

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Semi Annual Investment Report for FY 14  
December 31, 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 DECEMBER 31, 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 December 31, 2013, cash and investments amounted to \$158,534,205 compared to \$171,499,269, at December 31, 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 December 31, 2013. This graph indicates that about 91% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/2013 is 76 days or .2 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>12/31/13</u>	<u>6/30/13</u>	<u>12/31/12</u>	<u>6/30/12</u>	<u>12/31/2011</u>
Six Month Treasury Bill	.09%	.08%	.13%	.15%	.06%
Two Year Treasury Note	.25%	.38%	.12%	.25%	.13%
Florida Prime	.16%	.19%	.22%	.31%	.29%
Lake County's Weighted Avg Int Rate	.78%	.77%	.75%	.81%	1.46%

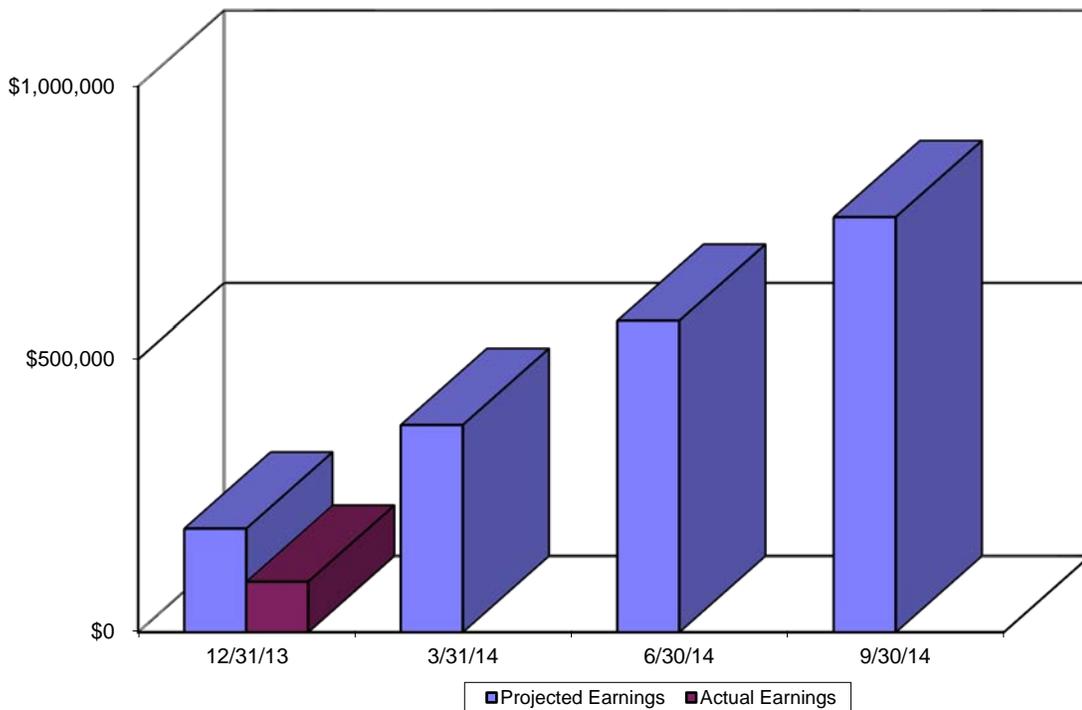
**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in December, the Fed reaffirmed its expectation that the fed funds rate should remain at its current level of 0 to .25%, after considering such factors as the unemployment rate, inflation and the pace of economic recovery. Thus, we anticipate our interest revenue will remain low through FY 14.

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

Our revised budget for interest income for 2014 is \$760,404. At 12/31/2013, our actual earnings were \$92,550 which is 12% of the budget with 25% 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:	12/31/2013	6/30/2013	12/31/2012	6/30/2012
<b>Checking</b>	\$ 36,241,411	\$ 22,584,777	\$ 39,565,457	\$ 28,452,370
<b>Money Market</b>	45,210,128	45,128,082	20,053,473	20,014,304
<b>Savings</b>	53,561,949	30,549,340	40,521,078	10,012,872
<b>Certificates of Deposit</b>	10,000,000	10,000,000	20,000,000	50,000,000
<b>US Agencies</b>	2,243,543	2,305,916	15,018,116	20,000,000
<b>US Treasuries</b>	-	-	10,144,000	10,394,750
<b>FLGIT</b>	11,277,174	26,150,279	26,197,145	25,990,838
<b>Total</b>	<b>\$ 158,534,205</b>	<b>\$ 136,718,394</b>	<b>\$ 171,499,269</b>	<b>\$ 164,865,134</b>

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$5,511,503, \$6,719,599, \$8,746,636, and \$13,840,349, at December 31, 2013, June 30, 2013, December 31, 2012, and June 30, 2012, 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

December 31, 2013 portfolio balance:	\$158,534,205
60% equals	\$ 95,120,523
30% equals	\$ 47,560,262

Amount invested in certificates of deposit: \$10,000,000 which is less than \$95,120,523

Amount invested in US agencies: \$2,243,543 which is less than \$47,560,262

Amount at any one institution: BB&T \$89,803,360  
 Less funds that are qualified public deposits (89,803,360)

We are in compliance with our portfolio limits.

