

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report for FY 16  
June 30, 2016**

**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, 2016**

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 June 30, 2016, cash and investments amounted to \$112,900,264 compared to \$149,926,470 and \$116,289,016, at December 31, 2015 and June 30, 2015, 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, 2016. This graph indicates that about 90% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at June 30, 2016 is 107 days or .29 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>6/30/16</u>	<u>12/31/15</u>	<u>6/30/15</u>	<u>12/31/14</u>	<u>6/30/14</u>
Six Month Treasury Bill	.33%	.53%	.11%	.13%	.06%
Two Year Treasury Note	.70%	1.03%	.66%	.50%	.50%
Florida Prime	.67%	.35%	.21%	.16%	.16%
Lake County's Weighted Avg Int Rate	1.03%	.60%	.71%	.75%	.64%

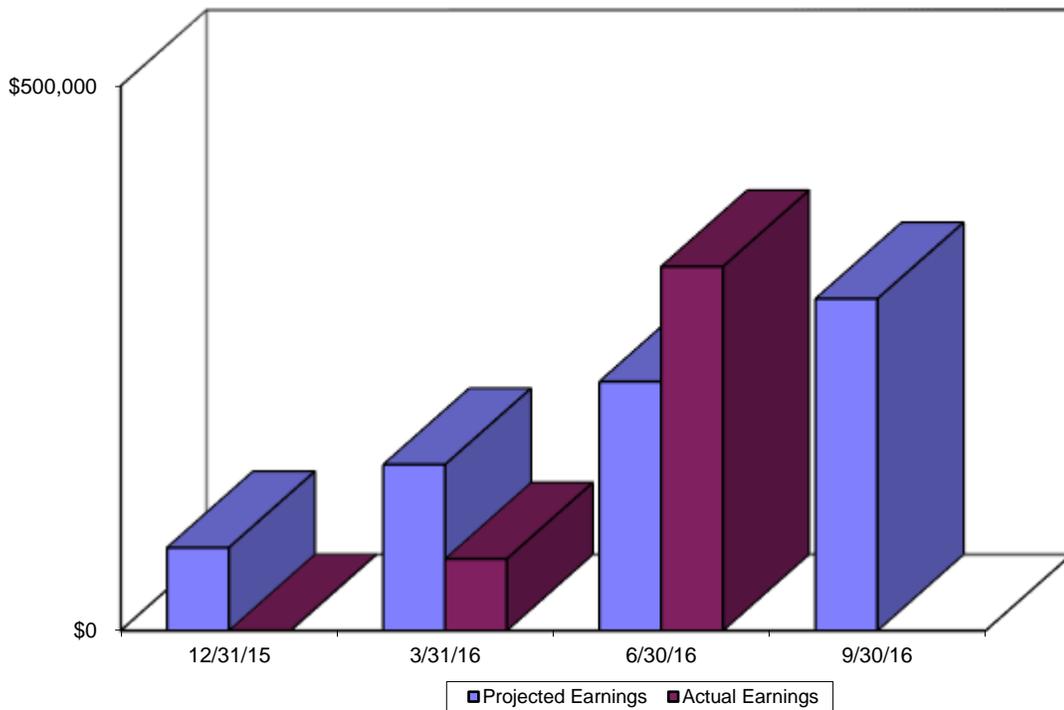
**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in December 2015, 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 6/30/16, the actual earnings were \$334,059 which is 110% of the budget with 75% 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:	6/30/2016	12/31/2015	6/30/2015	12/31/2014
Checking	\$ 26,169,681	\$ 42,949,887	\$ 17,083,906	\$ 33,276,568
Money Market	30,047,646	20,449,566	65,407,325	65,313,662
Savings	25,143,289	55,128,473	121,414	20,107,423
Certificates of Deposit	20,000,000	20,000,000	20,000,000	20,000,000
US Agencies	-	-	2,274,597	2,274,597
US Treasuries	-	-	-	-
FLGIT	11,539,648	11,398,544	11,401,774	11,364,753
<b>Total</b>	<b>\$ 112,900,264</b>	<b>\$ 149,926,470</b>	<b>\$ 116,289,016</b>	<b>\$ 152,337,003</b>

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, 2016 portfolio balance:	\$112,900,264
75% equals	\$ 84,675,198
60% equals	\$ 67,740,158
30% equals	\$ 33,870,079

No amounts invested in US treasuries.

Amount invested in certificates of deposit: \$20,000,000 which is less than \$67,740,158

No amounts invested in US government agencies.

All institutions are qualified public depositories.

