

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report for FY 16
December 31, 2015**

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 DECEMBER 31, 2015

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 December 31, 2015, cash and investments amounted to \$149,926,470 compared to \$116,289,016 and \$152,337,003, at June 30, 2015 and December 31, 2014, 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 December 31, 2015. This graph indicates that about 92% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/15 is 65 days or .18 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>12/31/15</u>	<u>6/30/15</u>	<u>12/31/14</u>	<u>6/30/14</u>	<u>12/31/13</u>
Six Month Treasury Bill	.53%	.11%	.13%	.06%	.09%
Two Year Treasury Note	1.03%	.66%	.50%	.50%	.25%
Florida Prime	.35%	.21%	.16%	.16%	.16%
Lake County's Weighted Avg Int Rate	.60%	.71%	.75%	.64%	.78%

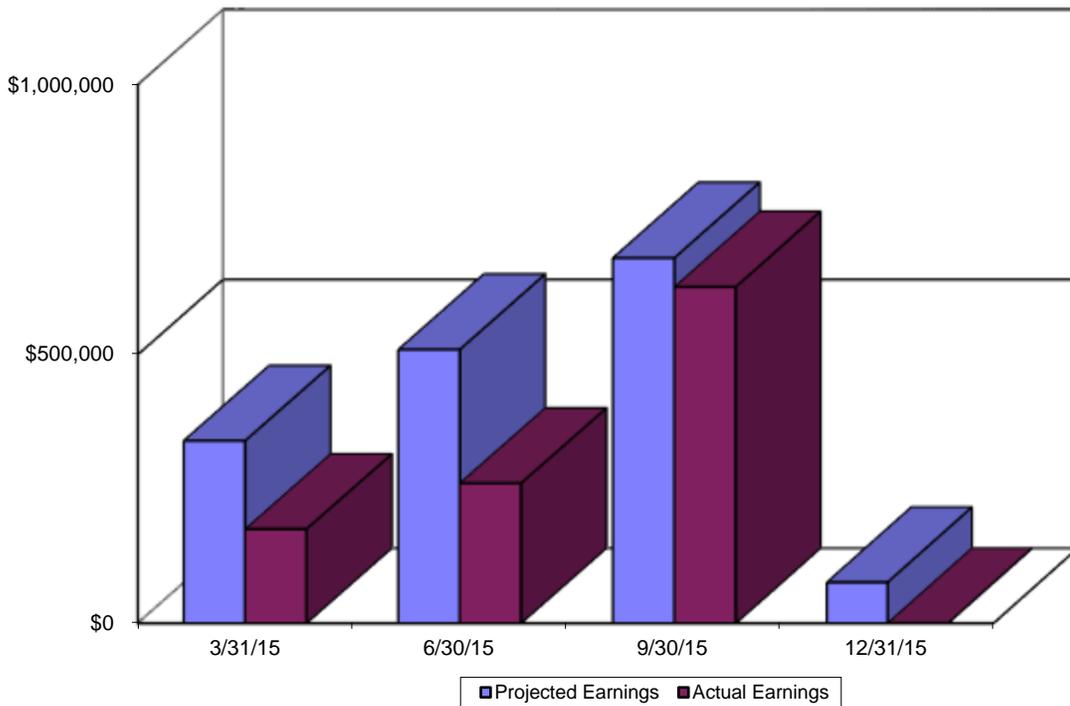
VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in December, the Fed raised the fed funds rate to a range from .25% to .50%. We anticipate that interest revenue will remain low through FY 16.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

The Board's revised budget for interest income for 2016 is \$304,562. At 12/31/15, the actual earnings were \$13,528 which is 4.4% of the budget with 25% of the year elapsed. At January 30, 2016, the actual earnings had increased to \$80,859 which is 26.5% of the budget with 33% 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:	12/31/2015	6/30/2015	12/31/2014	6/30/2014
Checking	\$ 42,949,887	\$ 17,083,906	\$ 33,276,568	\$ 37,160,989
Money Market	20,449,566	65,407,325	65,313,662	45,266,205
Savings	55,128,473	121,414	20,107,423	28,599,545
Certificates of Deposit	20,000,000	20,000,000	20,000,000	-
US Agencies	-	2,274,597	2,274,597	2,241,970
US Treasuries	-	-	-	-
FLGIT	11,398,544	11,401,774	11,364,753	11,332,734
Total	\$ 149,926,470	\$ 116,289,016	\$ 152,337,003	\$ 124,601,443

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$1,142,275, \$1,693,531, \$2,845,427 and \$4,718,791 at December 31, 2015, June 30, 2015, December 31, 2014 and June 30, 2014, respectively.

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 certified public depository

December 31, 2015 portfolio balance:	\$149,926,470
75% equals	\$112,442,852
60% equals	\$ 89,955,882
30% equals	\$ 44,977,941

Amount invested in certificates of deposit: \$20,000,000 which is less than \$89,955,882

No amounts invested in US treasuries or agencies.

Amount at any one institution: BMO Harris	\$20,449,566
Less funds that are qualified public deposits	(20,449,566)

Amount at any one institution: CenterState Bank	\$20,000,000
Less funds that are qualified public deposits	(20,000,000)

Amount at any one institution: BB&T	\$98,078,360
Less funds that are qualified public deposits	(98,078,360)

We are in compliance with our portfolio composition limits.

