

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 09-10
December 31, 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 DECEMBER 31, 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 Notes, and the Florida Government Investment Trust Fund (FLGIT).

Funds invested include excess operating funds and proceeds from borrowings. At December 31, 2009, cash and investments amounted to \$263,989,226 compared to \$317,456,289, at December 31, 2008. 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, 2009. This graph indicates that about 58% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/2009 is 267 days or .7 years (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>12/31/09</u>	<u>6/30/09</u>	<u>12/31/08</u>	<u>6/30/08</u>
Six Month Treasury Bill	0.20%	0.36%	0.25%	2.13%
Two Year Treasury Notice	1.00%	1.12%	0.83%	2.63%
SBA	0.21%	0.60%	0.99%	2.43%
Lake County's Weighted Avg Int Rate	2.05%	2.46%	3.05%	4.07%

Interest rates have continued to decrease since June, 2009. The Fed Funds rate which is at a range of 0 to 0.25% remained the same all of 2009. 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 2.05%.

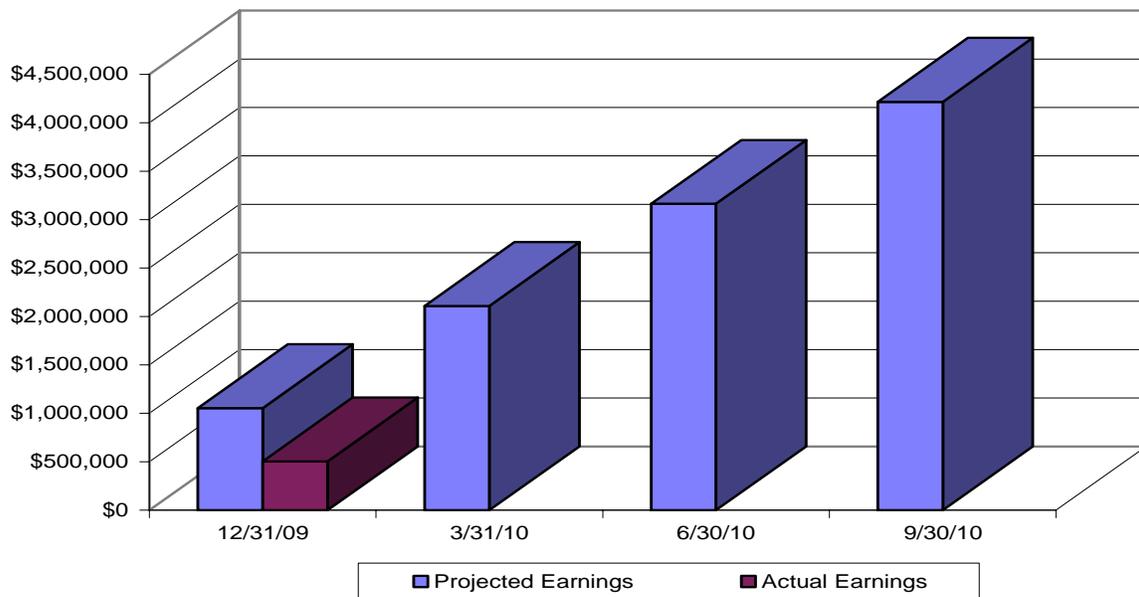
VI. ECONOMIC DEVELOPMENTS

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 adopted budget for interest income for 2010 is \$4,217,671. At December 31, 2009, our actual earnings were approximately \$504,543 which is 12% of the budget with 25% of the year elapsed. Earnings should be higher in the second quarter since 18% of the portfolio pays interest semiannually and all investments must be marked to market at year end.

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:	12/31/2009	6/30/2009	12/31/2008	6/30/2008
SBA	\$ -	\$ -	\$ 4,080	\$ 4,064
Wachovia	121,721,996	66,904,051	106,612,034	86,119,644
Certificates of Deposit	78,561,482	85,061,482	51,000,000	91,000,000
U. S. Agencies	38,182,510	29,026,280	21,051,900	27,008,880
US Treasuries	10,462,134	40,352,994	91,462,204	87,301,134
FLGIT	15,061,104	14,759,285	14,511,387	14,457,467
SunTrust NOW Acct	-	-	11,636,581	11,565,100
Total	\$ 263,989,226	\$ 236,104,092	\$ 296,278,186	\$ 317,456,289

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$50,635,504, \$53,758,484; \$67,130,798; and \$86,975,933 at 12/31/2009, 6/30/2009, 12/31/2008, and 6/30/2008, 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

