

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 15
December 31, 2014**

I. INTRODUCTION

In accordance with the investment ordinance adopted July 19, 2005, 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, 2014

Cash and investments held by the County consist of: a checking account, a money market account, a savings account, certificates of deposit, a U.S. Agency security, and the Florida Government Investment Trust Fund (FLGIT). 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 and proceeds from borrowings. At December 31, 2014, cash and investments amounted to \$152,337,003 compared to \$158,534,205, at December 31, 2013. 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, 2014. This graph indicates that about 84% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/14 is 108 days or .30 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>12/31/14</u>	<u>6/30/14</u>	<u>12/31/13</u>	<u>6/30/13</u>	<u>12/31/12</u>
Six Month Treasury Bill	.13%	.06%	.09%	.08%	.13%
Two Year Treasury Note	.50%	.50%	.25%	.38%	.12%
Florida Prime	.16%	.16%	.16%	.19%	.22%
Lake County's Weighted Avg Int Rate	.75%	.64%	.78%	.77%	.75%

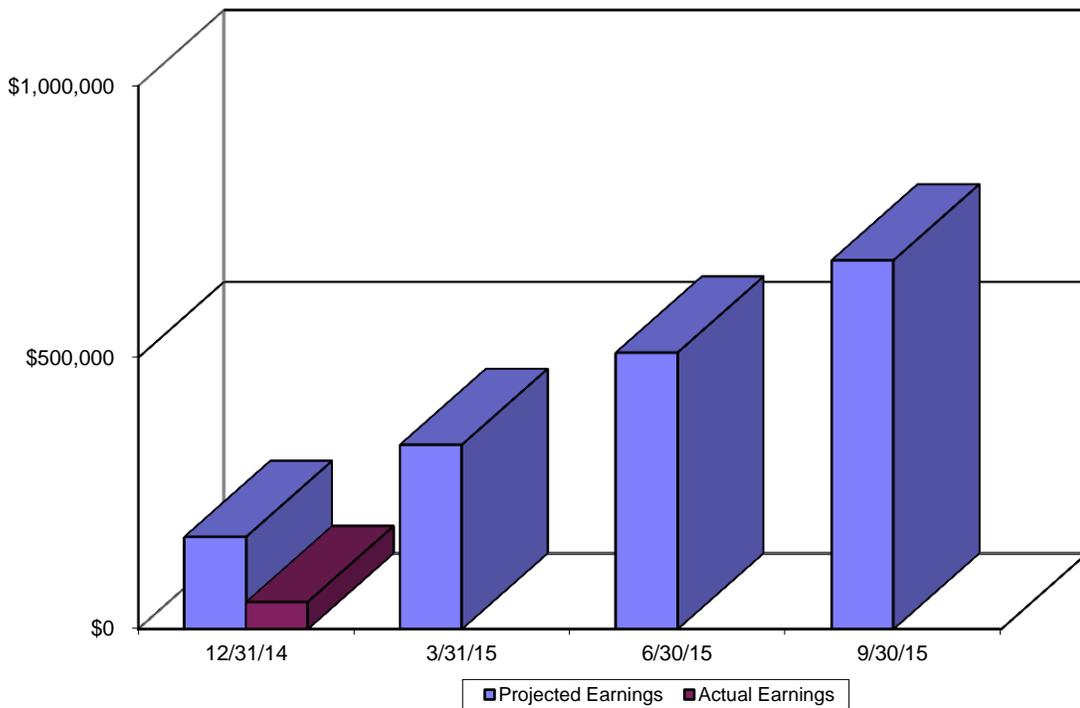
VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in December, the Fed reaffirmed its view that the fed funds rate should remain at its current level of 0 to .25%. In determining how long to maintain the current rate, the Fed will consider progress toward its objective of maximum employment and 2 percent inflation. Thus, we anticipate that interest revenue will remain low through FY 15.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

The Board's revised budget for interest income for 2015 is \$679,469. At 12/31/14, the actual earnings were \$49,994 which is 7.4% of the budget with 25% of the year elapsed.

**INTEREST EARNED TO DATE
VS PROJECTED EARNINGS**



VIII. PORTFOLIO GROWTH

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

Type of Investment:	12/31/2014	6/30/2014	12/31/2013	6/30/2013
Checking	\$ 33,276,568	\$ 37,160,989	\$ 36,241,411	\$ 22,584,777
Money Market	65,313,662	45,266,205	45,210,128	45,128,082
Savings	20,107,423	28,599,545	53,561,949	30,549,340
Certificates of Deposit	20,000,000	-	10,000,000	10,000,000
US Agencies	2,274,597	2,241,970	2,243,543	2,305,916
US Treasuries	-	-	-	-
FLGIT	11,364,753	11,332,734	11,277,174	26,150,279
Total	\$ 152,337,003	\$ 124,601,443	\$ 158,534,205	\$ 136,718,394

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$2,845,427, \$4,718,791, \$5,511,503 and \$6,719,599 at December 31, 2014, June 30, 2014, December 31, 2013 and June 30, 2013, respectively.

In addition, December balances are typically higher due to the collection of ad valorem taxes.

Portfolio requirements from our investment ordinance:

- 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 certified public depository

December 31, 2014 portfolio balance: \$152,337,003
 60% equals \$ 91,402,202
 30% equals \$ 45,701,101

Amount invested in certificates of deposit: \$20,000,000 which is less than \$91,402,202

Amount invested in US agencies: \$2,274,597 which is less than \$45,701,101

Amount at any one institution: BB&T \$53,383,991
 Less funds that are qualified public deposits (53,383,991)

Amount at any one institution: BMO Harris \$65,313,662
 Less funds that are qualified public deposits (65,313,662)

We are in compliance with our portfolio limits.