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LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2015
Exhibit A

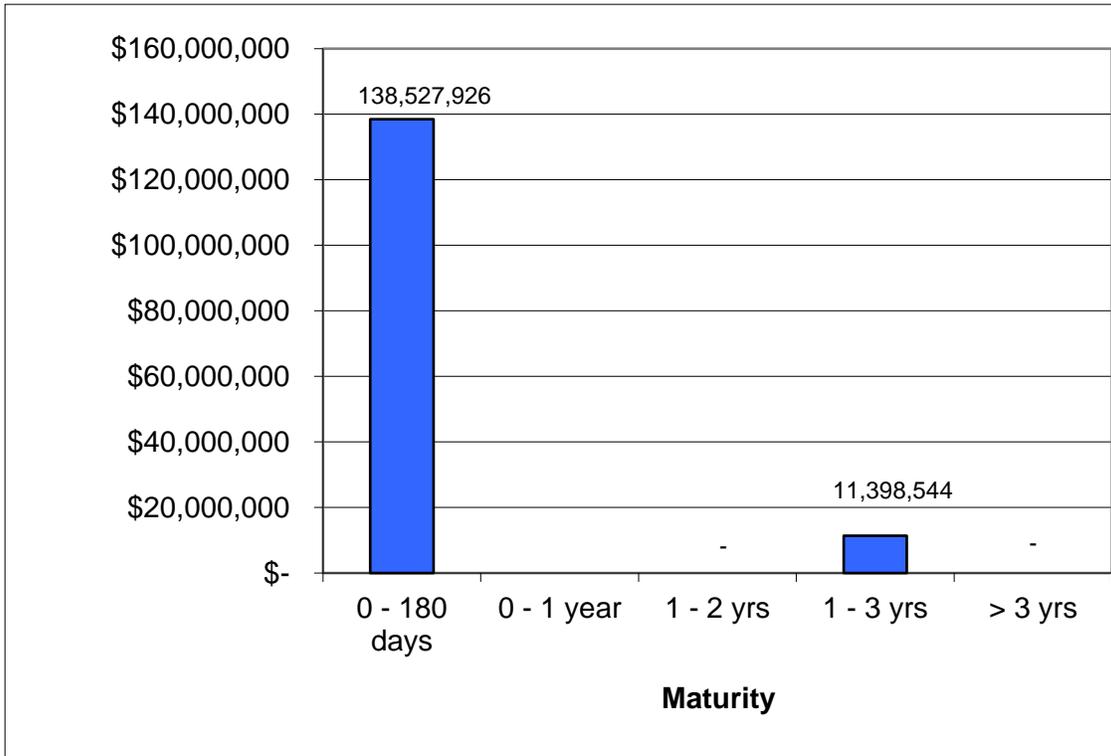
<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2015</u>	<u>Market/Par Value at 12/31/2015</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 42,949,887	\$ 42,949,887	0.85% *
	BMO Harris Money Market Account	20,449,566	20,449,566	0.25% **
	BB&T Public Funds Savings	<u>55,128,473</u>	<u>55,128,473</u>	0.15%
	Total Short-term Investments	118,527,926	118,527,926	
	Certificates of Deposit:			
06/16/16	CenterState Bank	\$ 10,000,000	\$ 10,000,000	0.85%
06/16/16	CenterState Bank	<u>10,000,000</u>	<u>10,000,000</u>	0.85%
	Total Certificates of Deposit	20,000,000	20,000,000	
Various	FL Local Govt Invstmnt Trust	<u>11,398,544</u>	<u>11,398,544</u>	0.49%
	TOTAL	<u>\$ 149,926,470</u>	<u>\$ 149,926,470</u>	

* Earnings credit rate used to offset bank charges

** Rate increased to .30% on 1/15/2016.

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LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2015**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	20,000,000
Money Market Account	0 - 180 days	20,449,566
Public Funds Savings Account	0 - 180 days	55,128,473
Cash - Demand	0 - 180 days	42,949,887
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	11,398,544
US Agencies	One to three years	-
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<u>\$ 149,926,470</u>

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2015
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/15)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2015	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 42,949,887	1	\$ 42,949,887 *	0.85%	\$ -
	BMO Harris Money Mkt	20,449,566	1	20,449,566 **	0.25%	51,124
	BB&T Savings	55,128,473	1	55,128,473	0.15%	82,693
		<u>118,527,926</u>		<u>118,527,926</u>		<u>133,817</u>
Certificates of Deposit:						
06/16/16	CenterState Bank	10,000,000	168	1,680,000,000	0.85%	14,280,000
06/16/16	CenterState Bank	10,000,000	168	1,680,000,000	0.85%	14,280,000
		<u>20,000,000</u>		<u>3,360,000,000</u>		<u>28,560,000</u>
Various	Fl Local Govt Invstmnt Tr	11,398,544	555	6,323,912,211	0.49%	30,987,170
	TOTAL	<u>\$ 149,926,470</u>		<u>\$ 9,802,440,137</u>		<u>\$ 59,680,986</u>
	Weighted Avg Maturity	65.38	Days	Weighted average		
		0.18	Years	interest rate =		0.609%

* Earnings credit rate used to offset bank charges

** Rate increased to .30% on 01/15/2016