

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 12
December 31, 2011**

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, 2011

Cash and investments held by the County consist of: 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, 2011, cash and investments amounted to \$206,394,535 compared to \$246,939,049, at December 31, 2010. 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, 2011. This graph indicates that about 56% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/11 is 337 days or .92 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:

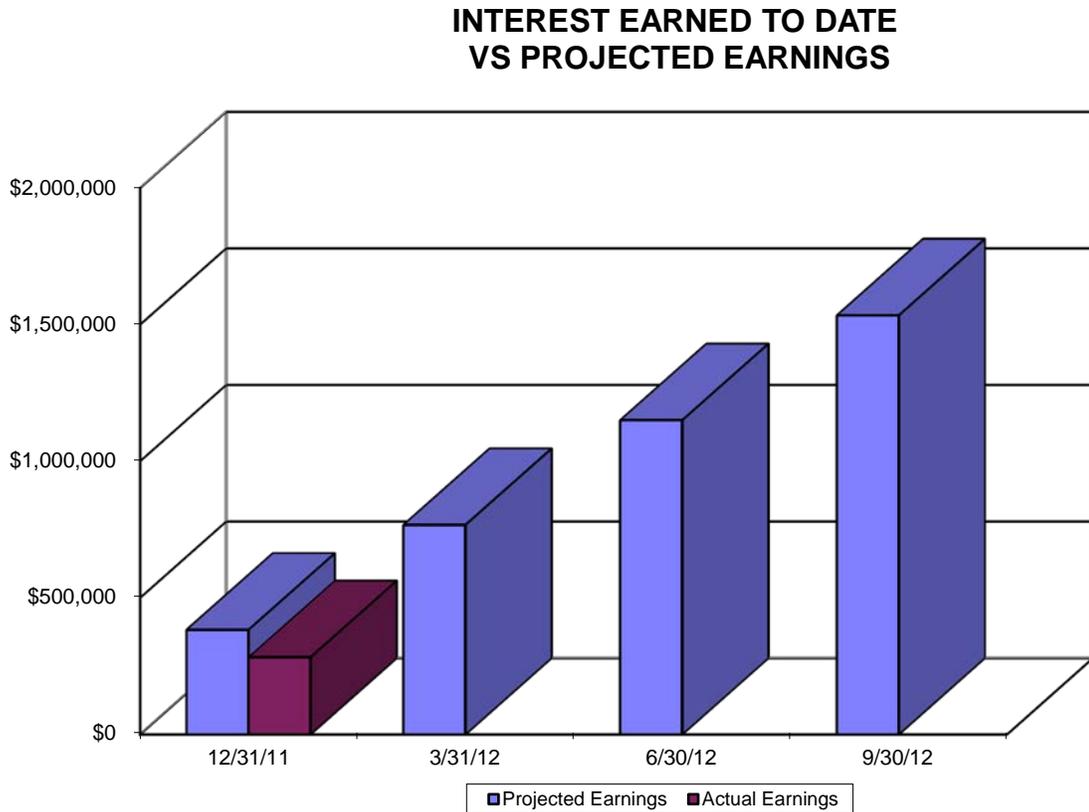
<u>Type of Investment</u>	<u>12/31/11</u>	<u>6/30/11</u>	<u>12/31/10</u>	<u>6/30/10</u>	<u>12/31/09</u>
Six Month Treasury Bill	.056%	.10%	0.23%	0.21%	0.20%
Two Year Treasury Note	.125%	.38%	0.63%	0.63%	1.00%
Florida Prime	.29%	.23%	0.26%	0.35%	0.21%
Lake County's Weighted Avg Int Rate	1.46%	1.40%	1.59%	1.61%	2.05%

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 rates near zero for the next three years. 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 adopted budget for interest income for 2012 is \$1,533,938. At 12/31/11, our actual earnings were \$282,901 which is 18% of the budget with 25% of the year elapsed.



