

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

For the Quarter Ended March 31, 2019

**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, 2019 and March 31, 2018:

Investment Type	At 03/31/19		At 03/31/18	
	In Millions	% of Total	In Millions	% of Total
Demand Deposits	\$90.0	19%	\$129.4	31%
U.S. Instrumentalities	55.0	12%	55.0	13%
Certificate of Deposit	106.4	23%	142.9	34%
Money Market Account	82.1	18%	94.9	22%
LGIP	91.1	20%	0	0%
Overnight Sweep Repur Ag	36.9	8%	0	0%
	<u>\$461.4</u>	<u>100%</u>	<u>\$422.3</u>	<u>100%</u>
Av. Investment Bal For Quarter	\$468,466,580		\$422,478,134	
Interest For the Quarter	\$2,417,045		\$1,380,896	
Interest Year-To-Date	\$4,138,727		\$2,443,934	
Portfolio Average Yield:				
For the Quarter	2.18%		1.34%	
Year-To-Date	2.09%		1.28%	
Av. 91-Day Treasury Bill Rate:				
For the Quarter	2.39%		1.56%	
Year-To-Date	2.35%		1.38%	
Average Fed Funds Rate:				
For the Quarter	2.40%		1.45%	
Year-To-Date	2.31%		1.33%	

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, 2019		AT MARCH 31, 2018	
	Book Value	%	Book Value	%
DEMAND DEPOSITS, INTEREST BEARING				
Pooled	28,796,219		55,194,732	
SRF Loan Debt Service	3,504,833		2,855,503	
SRF Loan Repayment Reserve	660,784		648,198	
2010 Water & Sewer Bonds - DS Reserve	3,048,038		2,989,981	
2010 Water & Sewer Bonds - Wells Fargo	0		295,151	
2015 Bch CRA Bonds Account	6,345,385		9,851,132	
2015 Bch CRA Bonds Acct Debt Svc Res	5,734,596		5,625,367	
2016A CAP IMP REV REF Bonds	3,547,822		4,526,581	
CRA Beach	38,326,927		28,473,151	
Hollywood Beach CRA	0		18,980,975	
Total Demand Deposits	89,964,604	19%	129,440,771	31%
U.S. INSTRUMENTALITIES:				
Pooled	55,000,000		55,000,000	
Total U.S. Instrumentalities	55,000,000	12%	55,000,000	13%
CERTIFICATE OF DEPOSIT:				
Pooled	106,389,074		142,930,510	
Total Certificate of Deposit	106,389,074	23%	142,930,510	34%
MONEY MARKET:				
Pooled	61,271,537		77,724,486	
2003 Water & Sewer Rate Stabilization Fund	10,000,000		10,000,000	
DT CRA Note 2015 Series-TIAA Bank	0		83,854	
CRA Downtown-TIAA Bank	10,787,273		7,128,823	
Total Money Market	82,058,810	18%	94,937,163	22%
LOCAL GOVERNMENT INVESTMENT POOL (LGIP):				
Pooled	91,105,308		-	
Total LGIP	91,105,308	20%	-	0%
OVERNIGHT SWEEP REPURCHASE AGREEMENT:				
Sweep Master Concentration Acct (Wells Fargo)	21,319,957		-	
Sweep HWD Beach CRA (Wells Fargo)	15,535,715		-	
Total Overnight Sweep Repur Agre:	36,855,672	8%	-	0%
TOTAL INVESTMENTS	461,373,468	100%	422,308,444	100%

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

SCHEDULE 1A

INVESTMENT TYPE	AT MARCH 31, 2019		AT MARCH 31, 2018	
	Book Value	%	Book Value	%
POOLED INVESTMENTS:				
DEMAND DEPOSITS	28,796,219	6%	55,194,732	13%
U.S. INSTRUMENTALITIES	55,000,000	12%	55,000,000	13%
CERTIFICATE OF DEPOSIT	106,389,074	23%	142,930,510	34%
MONEY MARKET	61,271,537	13%	77,724,486	18%
LGIP	91,105,308	20%		
OVERNIGHT SWEEP REPUR AGREEMENT	21,319,957	5%		
Total Pooled Investments	363,882,095	79%	330,849,728	78%
RESTRICTED USE:				
DEMAND DEPOSITS				
SRF Loan Debt Service	3,504,833		2,855,503	
SRF Loan Repayment Reserve	660,784		648,198	
2010 Water & Sewer Bonds - DS Reserve	3,048,038		2,989,981	
2010 Water & Sewer Bonds - Wells Fargo	0		295,151	
2015 Bch CRA Bonds Account-FCB	6,345,385		9,851,132	
2015 Bch CRA Bonds Acct Debt Svc Res-FCB	5,734,596		5,625,367	
2016A CAP IMP REV REF Bonds-FCB	3,547,822		4,526,581	
CRA Beach-FCB	38,326,927		28,473,151	
Hollywood Beach CRA-Wells Fargo	0		18,980,975	
Total Demand Deposits	61,168,385	13%	74,246,039	18%
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	-		83,854	
CRA Downtown-TIAA Bank	10,787,273		7,128,823	
Total Money Market	20,787,273	5%	17,212,677	4%
OVERNIGHT SWEEP REPURCHASE AGREEMENT				
Sweep HWD Beach CRA (Wells Fargo)	15,535,715			
Total Overnight Sweep Repur Agree	15,535,715	3%		
Total Restricted Use	97,491,373	21%	91,458,716	22%
TOTAL INVESTMENTS	461,373,468	100%	422,308,444	100%

