

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
LAKE COUNTY, FLORIDA  
Semi-Annual Investment Report  
December 31, 2021**

**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, 2021**

Cash and investments held by the County consist of: a checking account, savings accounts, and the Florida Government Investment Trust Fund (FLGIT); these investments are authorized in the investment ordinance. Our checking account 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, 2021, cash and investments amounted to \$303,251,267 compared to \$213,251,932 and \$202,309,111 at June 30, 2021 and December 31, 2020, 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, 2021. This graph indicates that about 96% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at December 31, 2021 is 29 days or .08 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:

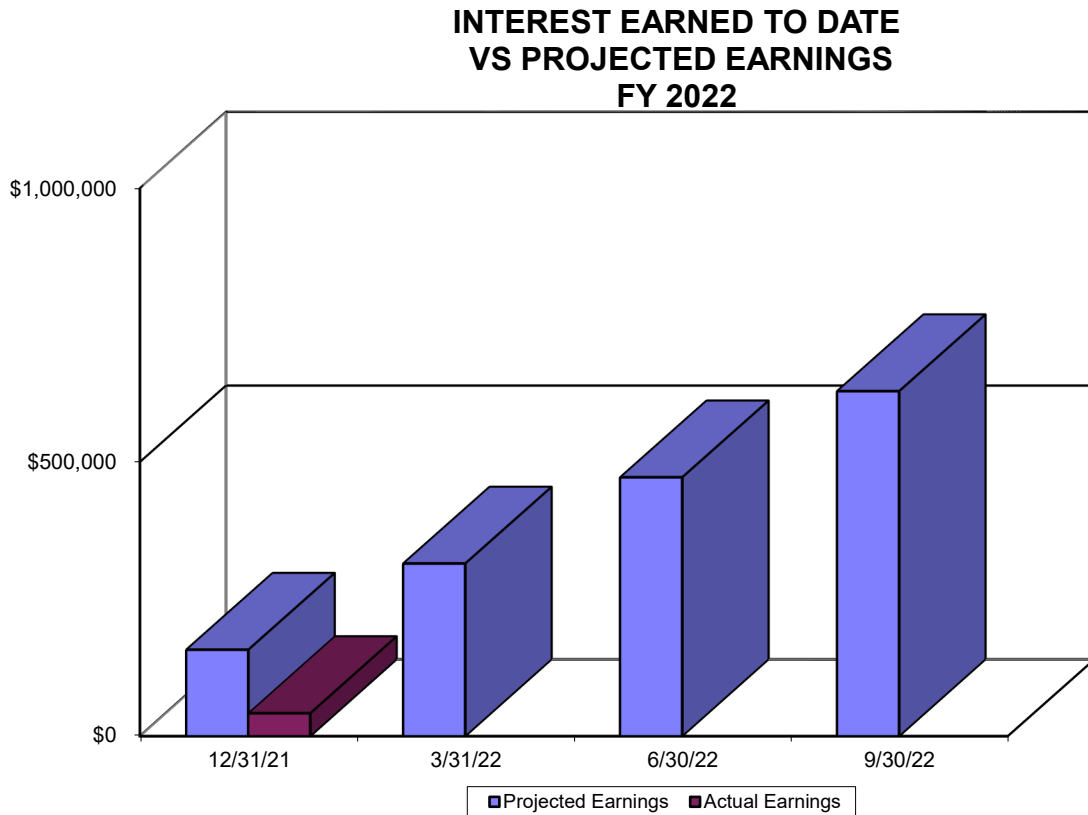
<u>Type of Investment</u>	<u>12/31/21</u>	<u>6/30/21</u>	<u>12/31/20</u>	<u>6/30/20</u>	<u>12/31/19</u>
Six Month Treasury Bill	0.20%	0.05%	0.08%	0.15%	1.52%
Two Year Treasury Note	0.73%	0.22%	0.11%	0.16%	1.63%
Florida Prime LGIP	0.13%	0.10%	0.18%	0.57%	1.85%
Lake County's Weighted Avg Int Rate	-0.14%	0.44%	3.25%	3.69%	2.94%

**VI. ECONOMIC DEVELOPMENTS**

The Federal Reserve continues to maintain the current interest rate range between .0% and .25% as of December 31, 2021. Interest rates are at historically low levels due to the COVID-19 pandemic. However, the Fed has signaled that it will likely raise interest rates early in FY2022, and anticipates more rate increases during the year, primarily in response to increased inflation.

