

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
LAKE COUNTY, FLORIDA
Semi-Annual Investment Report
December 31, 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 DECEMBER 31, 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 December 31, 2019, cash and investments amounted to \$218,269,701 compared to \$134,949,644 and \$172,512,650 at June 30, 2019 and December 31, 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 December 31, 2019. This graph indicates that about 90% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at December 31, 2019 is 71 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:

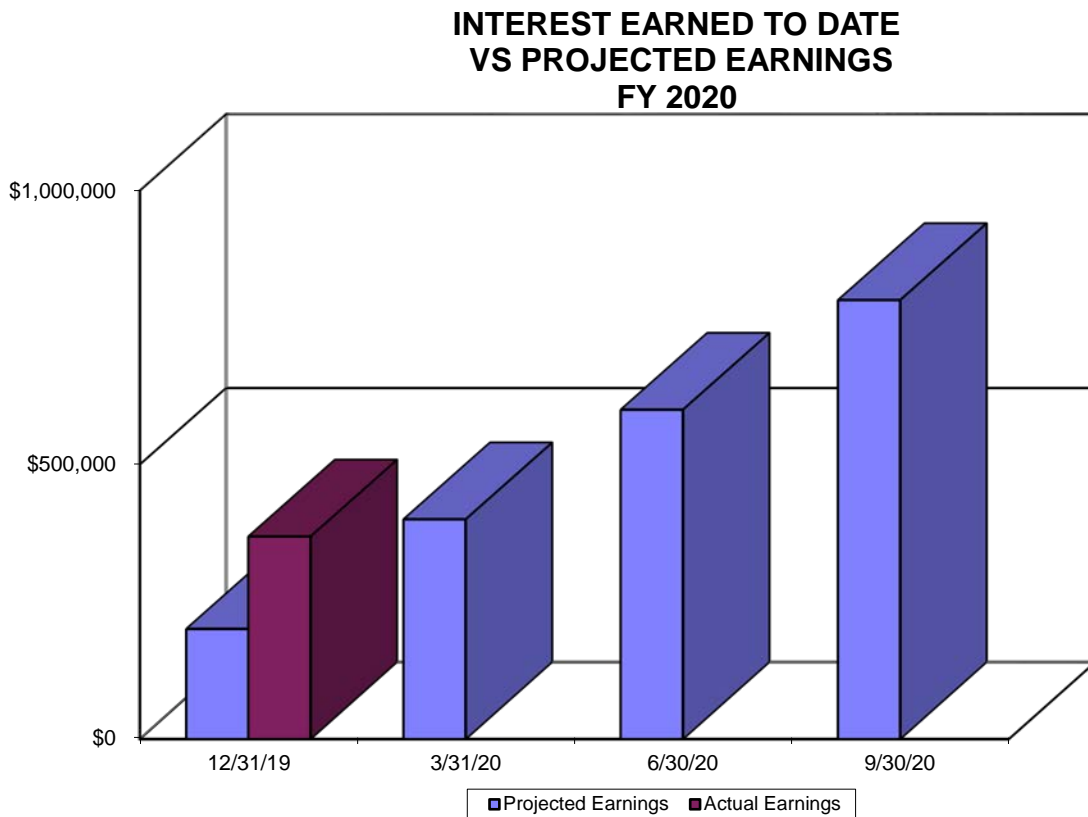
<u>Type of Investment</u>	<u>12/31/19</u>	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>	<u>12/31/17</u>
Six Month Treasury Bill	1.52%	1.99%	2.47%	2.06%	1.51%
Two Year Treasury Note	1.63%	1.66%	2.58%	2.50%	1.90%
Florida Prime LGIP	1.85%	2.58%	2.59%	2.13%	1.45%
Lake County's Weighted Avg Int Rate	2.94%	3.83%	1.78%	.75%	.86%

VI. ECONOMIC DEVELOPMENTS

At the Federal Open Market Committee meeting in September 2019 the Fed cut the fed funds rate to a range of 1.75% to 2.00%. This was the second time this year; the Board previously lowered the rate to 2.00% to 2.25% in July 2019.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

At the fiscal year end, 09/30/19, the annual interest earnings were \$2,555,145, which exceeded the budget of \$478,876 for FY 2019. The Board's budget for interest income for FY 2020 is \$800,236. At 12/31/2019, the actual earnings were \$368,711 which is 46% of the budget with 25% of the year elapsed.



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VIII. PORTFOLIO COMPOSITION

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

Type of Investment:	12/31/2019	06/30/2019	12/31/2018	06/30/2018
Checking	\$ 29,002,820	\$ 26,569,020	\$ 29,410,212	\$ 25,089,739
Savings	147,026,356	86,271,768	81,303,397	35,814,666
Certificates of Deposit	30,000,000	10,000,000	50,000,548	35,000,548
FLGIT	12,240,525	12,108,856	11,798,493	11,643,311
Total	\$ 218,269,701	\$ 134,949,644	\$ 172,512,650	\$ 107,548,264

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, 2019 portfolio balance:	\$218,269,701
75% equals	\$163,702,276
60% equals	\$130,961,821
30% equals	\$ 65,480,910

No amounts invested in US treasuries.

Amount invested in certificates of deposit of \$30,000,000 is less than \$130,961,821.

No amounts invested in US government agencies.

Amount invested in FLGIT of \$12,240,525 is less than \$65,480,910.

All banks are qualified public depositories.

