

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

For the Quarter Ended March 31, 2018

City of Hollywood, Florida

May 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 March 31, 2018 and March 31, 2017:

<u>Investment Type</u>	<u>At 03/31/18</u>		<u>At 03/31/17</u>	
	<u>In Millions</u>	<u>% of Total</u>	<u>In Millions</u>	<u>% of Total</u>
Demand Deposits	\$129.4	31%	\$ 87.1	23%
U.S. Instrumentalities	55.0	13%	55.0	14%
Certificate of Deposit	142.9	34%	134.1	35%
Money Market Account	<u>94.9</u>	<u>22%</u>	<u>107.2</u>	<u>28%</u>
	\$422.3	100%	\$383.4	100%
Av. Investment Bal For Quarter	\$422,478,134		\$387,420,330	
Interest For the Quarter	\$1,380,896		\$ 868,892	
Interest Year-To-Date	\$2,443,934		\$1,529,253	
Portfolio Average Yield:				
For the Quarter	1.34%		0.93%	
Year-To-Date	1.28%		0.87%	
Av. 91-Day Treasury Bill Rate:				
For the Quarter	1.56%		0.59%	
Year-To-Date	1.38%		0.51%	
Average Fed Funds Rate:				
For the Quarter	1.45%		0.70%	
Year-To-Date	1.33%		0.58%	

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 MARCH 31, 2018		AT MARCH 31, 2017	
	Book Value	%	Book Value	%
DEMAND DEPOSITS, INTEREST BEARING				
Pooled	55,194,732		53,588,557	
SRF Loan Debt Service	2,855,503		2,860,228	
SRF Loan Repayment Reserve	648,198		641,690	
2010 Water & Sewer Bonds - DS Reserve	2,989,981		3,216,853	
2010 Water & Sewer Bonds - Wells Fargo	295,151		293,707	
2015 Bch CRA Bonds Account	9,851,132		12,426,244	
2015 Bch CRA Bonds Acct Debt Svc Res	5,625,367		5,568,887	
2016A CAP IMP REV REF Bonds	4,526,581		7,043,787	
CRA Beach	28,473,151		0	
Hollywood Beach CRA	18,980,975		0	
Total Demand Deposits	129,440,771	31%	85,639,954	23%
U.S. INSTRUMENTALITIES:				
Pooled	55,000,000		55,000,000	
Total U.S. Instrumentalities	55,000,000	13%	55,000,000	14%
CERTIFICATE OF DEPOSIT:				
Pooled	142,930,510		134,090,915	
Total Certificate of Deposit	142,930,510	34%	134,090,915	35%
MONEY MARKET:				
Pooled	77,724,486		97,214,570	
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-EverBank	83,854		1,464,373	
CRA Downtown-EverBank	7,128,823		0	
Total Money Market	94,937,163	22%	108,678,943	28%
TOTAL INVESTMENTS	422,308,444	100%	383,409,812	100%

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

SCHEDULE 1A

INVESTMENT TYPE	AT MARCH 31, 2018		AT MARCH 31, 2017	
	Book Value	%	Book Value	%
POOLED INVESTMENTS:				
DEMAND DEPOSITS	55,194,732	13%	53,588,558	14%
U.S. INSTRUMENTALITIES	55,000,000	13%	55,000,000	14%
CERTIFICATE OF DEPOSIT	142,930,510	34%	134,090,915	35%
MONEY MARKET	77,724,486	18%	97,214,570	25%
Total Pooled Investments	330,849,728	78%	339,894,043	88%
RESTRICTED USE:				
DEMAND DEPOSITS				
SRF Loan Debt Service	2,855,503		2,860,228	
SRF Loan Repayment Reserve	648,198		641,690	
2010 Water & Sewer Bonds - DS Reserve	2,989,981		3,216,853	
2010 Water & Sewer Bonds - Wells Fargo	295,151		293,707	
2015 Bch CRA Bonds Account-FCB	9,851,132		12,426,244	
2015 Bch CRA Bonds Acct Debt Svc Res-FCB	5,625,367		5,568,887	
2016A CAP IMP REV REF Bonds-FCB	4,526,581		7,043,787	
CRA Beach-FCB	28,473,151		0	
Hollywood Beach CRA-Wells Fargo	18,980,975		0	
Total Demand Deposits	74,246,039	18%	32,051,396	9%
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-EverBank	83,854		1,464,373	
CRA Downtown-EverBank	7,128,823		-	
Total Money Market	17,212,677	4%	11,464,373	3%
Total Restricted Use	91,458,716	22%	43,515,769	12%
TOTAL INVESTMENTS	422,308,444	100%	383,409,812	100%

