

Children's Services Council

Finance Committee Meeting

Thursday, February 27, 2020, 3:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Thomas Bean, CSC and CSC Finance Committee Chair
Tom Weber, CSC Chair and CSC Finance Committee Vice-chair
Paul Dumars, Director Financial Services, Solid Waste Authority
John Marino, Volunteer

CSC Staff:

Lisa Williams-Taylor, Ph.D., Chief Executive Officer
Debra Heim, Chief Financial Officer
Debra Gotlib, General Counsel and Chief of Legislative Affairs
Elsa Sanchez, Senior Executive Assistant

Other:

Richard Pengelly, PFM Asset Management LLC

Agenda Items:

1. Quarterly Investment Report - December 31, 2019
2. Investment Policy regarding Intergovernmental Pools/Local Government Investment Pools (LGIPs)
3. Minutes – January 30, 2020
4. Financial Statements – December 31, 2019
5. Budget Assumptions FY 2020-2021

Adjournment

Next Meeting: March 19, 2020, 3:30p.m.

AGENDA ITEM: 1

TITLE: Quarterly Investment Report – December 31, 2019

STAFF: Debra Heim, Chief Financial Officer, Children’s Services Council of Palm Beach County

Richard Pengelly, Director, PFM Asset Management, LLC

SUMMARY:

On a quarterly basis, CSC’s investment policy requires the following information be provided to the Finance Committee:

1. A listing of individual securities held at the end of the reporting period
2. Percentage of available funds represented by each investment type
3. Coupon, discount or earning rate, total return performance (if applicable)
4. Average life or duration and final maturity of all investments
5. Par value, and market value

RECOMMENDATION:

For Informational purposes only, no action required.



Investment Performance Review For the Quarter Ended December 31, 2019

Investment Advisors

Steven Alexander, CTP, CGFO, CPPT, Managing Director
Giancarlo Morales-Belletti, Portfolio Manager
Richard Pengelly, CFA, CTP, Director
Sean Gannon, CTP, Senior Analyst

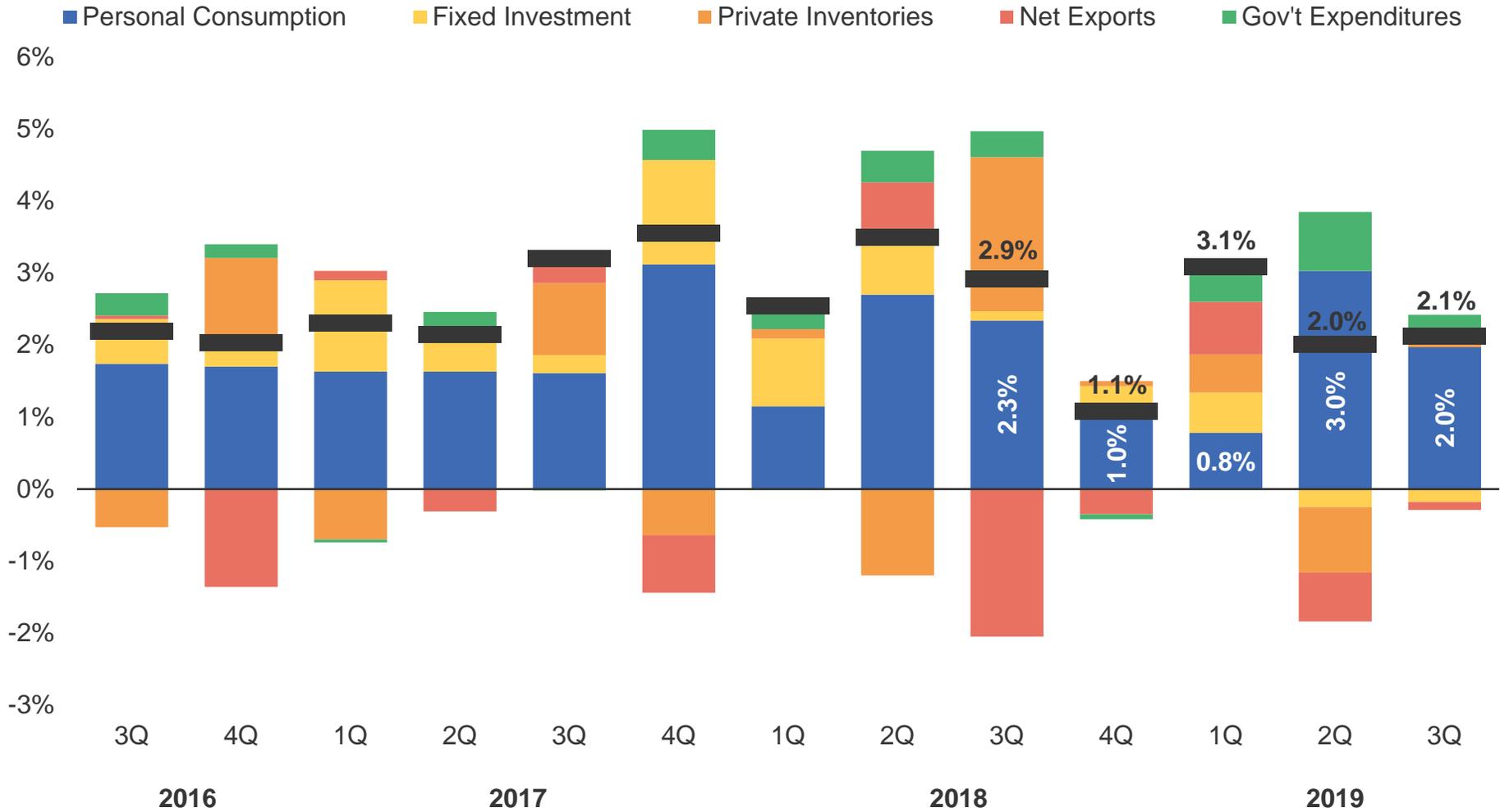
PFM Asset Management LLC

213 Market Street
Harrisburg, PA 17101
717.232.2723
717.233.6073 fax

300 South Orange Avenue
Suite 1170
Orlando, FL 32801
407.648.2208
407.648.1323 fax

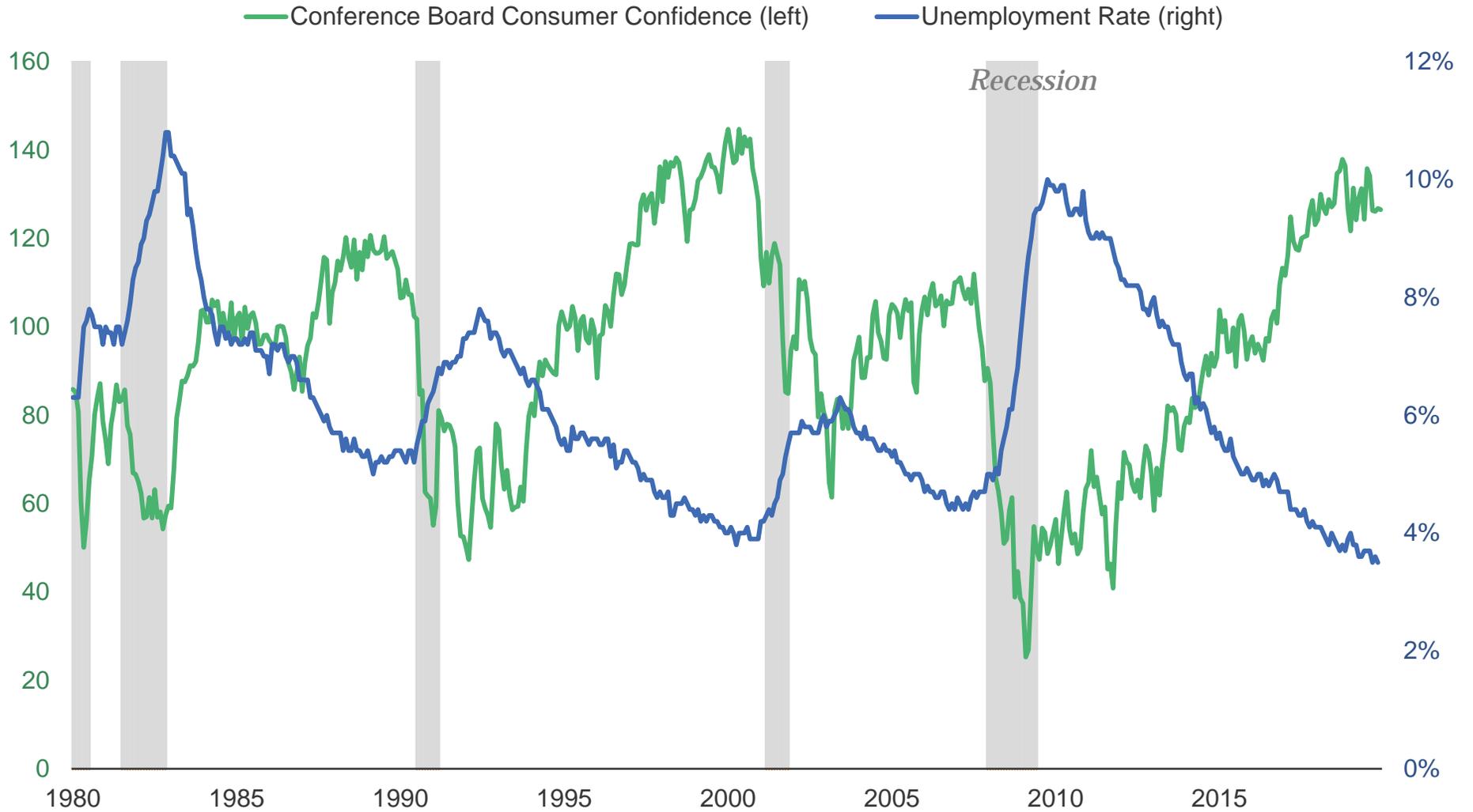
The Consumer Remains the Main Driver of Economic Growth

Components of U.S. GDP



Source: Bureau of Economic Analysis.