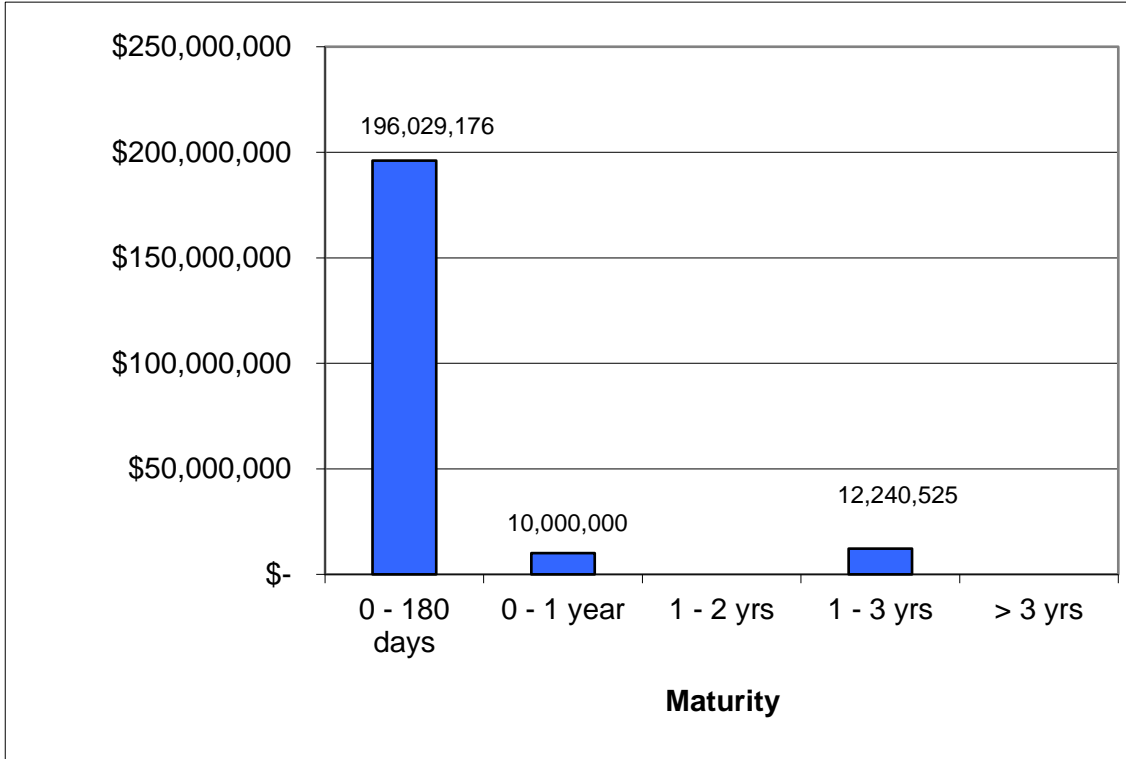
We are in compliance with our portfolio composition limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2019
Exhibit A**

<u>Maturity Date</u>	<u>Type of Investment</u>	<u>Cost at 12/31/2019</u>	<u>Market/Par Value at 12/31/2019</u>	<u>Yield</u>
	Short-term Investments:			
	Cash - Demand	\$ 29,002,820	\$ 29,002,820	0.85% *
	Seaside Savings Account	31,203,991	31,203,991	1.60%
	BB&T Public Funds Savings	55,004,777	55,004,777	1.00%
	TD Savings Account	60,817,588	60,817,588	1.76%
	Total Short-term Investments	<u>176,029,176</u>	<u>176,029,176</u>	
	Certificates of Deposit:			
6/18/2020	Bank United	20,000,000	20,000,000	1.71%
9/18/2020	Bank United	10,000,000	10,000,000	1.73%
	Total Certificates of Deposit	<u>30,000,000</u>	<u>30,000,000</u>	
Various	FI Local Govt Invstmnt Trust	<u>12,240,525</u>	<u>12,240,525</u>	3.75%
	TOTAL	<u><u>\$ 218,269,701</u></u>	<u><u>\$ 218,269,701</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, 2019
Exhibit B**



Description	Time to Maturity	Amount
Certificates of Deposit	0 - 180 days	20,000,000
Seaside Savings Account	0 - 180 days	31,203,991
BB&T Savings Account	0 - 180 days	55,004,777
TD Savings Account	0 - 180 days	60,817,588
Cash - Demand	0 - 180 days	29,002,820
Certificates of Deposit	0 - one year	10,000,000
FLGIT	One to three years	12,240,525
		\$ 218,269,701

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LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2019
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/19)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2019	Days O/S			
Short term Investments:						
	Cash - Demand	\$ 29,002,820	1	\$ 29,002,820 *	0.85%	\$ -
	Seaside Savings	31,203,991	1	31,203,991	1.60%	499,264
	BB&T Public Funds Savings	55,004,777	1	55,004,777	1.00%	550,048
	TD Savings Account	60,817,588	1	60,817,588	1.76%	1,070,390
		<u>176,029,176</u>		<u>176,029,176</u>		<u>2,119,701</u>
Certificates of Deposit:						
06/18/20	Bank United	20,000,000	170	3,400,000,000	1.71%	58,140,000
09/18/20	Bank United	10,000,000	262	2,620,000,000	1.73%	45,326,000
		<u>30,000,000</u>		<u>6,020,000,000</u>		<u>103,466,000</u>
Various	FLGIT	<u>12,240,525</u>	767	<u>9,382,362,413</u>	3.75%	<u>351,838,590</u>
	TOTAL	<u><u>\$ 218,269,701</u></u>		<u><u>\$ 15,578,391,589</u></u>		<u><u>\$ 457,424,292</u></u>
	Weighted Avg Maturity	71.37	Days	Weighted average		
		0.20	Years	interest rate =		2.94%

* Earnings credit rate used to offset bank charges