

Children's Services Council

Finance Committee Meeting

Thursday, August 1, 2019, 3:00 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., CEO
Debra Heim, CFO
Tom Sheehan, General Counsel
Elsa Sanchez, Senior Executive Assistant

Other:

Jason Human, PFM

Agenda Items:

1. Quarterly Investment Report – June 30, 2019
2. Minutes – June 27, 2019
3. Financial Statements – June 30, 2019
4. Adjournment

Next Meeting: September 12, 2019 3:45p.m.

AGENDA ITEM: 1

TITLE: Quarterly Investment Report – June 30, 2019

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

Jason Human, Client Manager, 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:

Council is in compliance with the policy. No action required.



Investment Performance Review For the Quarter Ended June 30, 2019

Investment Advisors

PFM Asset Management LLC

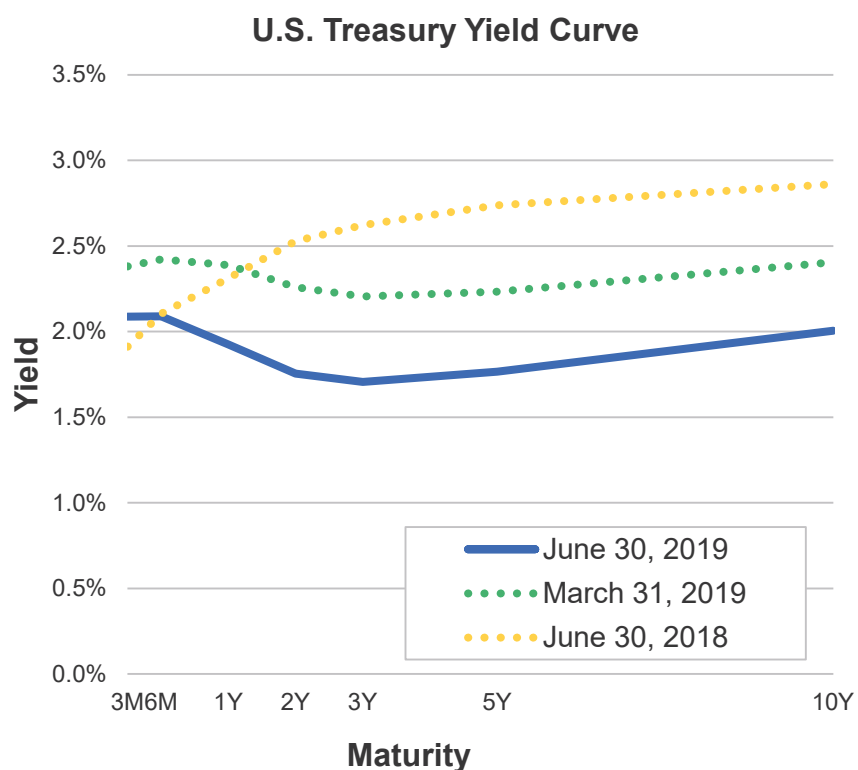
Steven Alexander, CTP, CGFO, CPPT, Managing Director
Giancarlo Morales-Belletti, Portfolio Manager
Richard Pengelly, CFA, CTP, Director
Jason Human, Client Manager
Sean Gannon, CTP, Senior Analyst

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U.S. Yield Curve Inversion Becomes More Pronounced

- The yield curve inversion continued to remain between the 3-month Treasury bill and the 10-year Treasury note that yielded 2.09% and 2.01%, respectively, as of June 30, 2019.
- The yield on the 10-year Treasury note has fallen by more than a full percentage point in the past three quarters, which has been the biggest decline over such a period since 2011.

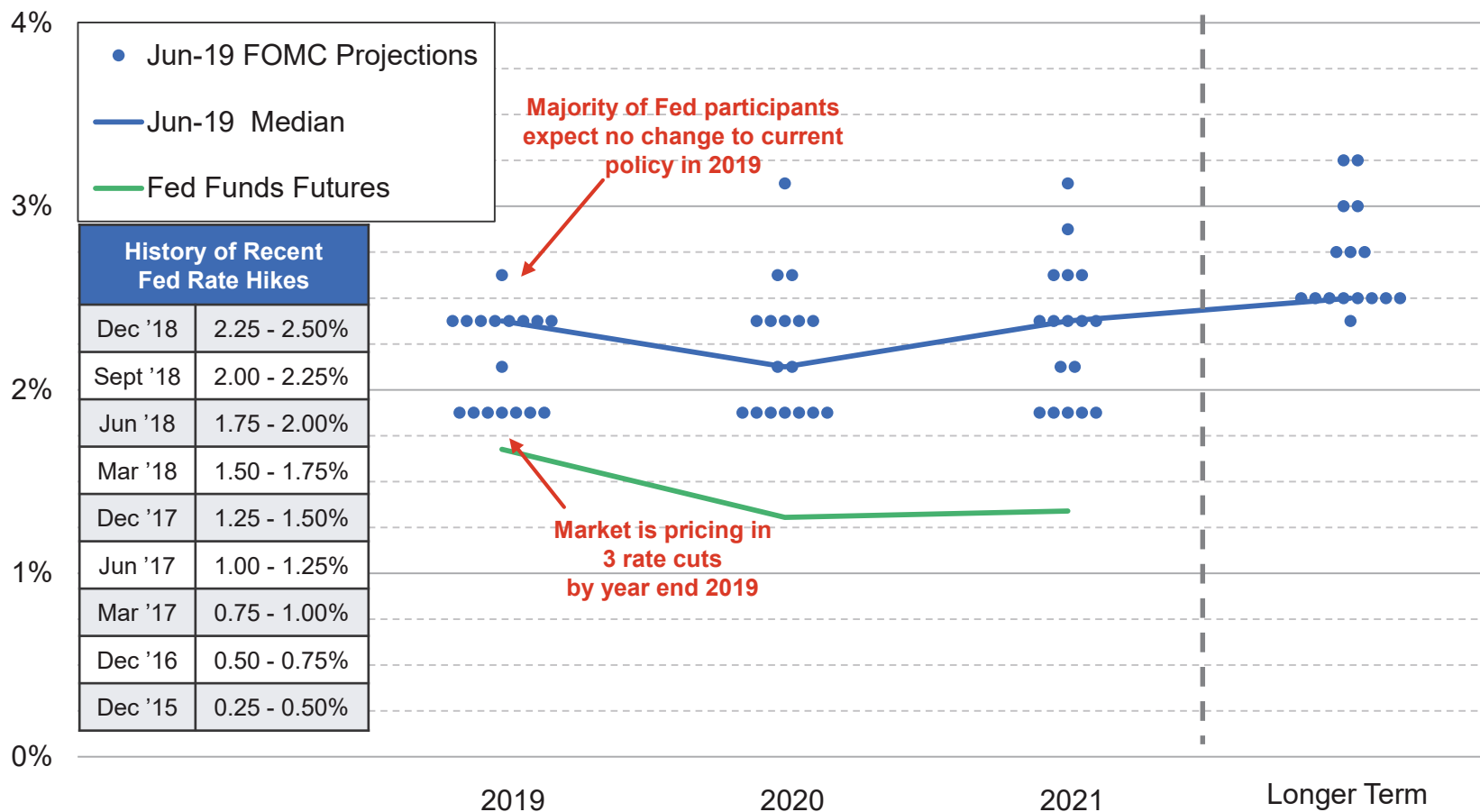


Maturity	6/30/2019	3/31/2019	6/30/2018
3-Mo.	2.09%	2.38%	1.91%
6-Mo.	2.09%	2.42%	2.11%
1-Yr.	1.93%	2.39%	2.31%
2-Yr.	1.75%	2.26%	2.53%
3-Yr.	1.71%	2.20%	2.62%
5-Yr.	1.77%	2.23%	2.74%
7-Yr.	1.89%	2.32%	2.82%
10-Yr.	2.01%	2.41%	2.86%

Source: Bloomberg, as of June 30, 2019.

Market Projects Three Rate Cuts by Year End

Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of June 19, 2019.