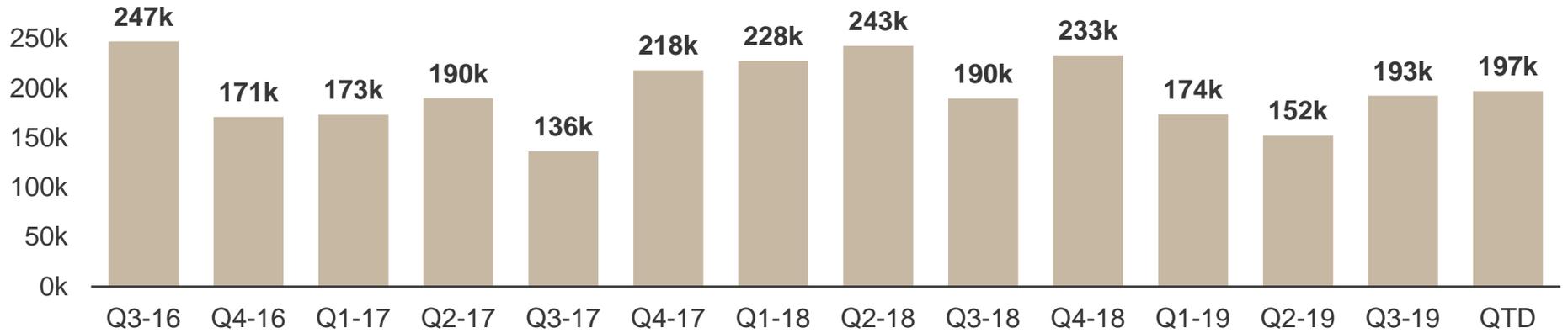
Falling Unemployment Supports Improved Consumer Confidence



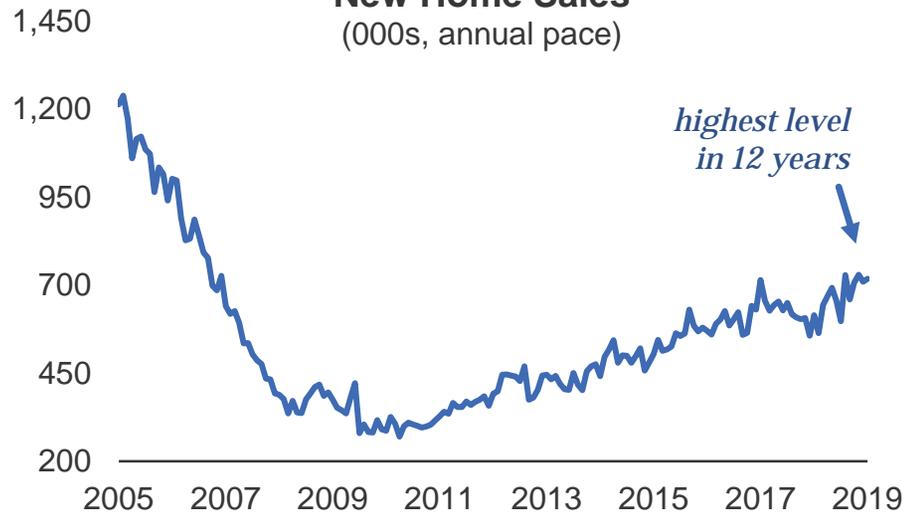
Source: Bloomberg, as of December 31, 2019.

Improving Economic Data Supports the Fed's Hold

Average Monthly Job Growth



New Home Sales (000s, annual pace)



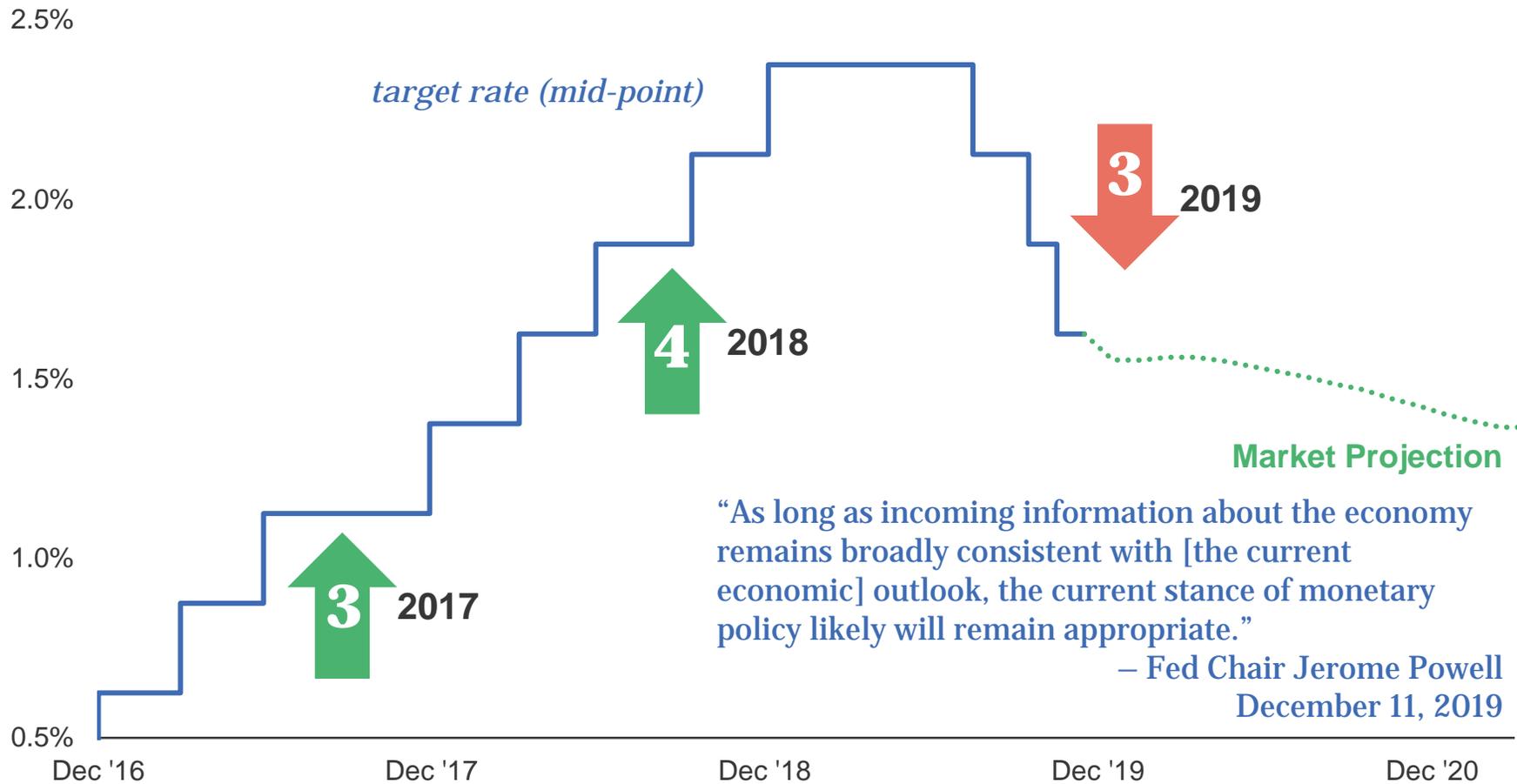
Markit Manufacturing Activity Index



Source: Bloomberg, as of December 31, 2019. QTD includes data for October and November.

The Fed Signals It Is Likely on Hold for an Extended Period of Time

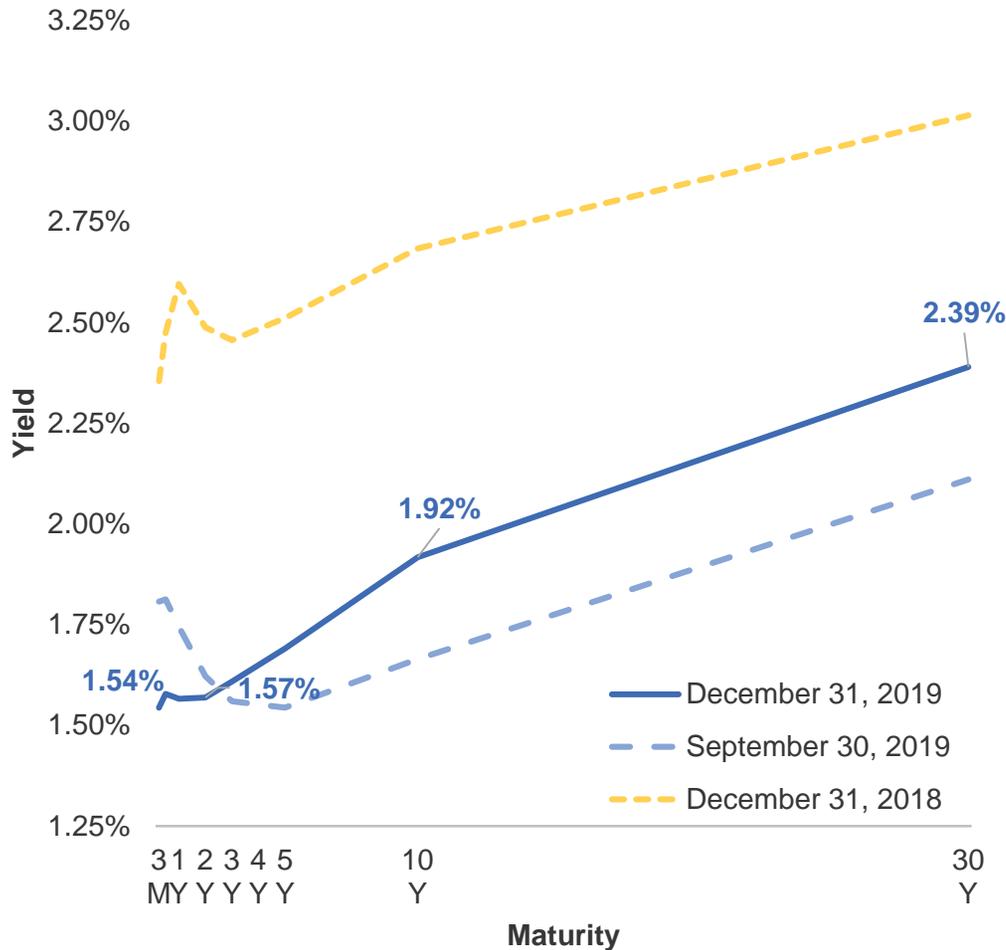
Federal Reserve Target Overnight Rate



Source: Bloomberg. Market Projection as of December 31, 2019.

Yields Fell in 2019 and the Curve Steepened in the Fourth Quarter

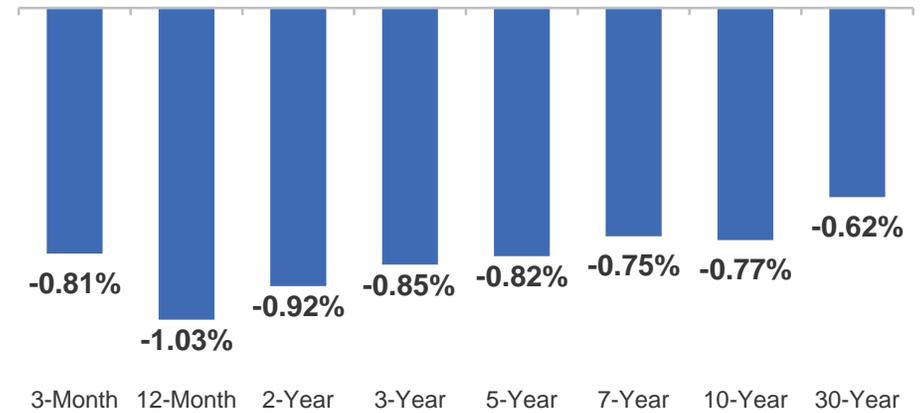
U.S. Treasury Yield Curve



Q4 Change in Yield



YTD Change in Yield



Source: Bloomberg, as of December 31, 2019.

