

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

For the Quarter Ended September 30, 2018

City of Hollywood, Florida

December 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 September 30, 2018 and September 30, 2017:

| <b>Investment Type</b>                | <b>At 09/30/18</b> |                   | <b>At 09/30/17</b> |                   |
|---------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                       | <b>In Millions</b> | <b>% of Total</b> | <b>In Millions</b> | <b>% of Total</b> |
| Demand Deposits                       | \$ 57.9            | 14%               | \$ 95.4            | 26%               |
| U.S. Instrumentalities                | 55.0               | 14%               | 55.0               | 15%               |
| Certificate of Deposit                | 125.5              | 31%               | 122.1              | 33%               |
| Money Market Account                  | 78.4               | 19%               | 97.9               | 26%               |
| LGIP                                  | 50.2               | 12%               | 0                  | 0%                |
| Overnight Sweep Repur Ag              | 30.9               | 10%               | 0                  | 0%                |
|                                       | <u>\$397.9</u>     | <u>100%</u>       | <u>\$370.4</u>     | <u>100%</u>       |
| <b>Av. Investment Bal For Quarter</b> |                    | \$405,315,548     |                    | \$378,402,421     |
| <b>Interest For the Quarter</b>       |                    | \$1,749,748       |                    | \$ 1,021,386      |
| <b>Interest Year-To-Date</b>          |                    | \$5,879,001       |                    | \$ 3,537,107      |
| <b>Portfolio Average Yield:</b>       |                    |                   |                    |                   |
| For the Quarter                       |                    | 1.70%             |                    | 1.10%             |
| Year-To-Date                          |                    | 1.47%             |                    | 0.97%             |
| <b>Av. 91-Day Treasury Bill Rate:</b> |                    |                   |                    |                   |
| For the Quarter                       |                    | 2.04%             |                    | 1.04%             |
| Year-To-Date                          |                    | 1.66%             |                    | 0.74%             |
| <b>Average Fed Funds Rate:</b>        |                    |                   |                    |                   |
| For the Quarter                       |                    | 1.92%             |                    | 1.15%             |
| Year-To-Date                          |                    | 1.58%             |                    | 0.81%             |

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 SEPTEMBER 30, 2018</b> |             | <b>AT SEPTEMBER 30, 2017</b> |             |
|---|------------------------------|-------------|------------------------------|-------------|
|   | <b>Book Value</b>            | <b>%</b>    | <b>Book Value</b>            | <b>%</b>    |
| <b>DEMAND DEPOSITS, INTEREST BEARING</b>        |                              |             |                              |             |
| Pooled  | 19,995,806                   |             | 58,211,394                   |             |
| SRF Loan Debt Service                           | 2,871,973                    |             | 2,859,406                    |             |
| SRF Loan Repayment Reserve                      | 653,956                      |             | 644,345                      |             |
| 2010 Water & Sewer Bonds - DS Reserve           | 3,016,542                    |             | 2,972,210                    |             |
| 2010 Water & Sewer Bonds - Wells Fargo          | 0                            |             | 294,594                      |             |
| 2015 Bch CRA Bonds Account                      | 6,279,818                    |             | 10,673,647                   |             |
| 2015 Bch CRA Bonds Acct Debt Svc Res            | 5,675,339                    |             | 5,591,932                    |             |
| 2016A CAP IMP REV REF Bonds                     | 3,511,162                    |             | 5,072,527                    |             |
| CRA Beach                                       | 15,878,103                   |             | 9,128,061                    |             |
| Hollywood Beach CRA                             | 0                            |             | 0                            |             |
| <b>Total Demand Deposits</b>                    | <b>57,882,699</b>            | <b>14%</b>  | <b>95,448,116</b>            | <b>26%</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>14%</b>  | <b>55,000,000</b>            | <b>15%</b>  |
| <b>CERTIFICATE OF DEPOSIT:</b>                  |                              |             |                              |             |
| Pooled  | 125,519,814                  |             | 122,090,915                  |             |
| <b>Total Certificate of Deposit</b>             | <b>125,519,814</b>           | <b>32%</b>  | <b>122,090,915</b>           | <b>33%</b>  |
| <b>MONEY MARKET:</b>                            |                              |             |                              |             |
| Pooled  | 64,067,439                   |             | 83,443,831                   |             |
| 2003 Water & Sewer Rate Stabilization Fund      | 10,000,000                   |             | 10,000,000                   |             |
| DT CRA Note 2015 Series-TIAA Bank               | 0                            |             | 1,256,662                    |             |
| CRA Downtown-TIAA Bank                          | 4,308,530                    |             | 3,203,046                    |             |
| <b>Total Money Market</b>                       | <b>78,375,969</b>            | <b>20%</b>  | <b>97,903,539</b>            | <b>26%</b>  |
| <b>LOCAL GOVERNMENT INVESTMENT POOL (LGIP):</b> |                              |             |                              |             |
| Pooled  | 50,247,667                   |             | -                            |             |
| <b>Total LGIP</b>                               | <b>50,247,667</b>            | <b>13%</b>  | <b>-</b>                     | <b>0%</b>   |
| <b>OVERNIGHT SWEEP REPURCHASE AGREEMENT:</b>    |                              |             |                              |             |
| Sweep Master Concentration Acct (Wells Fargo)   | 15,304,407                   |             | -                            |             |
| Sweep HWD Beach CRA (Wells Fargo)               | 15,572,594                   |             | -                            |             |
| <b>Total Overnight Sweep Repur Agree:</b>       | <b>30,877,001</b>            | <b>8%</b>   | <b>-</b>                     | <b>0%</b>   |
| <b>TOTAL INVESTMENTS</b>                        | <b>397,903,150</b>           | <b>100%</b> | <b>370,442,571</b>           | <b>100%</b> |

