

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report  
December 31, 2018**

**I. INTRODUCTION**

In accordance with the investment ordinance originally adopted July 19, 2005, and amended December 28, 2015, an investment report is submitted to the Board of County Commissioners semi-annually.

**II. INVESTMENT OBJECTIVES**

To ensure that excess funds of the Board of County Commissioners are invested in a manner to maximize yield and at the same time minimize risk, maintain liquidity and demonstrate legal compliance.

**III. CASH AND INVESTMENT BALANCES AT DECEMBER 31, 2018**

Cash and investments held by the County consist of: a checking account, savings accounts, certificates of deposit, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. Our checking account, certificates of deposit and savings accounts are considered qualified public deposits, thus, are collateralized in accordance with state statutes. If the qualified public depository should fail, other participating banks would be required to pay the County for any loss that may have been incurred.

Funds invested include excess operating funds. At December 31, 2018, cash and investments amounted to \$172,512,650 compared to \$107,548,264 and \$148,908,490 at June 30, 2018 and December 31, 2017, respectively. A detail listing of these balances and the current yield is attached as Exhibit A.

**IV. MATURITY DISTRIBUTION OF PORTFOLIO**

Exhibit B demonstrates the maturity distribution of cash and investments held at December 31, 2018. This graph indicates that about 93% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at December 31, 2018 is 72 days or .20 years (Exhibit C). Our investment ordinance requires a weighted average maturity of less than two years and we are in compliance.

**V. MARKET AND INVESTMENT CONDITIONS**

The following is a summary of recent rates from prior reports compared to current rates:

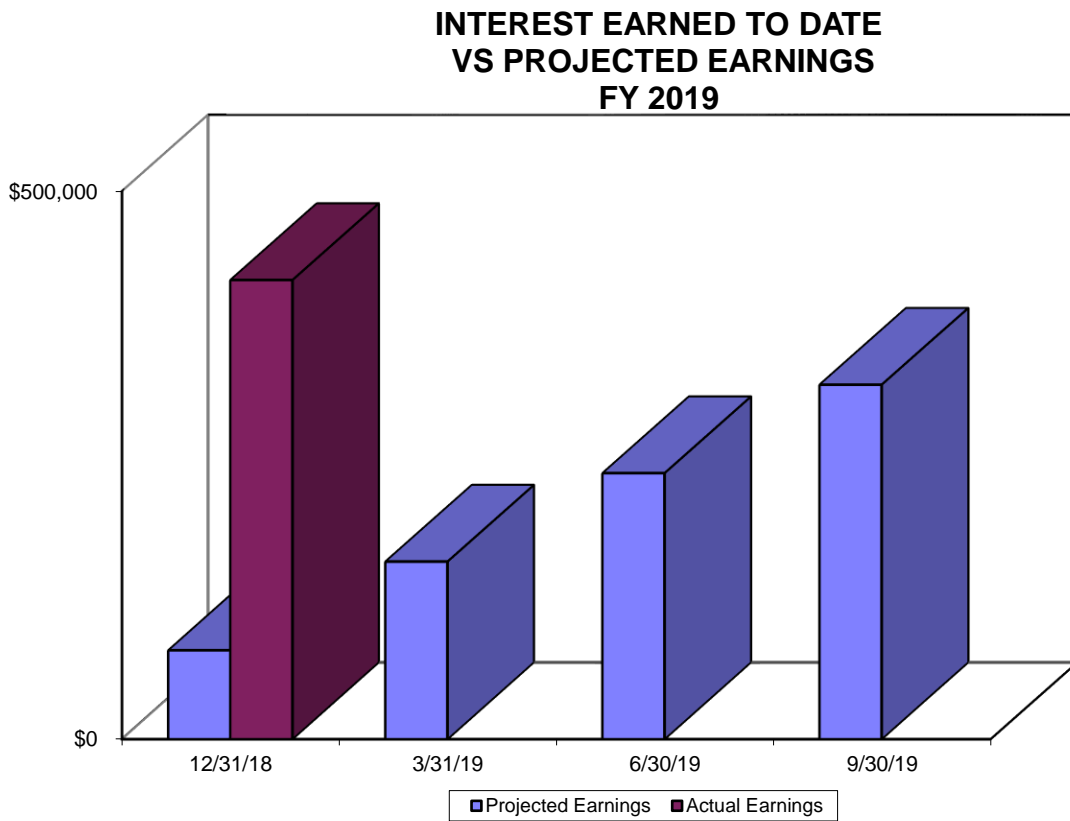
<u>Type of Investment</u>	<u>12/31/18</u>	<u>6/30/18</u>	<u>12/31/17</u>	<u>6/30/17</u>	<u>12/31/16</u>
Six Month Treasury Bill	2.47%	2.06%	1.51%	1.08%	.62%
Two Year Treasury Note	2.58%	2.50%	1.90%	1.30%	1.15%
Florida Prime LGIP	2.59%	2.13%	1.45%	1.19%	.90%
Lake County's Weighted Avg Int Rate	1.78%	.75%	.86%	.73%	1.03%

