

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report for FY 18
December 31, 2017**

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, 2017

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, 2017, cash and investments amounted to \$148,908,490 compared to \$104,670,404 and \$146,618,002, at June 30, 2017 and December 31, 2016, 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, 2017. 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 June 30, 2017 is 56 days or .15 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:

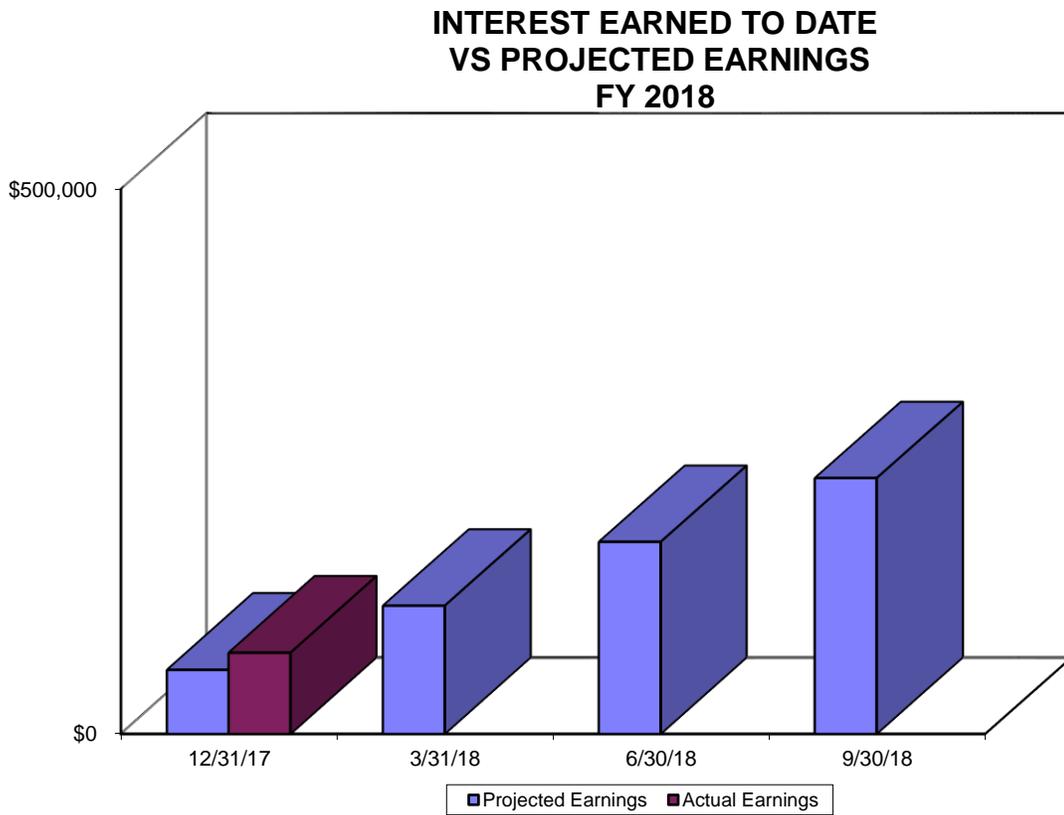
<u>Type of Investment</u>	<u>12/31/17</u>	<u>6/30/17</u>	<u>12/31/16</u>	<u>6/30/16</u>	<u>12/31/15</u>
Six Month Treasury Bill	1.51%	1.08%	.62%	.33%	.53%
Two Year Treasury Note	1.90%	1.30%	1.15%	.70%	1.03%
Florida Prime LGIP	1.45%	1.19%	.90%	.67%	.35%
Lake County's Weighted Avg Int Rate	.86%	.73%	1.03%	1.03%	.60%

VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in December 2017 the Fed raised the fed funds rate to a range from 1.25% to 1.50%. They had previously increased the rate to a range from 1.0% to 1.25% in June 2017. We expect that rates will continue to increase gradually.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

At year end, 09/30/17, the annual interest earnings were \$560,615, which was 216% of the budget of \$259,703 for FY 2017. The Board's budget for interest income for FY 2018 is \$234,364. At 12/31/17, the actual earnings were \$74,236 which is 32% of the budget with 25% of the year elapsed.



VIII. PORTFOLIO COMPOSITION

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

Type of Investment:	12/31/2017	6/30/2017	12/31/2016	6/30/2016
Checking	\$ 39,399,283	\$ 15,300,639	\$ 19,855,764	\$ 26,169,681
Money Market	15,079,436	15,047,462	30,079,706	30,047,646
Savings	65,309,577	25,220,664	65,160,103	25,143,289
Certificates of Deposit	17,500,000	37,500,000	20,000,000	20,000,000
FLGIT	11,620,194	11,601,639	11,522,429	11,539,648
Total	\$ 148,908,490	\$ 104,670,404	\$ 146,618,002	\$ 112,900,264

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, 2017 portfolio balance:	\$148,908,490
75% equals	\$111,681,368
60% equals	\$ 89,345,094
30% equals	\$ 44,672,547

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$17,500,000 which is less than \$89,345,094.

No amounts invested in US government agencies.

All banks are qualified public depositories.