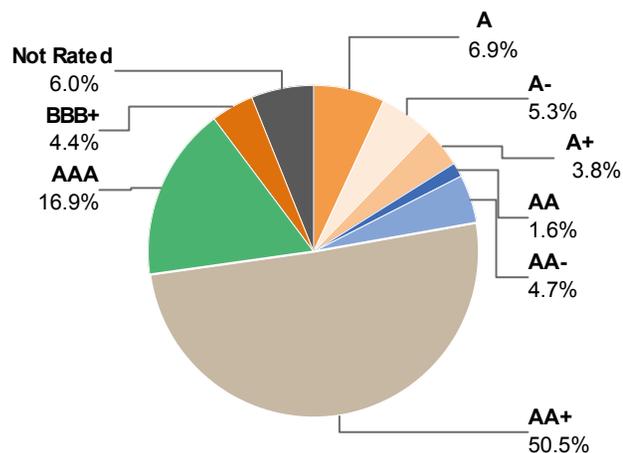
- The Council's Core Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/CMO, mortgage-backed, asset-backed, municipal, and corporate securities.
- The Core Portfolio's quarterly performance of 0.53% outperformed its benchmark performance of 0.51% by 0.02%. For the year, the Portfolio returned 4.05% compared to 3.55% for the benchmark.
- Following three consecutive Fed rate cuts, we continued to maintain portfolio durations in line with benchmarks for the quarter as market expectations called for stable rates well into 2020.
- PFM maintained broad diversification across all permitted fixed income sectors. Although most sector spread levels were on the tighter end of their recent trading history, the incremental income was generally additive to performance in a range-bound interest rate environment in the fourth quarter.
- We expect the Fed to remain on hold for an extended period and rates to remain mostly range-bound in the near-term. As a result, we plan to continue a duration-neutral strategy relative to benchmarks.
- We continued to de-emphasize agencies and supranationals, generally reducing allocations in favor of other sectors. Value in federal agency and supranational issuers remained extremely limited, largely on scarce supply. Spreads remained near historically tight levels, capping both sectors' excess returns in Q4. In some instances, agencies were trading at yields less than similar maturity Treasuries. We also largely avoided callable agencies during the quarter as early redemption risk remained elevated.
- Short-term investors found opportunities from wider spreads on money market credit investments (commercial paper). Increased allocations to the sector at attractive levels helped cushion the impact of the Fed's lower overnight target rate.

Portfolio Statistics

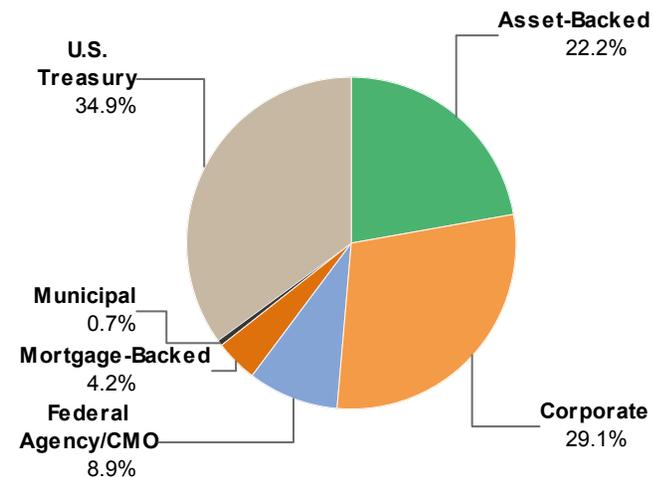
As of December 31, 2019

Par Value:	\$24,911,147
Total Market Value:	\$25,247,738
Security Market Value:	\$25,149,750
Accrued Interest:	\$97,989
Cash:	-
Amortized Cost:	\$24,853,821
Yield at Market:	1.87%
Yield at Cost:	2.59%
Effective Duration:	1.82 Years
Duration to Worst:	1.90 Years
Average Maturity:	2.82 Years
Average Credit: *	AA

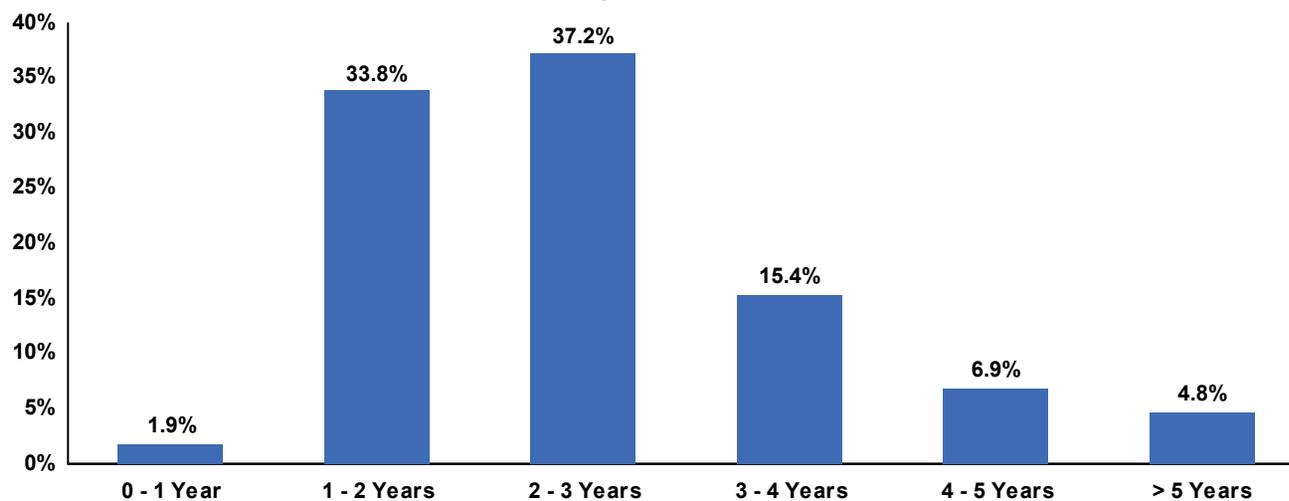
Credit Quality (S&P Ratings)



Sector Allocation



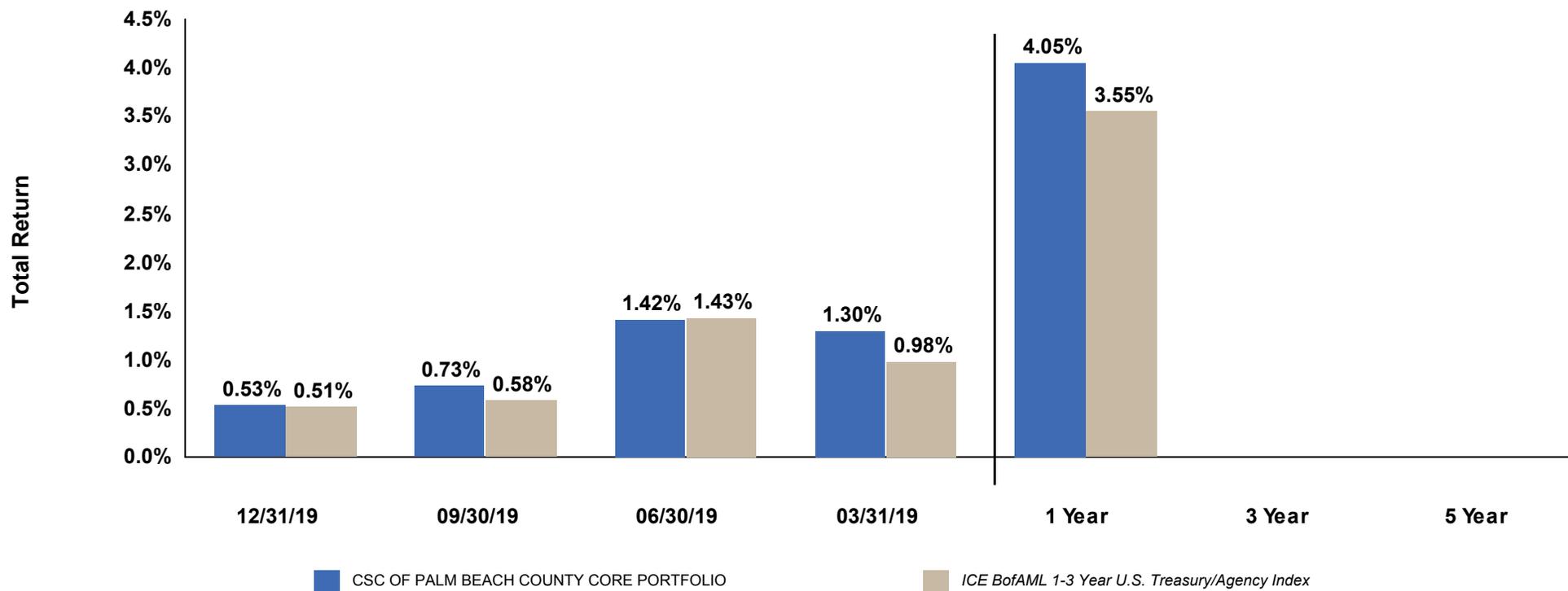
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

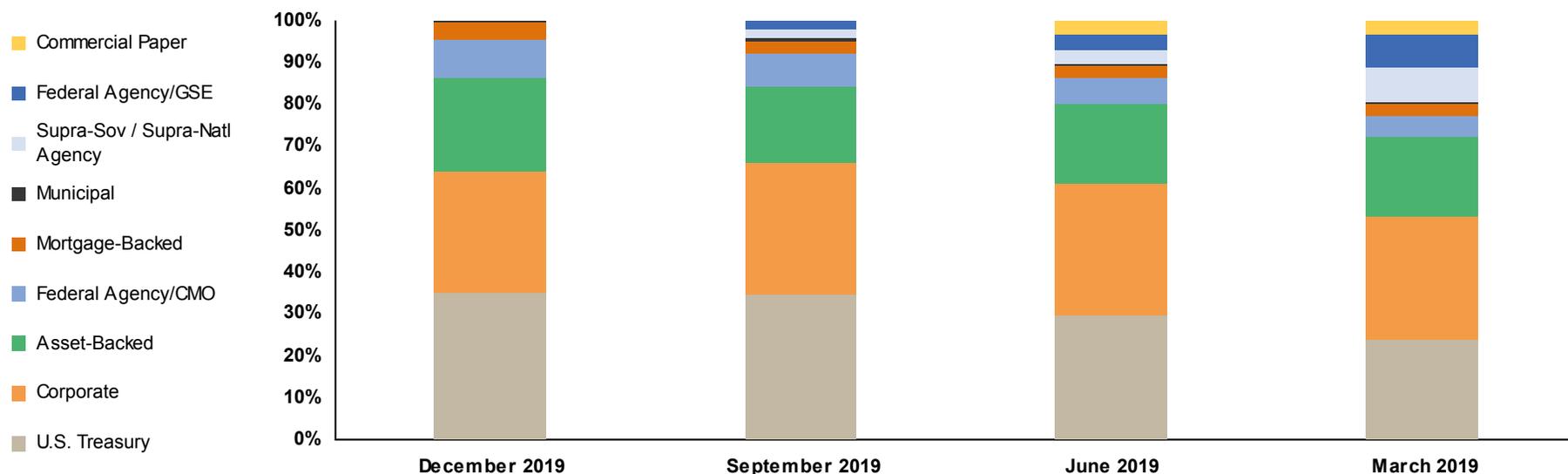
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		12/31/19	09/30/19	06/30/19	03/31/19		3 Year	5 Year
CSC OF PALM BEACH COUNTY CORE PORTFOLIO	1.82	0.53%	0.73%	1.42%	1.30%	4.05%	-	-
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	1.79	0.51%	0.58%	1.43%	0.98%	3.55%	-	-
Difference		0.02%	0.15%	-0.01%	0.32%	0.50%	-	-



Portfolio performance is gross of fees unless otherwise indicated.

