%	<u>11,265,799</u>	3%
Total Restricted Use	<u>51,696,430</u>	<u>14%</u>	<u>40,710,674</u>	<u>11%</u>
TOTAL INVESTMENTS	<u>370,442,571</u>	<u>100%</u>	<u>376,107,668</u>	<u>100%</u>

CITY OF HOLLYWOOD, FLORIDA
 U.S. SECURITIES HELD AT SEPTEMBER 30, 2017

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	9,940,480
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,973,345
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,964,390
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,970,225
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,940,655
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,980,340
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,948,660
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,718,095</u>
TOTAL U.S. SECURITIES				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,718,095</u>

CITY OF HOLLYWOOD, FLORIDA
 U.S. SECURITIES HELD AT SEPTEMBER 30, 2017
 Pooled Investments Vs. Restricted Use

SCHEDULE 2A

<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>
POOLED INVESTMENTS:						
U.S. INSTRUMENTALITIES:						
Purchased FFCB Note 05/16/16	05/16/19	1.170%	1.170%	10,000,000	10,000,000	9,940,480
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,973,345
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,964,390
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,970,225
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,940,655
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,980,340
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,948,660
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,718,095</u>
TOTAL POOLED				55,000,000	55,000,000	54,718,095
RESTRICTED USE:						
U.S. INSTRUMENTALITIES:						
Total U.S. Instrumentalities		0.000%	0.000%	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL RESTRICTED USE				0	0	0
TOTAL U.S. SECURITIES				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,718,095</u>

SCHEDULE 3

CITY OF HOLLYWOOD, FLORIDA
 INVESTMENT INCOME SUMMARY
 AT SEPTEMBER 30, 2017

INVESTMENT TYPE	BALANCE AT 09/30/17	INTEREST INCOME		WEIGHTED AVG YLD	
		FOR YEAR 09/30/17	FOR QUARTER 09/30/17	YTD* 09/30/17	QTD** 09/30/17
DEMAND DEPOSITS	95,448,116	\$ 650,530	\$ 180,147	0.132%	0.173%
U.S. INSTRUMENTALITIES	55,000,000	681,432	191,000	0.260%	0.264%
CERTIFICATE OF DEPOSIT	122,090,915	1,542,358	421,716	0.519%	0.517%
MONEY MARKET	97,903,539	662,787	228,523	0.131%	0.191%
TOTAL INVESTMENTS	\$ 370,442,571	\$ 3,537,107	\$ 1,021,386	1.042%	1.145%

BENCHMARKS (Average Rates):			
91 Day Treasury Bill:	YTD*	QTD**	
Fed Funds Rate:	0.74%	1.04%	
	0.81%	1.15%	

*YTD - 10/01/16-09/30/17
 **QTD - 07/01/17-09/30/17

CITY OF HOLLYWOOD, FLORIDA
 INVESTMENT INCOME SUMMARY
 AT SEPTEMBER 30, 2017

SCHEDULE 3A

INVESTMENT TYPE	BALANCE AT 09/30/17	YEAR-TO-DATE 09/30/17	INTEREST INCOME			WEIGHTED AVG YLD	
			% OF TOTAL	FOR QUARTER 09/30/17	% OF TOTAL	YTD* 09/30/17	QTD** 09/30/17
DEMAND DEPOSITS, INTEREST BEARING:							
Pooled (Wells Fargo)	37,617,349	234,308		55,437			
(TD Bank)	402,935	11,396		2,101			
Pooled (Florida Community Bank)	20,191,109	193,027		61,206			
Section 108 Funds	0	0		-			
SRF Loan Debt Service	2,859,406	13,661		5,436			
SRF Loan Repayment Reserve	644,345	4,427		1,343			
2010 Water Sewer Bonds - DS Reserve	2,972,210	21,642		6,193			
2010 Water Sewer Bonds - Wells Fargo	294,594	1,151		536			
2015 Bch CRA Bonds Account- FCB	10,673,647	86,527		23,480			
2015 Bch CRA Bonds Acct Debt Svc Res- FCB	5,591,932	38,417		11,652			
2016A CAP IMP REV REF Bonds- FCB	5,072,527	44,974		11,762			
CRA Beach-FCB	9,128,061	1,000		1,000			
Total Demand Deposits	95,448,116	650,530	18%	180,147	18%	0.132%	0.173%
U.S. INSTRUMENTALITIES:							
Pooled	55,000,000	681,432		191,000			
Total U.S. Instrumentalities	55,000,000	681,432	19%	191,000	19%	0.260%	0.264%
CERTIFICATE OF DEPOSIT:							
Pooled	122,090,915	1,542,358		421,716			
Total Certificate of Deposit	122,090,915	1,542,358	44%	421,716	41%	0.519%	0.517%
MONEY MARKET:							
Pooled (BankUnited)	11,158,382	133,659		41,617			
Pooled (BB&T Bank)	0	82		0			
Pooled (City National Bank)	25,183,611	151,490		62,676			
2003 Water & Sewer Rate Stabilization Fund	10,000,000	71,602		24,931			
DT CRA Note 2015 Series- EverBank	1,256,662	9,034		2,173			
CRA Downtown-EverBank	3,203,046			0			
Pooled (EverBank)	16,615,813	91,810		36,403			
Pooled (Sabadell Bank)	30,486,025	205,110		60,724			
Total Money Market	97,903,539	662,787	19%	228,523	22%	0.131%	0.191%
TOTAL INVESTMENTS	370,442,571	3,537,107	100%	1,021,386	100%	1.042%	1.145%

