

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 10-11
December 31, 2010**

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 DECEMBER 31, 2010

Cash and investments held by the County consist of: an interest-bearing checking account at Wachovia, certificates of deposit, U.S. Agency Securities, US Treasury Notes, and the Florida Government Investment Trust Fund (FLGIT).

Funds invested include excess operating funds and proceeds from borrowings. At December 31, 2010, cash and investments amounted to \$246,939,049 compared to \$263,989,226, at December 31, 2009. 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, 2010. This graph indicates that about 53% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/2010 is 238 days or .65 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>12/31/10</u>	<u>6/30/10</u>	<u>12/31/09</u>	<u>6/30/09</u>	<u>12/31/08</u>
Six Month Treasury Bill	.23%	.21%	0.20%	0.36%	0.25%
Two Year Treasury Note	.63%	.63%	1.00%	1.12%	0.83%
SBA	.26%	.35%	0.21%	0.60%	0.99%
Lake County's Weighted Avg Int Rate	1.59%	1.61%	2.05%	2.46%	3.05%

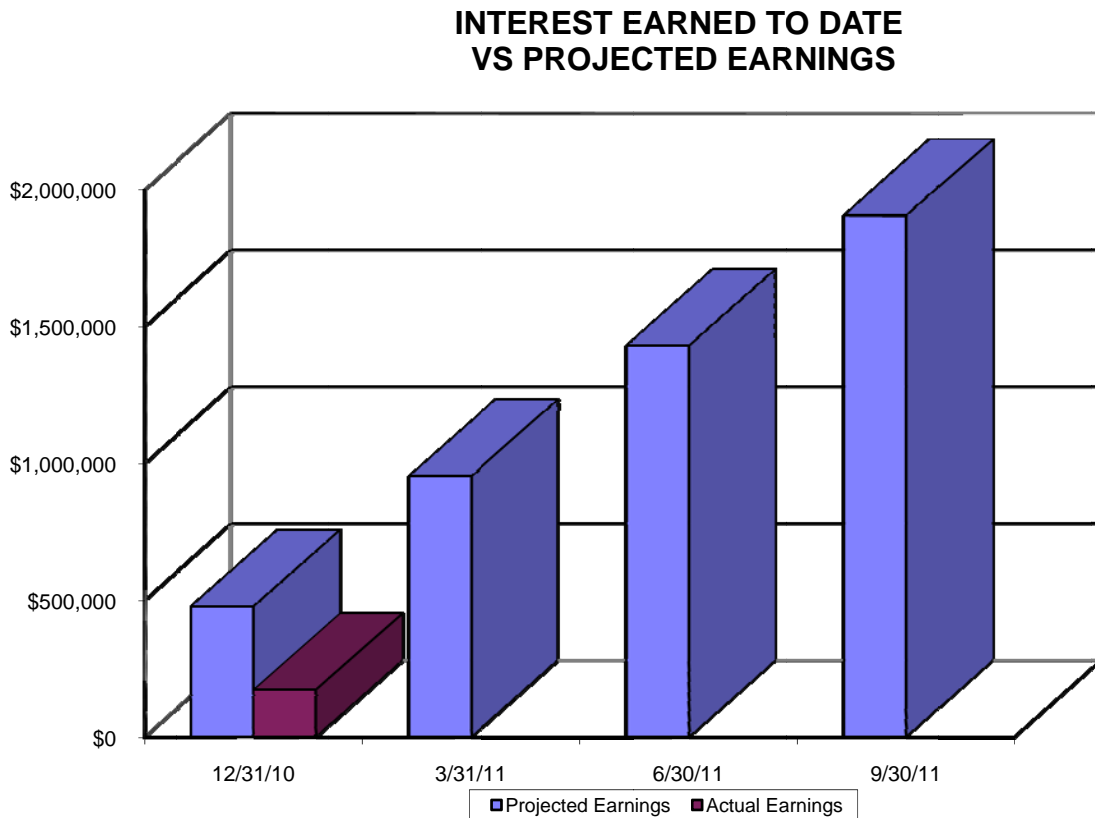
Interest rates have held steady at very low rates for the last two years. The Fed Funds rate which is at a range of 0 to 0.25% remained the same all of 2009 and 2010. This rate determines the interest we receive on our checking account. With short term interest rates at such low levels, we will concentrate our investments in the one to two year range. Our current weighted average interest rate is 1.59%.

VI. ECONOMIC DEVELOPMENTS

The economic recession that began in December, 2007 is technically over. However, revenues have continued to decline and interest rates are still low, reducing the amount of interest income that we receive. We will continue to invest funds carefully to ensure the return of principal.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our adopted budget for interest income for 2011 is \$1,902,790. At December 31, 2010, our actual earnings were approximately \$209,473 which is 11% of the budget with 25% of the year elapsed. Earnings should be higher in the second quarter since 20% of the portfolio pays interest semiannually and all investments must be marked to market at year end.



