

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 13
June 30, 2013**

I. INTRODUCTION

In accordance with the investment ordinance adopted 7/19/05, an investment report is submitted to the Board of County Commissioners semiannually.

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 JUNE 30, 2013

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, a certificate of deposit, a U.S. Agency security, and the Florida Government Investment Trust Fund (FLGIT). Our checking account, money market account, savings account and certificate of deposit 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 and proceeds from borrowings. At June 30, 2013, cash and investments amounted to \$136,718,394 compared to \$164,865,134, at June 30, 2012. 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 June 30, 2013. This graph indicates that about 72% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/2013 is 184 days or .5 years (Exhibit C). Our investment ordinance requires a weighted average maturity of less than two years.

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>6/30/13</u>	<u>12/31/12</u>	<u>6/30/12</u>	<u>12/31/11</u>	<u>6/30/2011</u>
Six Month Treasury Bill	.08%	.13%	.15%	.06%	.10%
Two Year Treasury Note	.38%	.12%	.25%	.13%	.38%
Florida Prime	.19%	.22%	.31%	.29%	.23%
Lake County's Weighted Avg Int Rate	.77%	.75%	.81%	1.46%	1.40%

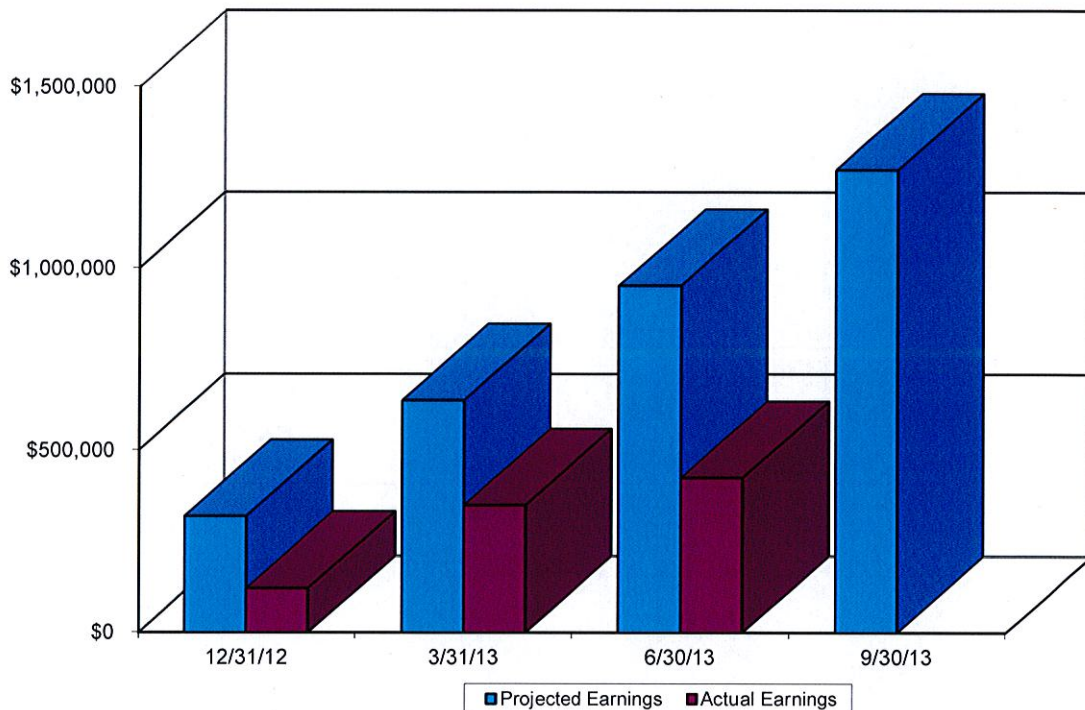
VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in June, comments made by the chairman resulted in a sudden increase in interest rates. As a result, we experienced a decrease in value of our investment held in the Florida Local Government Investment Trust (FLGIT), since FLGIT invests heavily in treasury notes and other government debt. The decrease was equal to our current year earnings. The Fed still voted to continue with its current monetary policy and to keep the fed funds rate from 0 to .25%, thus interest revenue will remain low.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our revised budget for interest income for 2013 is \$1,270,754. At 6/30/2013, our actual earnings were \$424,338 which is 33% of the budget with 75% of the year elapsed.