December 31, 2009 portfolio balance:	\$263,989,226
60% equals	\$158,393,536
30% equals	\$ 79,196,768

Amount invested in certificates of deposit:	\$ 78,561,482 which is less than \$158,393,536
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Amount invested in US agencies:	\$38,182,510 which is less than \$79,196,768
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Amount at any one institution: Wachovia	\$121,721,996 which is more than \$79,196,768
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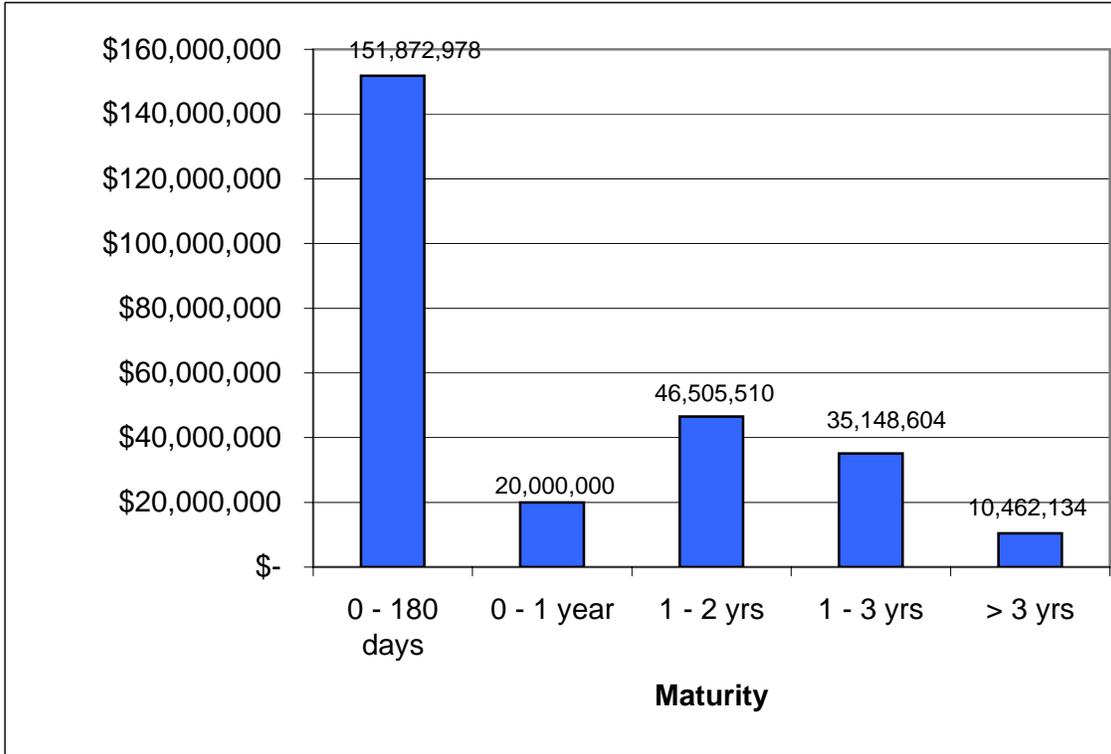
We are not in compliance with our policy for portfolio limits. Subsequent to this report we invested \$35,000,000 of excess operating and bond funds in certificates of deposit and US Agency securities, reducing our balance at Wachovia. At January 31, 2010 we were in compliance.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2009
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/09</u>	<u>Market/Par Value at 12/31/2009</u>	<u>Yield</u>
	Short term Investments:			
	Wachovia Demand Account	121,721,996	121,721,996	0.40%
	Certificates of Deposit:			
04/27/10	SunTrust	11,650,982	11,650,982	1.65%
07/28/10	M & I Bank	20,000,000	20,000,000	2.08%
01/26/11	Centerstate Bank	5,000,000	5,000,000	2.25%
02/25/11	Regions Bank	5,000,000	5,000,000	2.27%
02/04/10	United Southern Bank (CDARS)*	10,000,000	10,000,000	2.08%
04/29/10	United Southern Bank (CDARS)	8,500,000	8,500,000	1.49%
02/03/11	United Southern Bank (CDARS)	1,910,500	1,910,500	2.27%
04/29/11	United Southern Bank (CDARS)	1,500,000	1,500,000	1.69%
		<u>21,910,500</u>	<u>21,910,500</u>	
		63,561,482	63,561,482	
02/25/11	Regions Bank (bond funds)	<u>15,000,000</u>	<u>15,000,000</u>	1.50%
		78,561,482	78,561,482	
	US Agency Securities:			
02/17/11	2 year note FHLB	4,018,760	4,006,240	1.75%
02/17/11	2 year note FHLB	4,020,000	4,006,240	1.75%
08/11/11	2.25 years note FNMA	5,031,250	5,015,650	1.78%
10/28/11	2.5 years note FNMA	5,025,000	5,012,500	1.25%
03/15/12	2.5 year note FNMA	10,046,900	10,028,100	1.75%
06/08/12	2.75 year note FNMA	10,040,600	10,025,000	1.85%
		<u>38,182,510</u>	<u>38,093,730</u>	
	US Treasuries: (excess operating funds)			
03/31/13	5 year note	5,146,195	5,146,195	2.60%
04/30/13	5 year note	5,315,939	5,315,939	3.16%
		<u>10,462,134</u>	<u>10,462,134</u>	
Various	FI Local Govt Invstmnt Trust	<u>15,061,104</u>	<u>15,061,104</u>	-0.16%
	TOTAL	<u><u>\$ 263,989,226</u></u>	<u><u>\$ 263,900,446</u></u>	