VIII. PORTFOLIO GROWTH

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

Type of Investment:	12/31/2010	6/30/2010	12/31/2009	6/30/2009
Checking	\$ 102,465,620	\$ 53,912,515	\$ 121,721,996	\$ 66,904,051
Certificates of Deposit	68,403,500	78,403,500	78,561,482	85,061,482
U. S. Agencies	40,114,050	70,087,500	38,182,510	29,026,280
US Treasuries	10,588,282	10,462,134	10,462,134	40,352,994
FLGIT	25,367,597	15,282,841	15,061,104	14,759,285
Total	\$ 246,939,049	\$ 228,148,490	\$ 263,989,226	\$ 236,104,092

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$40,411,665, \$43,452,143, \$50,635,504, and \$53,758,484 at 12/31/2010, 6/30/2010, 12/31/2009, and 6/30/2009, respectively. December balances are typically higher due to the collection of ad valorem taxes.

Portfolio requirements from our investment policy:

- 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

December 31, 2010 portfolio balance:	\$246,939,049
60% equals	\$148,163,430
30% equals	\$ 74,081,715

Amount invested in certificates of deposit:	\$ 68,403,500 which is less than \$148,163,430
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Amount invested in US agencies:	\$40,114,050 which is less than \$74,081,715
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Amount at any one institution: Wachovia	\$102,465,620 which is more than \$ 74,081,715
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We are not in compliance with our policy for portfolio limits. We anticipate investing excess funds this quarter in order to become in compliance.

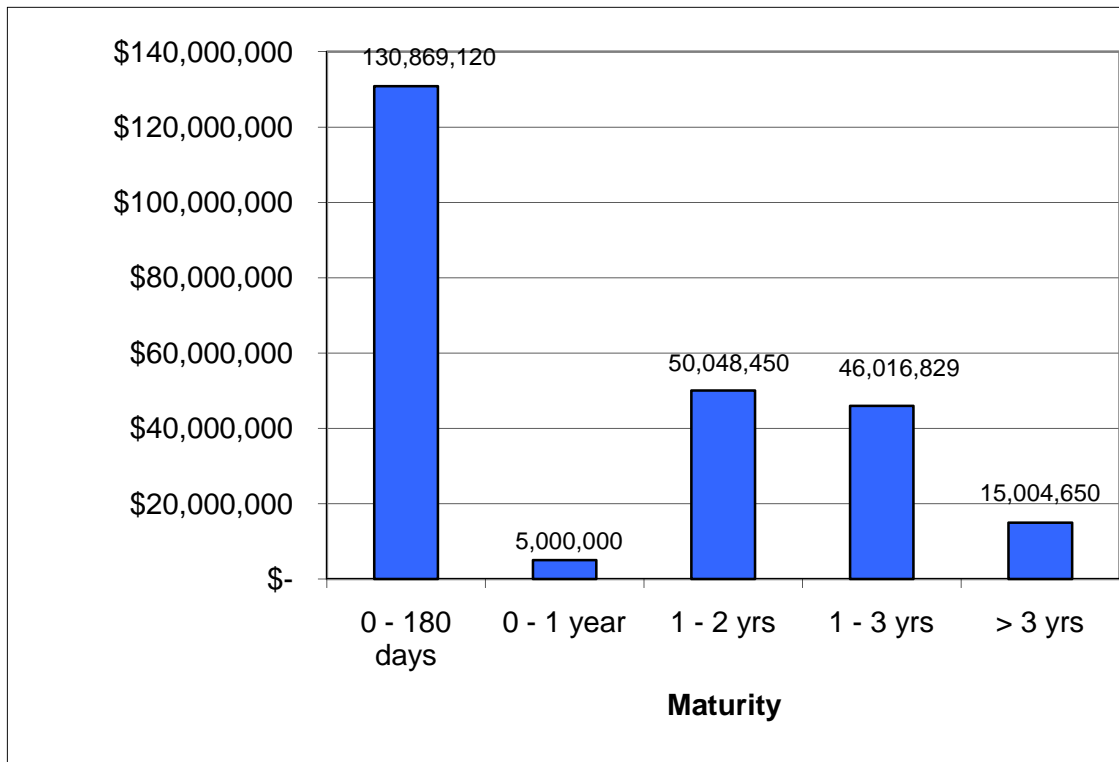
**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2010
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/10</u>	<u>Market/Par Value at 12/31/2010</u>	<u>Yield</u>
	Short term Investments:			
	Wachovia Demand Account	102,465,620	102,465,620	0.20%
	Certificates of Deposit:			
01/26/11	Centerstate Bank	5,000,000	5,000,000	2.25%
02/03/11	United Southern Bank (CDARS)*	1,910,500	1,910,500	2.27%
02/25/11	Regions Bank	5,000,000	5,000,000	1.50%
04/29/11	United Southern Bank (CDARS)	1,493,000	1,500,000	1.69%
11/16/11	B B & T	5,000,000	5,000,000	0.60%
01/15/12	B B & T	10,000,000	10,000,000	1.70%
03/29/12	United Southern Bank (non CDARS)	10,000,000	10,000,000	1.73%
11/15/12	B B & T	5,000,000	5,000,000	0.95%
		<u>43,403,500</u>	<u>43,410,500</u>	
02/25/11	Regions Bank (bond funds)	15,000,000	15,000,000	1.50%
01/15/12	B B & T (bond funds)	10,000,000	10,000,000	1.70%
		<u>25,000,000</u>	<u>25,000,000</u>	
	Total Certificates of Deposit	68,403,500	68,410,500	
	US Agency Securities:			
01/25/12	2 year note FHLB	5,012,500	5,002,150	1.13%
07/13/12	2 year note FHLB	5,017,200	5,013,850	0.88%
08/03/12	2.5 year note FHLB	5,018,750	5,004,750	1.40%
01/15/13	2.75 year note FHLB	5,032,800	5,018,800	1.63%
03/25/13	3.0 year note FNMA	5,028,150	5,014,250	1.85%
07/15/13	3 year note FHLB	5,001,550	4,933,900	1.45%
12/30/13	3.5 year note FHLB	10,003,100	9,988,300	1.00%
		<u>40,114,050</u>	<u>39,976,000</u>	
	US Treasuries: (excess operating funds)			
03/31/13	5 year note	5,250,782	5,250,782	2.60%
04/30/13	5 year note	5,337,500	5,337,500	3.16%
		<u>10,588,282</u>	<u>10,588,282</u>	
Various	FI Local Govt Invstmnt Trust	<u>25,367,597</u>	<u>25,367,597</u>	1.08%
	TOTAL	<u>\$ 246,939,049</u>	<u>\$ 246,807,999</u>	