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

**SCHEDULE 1A**

| <u>INVESTMENT TYPE</u>                      | <u>AT SEPTEMBER 30, 2018</u> |             | <u>AT SEPTEMBER 30, 2017</u> |             |
|---|------------------------------|-------------|------------------------------|-------------|
|   | <u>Book Value</u>            | <u>%</u>    | <u>Book Value</u>            | <u>%</u>    |
| <b>POOLED INVESTMENTS:</b>                  |                              |             |                              |             |
| <b>DEMAND DEPOSITS</b>                      | 19,995,806                   | 5%          | 54,529,606                   | 12%         |
| <b>U.S. INSTRUMENTALITIES</b>               | 55,000,000                   | 14%         | 55,000,000                   | 13%         |
| <b>CERTIFICATE OF DEPOSIT</b>               | 125,519,814                  | 32%         | 122,090,915                  | 29%         |
| <b>MONEY MARKET</b>                         | 64,067,439                   | 16%         | 91,259,989                   | 22%         |
| <b>LGIP</b>                                 | 50,247,667                   | 13%         |                              |             |
| <b>OVERNIGHT SWEEP REPUR AGREEMENT</b>      | 15,304,407                   | 4%          |                              |             |
| <b>Total Pooled Investments</b>             | <u>330,135,133</u>           | <u>83%</u>  | <u>322,880,510</u>           | <u>76%</u>  |
| <b>RESTRICTED USE:</b>                      |                              |             |                              |             |
| <b>DEMAND DEPOSITS</b>                      |                              |             |                              |             |
| SRF Loan Debt Service                       | 2,871,973                    |             | 1,778,906                    |             |
| SRF Loan Repayment Reserve                  | 653,956                      |             | 646,170                      |             |
| 2010 Water & Sewer Bonds - DS Reserve       | 3,016,542                    |             | 2,980,625                    |             |
| 2010 Water & Sewer Bonds - Wells Fargo      | 0                            |             | 295,151                      |             |
| 2015 Bch CRA Bonds Account-FCB              | 6,279,818                    |             | 10,348,549                   |             |
| 2015 Bch CRA Bonds Acct Debt Svc Res-FCB    | 5,675,339                    |             | 5,607,765                    |             |
| 2016A CAP IMP REV REF Bonds-FCB             | 3,511,162                    |             | 5,001,679                    |             |
| CRA Beach-FCB                               | 15,878,103                   |             | 35,452,511                   |             |
| Hollywood Beach CRA-Wells Fargo             | 0                            |             | 18,957,639                   |             |
| <b>Total Demand Deposits</b>                | <u>37,886,893</u>            | 10%         | <u>81,068,995</u>            | 19%         |
| <b>U.S. INSTRUMENTALITIES</b>               |                              |             |                              |             |
| <b>Total U.S. Instrumentalities</b>         | <u>-</u>                     | 0%          | <u>-</u>                     | 0%          |
| <b>MONEY MARKET</b>                         |                              |             |                              |             |
| 2003 Water & Sewer Rate Stabilization Fund  | 10,000,000                   |             | 10,000,000                   |             |
| DT CRA Note 2015 Series-TIAA Bank           | -                            |             | 373,817                      |             |
| CRA Downtown-TIAA Bank                      | 4,308,530                    |             | 9,006,499                    |             |
| <b>Total Money Market</b>                   | <u>14,308,530</u>            | 3%          | <u>19,380,316</u>            | 5%          |
| <b>OVERNIGHT SWEEP REPURCHASE AGREEMENT</b> |                              |             |                              |             |
| Sweep HWD Beach CRA (Wells Fargo)           | 15,572,594                   |             |                              |             |
| <b>Total Overnight Sweep Repur Agree</b>    | <u>15,572,594</u>            | 4%          |                              |             |
| <b>Total Restricted Use</b>                 | <u>67,768,017</u>            | <u>17%</u>  | <u>100,449,311</u>           | <u>24%</u>  |
| <b>TOTAL INVESTMENTS</b>                    | <u>397,903,150</u>           | <u>100%</u> | <u>423,329,821</u>           | <u>100%</u> |

