

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report for FY 17
December 31, 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 December 31, 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 December 31, 2016, cash and investments amounted to \$146,618,002 compared to \$112,900,264 and \$149,926,470, at June 30, 2016 and December 31, 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 December 31, 2016. This graph indicates that about 92% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at December 31, 2016 is 58 days or .16 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>12/31/16</u>	<u>6/30/16</u>	<u>12/31/15</u>	<u>6/30/15</u>	<u>12/31/14</u>
Six Month Treasury Bill	.62%	.33%	.53%	.11%	.13%
Two Year Treasury Note	1.15%	.70%	1.03%	.66%	.50%
Florida Prime	.90%	.67%	.35%	.21%	.16%
Lake County's Weighted Avg Int Rate	1.03%	1.03%	.60%	.71%	.75%

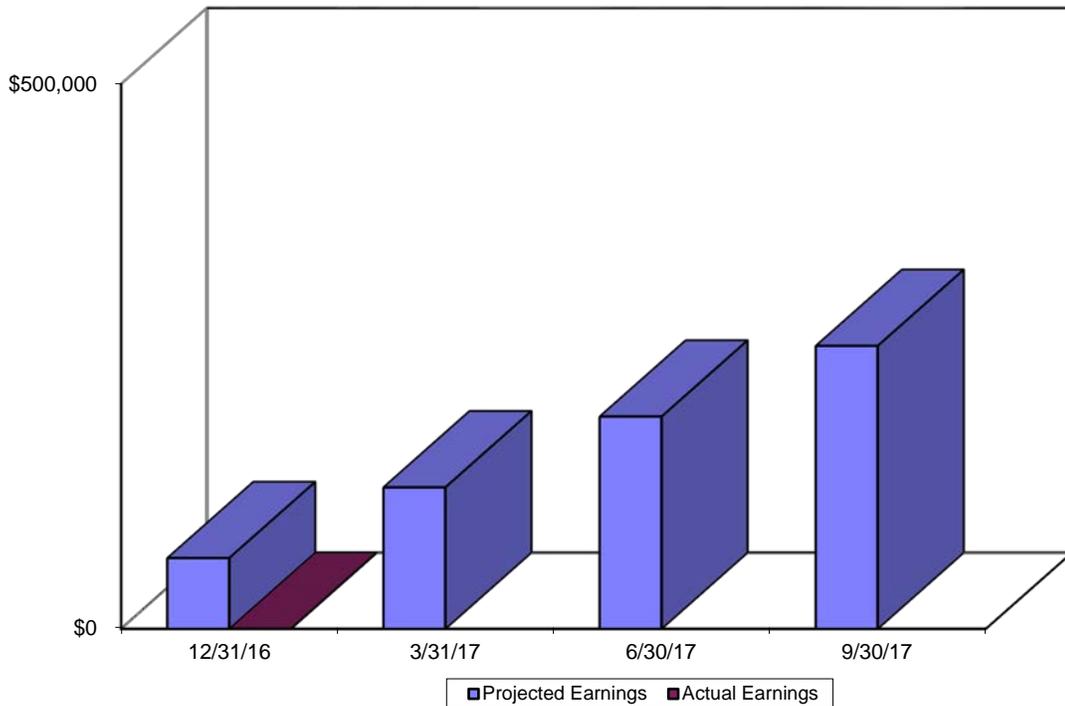
VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in December 2016, the Fed raised the fed funds rate to a range from .50% to .75%. We anticipate that interest revenue will remain low through FY 17.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

The Board's budget for interest income for FY 2017 is \$259,683. At 12/31/16, the actual earnings were \$26,482 which is 10% of the budget with 25% of the year elapsed. At January 30, 2017, the actual earnings had increased to \$76,696 which is 30% of the budget with 33% 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:	12/31/2016	6/30/2016	12/31/2015	6/30/2015
Checking	\$ 19,855,764	\$ 26,169,681	\$ 42,949,887	\$ 17,083,906
Money Market	30,079,706	30,047,646	20,449,566	65,407,325
Savings	65,160,103	25,143,289	55,128,473	121,414
Certificates of Deposit	20,000,000	20,000,000	20,000,000	20,000,000
US Agencies	-	-	-	2,274,597
US Treasuries	-	-	-	-
FLGIT	11,522,429	11,539,648	11,398,544	11,401,774
Total	\$ 146,618,002	\$ 112,900,264	\$ 149,926,470	\$ 116,289,016

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

December 31, 2016 portfolio balance:	\$146,618,002
75% equals	\$109,963,502
60% equals	\$ 87,970,801
30% equals	\$ 43,985,401

No amounts invested in US treasuries.

Amount invested in certificates of deposit: \$20,000,000 which is less than \$87,970,801

No amounts invested in US government agencies.

All institutions are qualified public depositories.

We are in compliance with our portfolio composition limits.

