

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 10-11
June 30, 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 JUNE 30, 2011

Cash and investments held by the County consist of: an interest-bearing 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 June 30, 2011, cash and investments amounted to \$193,963,933 compared to \$228,148,490, at June 30, 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 June 30, 2011. This graph indicates that about 32% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/2011 is 495 days or 1.4 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:

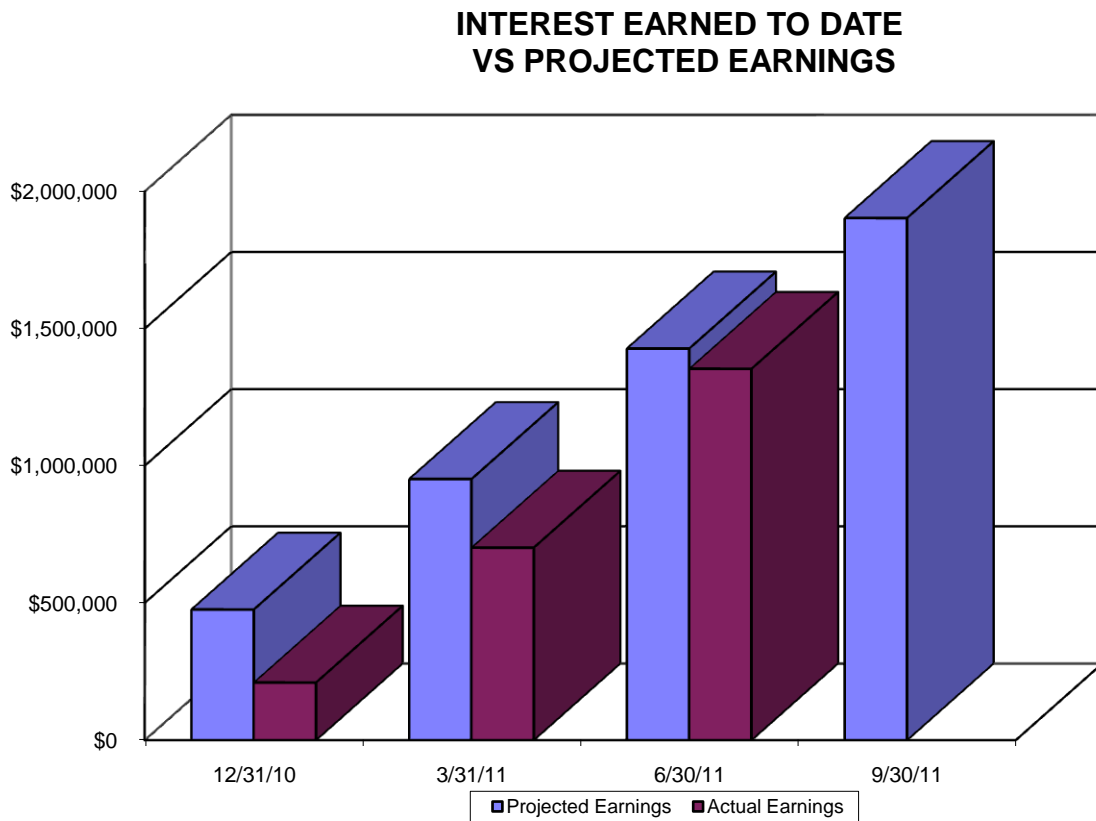
<u>Type of Investment</u>	<u>6/30/11</u>	<u>12/31/10</u>	<u>6/30/10</u>	<u>12/31/09</u>	<u>6/30/09</u>
Six Month Treasury Bill	.10%	.23%	0.21%	0.20%	0.36%
Two Year Treasury Note	.38%	.63%	0.63%	1.00%	1.12%
SBA	.23%	.26%	0.35%	0.21%	0.60%
Lake County's Weighted Avg Int Rate	1.40%	1.59%	1.61%	2.05%	2.46%

VI. ECONOMIC DEVELOPMENTS

The economic recovery has been slow and interest rates have been at low levels for the last three years. We will continue to invest funds carefully in order to ensure adequate liquidity and in longer maturities as excess funds are available.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our adopted budget for interest income for 2011 is \$1,902,790. At June 30, 2011, our actual earnings were \$1,353,161 which is 71% of the budget with 75% of the year elapsed.