*CDARS stands for Certificate of Deposit Account Registry. These certificates of deposit are fully insured by the FDIC. All other certificates of deposit are covered by a multiple institution collateral pool.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2010**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	28,403,500
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	-
Wachovia	0 - 180 days	102,465,620
Certificates of Deposit	0 - one year	5,000,000
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	35,000,000
US Agencies	One to two years	15,048,450
US Treasuries	One to three years	10,588,282
Certificates of Deposit	One to three years	-
FLGIT	One to three years	25,367,597
US Agencies	One to three years	10,060,950
US Agencies	Over three years	15,004,650
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		\$ 246,939,049

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2010
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/10)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2010	Days O/S			
Short term Investments:						
	Wachovia Demand Accour	\$ 102,465,620	1	\$ 102,465,620	0.20%	\$ 204,931 0.20%
Certificates of Deposit:						
01/26/11	Centerstate Bank	5,000,000	26	130,000,000	2.25%	2,925,000
02/03/11	USB (CDARS)	1,910,500	34	64,957,000	2.27%	1,474,524
02/25/11	Regions Bank	5,000,000	56	280,000,000	1.50%	4,200,000
02/25/11	Regions Bank (bond funds)	15,000,000	56	840,000,000	1.50%	12,600,000
04/29/11	USB (CDARS)	1,493,000	119	177,667,000	1.69%	3,002,572
11/16/11	B B & T	5,000,000	320	1,600,000,000	0.60%	9,600,000
01/15/12	B B & T	10,000,000	380	3,800,000,000	1.70%	64,600,000
01/15/12	B B & T (bond funds)	10,000,000	380	3,800,000,000	1.70%	64,600,000
03/29/12	USB (non CDARS)	10,000,000	454	4,540,000,000	1.73%	78,542,000
11/15/12	B B & T	5,000,000	685	3,425,000,000	0.95%	32,537,500
		<u>68,403,500</u>		<u>18,657,624,000</u>		<u>274,081,596</u> 1.47%
US Agency Securities:						
01/25/12	2 year note	FHLB 5,012,500	390	1,954,875,000	1.13%	21,992,344
07/13/12	2 year note	FHLB 5,017,200	560	2,809,632,000	0.88%	24,584,280
08/03/12	2.5 year note	FHLB 5,018,750	581	2,915,893,750	1.40%	40,822,513
01/15/13	2.75 year note	FHLB 5,032,800	746	3,754,468,800	1.63%	61,010,118
03/25/13	3.0 year note	FNM/ 5,028,150	815	4,097,942,250	1.85%	75,811,932
07/15/13	3 year note	FHLB 5,001,550	927	4,636,436,850	1.45%	67,228,334
12/30/13	3.5 year note	FHLB 10,003,100	1095	10,953,394,500	1.00%	109,533,945
		<u>40,114,050</u>		<u>31,122,643,150</u>		<u>400,983,465</u> 1.29%
US Treasuries: (excess operating funds)						
03/31/13	5 year note	5,250,782	821	4,310,892,022	2.60%	112,083,193
04/30/13	5 year note	5,337,500	851	4,542,212,500	3.16%	143,488,493
		<u>10,588,282</u>		<u>8,853,104,522</u>		<u>255,571,685</u> 2.89%
Various	FI Local Govt Invstmnt Tru:	25,367,597	836	25,367,597	1.08%	273,412
	TOTAL	<u>\$ 246,939,049</u>		<u>\$ 58,761,204,889</u>		<u>\$ 931,115,090</u>
	Weighted Avg Maturity	237.96	Days	Weighted average		
		0.65	Years	interest rate =		1.585%

* These CD's are CDARS which are fully insured by the FDIC.
All other certificates of deposit are covered by a multiple institution collateral pool.