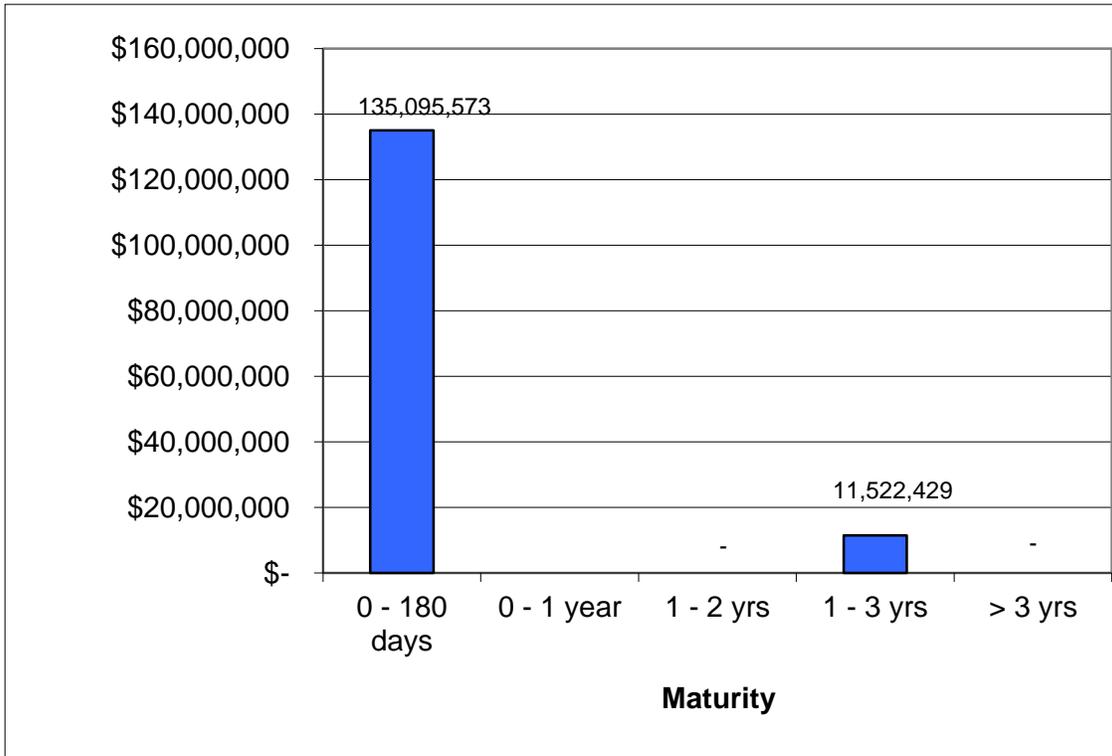
**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2016
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2016</u>	<u>Market/Par Value at 12/31/2016</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 19,855,764	\$ 19,855,764	0.85% *
	TD Bank Money Market Account	30,079,706	30,079,706	0.37%
	BB&T Public Funds Savings	65,160,103	65,160,103	0.25%
	Total Short-term Investments	<u>115,095,573</u>	<u>115,095,573</u>	
	Certificates of Deposit:			
06/16/17	CenterState Bank	\$ 10,000,000	\$ 10,000,000	0.85%
01/25/17	TD Bank	10,000,000	10,000,000	0.79%
	Total Certificates of Deposit	<u>20,000,000</u>	<u>20,000,000</u>	
Various	FL Local Govt Invstmnt Trust	<u>11,522,429</u>	<u>11,522,429</u>	1.10%
	TOTAL	<u><u>\$ 146,618,002</u></u>	<u><u>\$ 146,618,002</u></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, 2016**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	20,000,000
Money Market Account	0 - 180 days	30,079,706
Public Funds Savings Account	0 - 180 days	65,160,103
Cash - Demand	0 - 180 days	19,855,764
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	11,522,429
US Agencies	One to three years	-
US Agencies	Over three years	-
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		<u>\$ 146,618,002</u>

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2016
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	(From 12/31/16)		<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
		<u>Cost at 12/31/2016</u>	<u>Days O/S</u>			
Short term Investments:						
	Cash - Demand	\$ 19,855,764	1	\$ 19,855,764 *	0.85%	\$ -
	TD Bank Money Market	30,079,706	1	30,079,706	0.37%	111,295
	BB&T Savings	65,160,103	1	65,160,103	0.25%	162,900
		<u>115,095,573</u>		<u>115,095,573</u>		<u>274,195</u>
Certificates of Deposit:						
06/16/17	CenterState Bank	10,000,000	167	1,670,000,000	0.85%	14,195,000
01/25/17	TD Bank	10,000,000	25	250,000,000	0.79%	1,975,000
		<u>20,000,000</u>		<u>1,920,000,000</u>		<u>16,170,000</u>
Various	Fl Local Govt Invstmnt Tr	11,522,429	558	6,434,700,475	1.10%	70,781,705
	TOTAL	<u>\$ 146,618,002</u>		<u>\$ 8,469,796,048</u>		<u>\$ 87,225,900</u>
	Weighted Avg Maturity	57.77	Days	Weighted average		
		0.16	Years	interest rate =		1.030%

* Earnings credit rate used to offset bank charges