

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 12
June 30, 2012**

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, 2012

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, certificates of deposit, U.S. Agency Securities, US Treasury Notes, and the Florida Government Investment Trust Fund (FLGIT). Our checking account, savings account and money market accounts 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, 2012, cash and investments amounted to \$164,865,134 compared to \$193,963,933, at June 30, 2011. 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, 2012. This graph indicates that about 54% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/12 is 410 days or 1.12 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>6/30/12</u>	<u>12/31/11</u>	<u>6/30/11</u>	<u>12/31/10</u>	<u>6/30/10</u>
Six Month Treasury Bill	.15%	.056%	.10%	.23%	.21%
Two Year Treasury Note	.25%	.125%	.38%	.63%	.63%
Florida Prime	.31%	.29%	.23%	.26%	.35%
Lake County's Weighted Avg Int Rate	.81%	1.46%	1.40%	1.59%	1.61%

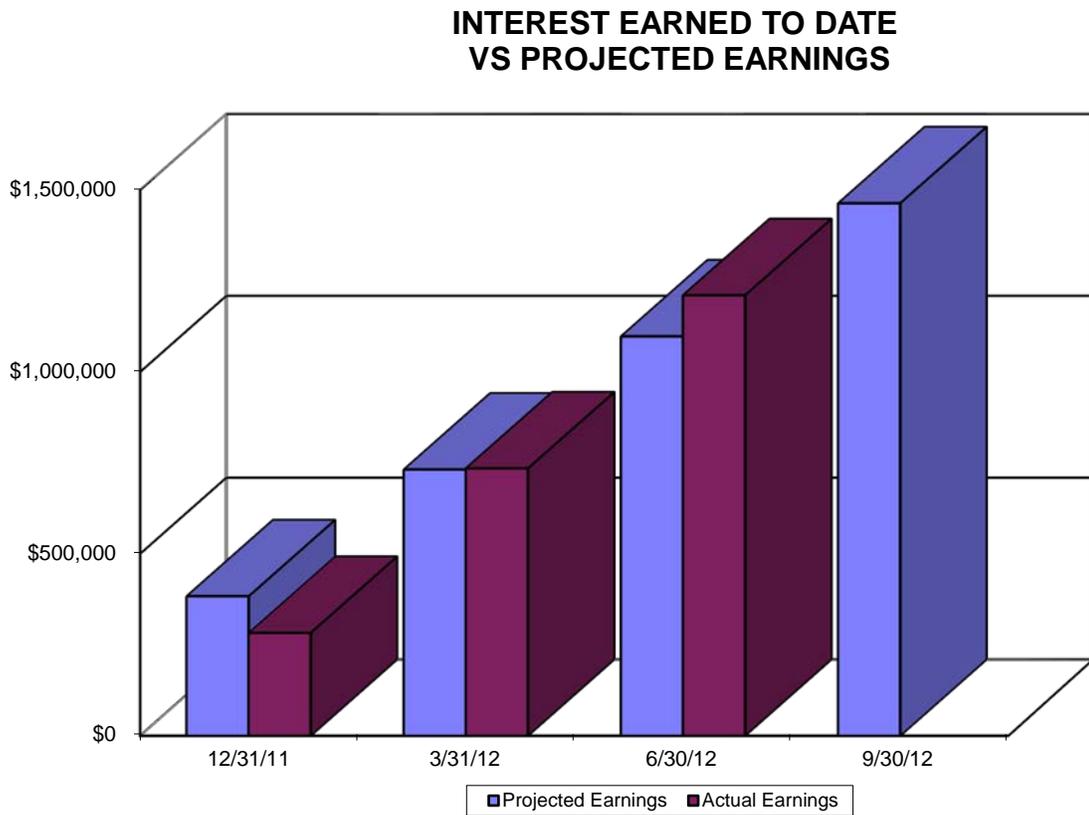
VI. ECONOMIC DEVELOPMENTS

The economic recovery has been slow and interest rates have been at low levels since the end of 2008. The Federal Reserve has announced its intention to keep the fed funds rate at 0 to .25% at least through late 2014.