Sector Allocation

Sector	December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	8.8	34.9%	11.8	34.6%	10.3	29.7%	8.3	24.0%
Corporate	7.3	29.1%	10.8	31.5%	10.8	31.2%	10.1	29.2%
Asset-Backed	5.6	22.2%	6.1	18.0%	6.6	19.1%	6.6	19.1%
Federal Agency/CMO	2.2	8.9%	2.8	8.1%	2.1	6.2%	1.7	4.8%
Mortgage-Backed	1.1	4.2%	1.0	2.9%	0.9	2.7%	1.0	2.9%
Municipal	0.2	0.7%	0.2	0.5%	0.2	0.5%	0.2	0.5%
Supra-Sov / Supra-Natl Agency	0.0	0.0%	0.8	2.4%	1.2	3.5%	2.8	8.1%
Commercial Paper	0.0	0.0%	0.0	0.0%	1.2	3.6%	1.2	3.6%
Federal Agency/GSE	0.0	0.0%	0.7	2.0%	1.2	3.5%	2.7	7.8%
Total	\$25.1	100.0%	\$34.2	100.0%	\$34.5	100.0%	\$34.5	100.0%



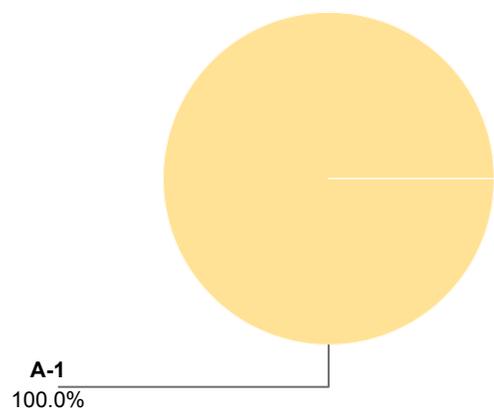
Detail may not add to total due to rounding.

Portfolio Statistics

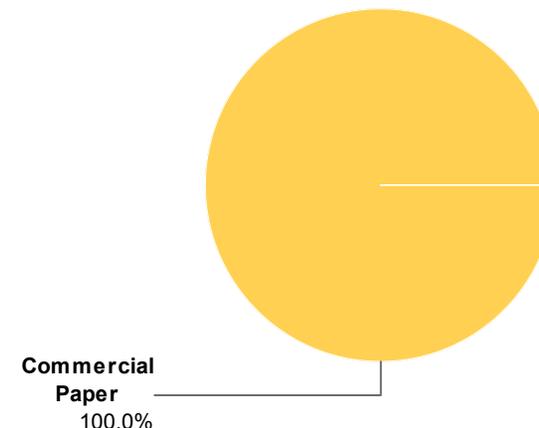
As of December 31, 2019

Par Value:	\$9,000,000
Total Market Value:	\$14,331,680
Security Market Value:	\$8,920,761
Accrued Interest:	-
Cash:	\$5,410,919
Amortized Cost:	\$8,922,257
Yield at Market:	1.91%
Yield at Cost:	1.89%
Effective Duration:	0.45 Years
Duration to Worst:	0.45 Years
Average Maturity:	0.46 Years
Average Credit: *	A

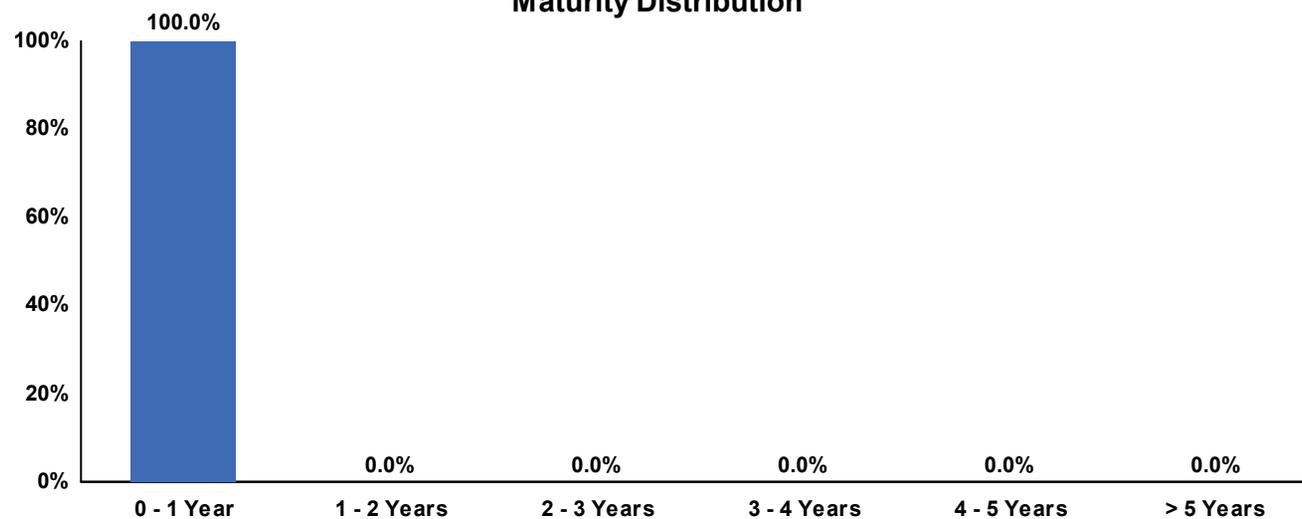
Credit Quality (S&P Ratings)



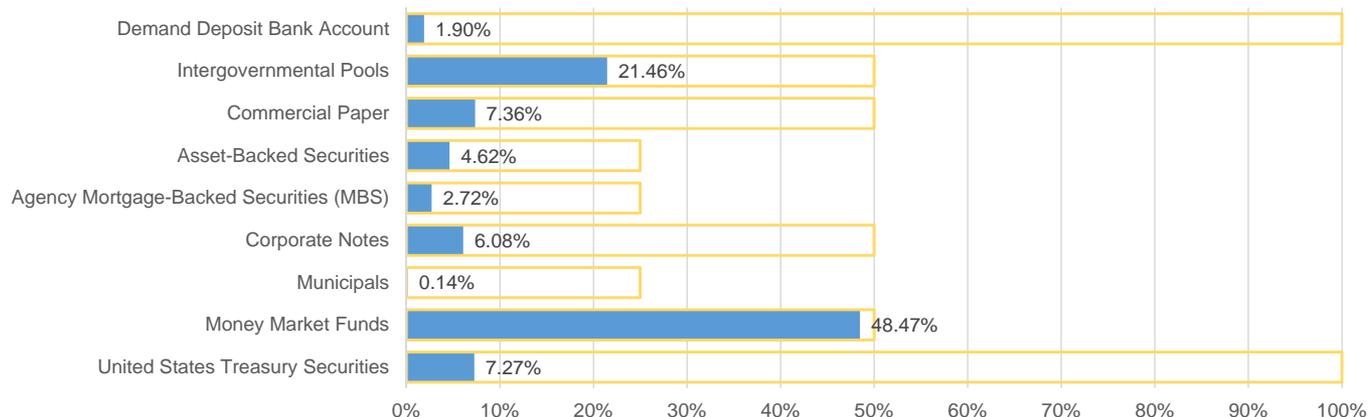
Sector Allocation



Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.



Security Type	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
United States Treasury Securities	8,811,629.14	7.27%	100%	Yes
Federal Agency	-	-	80%	Yes
Suprationals	-	-	25%	Yes
Corporate Notes	7,368,451.49	6.08%	50%	Yes
Municipals	173,146.70	0.14%	25%	Yes
Agency Mortgage-Backed Securities (MBS)	3,294,206.80	2.72%	25%	Yes
Asset-Backed Securities	5,600,304.23	4.62%	25%	Yes
Non-Negotiable Interest Bearing Time Certificates of Deposit and Savings Accounts	-	-	50%	Yes
Demand Deposit Bank Account	2,301,550.00	1.90%	100%	Yes
Commercial Paper	8,920,761.00	7.36%	50%	Yes
Repurchase Agreements	-	-	40%	Yes
Money Market Funds	58,777,497.56	48.47%	50%	Yes
Intergovernmental Pools	26,028,141.36	21.46%	50%	Yes

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Asset Allocation

Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
ASSET-BACKED	ALLY AUTO RECEIVABLES TRUST	116,568.95	0.10%	5%	Yes
ASSET-BACKED	CAPITAL ONE MULTI-ASSET EXECUT	629,173.31	0.52%	5%	Yes
ASSET-BACKED	CITIBANK CREDIT CARD ISSUANCE	407,208.93	0.34%	5%	Yes
ASSET-BACKED	CNH EQUIPMENT TRUST	603,757.07	0.50%	5%	Yes
ASSET-BACKED	GM FINANCIAL AUTO LEASING TRUST	210,747.74	0.17%	5%	Yes
ASSET-BACKED	GM FINANCIAL SECURITIZED TERM	640,044.10	0.53%	5%	Yes
ASSET-BACKED	HONDA AUTO RECEIVABLES OWNER T	368,872.19	0.30%	5%	Yes
ASSET-BACKED	HYUNDAI AUTO RECEIVABLES TRUST	132,125.52	0.11%	5%	Yes
ASSET-BACKED	NISSAN AUTO RECEIVABLES OWNER	309,543.34	0.26%	5%	Yes
ASSET-BACKED	TOYOTA AUTO RECEIVABLES OWNER	393,864.63	0.32%	5%	Yes
ASSET-BACKED	WORLD OMNI AUTO RECEIVABLES TR	529,780.75	0.44%	5%	Yes
ASSET-BACKED	BMW VEHICLE LEASE TRUST	55,554.86	0.05%	5%	Yes
ASSET-BACKED	CARMAX AUTO OWNER TRUST	228,720.98	0.19%	5%	Yes
ASSET-BACKED	MERCEDES-BENZ AUTO RECEIVABLES	262,909.36	0.22%	5%	Yes
ASSET-BACKED	FORD CREDIT AUTO LEASE TRUST	166,387.30	0.14%	5%	Yes
ASSET-BACKED	DISCOVER CARD EXECUTION NOTE TRUST	380,103.10	0.31%	5%	Yes
ASSET-BACKED	VERIZON OWNER TRUST	164,942.10	0.14%	5%	Yes
CORPORATE NOTE	AMERICAN HONDA FINANCE	343,025.61	0.28%	5%	Yes
CORPORATE NOTE	APPLE INC	323,802.33	0.27%	5%	Yes
CORPORATE NOTE	BRANCH BANKING & TRUST	443,444.55	0.37%	5%	Yes
CORPORATE NOTE	CHEVRON CORP	393,486.60	0.32%	5%	Yes
CORPORATE NOTE	CITIGROUP INC	394,057.93	0.32%	5%	Yes
CORPORATE NOTE	GOLDMAN SACHS GROUP INC	253,202.06	0.21%	5%	Yes
CORPORATE NOTE	MORGAN STANLEY	454,175.56	0.37%	5%	Yes
CORPORATE NOTE	TOYOTA MOTOR CREDIT CORP	347,893.96	0.29%	5%	Yes
CORPORATE NOTE	JOHN DEERE CAPITAL CORP	203,338.21	0.17%	5%	Yes
CORPORATE NOTE	IBM CORP	251,860.50	0.21%	5%	Yes
CORPORATE NOTE	JPMORGAN CHASE & CO	255,731.99	0.21%	5%	Yes
CORPORATE NOTE	PNC BANK NA	249,065.36	0.21%	5%	Yes
CORPORATE NOTE	CHARLES SCHWAB CORP	301,820.14	0.25%	5%	Yes
CORPORATE NOTE	STATE STREET CORPORATION	251,087.00	0.21%	5%	Yes
CORPORATE NOTE	US BANK NA CINCINNATI	170,281.05	0.14%	5%	Yes
CORPORATE NOTE	UNILEVER CAPITAL CORP	222,259.91	0.18%	5%	Yes
CORPORATE NOTE	3M COMPANY	278,903.18	0.23%	5%	Yes
CORPORATE NOTE	CISCO SYSTEMS	301,762.58	0.25%	5%	Yes
CORPORATE NOTE	PACCAR FINANCIAL CORP	255,277.58	0.21%	5%	Yes
CORPORATE NOTE	CATERPILLAR FINANCIAL SERVICES CORP	51,608.05	0.04%	5%	Yes
CORPORATE NOTE	AMAZON.COM INC	168,650.17	0.14%	5%	Yes
CORPORATE NOTE	WELLS FARGO & COMPANY	253,827.75	0.21%	5%	Yes
CORPORATE NOTE	MELLON BANK	242,926.27	0.20%	5%	Yes

Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
CORPORATE NOTE	PFIZER INC	97,817.00	0.08%	5%	Yes
CORPORATE NOTE	BOEING CO	137,286.02	0.11%	5%	Yes
CORPORATE NOTE	HONEYWELL INTERNATIONAL	55,976.11	0.05%	5%	Yes
CORPORATE NOTE	EXXON MOBIL CORP	305,566.83	0.25%	5%	Yes
CORPORATE NOTE	BANK OF NY MELLON CORP	50,457.12	0.04%	5%	Yes
CORPORATE NOTE	BURLINGTN NORTH SANTA FE	56,812.44	0.05%	5%	Yes
CORPORATE NOTE	ORACLE CORP	176,345.66	0.15%	5%	Yes
CORPORATE NOTE	NORTHERN TRUST COMPANY	76,701.97	0.06%	5%	Yes
MBS / CMO	FANNIE MAE	669,724.68	0.55%	40%	Yes
MBS / CMO	FHLMC MULTIFAMILY STRUCTURED P	1,687,751.50	1.39%	40%	Yes
MBS / CMO	FREDDIE MAC	664,166.09	0.55%	40%	Yes
MBS / CMO	FANNIEMAE-ACES	272,564.53	0.22%	40%	Yes
US TSY BOND/NOTE	UNITED STATES TREASURY	8,811,629.14	7.27%	100%	Yes
MUNI BOND/NOTE	NEW YORK CITY NY TRANS FIN AUTH REVENUE	173,146.70	0.14%	5%	Yes
COMMERCIAL PAPER	MUFG BANK LTD/NY	2,973,420.00	2.45%	5%	Yes
COMMERCIAL PAPER	CREDIT AGRICOLE CIB NY	2,974,353.00	2.45%	5%	Yes
COMMERCIAL PAPER	NATIXIS NY BRANCH	2,972,988.00	2.45%	5%	Yes
DEMAND DEPOSIT BANK ACCOUNT	WELLS FARGO OPERATING ACCOUNT	2,301,550.00	1.90%	100%	Yes
MNY MKT/MUTUAL FND	SYNOVUS MONEY MARKET	53,366,579.00	44.00%	25%	No
MNY MKT/MUTUAL FND	CASH BALANCE	5,410,918.56	4.46%	25%	Yes
INTERGOVERNMENTAL POOLS	FL PALM	26,028,141.36	21.46%	25%	Yes

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	550,000.00	AA+	Aaa	6/4/2018	6/6/2018	540,009.76	2.64	961.75	545,174.94	553,029.40
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	435,000.00	AA+	Aaa	7/2/2018	7/5/2018	415,458.99	2.66	2,047.93	424,745.44	431,754.47
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	400,000.00	AA+	Aaa	2/11/2019	2/12/2019	387,171.88	2.47	1,883.15	391,689.26	397,015.60
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	1,365,000.00	AA+	Aaa	12/4/2018	12/6/2018	1,333,754.29	2.83	4,650.00	1,345,013.18	1,375,184.27
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	170,000.00	AA+	Aaa	9/27/2019	10/1/2019	170,325.39	1.66	260.11	170,289.34	170,524.62
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	400,000.00	AA+	Aaa	6/3/2019	6/5/2019	398,968.75	1.86	612.02	399,203.01	401,234.40
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	400,000.00	AA+	Aaa	12/2/2019	12/4/2019	400,750.00	1.65	612.02	400,721.54	401,234.40
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	640,000.00	AA+	Aaa	1/29/2019	1/31/2019	627,525.00	2.55	5,021.74	631,245.73	643,749.76
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	80,000.00	AA+	Aaa	9/26/2019	9/30/2019	80,409.38	1.65	627.72	80,366.22	80,468.72
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	85,000.00	AA+	Aaa	9/27/2019	10/1/2019	85,441.60	1.65	538.55	85,396.37	85,521.31
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	70,000.00	AA+	Aaa	9/27/2019	10/1/2019	70,363.67	1.65	443.51	70,326.43	70,429.31
US TREASURY NOTES DTD 03/31/2015 1.750% 03/31/2022	912828J76	470,000.00	AA+	Aaa	3/1/2019	3/5/2019	459,186.33	2.53	2,089.96	462,016.19	471,762.50
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	685,000.00	AA+	Aaa	4/1/2019	4/3/2019	676,544.53	2.29	2,187.67	678,544.35	689,441.54
US TREASURY N/B NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	675,000.00	AA+	Aaa	6/3/2019	6/5/2019	680,589.84	1.85	39.41	679,575.33	683,912.03
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	912828P4	460,000.00	AA+	Aaa	7/1/2019	7/3/2019	461,886.72	1.74	3,609.38	461,591.35	463,252.20

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	450,000.00	AA+	Aaa	8/1/2019	8/5/2019	447,908.20	1.78	2,470.98	448,182.04	450,369.00
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	780,000.00	AA+	Aaa	9/3/2019	9/5/2019	789,384.37	1.35	3,468.44	788,417.57	783,137.94
US TREASURY NOTES DTD 11/30/2015 2.000% 11/30/2022	912828M80	620,000.00	AA+	Aaa	12/2/2019	12/4/2019	626,466.41	1.64	1,084.15	626,304.34	626,999.18
Security Type Sub-Total		8,735,000.00					8,652,145.11	2.16	32,608.49	8,688,802.63	8,779,020.65
Municipal Bond / Note											
NYC TRANS FIN AUTH, NY TXBL REV BONDS DTD 04/12/2019 2.520% 11/01/2022	64971XHY7	170,000.00	AAA	Aa1	3/27/2019	4/12/2019	170,000.00	2.52	714.00	170,000.00	172,432.70
Security Type Sub-Total		170,000.00					170,000.00	2.52	714.00	170,000.00	172,432.70
Federal Agency Mortgage-Backed Security											
FNMA POOL #AL2306 DTD 08/01/2012 3.500% 06/25/2027	3138EJR42	129,743.94	AA+	Aaa	7/6/2018	7/9/2018	131,487.38	3.00	378.42	131,261.40	134,413.01
FN FM1456 DTD 09/01/2019 2.500% 09/25/2028	3140X4TN6	122,189.09	AA+	Aaa	12/10/2019	12/17/2019	123,410.98	2.16	254.56	123,410.11	123,593.28
FN AL8774 DTD 06/01/2016 3.000% 03/25/2029	3138ETXC5	135,603.35	AA+	Aaa	2/5/2019	2/19/2019	135,984.74	2.86	339.01	135,953.61	139,160.20
FANNIE MAE POOL DTD 02/01/2019 3.500% 03/25/2029	31418DAZ5	127,944.07	AA+	Aaa	3/7/2019	3/18/2019	130,502.96	2.86	373.17	130,189.61	132,608.24
FG G16640 DTD 10/01/2018 3.000% 02/15/2032	3128MFS58	135,999.09	AA+	Aaa	2/5/2019	2/6/2019	136,509.07	2.89	340.00	136,448.37	139,642.18
FHLMC POOL #G16545 DTD 06/01/2018 3.500% 09/15/2032	3128MFP69	132,084.58	AA+	Aaa	7/6/2018	7/11/2018	133,942.03	3.17	385.25	133,657.20	137,281.60
FN CA2261 DTD 08/01/2018 4.000% 08/01/2033	3140Q9QP1	131,391.65	AA+	Aaa	2/5/2019	2/19/2019	135,661.89	3.13	437.97	135,254.71	138,166.82

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Mortgage-Backed Security											
FHR 3745 NP DTD 10/01/2010 4.000% 06/15/2039	3137A24V0	101,824.11	AA+	Aaa	9/12/2019	9/17/2019	105,463.53	3.08	339.41	105,463.53	105,736.38
Security Type Sub-Total		1,016,779.88					1,032,962.58	2.90	2,847.79	1,031,638.54	1,050,601.71
Federal Agency Collateralized Mortgage Obligation											
FHMS K006 A2 DTD 04/01/2010 4.251% 01/25/2020	31398VJ98	17,614.96	AA+	Aaa	6/12/2018	6/15/2018	17,972.76	1.57	62.40	17,614.96	17,584.83
FHLMC SERIES K718 A1 DTD 05/01/2015 2.375% 09/01/2021	3137BHXX0	87,807.46	AA+	Aaa	7/2/2018	7/6/2018	86,751.03	2.80	173.79	87,220.31	88,166.68
FHMS KJ23 A1 DTD 12/01/2018 3.174% 03/01/2022	3137FKK70	95,531.53	AA+	Aaa	12/7/2018	12/14/2018	95,530.77	3.05	252.68	95,530.77	96,676.44
FHMS K019 A2 DTD 08/01/2012 2.272% 03/25/2022	3137ASNJ9	169,410.52	AA+	Aaa	3/8/2019	3/13/2019	167,173.78	3.03	320.75	167,649.09	170,322.12
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/25/2022	3137BLUR7	170,000.00	AA+	Aaa	3/8/2019	3/13/2019	169,833.98	2.67	384.77	169,833.98	172,505.46
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/25/2022	3137BLUR7	155,000.00	AA+	Aaa	3/7/2019	3/12/2019	154,739.65	2.71	350.82	154,739.65	157,284.39
FHLMC MULTIFAMILY STRUCTURED P DTD 12/01/2012 2.307% 08/25/2022	3137AWQH1	155,000.00	AA+	Aaa	9/4/2019	9/9/2019	157,288.67	1.25	297.99	157,052.17	156,071.87
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/25/2022	3136AEGQ4	128,795.80	AA+	Aaa	9/11/2019	9/16/2019	129,598.32	1.82	244.71	129,524.97	129,389.64
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/25/2022	3136AEGQ4	142,005.62	AA+	Aaa	9/4/2019	9/9/2019	143,866.04	1.42	269.81	143,691.02	142,660.37
FHLMC SERIES K032 A1 DTD 09/01/2013 3.016% 02/01/2023	3137B4GX8	87,957.90	AA+	Aaa	6/13/2018	6/18/2018	88,167.47	2.88	221.07	88,026.13	89,447.97
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2013 2.669% 02/25/2023	3137B5JL8	91,283.38	AA+	Aaa	6/13/2018	6/18/2018	90,816.26	2.81	203.03	90,909.80	92,225.83
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	99,919.10	AA+	Aaa	12/7/2018	12/17/2018	99,918.80	3.11	266.70	99,918.80	102,165.06

