

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 06-07
June 30, 2007**

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, 2007

Cash and investments held by the County consist of: an interest-bearing checking account at Wachovia, three accounts at the Florida Local Government Surplus Funds Trust Fund investment pool administered by the State Board of Administration (commonly referred to as the SBA), certificates of deposit, U.S. Agency Securities, an interest bearing NOW account at SunTrust, and the Florida Government Investment Trust Fund (FLGIT).

Funds invested include excess operating funds and proceeds from borrowings. At June 30, 2007, cash and investments amounted to \$360,140,607 compared to \$213,686,174, at June 30, 2006. The large increase from June, 2006 is the addition of \$121,040,615 in bond proceeds. In May, the County issued Capital Improvement Revenue Bonds in the amount of \$87,455,000 and Limited General Obligation bonds in the amount of \$34,720,000. A detail listing of these balances and the current yield is attached as Exhibit A.

IV. MATURITY DISTRIBUTION OF PORTFOLIO

Exhibit B shows the maturity distribution of cash and investments held at June 30, 2007. This graph indicates that about 74% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 6/30/07 is 208 days or .57 years (Exhibit C). Our investment policy 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>6/30/07</u> | <u>12/31/06</u> | <u>06/30/06</u> | <u>12/31/05</u> |
|----------------------------|----------------|-----------------|-----------------|-----------------|
| Six month Treasury Bill | 4.77% | 4.87% | 5.17% | 4.13% |
| Two year Treasury Note | 4.86% | 4.71% | 5.15% | 4.36% |
| SBA | 5.39% | 5.34% | 5.17% | 4.19% |

Short term rates have increased significantly since December, 2005 and long term rates have remained constant over the last six months. In the past we have tried to extend our portfolio by investing in securities with one to three year maturities. Now it makes more sense to stay in the six months to one year range. The weighted average maturity of our portfolio is about six months and the weighted average interest rate is 4.935%.

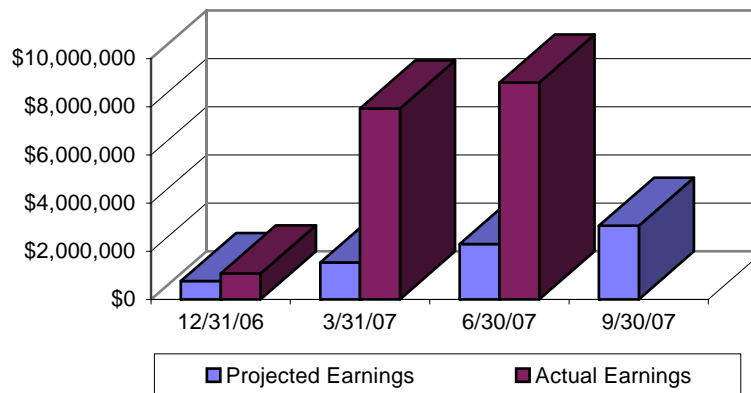
VI. ECONOMIC DEVELOPMENTS

The economy grew at a rate of .7% in the first quarter of 2007, compared to 2.5% in the last quarter of 2006. Prices are 2.7% higher compared to June, 2006. The economy is not growing as fast and prices appear to be increasing.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our budget for interest income for 2007 is \$3,065,686. At June 30, 2007, our actual earnings were approximately \$9,001,980. The significant earnings over budget are primarily from the investment of bond proceeds which was not anticipated at the time the budget was adopted.

**INTEREST EARNED TO DATE
 VS PROJECTED EARNINGS**



VIII. PORTFOLIO GROWTH

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

| Type of Investment: | 6/30/2007 | 12/13/2006 | 6/30/2006 | 12/31/2005 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| SBA | \$ 212,772,964 | \$ 141,397,609 | \$ 71,235,674 | \$ 113,496,912 |
| FLGIT | 13,795,649 | 12,942,649 | 12,942,649 | 12,803,389 |
| Certificates of Deposit | 65,000,000 | 62,000,000 | 62,000,000 | 52,000,000 |
| U. S. Agencies | 57,440,517 | 47,113,130 | 57,192,035 | 37,215,535 |
| SunTrust NOW Acct | 11,131,477 | 10,845,360 | 10,315,816 | 10,315,816 |
| Total | \$ 360,140,607 | \$ 274,298,748 | \$ 213,686,174 | \$ 225,831,652 |

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, 2007 portfolio balance: \$ 360,140,607
60% equals \$ 216,084,364
30% equals \$ 108,042,182

Amount invested in certificates of deposit: \$65,000,000 which is less than \$216,084,364