We will continue to invest funds carefully in order to ensure safety of principal and adequate liquidity.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our amended budget for interest income for 2012 is \$1,463,938. At 6/30/12, our actual earnings were \$1,211,097 which is 83% of the budget with 75% of the year elapsed.



VIII. PORTFOLIO GROWTH

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

Type of Investment:	6/30/2012	12/31/11	6/30/2011	12/31/2010
Checking	\$ 28,452,370	\$ 85,126,790	\$ 55,843,875	\$ 102,465,620
Money Market	20,014,304	-	-	-
Savings	10,012,872	-	-	-
Certificates of Deposit	50,000,000	55,000,000	61,910,500	68,403,500
US Agencies	20,000,000	30,178,650	40,014,200	40,114,050
US Treasuries	10,394,750	10,394,750	10,588,282	10,588,282
FLGIT	25,990,838	25,694,345	25,607,076	25,367,597
Total	\$ 164,865,134	\$ 206,394,535	\$ 193,963,933	\$ 246,939,049

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$13,840,349, \$25,151,396, \$30,680,258, and \$40,411,665 at June 30, 2012, December 31, 2011, June 30, 2011 and December 31, 2010, respectively. The decrease in the portfolio balance over the last year results primarily from the decrease in bond proceeds and a decrease in ad valorem taxes. Bond proceeds were used for the Judicial Center Expansion.

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, 2012 portfolio balance:	\$164,865,134
60% equals	\$ 98,919,080
30% equals	\$ 49,459,540

Amount invested in certificates of deposit:	\$50,000,000 which is less than \$98,919,080
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Amount invested in US agencies:	\$20,000,000 which is less than \$49,459,540
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Amount at any one institution: BB&T	\$53,458,952
Less funds that are qualified public deposits	(53,458,952)

We are in compliance with our portfolio limits.

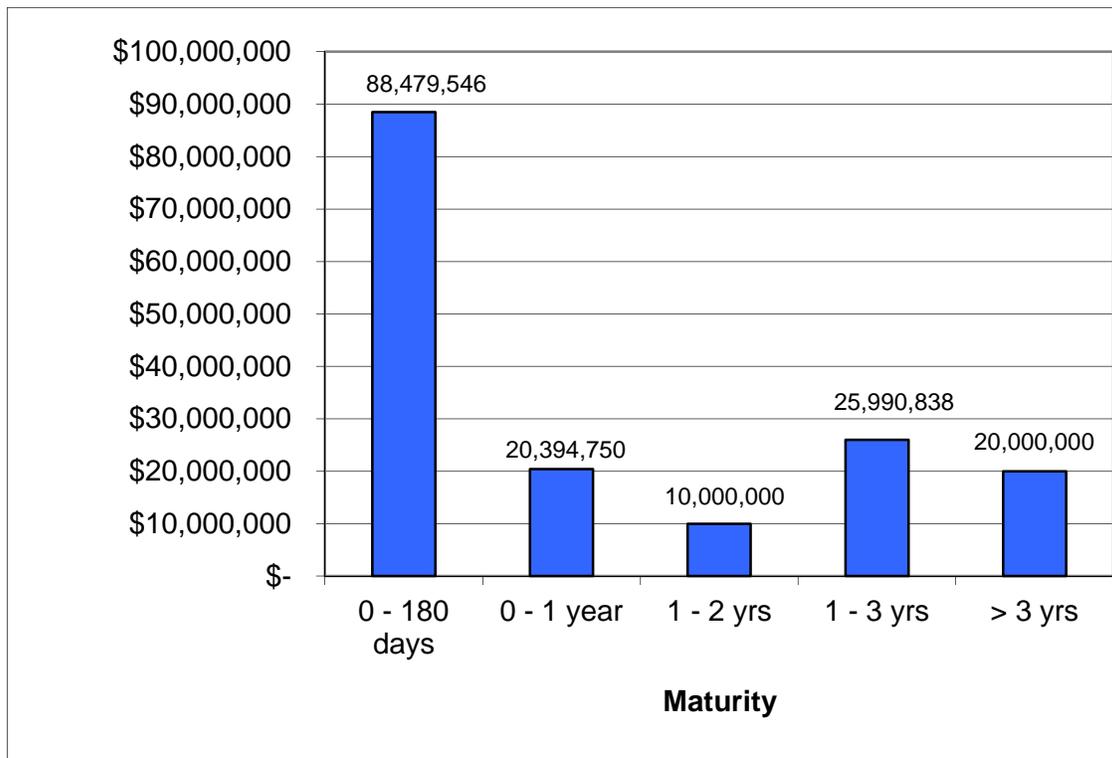
**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2012
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/12</u>	<u>Market/Par Value at 6/30/2012</u>	<u>Yield</u>
Short term Investments:				
	Cash - Demand	\$ 28,452,370	\$ 28,452,370	0.85% *
	M&I Money Market Account	20,014,304	20,014,304	0.45%
	BB&T Public Funds Savings	10,012,872	10,012,872	0.15%
	Total Short term Investments	<u>58,479,546</u>	<u>58,479,546</u>	
Certificates of Deposit:				
7/26/12	TD Bank	25,000,000	25,000,000	0.42%
11/15/12	B B & T	5,000,000	5,000,000	0.95%
03/15/13	B B & T	10,000,000	10,000,000	1.15%
03/15/14	B B & T	10,000,000	10,000,000	1.60%
	Total Certificates of Deposit	<u>50,000,000</u>	<u>50,000,000</u>	
US Agency Securities:				
05/23/17	5.00 years note FHLB	20,000,000	19,988,800	0.50%
US Treasuries				
03/31/13	5 year note	5,168,000	5,168,000	2.60%
04/30/13	5 year note	5,226,750	5,226,750	3.16%
	Total US Treasuries	<u>10,394,750</u>	<u>10,394,750</u>	
Various	FI Local Govt Invstmnt Trust	<u>25,990,838</u>	<u>25,990,838</u>	0.76%
	TOTAL	<u>\$ 164,865,134</u>	<u>\$ 164,853,934</u>	

