

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report  
June 30, 2019**

**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 JUNE 30, 2019**

Cash and investments held by the County consist of: a checking account, savings accounts, certificates of deposit, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. Our checking account, certificates of deposit 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 June 30, 2019, cash and investments amounted to \$134,949,644 compared to \$172,512,650 and \$107,548,264 at December 31, 2018 and June 30, 2018, 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 June 30, 2019. This graph indicates that about 91% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at June 30, 2019 is 72 days or .20 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:

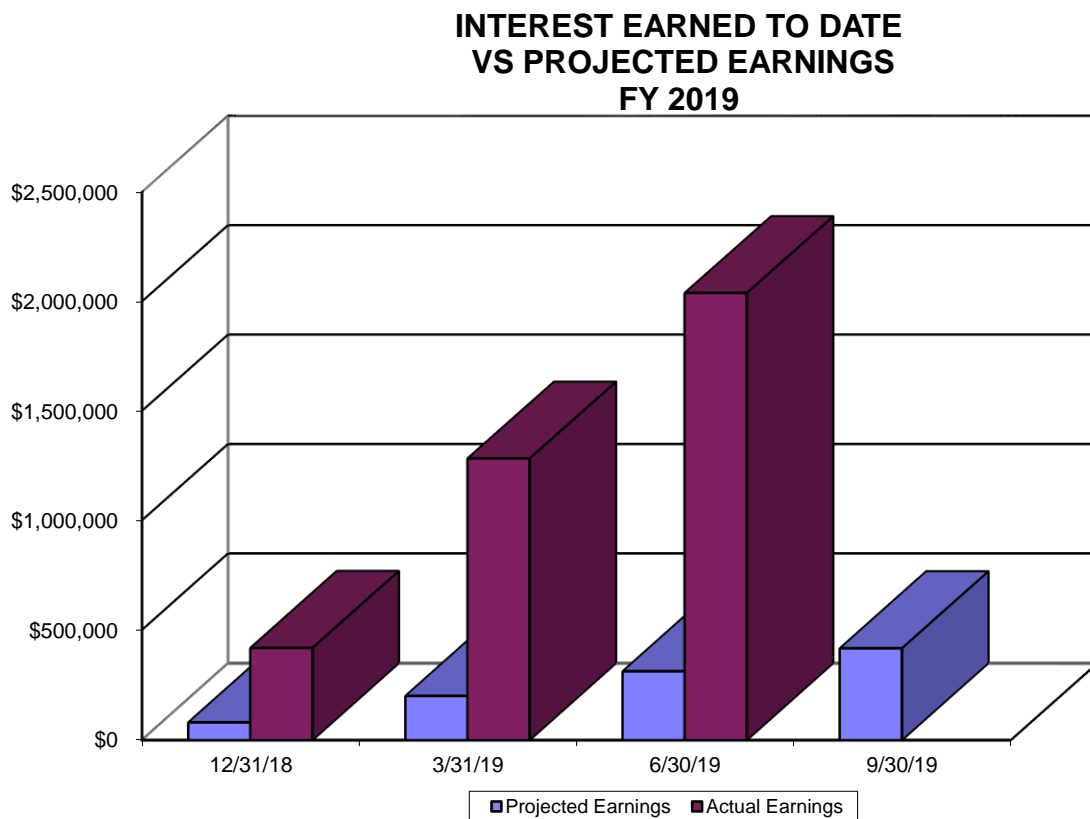
| <u>Type of Investment</u>              | <u>6/30/19</u> | <u>12/31/18</u> | <u>6/30/18</u> | <u>12/31/17</u> | <u>6/30/17</u> |
|--|----------------|-----------------|----------------|-----------------|----------------|
| Six Month Treasury Bill                | 1.99%          | 2.47%           | 2.06%          | 1.51%           | 1.08%          |
| Two Year Treasury Note                 | 1.66%          | 2.58%           | 2.50%          | 1.90%           | 1.30%          |
| Florida Prime LGIP                     | 2.58%          | 2.59%           | 2.13%          | 1.45%           | 1.19%          |
| Lake County's<br>Weighted Avg Int Rate | 3.83%          | 1.78%           | .75%           | .86%            | .73%           |

**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting in December 2018 the Fed raised the fed funds rate to a range from 2.25% to 2.50%. In June 2019 the Fed elected to keep the rate in this range.

**VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS**

The Board's original budget for interest income for FY 2019 is \$323,227. The amended budget for interest income at June 30, 2019 is \$417,051. At June 30, 2019, the actual earnings were \$2,039,474 which is 489% of the budget with 75% of the year elapsed.



Semi-Annual Investment Report  
June 30, 2019

**VIII. PORTFOLIO COMPOSITION**

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

| Type of Investment:     | 06/30/2019            | 12/31/2018            | 06/30/2018            | 12/31/2017            |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Checking                | \$ 26,569,020         | \$ 29,410,212         | \$ 25,089,739         | \$ 39,399,283         |
| Savings                 | 86,271,768            | 81,303,397            | 35,814,666            | 80,389,013            |
| Certificates of Deposit | 10,000,000            | 50,000,548            | 35,000,548            | 17,500,000            |
| FLGIT                   | 12,108,856            | 11,798,493            | 11,643,311            | 11,620,194            |
| <b>Total</b>            | <b>\$ 134,949,644</b> | <b>\$ 172,512,650</b> | <b>\$ 107,548,264</b> | <b>\$ 148,908,490</b> |

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

|                                  |               |
|----------------------------------|---------------|
| June 30, 2019 portfolio balance: | \$134,949,644 |
| 75% equals                       | \$101,212,233 |
| 60% equals                       | \$ 80,969,786 |
| 30% equals                       | \$ 40,484,893 |

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$10,000,000 is less than \$80,969,786.

No amounts invested in US government agencies.

Amount invested in FLGIT of \$12,108,856 is less than \$40,484,893.

All banks are qualified public depositories.

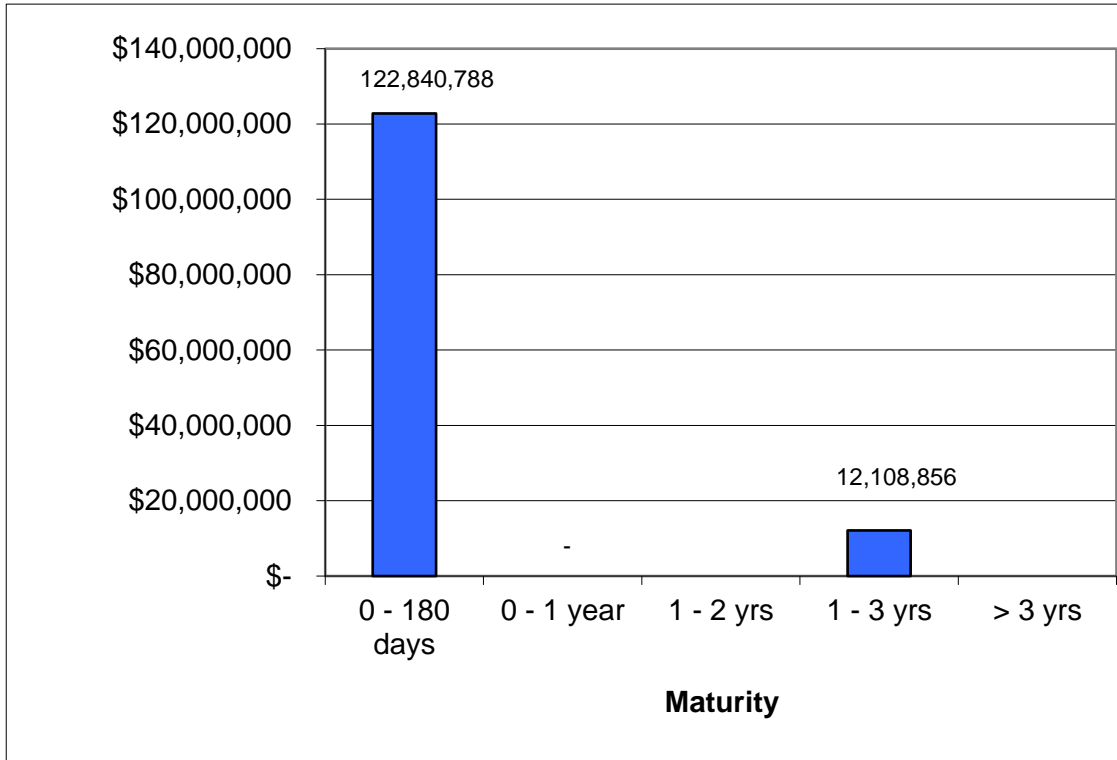
**We are in compliance with our portfolio composition limits.**

