

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 08-09
June 30, 2009**

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, 2009

Cash and investments held by the County consist of: an interest-bearing checking account at Wachovia, certificates of deposit, U.S. Agency Securities, US Treasury Bills and Notes, and the Florida Government Investment Trust Fund (FLGIT).

Funds invested include excess operating funds and proceeds from borrowings. At June 30, 2009, cash and investments amounted to \$236,104,092 compared to \$317,456,289, at June 30, 2008. The decrease in cash of approximately \$81 million results primarily from the use of bond proceeds of about \$33 million, various capital purchases and revenue decreases. 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, 2009. This graph indicates that about 43% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/2009 is 352 days or almost one year (Exhibit C). Our investment policy 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>6/30/09</u>	<u>12/31/08</u>	<u>6/30/08</u>	<u>12/31/07</u>
Six month Treasury Bill	0.36%	0.25%	2.13%	3.32%
Two year Treasury Note	1.12%	0.83%	2.63%	2.88%
SBA	0.60%	0.99%	2.43%	4.79%
Lake County's Weighted Avg Int Rate	2.46%	3.05%	4.07%	4.56%

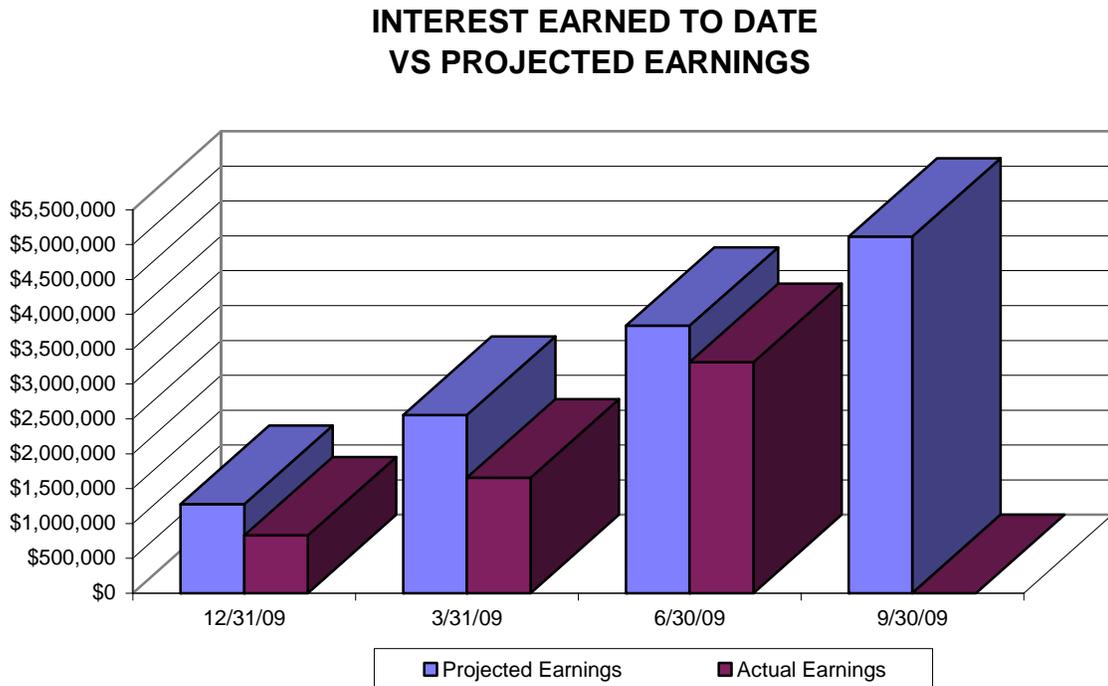
Interest rates have decreased significantly since June, 2008. In addition, the Fed Funds rate has decreased to a range of 0 to 0.25% as of December, 2008. This rate determines the interest we receive on our Wachovia account. With short term interest rates at such low levels, we will concentrate our investments in the one to two year range. Our current weighted average interest rate is 2.455%.

VI. ECONOMIC DEVELOPMENTS

As you are aware, we are still experiencing an economic recession. We expect interest rates to remain low for the rest of the year. We continue to invest funds carefully to ensure the return of principal.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our amended budget for interest income for 2009 is \$5,113,809. At June 30, 2009, our actual earnings were approximately \$3,314,668 which is 65% of the budget with 75% of the year elapsed. Earnings in the last quarter may be higher since 30% of the portfolio pays interest either semiannually or upon maturity and all investments must be marked to market at year end.