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FHLMC MULTIFAMILY STRUCTURED POOL DTD 11/01/2017 2.741% 10/25/2023	3137FBT97	326,707.50	AA+	Aaa	4/11/2019	4/16/2019	327,588.09	2.54	746.25	327,379.25	330,921.28
FHMS K047 A1 DTD 07/01/2015 2.827% 12/25/2024	3137BKRH5	162,376.98	AA+	Aaa	7/5/2019	7/10/2019	165,193.19	2.13	382.53	164,944.31	165,558.24
FHMS K047 A1 DTD 07/01/2015 2.827% 12/25/2024	3137BKRH5	162,376.98	AA+	Aaa	6/18/2019	6/21/2019	165,167.83	2.14	382.53	164,909.11	165,558.24
FHMS K052 A1 DTD 02/01/2016 2.598% 01/25/2025	3137BMTW6	156,844.04	AA+	Aaa	7/25/2019	7/30/2019	158,436.98	2.16	339.57	158,324.18	159,319.48
Security Type Sub-Total		2,208,631.77					2,218,043.62	2.38	4,899.40	2,217,268.50	2,235,857.90
Corporate Note											
MORGAN STANLEY CORPORATE NOTES DTD 06/16/2015 2.800% 06/16/2020	61761JB32	200,000.00	BBB+	A3	5/22/2018	5/24/2018	198,504.00	3.18	233.33	199,659.64	200,831.20
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 09/15/2015 2.750% 09/15/2020	38141GVP6	250,000.00	BBB+	A3	5/22/2018	5/24/2018	247,197.50	3.26	2,024.31	249,124.38	251,177.75
JOHN DEERE CAPITAL CORP NOTES DTD 01/08/2018 2.350% 01/08/2021	24422ETZ2	200,000.00	A	A2	5/21/2018	5/23/2018	196,446.00	3.06	2,258.61	198,587.56	201,079.60
IBM CREDIT CORP NOTE DTD 09/08/2017 1.800% 01/20/2021	44932HAB9	250,000.00	A	A2	5/22/2018	5/24/2018	242,132.50	3.04	2,012.50	246,807.86	249,848.00
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	250,000.00	A-	A3	5/10/2018	5/14/2018	243,547.50	3.15	2,239.58	247,361.90	250,709.75
APPLE INC CORP NOTES DTD 02/23/2016 2.250% 02/23/2021	037833BS8	250,000.00	AA+	Aa1	5/10/2018	5/14/2018	245,870.00	2.87	2,000.00	248,260.23	251,488.00
PACCAR FINANCIAL CORP NOTES DTD 02/27/2018 2.800% 03/01/2021	69371RN93	250,000.00	A+	A1	5/10/2018	5/14/2018	248,482.50	3.03	2,333.33	249,354.71	252,944.25

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
WELLS FARGO CORP NOTES DTD 03/04/2016 2.500% 03/04/2021	949746RS2	250,000.00	A-	A2	5/9/2018	5/11/2018	244,485.00	3.33	2,031.25	247,639.11	251,796.50
CITIGROUP CORP NOTES DTD 03/30/2016 2.700% 03/30/2021	172967KK6	150,000.00	BBB+	A3	8/31/2018	9/5/2018	147,859.50	3.28	1,023.75	148,940.44	151,408.50
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	240,000.00	AA-	Aa3	5/9/2018	5/11/2018	239,277.60	3.06	1,534.00	239,676.66	243,619.68
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	240,000.00	A	A1	5/10/2018	5/14/2018	236,013.60	3.10	1,266.67	238,198.57	241,659.60
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	BBB+	A3	5/9/2018	5/11/2018	244,182.50	3.34	1,215.28	247,353.61	251,895.75
CHEVRON CORP (CALLABLE) NOTES DTD 05/16/2016 2.100% 05/16/2021	166764BG4	390,000.00	AA	Aa2	5/9/2018	5/11/2018	380,460.60	2.95	1,023.75	385,545.79	392,462.85
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	250,000.00	A	A1	5/9/2018	5/11/2018	241,990.00	3.07	568.75	246,244.27	250,518.25
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	295,000.00	A	A2	5/17/2018	5/22/2018	294,991.15	3.25	1,065.28	294,995.70	300,754.86
BOEING CO DTD 07/31/2019 2.300% 08/01/2021	097023CL7	90,000.00	A-	A3	7/29/2019	7/31/2019	89,996.40	2.30	868.25	89,997.16	90,509.31
BRANCH BANKING & TRUST CORP NOTES DTD 06/05/2018 3.200% 09/03/2021	05531FBD4	185,000.00	A-	A3	5/31/2018	6/5/2018	184,779.85	3.24	1,940.44	184,880.62	188,554.78
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021	14913Q2N8	50,000.00	A	A3	9/4/2018	9/7/2018	49,961.50	3.18	498.75	49,977.96	51,109.30
3M COMPANY DTD 09/14/2018 3.000% 09/14/2021	88579YBA8	145,000.00	AA-	A1	9/11/2018	9/14/2018	144,702.75	3.07	1,292.92	144,828.04	147,529.09
ORACLE CORP (CALLABLE) NOTES DTD 07/07/2016 1.900% 09/15/2021	68389XBK0	175,000.00	A+	A1	4/17/2019	4/22/2019	171,822.00	2.69	979.03	172,720.52	175,366.63

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BURLINGTON NORTH SANTA FE CORP NOTES DTD 08/22/2011 3.450% 09/15/2021	12189LAF8	55,000.00	A+	A3	8/9/2019	8/13/2019	56,371.15	2.22	558.71	56,124.44	56,253.73
CISCO SYSTEMS INC CORP (CALLABLE) NOTES DTD 09/20/2016 1.850% 09/20/2021	17275RBJ0	300,000.00	AA-	A1	12/20/2018	12/24/2018	290,895.00	3.01	1,557.08	294,203.51	300,205.50
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	100,000.00	AA-	Aa3	12/28/2018	12/31/2018	98,311.00	3.19	1,227.78	98,851.52	101,512.50
EXXON MOBIL CORP (CALLABLE) NOTE DTD 03/06/2015 2.397% 03/06/2022	30231GAJ1	300,000.00	AA+	Aaa	11/26/2018	11/28/2018	290,892.00	3.38	2,297.13	293,827.82	303,269.70
UNILEVER CAPITAL CORP DTD 09/07/2018 3.000% 03/07/2022	904764BF3	215,000.00	A+	A1	9/4/2018	9/7/2018	213,959.40	3.15	2,042.50	214,337.85	220,217.41
PNC BANK NA CORP (CALLABLE) NOTE DTD 03/08/2012 3.300% 03/08/2022	693476BN2	240,000.00	A-	A3	12/3/2019	12/5/2019	246,972.00	1.98	2,486.00	246,745.39	246,579.36
PFIZER INC CORP BONDS DTD 03/11/2019 2.800% 03/11/2022	717081ER0	95,000.00	AA-	A1	3/4/2019	3/11/2019	94,994.30	2.80	812.78	94,995.79	97,004.22
US BANCORP (CALLABLE) NOTE DTD 03/02/2012 3.000% 03/15/2022	91159HHC7	165,000.00	A+	A1	7/24/2019	7/26/2019	168,278.55	2.22	1,457.50	167,740.03	168,823.55
BOEING CO CORP NOTE DTD 05/02/2019 2.700% 05/01/2022	097023CG8	45,000.00	A-	A3	4/30/2019	5/2/2019	44,920.35	2.76	202.50	44,937.43	45,705.96
JPMORGAN CHASE & CO CORP NOTES DTD 06/18/2018 3.514% 06/18/2022	46647PAS5	250,000.00	A-	A2	6/11/2018	6/18/2018	250,000.00	3.51	317.24	250,000.00	255,414.75
AMERICAN HONDA FINANCE DTD 06/27/2019 2.200% 06/27/2022	02665WCY5	200,000.00	A	A2	6/24/2019	6/27/2019	199,816.00	2.23	48.89	199,846.49	201,555.60
NORTHERN TRUST COMPANY CORP NOTES DTD 08/02/2012 2.375% 08/02/2022	665859AN4	75,000.00	A+	A2	8/9/2019	8/13/2019	75,910.50	1.95	737.24	75,795.97	75,964.73

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
HONEYWELL INTERNATIONAL CORPORATE NOTE DTD 08/08/2019 2.150% 08/08/2022	438516BT2	55,000.00	A	A2	7/30/2019	8/8/2019	54,944.45	2.19	469.72	54,951.61	55,506.39
BANK OF NY MELLON CORP CORP NOTES DTD 08/23/2019 1.950% 08/23/2022	06406RAK3	50,000.00	A	A1	8/20/2019	8/23/2019	49,984.00	1.96	346.67	49,985.85	50,110.45
APPLE INC DTD 09/11/2019 1.700% 09/11/2022	037833DL1	70,000.00	AA+	Aa1	9/4/2019	9/11/2019	69,988.10	1.71	363.61	69,989.29	69,950.72
CITIGROUP INC DTD 11/04/2019 2.312% 11/04/2022	17308CC46	240,000.00	BBB+	A3	10/28/2019	11/4/2019	240,000.00	2.31	878.56	240,000.00	240,747.12
AMAZON.COM INC CORP NOTES DTD 11/29/2012 2.500% 11/29/2022	023135AJ5	165,000.00	AA-	A3	8/9/2019	8/13/2019	167,463.45	2.03	366.67	167,187.12	168,283.50
AMERICAN HONDA FINANCE DTD 09/10/2019 2.050% 01/10/2023	02665WDC2	140,000.00	A	A2	9/5/2019	9/10/2019	139,948.20	2.06	884.92	139,951.49	140,536.20
3M COMPANY DTD 08/26/2019 1.750% 02/14/2023	88579YBL4	130,000.00	AA-	A1	8/19/2019	8/26/2019	129,504.70	1.86	789.93	129,552.73	129,291.24
Security Type Sub-Total		7,250,000.00					7,175,855.60	2.89	46,255.21	7,219,179.06	7,322,196.28
Asset-Backed Security											
GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	AAA	Aaa	9/18/2018	9/26/2018	119,990.52	3.19	116.60	119,994.75	120,593.64
BMWLT 2018-1 A3 DTD 10/17/2018 3.260% 07/20/2021	05586CAC8	55,000.00	AAA	Aaa	10/10/2018	10/17/2018	54,992.36	3.27	54.79	54,995.59	55,500.07
CARMX 2018-2 A2 DTD 04/25/2018 2.730% 08/15/2021	14314XAB5	40,735.81	AAA	NR	5/31/2018	6/4/2018	40,740.59	2.72	49.43	40,738.36	40,780.07
FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	165,000.00	NR	Aaa	9/18/2018	9/21/2018	164,986.06	3.41	233.93	164,991.39	166,153.37
HAROT 2018-2 A3 DTD 05/30/2018 3.010% 05/18/2022	43814UAG4	180,000.00	AAA	NR	5/22/2018	5/30/2018	179,996.08	3.01	195.65	179,997.66	181,660.57