**We are in compliance with our portfolio composition limits.**

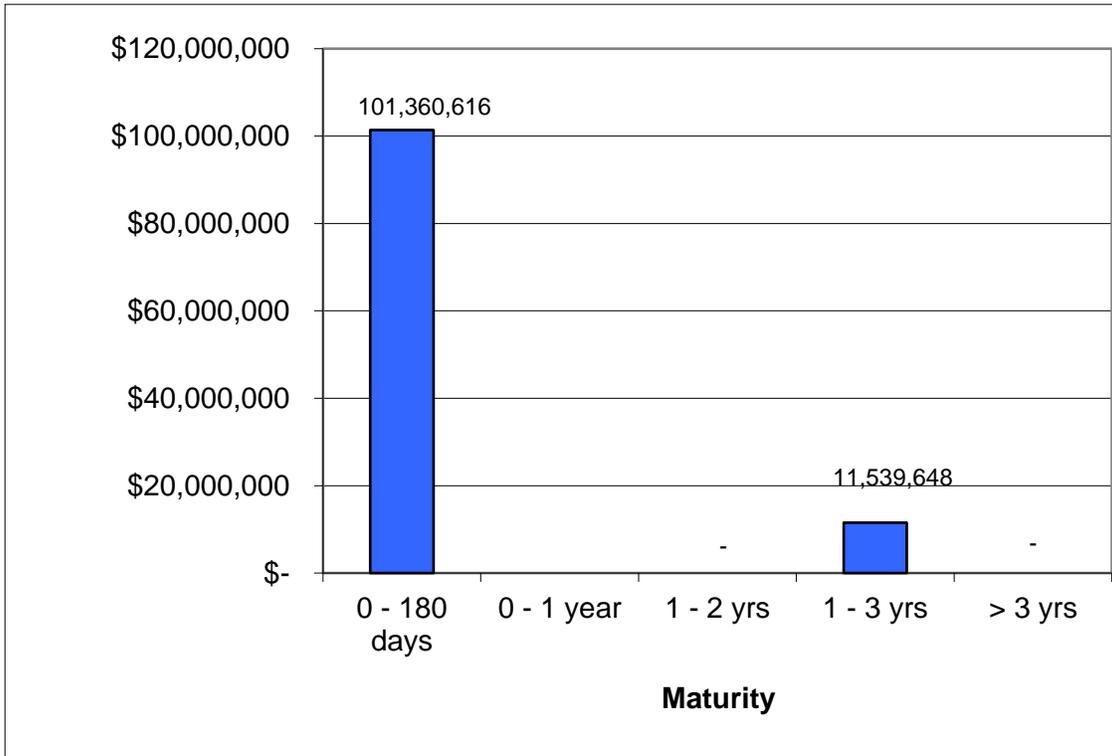
**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2016  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2016</u>	<u>Market/Par Value at 06/30/16</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 26,169,681	\$ 26,169,681	0.85% *
	TD Bank Money Market Account	30,047,646	30,047,646	0.37%
	BB&T Public Funds Savings	<u>25,143,289</u>	<u>25,143,289</u>	0.15%
	Total Short-term Investments	81,360,616	81,360,616	
	<b>Certificates of Deposit:</b>			
06/16/17	CenterState Bank	\$ 10,000,000	\$ 10,000,000	0.85%
01/25/17	TD Bank	<u>10,000,000</u>	<u>10,000,000</u>	0.79%
	Total Certificates of Deposit	20,000,000	20,000,000	
<b>Various</b>	FL Local Govt Invstmnt Trust	<u>11,539,648</u>	<u>11,539,648</u>	1.21%
	<b>TOTAL</b>	<u>\$ 112,900,264</u>	<u>\$ 112,900,264</u>	

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
June 30, 2016**

**Exhibit B**



<b>Description</b>	<b>Time to Maturity</b>	<b>Amount</b>
Certificates of Deposit	0 - 180 days	20,000,000
Money Market Account	0 - 180 days	30,047,646
Public Funds Savings Account	0 - 180 days	25,143,289
Cash - Demand	0 - 180 days	26,169,681
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	11,539,648
US Agencies	One to three years	-
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<b>\$ 112,900,264</b>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2016  
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	(From 06/30/16)		<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
		<u>Cost at 6/30/2016</u>	<u>Days O/S</u>			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 26,169,681	1	\$ 26,169,681 *	0.85%	\$ -
	TD Bank Money Market	30,047,646	1	30,047,646	0.37%	111,176
	BB&T Savings	25,143,289	1	25,143,289	0.15%	37,715
		<u>81,360,616</u>		<u>81,360,616</u>		<u>148,891</u>
Certificates of Deposit:						
06/16/17	CenterState Bank	10,000,000	351	3,510,000,000	0.85%	29,835,000
01/25/17	TD Bank	10,000,000	209	2,090,000,000	0.79%	16,511,000
		<u>20,000,000</u>		<u>5,600,000,000</u>		<u>46,346,000</u>
<b>Various</b>	Fl Local Govt Invstmnt Tr	11,539,648	555	6,402,196,710	1.21%	77,466,580
	<b>TOTAL</b>	<u>\$ 112,900,264</u>		<u>\$ 12,083,557,326</u>		<u>\$ 123,961,471</u>
	Weighted Avg Maturity	107.03 0.29	Days Years	Weighted average interest rate =		1.026%

\* Earnings credit rate used to offset bank charges