**INTEREST EARNED TO DATE
VS PROJECTED EARNINGS**



VIII. PORTFOLIO GROWTH

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

Type of Investment:	6/30/2013	12/31/2012	6/30/2012	12/31/2011
Checking	\$ 22,584,777	\$ 39,565,457	\$ 28,452,370	\$ 85,126,790
Money Market	45,128,082	20,053,473	20,014,304	-
Savings	30,549,340	40,521,078	10,012,872	-
Certificates of Deposit	10,000,000	20,000,000	50,000,000	55,000,000
US Agencies	2,305,916	15,018,116	20,000,000	30,178,650
US Treasuries	-	10,144,000	10,394,750	10,394,750
FLGIT	26,150,279	26,197,145	25,990,838	25,694,345
Total	\$ 136,718,394	\$ 171,499,269	\$ 164,865,134	\$ 206,394,535

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$6,719,599, \$8,746,636, \$13,840,349, and \$25,151,396, at June 30, 2013, December 31, 2012, June 30, 2012, and December 31, 2011, respectively. The decrease in the portfolio balance over the last year results primarily from decreases in bond proceeds, ad valorem taxes, and road impact fees.

In addition, December balances are typically higher due to the collection of ad valorem taxes.

Portfolio requirements from our investment ordinance:

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 certified public depository

June 30, 2013 portfolio balance: \$136,718,394

60% equals \$ 82,031,036

30% equals \$ 41,015,518

Amount invested in certificates of deposit: \$10,000,000 which is less than \$82,031,036

Amount invested in US agencies: \$2,305,916 which is less than \$41,015,518

Amount at any one institution: BB&T \$53,134,117
Less funds that are qualified public deposits (53,134,117)

We are in compliance with our portfolio limits.

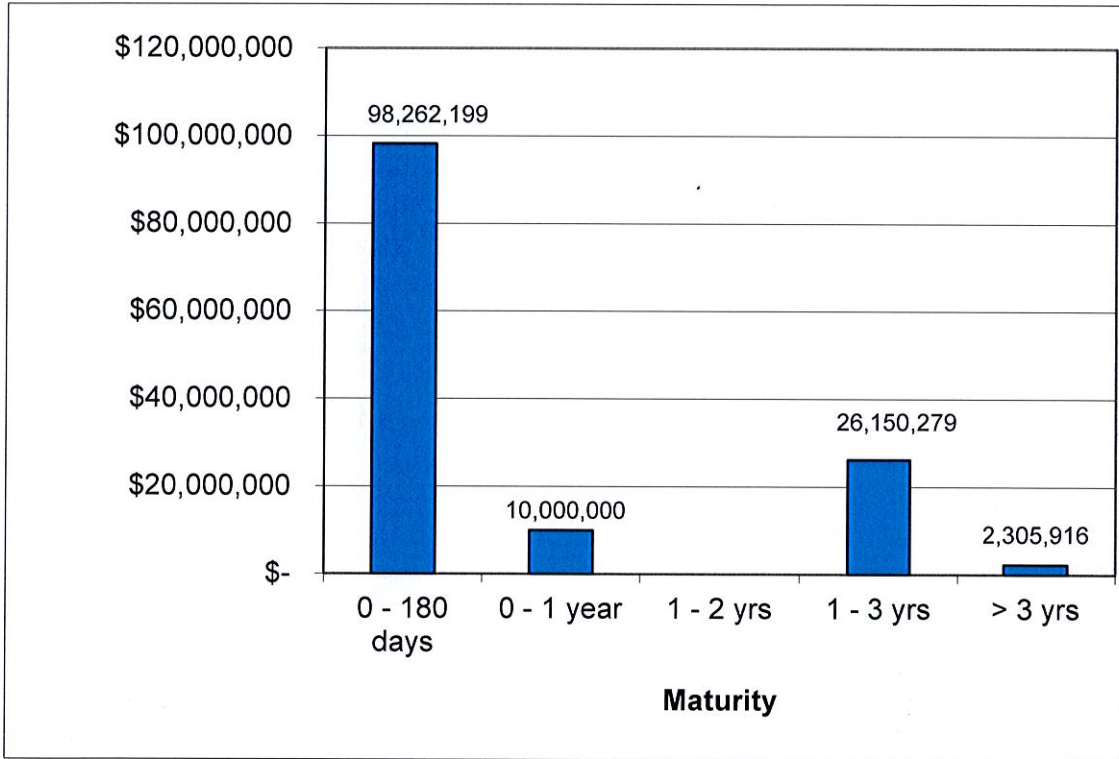
CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2013
Exhibit A

