

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Semi Annual Investment Report for FY 15  
June 30, 2015**

**I. INTRODUCTION**

In accordance with the investment ordinance adopted July 19, 2005, 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, 2015**

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, certificates of deposit, a U.S. Agency security, and the Florida Government Investment Trust Fund (FLGIT). Our checking account, money market account, certificates of deposit and savings account 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 June 30, 2015, cash and investments amounted to \$116,289,016 compared to \$124,601,443, at June 30, 2014. 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, 2015. This graph indicates that about 80% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/15 is 121 days or .33 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>6/30/15</u>	<u>12/31/14</u>	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/13</u>
Six Month Treasury Bill	.11%	.13%	.06%	.09%	.08%
Two Year Treasury Note	.66%	.50%	.50%	.25%	.38%
Florida Prime	.21%	.16%	.16%	.16%	.19%
Lake County's Weighted Avg Int Rate	.71%	.75%	.64%	.78%	.77%

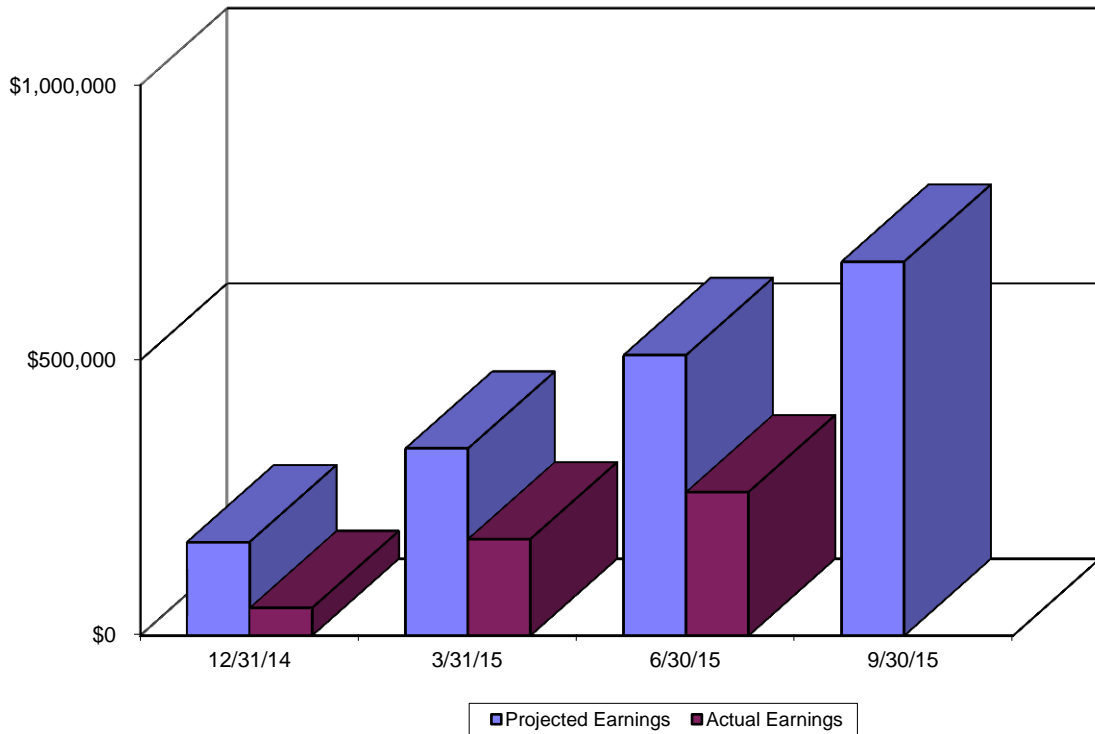
**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in June, the Fed reaffirmed its view that the fed funds rate should remain at its current level of 0 to .25%. In determining how long to maintain the current rate, the Fed will consider progress toward its objective of maximum employment and 2 percent inflation. Thus, we anticipate that interest revenue will remain low through FY 15.

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

The Board's revised budget for interest income for 2015 is \$679,469. At 6/30/15, the actual earnings were \$260,697 which is 38% 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:	6/30/2015	12/31/2014	6/30/2014	12/31/2013
Checking	\$ 17,083,906	\$ 33,276,568	\$ 37,160,989	\$ 36,241,411
Money Market	65,407,325	65,313,662	45,266,205	45,210,128
Savings	121,414	20,107,423	28,599,545	53,561,949
Certificates of Deposit	20,000,000	20,000,000	-	10,000,000
US Agencies	2,274,597	2,274,597	2,241,970	2,243,543
US Treasuries	-	-	-	-
FLGIT	11,401,774	11,364,753	11,332,734	11,277,174
<b>Total</b>	<b>\$ 116,289,016</b>	<b>\$ 152,337,003</b>	<b>\$ 124,601,443</b>	<b>\$ 158,534,205</b>

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$1,693,531, \$2,845,427, \$4,718,791 and \$5,511,503 at June 30, 2015, December 31, 2014, June 30, 2014 and December 31, 2013, respectively.

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, 2015 portfolio balance:	\$116,289,016
60% equals	\$ 69,773,410
30% equals	\$ 34,886,705

Amount invested in certificates of deposit:	\$20,000,000 which is less than \$69,773,410
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Amount invested in US agencies:	\$2,274,597 which is less than \$34,886,705
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Amount at any one institution: BMO Harris	\$65,407,325
Less funds that are qualified public deposits	(65,407,325)

Amount at any one institution: CenterState Bank	\$20,000,000
Less funds that are qualified public deposits	(20,000,000)

Amount at any one institution: BB&T	\$17,205,320
Less funds that are qualified public deposits	(17,205,320)

We are in compliance with our portfolio limits.

