

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

For the Quarter Ended December 31, 2017

City of Hollywood, Florida

February 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 December 31, 2017 and December 31, 2016:

<u>Investment Type</u>	<u>At 12/31/17</u>		<u>At 12/31/16</u>	
	<u>In Millions</u>	<u>% of Total</u>	<u>In Millions</u>	<u>% of Total</u>
Demand Deposits	\$135.6	32%	\$111.3	29%
U.S. Instrumentalities	55.0	13%	55.0	14%
Certificate of Deposit	122.1	29%	129.1	33%
Money Market Account	<u>110.6</u>	<u>26%</u>	<u>92.9</u>	<u>24%</u>
	\$423.3	100%	\$388.3	100%
<b>Av. Investment Bal For Quarter</b>	\$366,643,528		\$335,613,276	
<b>Interest For the Quarter</b>	\$1,063,048		\$ 660,360	
<b>Interest Year-To-Date</b>	\$1,063,048		\$ 660,360	
<b>Portfolio Average Yield:</b>				
For the Quarter	1.22%		0.82%	
Year-To-Date	1.22%		0.82%	
<b>Av. 91-Day Treasury Bill Rate:</b>				
For the Quarter	1.21%		0.43%	
Year-To-Date	1.21%		0.43%	
<b>Average Fed Funds Rate:</b>				
For the Quarter	1.20%		0.45%	
Year-To-Date	1.20%		0.45%	

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

<b>INVESTMENT TYPE</b>	<b>AT DECEMBER 31, 2017</b>		<b>AT DECEMBER 31, 2016</b>	
	<b>Book Value</b>	<b>%</b>	<b>Book Value</b>	<b>%</b>
<b>DEMAND DEPOSITS, INTEREST BEARING</b>				
Pooled	54,529,606		78,485,209	
SRF Loan Debt Service	1,778,906		1,793,516	
SRF Loan Repayment Reserve	646,170		640,752	
2010 Water & Sewer Bonds - DS Reserve	2,980,625		3,212,151	
2010 Water & Sewer Bonds - Wells Fargo	295,151		311,578	
2015 Bch CRA Bonds Account	10,348,549		14,081,072	
2015 Bch CRA Bonds Acct Debt Svc Res	5,607,765		5,560,748	
2016A CAP IMP REV REF Bonds	5,001,679		7,240,491	
CRA Beach	35,452,511		0	
Hollywood Beach CRA	18,957,639		0	
<b>Total Demand Deposits</b>	<b>135,598,601</b>	<b>32%</b>	<b>111,325,517</b>	<b>29%</b>
<b>U.S. INSTRUMENTALITIES:</b>				
Pooled	55,000,000		55,000,000	
<b>Total U.S. Instrumentalities</b>	<b>55,000,000</b>	<b>13%</b>	<b>55,000,000</b>	<b>14%</b>
<b>CERTIFICATE OF DEPOSIT:</b>				
Pooled	122,090,915		129,090,915	
<b>Total Certificate of Deposit</b>	<b>122,090,915</b>	<b>29%</b>	<b>129,090,915</b>	<b>33%</b>
<b>MONEY MARKET:</b>				
Pooled	91,259,989		81,437,598	
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-EverBank	373,817		1,461,856	
CRA Downtown-EverBank	9,006,499		0	
<b>Total Money Market</b>	<b>110,640,305</b>	<b>26%</b>	<b>92,899,454</b>	<b>24%</b>
<b>TOTAL INVESTMENTS</b>	<b>423,329,821</b>	<b>100%</b>	<b>388,315,886</b>	<b>100%</b>

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

SCHEDULE 1A

<u>INVESTMENT TYPE</u>	<u>AT DECEMBER 31, 2017</u>		<u>AT SEPTEMBER 30, 2017</u>	
	<u>Book Value</u>	<u>%</u>	<u>Book Value</u>	<u>%</u>
<b>POOLED INVESTMENTS:</b>				
DEMAND DEPOSITS	54,529,606	12%	58,211,394	15%
U.S. INSTRUMENTALITIES	55,000,000	13%	55,000,000	15%
CERTIFICATE OF DEPOSIT	122,090,915	29%	122,090,915	33%
MONEY MARKET	91,259,989	22%	83,443,831	23%
<b>Total Pooled Investments</b>	<u>322,880,510</u>	<u>76%</u>	<u>318,746,140</u>	<u>86%</u>
<b>RESTRICTED USE:</b>				
<b>DEMAND DEPOSITS</b>				
SRF Loan Debt Service	1,778,906		2,859,406	
SRF Loan Repayment Reserve	646,170		644,345	
2010 Water & Sewer Bonds - DS Reserve	2,980,625		2,972,210	
2010 Water & Sewer Bonds - Wells Fargo	295,151		294,594	
2015 Bch CRA Bonds Account-FCB	10,348,549		10,673,647	
2015 Bch CRA Bonds Acct Debt Svc Res-FCB	5,607,765		5,591,932	
2016A CAP IMP REV REF Bonds-FCB	5,001,679		5,072,527	
CRA Beach-FCB	35,452,511		9,128,061	
Hollywood Beach CRA-Wells Fargo	18,957,639		0	
<b>Total Demand Deposits</b>	<u>81,068,995</u>	<u>19%</u>	<u>37,236,722</u>	<u>10%</u>
<b>MONEY MARKET</b>				
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-EverBank	373,817		1,256,662	
CRA Downtown-EverBank	9,006,499		3,203,046	
<b>Total Money Market</b>	<u>19,380,316</u>	<u>5%</u>	<u>14,459,708</u>	<u>4%</u>
<b>Total Restricted Use</b>	<u>100,449,311</u>	<u>24%</u>	<u>51,696,430</u>	<u>14%</u>
<b>TOTAL INVESTMENTS</b>	<u>423,329,821</u>	<u>100%</u>	<u>370,442,570</u>	<u>100%</u>