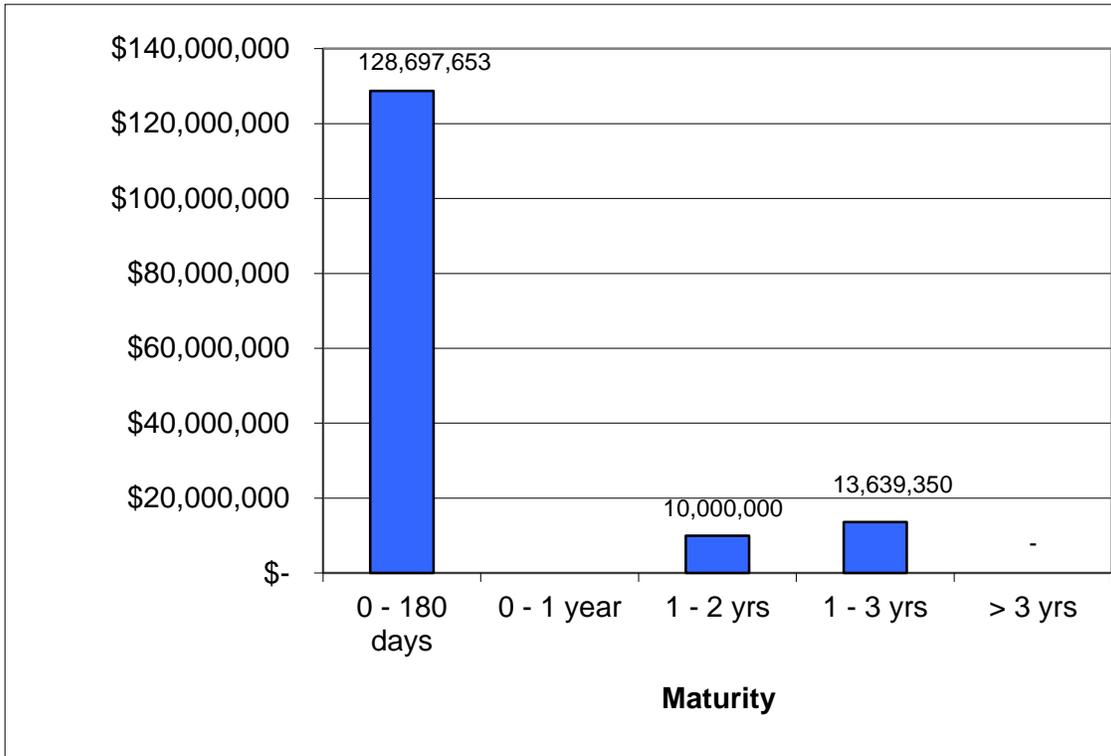
**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2014
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2014</u>	<u>Market/Par Value at 12/31/2014</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 33,276,568	\$ 33,276,568	0.85% *
	BMO Harris Money Market Account	65,313,662	65,313,662	0.25%
	BB&T Public Funds Savings	20,107,423	20,107,423	0.15%
	Total Short-term Investments	<u>118,697,653</u>	<u>118,697,653</u>	
	Certificates of Deposit:			
06/16/15	CenterState Bank	\$ 10,000,000	\$ 10,000,000	0.45%
06/16/16	CenterState Bank	10,000,000	10,000,000	0.85%
	Total Certificates of Deposit	<u>20,000,000</u>	<u>20,000,000</u>	
	US Agency Securities:			
09/06/17	5.00 years note FHLB	2,274,597	2,263,949	1.08%
	Total US Agency Securities	<u>2,274,597</u>	<u>2,263,949</u>	
Various	FI Local Govt Invstmnt Trust	<u>11,364,753</u>	<u>11,341,258</u>	0.64%
	TOTAL	<u>\$ 152,337,003</u>	<u>\$ 152,302,860</u>	

* Earnings credit rate used to offset bank charges

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LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2014**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	10,000,000
Money Market Account	0 - 180 days	65,313,662
Public Funds Savings Account	0 - 180 days	20,107,423
Cash - Demand	0 - 180 days	33,276,568
Certificates of Deposit	0 - one year	-
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	-
Certificates of Deposit	One to three years	-
FLGIT	One to three years	11,364,753
US Agencies	One to three years	2,274,597
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<u>\$ 152,337,003</u>

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2014
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/14)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2014	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 33,276,568	1	\$ 33,276,568 *	0.85%	\$ -
	BMO Harris Money Mkt	65,313,662	1	65,313,662	0.25%	163,284
	BB&T Savings	20,107,423	1	20,107,423	0.15%	30,161
		<u>118,697,653</u>		<u>118,697,653</u>		<u>193,445</u>
Certificates of Deposit:						
06/16/15	CenterState Bank	10,000,000	167	1,670,000,000	0.45%	7,515,000
06/16/16	CenterState Bank	10,000,000	533	5,330,000,000	0.85%	45,305,000
		<u>20,000,000</u>		<u>7,000,000,000</u>		<u>52,820,000</u>
US Agency Securities:						
09/06/17	5.00 years note FHLB	2,274,597	980	2,229,105,060	1.08%	24,074,335
		<u>2,274,597</u>		<u>2,229,105,060</u>		<u>24,074,335</u>
Various	FI Local Govt Invstmnt Tr	11,364,753	628	7,134,791,933	0.64%	45,662,668
	TOTAL	<u>\$ 152,337,003</u>		<u>\$ 16,482,594,646</u>		<u>\$ 122,750,448</u>
	Weighted Avg Maturity	108.20	Days	Weighted average		
		0.30	Years	interest rate =		0.745%

* Earnings credit rate used to offset bank charges