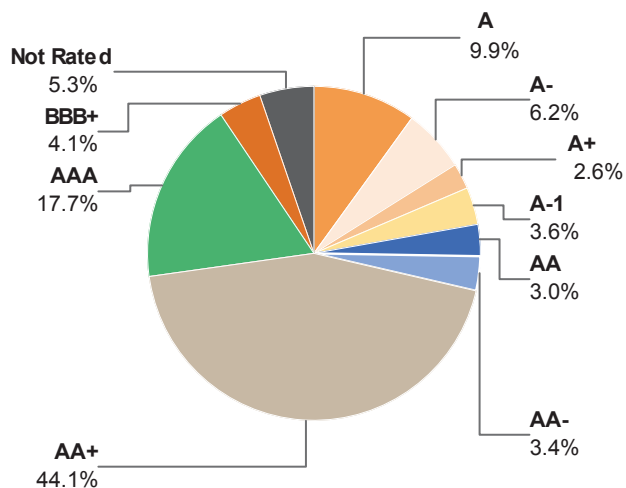
- ◆ The Council's Core Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/GSE, federal agency/CMO, mortgage-backed, asset-backed, municipal, supranational, commercial paper, and corporate securities.
- ◆ The Core Portfolio's quarterly performance of 1.42% underperformed its benchmark performance of 1.43% by 0.01%. For the year, the Portfolio returned 4.27% compared to 3.96% for the benchmark.
- ◆ Interest rates plummeted in the second quarter, with yields on intermediate-term maturity (2-5 year) Treasuries falling by about 50 basis points (0.50%) to the lowest levels since late 2017. Rates fell in response to slowing global growth expectations, weakness in manufacturing triggered by renewed trade disputes, muted inflation and expectations for multiple Federal Reserve (Fed) rate cuts in the second half of the year. Much of the yield curve remains inverted, with longer-term yields lower than short-term yields.
- ◆ Somewhat counterintuitively, credit-sensitive assets performed strongly during the quarter as yield spreads on corporate bonds narrowed and U.S. equity markets reached new all-time highs.
- ◆ We maintained portfolio durations in line with benchmarks, as we have since early in the year, given the backdrop of falling yields, likely Fed rate cuts and continuing uncertainty with regard to the sustainability of the now record-long economic expansion. Despite the inverted yield curve, maintaining durations in-line with their respective benchmarks was vitally important in the second quarter as the sharp drop in yields drove strong market value returns across most fixed-income sectors. As a result, longer duration strategies outperformed shorter ones by a wide margin.

Portfolio Statistics

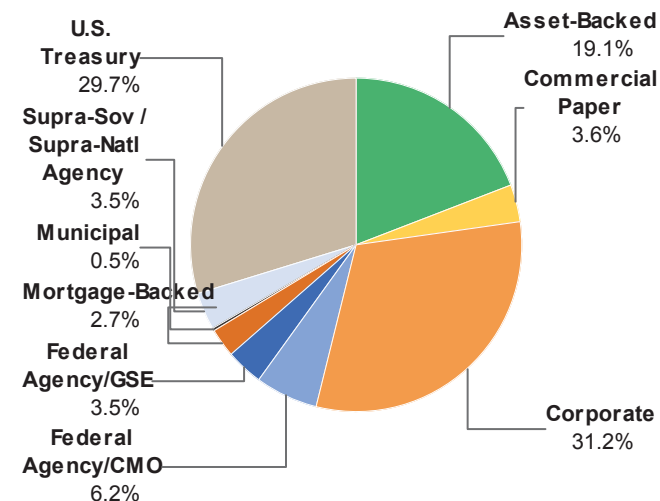
As of June 30, 2019

Par Value:	\$34,299,902
Total Market Value:	\$34,670,709
Security Market Value:	\$34,536,033
Accrued Interest:	\$134,676
Cash:	-
Amortized Cost:	\$34,062,282
Yield at Market:	2.07%
Yield at Cost:	2.82%
Effective Duration:	1.80 Years
Duration to Worst:	1.87 Years
Average Maturity:	2.59 Years
Average Credit: *	AA

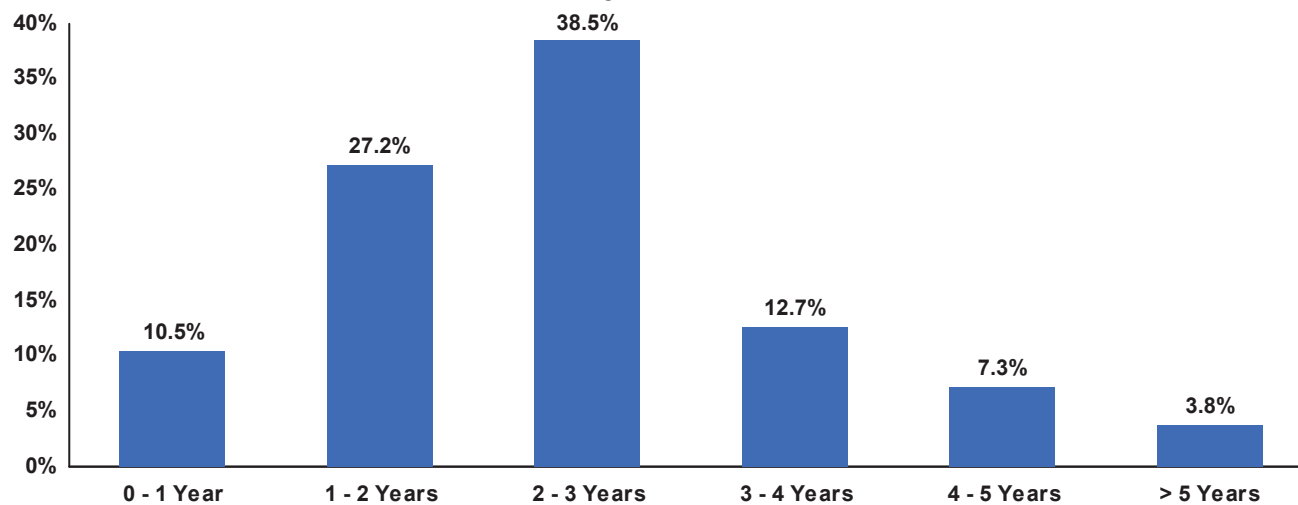
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution

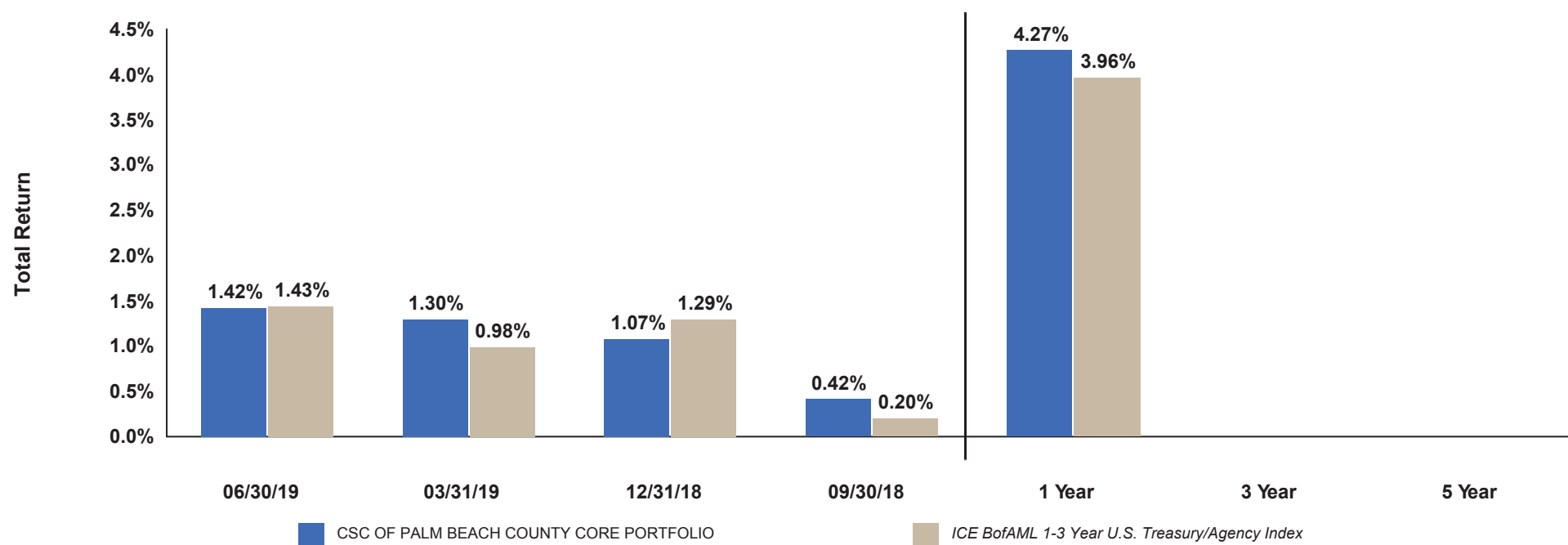


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

CSC OF PALM BEACH COUNTY CORE PORTFOLIO

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		06/30/19	03/31/19	12/31/18	09/30/18	1 Year	3 Year	5 Year
CSC OF PALM BEACH COUNTY CORE PORTFOLIO	1.80	1.42%	1.30%	1.07%	0.42%	4.27%	-	-
Net of Fees **	-	1.40%	1.28%	1.05%	0.40%	4.18%	-	-
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	1.80	1.43%	0.98%	1.29%	0.20%	3.96%	-	-
Difference (Gross)		-0.01%	0.32%	-0.22%	0.22%	0.31%	-	-
Difference (Net)		-0.03%	0.30%	-0.24%	0.20%	0.22%	-	-



Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings

Quarter-Ended June 30, 2019

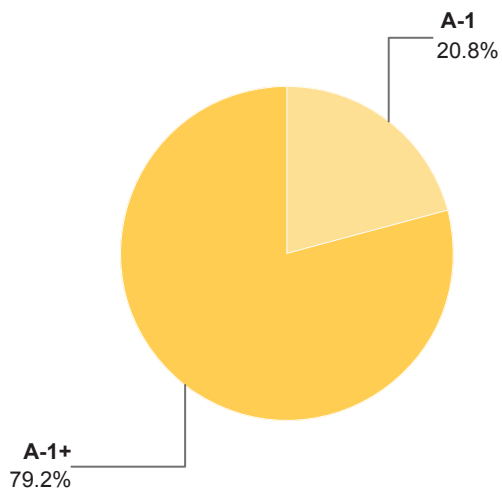
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2019)	\$34,540,639.86	\$34,291,636.28
Net Purchases/Sales	(\$290,972.04)	(\$290,972.04)
Change in Value	\$286,364.87	\$61,617.29
Ending Value (06/30/2019)	\$34,536,032.69	\$34,062,281.53
Interest Earned	\$201,427.27	\$201,427.27
Portfolio Earnings	\$487,792.14	\$263,044.56

Portfolio Statistics

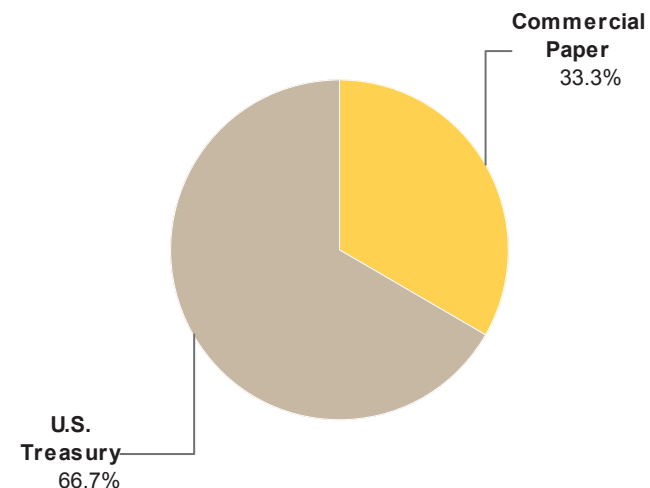
As of June 30, 2019

Par Value:	\$24,000,000
Total Market Value:	\$37,504,429
Security Market Value:	\$23,937,867
Accrued Interest:	-
Cash:	\$13,566,562
Amortized Cost:	\$23,932,430
Yield at Market:	2.19%
Yield at Cost:	2.44%
Effective Duration:	0.12 Years
Duration to Worst:	0.12 Years
Average Maturity:	0.12 Years
Average Credit: *	AA

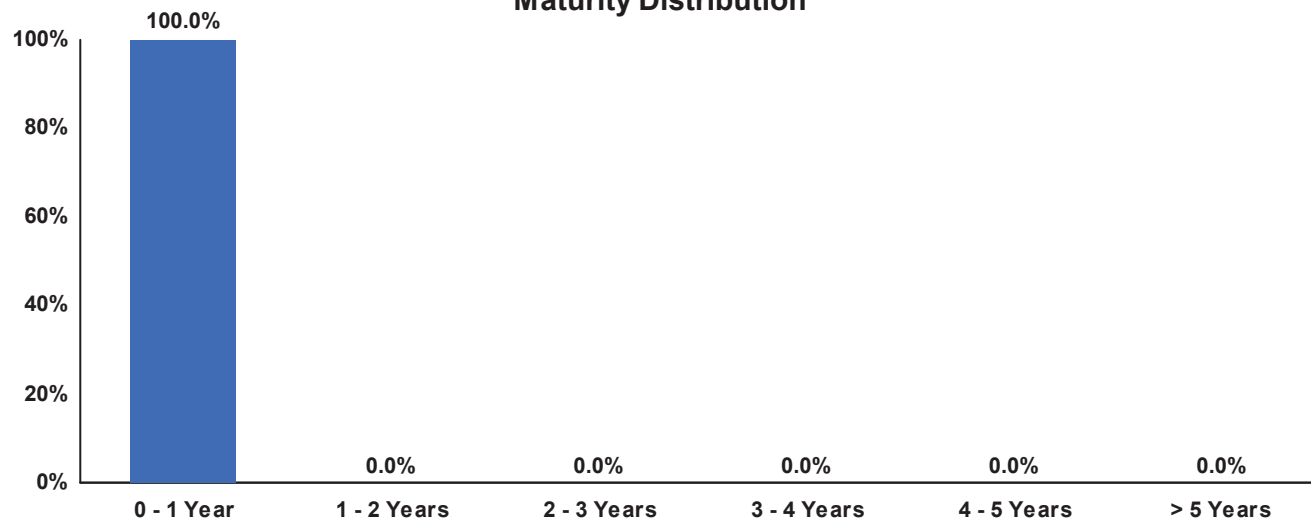
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution

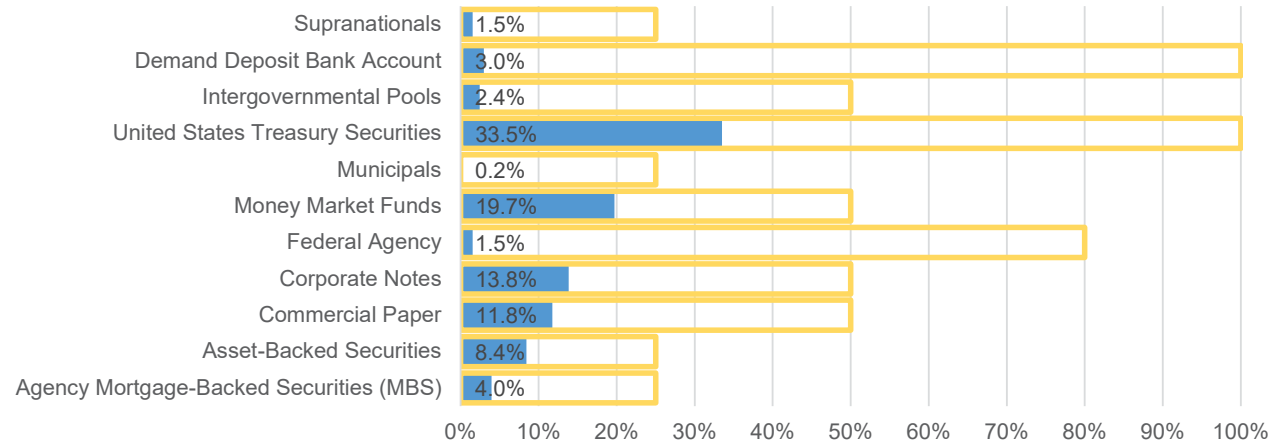


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings

Quarter-Ended June 30, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2019)	\$34,865,810.00	\$34,858,658.86
Net Purchases/Sales	(\$11,139,798.51)	(\$11,139,798.51)
Change in Value	\$211,855.51	\$213,569.49
Ending Value (06/30/2019)	\$23,937,867.00	\$23,932,429.84
Interest Earned	\$16,206.30	\$16,206.30
Portfolio Earnings	\$228,061.81	\$229,775.79



Security Type	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
United States Treasury Securities	26,247,131.30	33.51%	100%	YES
Federal Agency	1,207,100.33	1.54%	80%	YES
Supranationals	1,206,705.43	1.54%	25%	YES
Corporate Notes	10,842,994.63	13.84%	50%	YES
Municipals	173,139.90	0.22%	25%	YES
Agency Mortgage-Backed Securities (MBS)	3,100,873.39	3.96%	25%	YES
Asset-Backed Securities	6,609,061.16	8.44%	25%	YES
Certificates of Deposit and Savings Accounts	-	0.00%	50%	YES
Demand Deposit Bank Account	2,352,953.00	3.00%	100%	YES
Commercial Paper	9,221,569.50	11.77%	50%	YES
Repurchase Agreements	-	0.00%	40%	YES
Money Market Funds	15,461,807.85	19.74%	50%	YES
Intergovernmental Pools	1,912,179.49	2.44%	50%	YES

End of month trade-date market value of portfolio holdings, including accrued interest.

Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Us Tsy Bond/Note	UNITED STATES TREASURY	26,247,131.30	33.51%	100%	YES
Supranatl	INTER-AMERICAN DEVELOPMENT BANK	804,439.56	1.03%	10%	YES
Supranatl	INTL BANK OF RECONSTRUCTION AND DEV	402,265.87	0.51%	10%	YES
Muni Bond/Note	NEW YORK CITY NY TRANS FIN AUTH REVENUE	173,139.90	0.22%	5%	YES
Mny Mkt/Mutual Fnd	MONEY MARKET FUND	13,566,561.85	17.32%	25%	YES
Mny Mkt/Mutual Fnd	SYNOVUS MONEY MARKET	1,895,246.00	2.42%	25%	YES
Mbs / Cmo	FANNIE MAE	633,305.75	0.81%	40%	YES
Mbs / Cmo	FREDDIE MAC	718,719.55	0.92%	40%	YES
Mbs / Cmo	FHLMC MULTIFAMILY STRUCTURED P	1,748,848.09	2.23%	40%	YES
Intergovernmental Pools	FLORIDA EDUCATION INVESTMENT TRUST FUND	1,912,179.49	2.44%	25%	YES
Fed Agy Bond/Note	FANNIE MAE	702,550.72	0.90%	40%	YES
Fed Agy Bond/Note	FREDDIE MAC	504,549.61	0.64%	40%	YES
Demand Deposit Bank Account	WELLS FARGO OPERATING ACCOUNT	2,352,953.00	3.00%	100%	YES
Corporate Note	AMERICAN EXPRESS CREDIT CORP	394,474.38	0.50%	5%	YES
Corporate Note	AMERICAN HONDA FINANCE	343,708.41	0.44%	5%	YES
Corporate Note	APPLE INC	404,628.80	0.52%	5%	YES
Corporate Note	CHEVRON CORP	391,365.39	0.50%	5%	YES
Corporate Note	CISCO SYSTEMS	299,795.48	0.38%	5%	YES
Corporate Note	GOLDMAN SACHS GROUP INC	404,906.89	0.52%	5%	YES
Corporate Note	HSBC USA	403,044.89	0.51%	5%	YES
Corporate Note	IBM CORP	400,720.40	0.51%	5%	YES
Corporate Note	JOHN DEERE CAPITAL CORP	405,711.22	0.52%	5%	YES
Corporate Note	MELLON BANK	394,201.77	0.50%	5%	YES
Corporate Note	TOYOTA MOTOR CREDIT CORP	500,134.40	0.64%	5%	YES
Corporate Note	WELLS FARGO & COMPANY	454,192.31	0.58%	5%	YES
Corporate Note	EXXON MOBIL CORP	304,788.93	0.39%	5%	YES
Corporate Note	BRANCH BANKING & TRUST	442,049.04	0.56%	5%	YES
Corporate Note	CITIGROUP INC	403,871.53	0.52%	5%	YES
Corporate Note	PFIZER INC	97,490.29	0.12%	5%	YES
Corporate Note	MORGAN STANLEY	452,847.31	0.58%	5%	YES
Corporate Note	STATE STREET CORPORATION	249,917.25	0.32%	5%	YES
Corporate Note	UNILEVER CAPITAL CORP	221,876.99	0.28%	5%	YES
Corporate Note	BANK OF AMERICA	251,052.00	0.32%	5%	YES
Corporate Note	ORACLE CORP	175,093.18	0.22%	5%	YES
Corporate Note	CATERPILLAR FINANCIAL SERVICES CORP	715,492.85	0.91%	5%	YES
Corporate Note	MERCK & CO INC	228,776.29	0.29%	5%	YES
Corporate Note	HOME DEPOT INC	88,642.96	0.11%	5%	YES
Corporate Note	BANK OF AMERICA CORP	201,836.80	0.26%	5%	YES
Corporate Note	WAL-MART STORES INC	306,754.33	0.39%	5%	YES
Corporate Note	PACCAR FINANCIAL CORP	254,628.33	0.33%	5%	YES
Corporate Note	JPMORGAN CHASE & CO	409,293.98	0.52%	5%	YES

Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Corporate Note	GENERAL DYNAMICS CORP	252,238.01	0.32%	5%	YES
Corporate Note	CHARLES SCHWAB CORP	301,777.66	0.39%	5%	YES
Corporate Note	ABBOTT LABORATORIES	168,145.93	0.21%	5%	YES
Corporate Note	3M COMPANY	220,883.60	0.28%	5%	YES
Corporate Note	MASTERCARD INC	169,969.44	0.22%	5%	YES
Corporate Note	TARGET CORP	82,836.82	0.11%	5%	YES
Corporate Note	BOEING CO	45,846.77	0.06%	5%	YES
Commercial Paper	TOYOTA MOTOR CREDIT CORP	2,987,778.00	3.81%	5%	YES
Commercial Paper	CREDIT AGRICOLE CIB NY	1,992,126.00	2.54%	5%	YES
Commercial Paper	JP MORGAN SECURITIES LLC	3,794,337.60	4.84%	5%	YES
Commercial Paper	MUFG BANK LTD/NY	447,327.90	0.57%	5%	YES
Asset-Backed	ALLY AUTO RECEIVABLES TRUST	521,569.15	0.67%	5%	YES
Asset-Backed	CARMAX AUTO OWNER TRUST	299,272.70	0.38%	5%	YES
Asset-Backed	CNH EQUIPMENT TRUST	604,861.77	0.77%	5%	YES
Asset-Backed	FORD CREDIT AUTO OWNER TRUST	450,499.70	0.58%	5%	YES
Asset-Backed	HYUNDAI AUTO RECEIVABLES TRUST	132,579.30	0.17%	5%	YES
Asset-Backed	CITIBANK CREDIT CARD ISSUANCE	407,188.25	0.52%	5%	YES
Asset-Backed	AMERICAN EXPRESS CREDIT ACCOUN	299,296.35	0.38%	5%	YES
Asset-Backed	TOYOTA AUTO RECEIVABLES OWNER	229,015.54	0.29%	5%	YES
Asset-Backed	HONDA AUTO RECEIVABLES OWNER T	857,548.18	1.09%	5%	YES
Asset-Backed	NISSAN AUTO RECEIVABLES OWNER	510,479.42	0.65%	5%	YES
Asset-Backed	CAPITAL ONE MULTI-ASSET EXECUT	305,670.38	0.39%	5%	YES
Asset-Backed	GM FINANCIAL SECURITIZED TERM	641,695.42	0.82%	5%	YES
Asset-Backed	MERCEDES-BENZ AUTO RECEIVABLES	263,836.94	0.34%	5%	YES
Asset-Backed	WORLD OMNI AUTO RECEIVABLES TR	531,437.95	0.68%	5%	YES
Asset-Backed	GM FINANCIAL AUTO LEASING TRUST	121,094.11	0.15%	5%	YES
Asset-Backed	FORD CREDIT AUTO LEASE TRUST	166,989.98	0.21%	5%	YES
Asset-Backed	BMW VEHICLE LEASE TRUST	55,773.59	0.07%	5%	YES
Asset-Backed	DISCOVER CARD EXECUTION NOTE TRUST	210,252.43	0.27%	5%	YES

End of month trade-date market value of portfolio holdings, including accrued interest.



Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2019**

CSC OF PALM BEACH COUNTY CORE PORTFOLIO - 13940000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	400,000.00	MORGAN_S		99.35	397,406.40	9,937.65	4,303.97	1.31	1.31	1.87
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	1,000,000.00	CITIGRP		99.35	993,516.00	20,508.19	12,561.47	1.31	1.31	1.87
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	550,000.00	MERRILL		100.43	552,363.35	12,353.59	8,863.62	1.87	1.87	1.77
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	400,000.00	CITIGRP		98.71	394,843.60	7,671.72	5,723.16	2.04	2.04	1.76
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	525,000.00	MORGAN_S		98.71	518,232.23	16,816.21	9,426.15	2.04	2.04	1.76
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	1,365,000.00	MORGAN_S		100.61	1,373,265.08	39,510.79	33,559.34	2.27	2.27	1.73
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	1,400,000.00	CITIGRP		100.03	1,400,436.80	4,046.17	3,944.77	2.35	2.35	1.74
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,305,000.00	MERRILL		100.35	1,309,588.38	30,025.68	26,600.06	2.50	2.50	1.74
US TREASURY NOTES DTD 03/31/2015 1.750% 03/31/2022	912828J76	1,000,000.00	GOLDMAN		100.06	1,000,625.00	23,632.81	21,285.80	2.66	2.66	1.73
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	800,000.00	CITIGRP		100.40	803,218.40	13,093.40	12,330.66	2.74	2.74	1.73
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	700,000.00	GOLDMAN		100.07	700,464.80	10,335.90	9,828.55	2.83	2.83	1.73
US TREASURY N/B NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	800,000.00	WELLS_FA		101.18	809,437.60	2,812.60	2,958.79	2.90	2.90	1.72
Security Type Sub-Total		10,245,000.00				10,253,397.64	190,744.71	151,386.34	2.30	2.30	1.75
Supra-National Agency Bond / Note											
INTL BK RECON & DEVELOP NOTES DTD 11/01/2013 2.125% 11/01/2020	459058DH3	400,000.00	BARCLAYS		100.21	400,849.20	5,229.20	3,296.04	1.31	1.31	1.96
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	800,000.00	SOCGEN		100.25	801,984.00	14,664.00	9,016.32	1.33	1.33	1.94
Security Type Sub-Total		1,200,000.00				1,202,833.20	19,893.20	12,312.36	1.32	1.32	1.95



Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2019**

CSC OF PALM BEACH COUNTY CORE PORTFOLIO - 13940000

Security Type/Description				Next Call	Market	Market	Unreal G/L	Unreal G/L	Effective	Duration	YTM
Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Date	Price	Value	On Cost	Amort Cost	Duration	to Worst	at Mkt
Municipal Bond / Note											
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971XHY7	170,000.00	JPM_CHAS		101.29	172,199.80	2,199.80	2,199.80	3.17	3.17	2.12
DTD 04/12/2019 2.520% 11/01/2022											

Security Type Sub-Total **170,000.00** **172,199.80** **2,199.80** **2,199.80** **3.17** **3.17** **2.12**

