

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report
June 30, 2018**

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 JUNE 30, 2018

Cash and investments held by the County consist of: a checking account, savings accounts, certificates of deposit, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. Our checking account, certificates of deposit and savings 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. At June 30, 2018, cash and investments amounted to \$107,548,264 compared to \$148,908,490 and \$104,670,404, at December 31, 2017 and June 30, 2017, 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 June 30, 2018. This graph indicates that about 80% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at June 30, 2018 is 110 days or .30 years (Exhibit C). Our investment ordinance requires a weighted average maturity of less than two years and we are in compliance.

V. MARKET AND INVESTMENT CONDITIONS

The following is a summary of recent rates from prior reports compared to current rates:

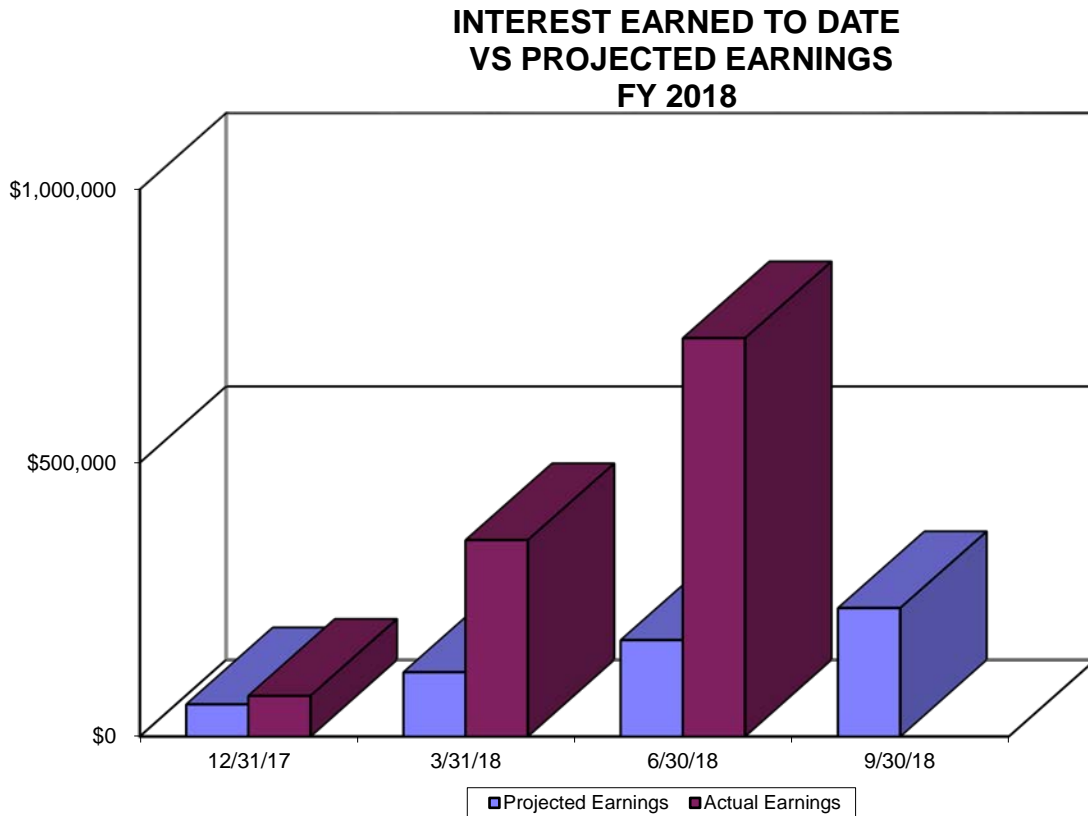
<u>Type of Investment</u>	<u>6/30/18</u>	<u>12/31/17</u>	<u>6/30/17</u>	<u>12/31/16</u>	<u>6/30/16</u>
Six Month Treasury Bill	2.06%	1.51%	1.08%	.62%	.33%
Two Year Treasury Note	2.50%	1.90%	1.30%	1.15%	.70%
Florida Prime LGIP	2.13%	1.45%	1.19%	.90%	.67%
Lake County's Weighted Avg Int Rate	.75%	.86%	.73%	1.03%	1.03%

VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in June 2018 the Fed raised the fed funds rate to a range from 1.75% to 2.00%. They had previously increased the rate to a range from 1.50% to 1.75% in March 2018. We expect that rates will continue to increase gradually.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

The Board's budget for interest income for FY 2018 is \$234,364. At June 30, 2018, the actual earnings were \$727,976 which is 311% of the budget with 75% of the year elapsed.



VIII. PORTFOLIO COMPOSITION

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

Type of Investment:	06/30/2018	12/31/2017	06/30/2017	12/31/2016
Checking	\$ 25,089,739	\$ 39,399,283	\$ 15,300,639	\$ 19,855,764
Savings	30,295,063	15,079,436	15,047,462	30,079,706
Savings	5,519,603	65,309,577	25,220,664	65,160,103
Certificates of Deposit	35,000,548	17,500,000	37,500,000	20,000,000
FLGIT	11,643,311	11,620,194	11,601,639	11,522,429
Total	\$ 107,548,264	\$ 148,908,490	\$ 104,670,404	\$ 146,618,002

Cash and investment balances fluctuate during the year. 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 qualified public depository

June 30, 2018 portfolio balance:	\$107,548,264
75% equals	\$ 80,661,198
60% equals	\$ 64,528,958
30% equals	\$ 32,264,479

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$35,000,548 which is less than \$64,528,958.

No amounts invested in US government agencies.