VIII. PORTFOLIO GROWTH

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

Type of Investment:	6/30/11	12/31/2010	6/30/2010	12/31/2009
Checking	\$ 55,843,875	\$ 102,465,620	\$ 53,912,515	\$ 121,721,996
Certificates of Deposit	61,910,500	68,403,500	78,403,500	78,561,482
U. S. Agencies	40,014,200	40,114,050	70,087,500	38,182,510
US Treasuries	10,588,282	10,588,282	10,462,134	10,462,134
FLGIT	25,607,076	25,367,597	15,282,841	15,061,104
Total	\$ 193,963,933	\$ 246,939,049	\$ 228,148,490	\$ 263,989,226

Notes: Cash and investment balances fluctuate during the year. Bond proceeds are included above as follows: \$30,680,258, \$40,411,665, \$43,452,143, and \$50,635,504, at 6/30/2011, 12/31/2010, 6/30/2010, and 12/31/2009, 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

June 30, 2011 portfolio balance:	\$193,963,933
60% equals	\$116,378,360
30% equals	\$ 58,189,180

Amount invested in certificates of deposit:	\$ 61,910,500 which is less than \$116,378,360
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Amount invested in US agencies:	\$40,014,200 which is less than \$58,189,180
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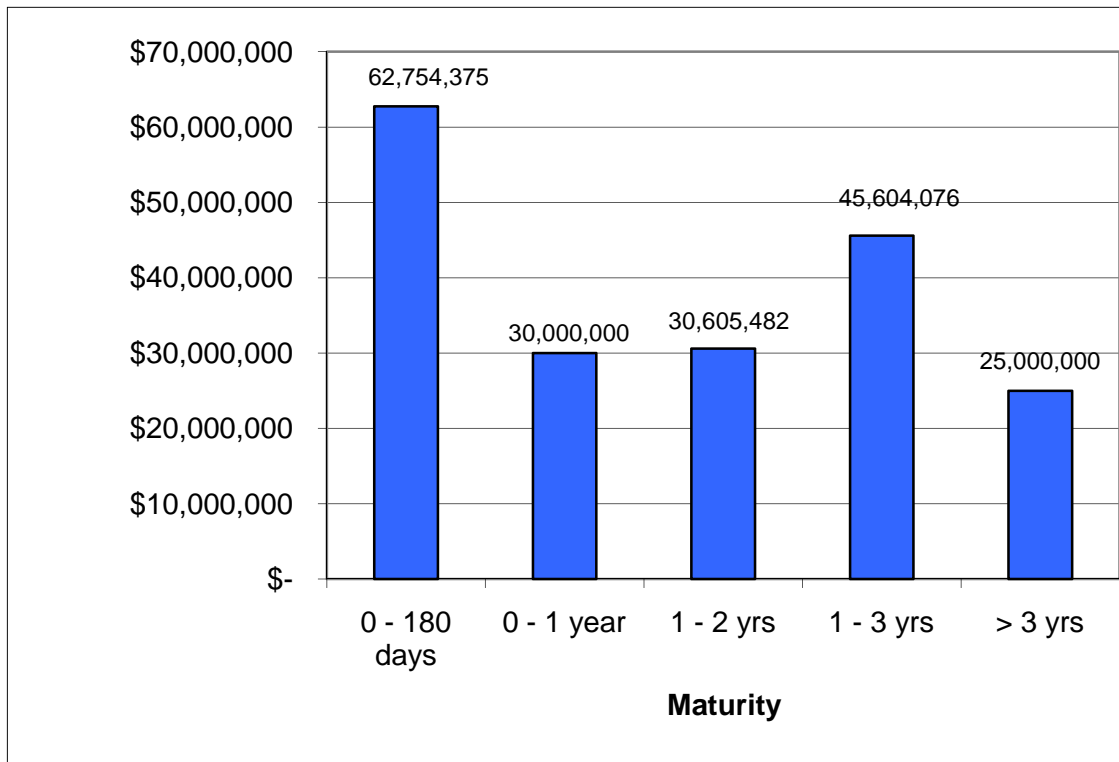
Amount at any one institution: Wachovia	\$55,843,875 which is less than \$58,189,180
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**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2011
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/11</u>	<u>Market/Par Value at 6/30/2011</u>	<u>Yield</u>
	Short term Investments:			
	Wachovia Demand Account	55,843,875	55,843,875	0.10%
	Certificates of Deposit:			
08/09/11	United Southern Bank	1,910,500	1,910,500	0.35%
11/16/11	B B & T	5,000,000	5,000,000	0.60%
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>51,910,500</u>	<u>51,910,500</u>	
01/15/12	B B & T (bond funds)	10,000,000	10,000,000	1.70%
	Total Certificates of Deposit	<u>61,910,500</u>	<u>61,910,500</u>	
	US Agency Securities:			
07/13/12	2 year note FHLB	5,017,200	5,000,850	0.88%
06/06/14	3.0 year note FHLB	9,997,000	10,044,500	1.10%
08/25/14	3.25 year note FHLB	5,000,000	5,023,850	1.22%
11/24/14	4 year note FHLB	5,000,000	5,003,450	0.75%
11/28/14	4 year note FHLB	15,000,000	15,166,500	2.00%
		<u>40,014,200</u>	<u>40,239,150</u>	
	US Treasuries			
03/31/13	5 year note	5,250,782	5,250,782	2.60%
04/30/13	5 year note	5,337,500	5,337,500	3.16%
		<u>10,588,282</u>	<u>10,588,282</u>	
Various	FI Local Govt Invstmnt Trust	<u>25,607,076</u>	<u>25,607,076</u>	0.71%
	TOTAL	<u>\$ 193,963,933</u>	<u>\$ 194,188,883</u>	