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
GMALT 2019-3 A3 DTD 08/14/2019 2.030% 06/20/2022	38013TAD3	90,000.00	AAA	NR	8/6/2019	8/14/2019	89,990.07	2.04	55.83	89,991.42	89,981.67
HONDA AUTO RECEIVABLES OWNER T DTD 08/28/2018 2.950% 08/21/2022	43815HAC1	185,000.00	NR	Aaa	8/21/2018	8/28/2018	184,974.62	2.96	151.60	184,982.87	186,864.37
HART 2018-B A3 DTD 12/12/2018 3.200% 12/15/2022	44933AAC1	130,000.00	AAA	Aaa	12/4/2018	12/12/2018	129,998.44	3.48	184.89	129,998.87	131,940.63
TOYOTA ABS 2018-C A3 DTD 08/22/2018 3.020% 12/15/2022	89231AAD3	225,000.00	AAA	Aaa	8/14/2018	8/22/2018	224,959.97	3.03	302.00	224,972.12	228,331.46
MBART 2018-1 A3 DTD 07/25/2018 3.030% 01/15/2023	58772RAD6	260,000.00	AAA	Aaa	7/17/2018	7/25/2018	259,990.02	3.03	350.13	259,993.20	262,559.23
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	400,000.00	NR	Aaa	8/21/2018	8/23/2018	395,578.13	2.97	4,454.33	396,720.76	402,754.60
NAROT 2018-B A3 DTD 07/25/2018 3.060% 03/15/2023	65479GAD1	305,000.00	AAA	Aaa	7/17/2018	7/25/2018	304,990.12	3.06	414.80	304,993.18	309,128.54
GMCAR 2018-3 A3 DTD 07/18/2018 3.020% 05/16/2023	36255JAD6	180,000.00	AAA	NR	7/11/2018	7/18/2018	179,958.02	3.03	226.50	179,970.21	182,208.62
CARMAX AUTO OWNER TRUST DTD 07/25/2018 3.130% 06/15/2023	14313FAD1	185,000.00	AAA	NR	7/18/2018	7/25/2018	184,974.78	3.36	257.36	184,981.92	187,634.12
CNH 2018-A A3 DTD 05/23/2018 3.120% 07/15/2023	12652VAC1	325,000.00	AAA	NR	5/16/2018	5/23/2018	324,930.19	3.24	450.67	324,945.84	328,757.85
TAOT 2019-C A3 DTD 08/14/2019 1.910% 09/15/2023	89238UAD2	165,000.00	AAA	Aaa	8/6/2019	8/14/2019	164,998.65	1.91	140.07	164,998.78	165,091.10
ALLYA 2019-1 A3 DTD 02/13/2019 2.910% 09/15/2023	02004WAC5	115,000.00	NR	Aaa	2/5/2019	2/13/2019	114,986.11	3.13	148.73	114,988.72	116,420.22
GMCAR 2018-4 A3 DTD 10/10/2018 3.210% 10/16/2023	38013FAD3	255,000.00	AAA	Aaa	10/2/2018	10/10/2018	254,959.63	3.22	341.06	254,969.33	259,347.62
WORLD OMNI AUTO RECEIVABLES TR DTD 08/01/2018 3.130% 11/15/2023	98163EAD8	290,000.00	AAA	NR	7/24/2018	8/1/2018	289,972.91	3.13	403.42	289,980.22	294,640.32
CNH 2018-B A3 DTD 09/26/2018 3.190% 11/15/2023	12596EAC8	270,000.00	NR	Aaa	9/18/2018	9/26/2018	269,963.50	3.20	382.80	269,969.73	274,165.75

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	195,000.00	NR	Aaa	1/8/2019	1/16/2019	194,978.41	2.97	241.31	194,982.54	197,678.99
COMET 2018-A1 A1 DTD 05/16/2018 3.010% 02/15/2024	14041NFR7	300,000.00	AAA	NR	5/9/2018	5/16/2018	299,916.99	3.02	401.33	299,939.62	304,521.09
WOART 2018-D A3 DTD 10/17/2018 3.330% 03/15/2024	98162WAD9	230,000.00	AAA	NR	10/10/2018	10/17/2018	229,952.25	3.29	340.40	229,962.48	234,396.61
VZOT 2019-C A1A DTD 10/08/2019 1.940% 04/22/2024	92348AAA3	165,000.00	AAA	NR	10/1/2019	10/8/2019	164,987.28	1.94	97.81	164,988.04	164,844.29
DCENT 2019-A1 DTD 02/01/2019 3.040% 07/15/2024	254683CK9	205,000.00	AAA	Aaa	1/28/2019	2/1/2019	204,995.65	3.04	276.98	204,996.52	209,895.17
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFM0	325,000.00	AAA	NR	8/28/2019	9/5/2019	324,918.17	1.73	248.44	324,923.81	324,002.45
DCENT 2019-A3 A DTD 10/31/2019 1.890% 10/15/2024	254683CM5	170,000.00	NR	Aaa	10/24/2019	10/31/2019	169,963.48	1.90	142.80	169,964.42	169,788.15
Security Type Sub-Total		5,530,735.81					5,525,643.00	2.91	10,663.66	5,526,932.35	5,589,640.57
Managed Account Sub Total		24,911,147.46					24,774,649.91	2.59	97,988.55	24,853,821.08	25,149,749.81
Securities Sub-Total		\$24,911,147.46					\$24,774,649.91	2.59%	\$97,988.55	\$24,853,821.08	\$25,149,749.81
Accrued Interest											\$97,988.55
Total Investments											\$25,247,738.36

Bolted items are forward settling trades.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 09/24/2019 0.000% 06/15/2020	62479LFF7	3,000,000.00	A-1	P-1	12/18/2019	12/19/2019	2,971,807.50	1.91	0.00	2,973,855.00	2,973,420.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 11/14/2019 0.000% 06/15/2020	22533TFF8	3,000,000.00	A-1	P-1	12/18/2019	12/19/2019	2,972,702.50	1.85	0.00	2,974,684.98	2,974,353.00
NATIXIS NY BRANCH COMM PAPER DTD 10/04/2019 0.000% 06/15/2020	63873JFF2	3,000,000.00	A-1	P-1	12/18/2019	12/19/2019	2,971,658.33	1.92	0.00	2,973,716.64	2,972,988.00
Security Type Sub-Total		9,000,000.00					8,916,168.33	1.89	0.00	8,922,256.62	8,920,761.00
Managed Account Sub Total		9,000,000.00					8,916,168.33	1.89	0.00	8,922,256.62	8,920,761.00
Securities Sub-Total		\$9,000,000.00					\$8,916,168.33	1.89%	\$0.00	\$8,922,256.62	\$8,920,761.00
Accrued Interest											\$0.00
Total Investments											\$8,920,761.00

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

AGENDA ITEM: 2

TITLE: Recommendation for Action Regarding Investment Policy

STAFF: Debra Heim, Chief Financial Officer

SUMMARY:

The Council adopted an Investment Policy on March 2, 2015, revised on September, 8, 2016, June 22, 2017, March 29, 2019 and January 30, 2020. The Policy was reviewed and revised by the Finance Committee on January 30, 2020, to allow up to 50% of the Council's portfolio to be held in Money Market Funds (MMFs) with one issuer. At that time the Committee had decided to delay the discussion related to Local Government Investment Pools (LGIPs) to this meeting.

As the Committee is aware, investment advice is provided by the Council's advisor, PFM Asset Management LLC.

The investment objectives of this Policy, in order of importance are:

- 1) Safety of Principal;
- 2) Maintenance of Liquidity and;
- 3) Return on Investment.

The Council receives over 80% of its Ad Valorem Tax revenues in November and December each year. In December 2019 and January 2020, there were limited availability of securities in the market place to purchase. The current Policy permits 50% of our portfolio to be in Intergovernmental Pools/Local Government Investment Pools (LGIPs). However, this is limited to 25% per Issuer and the Council is in one LGIP, Florida Public Assets for Liquidity Management (FL PALM).

PFM recommends we revise the Policy to allow Intergovernmental Pools/Local Government Investment Pools (LGIPs) to hold up to a 50% maximum per Issuer.

The Permitted Investments by Sector from the Policy is attached for your convenience and further discussion.

RECOMMENDATION:

Based on the recommendation from our investment advisors, PFM Asset Management LLC, I recommend the Finance Committee recommend to Council revising the Investment Policy to permit CSC to hold Intergovernmental Pools/Local Government Investment Pools (LGIPs) up to a 50% maximum per Issuer.

Permitted Investments

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5.50 Years (5.50 Years avg. life ⁴ for GNMA)
GNMA		40%		
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	80%	40% ³	N/A	5.50 Years
Federal Agency/GSE other than those above		10%		
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Highest LT Rating Categories (A-1/P-1, AAA/Aaa, or equivalent)	5.50 Years
Corporates	50% ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5.50 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5.50 Years
Agency Mortgage-Backed Securities (MBS)	25%	40% ³	N/A	5.50 Years Avg. Life ⁴
Asset-Backed Securities (ABS)	25%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)	5.50 Years Avg. Life ⁴
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	25%	Secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes	2 Years
Overnight Bank Deposit Account	100%	N/A	Secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes	N/A
Commercial Paper (CP)	50% ²	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days
Repurchase Agreements (Repo or RP)	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year
Money Market Funds (MMFs)	50%	50%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Intergovernmental Pools (LGIPs)	50%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs who rate the LGIP, (AAAm/AAAf, S1, or equivalent)	N/A

Notes:

¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST=Short-term; LT=Long-term.

² Maximum allocation to all corporate and bank credit instruments is 50% combined.

³ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

⁴ The maturity limit for MBS and ABS is based on the expected average life at time of settlement, measured using Bloomberg or other industry standard methods.

* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

Children's Services Council

Finance Committee Meeting

Thursday, January 30, 2020, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Thomas Bean, CSC and CSC Finance Committee Chair, **Present**

Tom Weber, CSC Chair and CSC Finance Committee Vice-chair, **Present**

Paul Dumars, Director Financial Services, Solid Waste Authority, **Not Present**

John Marino, Volunteer, **Not Present**

Guest: Vince Goodman, Present

CSC Staff:

Lisa Williams-Taylor, Ph.D., Chief Executive Officer, **Present**

Debra Heim, Chief Financial Officer, **Present**

Debra Gotlib, General Counsel and Chief of Legislative Affairs, **Present**

Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

1. Minutes – December 5, 2019, **Consensus – Recommends Council to Approve**
2. Monthly Investment Report ending October 31, 2019, **Reviewed - No action required**
3. Monthly Investment Report ending November 30, 2019, **Reviewed - No action required**
4. Financial Statements – October 31, 2019, **Consensus – Recommends Council to Approve**
5. Financial Statements – November 30, 2019, **Consensus – Recommends Council to Approve**
6. **Recommendation to Revise Investment Policy (Walk-In) – Finance Committee agreed by consensus to increase the Per Issuer percentage for the Money Market Fund's (MMFs) from 25% to 50%. This allows MMF's to hold 50% of the portfolio in one MMF addressing the limited supply of commercial paper and the low treasury rates in December 2019 and January 2020.
Consensus – Recommends Council to Approve**

Finance Committee wants to revisit/watch this each year. Additionally, Finance Committee wants further discussion next month regarding the LGIP's and PFM's recommendation to increase the Per Issuer to 50%.

Discussion Item:

1. Potential change to Investment Policy-After the Finance Committee Packet was distributed, we added Agenda Item #6 as a Walk-In.

Adjournment

Next Meeting: February 27, 2020, 3:30p.m.

AGENDA ITEM: 4

TITLE: Financial Statements – December 31, 2019
(Unaudited)

STAFF: Debra Heim, Chief Financial Officer

SUMMARY:

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the three months ended December 31, 2019. The audit of the Council has not been completed for the fiscal year ended September 30, 2019 and the financial information provided herein represent unaudited numbers.

Balance Sheet:

As of December 31, 2019, the Council had \$121,169,728 in cash and investments. Please see attached rolling 12-month schedule of Cash and Investments by Month.

