

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Semi Annual Investment Report for FY 14  
June 30, 2014**

**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, 2014**

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, a U.S. Agency security, and the Florida Government Investment Trust Fund (FLGIT). Our checking account, money market account 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 and proceeds from borrowings. At June 30, 2014, cash and investments amounted to \$124,601,443 compared to \$136,718,394, at June 30, 2013. 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, 2014. This graph indicates that about 89% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/14 is 83 days or .23 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>6/30/14</u>	<u>12/31/13</u>	<u>6/30/13</u>	<u>12/31/12</u>	<u>6/30/12</u>
Six Month Treasury Bill	.06%	.09%	.08%	.13%	.15%
Two Year Treasury Note	.50%	.25%	.38%	.12%	.25%
Florida Prime	.16%	.16%	.19%	.22%	.31%
Lake County's Weighted Avg Int Rate	.64%	.78%	.77%	.75%	.81%

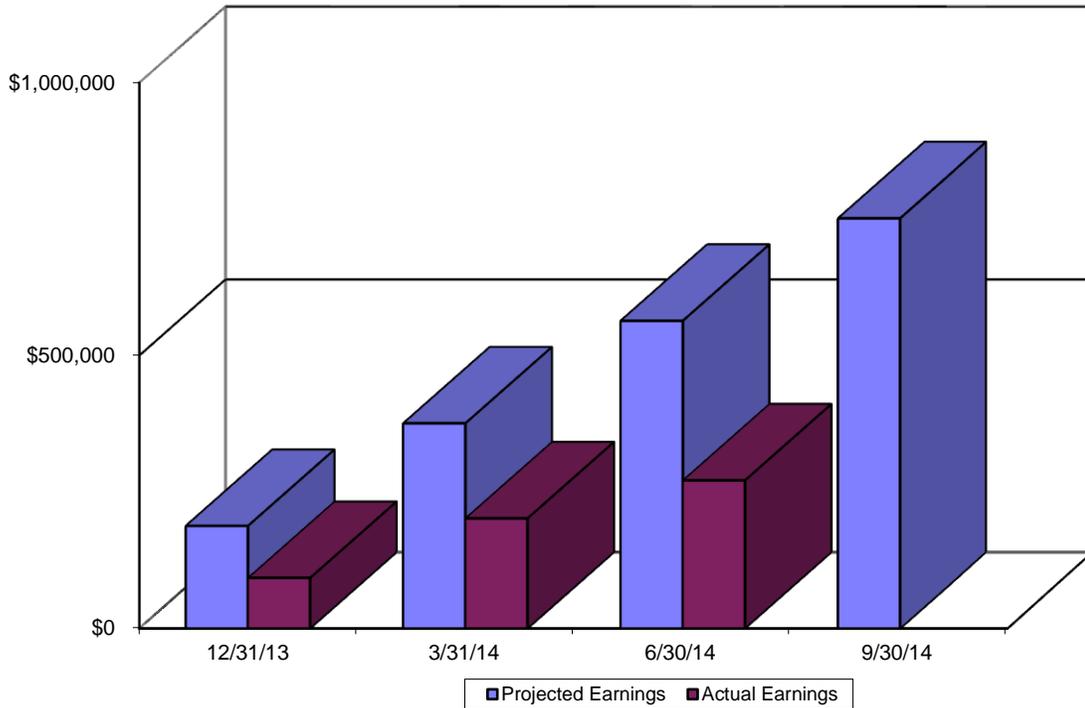
**VI. ECONOMIC DEVELOPMENTS**

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 2014 is \$751,679. At 6/30/14, the actual earnings were \$271,251 which is 36% 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:	6/30/2014	12/31/2013	6/30/2013	12/31/2012
Checking	\$ 37,160,989	\$ 36,241,411	\$ 22,584,777	\$ 39,565,457
Money Market	45,266,205	45,210,128	45,128,082	20,053,473
Savings	28,599,545	53,561,949	30,549,340	40,521,078
Certificates of Deposit	-	10,000,000	10,000,000	20,000,000
US Agencies	2,241,970	2,243,543	2,305,916	15,018,116
US Treasuries	-	-	-	10,144,000
FLGIT	11,332,734	11,277,174	26,150,279	26,197,145
<b>Total</b>	<b>\$ 124,601,443</b>	<b>\$ 158,534,205</b>	<b>\$ 136,718,394</b>	<b>\$ 171,499,269</b>

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$4,718,791, \$5,511,503, \$6,719,599 and \$8,746,636 at June 30, 2014, December 31, 2013, June 30, 2013 and December 31, 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

June 30, 2014 portfolio balance:	\$124,601,443
60% equals	\$ 74,760,866
30% equals	\$ 37,380,433

Amount invested in certificates of deposit: None

Amount invested in US agencies: \$2,241,970 which is less than \$37,380,433

Amount at any one institution: BB&T \$65,760,534  
 Less funds that are qualified public deposits (65,760,534)

Amount at any one institution: BMO Harris \$45,266,205  
 Less funds that are qualified public deposits (45,266,205)

We are in compliance with our portfolio limits.