All banks are qualified public depositories.

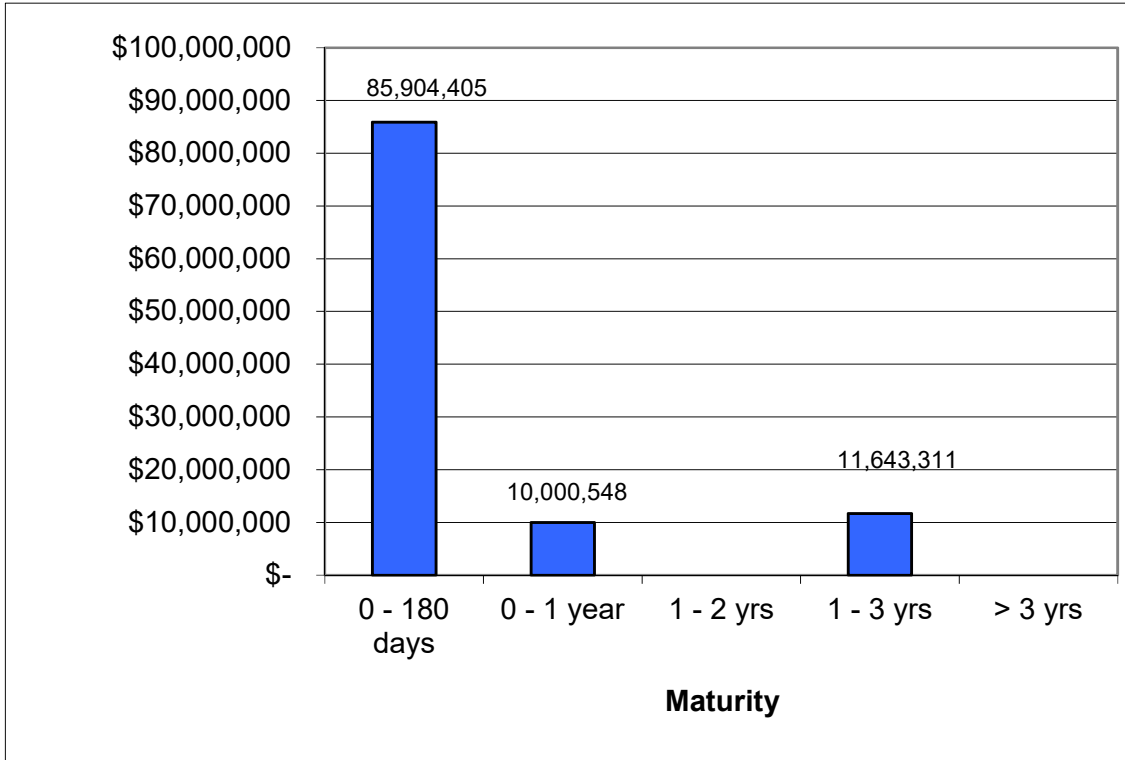
We are in compliance with our portfolio composition limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2018
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2018</u>	<u>Market/Par Value at 06/30/2018</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 25,089,739	\$ 25,089,739	0.85% *
	Seaside Savings Account	30,295,063	30,295,063	1.85%
	BB&T Public Funds Savings	5,519,603	5,519,603	1.75%
	Total Short-term Investments	<u>60,904,405</u>	<u>60,904,405</u>	
	Certificates of Deposit:			
07/23/18	TD Bank	15,000,000	15,000,000	1.65%
09/21/18	TD Bank	10,000,000	10,000,000	1.67%
01/25/19	TD Bank	10,000,548	10,000,548	1.83%
	Total Certificates of Deposit	<u>35,000,548</u>	<u>35,000,548</u>	
Various	FI Local Govt Invstmnt Trust	<u>11,643,311</u>	<u>11,643,311</u>	0.36%
	TOTAL	<u><u>\$ 107,548,264</u></u>	<u><u>\$ 107,548,264</u></u>	

* Earnings credit rate used to offset bank charges

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LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2018
Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	25,000,000
Seaside Savings Account	0 - 180 days	30,295,063
Public Funds Savings Account	0 - 180 days	5,519,603
Cash - Demand	0 - 180 days	25,089,739
Certificates of Deposit	0 - one year	10,000,548
FLGIT	One to three years	11,643,311
		\$ <u><u>107,548,264</u></u>

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LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2018
Exhibit C**

Maturity Date	Type of Investment	(From 06/30/18)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2018	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 25,089,739	1	\$ 25,089,739 *	0.85%	\$ -
	Seaside Savings	30,295,063	1	30,295,063	1.85%	560,459
	BB&T Public Funds Savings	5,519,603	1	5,519,603	1.75%	96,593
		<u>60,904,405</u>		<u>60,904,405</u>		<u>657,052</u>
Certificates of Deposit:						
07/23/18	TD Bank	15,000,000	23	345,000,000	1.65%	5,692,500
09/21/18	TD Bank	10,000,000	83	830,000,000	1.67%	13,861,000
01/25/19	TD Bank	10,000,548	209	2,090,114,532	1.83%	38,249,096
		<u>35,000,548</u>		<u>3,265,114,532</u>		<u>57,802,596</u>
Various	FLGIT	11,643,311	737	8,584,613,200	0.36%	30,904,608
	TOTAL	<u>\$ 107,548,264</u>		<u>\$ 11,910,632,137</u>		<u>\$ 89,364,255</u>
	Weighted Avg Maturity	110.75	Days	Weighted average		
		0.30	Years	interest rate =		0.75%

* Earnings credit rate used to offset bank charges