Federal Agency Mortgage-Backed Security											
FNMA POOL #AL2306	3138EJR42	151,225.53	MERRILL		103.22	156,093.36	2,835.73	3,002.37	1.93	2.93	2.33
DTD 08/01/2012 3.500% 06/25/2027											
FN AL8774	3138ETXC5	153,718.62	BARCLAYS		102.34	157,318.34	3,167.38	3,177.60	2.34	3.45	2.27
DTD 06/01/2016 3.000% 03/25/2029											
FANNIE MAE POOL	31418DAZ5	156,611.75	CANT_FIT		103.37	161,881.75	2,137.76	2,279.41	2.16	3.33	2.43
DTD 02/01/2019 3.500% 03/25/2029											
FG G16640	3128MFS58	153,233.24	MORGAN_S		102.40	156,908.30	3,100.44	3,132.98	2.29	4.26	2.41
DTD 10/01/2018 3.000% 02/15/2032											
FHLMC POOL #G16545	3128MFP69	151,770.58	INTL_FCS		103.51	157,103.23	3,198.37	3,432.91	2.29	4.18	2.63
DTD 06/01/2018 3.500% 09/15/2032											
FN CA2261	314009OP1	149,113.29	JPM_CHAS		104.77	156,233.11	2,273.63	2,479.70	2.57	3.88	2.71
DTD 08/01/2018 4.000% 08/01/2033											

Security Type Sub-Total **915,673.01** **945,538.09** **16,713.31** **17,504.97** **2.26** **3.67** **2.46**

Federal Agency Collateralized Mortgage Obligation											
FHMS K006 A2	31398VJ98	274,487.68	CITIGRP		100.37	275,512.10	(4,551.11)	(835.97)	0.44	0.32	2.19
DTD 04/01/2010 4.251% 01/25/2020											
FHLMC SERIES K718 A1	3137BHXX0	151,530.53	BAIRD		100.33	152,035.29	2,327.87	1,779.85	1.59	1.61	2.07
DTD 05/01/2015 2.375% 09/01/2021											
FHMS KJ23 A1	3137FKK70	342,950.63	GOLDMAN		101.98	349,741.40	6,793.51	6,793.51	2.17	1.39	1.61
DTD 12/01/2018 3.174% 03/01/2022											
FHMS K019 A2	3137ASNJ9	170,000.00	JPM_CHAS		100.44	170,750.98	2,995.51	2,829.70	2.45	1.39	1.85
DTD 08/01/2012 2.272% 03/25/2022											
FHLMC MULTIFAMILY STRUCTURED P	3137BLUR7	155,000.00	JPM_CHAS		101.47	157,284.93	2,545.28	2,545.28	2.64	1.51	1.63
DTD 11/01/2015 2.716% 06/25/2022											



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Federal Agency Collateralized Mortgage Obligation												
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/25/2022		3137BLUR7	170,000.00	JPM_CHAS		101.47	172,506.06	2,672.08	2,672.08	2.64	1.51	1.63
FHLMC SERIES K032 A1 DTD 09/01/2013 3.016% 02/01/2023		3137B4GX8	100,825.68	BARCLAYS		101.60	102,437.69	1,371.77	1,482.04	1.85	2.48	2.29
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2013 2.669% 02/25/2023		3137B5JL8	105,033.64	BARCLAYS		100.89	105,971.43	1,475.27	1,403.81	1.80	1.83	2.09
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023		3137FKK39	146,007.70	CSFB		101.68	148,466.27	2,459.01	2,459.01	1.71	2.03	2.28
FHLMC MULTIFAMILY STRUCTURED POOL DTD 11/01/2017 2.741% 10/25/2023		3137FBT97	336,070.73	BMO		101.42	340,853.86	3,877.31	3,930.70	2.47	2.16	2.00
FHMS K047 A1 DTD 07/01/2015 2.827% 12/25/2024		3137BKRH5	168,769.16	JPM_CHAS		101.85	171,891.56	221.68	221.68	2.89	2.72	2.08
Security Type Sub-Total			2,120,675.75				2,147,451.57	22,188.18	25,281.69	2.04	1.63	1.94
Federal Agency Bond / Note												
FHLMC NOTES DTD 04/19/2018 2.500% 04/23/2020		3137EAEM7	500,000.00	GOLDMAN		100.44	502,188.50	2,973.50	2,517.98	0.80	0.80	1.95
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022		3135G0U92	340,000.00	NOMURA		102.08	347,060.78	7,305.58	7,268.30	2.41	2.41	1.78
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022		3135G0U92	340,000.00	NOMURA		102.08	347,060.78	6,972.38	6,982.20	2.41	2.41	1.78
Security Type Sub-Total			1,180,000.00				1,196,310.06	17,251.46	16,768.48	1.74	1.74	1.85
Corporate Note												
WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020		94974BGF1	200,000.00	MKTX		99.91	199,812.20	2,530.20	878.05	0.57	0.57	2.31
HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020		40428HPR7	400,000.00	MIZUHO		100.00	400,016.00	3,916.00	1,535.40	0.67	0.67	2.34
BANK OF AMERICA NOTES DTD 04/21/2015 2.250% 04/21/2020		06051GFN4	250,000.00	BNP_PARI		99.98	249,958.25	3,508.25	1,451.50	0.79	0.79	2.27
GENERAL DYNAMICS CORP DTD 05/11/2018 2.875% 05/11/2020		369550BA5	250,000.00	BNP_PARI		100.50	251,239.75	1,647.25	1,418.52	0.85	0.85	2.29



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Corporate Note											
CATERPILLAR FINL SERVICE DTD 05/16/2018 2.950% 05/15/2020	1491302J7	305,000.00	CITIGRP		100.56	306,695.80	1,753.75	1,721.58	0.86	0.86	2.30
MORGAN STANLEY CORPORATE NOTES DTD 06/16/2015 2.800% 06/16/2020	61761JB32	200,000.00	BNP_PARI		100.47	200,930.20	2,426.20	1,636.54	0.94	0.94	2.31
AMERICAN EXP (CALLABLE) CREDIT CORP NOTE DTD 09/14/2015 2.600% 09/14/2020	0258M0DX4	390,000.00	GOLDMAN	08/14/20	100.37	391,460.55	5,149.95	3,388.73	1.12	1.09	2.28
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 09/15/2015 2.750% 09/15/2020	38141GVP6	400,000.00	MKTX	08/15/20	100.42	401,668.00	6,152.00	4,044.04	1.12	1.09	2.40
BANK OF AMERICA CORP NOTE DTD 10/19/2015 2.625% 10/19/2020	06051GFT1	200,000.00	MERRILL		100.39	200,786.80	3,188.80	2,106.03	1.27	1.27	2.32
CITIGROUP INC CORP NOTES DTD 10/26/2015 2.650% 10/26/2020	172967KB6	250,000.00	MKTX		100.35	250,880.00	4,050.00	2,609.77	1.29	1.29	2.38
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 12/07/2018 3.350% 12/07/2020	1491302O1	350,000.00	CITIGRP		101.54	355,372.50	5,432.00	5,415.53	1.40	1.40	2.26
AMERICAN HONDA FINANCE CORP NOTES DTD 01/15/2019 3.150% 01/08/2021	02665WCS8	140,000.00	SMBC		101.33	141,866.62	1,949.22	1,930.91	1.46	1.46	2.25
JOHN DEERE CAPITAL CORP NOTES DTD 01/08/2018 2.350% 01/08/2021	24422ETZ2	400,000.00	BAIRD		100.30	401,194.00	8,302.00	5,372.94	1.47	1.47	2.15
IBM CREDIT CORP NOTE DTD 09/08/2017 1.800% 01/20/2021	44932HAB9	400,000.00	US_BANCO		99.38	397,500.40	10,088.40	4,978.06	1.51	1.51	2.21
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	250,000.00	RBS	01/01/21	99.82	249,559.00	6,011.50	3,385.50	1.50	1.54	2.26
APPLE INC CORP NOTES DTD 02/23/2016 2.250% 02/23/2021	037833BS8	400,000.00	GOLDMAN		100.36	401,428.80	8,036.80	5,401.12	1.60	1.60	2.03
PACCAR FINANCIAL CORP NOTES DTD 02/27/2018 2.800% 03/01/2021	69371RN93	250,000.00	LOOP		100.92	252,295.00	3,812.50	3,210.20	1.61	1.61	2.24
WELLS FARGO CORP NOTES DTD 03/04/2016 2.500% 03/04/2021	949746RS2	250,000.00	TD		100.22	250,545.25	6,060.25	3,884.14	1.62	1.62	2.37
CITIGROUP CORP NOTES DTD 03/30/2016 2.700% 03/30/2021	172967KK6	150,000.00	TD		100.51	150,771.60	2,912.10	2,244.33	1.69	1.69	2.40