*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-Maturity Distribution of Portfolio
December 31, 2009
Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	30,150,982
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	-
Wachovia	0 - 180 days	121,721,996
Certificates of Deposit	0 - one year	20,000,000
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	28,410,500
US Agencies	One to two years	18,095,010
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	-
FLGIT	One to three years	15,061,104
US Agencies	One to three years	20,087,500
US Agencies	Over three years	-
US Treasuries	Over three years	10,462,134
Certificates of Deposit	Over three years	-
		\$ 263,989,226

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2009
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/09)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2009	Days O/S			
Short term Investments:						
	Wachovia Demand Account	\$ 121,721,996	1	\$ 121,721,996	0.40%	\$ 486,888 0.40%
Certificates of Deposit:						
02/04/10	United Southern Bank*	10,000,000	35	350,000,000	2.08%	7,280,000
04/27/10	SunTrust	11,650,982	117	1,363,164,894	1.65%	22,492,221
04/29/10	United Southern Bank*	8,500,000	119	1,011,500,000	1.49%	15,071,350
07/28/10	M & I Bank	20,000,000	209	4,180,000,000	2.08%	86,944,000
01/26/11	Centerstate Bank	5,000,000	391	1,955,000,000	2.25%	43,987,500
02/03/11	United Southern Bank*	1,910,500	399	762,289,500	2.27%	17,303,972
02/25/11	Regions Bank	5,000,000	421	2,105,000,000	2.27%	47,783,500
02/25/11	Regions Bank	15,000,000	421	6,315,000,000	2.27%	143,350,500
04/29/11	United Southern Bank*	1,500,000	484	726,000,000	1.69%	12,269,400
		<u>78,561,482</u>		<u>18,767,954,394</u>		<u>396,482,442</u> 2.11%
US Agency Securities:						
02/17/11	2 year note	FHLB 4,018,760	413	1,659,747,880	1.75%	29,045,588
02/17/11	2 year note	FHLB 4,020,000	413	1,660,260,000	1.75%	29,054,550
08/11/11	2.25 years note	FNMA 5,031,250	588	2,958,375,000	1.78%	52,659,075
10/28/11	2.5 years note	FNMA 5,025,000	666	3,346,650,000	1.25%	41,833,125
03/15/12	2.5 years note	FNMA 10,046,900	805	8,087,754,500	1.75%	141,535,704
06/08/12	2.75 years note	FNMA 10,040,600	890	8,936,134,000	1.85%	165,318,479
		<u>38,182,510</u>		<u>26,648,921,380</u>		<u>459,446,521</u> 1.72%
US Treasuries: (excess operating funds)						
03/31/13	5 year note	5,146,195	1186	6,103,387,270	2.60%	158,688,069
04/30/13	5 year note	5,315,939	1216	6,464,181,824	3.16%	204,203,504
		<u>10,462,134</u>		<u>12,567,569,094</u>		<u>362,891,573</u> 2.89%
Various	FI Local Govt Invstmnt Trust	<u>15,061,104</u>	814	<u>12,258,985,601</u>	1.81%	<u>221,274,690</u>
	TOTAL	<u>\$ 263,989,226</u>		<u>\$ 70,365,152,465</u>		<u>\$ 1,440,582,114</u>
	Weighted Avg Maturity	266.55 0.73	Days Years	Weighted average interest rate =		2.047%

* These CD's are CDARS which are fully insured by the FDIC.
All other certificates of deposit are covered by a multiple institution collateral pool.