

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report
June 30, 2022**

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, 2022

Cash and investments held by the County consist of: a checking account, savings accounts, certificates of deposits, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. Our checking account 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, 2022, cash and investments amounted to \$271,351,202 compared to \$303,251,267 and \$213,251,932 at December 31, 2021 and June 30, 2021, 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, 2022. This graph indicates that about 93% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at June 30, 2022 is 44 days or .12 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:

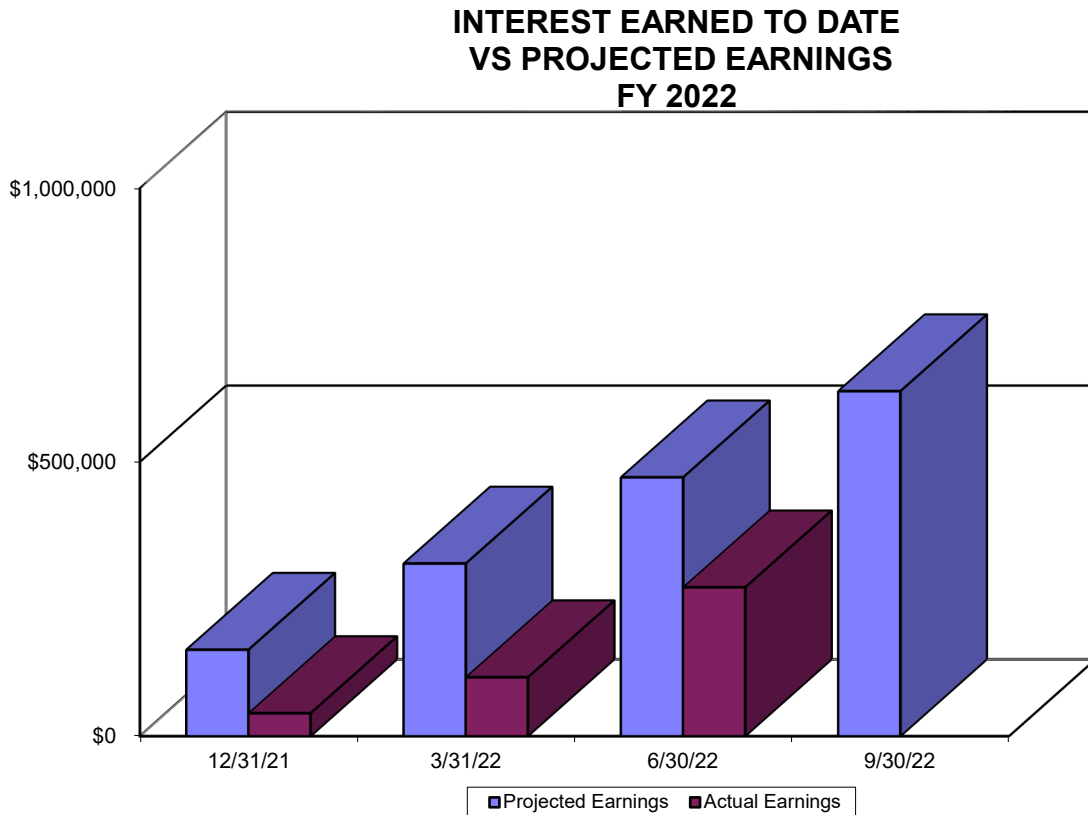
<u>Type of Investment</u>	<u>06/30/22</u>	<u>12/31/21</u>	<u>06/30/21</u>	<u>12/31/20</u>	<u>06/30/20</u>
Six Month Treasury Bill	2.45%	0.20%	0.05%	0.08%	0.15%
Two Year Treasury Note	3.00%	0.73%	0.22%	0.11%	0.16%
Florida Prime LGIP	1.26%	0.13%	0.10%	0.18%	0.57%
Lake County's Weighted Avg Int Rate	0.78%	-0.14%	0.44%	3.25%	3.69%

VI. ECONOMIC DEVELOPMENTS

The Federal Reserve continues to raise interest rates, primarily in response to increased inflation. In March, 2022 and May, 2022 the rate was raised by 25 and 50 basis points, respectively. In June, 2022 the rate was raised by 75 basis points to a range of 1.50% to 1.75%. The increase was a significant change from the historically low levels in prior years, and is expected to continue.