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Corporate Note												
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021		89236TEU5	390,000.00	US_BANCO		101.38	395,367.57	6,541.47	6,092.38	1.72	1.72	2.16
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021		06406FAA1	390,000.00	RBS	03/15/21	100.55	392,143.44	8,621.34	6,176.32	1.68	1.66	2.18
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021		61746BEA0	250,000.00	MORGAN_S		100.19	250,468.50	6,286.00	4,099.27	1.75	1.75	2.39
CHEVRON CORP (CALLABLE) NOTES DTD 05/16/2016 2.100% 05/16/2021		166764BG4	390,000.00	WELLS_FA	04/15/21	100.09	390,341.64	9,881.04	6,372.35	1.78	1.75	2.05
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021		857477AV5	250,000.00	HSBC		99.74	249,348.50	7,358.50	4,423.94	1.84	1.84	2.09
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021		808513AW5	295,000.00	CSFB		101.94	300,712.38	5,721.23	5,718.19	1.82	1.82	2.20
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021		931142EJ8	300,000.00	BNP_PARI		102.18	306,546.00	5,370.00	5,607.48	1.92	1.92	2.00
BRANCH BANKING & TRUST CORP NOTES DTD 06/05/2018 3.200% 09/03/2021		05531FBD4	185,000.00	MORGAN_S		101.79	188,310.02	3,530.17	3,463.89	2.07	2.07	2.35
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021		14913Q2N8	50,000.00	BARCLAYS		101.99	50,994.45	1,032.95	1,022.82	2.09	2.09	2.21
3M COMPANY DTD 09/14/2018 3.000% 09/14/2021		88579YBA8	145,000.00	CITIGRP		101.90	147,748.48	3,045.73	2,969.28	2.11	2.11	2.11
ORACLE CORP (CALLABLE) NOTES DTD 07/07/2016 1.900% 09/15/2021		68389XBK0	175,000.00	MERRILL	08/15/21	99.49	174,114.15	2,292.15	2,044.06	2.11	2.14	2.14
CISCO SYSTEMS INC CORP (CALLABLE) NOTES DTD 09/20/2016 1.850% 09/20/2021		17275RBJ0	300,000.00	WELLS_FA	08/20/21	99.41	298,238.40	7,343.40	5,666.18	2.12	2.15	2.12
MASTERCARD INC CORP (CALLABLE) NOTES DTD 11/21/2016 2.000% 11/21/2021		57636QAF1	170,000.00	GOLDMAN	10/21/21	99.76	169,591.66	3,685.26	3,016.91	2.28	2.32	2.10
ABBOTT LABORATORIES CORP NOTES DTD 11/22/2016 2.900% 11/30/2021		002824BD1	165,000.00	GOLDMAN		101.66	167,733.89	1,808.24	1,853.17	2.32	2.32	2.19
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022		89236TDP7	100,000.00	SOCGEN		101.05	101,046.30	2,735.30	2,466.85	2.41	2.41	2.17



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Corporate Note												
TARGET CORP CORP NOTES	DTD 01/12/2012 2.900% 01/15/2022	87612EAZ9	80,000.00	STIFEL		102.21	81,767.04	1,698.24	1,708.61	2.41	2.41	2.00
MERCK & CO INC CORP NOTES	DTD 02/10/2015 2.350% 02/10/2022	58933YAQ8	90,000.00	MITSU		100.83	90,750.69	2,422.89	2,181.42	2.50	2.50	2.02
3M COMPANY BONDS	DTD 02/22/2019 2.750% 03/01/2022	88579YBF7	70,000.00	MORGAN_S	02/01/22	101.65	71,152.41	1,185.31	1,181.35	2.54	2.54	2.11
HOME DEPOT INC	DTD 12/06/2018 3.250% 03/01/2022	437076BV3	85,000.00	JPM_CHAS		103.20	87,722.13	2,955.03	2,918.13	2.53	2.53	2.01
EXXON MOBIL CORP (CALLABLE) NOTE	DTD 03/06/2015 2.397% 03/06/2022	30231GAJ1	300,000.00	CITIGRP	01/06/22	100.83	302,491.80	11,599.80	10,017.35	2.48	2.41	2.08
UNILEVER CAPITAL CORP	DTD 09/07/2018 3.000% 03/07/2022	904764BF3	215,000.00	GOLDMAN		102.25	219,834.49	5,875.09	5,642.09	2.55	2.55	2.13
PFIZER INC CORP BONDS	DTD 03/11/2019 2.800% 03/11/2022	717081ER0	95,000.00	BARCLAYS		101.77	96,677.51	1,683.21	1,682.65	2.57	2.57	2.12
BOEING CO CORP NOTE	DTD 05/02/2019 2.700% 05/01/2022	097023CG8	45,000.00	CITIGRP		101.44	45,647.64	727.29	723.09	2.71	2.71	2.17
JPMORGAN CHASE & CO CORP NOTES	DTD 06/18/2018 3.514% 06/18/2022	46647PAS5	400,000.00	JPM_CHAS		102.20	408,786.40	8,786.40	8,786.40	2.80	2.80	2.74
AMERICAN HONDA FINANCE	DTD 06/27/2019 2.200% 06/27/2022	02665WCY5	200,000.00	MERRILL		99.88	199,759.40	(56.60)	(57.26)	2.88	2.88	2.24
MERCK & CO INC CORP NOTES	DTD 09/13/2012 2.400% 09/15/2022	589331AT4	135,000.00	GOLDMAN		100.92	136,243.22	2,622.92	2,511.48	3.05	3.05	2.10
Security Type Sub-Total			10,705,000.00				10,777,518.83	201,679.53	154,901.29	1.69	1.69	2.23
Commercial Paper												
JP MORGAN SECURITIES LLC COMM PAPER	DTD 12/03/2018 0.000% 08/30/2019	46640QVW8	800,000.00	JPM_CHAS		99.59	796,701.60	14,575.16	688.26	0.17	0.17	2.44
MUFG BANK LTD/NY COMM PAPER	DTD 01/02/2019 0.000% 09/27/2019	62479MWT6	450,000.00	MITSU		99.41	447,327.90	6,906.52	484.90	0.24	0.24	2.42
Security Type Sub-Total			1,250,000.00				1,244,029.50	21,481.68	1,173.16	0.19	0.19	2.43
Asset-Backed Security												



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Asset-Backed Security												
GMALT 2018-3 A3	DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	RBC		100.81	120,977.51	986.99	984.44	1.06	1.00	2.37
BMWLT 2018-1 A3	DTD 10/17/2018 3.260% 07/20/2021	05586CAC8	55,000.00	SOCGEN		101.31	55,718.80	726.44	724.54	1.20	1.05	2.02
CARMX 2018-2 A2	DTD 04/25/2018 2.730% 08/15/2021	14314XAB5	110,553.42	INTL_FCS		100.17	110,740.47	174.08	178.11	0.37	1.07	2.57
FORDL 2018-B A3	DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	165,000.00	JPM_CHAS		101.06	166,756.05	1,769.99	1,766.75	1.17	1.24	2.33
HAROT 2018-1 A3	DTD 02/28/2018 2.640% 02/15/2022	43814UAC3	485,000.00	HSBC		100.43	487,077.64	4,673.15	3,981.91	0.96	1.32	2.32
NAROT 2017-C A3	DTD 12/13/2017 2.120% 04/15/2022	65478HAD0	200,000.00	INTL_FCS		99.97	199,943.90	2,522.02	1,536.13	0.95	0.79	2.16
HAROT 2018-2 A3	DTD 05/30/2018 3.010% 05/18/2022	43814UAG4	180,000.00	BARCLAYS		101.25	182,240.91	2,244.83	2,243.72	1.33	1.45	2.15
HONDA AUTO RECEIVABLES OWNER T	DTD 08/28/2018 2.950% 08/21/2022	43815HAC1	185,000.00	MERRILL		101.25	187,313.31	2,338.69	2,333.53	1.46	1.58	2.16
AMXCA 2018-1 A	DTD 03/21/2018 2.670% 10/17/2022	02582JHQ6	298,000.00	INTL_FCS		100.32	298,942.72	2,421.08	2,226.24	0.71	1.64	2.48
FORDO 2018-A A3	DTD 05/22/2018 3.030% 11/15/2022	34528FAD0	445,000.00	RBC		101.10	449,900.43	4,972.39	4,955.25	1.21	1.68	2.38
HART 2018-B A3	DTD 12/12/2018 3.200% 12/15/2022	44933AAC1	130,000.00	BARCLAYS		101.84	132,394.41	2,395.97	2,395.72	1.66	1.73	2.14
TOYOTA ABS 2018-C A3	DTD 08/22/2018 3.020% 12/15/2022	89231AAD3	225,000.00	CITIGRP		101.65	228,713.54	3,753.57	3,745.93	1.70	1.73	2.07
MBART 2018-1 A3	DTD 07/25/2018 3.030% 01/15/2023	58772RAD6	260,000.00	BNP_PARI		101.34	263,486.81	3,496.79	3,494.69	1.34	1.76	2.27
ALLYA 2018-3 A3	DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	400,000.00	BARCLAYS		100.94	403,763.04	3,790.40	3,784.45	1.13	1.76	2.47
CCCIT 2018-A1 A1	DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	400,000.00	CITIGRP		100.68	402,733.92	7,155.79	6,464.03	1.52	1.76	2.11
NAROT 2018-B A3	DTD 07/25/2018 3.060% 03/15/2023	65479GAD1	305,000.00	SOCGEN		101.62	309,932.28	4,942.16	4,940.11	1.69	1.85	2.19
GMCAR 2018-3 A3	DTD 07/18/2018 3.020% 05/16/2023	36255JAD6	180,000.00	JPM_CHAS		101.54	182,768.74	2,810.72	2,802.75	1.62	1.93	2.23