VIII. PORTFOLIO GROWTH

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

Type of Investment:	6/30/2009	12/31/2008	6/30/2008	12/31/2007
SBA	\$ -	\$ 4,080	\$ 4,064	\$ 4,000
Wachovia	66,904,051	106,612,034	86,119,644	147,329,656
Certificates of Deposit	85,061,482	51,000,000	91,000,000	81,000,000
U. S. Agencies	29,026,280	21,051,900	27,008,880	63,248,456
US Treasuries	40,352,994	91,462,204	87,301,134	62,452,414
FLGIT	14,759,285	14,511,387	14,457,467	14,339,841
SunTrust NOW Acct	-	11,636,581	11,565,100	11,408,004
Total	\$ 236,104,092	\$ 296,278,186	\$ 317,456,289	\$ 379,782,371

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$53,758,484; \$67,130,798; \$86,975,933 and \$102,244,434 at 6/30/2009, 12/31/2008, 6/30/2008 and 12/31/2007, respectively. December balances are typically higher due to the collection of ad valorem taxes.

Portfolio requirements from our investment policy:

- 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

June 30, 2009 portfolio balance: \$236,104,092
 60% equals \$141,662,455
 30% equals \$ 70,831,228

Amount invested in certificates of deposit: \$ 85,061,482 which is less than \$141,662,455

Amount invested in US agencies: \$29,026,280 which is less than \$70,831,228

Amount at any one institution: Wachovia \$66,904,051 which is less than \$70,831,228

We are in compliance with our policy for portfolio limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2009
Exhibit A**