VII. INVESTMENT INCOME EARNED TO DATE VS PROJECTED EARNINGS

The Board's budget for interest income for FY2022 is \$629,445. At June 30, 2022, interest of \$271,253 has been earned, but this was offset by a decrease in fair value for FLGIT of \$371,527. The portion of our investment in FLGIT that is in the short term bond fund has been affected by the market in FY2022, but over the prior two years had increased in value by \$465,544, averaging approximately 2%.



VIII. PORTFOLIO COMPOSITION

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

Type of Investment:	06/30/2022	12/31/2021	06/30/2021	12/31/2020
Checking	\$ 31,674,438	\$ 36,507,818	\$ 32,531,244	\$ 26,701,493
Savings	197,393,725	254,169,049	168,080,453	162,962,681
Certificates of Deposit	30,000,000	-	-	-
FLGIT	12,283,039	12,574,400	12,640,235	12,644,937
Total	\$ 271,351,202	\$ 303,251,267	\$ 213,251,932	\$ 202,309,111

Cash and investment balances fluctuate during the year. In addition, December balances are typically higher due to the collection of ad valorem taxes. In 2022, balances are higher due to the unspent balance of the American Rescue Plan Act funding of approximately \$72 million.

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, 2022 portfolio balance:	\$271,351,202
75% equals	\$203,513,402
60% equals	\$162,810,721
30% equals	\$ 81,405,361

No amounts invested in US treasuries.

Amount invested in certifications of deposits of \$30,000,000 is less than \$162,810,721.

No amounts invested in US government agencies.

Amount invested in FLGIT of \$12,283,039 is less than \$81,405,361
All banks are qualified public depositories.

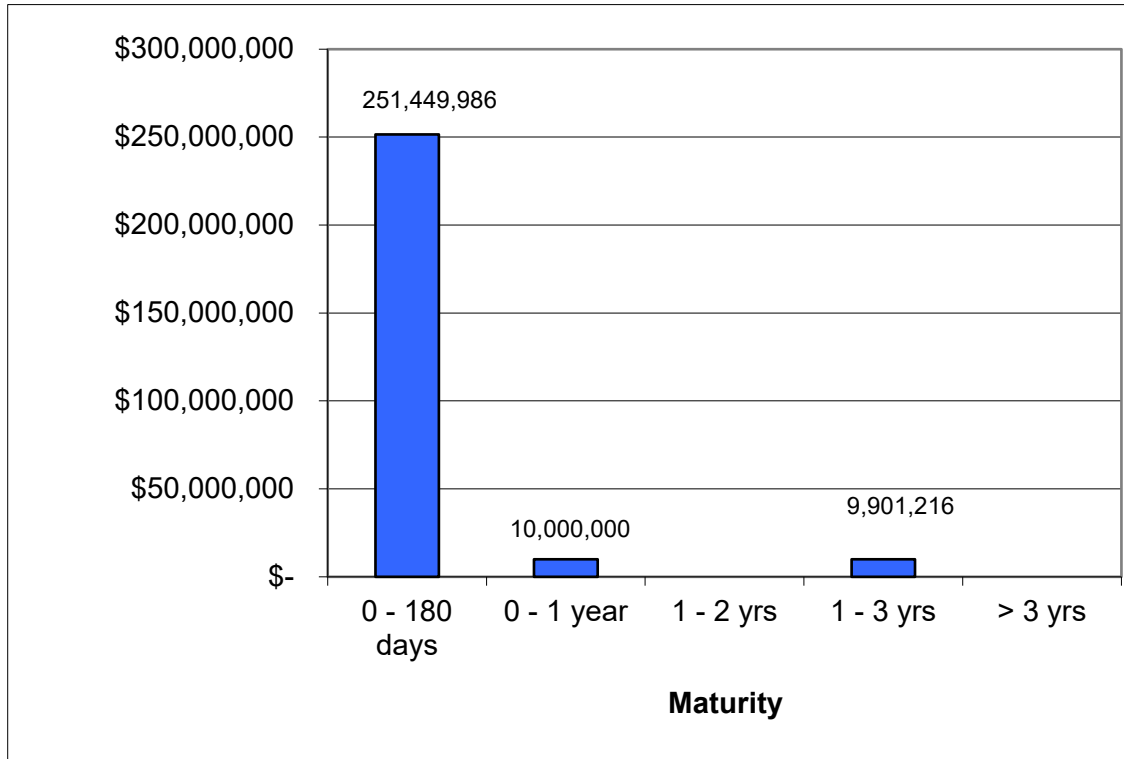
We are in compliance with our portfolio composition limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2022
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2022</u>	<u>Market/Par Value 6/30/2022</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 31,674,438	\$ 31,674,438	0.35% *
	Seaside Savings	31,476,294	31,476,294	0.70%
	Truist Savings	45,520,963	45,520,963	0.05%
	TD Savings	51,197,268	51,197,268	0.40%
	BankUnited Savings	49,159,339	49,159,339	0.80%
	Axiom Bank Savings	20,039,861	20,039,861	0.43%
	FLGIT (Day to Day Fund)	2,381,823	2,381,823	1.15%
	Total Short-term Investments	<u>231,449,986</u>	<u>231,449,986</u>	
	Certificates of Deposit:			
9/14/2022	TD Bank (5433)	10,000,000	10,000,000	1.61%
12/13/2022	TD Bank (5441)	10,000,000	10,000,000	2.14%
3/13/2023	TD Bank (5459)	10,000,000	10,000,000	3.00%
	Total Certificates of Deposit	<u>30,000,000</u>	<u>30,000,000</u>	
Various	FLGIT (Bond Fund)	<u>9,901,216</u>	<u>9,901,216</u>	-0.50%
		9,901,216	9,901,216	
	TOTAL	<u><u>\$ 271,351,202</u></u>	<u><u>\$ 271,351,202</u></u>	