CITY OF HOLLYWOOD, FLORIDA  
U.S. SECURITIES HELD AT SEPTEMBER 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>      |
|--------------------------------|----------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>U.S. INSTRUMENTALITIES:</b> |                      |                             |                          |                          |                          |                          |
| Purchased FFCB Note 05/16/16   | 05/16/19             | 1.170%                      | 1.170%                   | 10,000,000               | 10,000,000               | 9,907,020                |
| Purchased FHLMC Note 06/14/16  | 06/14/19             | 1.280%                      | 1.280%                   | 5,000,000                | 5,000,000                | 4,956,265                |
| Purchased FNMA Note 06/21/16   | 06/21/19             | 1.375%                      | 1.375%                   | 10,000,000               | 10,000,000               | 9,918,080                |
| Purchased FHLMC Note 08/23/16  | 08/23/19             | 1.300%                      | 1.300%                   | 5,000,000                | 5,000,000                | 4,940,760                |
| Purchased FFCB Note 10/24/16   | 10/24/19             | 1.210%                      | 1.210%                   | 5,000,000                | 5,000,000                | 4,926,035                |
| Purchased FFCB Note 12/27/16   | 12/27/19             | 1.700%                      | 1.700%                   | 10,000,000               | 10,000,000               | 9,879,270                |
| Purchased FHLMC Note 12/30/16  | 12/30/19             | 1.500%                      | 1.500%                   | 10,000,000               | 10,000,000               | 9,847,340                |
| Total U.S. Instrumentalities   |                      |                             |                          | <u>55,000,000</u>        | <u>55,000,000</u>        | <u>54,374,770</u>        |
| <b>TOTAL U.S. SECURITIES</b>   |                      |                             |                          | <b><u>55,000,000</u></b> | <b><u>55,000,000</u></b> | <b><u>54,374,770</u></b> |