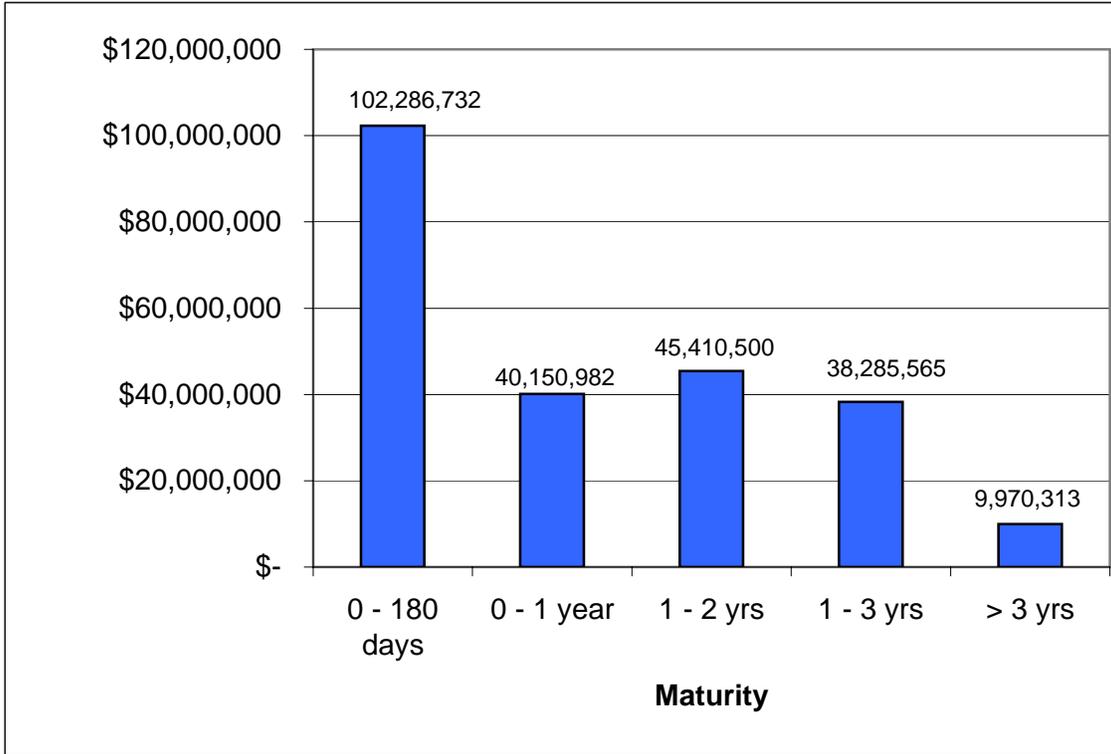
<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/09</u>	<u>Market/Par Value at 6/30/2009</u>	<u>Yield</u>	
Short term Investments:					
	Wachovia Demand Account	66,904,051	66,904,051	0.40%	
Certificates of Deposit:					
04/18/10	Colonial Bank	2,500,000	2,500,000	3.03%	
05/12/10	Colonial Bank	5,000,000	5,000,000	3.14%	
09/07/11	Colonial Bank	2,500,000	2,500,000	4.70%	
09/18/11	Colonial Bank	2,000,000	2,000,000	4.70%	
09/24/11	Colonial Bank	1,000,000	1,000,000	4.79%	
09/26/11	Colonial Bank	<u>2,000,000</u>	<u>2,000,000</u>	4.79%	
		15,000,000	15,000,000		
04/19/10	Riverside Bank	2,500,000	2,500,000	2.27%	
06/20/11	Riverside Bank	<u>4,000,000</u>	<u>4,000,000</u>	3.25%	
		6,500,000	6,500,000		
12/27/09	RBC Bank	5,000,000	5,000,000	3.45%	
01/26/11	Centerstate Bank	5,000,000	5,000,000	2.25%	
02/04/10	United Southern Bank (CDARS)*	10,000,000	10,000,000	2.08%	
02/03/11	United Southern Bank (CDARS)	1,910,500	1,910,500	2.27%	
04/29/10	United Southern Bank (CDARS)	8,500,000	8,500,000	1.49%	
04/29/11	United Southern Bank (CDARS)	<u>1,500,000</u>	<u>1,500,000</u>	1.69%	
		21,910,500	21,910,500		
04/27/10	SunTrust	11,650,982	11,650,982	1.65%	
07/28/10	M & I Bank	<u>20,000,000</u>	<u>20,000,000</u>	2.08%	
		<u>85,061,482</u>	<u>85,061,482</u>		
US Agency Securities:					
02/17/11	2 year note	FHLB	4,000,000	4,023,760	1.75%
02/17/11	2 year note	FHLB	4,000,000	4,025,000	1.75%
04/28/11	2 year note	FHLMC	5,000,000	5,013,250	1.25%
07/21/11	3 year note	FHLB	6,026,280	6,013,140	4.20%
08/11/11	2.25 years note	FNMA	5,000,000	4,996,900	1.78%
10/28/11	2.5 years note	FNMA	<u>5,000,000</u>	<u>5,012,500</u>	1.25%
			29,026,280	29,084,550	

*CDARS stands for Certificate of Deposit Account Registry. These certificates of deposit are fully insured by the FDIC. All other certificates of deposit are covered by a multiple institution collateral pool.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2009
Exhibit A**

	US Treasuries: (excess operating funds)			
07/30/09	1 year bill	4,943,228	5,000,000	2.36%
09/24/09	1 year bill	4,951,377	5,000,000	2.01%
03/31/13	5 year note	4,923,438	5,000,000	2.60%
04/30/13	5 year note	5,046,875	5,000,000	3.16%
		<u>19,864,918</u>	<u>20,000,000</u>	
	US Treasuries: (All bond funds)			
09/15/09	1.75 year note	15,213,300	15,096,750	3.38%
11/30/09	2 year note	5,274,776	5,260,320	3.13%
		<u>20,488,076</u>	<u>20,357,070</u>	
	Subtotal-Treasuries	40,352,994	40,357,070	
Various	FI Local Govt Invstmnt Trust	<u>14,759,285</u>	<u>14,759,285</u>	1.81%
	TOTAL	<u><u>\$ 236,104,092</u></u>	<u><u>\$ 236,166,438</u></u>	

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2009
Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	5,000,000
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	30,382,681
Wachovia	0 - 180 days	66,904,051
Certificates of Deposit	0 - one year	40,150,982
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	32,410,500
US Agencies	One to two years	13,000,000
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	7,500,000
FLGIT	One to three years	14,759,285
US Agencies	One to three years	16,026,280
US Agencies	Over three years	-
US Treasuries	Over three years	9,970,313
Certificates of Deposit	Over three years	-
		<u>\$ 236,104,092</u>

