

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report
December 31, 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 DECEMBER 31, 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 December 31, 2022, cash and investments amounted to \$368,539,448 compared to \$271,351,202 and \$303,251,267 at June 30, 2022 and December 31, 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 December 31, 2022. This graph indicates that about 95% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at December 31, 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>12/31/22</u>	<u>06/30/22</u>	<u>12/31/21</u>	<u>06/30/21</u>	<u>12/31/20</u>
Six Month Treasury Bill	4.52%	2.45%	0.20%	0.05%	0.08%
Two Year Treasury Note	4.32%	3.00%	0.73%	0.22%	0.11%
Florida Prime LGIP	4.39%	1.26%	0.13%	0.10%	0.18%
Lake County's Weighted Avg Int Rate	2.94%	0.78%	-0.14%	0.44%	3.25%

VI. ECONOMIC DEVELOPMENTS

The Federal Reserve continues to raise interest rates, primarily in response to inflation, and has given no signals as to when this cycle will end. In November, for the fourth time this year, the Federal Open Market Committee raised the rate by 75 basis points. However, in December, 2022 the rate was increased by only 50 basis points to a range of 4.25% to 4.50%.

VII. INVESTMENT INCOME EARNED TO DATE VS BUDGET

The amended Board budget for interest income for FY 2023 is \$123,915. At December 31, 2022, the actual earnings were \$1,128,834.

VIII. PORTFOLIO COMPOSITION

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

Type of Investment:	12/31/2022	06/30/2022	12/31/2021	06/30/2021
Checking	\$ 77,445,145	\$ 31,674,438	\$ 36,507,818	\$ 32,531,244
Savings	208,762,554	197,393,725	254,169,049	168,080,453
Certificates of Deposit	70,000,000	30,000,000	-	-
FLGIT	12,331,749	12,283,039	12,574,400	12,640,235
Total	\$ 368,539,448	\$ 271,351,202	\$ 303,251,267	\$ 213,251,932

Cash and investment balances fluctuate during the year. In addition, December balances are typically higher due to the collection of ad valorem taxes. In December 2022, balances are higher due to the unspent balance of the Local Provider Participation Funds of approximately \$35 million, as well as the unspent American Rescue Plan Act Funds.

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, 2022 portfolio balance:	\$368,539,448
75% equals	\$276,404,586
60% equals	\$221,123,669
30% equals	\$110,561,834

- No amounts invested in US treasuries.
- Amount invested in certifications of deposits of \$70,000,000 is less than \$221,123,669.
- No amounts invested in US government agencies.
- Amount invested in FLGIT of \$12,331,749 is less than \$110,561,834.
- All banks are qualified public depositories.

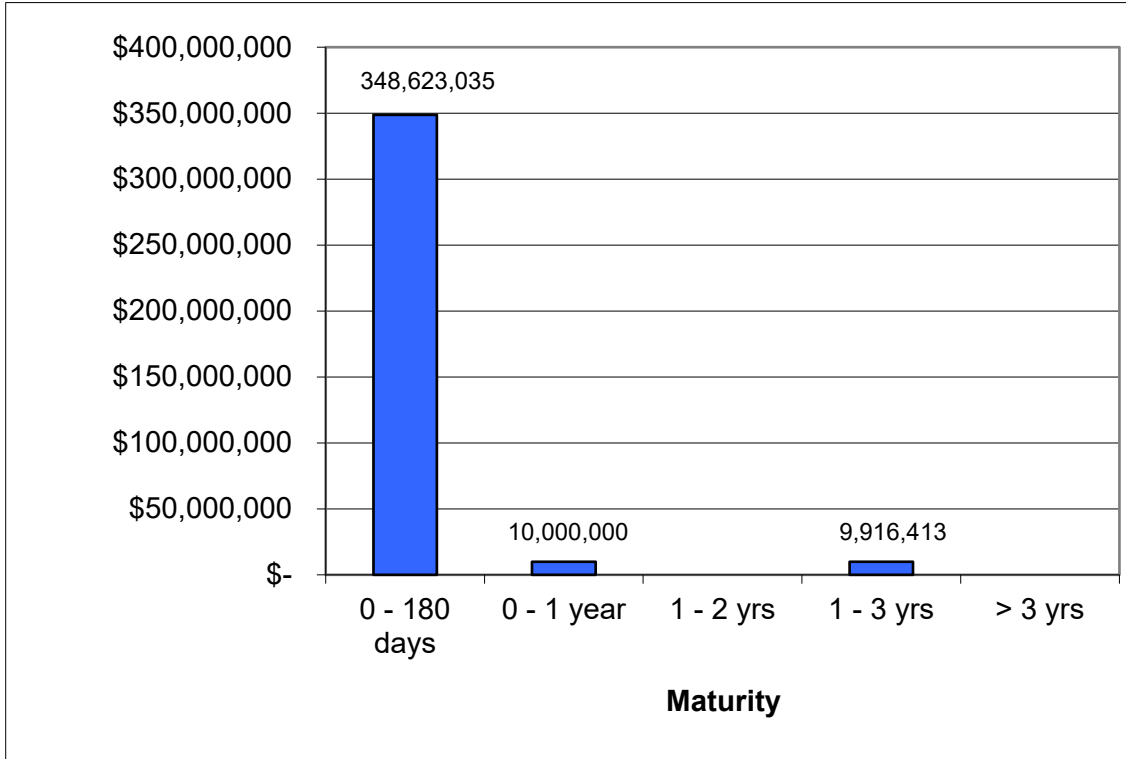
We are in compliance with our portfolio composition limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2022
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2022</u>	<u>Market/Par Value 12/31/22</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 77,445,145	\$ 77,445,145	0.50% *
	Seaside Savings	11,602,931	11,602,931	2.19%
	Truist Savings	75,560,437	75,560,437	0.50%
	TD Savings	51,633,870	51,633,870	2.43%
	BankUnited Savings	49,783,854	49,783,854	3.60%
	Axiom Bank Savings	20,181,462	20,181,462	1.80%
	FLGIT (Day to Day Fund)	2,415,336	2,415,336	3.97%
	Total Short-term Investments	<u>288,623,035</u>	<u>288,623,035</u>	
	Certificates of Deposit:			
3/13/2023	TD Bank	10,000,000	10,000,000	3.47%
3/13/2023	TD Bank	10,000,000	10,000,000	3.00%
3/20/2023	TD Bank	10,000,000	10,000,000	4.50%
6/12/2023	TD Bank	10,000,000	10,000,000	4.74%
6/19/2023	TD Bank	20,000,000	20,000,000	4.74%
9/15/2023	TD Bank	10,000,000	10,000,000	4.83%
	Total Certificates of Deposit	<u>70,000,000</u>	<u>70,000,000</u>	
Various	FLGIT (Bond Fund)	9,916,413	9,916,413	0.43%
		<u>9,916,413</u>	<u>9,916,413</u>	
	TOTAL	<u>\$ 368,539,448</u>	<u>\$ 368,539,448</u>	