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2019  
Exhibit A**

| <u>Maturity<br/>Date</u> | <u>Type of Investment</u>       | <u>Cost at<br/>6/30/2019</u> | <u>Market/Par Value<br/>at 06/30/2019</u> | <u>Yield</u> |
|--------------------------|---------------------------------|------------------------------|---|--------------|
|                          | <b>Short-term Investments:</b>  |                              |   |              |
|                          | Cash - Demand                   | \$ 26,569,020                | \$ 26,569,020                             | 0.85% *      |
|                          | Seaside Savings Account         | 30,925,756                   | 30,925,756                                | 2.35%        |
|                          | BB&T Public Funds Savings       | 14,879,570                   | 14,879,570                                | 2.25%        |
|                          | TD Savings Account              | 40,466,442                   | 40,466,442                                | 2.43%        |
|                          | Total Short-term Investments    | <u>112,840,788</u>           | <u>112,840,788</u>                        |              |
|                          | <b>Certificates of Deposit:</b> |                              |   |              |
| 09/16/19                 | TD Bank                         | <u>10,000,000</u>            | <u>10,000,000</u>                         | 2.25%        |
|                          | Total Certificates of Deposit   | <u>10,000,000</u>            | <u>10,000,000</u>                         |              |
| <b>Various</b>           | FI Local Govt Invstmnt Trust    | <u>12,108,856</u>            | <u>12,108,856</u>                         | 4.00%        |
|                          | <b>TOTAL</b>                    | <u><u>\$ 134,949,644</u></u> | <u><u>\$ 134,949,644</u></u>              |              |

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
June 30, 2019  
Exhibit B**



| Description             | Time to Maturity   | Amount         |
|-------------------------|--------------------|----------------|
| Certificates of Deposit | 0 - 180 days       | 10,000,000     |
| Seaside Savings Account | 0 - 180 days       | 30,925,756     |
| BB&T Savings Account    | 0 - 180 days       | 14,879,570     |
| TD Savings Account      | 0 - 180 days       | 40,466,442     |
| Cash - Demand           | 0 - 180 days       | 26,569,020     |
| FLGIT                   | One to three years | 12,108,856     |
|                         |                    | \$ 134,949,644 |

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2019  
Exhibit C**

| <b>Maturity Date</b> | <b>Type of Investment</b>       | <b>(From 6/30/19)</b>    |                 | <b>Weighted Average</b> | <b>Interest Rate</b> | <b>Weighted Average Interest</b> |
|----------------------|---------------------------------|--------------------------|-----------------|-------------------------|----------------------|----------------------------------|
|                      |                                 | <b>Cost at 6/30/2019</b> | <b>Days O/S</b> |                         |                      |                                  |
|                      | <b>Short term Investments:</b>  |                          |                 |                         |                      |                                  |
|                      | Cash - Demand                   | \$ 26,569,020            | 1               | \$ 26,569,020 *         | 0.85%                | \$ -                             |
|                      | Seaside Savings                 | 30,925,756               | 1               | 30,925,756              | 2.35%                | 726,755                          |
|                      | BB&T Public Funds Savings       | 14,879,570               | 1               | 14,879,570              | 2.25%                | 334,790                          |
|                      | TD Savings Account              | 40,466,442               | 1               | 40,466,442              | 2.43%                | 983,335                          |
|                      |                                 | <u>112,840,788</u>       |                 | <u>112,840,788</u>      |                      | <u>2,044,880</u>                 |
|                      | <b>Certificates of Deposit:</b> |                          |                 |                         |                      |                                  |
| 09/16/19             | TD Bank                         | 10,000,000               | 78              | 780,000,000             | 2.25%                | 17,550,000                       |
|                      |                                 | <u>10,000,000</u>        |                 | <u>780,000,000</u>      |                      | <u>17,550,000</u>                |
| <b>Various</b>       | FLGIT                           | 12,108,856               | 730             | 8,839,464,880           | 4.00%                | 353,578,595                      |
|                      | <b>TOTAL</b>                    | <u>\$ 134,949,644</u>    |                 | <u>\$ 9,732,305,668</u> |                      | <u>\$ 373,173,475</u>            |
|                      | Weighted Avg Maturity           | 72.12                    | Days            | Weighted average        |                      |                                  |
|                      |                                 | 0.20                     | Years           | interest rate =         |                      | 3.83%                            |

\* Earnings credit rate used to offset bank charges