The Capital Assets and the Investment in Capital Assets for \$16,451,202 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at December 31, 2019 is 25%. The estimated expenditure rate for Children’s Programs at December 31, 2019 is 20.95%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the December 31, 2019 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
BALANCE SHEET (Unaudited)
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u> <i>Prevention Partnership for Children, Inc.</i>	<u>Total All Funds</u>
<u>Assets</u>			
Cash & Cash Equivalents	\$ 61,076,717	\$ 2,331	\$ 61,079,048
Investments	60,090,680	-	60,090,680
Other Receivables	2,200,238	-	2,200,238
Advances to Agencies	5,229,312	-	5,229,312
Prepaid Items	492,306	-	492,306
Due from - General Fund	-	415,060	415,060
Capital Assets	16,451,202	-	16,451,202
Total Assets	145,540,455	417,391	145,957,846
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	10,618,609	417,391	11,036,000
Accounts Payable and Accrued Liabilities	88,991	-	88,991
Due to - Special Revenue Fund	415,060	-	415,060
Total Liabilities	11,122,660	417,391	11,540,051
Fund Balance			
Nonspendable:			
Prepaid Expenses	492,306	-	492,306
Assigned:			
Reserved in accordance with fund balance policy	36,743,263	-	36,743,263
Unassigned:	80,731,024	-	80,731,024
Total Fund Balance	117,966,593	-	117,966,593
Investment in Capital Assets	16,451,202	-	16,451,202
Total Liabilities and Fund Balance	\$ 145,540,455	\$ 417,391	\$ 145,957,846

**Children's Services Council of Palm Beach County
Schedule of Cash and Investments by Month
Rolling 12 months**

Agenda Item: 4 (continued)

	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019	11/30/2019	12/31/2019
Cash												
Public Funds Money Market	\$ 8,262,975	\$ 5,743,559	\$ 2,054,651	\$ 4,113,514	\$ 2,814,789	\$ 1,895,247	\$ 2,547,122	\$ 4,425,744	\$ 3,925,165	\$ 2,185,786	\$ 4,716,642	\$ 53,366,579
Operating Account	\$ 3,643,042	\$ 2,014,106	\$ 2,942,289	\$ 2,588,493	\$ 2,277,400	\$ 2,352,954	\$ 1,368,589	\$ 1,398,478	\$ 1,392,373	\$ 1,430,620	\$ 2,037,685	\$ 2,301,550
Custodian Bank	\$ 1,553,104	\$ 2,043,015	\$ 2,054,706	\$ 2,288,705	\$ 2,477,333	\$ 13,558,062	\$ 7,794,739	\$ 17,189,918	\$ 45,151	\$ 3,536,823	\$ 4,931,985	\$ 5,410,919
Subtotal cash	\$ 13,459,121	\$ 9,800,680	\$ 7,051,646	\$ 8,990,712	\$ 7,569,522	\$ 17,806,263	\$ 11,710,450	\$ 23,014,140	\$ 5,362,689	\$ 7,153,229	\$ 11,686,312	\$ 61,079,048
Investments												
Florida Public Assets for Liquidity Management	\$ 28,655,196	\$ 28,688,599	\$ 26,807,942	\$ 20,856,543	\$ 12,891,786	\$ 1,912,179	\$ 1,394	\$ 2	\$ 10,007,190	\$ 1,020,723	\$ 1,022,326	\$ 26,028,141
U.S. Treasury	\$ 30,844,597	\$ 30,731,910	\$ 30,800,151	\$ 28,107,858	\$ 31,451,583	\$ 27,355,832	\$ 27,504,391	\$ 11,719,032	\$ 12,512,495	\$ 10,193,101	\$ 7,871,286	\$ 8,775,636
U.S. Credit	\$ 30,350,401	\$ 29,441,795	\$ 28,931,503	\$ 31,305,435	\$ 28,151,872	\$ 21,288,464	\$ 17,793,085	\$ 12,837,386	\$ 11,755,083	\$ 10,784,461	\$ 7,864,348	\$ 16,410,800
ABS and MBS (asset and mortgage backed securities)	\$ 8,017,644	\$ 8,606,537	\$ 9,249,300	\$ 9,545,691	\$ 9,544,649	\$ 9,689,744	\$ 9,869,341	\$ 9,615,492	\$ 9,933,903	\$ 9,874,062	\$ 9,743,711	\$ 8,876,103
Accrued income (1)	\$ 259,720	\$ 357,219	\$ 427,375	\$ 368,506	\$ 302,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Regions	\$ 69,472,362	\$ 69,137,460	\$ 69,408,328	\$ 69,327,490	\$ 69,450,261	\$ 58,334,040	\$ 55,166,817	\$ 34,171,910	\$ 34,201,482	\$ 30,851,624	\$ 25,479,346	\$ 34,062,539
Subtotal investments	\$ 98,127,558	\$ 97,826,059	\$ 96,216,270	\$ 90,184,033	\$ 82,342,047	\$ 60,246,219	\$ 55,168,211	\$ 34,171,912	\$ 44,208,672	\$ 31,872,347	\$ 26,501,672	\$ 60,090,680
Total Cash and Investments	\$ 111,586,679	\$ 107,626,740	\$ 103,267,916	\$ 99,174,745	\$ 89,911,569	\$ 78,052,482	\$ 66,878,661	\$ 57,186,052	\$ 49,571,361	\$ 39,025,576	\$ 38,187,984	\$ 121,169,728

Month over Month Comparison

	12/31/2018	12/31/2019
Cash		
Public Funds Money Market	\$ 16,115,325	\$ 53,366,579
Operating Account	\$ 3,126,262	\$ 2,301,550
Custodian Bank	\$ 2,060,687	\$ 5,410,919
Subtotal cash	\$ 21,302,274	\$ 61,079,048
Investments		
Florida Public Assets for Liquidity Management (1)	\$ 28,618,414	\$ 26,028,141
U.S. Treasury	\$ 34,495,983	\$ 8,775,636
U.S. Credit	\$ 26,424,697	\$ 16,410,800
ABS and MBS (asset and mortgage backed securities)	\$ 7,630,999	\$ 8,876,103
Accrued income (1)	\$ 174,978	\$ -
Subtotal Regions	\$ 68,726,658	\$ 34,062,539
Subtotal investments	\$ 97,345,072	\$ 60,090,680
Total Cash and Investments	\$ 118,647,346	\$ 121,169,728

(1) Effective June 1, 2019, Accrued income is reported with Other Receivables in the financial statements

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE THREE MONTHS ENDED DECEMBER 31, 2019**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
						<u>Prevention Partnership for Children, Inc.</u>									
	<u>Approved 2019/2020 Budget</u>	<u>Budget Through 12/31/2019</u>	<u>Actual Through 12/31/2019</u>	<u>Variance YTD</u>	<u>% YTD</u>	<u>Approved 2018/2019 Budget</u>	<u>Budget Through 12/31/2019</u>	<u>Actual Through 12/31/2019</u>	<u>Variance YTD</u>	<u>% YTD</u>	<u>Approved 2018/2019 Budget</u>	<u>Budget Through 12/31/2019</u>	<u>Actual Through 12/31/2019</u>	<u>Variance YTD</u>	<u>% YTD</u>
Revenues															
Ad Valorem Property Taxes	\$ 124,416,394	\$ 102,888,689	\$ 102,888,689	\$ -	82.70%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 124,416,394	\$ 102,888,689	\$ 102,888,689	\$ -	82.70%
Interest Income	1,476,800	369,200	328,995	(40,205)	22.28%	-	-	-	-	0.00%	1,476,800	369,200	328,995	(40,205)	22.28%
Realized and Unrealized Gain or Loss	-	-	(50,562)	(50,562)	100.00%	-	-	-	-	0.00%	-	-	(50,562)	(50,562)	100.00%
Department of Health/Agency for Health Care Administration	2,056,966	514,242	869,865	355,623	42.29%	-	-	-	-	0.00%	2,056,966	514,242	869,865	355,623	42.29%
Income from Tenants	62,432	15,608	17,506	1,898	28.04%	-	-	-	-	0.00%	62,432	15,608	17,506	1,898	28.04%
Other Income	100,000	25,000	63,753	38,753	63.75%	-	-	-	-	0.00%	100,000	25,000	63,753	38,753	63.75%
Cash Carryforward	8,187,008	-	-	-	0.00%	-	-	-	-	0.00%	8,187,008	-	-	-	0.00%
Total Revenues	136,299,600	103,812,738	104,118,246	305,508	76.39%	-	-	-	-	0.00%	136,299,600	103,812,738	104,118,246	305,508	76.39%
Expenditures															
Administrative Expenditures	5,835,861	1,458,965	1,436,382	22,583	24.61%	500	125	-	125	0.00%	5,836,361	1,459,090	1,436,382	22,708	24.61%
Capital Expenditures	35,000	8,750	-	8,750	0.00%	-	-	-	-	0.00%	35,000	8,750	-	8,750	0.00%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,451,059	2,272,863	2,272,863	-	65.86%	-	-	-	-	0.00%	3,451,059	2,272,863	2,272,863	-	65.86%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	113,280,319	28,320,080	23,600,196	4,719,884	20.83%	2,687,234	671,809	528,311	143,498	19.66%	115,967,553	28,991,888	24,128,507	4,863,382	20.81%
Support Services:															
Programmatic Support	10,509,627	2,627,407	2,369,183	258,223	22.54%	-	-	-	-	0.00%	10,509,627	2,627,407	2,369,183	258,223	22.54%
Total Children's Programs	123,789,946	30,947,487	25,969,379	4,978,107	20.98%	2,687,234	671,809	528,311	143,498	19.66%	126,477,180	31,619,295	26,497,690	5,121,605	20.95%
Total Expenses	133,611,866	34,688,065	29,678,624	5,009,441	22.21%	2,687,734	671,809	528,311	143,498	19.66%	136,299,600	35,359,998	30,206,935	5,153,063	22.16%
Excess Revenues over (under) Expenses	2,687,734	69,124,673	74,439,622	5,314,948				(528,311)					73,911,311		
Other Financing Sources (Uses)															
Transfers in (out)	(2,687,734)	(671,934)	(528,311)	143,623	19.66%	2,687,734	671,934	528,311	143,623	19.66%	-	-	-	-	0.00%
Net Changes in Fund Balances			73,911,311					-					73,911,311		
Fund Balances															
October 1, 2019 (unaudited)			44,055,282					-					44,055,282		
December 31, 2019			<u>\$ 117,966,593</u>					<u>\$ -</u>					<u>\$ 117,966,593</u>		

AGENDA ITEM: 5

TITLE: CSC BUDGET ASSUMPTIONS FISCAL YEAR 2020-2021

STAFF: Debra Heim, Chief Financial Officer

Revenues

The millage rate will remain at .6497.

The tax base will increase 5.2% based on the current estimate for Palm Beach County by the Office of Economic and Demographic Research (EDR).

Grant income will increase by \$500,000, related to grants received by the Healthy Start Coalition. There may be additional grant revenue from the Department of Children and Families (DCF) related to Title IV-E related to our funding and our Legal Aid Society contract for foster care. A contract is currently pending.

Interest income will decrease from fiscal year 19/20 and projections will be provided with assistance by PFM Asset Management LLC.

Other income will remain the same.

Expenditures

The under expenditure rate is projected at 5%.

Health insurance is expected to increase by 8-10%.

Merit and Promotional increases of 4.5% pool will be budgeted.

Building space expenditures are expected to increase by 1.5%.

No increase in number of CSC budgeted positions.

Children’s programs expenditures will be budgeted to increase for cost drivers of 3% salaries and 10% health insurance and for other opportunities.

Fund Balance

The targeted fund balance is no less than 27.5% of the subsequent year total budget.

RECOMMENDATION:

No action required.