

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report  
June 30, 2020**

**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, 2020**

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, 2020, cash and investments amounted to \$149,683,055 compared to \$218,269,701 and \$134,949,644 at December 31, 2019 and June 30, 2019, 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, 2020. 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, 2020 is 64 days or .17 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:

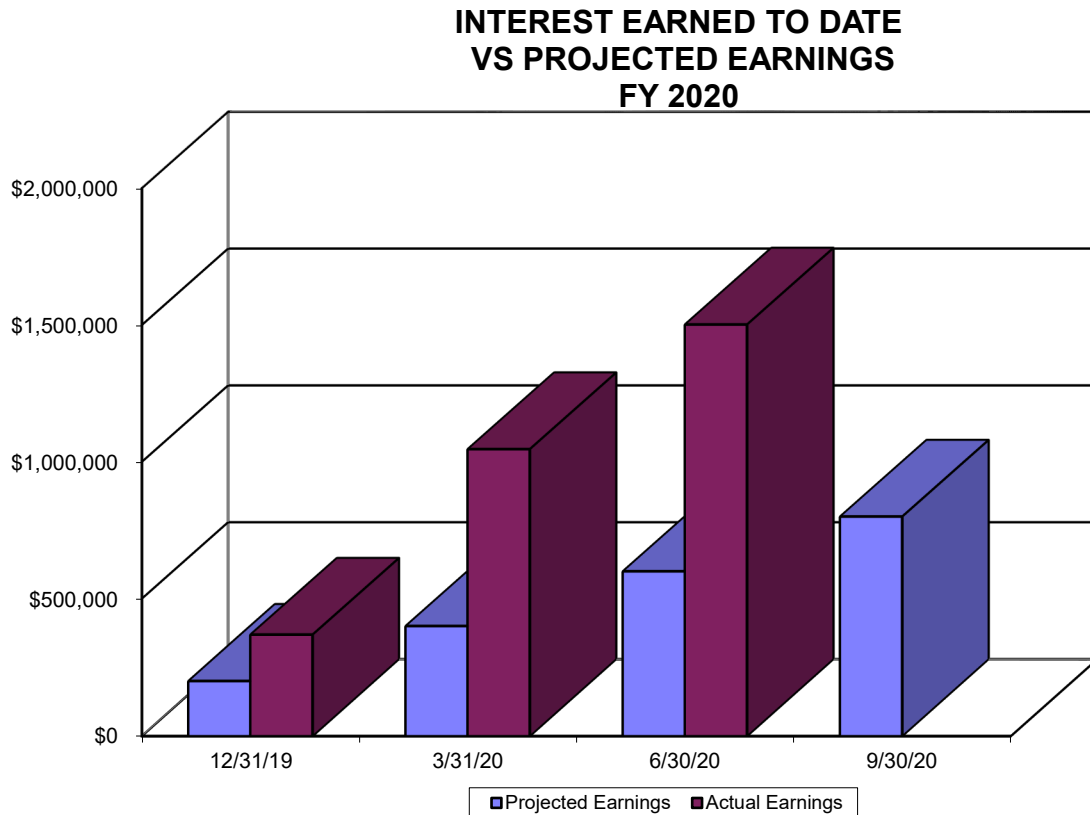
<u>Type of Investment</u>	<u>6/30/20</u>	<u>12/31/19</u>	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>
Six Month Treasury Bill	0.15%	1.52%	1.99%	2.47%	2.06%
Two Year Treasury Note	0.16%	1.63%	1.66%	2.58%	2.50%
Florida Prime LGIP	0.57%	1.85%	2.58%	2.59%	2.13%
Lake County's Weighted Avg Int Rate	3.69%	2.94%	3.83%	1.78%	.75%

**VI. ECONOMIC DEVELOPMENTS**

At the Federal Open Market Committee meeting held in January 2020 the Fed maintained the current interest rate range between 1.5% and 1.75%, expecting the economy to improve. In March, 2020, the Fed held special meetings in response to the COVID-19 global pandemic. They lowered the fed rate range two times, to between 1.0% and 1.25%, and then again between 0% and 0.25%. They also restarted the quantitative easing (QE) program to help boost the economy. Interest rates are expected to remain low due to the effects of the pandemic.

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

The Board’s original budget for interest income for FY 2020 is \$800,236. The amended budget for interest income at June 30, 2020 is \$800,086. At June 30, 2020, the actual earnings were \$1,501,861 which is 188% of the budget with 75% of the year elapsed.



**VIII. PORTFOLIO COMPOSITION**

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

Type of Investment:	06/30/2020	12/31/2019	06/30/2019	12/31/2018
Checking	\$ 19,485,813	\$ 29,002,820	\$ 26,569,020	\$ 29,410,212
Savings	107,613,387	147,026,356	86,271,768	81,303,397
Certificates of Deposit	10,000,000	30,000,000	10,000,000	50,000,548
FLGIT	12,583,805	12,240,525	12,108,856	11,798,493
<b>Total</b>	<b>\$ 149,683,005</b>	<b>\$ 218,269,701</b>	<b>\$ 134,949,644</b>	<b>\$ 172,512,650</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, 2020 portfolio balance:	\$149,683,005
75% equals	\$112,262,254
60% equals	\$ 89,809,803
30% equals	\$ 44,904,902

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$10,000,000 is less than \$89,809,803.

No amounts invested in US government agencies.

Amount invested in FLGIT of \$12,583,805 is less than \$44,904,902.

All banks are qualified public depositories.

