

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report for FY 17  
June 30, 2017**

**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 JUNE 30, 2017**

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, certificates of deposit, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. 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, 2017, cash and investments amounted to \$104,670,404 compared to \$146,618,002 and \$112,900,264, at December 31, 2016 and June 30, 2016, 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 June 30, 2017. 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 June 30, 2017 is 106 days or .29 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>6/30/17</u>	<u>12/31/16</u>	<u>6/30/16</u>	<u>12/31/15</u>	<u>6/30/15</u>
Six Month Treasury Bill	1.08%	.62%	.33%	.53%	.11%
Two Year Treasury Note	1.30%	1.15%	.70%	1.03%	.66%
Florida Prime LGIP	1.19%	.90%	.67%	.35%	.21%
Lake County's Weighted Avg Int Rate	.73%	1.03%	1.03%	.60%	.71%

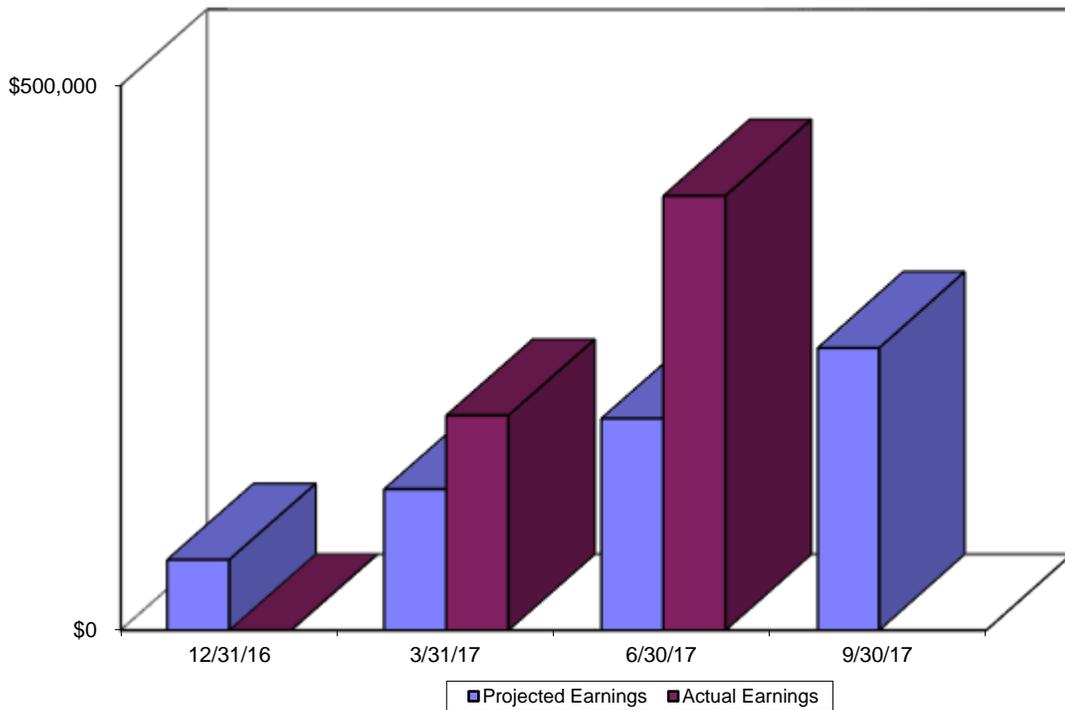
**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in June, 2017 the Fed raised the fed funds rate to a range from 1% to 1.25%, a level it hadn't reached since the financial crisis. They had previously increased the rate to a range from .75% to 1% in March, 2017. We expect that rates will continue to increase gradually, but remain low.

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

The Board's revised budget for interest income for 2017 is \$259,703. At 6/30/17, the actual earnings were \$399,112 which is 154% of the budget with 75% of the year elapsed.

**INTEREST EARNED TO DATE  
VS PROJECTED EARNINGS**



**VIII. PORTFOLIO COMPOSITION**

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

Type of Investment:	6/30/2017	12/31/2016	6/30/2016	12/31/2015
<b>Checking</b>	\$ 15,300,639	\$ 19,855,764	\$ 26,169,681	\$ 42,949,887
<b>Money Market</b>	15,047,462	30,079,706	30,047,646	20,449,566
<b>Savings</b>	25,220,664	65,160,103	25,143,289	55,128,473
<b>Certificates of Deposit</b>	37,500,000	20,000,000	20,000,000	20,000,000
<b>FLGIT</b>	11,601,639	11,522,429	11,539,648	11,398,544
<b>Total</b>	<b>\$ 104,670,404</b>	<b>\$ 146,618,002</b>	<b>\$ 112,900,264</b>	<b>\$ 149,926,470</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

June 30, 2017 portfolio balance:	\$104,670,404
75% equals	\$ 78,502,803
60% equals	\$ 62,802,242
30% equals	\$ 31,401,121

No amounts invested in US treasuries.

Amount invested in certificates of deposit:	\$37,500,000 which is less than \$62,802,242
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No amounts invested in US government agencies.

All institutions are qualified public depositories.