VIII. PORTFOLIO GROWTH

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

Type of Investment:	12/31/11	6/30/11	12/31/2010	6/30/2010
Checking	\$ 85,126,790	\$ 55,843,875	\$ 102,465,620	\$ 53,912,515
Certificates of Deposit	55,000,000	61,910,500	68,403,500	78,403,500
U. S. Agencies	30,178,650	40,014,200	40,114,050	70,087,500
US Treasuries	10,394,750	10,588,282	10,588,282	10,462,134
FLGIT	25,694,345	25,607,076	25,367,597	15,282,841
Total	\$ 206,394,535	\$ 193,963,933	\$ 246,939,049	\$ 228,148,490

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$25,151,396, \$30,680,258, \$40,411,665, and \$43,452,143, at 12/31/2011, 6/30/2011, 12/31/2010, and 6/30/2010 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, 2011 portfolio balance: \$206,394,535
60% equals \$123,836,721
30% equals \$ 61,918,360

Amount invested in certificates of deposit: \$ 55,000,000 which is less than \$123,836,721

Amount invested in US agencies: \$29,997,000 which is less than \$61,918,360

Amount at any one institution: Wachovia \$85,126,790 which is more than \$61,918,360

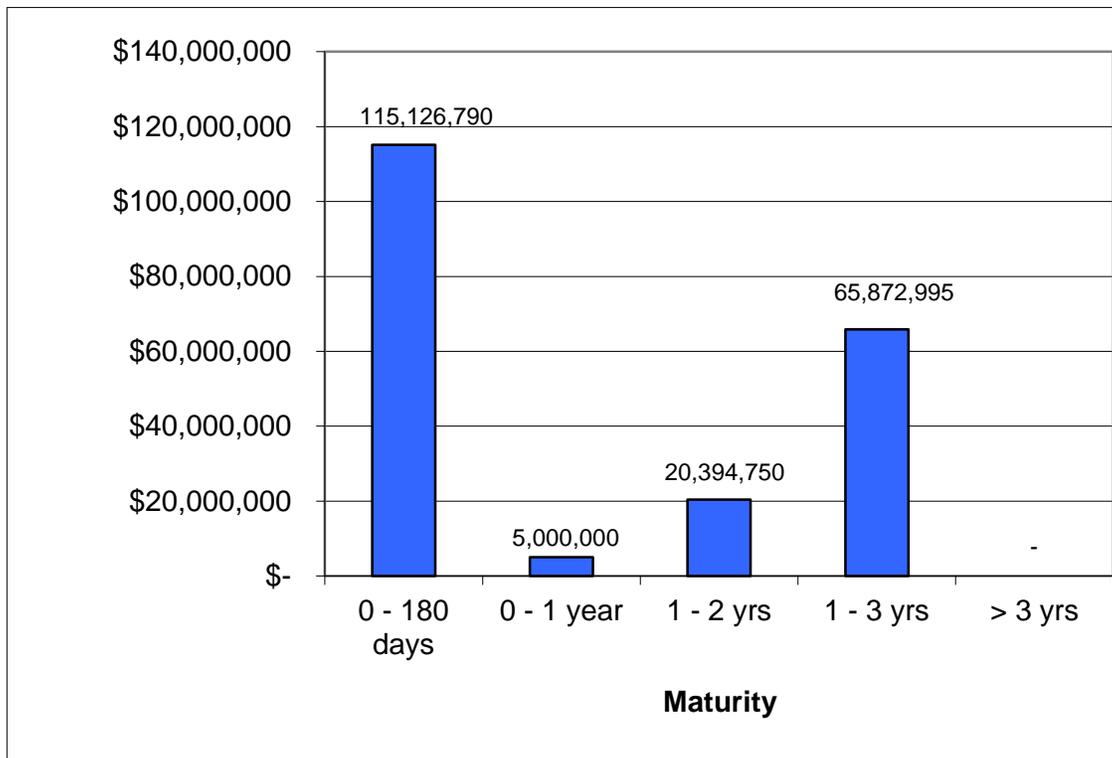
We are not in compliance with our portfolio limits at this time. We have issued an investment request for proposals to move funds out of Wachovia.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2011
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/11</u>	<u>Market/Par Value at 12/31/2011</u>	<u>Yield</u>
	Short term Investments:			
	Wachovia Demand Account	85,126,790	85,126,790	0.00%
	Certificates of Deposit:			
01/15/12	B B & T	10,000,000	10,000,000	1.70%
03/29/12	United Southern Bank	10,000,000	10,000,000	1.73%
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%
		<u>45,000,000</u>	<u>45,000,000</u>	
01/15/12	B B & T (bond funds)	10,000,000	10,000,000	1.70%
	Total Certificates of Deposit	<u>55,000,000</u>	<u>55,000,000</u>	
	US Agency Securities:			
06/06/14	3.0 year note FHLB	10,052,400	10,033,900	1.10%
08/25/14	3.25 year note FHLB	5,028,600	5,017,850	1.22%
11/28/14	4 year note FHLB	15,097,650	15,037,050	2.00%
		<u>30,178,650</u>	<u>30,088,800</u>	
	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%
		<u>10,394,750</u>	<u>10,394,750</u>	
Various	FI Local Govt Invstmnt Trust	<u>25,694,345</u>	<u>25,694,345</u>	0.96%
	TOTAL	<u>\$ 206,394,535</u>	<u>\$ 206,304,685</u>	