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

The Board’s budget for interest income for FY2022 is \$629,445. At December 31, 2021, interest of \$41,651 has been earned, but this was offset by a decrease in fair value for FLGIT of \$75,239. Interest earnings are lower than expected due to low interest rates. FLGIT, a short term bond fund, has been affected by the market in FY2022, but over the past two years has increased in value by \$465,544, averaging approximately 2%.



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**VIII. PORTFOLIO COMPOSITION**

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

Type of Investment:	12/31/2021	06/30/2021	12/31/2020	06/30/2020
Checking	\$ 36,507,818	\$ 32,531,244	\$ 26,701,493	\$ 19,485,813
Savings	254,169,049	168,080,453	162,962,681	107,613,387
Certificates of Deposit	-	-	-	10,000,000
FLGIT	12,574,400	12,640,235	12,644,937	12,583,805
<b>Total</b>	<b>\$ 303,251,267</b>	<b>\$ 213,251,932</b>	<b>\$ 202,309,111</b>	<b>\$ 149,683,005</b>

Cash and investment balances fluctuate during the year. In addition, December balances are typically higher due to the collection of ad valorem taxes. In 2021, balances are higher due to the receipt of the first payment of American Rescue Plan Act funding of approximately \$36 million.

**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, 2021 portfolio balance:	\$303,251,267
75% equals	\$227,438,450
60% equals	\$181,950,760
30% equals	\$ 90,975,380

No amounts invested in US treasuries.

No amounts invested in certificates of deposit.

No amounts invested in US government agencies.

Amount invested in FLGIT of \$12,574,400 is less than \$90,975,380  
All banks are qualified public depositories.

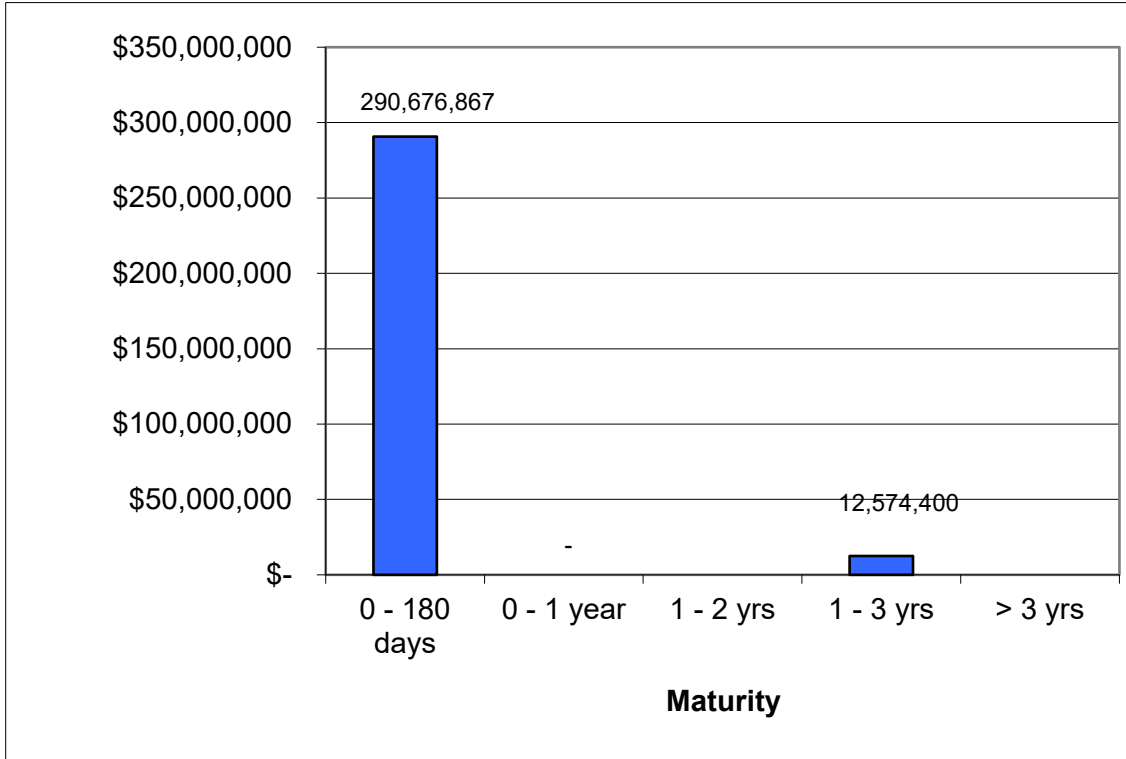
**We are in compliance with our portfolio composition limits.**