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2013</u>	<u>Market/Par Value at 6/30/2013</u>	<u>Yield</u>
	Short term Investments:			
	Cash - Demand	\$ 22,584,777	\$ 22,584,777	0.85% *
	BMO Harris Money Market Account	45,128,082	45,128,082	0.45%
	BB&T Public Funds Savings	30,549,340	30,549,340	0.15%
	Total Short term Investments	<u>98,262,199</u>	<u>98,262,199</u>	
	Certificates of Deposit:			
03/15/14	B B & T	10,000,000	10,000,000	1.60%
	Total Certificates of Deposit	<u>10,000,000</u>	<u>10,000,000</u>	
	US Agency Securities:			
09/06/17	5.00 years note FHLB	2,305,916	2,228,221	1.08%
	Total US Agency Securities	<u>2,305,916</u>	<u>2,228,221</u>	
Various	FI Local Govt Invstmnt Trust	<u>26,150,279</u>	<u>26,150,279</u>	0.60%
	TOTAL	<u>\$ 136,718,394</u>	<u>\$ 136,640,699</u>	

* Earnings credit rate used to offset bank charges

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LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2013**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	-
Money Market Account	0 - 180 days	45,128,082
Public Funds Savings Account	0 - 180 days	30,549,340
Cash - Demand	0 - 180 days	22,584,777
Certificates of Deposit	0 - one year	10,000,000
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	-
US Agencies	One to two years	-
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	-
FLGIT	One to three years	26,150,279
US Agencies	One to three years	-
US Agencies	Over three years	2,305,916
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<u>\$ 136,718,394</u>

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LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2013
Exhibit C**

Maturity Date	Type of Investment	(From 6/30/13)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2013	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 22,584,777	1	\$ 22,584,777 *	0.85%	\$ -
	BMO Harris Money Mkt	45,128,082	1	45,128,082	0.45%	203,076
	BB&T Savings	30,549,340	1	30,549,340	0.15%	45,824
		<u>98,262,199</u>		<u>98,262,199</u>		<u>248,900</u>
						0.25%
Certificates of Deposit:						
03/15/14	B B & T	10,000,000	258	2,580,000,000	1.60%	41,280,000
		<u>10,000,000</u>		<u>2,580,000,000</u>		<u>41,280,000</u>
						1.60%
US Agency Securities:						
09/06/17	5.00 years note FHLB	2,305,916	1529	3,525,745,564	1.08%	38,078,052
		<u>2,305,916</u>		<u>3,525,745,564</u>		<u>38,078,052</u>
						1.08%
Various	FI Local Govt Invstmnt Tr	26,150,279	726	18,994,255,152	0.60%	113,965,531
	TOTAL	<u>\$ 136,718,394</u>		<u>\$ 25,198,262,915</u>		<u>\$ 193,572,483</u>
	Weighted Avg Maturity	184.31	Days	Weighted average		
		0.50	Years	interest rate =		0.768%

* Earnings credit rate used to offset bank charges