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

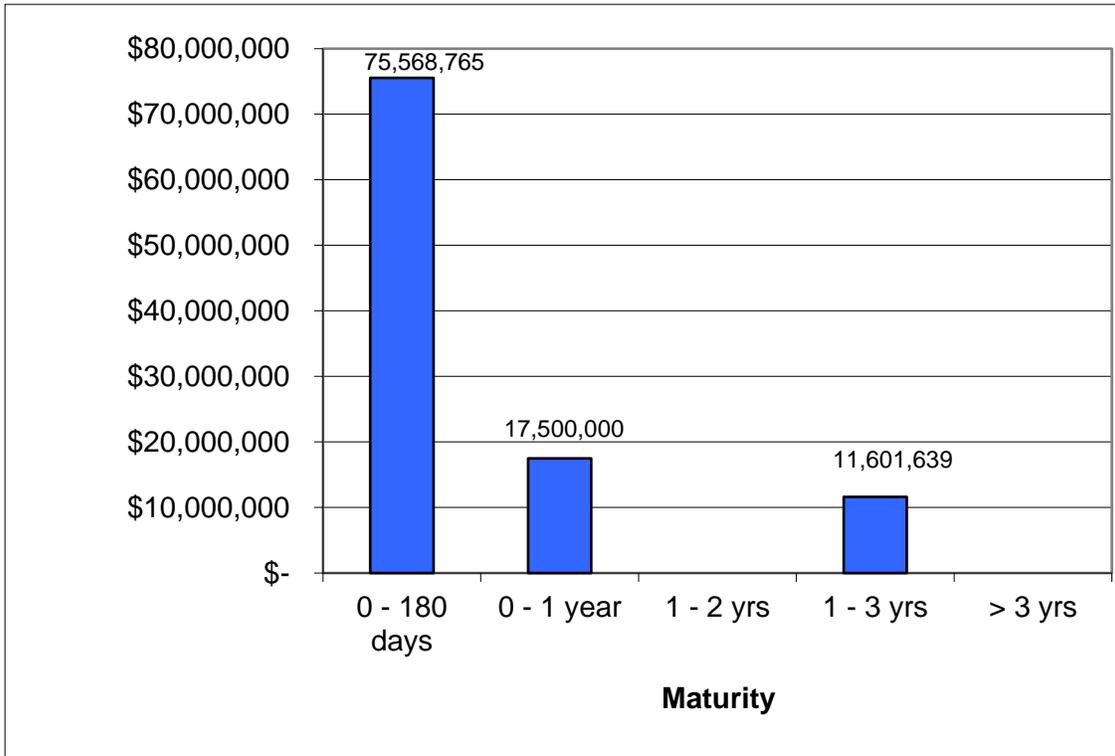
**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2017  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2017</u>	<u>Market/Par Value at 06/30/2017</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 15,300,639	\$ 15,300,639	0.85% *
	Seaside Money Market Account	15,047,462	15,047,462	0.75%
	BB&T Public Funds Savings	25,220,664	25,220,664	1.00%
	Total Short-term Investments	<u>55,568,765</u>	<u>55,568,765</u>	
	<b>Certificates of Deposit:</b>			
01/25/18	TD Bank	10,000,000	10,000,000	1.00%
01/23/18	BB&T	7,500,000	7,500,000	1.05%
10/23/17	BB&T	5,000,000	5,000,000	0.95%
07/23/17	BB&T	7,500,000	7,500,000	0.75%
07/23/17	Hancock Bank	7,500,000	7,500,000	0.75%
	Total Certificates of Deposit	<u>37,500,000</u>	<u>37,500,000</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>11,601,639</u>	<u>11,601,639</u>	0.54%
	<b>TOTAL</b>	<u><u>\$ 104,670,404</u></u>	<u><u>\$ 104,670,404</u></u>	

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
June 30, 2017**

**Exhibit B**



<b>Description</b>	<b>Time to Maturity</b>	<b>Amount</b>
Certificates of Deposit	0 - 180 days	20,000,000
Money Market Account	0 - 180 days	15,047,462
Public Funds Savings Account	0 - 180 days	25,220,664
Cash - Demand	0 - 180 days	15,300,639
Certificates of Deposit	0 - one year	17,500,000
FLGIT	One to three years	11,601,639
		<b>\$ <u><u>104,670,404</u></u></b>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2017  
Exhibit C**

Maturity Date	Type of Investment	(From 06/30/17)			Interest Rate	Weighted Average Interest
		Cost at 6/30/2017	Days O/S	Weighted Average		
<b>Short term Investments:</b>						
	Cash - Demand	\$ 15,300,639	1	\$ 15,300,639 *	0.85%	\$ -
	Seaside Money Market	15,047,462	1	15,047,462	0.75%	112,856
	BB&T Public Funds Savings	25,220,664	1	25,220,664	1.00%	252,207
		<u>55,568,765</u>		<u>55,568,765</u>		<u>365,063</u>
<b>Certificates of Deposit:</b>						
01/25/18	TD Bank	10,000,000	209	2,090,000,000	1.00%	20,900,000
01/23/18	BB&T	7,500,000	207	1,552,500,000	1.05%	16,301,250
10/23/17	BB&T	5,000,000	115	575,000,000	0.95%	5,462,500
07/23/17	BB&T	7,500,000	23	172,500,000	0.75%	1,293,750
07/23/17	Hancock Bank	7,500,000	23	172,500,000	0.75%	1,293,750
		<u>37,500,000</u>		<u>4,562,500,000</u>		<u>45,251,250</u>
<b>Various</b>	FI Local Govt Invstmnt Tr	11,601,639	562	6,521,281,282	0.54%	35,214,919
	<b>TOTAL</b>	<u>\$ 104,670,404</u>		<u>\$ 11,139,350,047</u>		<u>\$ 80,831,232</u>
	Weighted Avg Maturity	106.42 0.29	Days Years	Weighted average interest rate =		0.726%

\* Earnings credit rate used to offset bank charges