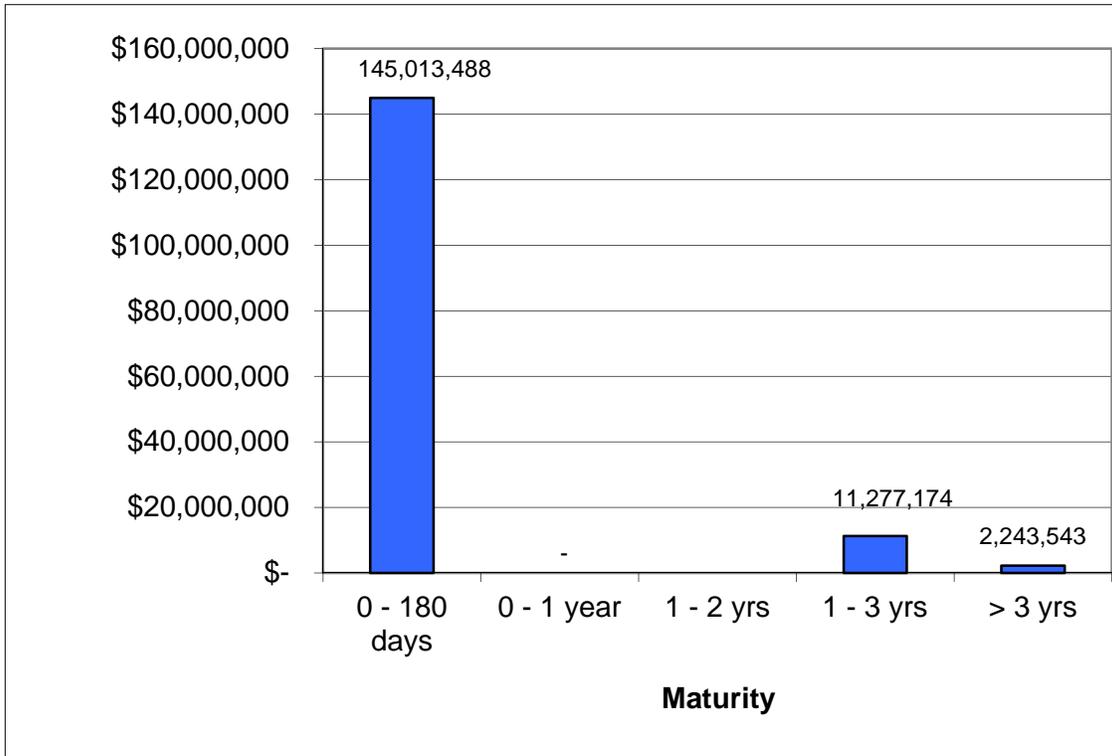
**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
December 31, 2013  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2013</u>	<u>Market/Par Value at 12/31/2013</u>	<u>Yield</u>
	<b>Short term Investments:</b>			
	Cash - Demand	\$ 36,241,411	\$ 36,241,411	0.85% *
	BMO Harris Money Market Account	45,210,128	45,210,128	0.25%
	BB&T Public Funds Savings	53,561,949	53,561,949	0.15%
	Total Short term Investments	<u>135,013,488</u>	<u>135,013,488</u>	
	<b>Certificates of Deposit:</b>			
03/15/14	B B & T	<u>10,000,000</u>	<u>10,000,000</u>	1.60%
	Total Certificates of Deposit	<u>10,000,000</u>	<u>10,000,000</u>	
	<b>US Agency Securities:</b>			
09/06/17	5.00 years note FHLB	<u>2,243,543</u>	<u>2,241,286</u>	1.08%
	Total US Agency Securities	<u>2,243,543</u>	<u>2,241,286</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>11,277,174</u>	<u>11,277,174</u>	0.60%
	<b>TOTAL</b>	<u><u>\$ 158,534,205</u></u>	<u><u>\$ 158,531,948</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, 2013**

**Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	10,000,000
Money Market Account	0 - 180 days	45,210,128
Public Funds Savings Account	0 - 180 days	53,561,949
Cash - Demand	0 - 180 days	36,241,411
Certificates of Deposit	0 - one year	-
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	11,277,174
US Agencies	One to three years	-
US Agencies	Over three years	2,243,543
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<b>\$ 158,534,205</b>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at December 31, 2013  
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	(From 12/31/13)		<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
		<u>Cost at 12/31/2013</u>	<u>Days O/S</u>			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 36,241,411	1	\$ 36,241,411 *	0.85%	\$ -
	BMO Harris Money Mkt	45,210,128	1	45,210,128	0.45%	203,446
	BB&T Savings	53,561,949	1	53,561,949	0.15%	80,343
		<u>135,013,488</u>		<u>135,013,488</u>		<u>283,788</u>
						0.21%
<b>Certificates of Deposit:</b>						
03/15/14	B B & T	10,000,000	74	740,000,000	1.60%	11,840,000
		<u>10,000,000</u>		<u>740,000,000</u>		<u>11,840,000</u>
						1.60%
<b>US Agency Securities:</b>						
09/06/17	5.00 years note FHLB	2,243,543	1345	3,017,565,335	1.08%	32,589,706
		<u>2,243,543</u>		<u>3,017,565,335</u>		<u>32,589,706</u>
						1.08%
<b>Various</b>	FI Local Govt Invstmnt Tr	11,277,174	726	8,191,175,335	0.60%	49,147,052
	<b>TOTAL</b>	<u>\$ 158,534,205</u>		<u>\$ 12,083,754,158</u>		<u>\$ 93,860,546</u>
	Weighted Avg Maturity	76.22	Days	Weighted average		
		0.21	Years	interest rate =		0.777%

\* Earnings credit rate used to offset bank charges