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

For the Quarter Ended December 31, 2012

City of Hollywood, Florida

February 2013

**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, 2012 and December 31, 2011:

<u>Investment Type</u>	<u>At 12/31/12</u>		<u>At 12/31/11</u>	
	<u>In Millions</u>	<u>% of Total</u>	<u>In Millions</u>	<u>% of Total</u>
Demand Deposits	\$200.4	74%	\$201.8	73%
U.S. Instrumentalities	16.0	6%	19.0	7%
Certificate of Deposit	10.0	4%	10.0	4%
Money Market Account	<u>42.8</u>	<u>16%</u>	<u>45.4</u>	<u>16%</u>
	\$269.2	100%	\$276.2	100%
<b>Av. Investment Bal For Quarter</b>	\$234,731,438		\$229,175,036	
<b>Interest For the Quarter</b>	\$116,216		\$ 121,369	
<b>Interest Year-To-Date</b>	\$116,216		\$ 121,369	
<b>Portfolio Average Yield:</b>				
For the Quarter		0.22%		0.24%
Year-To-Date		0.22%		0.24%
<b>Av. 91-Day Treasury Bill Rate:</b>				
For the Quarter		0.09%		0.01%
Year-To-Date		0.09%		0.01%
<b>Average Fed Funds Rate:</b>				
For the Quarter		0.16%		0.07%
Year-To-Date		0.16%		0.07%

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. The City achieved this goal for the first quarter.

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 DECEMBER 31, 2012</u>		<u>AT DECEMBER 31, 2011</u>	
	<u>Book Value</u>	<u>%</u>	<u>Book Value</u>	<u>%</u>
DEMAND DEPOSITS	200,366,325	74%	201,807,075	73%
U.S. INSTRUMENTALITIES	15,999,083	6%	19,000,367	7%
CERTIFICATE OF DEPOSIT	10,000,000	4%	10,000,000	4%
MONEY MARKET	<u>42,832,345</u>	<u>16%</u>	<u>45,342,810</u>	<u>16%</u>
TOTAL INVESTMENTS	<u>\$ 269,197,753</u>	<u>100%</u>	<u>\$ 276,150,252</u>	<u>100%</u>

CITY OF HOLLYWOOD, FLORIDA  
 U.S. SECURITIES HELD AT DECEMBER 31, 2012

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 09/06/11	09/06/13	0.375%	0.375%	3,000,000	3,000,000	3,003,960
Purchased FFCB Note 04/16/12	04/16/14	0.410%	0.410%	5,000,000	5,000,000	5,004,220
Purchased FFCB Note 06/28/12	06/19/14	0.350%	0.370%	3,000,000	2,999,083	3,000,078
Purchased FFCB Note 09/25/12	09/25/14	0.270%	0.270%	5,000,000	5,000,000	5,003,165
Total U.S. Instrumentalities				16,000,000	15,999,083	16,011,423
<b>TOTAL U.S. SECURITIES</b>				<u>16,000,000</u>	<u>15,999,083</u>	<u>16,011,423</u>

CITY OF HOLLYWOOD, FLORIDA  
 INVESTMENT INCOME SUMMARY  
 AT DECEMBER 31, 2012

SCHEDULE 3

<u>INVESTMENT TYPE</u>	<u>BALANCE AT 12/31/12</u>	<u>INTEREST INCOME</u>		<u>WEIGHTED AVG YLD</u>	
		<u>FOR YEAR 12/31/12</u>	<u>FOR QUARTER 12/31/12</u>	<u>YTD* 12/31/12</u>	<u>QTD** 12/31/12</u>
DEMAND DEPOSITS	\$ 200,366,325	\$ 76,941	\$ 76,941	0.200%	0.200%
U.S. INSTRUMENTALITIES	15,999,083	14,349	14,349	0.352%	0.352%
CERTIFICATE OF DEPOSIT	10,000,000	15,123	15,123	0.600%	0.600%
MONEY MARKET	<u>42,832,345</u>	<u>9,803</u>	<u>9,803</u>	0.130%	0.130%
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 269,197,753</u></b>	<b><u>\$ 116,216</u></b>	<b><u>\$ 116,216</u></b>	<b><u>0.215%</u></b>	<b><u>0.215%</u></b>

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

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

<b>BENCHMARKS (Average Rates):</b>	<b>YTD*</b>	<b>QTD**</b>
91 Day Treasury Bill:	0.09%	0.09%
Fed Funds Rate:	0.16%	0.16%

**CITY OF HOLLYWOOD, FLORIDA**  
**SCHEDULE 4: INVESTMENT REPORT GLOSSARY**

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**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.