CITY OF HOLLYWOOD, FLORIDA
 U.S. SECURITIES HELD AT MARCH 31, 2019

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	9,985,179
Purchased FHLMC Note 06/14/16	06/14/19	1.280%	1.280%	5,000,000	5,000,000	4,988,270
Purchased FNMA Note 06/21/16	06/21/19	1.375%	1.375%	10,000,000	10,000,000	9,976,479
Purchased FHLMC Note 08/23/16	08/23/19	1.300%	1.300%	5,000,000	5,000,000	4,976,784
Purchased FFCB Note 10/24/16	10/24/19	1.210%	1.210%	5,000,000	5,000,000	4,968,342
Purchased FFCB Note 12/27/16	12/27/19	1.700%	1.700%	10,000,000	10,000,000	9,951,036
Purchased FHLMC Note 12/30/16	12/30/19	1.500%	1.500%	10,000,000	10,000,000	9,926,732
Total U.S. Instrumentalities				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,772,822</u>
TOTAL U.S. SECURITIES				<u>55,000,000</u>	<u>55,000,000</u>	<u>54,772,822</u>

CITY OF HOLLYWOOD, FLORIDA
INVESTMENT INCOME SUMMARY
AT MARCH 31, 2019

SCHEDULE 3

INVESTMENT TYPE	BALANCE AT 3/31/19	INTEREST INCOME		% OF TOTAL	WEIGHTED AVG YLD YTD* 3/31/19	QTD** 3/31/19
		YTD 3/31/19	% OF TOTAL			
DEMAND DEPOSITS, INTEREST BEARING:						
Pooled (Wells Fargo)	21,807,660	46,692	16%	16%	0.34%	0.35%
(TD Bank)	406,123	1,213				
Pooled (Florida Community Bank)	28,796,219	89,436				
SRF Loan Debt Service	6,582,436	35,955				
SRF Loan Repayment Reserve	660,784	6,828				
2010 Water Sewer Bonds - DS Reserve	3,048,038	31,496				
2015 Bch CRA Bonds Account- FCB	6,345,385	65,568				
2015 Bch CRA Bonds Acct Debt Svc Res- FCB	5,734,596	59,256				
2016A CAP IMP REV REF Bonds- FCB	3,547,822	36,660				
CRA Beach-FCB	38,326,927	288,571				
CRA BCH-Wells Fargo	0	0				
Total Demand Deposits	89,964,604	661,675	16%	16%	0.34%	0.35%
U.S. INSTRUMENTALITIES:						
Pooled	55,000,000	382,056				
Total U.S. Instrumentalities	55,000,000	382,056	9%	9%	0.13%	0.11%
CERTIFICATE OF DEPOSIT:						
Pooled	106,389,074	1,074,525				
Total Certificate of Deposit	106,389,074	1,074,525	26%	22%	0.49%	0.43%
MONEY MARKET:						
Pooled (BankUnited)	10,543,406	40,406				
Pooled (City National Bank)	24,208,015	195,844				
2003 Water & Sewer Rate Stabilization Fund	10,000,000	113,713				
CRA Downtown (TIAA Bank)	10,787,273	65,328				
Pooled (TIAA Bank)	800,350	9,021				
Pooled (Iberia Bank)	15,548,242	150,301				
Pooled (Leumi Bank)	10,171,524	98,343				
Total Money Market	82,058,810	672,955	16%	15%	0.33%	0.32%
LOCAL GOVERNMENT INVESTMENT POOL(LGIP):						
Pooled (FLCLASS)	91,105,308	857,641				
Total LGIP	91,105,308	857,641	21%	24%	0.53%	0.63%
OVERNIGHT SWEEP REPURCHASE AGREEMENT:						
Sweep Master Concentration Acct (Wells Fargo)	21,319,957	328,597				
Sweep HWD Beach CRA (Wells Fargo)	15,535,715	161,278				
Total Overnight Sweep Repur Agmt	36,855,672	489,875	12%	15%	0.27%	0.34%
TOTAL INVESTMENTS	461,373,468	4,138,727	100%	100%	2.09%	2.18%

BENCHMARKS (Average Rates):		
91 Day Treasury Bill:	YTD*	QTD**
	2.35%	2.39%
Fed Funds Rate:	2.31%	2.40%

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

*YTD - 10/01/18-03/31/19 **QTD - 01/01/19-03/31/19

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.