* Earnings credit rate used to offset bank charges

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2022
Exhibit B**



Description	Time to Maturity	Amount
Seaside Savings	0 - 180 days	\$ 11,602,931
Truist Savings	0 - 180 days	75,560,437
TD Savings	0 - 180 days	51,633,870
BankUnited Savings	0 - 180 days	49,783,854
Axiom Bank Savings	0 - 180 days	20,181,462
Cash - Demand	0 - 180 days	77,445,145
Certificates of Deposit	0 - 180 days	60,000,000
FLGIT (Day to Day Fund)	0 - 180 days	2,415,336
Certificates of Deposit	0 - one year	10,000,000
FLGIT (Bond Fund)	One to three years	9,916,413
		\$ 368,539,448

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2022
Exhibit C**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2022</u>	<u>Days O/S</u>	<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
Short term Investments:						
	Cash - Demand	\$ 77,445,145	1	\$ 77,445,145 *	0.50%	\$ -
	Seaside Savings	11,602,931	1	11,602,931	2.19%	254,104
	Truist Savings	75,560,437	1	75,560,437	0.50%	377,802
	TD Savings	51,633,870	1	51,633,870	2.43%	1,254,703
	BankUnited Savings	49,783,853	1	49,783,853	3.60%	1,792,219
	Axiom Bank Savings	20,181,462	1	20,181,462	1.80%	363,266
	FLGIT (Day to Day Fund)	2,415,336	26	62,798,736	3.97%	2,493,110
		<u>288,623,035</u>		<u>349,006,434</u>		<u>6,535,204</u>
Certificates of Deposit:						
03/13/23	TD Bank	10,000,000	72	720,000,000	3.47%	24,984,000
03/13/23	TD Bank	10,000,000	72	720,000,000	3.00%	21,600,000
03/20/23	TD Bank	10,000,000	79	790,000,000	4.50%	35,550,000
06/12/23	TD Bank	10,000,000	163	1,630,000,000	4.74%	77,262,000
06/19/23	TD Bank	20,000,000	170	3,400,000,000	4.74%	161,160,000
09/15/23	TD Bank	10,000,000	258	2,580,000,000	4.83%	124,614,000
		<u>70,000,000</u>		<u>9,840,000,000</u>		<u>445,170,000</u>
Various	FLGIT (Bond Fund)	9,916,413	610	6,044,549,544	0.43%	25,991,563
	TOTAL	<u>\$ 368,539,448</u>		<u>\$ 16,233,555,978</u>		<u>\$ 477,696,767</u>
	Weighted Avg Maturity	44.05	Days	Weighted average		
		0.12	Years	interest rate =		2.94%

* Earnings credit rate used to offset bank charges