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

BENCHMARKS (Average Rates):	YTD*	QTD**
91 Day Treasury Bill:	0.74%	1.04%
Fed Funds Rate:	0.81%	1.15%

*YTD - 10/01/16-09/30/17
 **QTD - 07/01/17-09/30/17

CITY OF HOLLYWOOD, FL
 AVERAGE YIELD INTEREST RATES
 10/01/16-09/30/17

Month	Demand Deposit	U.S. Govt. Agencies	T-Bills	U.S. Instrumentalities	Commercial Paper	GIC	Money Mkt	Certificates of Deposit	SBA	Total Investments	91 Day T-Bill	Fed Funds
Oct	0.00464	0.00000	0.000000	0.01269	0.00000	0.00000	0.0045	0.0106	0.0000	0.00785	0.00330	0.00400
Nov	0.00457	0.00000	0.000000	0.01269	0.00000	0.00000	0.0043	0.0106	0.0000	0.00777	0.00450	0.00410
Dec	0.00594	0.00000	0.000000	0.01389	0.00000	0.00000	0.0064	0.0110	0.0000	0.00885	0.00510	0.00540
Total Qtr	0.01515	0.00000	0.000000	0.03926	0.00000	0.00000	0.0152	0.0321	0.0000	0.02447	0.01290	0.01350
Avg Qtr	0.00505	0.00000	0.000000	0.01309	0.00000	0.00000	0.0051	0.0107	0.0000	0.00816	0.00430	0.00450
Jan	0.00608	0.00000	0.000000	0.01389	0.00000	0.00000	0.0064	0.0113	0.0000	0.00914	0.00510	0.00650
Feb	0.00610	0.00000	0.000000	0.01389	0.00000	0.00000	0.0064	0.0113	0.0000	0.00911	0.00520	0.00660
Mar	0.00668	0.00000	0.000000	0.01389	0.00000	0.00000	0.0069	0.0121	0.0000	0.00965	0.00740	0.00790
Total Qtr	0.01886	0.00000	0.000000	0.04167	0.00000	0.00000	0.0197	0.0347	0.0000	0.02790	0.01770	0.02100
Avg Qtr	0.00629	0.00000	0.000000	0.01389	0.00000	0.00000	0.0066	0.0116	0.0000	0.00930	0.00590	0.00700
Total 6 Mo	0.03402	0.00000	0.000000	0.08094	0.00000	0.00000	0.0349	0.0668	0.0000	0.05237	0.03060	0.03450
Avg 6 Mo	0.00567	0.00000	0.000000	0.01349	0.00000	0.00000	0.0058	0.0111	0.0000	0.00873	0.00510	0.00575
Apr	0.00842	0.00000	0.000000	0.01389	0.00000	0.00000	0.0069	0.0121	0.0000	0.01002	0.00800	0.00900
May	0.00835	0.00000	0.000000	0.01389	0.00000	0.00000	0.0070	0.0121	0.0000	0.01003	0.00890	0.00910
June	0.00873	0.00000	0.000000	0.01389	0.00000	0.00000	0.0086	0.0124	0.0000	0.01086	0.00980	0.01040
Total Qtr	0.02550	0.00000	0.000000	0.04167	0.00000	0.00000	0.0225	0.0365	0.0000	0.03091	0.02670	0.02850
Avg Qtr	0.00850	0.00000	0.000000	0.01389	0.00000	0.00000	0.0075	0.0122	0.0000	0.01030	0.00890	0.00950
Total 9 Mo	0.05952	0.00000	0.000000	0.12261	0.00000	0.00000	0.0574	0.1033	0.0000	0.08328	0.05730	0.06300
Avg 9 Mo	0.00661	0.00000	0.000000	0.01362	0.00000	0.00000	0.0064	0.0115	0.0000	0.00925	0.00637	0.00700
July	0.00925	0.00000	0.000000	0.01389	0.00000	0.00000	0.0089	0.0124	0.0000	0.01101	0.01070	0.01150
Aug	0.00865	0.00000	0.000000	0.01389	0.00000	0.00000	0.0087	0.0128	0.0000	0.01072	0.01010	0.01160
Sept	0.01091	0.00000	0.000000	0.01389	0.00000	0.00000	0.0085	0.0128	0.0000	0.01112	0.01030	0.01150
Total Qtr	0.02881	0.00000	0.000000	0.04167	0.00000	0.00000	0.0260	0.0379	0.0000	0.03285	0.03110	0.03460
Avg Qtr	0.00960	0.00000	0.000000	0.01389	0.00000	0.00000	0.0087	0.0126	0.0000	0.01095	0.01037	0.01153
Total 12 Mo	0.08833	0.00000	0.000000	0.16428	0.00000	0.00000	0.0834	0.1412	0.0000	0.11613	0.08840	0.09760
Avg 12 Mo	0.00736	0.00000	0.000000	0.01369	0.00000	0.00000	0.0069	0.0118	0.0000	0.00968	0.00737	0.00813

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.

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.