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2011**

Exhibit B



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	6,910,500
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	-
Wachovia	0 - 180 days	55,843,875
Certificates of Deposit	0 - one year	30,000,000
US Treasuries	0 - one year	-
Certificates of Deposit	One to two years	15,000,000
US Agencies	One to two years	5,017,200
US Treasuries	One to two years	10,588,282
Certificates of Deposit	One to three years	10,000,000
FLGIT	One to three years	25,607,076
US Agencies	One to three years	9,997,000
US Agencies	Over three years	25,000,000
US Treasuries	Over three years	-
Certificates of Deposit	Over three years	-
		\$ 193,963,933

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2011
Exhibit C**

Maturity Date	Type of Investment	(From 6/30/11)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2011	Days O/S			
Short term Investments:						
	Wachovia Demand Accour	\$ 55,843,875	1	\$ 55,843,875	0.10%	\$ 55,844 0.10%
Certificates of Deposit:						
08/09/11	USB	1,910,500	40	76,420,000	0.35%	267,470
11/16/11	B B & T	5,000,000	139	695,000,000	0.60%	4,170,000
01/15/12	B B & T	10,000,000	199	1,990,000,000	1.70%	33,830,000
01/15/12	B B & T (bond funds)	10,000,000	199	1,990,000,000	1.70%	33,830,000
03/29/12	USB	10,000,000	273	2,730,000,000	1.73%	47,229,000
11/15/12	B B & T	5,000,000	504	2,520,000,000	0.95%	23,940,000
03/15/13	B B & T	10,000,000	624	6,240,000,000	1.15%	71,760,000
03/15/14	B B & T	10,000,000	989	9,890,000,000	1.60%	158,240,000
		<u>61,910,500</u>		<u>26,131,420,000</u>		<u>373,266,470</u> 1.43%
US Agency Securities:						
07/13/12	2 year note	FHLB 5,017,200	379	1,901,518,800	0.88%	16,638,290
06/06/14	3.0 year note	FHLB 9,997,000	1072	10,716,784,000	1.10%	117,884,624
08/25/14	3.25 year note	FHLB 5,000,000	1152	5,760,000,000	1.22%	70,272,000
11/24/14	4.0 year note	FHLB 5,000,000	1243	6,215,000,000	0.75%	46,612,500
11/28/14	4.0 year note	FHLB 15,000,000	1247	18,705,000,000	2.00%	374,100,000
		<u>40,014,200</u>		<u>43,298,302,800</u>		<u>625,507,414</u> 1.44%
US Treasuries: (excess operating funds)						
03/31/13	5 year note	5,250,782	640	3,360,500,480	2.60%	87,373,012
04/30/13	5 year note	5,337,500	670	3,576,125,000	3.16%	112,969,789
		<u>10,588,282</u>		<u>6,936,625,480</u>		<u>200,342,801</u> 2.89%
Various	Fl Local Govt Invstmnt Tru:	<u>25,607,076</u>	763	<u>19,534,357,927</u>	0.71%	<u>139,279,972</u>
	TOTAL	<u>\$ 193,963,933</u>		<u>\$ 95,956,550,082</u>		<u>\$ 1,338,452,501</u>
	Weighted Avg Maturity	494.71	Days	Weighted average		
		1.36	Years	interest rate =		1.395%