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2011**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	30,000,000
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	-
Wachovia	0 - 180 days	85,126,790
Certificates of Deposit	0 - one year	5,000,000
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	10,000,000
US Agencies	One to two years	-
US Treasuries	One to two years	10,394,750
Certificates of Deposit	One to three years	10,000,000
FLGIT	One to three years	25,694,345
US Agencies	One to three years	30,178,650
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		\$ 206,394,535

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2011
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/11)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2011	Days O/S			
Short term Investments:						
	Wachovia Demand Accour	\$ 85,126,790	1	\$ 85,126,790	0.00%	\$ - 0.00%
Certificates of Deposit:						
01/15/12	B B & T	10,000,000	15	150,000,000	1.70%	2,550,000
01/15/12	B B & T (bond funds)	10,000,000	15	150,000,000	1.70%	2,550,000
03/29/12	USB	10,000,000	89	890,000,000	1.73%	15,397,000
11/15/12	B B & T	5,000,000	320	1,600,000,000	0.95%	15,200,000
03/15/13	B B & T	10,000,000	440	4,400,000,000	1.15%	50,600,000
03/15/14	B B & T	10,000,000	805	8,050,000,000	1.60%	128,800,000
		<u>55,000,000</u>		<u>15,240,000,000</u>		<u>215,097,000</u> 1.41%
US Agency Securities:						
06/06/14	3.0 year note FHLB	10,052,400	888	8,926,531,200	1.10%	98,191,843
08/25/14	3.25 year note FHLB	5,028,600	968	4,867,684,800	1.22%	59,385,755
11/28/14	4.0 year note FHLB	15,097,650	1063	16,048,801,950	2.00%	320,976,039
		<u>30,178,650</u>		<u>29,843,017,950</u>		<u>478,553,637</u> 1.60%
US Treasuries: (excess operating funds)						
03/31/13	5 year note	5,168,000	456	2,356,608,000	2.60%	61,271,808
04/30/13	5 year note	5,226,750	486	2,540,200,500	3.16%	80,244,934
		<u>10,394,750</u>		<u>4,896,808,500</u>		<u>141,516,742</u> 2.89%
Various	FI Local Govt Invstmnt Trus	25,694,345	763	19,600,931,083	0.93%	182,288,659
	TOTAL	<u>\$ 206,394,535</u>		<u>\$ 69,665,884,323</u>		<u>\$ 1,017,456,038</u>
	Weighted Avg Maturity	337.54	Days	Weighted average		
		0.92	Years	interest rate =		1.460%