CITY OF HOLLYWOOD, FLORIDA  
 U.S. SECURITIES HELD AT DECEMBER 31, 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>
<b>U.S. INSTRUMENTALITIES:</b>						
Purchased FFCB Note 05/16/16	05/16/19	1.170%	1.170%	10,000,000	10,000,000	9,890,390
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,958,010
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,915,160
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,941,445
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,914,435
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,909,750
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,881,200
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,410,390</u>
<b>TOTAL U.S. SECURITIES</b>				<u><b>55,000,000</b></u>	<u><b>55,000,000</b></u>	<u><b>54,410,390</b></u>

CITY OF HOLLYWOOD, FLORIDA  
INVESTMENT INCOME SUMMARY  
AT DECEMBER 31, 2017

SCHEDULE 3

INVESTMENT TYPE	BALANCE AT 12/31/17	INTEREST INCOME				WEIGHTED AVG YLD	
		YTD 12/31/17	% OF TOTAL	QTR 12/31/17	% OF TOTAL	YTD* 12/31/17	QTD** 12/31/17
<b>DEMAND DEPOSITS, INTEREST BEARING:</b>							
Pooled (Wells Fargo)	49,737,350	81,340		81,340			
(TD Bank)	403,280	345		345			
Pooled (Florida Community Bank)	4,388,976	21,044		21,044			
SRF Loan Debt Service	1,778,906	5,743		5,743			
SRF Loan Repayment Reserve	646,170	1,824		1,824			
2010 Water Sewer Bonds - DS Reserve	2,980,625	8,416		8,416			
2010 Water Sewer Bonds - Wells Fargo	295,151	557		557			
2015 Bch CRA Bonds Account- FCB	10,348,549	29,800		29,800			
2015 Bch CRA Bonds Acct Debt Svc Res- FCB	5,607,765	15,833		15,833			
2016A CAP IMP REV REF Bonds- FCB	5,001,679	14,263		14,263			
CRA Beach-FCB	35,452,511	61,264		61,264			
Hollywood Beach CRA-Wells Fargo	18,957,639	0		-			
<b>Total Demand Deposits</b>	<b>135,598,601</b>	<b>240,430</b>	<b>23%</b>	<b>240,430</b>	<b>23%</b>	<b>0.268%</b>	<b>0.268%</b>
<b>U.S. INSTRUMENTALITIES:</b>							
Pooled	55,000,000	192,008		192,008			
<b>Total U.S. Instrumentalities</b>	<b>55,000,000</b>	<b>192,008</b>	<b>18%</b>	<b>192,008</b>	<b>18%</b>	<b>0.250%</b>	<b>0.250%</b>
<b>CERTIFICATE OF DEPOSIT:</b>							
Pooled	122,090,915	393,845		393,845			
<b>Total Certificate of Deposit</b>	<b>122,090,915</b>	<b>393,845</b>	<b>37%</b>	<b>393,845</b>	<b>37%</b>	<b>0.474%</b>	<b>0.474%</b>
<b>MONEY MARKET:</b>							
Pooled (BankUnited)	23,188,173	29,791		29,791			
Pooled (City National Bank)	41,295,004	82,503		82,503			
2003 Water & Sewer Rate Stabilization Fund	10,000,000	28,890		28,890			
DT CRA Note 2015 Series- EverBank	373,817	2,335		2,335			
CRA Downtown-EverBank	9,006,499	9,027		9,027			
Pooled (EverBank)	11,749,274	42,706		42,706			
Pooled (Iberia f.k.a.Sabadell Bank)	15,027,538	41,513		41,513			
<b>Total Money Market</b>	<b>110,640,305</b>	<b>236,765</b>	<b>22%</b>	<b>236,765</b>	<b>22%</b>	<b>0.240%</b>	<b>0.240%</b>
<b>TOTAL INVESTMENTS</b>	<b>423,329,821</b>	<b>1,063,048</b>	<b>100%</b>	<b>1,063,048</b>	<b>100%</b>	<b>1.232%</b>	<b>1.232%</b>

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

<b>BENCHMARKS (Average Rates):</b>		YTD*	QTD**
91 Day Treasury Bill:		1.21%	1.21%
Fed Funds Rate:		1.20%	1.20%

\*YTD - 10/01/17-12/31/17 \*\*QTD - 10/01/17-12/31/17

**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.