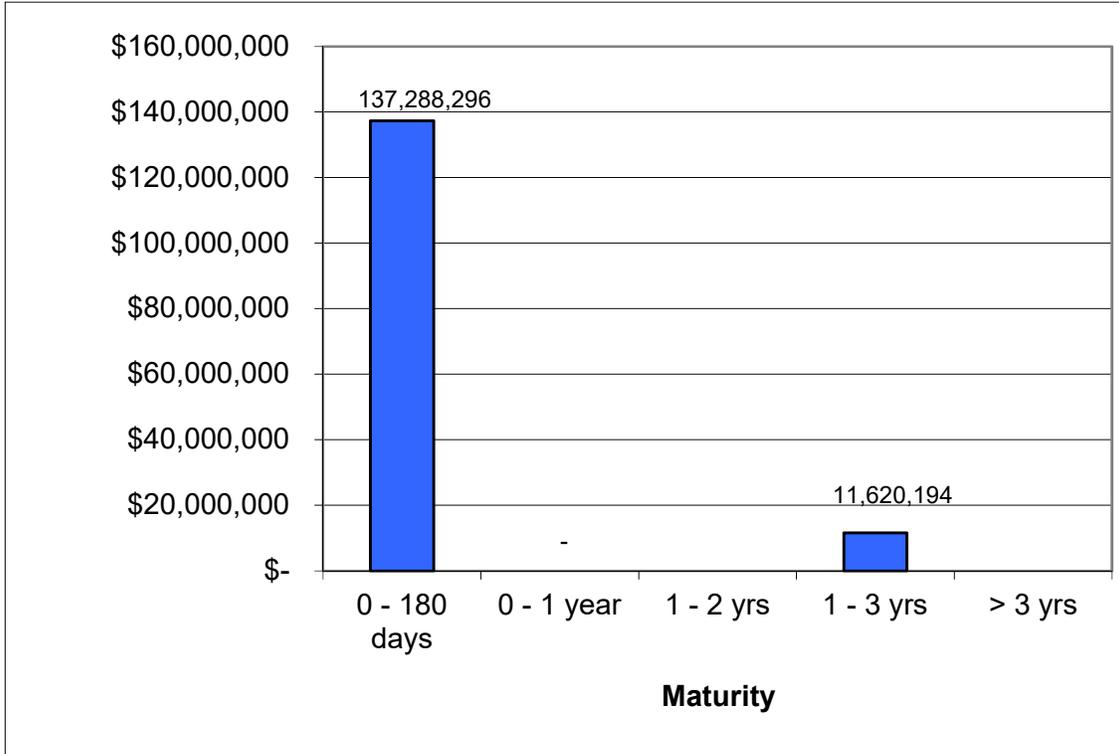
We are in compliance with our portfolio composition limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2017
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2017</u>	<u>Market/Par Value at 12/31/2017</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 39,399,283	\$ 39,399,283	0.85% *
	Seaside Money Market Account	15,079,436	15,079,436	1.35%
	BB&T Public Funds Savings	<u>65,309,577</u>	<u>65,309,577</u>	1.25%
	Total Short-term Investments	<u>119,788,296</u>	<u>119,788,296</u>	
	Certificates of Deposit:			
01/25/18	TD Bank	10,000,000	10,000,000	1.00%
01/23/18	BB&T	<u>7,500,000</u>	<u>7,500,000</u>	1.05%
	Total Certificates of Deposit	<u>17,500,000</u>	<u>17,500,000</u>	
Various	FI Local Govt Invstmnt Trust	<u>11,620,194</u>	<u>11,620,194</u>	0.85%
	TOTAL	<u><u>\$ 148,908,490</u></u>	<u><u>\$ 148,908,490</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, 2017
Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	17,500,000
Money Market Account	0 - 180 days	15,079,436
Public Funds Savings Account	0 - 180 days	65,309,577
Cash - Demand	0 - 180 days	39,399,283
Certificates of Deposit	0 - one year	-
FLGIT	One to three years	11,620,194
		\$ 148,908,490

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LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2017
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/17)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2017	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 39,399,283	1	\$ 39,399,283 *	0.85%	\$ -
	Seaside Money Market	15,079,436	1	15,079,436	1.35%	203,572
	BB&T Public Funds Savings	65,309,577	1	65,309,577	1.25%	816,370
		<u>119,788,296</u>		<u>119,788,296</u>		<u>1,019,942</u>
Certificates of Deposit:						
01/25/18	TD Bank	10,000,000	25	250,000,000	1.00%	2,500,000
01/23/18	BB&T	7,500,000	23	172,500,000	1.05%	1,811,250
		<u>17,500,000</u>		<u>422,500,000</u>		<u>4,311,250</u>
Various	FI Local Govt Invstmnt Tr	11,601,639	668	7,749,314,770	0.85%	65,869,176
	TOTAL	<u>\$ 148,889,935</u>		<u>\$ 8,291,603,066</u>		<u>\$ 71,200,368</u>
	Weighted Avg Maturity	55.69	Days	Weighted average		
		0.15	Years	interest rate =		0.86%

* Earnings credit rate used to offset bank charges