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

SCHEDULE 3

| INVESTMENT TYPE                                | BALANCE AT<br>9/30/18 | INTEREST INCOME  |               |                  |               | WEIGHTED AVG YLD |                  |
|--|-----------------------|------------------|---------------|------------------|---------------|------------------|------------------|
|  |                       | YTD<br>9/30/18   | % OF<br>TOTAL | QTR<br>9/30/18   | % OF<br>TOTAL | YTD*<br>9/30/18  | QTD**<br>9/30/18 |
| <b>DEMAND DEPOSITS, INTEREST BEARING:</b>      |                       |                  |               |                  |               |                  |                  |
| Pooled (Wells Fargo)                           | 1,340,737             | 483,955          |               | 69,066           |               |                  |                  |
| (TD Bank)                                      | 404,910               | 1,975            |               | 612              |               |                  |                  |
| Pooled (Florida Community Bank)                | 18,250,159            | 19,995,806       |               | 86,750           |               |                  |                  |
| SRF Loan Debt Service                          |                       | 2,871,973        |               | 7,329            |               |                  |                  |
| SRF Loan Repayment Reserve                     |                       | 653,956          |               | 2,987            |               |                  |                  |
| 2010 Water Sewer Bonds - DS Reserve            |                       | 3,016,542        |               | 13,780           |               |                  |                  |
| 2010 Water Sewer Bonds - Wells Fargo           |                       | 0                |               | 959              |               |                  |                  |
| 2015 Bch CRA Bonds Account- FCB                |                       | 6,279,818        |               | 35,566           |               |                  |                  |
| 2015 Bch CRA Bonds Acct Debt Svc Res- FCB      |                       | 5,675,339        |               | 25,926           |               |                  |                  |
| 2016A CAP IMP REV REF Bonds- FCB               |                       | 3,511,162        |               | 16,436           |               |                  |                  |
| CRA Beach-FCB                                  |                       | 15,878,103       |               | 74,120           |               |                  |                  |
| CRA BCH-Wells Fargo                            |                       | 0                |               | 55,784           |               |                  |                  |
| <b>Total Demand Deposits</b>                   | <b>57,882,699</b>     | <b>1,547,000</b> | <b>26%</b>    | <b>389,315</b>   | <b>22%</b>    | <b>0.39%</b>     | <b>0.38%</b>     |
| <b>U.S. INSTRUMENTALITIES:</b>                 |                       |                  |               |                  |               |                  |                  |
| Pooled   | 55,000,000            | 786,147          |               | 212,556          |               |                  |                  |
| <b>Total U.S. Instrumentalities</b>            | <b>55,000,000</b>     | <b>786,147</b>   | <b>13%</b>    | <b>212,556</b>   | <b>12%</b>    | <b>0.18%</b>     | <b>0.17%</b>     |
| <b>CERTIFICATE OF DEPOSIT:</b>                 |                       |                  |               |                  |               |                  |                  |
| Pooled   | 125,519,814           | 2,031,619        |               | 593,296          |               |                  |                  |
| <b>Total Certificate of Deposit</b>            | <b>125,519,814</b>    | <b>2,031,619</b> | <b>35%</b>    | <b>593,296</b>   | <b>34%</b>    | <b>0.52%</b>     | <b>0.56%</b>     |
| <b>MONEY MARKET:</b>                           |                       |                  |               |                  |               |                  |                  |
| Pooled (BankUnited)                            | 6,075,590             | 165,790          |               | 45,750           |               |                  |                  |
| Pooled (City National Bank)                    | 21,715,983            | 424,720          |               | 111,920          |               |                  |                  |
| 2003 Water & Sewer Rate Stabilization Fund     | 10,000,000            | 142,652          |               | 42,688           |               |                  |                  |
| DT CRA Note 2015 Series (TIAA Bank)            | 0                     | 3,214            |               | 15               |               |                  |                  |
| CRA Downtown (TIAA Bank)                       | 4,308,530             | 75,817           |               | 20,959           |               |                  |                  |
| Pooled (TIAA Bank)                             | 804,743               | 93,401           |               | 2,863            |               |                  |                  |
| Pooled (Iberia Bank)                           | 25,397,941            | 270,972          |               | 107,826          |               |                  |                  |
| Pooled (Leumi Bank)                            | 10,073,182            | 73,182           |               | 49,347           |               |                  |                  |
| <b>Total Money Market</b>                      | <b>78,375,969</b>     | <b>1,249,748</b> | <b>21%</b>    | <b>381,368</b>   | <b>22%</b>    | <b>0.30%</b>     | <b>0.38%</b>     |
| <b>LOCAL GOVERNMENT INVESTMENT POOL(LGIP):</b> |                       |                  |               |                  |               |                  |                  |
| Pooled (FLCLASS)                               | 50,247,667            | 247,667          |               | 156,393          |               |                  |                  |
| <b>Total LGIP</b>                              | <b>50,247,667</b>     | <b>247,667</b>   | <b>4%</b>     | <b>156,393</b>   | <b>9%</b>     | <b>0.04%</b>     | <b>0.20%</b>     |
| <b>OVERNIGHT SWEEP REPURCHASE AGREEMENT:</b>   |                       |                  |               |                  |               |                  |                  |
| Sweep Master Concentration Acct (Wells Fargo)  | 15,304,407            | 3,473            |               | 3,473            |               |                  |                  |
| Sweep HWD Beach CRA (Wells Fargo)              | 15,572,594            | 13,347           |               | 13,347           |               |                  |                  |
| <b>Total Overnight Sweep Repur Agmt</b>        | <b>30,877,001</b>     | <b>16,820</b>    | <b>1%</b>     | <b>16,820</b>    | <b>1%</b>     | <b>0.00%</b>     | <b>0.01%</b>     |
| <b>TOTAL INVESTMENTS</b>                       | <b>397,903,150</b>    | <b>5,879,001</b> | <b>100%</b>   | <b>1,749,748</b> | <b>100%</b>   | <b>1.43%</b>     | <b>1.70%</b>     |

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

| <b>BENCHMARKS (Average Rates):</b> | <b>YTD*</b> | <b>QTD**</b> |
|------------------------------------|-------------|--------------|
| 91 Day Treasury Bill:              | 1.66%       | 2.04%        |
| Fed Funds Rate:                    | 1.58%       | 1.92%        |

\*YTD - 10/01/17-09/30/18 \*\*QTD - 07/01/18-09/30/18

## 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)**- An investment by local governments in which their money is pooled as a method for managing local funds, (i.e., Florida State Board of Administration's Florida Prime Fund).

**Overnight Sweep Repurchase Agreement**- Maximize interest income by sweeping funds from an account into an overnight investment. After credits and debits have been processed and target balance requirements are met, the remaining collected balance is invested.

**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.