**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in December 2018 the Fed raised the fed funds rate to a range from 2.25% to 2.50%. They had previously increased the rate to a range from 1.75% to 2.00% in June 2018.

**VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS**

At the fiscal year end, 09/30/18, the annual interest earnings were \$1,129,567, which was 460% of the budget of \$245,400 for FY 2018. The Board's budget for interest income for FY 2019 is \$323,227. At 12/31/18, the actual earnings were \$418,824 which is 130% of the budget with 25% of the year elapsed.



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**VIII. PORTFOLIO COMPOSITION**

The following is a comparison of the investment portfolio at the date indicated:

Type of Investment:	12/31/2018	06/30/2018	12/31/2017	06/30/2017
Checking	\$ 29,410,212	\$ 25,089,739	\$ 39,399,283	\$ 15,300,639
Savings	81,303,397	35,814,666	80,389,013	40,268,126
Certificates of Deposit	50,000,548	35,000,548	17,500,000	37,500,000
FLGIT	11,798,493	11,643,311	11,620,194	11,601,639
<b>Total</b>	<b>\$ 172,512,650</b>	<b>\$ 107,548,264</b>	<b>\$ 148,908,490</b>	<b>\$ 104,670,404</b>

Cash and investment balances fluctuate during the year. In addition, December balances are typically higher due to the collection of ad valorem taxes.

**Portfolio composition requirements from our investment ordinance:**

No more than 75% invested in US treasuries

No more than 60% invested in certificates of deposit

No more than 30% invested in US government agencies

No more than 30% in any one institution unless the institution is a qualified public depository

December 31, 2018 portfolio balance:	\$172,512,650
75% equals	\$129,384,488
60% equals	\$103,507,590
30% equals	\$ 51,753,795

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$50,000,548 which is less than \$103,507,590.

No amounts invested in US government agencies.

All banks are qualified public depositories.

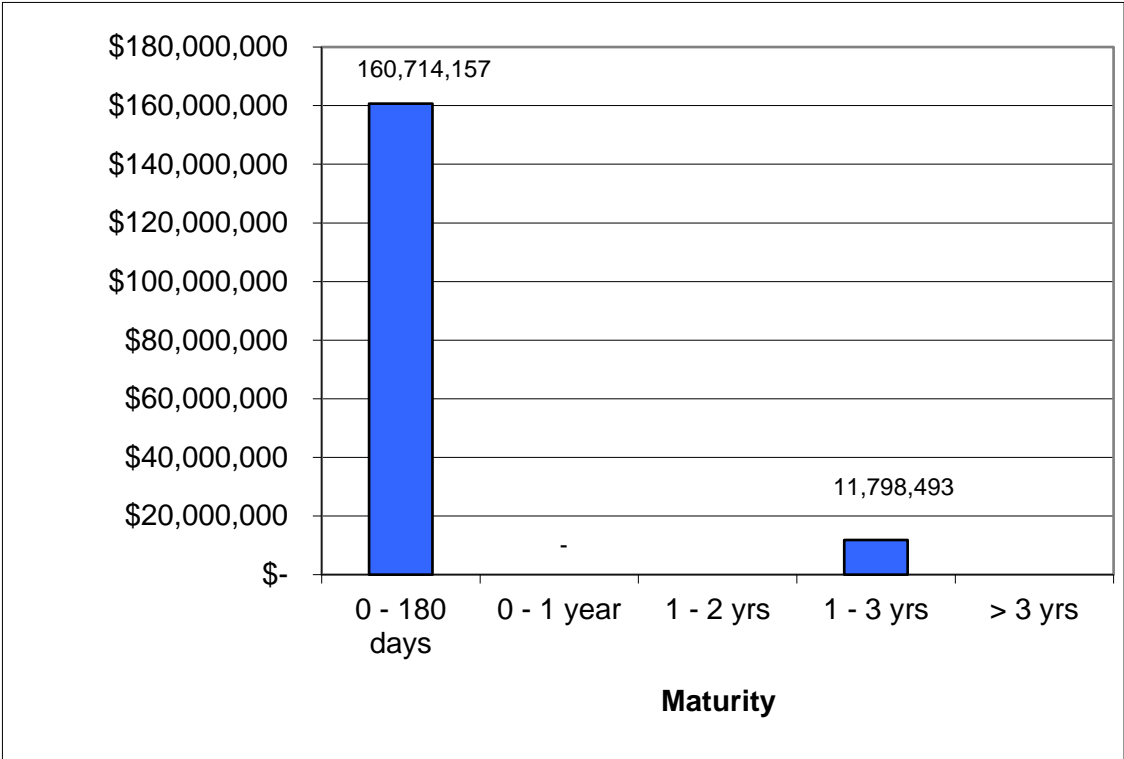
**We are in compliance with our portfolio composition limits.**