CITY OF HOLLYWOOD, FLORIDA
U.S. SECURITIES HELD AT MARCH 31, 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	9,886,090
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,946,340
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,894,250
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,926,600
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,903,045
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,869,600
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,838,170
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,264,095</u>
TOTAL U.S. SECURITIES				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,264,095</u>

CITY OF HOLLYWOOD, FLORIDA
INVESTMENT INCOME SUMMARY
AT MARCH 31, 2018

SCHEDULE 3

INVESTMENT TYPE	BALANCE AT 03/31/18	INTEREST INCOME				WEIGHTED AVG YLD	
		YTD 03/31/18	% OF TOTAL	QTR 03/31/18	% OF TOTAL	YTD* 03/31/18	QTD** 03/31/18
DEMAND DEPOSITS, INTEREST BEARING:							
Pooled (Wells Fargo)	41,276,507	261,248		179,908			
(TD Bank)	403,777	842		497			
Pooled (Florida Community Bank)	13,514,448	55,194,732	43,387	22,343			
SRF Loan Debt Service	2,855,503	12,348		6,605			
SRF Loan Repayment Reserve	648,198	3,852		2,028			
2010 Water Sewer Bonds - DS Reserve	2,989,981	17,772		9,356			
2010 Water Sewer Bonds - Wells Fargo	295,151	1,271		714			
2015 Bch CRA Bonds Account- FCB	9,851,132	61,148		31,357			
2015 Bch CRA Bonds Acct Debt Svc Res- FCB	5,625,367	33,435		17,602			
2016A CAP IMP REV REF Bonds- FCB	4,526,581	28,949		14,686			
CRA Beach-FCB	28,473,151	166,474		105,210			
CRA BCH-Wells Fargo	18,980,975	42,163		42,163			
Total Demand Deposits	129,440,771	672,891	27%	432,471	31%	0.335%	0.408%
U.S. INSTRUMENTALITIES:							
Pooled	55,000,000	382,591		190,583			
Total U.S. Instrumentalities	55,000,000	382,591	16%	190,583	14%	0.222%	0.194%
CERTIFICATE OF DEPOSIT;							
Pooled	142,930,510	854,829		460,984			
Total Certificate of Deposit	142,930,510	854,829	35%	460,984	33%	0.473%	0.472%
MONEY MARKET:							
Pooled (BankUnited)	17,242,200	83,818		54,027			
Pooled (City National Bank)	31,442,471	198,784		116,281			
2003 Water & Sewer Rate Stabilization Fund	10,000,000	60,076		31,186			
DT CRA Note 2015 Series- EverBank	83,854	3,135		800			
CRA Downtown-EverBank	7,128,823	32,412		23,385			
Pooled (EverBank)	13,975,192	76,800		34,094			
Pooled (Iberia f.k.a.Sabadell Bank)	15,064,623	78,598		37,085			
Total Money Market	94,937,163	533,623	22%	296,858	22%	0.253%	0.266%
TOTAL INVESTMENTS	422,308,444	2,443,934	100%	1,380,896	100%	1.283%	1.340%

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

BENCHMARKS (Average Rates):	YTD*	QTD**
91 Day Treasury Bill:	1.38%	1.56%
Fed Funds Rate:	1.33%	1.45%

*YTD - 10/01/17-03/31/18 **QTD - 01/01/18-03/31/18

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.

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.