* Earnings credit rate used to offset bank charges

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2022
Exhibit B**



Description	Time to Maturity	Amount
Seaside Savings	0 - 180 days	\$ 31,476,294
Truist Savings	0 - 180 days	45,520,963
TD Savings	0 - 180 days	51,197,268
BankUnited Savings	0 - 180 days	49,159,339
Axiom Bank Savings	0 - 180 days	20,039,861
Cash - Demand	0 - 180 days	31,674,438
Certificates of Deposit	0 - 180 days	20,000,000
FLGIT (Day to Day Fund)	0 - 180 days	2,381,823
Certificates of Deposit	0 - one year	10,000,000
FLGIT (Bond Fund)	One to three years	9,901,216
		\$ 271,351,202

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2022
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2022</u>	<u>Days O/S</u>	<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
Short term Investments:						
	Cash - Demand	\$ 31,674,438	1	\$ 31,674,438 *	0.35%	\$ -
	Seaside Savings	31,476,294	1	31,476,294	0.70%	220,334
	Truist Savings	45,520,963	1	45,520,963	0.05%	22,760
	TD Savings	51,197,268	1	51,197,268	0.40%	204,789
	BankUnited Savings	49,159,339	1	49,159,339	0.80%	393,275
	Axiom Bank Savings	20,039,861	1	20,039,861	0.43%	86,171
	FLGIT (Day to Day Fund)	2,381,823	32	76,218,336	1.15%	876,511
		<u>231,449,986</u>		<u>305,286,499</u>		<u>1,803,840</u>
Certificates of Deposit:						
09/14/22	TD Bank	10,000,000	76	760,000,000	1.61%	12,236,000
12/13/22	TD Bank	10,000,000	166	1,660,000,000	2.14%	35,524,000
03/13/23	TD Bank	10,000,000	256	2,560,000,000	3.00%	76,800,000
		<u>30,000,000</u>		<u>4,980,000,000</u>		<u>124,560,000</u>
Various	FLGIT (Bond Fund)	9,901,216	672	6,649,656,666	-0.50%	(33,248,283)
	TOTAL	<u>\$ 271,351,202</u>		<u>\$ 11,934,943,165</u>		<u>\$ 93,115,557</u>
	Weighted Avg Maturity	43.98	Days	Weighted average		
		0.12	Years	interest rate =		0.78%

* Earnings credit rate used to offset bank charges