* Earnings credit rate used to offset bank charges

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2012**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	30,000,000
Money Market Account	0 - 180 days	20,014,304
Public Funds Savings Account	0 - 180 days	10,012,872
Cash - Demand	0 - 180 days	28,452,370
Certificates of Deposit	0 - one year	10,000,000
US Treasuries	0 - one year	10,394,750
Certificates of Deposit	One to two years	10,000,000
US Agencies	One to two years	-
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	-
FLGIT	One to three years	25,990,838
US Agencies	One to three years	-
US Agencies	Over three years	20,000,000
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		\$ 164,865,134

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2012
Exhibit C**

Maturity Date	Type of Investment	(From 6/30/12)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2012	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 28,452,370	1	\$ 28,452,370	0.00%	\$ -
	M&I Money Market	20,014,304	1	20,014,304	0.00%	
	BB&T Savings	10,012,872	1	10,012,872	0.00%	
		<u>58,479,546</u>		<u>58,479,546</u>		0.00%
Certificates of Deposit:						
7/26/12	TD Bank	25,000,000	26	650,000,000	0.42%	2,730,000
11/15/12	B B & T	5,000,000	138	690,000,000	0.95%	6,555,000
03/15/13	B B & T	10,000,000	258	2,580,000,000	1.15%	29,670,000
03/15/14	B B & T	10,000,000	623	6,230,000,000	1.60%	99,680,000
		<u>50,000,000</u>		<u>9,500,000,000</u>		<u>135,905,000</u>
						1.43%
US Agency Securities:						
05/23/17	5.0 year note FHLB	20,000,000	1788	35,760,000,000	0.50%	178,800,000
						0.50%
US Treasuries:						
03/31/13	5 year note	5,168,000	274	1,416,032,000	2.60%	36,816,832
04/30/13	5 year note	5,226,750	304	1,588,932,000	3.16%	50,194,362
		<u>10,394,750</u>		<u>3,004,964,000</u>		<u>87,011,194</u>
						2.90%
Various	FI Local Govt Invstmnt Trus	25,990,838	741	19,257,911,416	0.76%	146,360,127
	TOTAL	<u>\$ 164,865,134</u>		<u>\$ 67,581,354,962</u>		<u>\$ 548,076,321</u>
	Weighted Avg Maturity	409.92	Days	Weighted average		
		1.12	Years	interest rate =		0.811%