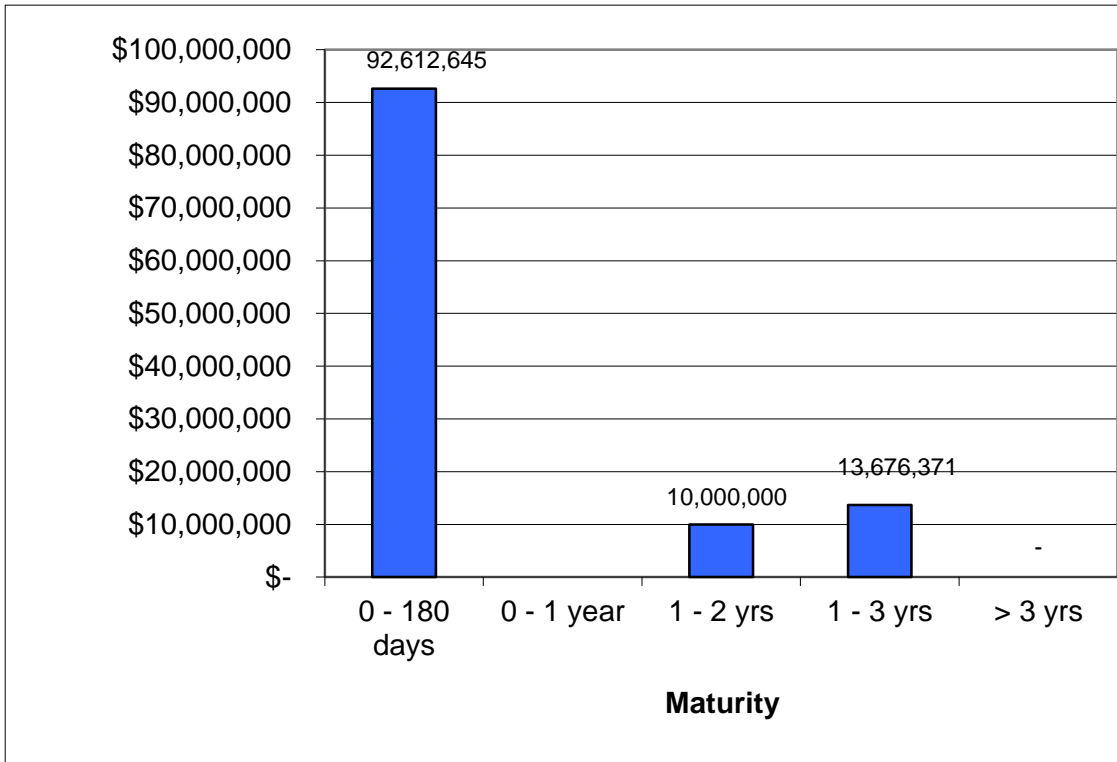
**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2015  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2015</u>	<u>Market/Par Value at 6/30/2015</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 17,083,906	\$ 17,083,906	0.85% *
	BMO Harris Money Market Account	65,407,325	65,407,325	0.25%
	BB&T Public Funds Savings	121,414	121,414	0.15%
	Total Short-term Investments	<u>82,612,645</u>	<u>82,612,645</u>	
	Certificates of Deposit:			
12/16/15	CenterState Bank	\$ 10,000,000	\$ 10,000,000	0.50%
06/16/16	CenterState Bank	10,000,000	10,000,000	0.85%
	Total Certificates of Deposit	<u>20,000,000</u>	<u>20,000,000</u>	
	<b>US Agency Securities:</b>			
09/06/17	5.00 years note FHLB	2,274,597	2,280,205	1.08%
	Total US Agency Securities	<u>2,274,597</u>	<u>2,280,205</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>11,401,774</u>	<u>11,401,774</u>	0.60%
	<b>TOTAL</b>	<u><u>\$ 116,289,016</u></u>	<u><u>\$ 116,294,624</u></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, 2015**

**Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	10,000,000
Money Market Account	0 - 180 days	65,407,325
Public Funds Savings Account	0 - 180 days	121,414
Cash - Demand	0 - 180 days	17,083,906
Certificates of Deposit	0 - one year	-
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	10,000,000
US Agencies	One to two years	-
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	-
FLGIT	One to three years	11,401,774
US Agencies	One to three years	2,274,597
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<b>\$ 116,289,016</b>

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LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2015  
Exhibit C**

Maturity Date	Type of Investment	(From 6/30/15)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2015	Days O/S			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 17,083,906	1	\$ 17,083,906 *	0.85%	\$ -
	BMO Harris Money Mkt	65,407,325	1	65,407,325	0.25%	163,518
	BB&T Savings	121,414	1	121,414	0.15%	182
		<u>82,612,645</u>		<u>82,612,645</u>		<u>163,700</u>
Certificates of Deposit:						
12/16/15	CenterState Bank	10,000,000	169	1,690,000,000	0.50%	8,450,000
06/16/16	CenterState Bank	10,000,000	352	3,520,000,000	0.85%	29,920,000
		<u>20,000,000</u>		<u>5,210,000,000</u>		<u>38,370,000</u>
<b>US Agency Securities:</b>						
09/06/17	5.00 years note FHLB	2,274,597	799	1,817,403,003	1.08%	19,627,952
		<u>2,274,597</u>		<u>1,817,403,003</u>		<u>19,627,952</u>
<b>Various</b>	FI Local Govt Invstmnt Tr	11,401,774	610	6,949,951,342	0.60%	41,699,708
	<b>TOTAL</b>	<u>\$ 116,289,016</u>		<u>\$ 14,059,966,990</u>		<u>\$ 99,861,361</u>
	Weighted Avg Maturity	120.91	Days	Weighted average		
		0.33	Years	interest rate =		0.710%

\* Earnings credit rate used to offset bank charges