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Asset-Backed Security											
CARMAX AUTO OWNER TRUST DTD 07/25/2018 3.130% 06/15/2023	14313FAD1	185,000.00	BARCLAYS		101.70	188,140.73	3,165.95	3,161.31	1.58	1.97	2.27
CNH 2018-A A3 DTD 05/23/2018 3.120% 07/15/2023	12652VAC1	325,000.00	CITIGRP		101.31	329,243.14	4,312.95	4,302.71	1.63	1.52	2.26
ALLYA 2019-1 A3 DTD 02/13/2019 2.910% 09/15/2023	02004WAC5	115,000.00	JPM_CHAS		101.85	117,124.05	2,137.94	2,136.79	1.76	2.09	2.03
GMCAR 2018-4 A3 DTD 10/10/2018 3.210% 10/16/2023	38013FAD3	255,000.00	WELLS_FA		102.00	260,102.58	5,142.95	5,137.12	1.68	2.13	2.28
CNH 2018-B A3 DTD 09/26/2018 3.190% 11/15/2023	12596EAC8	270,000.00	WELLS_FA		101.77	274,785.16	4,821.66	4,818.13	1.72	1.61	2.10
WORLD OMNI AUTO RECEIVABLES TR DTD 08/01/2018 3.130% 11/15/2023	98163EAD8	290,000.00	MITSU		101.74	295,033.76	5,060.85	5,055.98	1.62	2.17	2.33
GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	195,000.00	RBC		101.55	198,015.23	3,036.82	3,034.85	1.61	2.17	2.26
COMET 2018-A1 A1 DTD 05/16/2018 3.010% 02/15/2024	14041NFR7	300,000.00	RBC		101.76	305,269.05	5,352.06	5,336.44	1.74	2.29	2.25
WOART 2018-D A3 DTD 10/17/2018 3.330% 03/15/2024	98162WAD9	230,000.00	BARCLAYS		102.46	235,660.37	5,708.12	5,702.14	2.09	2.33	2.28
DCENT 2019-A1 DTD 02/01/2019 3.040% 07/15/2024	254683CK9	205,000.00	CITIGRP		102.43	209,975.45	4,979.80	4,979.30	2.43	2.49	2.07
Security Type Sub-Total		6,513,553.42				6,596,754.00	94,894.16	92,223.07	1.44	1.74	2.26
Managed Account Sub-Total		34,299,902.18				34,536,032.69	587,046.03	473,751.16	1.80	1.87	2.07
Securities Sub-Total		\$34,299,902.18				\$34,536,032.69	\$587,046.03	\$473,751.16	1.80	1.87	2.07%
Accrued Interest						\$134,675.95					
Total Investments						\$34,670,708.64					



Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2019**

CSC OF PALM BEACH COUNTY SHORT TERM - 13940100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 01/31/2019 0.000% 08/01/2019	912796SB6	9,000,000.00	WELLS_FA		99.83	8,984,421.00	21,674.12	2,187.90	0.09	0.09	1.95
UNITED STATES TREASURY BILL DTD 02/28/2019 0.000% 08/29/2019	912796SF7	7,000,000.00	CITIGRP		99.66	6,975,906.00	31,937.89	3,003.42	0.16	0.16	2.07
Security Type Sub-Total		16,000,000.00				15,960,327.00	53,612.01	5,191.32	0.12	0.12	2.00
Commercial Paper											
JP MORGAN SECURITIES LLC COMM PAPER DTD 12/12/2018 0.000% 07/10/2019	466400UA7	3,000,000.00	JPM_CHAS		99.92	2,997,636.00	40,086.00	(241.50)	0.03	0.03	2.84
CREDIT AGRICOLE CIB NY DTD 12/04/2018 0.000% 08/30/2019	22533UVW0	2,000,000.00	CREDAG		99.61	1,992,126.00	8,799.33	259.34	0.17	0.17	2.33
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 12/13/2018 0.000% 08/30/2019	89233HVV1	3,000,000.00	TOYOTA		99.59	2,987,778.00	13,300.50	228.00	0.17	0.17	2.41
Security Type Sub-Total		8,000,000.00				7,977,540.00	62,185.83	245.84	0.11	0.11	2.55
Managed Account Sub-Total		24,000,000.00				23,937,867.00	115,797.84	5,437.16	0.12	0.12	2.19
Securities Sub-Total		\$24,000,000.00				\$23,937,867.00	\$115,797.84	\$5,437.16	0.12	0.12	2.19%
Accrued Interest						\$0.00					
Total Investments						\$23,937,867.00					

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.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

Children's Services Council

Finance Committee Meeting

Thursday, June 27, 2019, 3:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Thomas Bean, CSC and CSC Finance Committee Vice-chair, **Present**

Tom Weber, CSC Chair, **Present**

Paul Dumars, Director Financial Services, Solid Waste Authority, **Present via telephone**

John Marino, Volunteer, **Present**

CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO, **Present**

Debra Heim, CFO, **Present**

Tom Sheehan, General Counsel, **Present**

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

Agenda Items:

1. **The Finance Committee elected Thomas Bean as Chair and Tom Weber as the Vice Chair of the Committee**
2. **Minutes – May 23, 2019, Recommends Council to approve**
3. **Monthly Investment Report – May 31, 2019, Reviewed, no action required**
4. **Financial Statements – May 31, 2019, Recommends Council to approve**
5. **CSC Proposed 2019/2020 Budget and related 5 year Forecast**
 - A. **0.6497 Millage Rate (Recommended)**
 - B. **0.6590 Millage Rate**
 - C. **0.6403 Millage Rate**

The three budget models and related 5 year forecasts were reviewed. The assumptions and differences between the models were discussed. The Property Appraiser's office certified the preliminary taxable value earlier today which resulted in approximately \$500,000 in additional Ad Valorem Revenue. Staff discussed the uncertainty related to Interest Income and Grant Revenue projected related to the Healthy Start Coalition. For those reasons, staff recommended keeping the Millage Rate at 0.6497.

The Finance Committee agreed and recommends Council to tentatively approve the Millage Rate recommended by staff at 0.6497.

6. Adjournment

Discussion/Information:

1. FEITF (Florida Education Investment Trust Fund) changed its name to FL PALM (Florida Public Assets for Liquidity Management) to reflect the diversity of entities that make up the fund. **No action required**
2. Fund Balance Policy discussion (time permitting, otherwise will be addressed at another meeting). **The Finance Committee discussed the inverted yield curve and potential for an economic downturn in the near future. There was discussion that there may be need for services by more children and families in Palm Beach County during that period and it may not be a time where we would want to reduce funding to providers.**

Government Finance Officers Association's (GFOA) Fund Balance best practices were discussed, which includes taking into account any unique circumstances that relate to the Council. The following unique circumstances were discussed:

- a. **South Florida is vulnerable to severe weather (hurricanes) during times when no revenue is available. The Council and/or providers may need assistance.**
- b. **During economic downturn, homeowners may have difficulty paying tax bill during the early discount months (November, December, etc.) which could result in less revenue being received and/or the vulnerability of the timing of Council receiving those tax receipts.**
- c. **We provide advances to providers, especially at the beginning of each fiscal year, and could be as much as \$5 million.**
- d. **Revenue is received from grants (state and federal) and can fluctuate or cease.**

Fund Balance is projected to be 30.3% at the end of fiscal year 18/19, assuming 5% under expenditures in fiscal year 18/19.

The fund balance policy was adopted on April 24, 2014, at which time the policy set a floor to retain a balance of at least 30% of the subsequent year budget. On March 31, 2016, the policy was revised to set a floor to retain at least 27.5% of the subsequent year budget.

The Finance Committee decided to revisit the Fund Balance policy after the end of this fiscal year.

3. **Staff recommended changing "Accounts Receivable" on the Balance Sheet to "Other Receivables" to align with the annual Comprehensive Annual Financial Report (CAFR) and to begin including accrued interest in other receivables rather than in the Investment total. The Finance Committee agreed.**

Next Meeting: August 1, 2019 2:45p.m. Time changed to 3:00pm

AGENDA ITEM: 3

TITLE: Financial Statements – June 30, 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 nine months ended June 30, 2019.