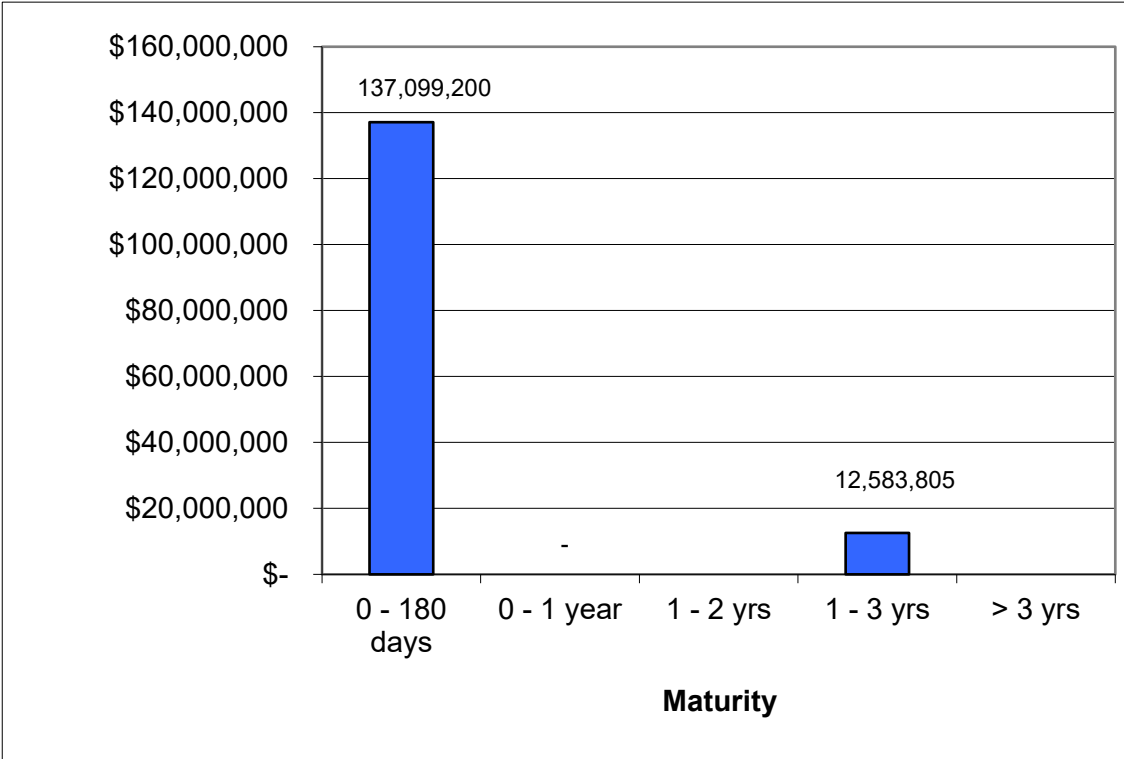
**We are in compliance with our portfolio composition limits.**

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
June 30, 2020  
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 6/30/2020</u>	<u>Market/Par Value at 6/30/2020</u>	<u>Yield</u>
	<b>Short-term Investments:</b>			
	Cash - Demand	\$ 19,485,813	\$ 19,485,813	0.85% *
	Seaside Savings Account	31,336,137	31,336,137	0.35%
	BB&T Public Funds Savings	55,198,064	55,198,064	1.00%
	TD Savings Account	21,079,186	21,079,186	0.25%
	Total Short-term Investments	<u>127,099,200</u>	<u>127,099,200</u>	
	<b>Certificates of Deposit:</b>			
9/18/2020	Bank United	<u>10,000,000</u>	<u>10,000,000</u>	1.73%
	Total Certificates of Deposit	<u>10,000,000</u>	<u>10,000,000</u>	
<b>Various</b>	FI Local Govt Invstmnt Trust	<u>12,583,805</u>	<u>12,583,805</u>	3.92%
	<b>TOTAL</b>	<u><u>\$ 149,683,005</u></u>	<u><u>\$ 149,683,005</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, 2020  
Exhibit B**



<b>Description</b>	<b>Time to Maturity</b>	<b>Amount</b>
Certificates of Deposit	0 - 180 days	10,000,000
Seaside Savings Account	0 - 180 days	31,336,137
BB&T Savings Account	0 - 180 days	55,198,064
TD Savings Account	0 - 180 days	21,079,186
Cash - Demand	0 - 180 days	19,485,813
FLGIT	One to three years	12,583,805
		<b>\$ <u>149,683,005</u></b>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at June 30, 2020  
Exhibit C**

Maturity Date	Type of Investment	(From 06/30/20)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 6/30/2020	Days O/S			
<b>Short term Investments:</b>						
	Cash - Demand	\$ 19,485,813	1	\$ 19,485,813 *	0.85%	\$ -
	Seaside Savings	31,336,137	1	31,336,137	0.35%	109,676
	BB&T Public Funds Savings	55,198,064	1	55,198,064	1.00%	551,981
	TD Savings Account	21,079,186	1	21,079,186	0.25%	52,698
		<u>127,099,200</u>		<u>127,099,200</u>		<u>714,355</u>
<b>Certificates of Deposit:</b>						
09/18/20	Bank United	<u>10,000,000</u>	80	<u>800,000,000</u>	1.73%	<u>13,840,000</u>
		<u>10,000,000</u>		<u>800,000,000</u>		<u>13,840,000</u>
<b>Various</b>	FLGIT	<u>12,583,805</u>	683	<u>8,589,076,103</u>	3.92%	<u>336,691,783</u>
	<b>TOTAL</b>	<u>\$ 149,683,005</u>		<u>\$ 9,516,175,303</u>		<u>\$ 351,246,138</u>
	Weighted Avg Maturity	63.58	Days	Weighted average		
		0.17	Years	interest rate =		3.69%

\* Earnings credit rate used to offset bank charges