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2009
Exhibit C**

Maturity Date	Type of Investment	Cost at 6/30/2009	(From 6/30/09) Days Outstanding	Weighted Average	Interest Rate	Weighted Average Interest
Short term Investments:						
	Wachovia Demand Account	66,904,051	1	66,904,051	0.40%	267,616 0.40%
Certificates of Deposit:						
12/27/09	RBC Bank	5,000,000	180	900,000,000	3.45%	31,050,000
02/04/10	United Southern Bank (CDARS)	10,000,000	219	2,190,000,000	2.08%	45,552,000
04/18/10	Colonial Bank	2,500,000	292	730,000,000	3.03%	22,119,000
04/19/10	Riverside Bank	2,500,000	293	732,500,000	2.27%	16,627,750
04/27/10	SunTrust	11,650,982	301	3,506,945,582	1.65%	57,864,602
04/29/10	United Southern Bank (CDARS)	8,500,000	303	2,575,500,000	1.49%	38,374,950
05/12/10	Colonial Bank	5,000,000	316	1,580,000,000	3.14%	49,612,000
07/28/10	M & I Bank	20,000,000	393	7,860,000,000	2.08%	163,488,000
01/26/11	Centerstate Bank	5,000,000	575	2,875,000,000	2.25%	64,687,500
02/03/11	United Southern Bank (CDARS)	1,910,500	583	1,113,821,500	2.27%	25,283,748
04/29/11	United Southern Bank (CDARS)	1,500,000	668	1,002,000,000	1.69%	16,933,800
06/20/11	Riverside Bank	4,000,000	720	2,880,000,000	3.25%	93,600,000
09/07/11	Colonial Bank	2,500,000	799	1,997,500,000	4.70%	93,882,500
09/18/11	Colonial Bank	2,000,000	810	1,620,000,000	4.70%	76,140,000
09/24/11	Colonial Bank	1,000,000	816	816,000,000	4.79%	39,086,400
09/26/11	Colonial Bank	2,000,000	818	1,636,000,000	4.79%	78,364,400
		<u>85,061,482</u>		<u>34,015,267,082</u>		<u>912,666,650</u> 2.68%
US Agency Securities:						
02/17/11	2 year note FHLB	4,000,000	597	2,388,000,000	1.75%	41,790,000
02/17/11	2 year note FHLB	4,000,000	597	2,388,000,000	1.75%	41,790,000
04/28/11	2 year note FHLMC	5,000,000	667	3,335,000,000	1.25%	41,687,500
07/21/11	3 year note FHLB	6,026,280	751	4,525,736,280	4.20%	190,080,924
08/11/11	2.25 years note FNMA	5,000,000	772	3,860,000,000	1.78%	68,708,000
10/28/11	2.5 years note FNMA	5,000,000	850	4,250,000,000	1.25%	53,125,000
		<u>29,026,280</u>		<u>20,746,736,280</u>		<u>437,181,424</u> 2.11%
US Treasuries: (excess operating funds)						
07/30/09	1 year bill	4,943,228	30	148,296,840	2.36%	3,499,805
09/24/09	1 year bill	4,951,377	86	425,818,422	2.01%	8,558,950
03/31/13	5 year note	4,923,438	1370	6,745,110,060	2.60%	175,372,862
04/30/13	5 year note	5,046,875	1400	7,065,625,000	3.16%	223,203,094
		<u>19,864,918</u>		<u>14,384,850,322</u>		<u>410,634,711</u> 2.85%

CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2009
Exhibit C

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2009</u>	<u>(From 6/30/09) Days Outstanding</u>	<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
US Treasuries: (All bond funds)						
09/15/09	1.75 year note	15,213,300	77	1,171,424,100	3.38%	39,535,563
11/30/09	2 year note	<u>5,274,776</u>	153	<u>807,040,728</u>	3.13%	<u>25,220,023</u>
		20,488,076		1,978,464,828		64,755,586
						3.27%
Various	FI Local Govt Invstmnt Trust	<u>14,759,285</u>	814	<u>12,013,320,026</u>	1.81%	<u>216,840,426</u>
	TOTAL	\$ <u>236,104,092</u>		<u>83,205,542,589</u>		<u>2,042,346,414</u>
	Weighted Avg Maturity	352.41	Days	Weighted average		
		0.97	Years	interest rate =		2.455%