Balance Sheet:

As of June 30, 2019, the Council had \$78,052,482 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 \$17,098,172 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at June 30, 2019 is 75%. The estimated expenditure rate for Children’s Programs at June 30, 2019 is 71.12%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the June 30, 2019 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
BALANCE SHEET (Unaudited)
JUNE 30, 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 & Investments	\$ 78,043,626	\$ 8,856	\$ 78,052,482
Other Receivables	1,571,566	-	1,571,566
Advances to Agencies	4,134,199	-	4,134,199
Prepaid Expenses	515,298	-	515,298
Due From - Special Revenue Fund	-	338,031	338,031
Capital Assets	17,098,172	-	17,098,172
Total Assets	101,362,861	346,887	101,709,748
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	12,810,315	346,887	13,157,202
Accounts Payable	289,758	-	289,758
Due to - General Fund	338,031	-	338,031
Total Liabilities	13,438,104	346,887	13,784,991
Fund Balance			
Nonspendable:			
Prepaid Expenses	515,298	-	515,298
Assigned:			
Reserved in accordance with fund balance policy	37,130,654	-	37,130,654
Unassigned:	33,180,633	-	33,180,633
Total Fund Balance	70,826,585	-	70,826,585
Investment in Capital Assets	17,098,172	-	17,098,172
Total Liabilities and Fund Balance	\$ 101,362,861	\$ 346,887	\$ 101,709,748

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

Agenda Item: 3 (continued)

	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019
Cash												
Public Funds Money Market	\$ 3,421,516	\$ 3,746,190	\$ 3,894,246	\$ 5,343,342	\$ 8,275,933	\$ 16,115,325	\$ 8,262,975	\$ 5,743,559	\$ 2,054,651	\$ 4,113,514	\$ 2,814,789	\$ 1,895,247
Operating Account	\$ 2,280,527	\$ 2,153,321	\$ 2,644,936	\$ 2,936,580	\$ 2,785,107	\$ 3,126,262	\$ 3,643,042	\$ 2,014,106	\$ 2,942,289	\$ 2,588,493	\$ 2,277,400	\$ 2,352,954
Custodian Bank	\$ 2,851,165	\$ 1,151,474	\$ 930,688	\$ 6,321,105	\$ 6,161,302	\$ 2,060,687	\$ 1,553,104	\$ 2,043,015	\$ 2,054,706	\$ 2,288,705	\$ 2,477,333	\$ 13,558,062
Subtotal cash	\$ 8,553,209	\$ 7,050,985	\$ 7,469,870	\$ 14,601,027	\$ 17,222,342	\$ 21,302,274	\$ 13,459,121	\$ 9,800,680	\$ 7,051,646	\$ 8,990,712	\$ 7,569,522	\$ 17,806,263
Investments												
Florida Public Assets for Liquidity Management	\$ 14,075,647	\$ 14,110,031	\$ 6,143,604	\$ 88,422	\$ 10,095,009	\$ 28,618,414	\$ 28,655,196	\$ 28,688,599	\$ 26,807,942	\$ 20,856,543	\$ 12,891,786	\$ 1,912,179
U.S. Treasury	\$ 17,361,710	\$ 13,850,501	\$ 13,165,566	\$ 9,165,751	\$ 9,180,930	\$ 34,495,983	\$ 30,844,597	\$ 30,731,910	\$ 30,800,151	\$ 28,107,858	\$ 31,451,583	\$ 27,355,832
U.S. Credit	\$ 22,492,204	\$ 18,007,874	\$ 18,371,547	\$ 13,105,489	\$ 13,393,907	\$ 26,424,697	\$ 30,350,401	\$ 29,441,795	\$ 28,931,503	\$ 31,305,435	\$ 28,151,872	\$ 21,288,464
ABS and MBS (asset and mortgage backed securities)	\$ 6,402,189	\$ 7,201,892	\$ 7,727,303	\$ 6,703,029	\$ 6,681,330	\$ 7,630,999	\$ 8,017,644	\$ 8,606,537	\$ 9,249,300	\$ 9,545,691	\$ 9,544,649	\$ 9,689,744
Accrued income (1)	\$ -	\$ 194,434	\$ 206,393	\$ 140,589	\$ 112,019	\$ 174,978	\$ 259,720	\$ 357,219	\$ 427,375	\$ 368,506	\$ 302,157	\$ -
Subtotal Regions	\$ 46,256,104	\$ 39,254,701	\$ 39,470,809	\$ 29,114,858	\$ 29,368,186	\$ 68,726,658	\$ 69,472,362	\$ 69,137,460	\$ 69,408,328	\$ 69,327,490	\$ 69,450,261	\$ 58,334,040
Subtotal investments	\$ 60,331,750	\$ 53,364,732	\$ 45,614,413	\$ 29,203,280	\$ 39,463,195	\$ 97,345,072	\$ 98,127,558	\$ 97,826,059	\$ 96,216,270	\$ 90,184,033	\$ 82,342,047	\$ 60,246,219
Total Cash and Investments	\$ 68,884,959	\$ 60,415,717	\$ 53,084,283	\$ 43,804,307	\$ 56,685,537	\$ 118,647,346	\$ 111,586,679	\$ 107,626,740	\$ 103,267,916	\$ 99,174,745	\$ 89,911,569	\$ 78,052,482

Month over Month Comparison

	6/30/2018	6/30/2019
Cash		
Public Funds Money Market	\$ 10,430,281	\$ 1,895,247
Operating Account	\$ 3,556,415	\$ 2,352,954
Custodian Bank	\$ 89,415	\$ 13,558,062
Subtotal cash	\$ 14,076,111	\$ 17,806,263
Investments		
Florida Public Assets for Liquidity Management (1)	\$ 14,058,480	\$ 1,912,179
U.S. Treasury	\$ 20,920,221	\$ 27,355,832
U.S. Credit	\$ 23,439,740	\$ 21,288,464
ABS and MBS (asset and mortgage backed securities)	\$ 4,613,464	\$ 9,689,744
Accrued income	\$ -	\$ -
Subtotal Regions	\$ 48,973,425	\$ 58,334,040
Subtotal investments	\$ 63,031,905	\$ 60,246,219
Total Cash and Investments	\$ 77,108,016	\$ 78,052,482

(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 NINE MONTHS ENDED JUNE 30, 2019**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
						<u>Prevention Partnership for Children, Inc.</u>									
	Approved 2018/2019 Budget	Budget Through 6/30/2019	Actual Through 6/30/2019	Variance YTD	% YTD	Approved 2018/2019 Budget	Budget Through 6/30/2019	Actual Through 6/30/2019	Variance YTD	% YTD	Approved 2018/2019 Budget	Budget Through 6/30/2019	Actual Through 6/30/2019	Variance YTD	% YTD
Revenues															
Ad Valorem Property Taxes	\$ 120,540,063	\$ 113,982,488	\$ 113,982,488	\$ -	94.56%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 120,540,063	\$ 113,982,488	\$ 113,982,488	\$ -	94.56%
Interest Income	1,400,000	1,050,000	1,685,752	635,752	120.41%	-	-	143	(143)	0.00%	1,400,000	1,050,000	1,685,895	635,895	120.42%
Unrealized Gain or Loss	-	-	640,263	640,263	100.00%	-	-	-	-	0.00%	-	-	640,263	640,263	100.00%
Department of Health/Agency for Health Care Administration	3,355,246	2,516,435	2,205,640	(310,794)	65.74%	-	-	-	-	0.00%	3,355,246	2,516,435	2,205,640	(310,794)	65.74%
Income from Tenants	77,013	57,760	46,970	(10,790)	60.99%	-	-	-	-	0.00%	77,013	57,760	46,970	(10,790)	60.99%
Other Income	98,824	74,118	118,747	44,629	120.16%	-	-	-	-	0.00%	98,824	74,118	118,747	44,629	120.16%
Cash Carryforward	12,210,846	-	-	-	0.00%	-	-	-	-	0.00%	12,210,846	-	-	-	0.00%
Total Revenues	137,681,992	117,680,801	118,679,861	999,060	86.20%	-	-	143	(143)	0.00%	137,681,992	117,680,801	118,680,003	999,203	86.20%
Expenditures															
Administrative Expenditures	5,591,996	4,193,997	4,002,023	191,974	71.57%	-	-	239	(239)	100.00%	5,591,996	4,193,997	4,002,262	191,735	71.57%
Capital Expenditures	100,000	75,000	32,636	42,364	32.64%	-	-	-	-	0.00%	100,000	75,000	32,636	42,364	32.64%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,251,241	2,909,285	2,909,285	-	89.48%	-	-	-	-	0.00%	3,251,241	2,909,285	2,909,285	-	89.48%
Reserve for Uncollectible Taxes	4,821,603	-	-	-	0.00%	-	-	-	-	0.00%	4,821,603	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	110,535,032	82,901,274	79,043,331	3,857,943	71.51%	2,661,433	1,996,075	1,762,676	233,399	66.23%	113,196,465	84,897,349	80,806,007	4,091,342	71.39%
Support Services:															
Programmatic Support	10,220,687	7,665,515	6,964,437	701,078	68.14%	-	-	-	-	0.00%	10,220,687	7,665,515.25	6,964,436.83	701,078.42	68.14%
Total Children's Programs	120,755,719	90,566,789	86,007,768	4,559,021	71.22%	2,661,433	1,996,075	1,762,676	233,399	66.23%	123,417,152	92,562,864	87,770,444	4,792,420	71.12%
Total Expenses	135,020,559	97,745,071	92,951,712	4,793,359	68.84%	2,661,433	1,996,075	1,762,914	233,161	66.24%	137,681,992	99,741,146	94,714,627	5,026,519	68.79%
Excess Revenues over (under) Expenses	2,661,433	19,935,730	25,728,148	5,792,419				(1,762,772)					23,965,377		
Other Financing Sources (Uses)															
Transfers in (out)	(2,661,433)	(1,996,075)	(1,762,772)	233,303	66.23%	2,661,433	1,996,075	1,762,772	233,303	66.23%	-	-	-	-	0.00%
Net Changes in Fund Balances			23,965,377					-					23,965,377		
Fund Balances															
October 1, 2018 (audited)			46,861,209					-					46,861,209		
June 30, 2019			<u>\$ 70,826,585</u>					<u>\$ _____</u>					<u>\$ 70,826,585</u>		