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments  
December 31, 2021  
Exhibit A**

<u>Type of Investment</u>	<u>Cost at 12/31/2021</u>	<u>Market/Par Value at 12/31/2021</u>	<u>Yield</u>
<b>Short-term Investments:</b>			
Cash - Demand	\$ 36,507,818	\$ 36,507,818	0.35% *
Seaside Savings	31,445,183	31,445,183	0.10%
Truist Savings	102,503,041	102,503,041	0.05%
TD Savings	51,150,711	51,150,711	0.10%
BankUnited Savings	49,068,470	49,068,470	0.15%
Axiom Bank Savings	20,001,644	20,001,644	0.30%
Total Short-term Investments	<u>290,676,867</u>	<u>290,676,867</u>	
FI Local Govt Invstmnt Trust	<u>12,574,400</u>	<u>12,574,400</u>	-0.15%
<b>TOTAL</b>	<u><u>\$ 303,251,267</u></u>	<u><u>\$ 303,251,267</u></u>	

\* Earnings credit rate used to offset bank charges

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Cash and Investments-Maturity Distribution of Portfolio  
December 31, 2021  
Exhibit B**



Description	Time to Maturity	Amount
Seaside Savings	0 - 180 days	\$ 31,445,183
Truist Savings	0 - 180 days	102,503,041
TD Savings	0 - 180 days	51,150,711
BankUnited Savings	0 - 180 days	49,068,470
Axiom Bank Savings	0 - 180 days	20,001,644
Cash - Demand	0 - 180 days	36,507,818
FLGIT	One to three years	12,574,400
		\$ <u><u>303,251,267</u></u>

**CLERK OF COURTS  
LAKE COUNTY, FLORIDA  
Average Maturity at December 31, 2021  
Exhibit C**

<u>Type of Investment</u>	<u>Cost at 12/31/2021</u>	<u>Days O/S</u>	<u>Weighted Average</u>	<u>Interest Rate</u>	<u>Weighted Average Interest</u>
<b>Short term Investments:</b>					
Cash - Demand	\$ 36,507,818	1	\$ 36,507,818 *	0.35%	\$ -
Seaside Savings	31,445,183	1	31,445,183	0.10%	31,445
Truist Savings	102,503,041	1	102,503,041	0.05%	51,252
TD Savings	51,150,711	1	51,150,711	0.10%	51,151
BankUnited Savings	49,068,470	1	49,068,470	0.15%	73,603
Axiom Bank Savings	20,001,644	1	20,001,644	0.30%	60,005
	<u>290,676,867</u>		<u>290,676,867</u>		<u>267,456</u>
 FLGIT	 12,574,400	 664	 8,353,173,920	 -0.15%	 (12,446,229)
<b>TOTAL</b>	<u><u>\$ 303,251,267</u></u>		<u><u>\$ 8,643,850,787</u></u>		<u><u>\$ (12,178,773)</u></u>
 Weighted Avg Maturity	 28.50	 Days	 Weighted average		
	0.08	Years	interest rate =		-0.14%

\* Earnings credit rate used to offset bank charges