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
December 31, 2018  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2018</u>	<u>Market/Par Value at 12/31/2018</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 29,410,212	\$ 29,410,212	0.85% *
	Seaside Savings Account	30,571,404	30,571,404	2.35%
	BB&T Public Funds Savings	30,718,130	30,718,130	2.25%
	TD Savings Account	20,013,863	20,013,863	2.33%
	Total Short-term Investments	<u>110,713,609</u>	<u>110,713,609</u>	
	<b>Certificates of Deposit:</b>			
03/20/19	TD Bank	10,000,000	10,000,000	2.25%
01/25/19	TD Bank	10,000,548	10,000,548	1.83%
03/18/19	Regions Bank	10,000,000	10,000,000	2.10%
03/18/19	Regions Bank	10,000,000	10,000,000	2.10%
06/16/19	Regions Bank	10,000,000	10,000,000	2.49%
	Total Certificates of Deposit	<u>50,000,548</u>	<u>50,000,548</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>11,798,493</u>	<u>11,798,493</u>	1.53%
	<b>TOTAL</b>	<u><u>\$ 172,512,650</u></u>	<u><u>\$ 172,512,650</u></u>	

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
December 31, 2018  
Exhibit B**



<b>Description</b>	<b>Time to Maturity</b>	<b>Amount</b>
Certificates of Deposit	0 - 180 days	50,000,548
Seaside Savings Account	0 - 180 days	30,571,404
BB&T Savings Account	0 - 180 days	30,718,130
TD Savings Account	0 - 180 days	20,013,863
Cash - Demand	0 - 180 days	29,410,212
FLGIT	One to three years	11,798,493
		<b>\$ <u><u>172,512,650</u></u></b>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at December 31, 2018  
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/18)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2018	Days O/S			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 29,410,212	1	\$ 29,410,212 *	0.85%	\$ -
	Seaside Savings	30,571,404	1	30,571,404	2.35%	718,428
	BB&T Public Funds Savings	30,718,130	1	30,718,130	2.25%	691,158
	TD Savings Account	20,013,863	1	20,013,863	2.33%	466,323
		<u>110,713,609</u>		<u>110,713,609</u>		<u>1,875,909</u>
<b>Certificates of Deposit:</b>						
03/20/19	TD Bank	10,000,000	79	790,000,000	2.25%	17,775,000
01/25/19	TD Bank	10,000,548	25	250,013,700	1.83%	4,575,251
03/18/19	Regions Bank	10,000,000	77	770,000,000	2.10%	16,170,000
03/18/19	Regions Bank	10,000,000	77	770,000,000	2.10%	16,170,000
06/16/19	Regions Bank	10,000,000	167	1,670,000,000	2.49%	41,583,000
		<u>50,000,548</u>		<u>4,250,013,700</u>		<u>96,273,251</u>
<b>Various</b>	<b>FLGIT</b>	<u>11,798,493</u>	686	<u>8,096,125,897</u>	1.53%	<u>123,870,726</u>
	<b>TOTAL</b>	<u><u>\$ 172,512,650</u></u>		<u><u>\$ 12,456,853,206</u></u>		<u><u>\$ 222,019,886</u></u>
	Weighted Avg Maturity	72.21	Days	Weighted average		
		0.20	Years	interest rate =		1.78%

\* Earnings credit rate used to offset bank charges