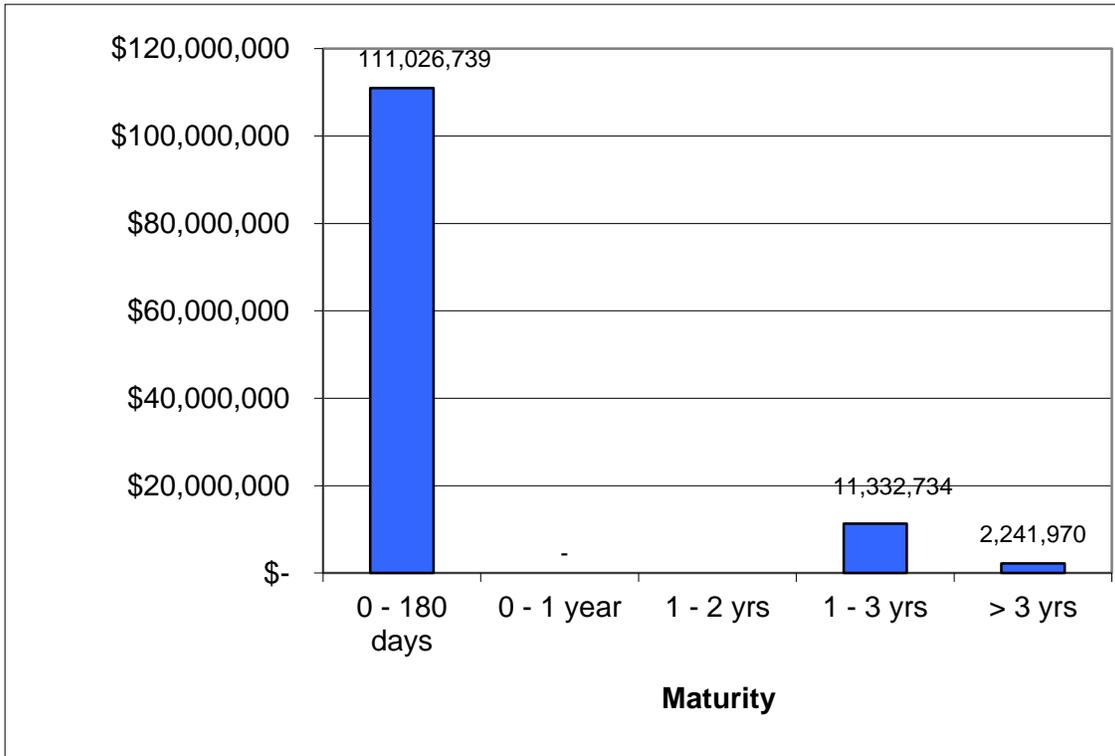
**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2014  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2014</u>	<u>Market/Par Value at 6/30/2014</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 37,160,989	\$ 37,160,989	0.85% *
	BMO Harris Money Market Account	45,266,205	45,266,205	0.25%
	BB&T Public Funds Savings	28,599,545	28,599,545	0.15%
	<b>Total Short-term Investments</b>	<u>111,026,739</u>	<u>111,026,739</u>	
	<b>US Agency Securities:</b>			
09/06/17	5.00 years note FHLB	<u>2,241,970</u>	<u>2,280,251</u>	1.08%
	<b>Total US Agency Securities</b>	<u>2,241,970</u>	<u>2,280,251</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>11,332,734</u>	<u>11,332,734</u>	0.50%
	<b>TOTAL</b>	<u>\$ 124,601,443</u>	<u>\$ 124,639,724</u>	

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
June 30, 2014**

**Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	-
Money Market Account	0 - 180 days	45,266,205
Public Funds Savings Account	0 - 180 days	28,599,545
Cash - Demand	0 - 180 days	37,160,989
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	11,332,734
US Agencies	One to three years	-
US Agencies	Over three years	2,241,970
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<u>\$ 124,601,443</u>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2014  
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	(From 6/30/14)		<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
		<u>Cost at 6/30/2014</u>	<u>Days O/S</u>			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 37,160,989	1	\$ 37,160,989 *	0.85%	\$ -
	BMO Harris Money Mkt	45,266,205	1	45,266,205	0.45%	203,698
	BB&T Savings	28,599,545	1	28,599,545	0.15%	42,899
		<u>111,026,739</u>		<u>111,026,739</u>		<u>246,597</u>
<b>US Agency Securities:</b>						
09/06/17	5.00 years note FHLB	2,241,970	1164	2,609,653,080	1.08%	28,184,253
		<u>2,241,970</u>		<u>2,609,653,080</u>		<u>28,184,253</u>
<b>Various</b>	FI Local Govt Invstmnt Tr	11,332,734	675	7,652,428,634	0.50%	38,262,143
	<b>TOTAL</b>	<u>\$ 124,601,443</u>		<u>\$ 10,373,108,453</u>		<u>\$ 66,692,994</u>
	Weighted Avg Maturity	83.25	Days	Weighted average		
		0.23	Years	interest rate =		0.643%

\* Earnings credit rate used to offset bank charges