Amount invested in US agencies: \$57,440,517 which is less than \$108,042,182

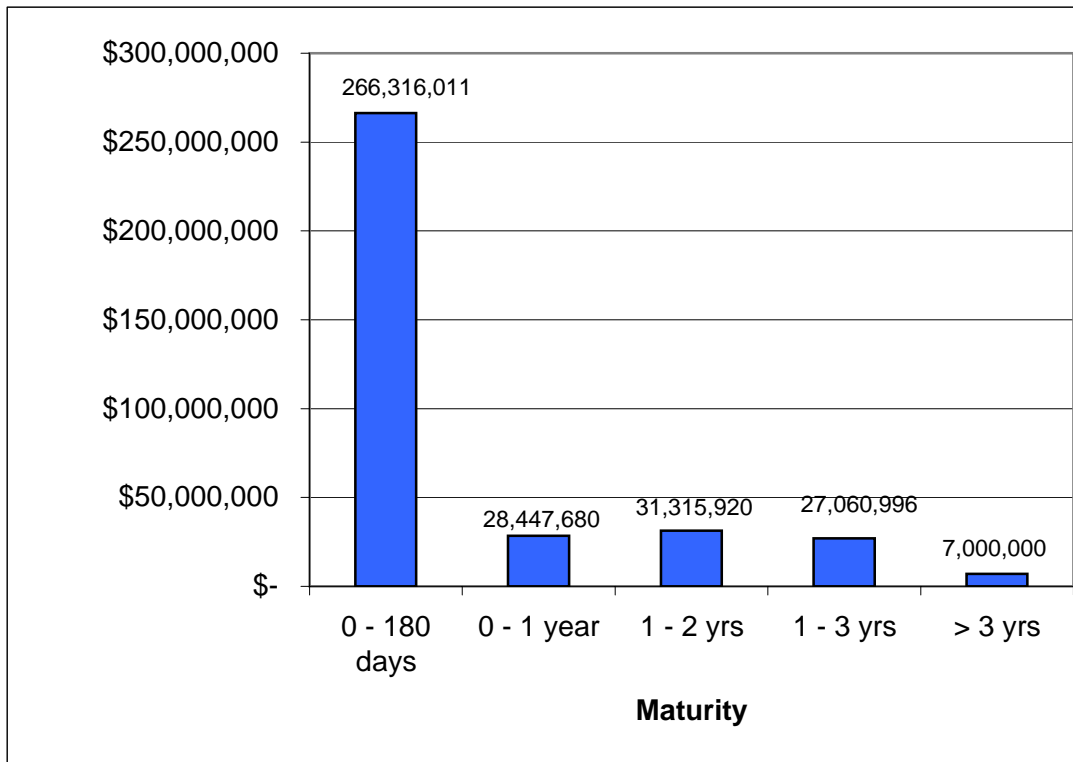
Amount at any one institution: Colonial Bank \$ 54,500,000 which is less than \$108,042,182

We are in compliance with our policy for portfolio limits.

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
June 30, 2007
Exhibit A**

| Maturity Date | Type of Investment | Cost at 6/30/07 | Market Value at 6/30/07 | Yield |
|---------------------------------|------------------------------|------------------------|--------------------------------|--------------|
| Short term Investments: | | | | |
| N/A | SBA-Pooled Cash and Landfill | \$ 91,732,349 | \$ 91,732,349 | 5.39% |
| | SBA-Bond Funds | 121,040,615 | 121,040,615 | 5.39% |
| | SunTrust NOW Account | 11,131,477 | 11,131,477 | 5.40% |
| | | <u>223,904,441</u> | <u>223,904,441</u> | |
| Certificates of Deposit: | | | | |
| 06/30/07 | Colonial Bank | 5,000,000 | 5,000,000 | 5.31% |
| 07/01/07 | Colonial Bank | 1,000,000 | 1,000,000 | 5.65% |
| 07/24/07 | Colonial Bank | 2,000,000 | 2,000,000 | 4.30% |
| 09/07/07 | Colonial Bank | 2,500,000 | 2,500,000 | 5.19% |
| 09/07/07 | National City Bank | 3,000,000 | 3,000,000 | 4.11% |
| 09/18/07 | Colonial Bank | 2,000,000 | 2,000,000 | 5.19% |
| 09/24/07 | Colonial Bank | 1,000,000 | 1,000,000 | 5.19% |
| 09/26/07 | Colonial Bank | 2,000,000 | 2,000,000 | 5.19% |
| 11/12/07 | Colonial Bank | 5,000,000 | 5,000,000 | 5.13% |
| 11/12/07 | Colonial Bank | 5,000,000 | 5,000,000 | 5.13% |
| 11/12/07 | Colonial Bank | 5,000,000 | 5,000,000 | 5.13% |
| 02/22/08 | Colonial Bank | 2,000,000 | 2,000,000 | 5.24% |
| 02/22/08 | Colonial Bank | 1,000,000 | 1,000,000 | 5.24% |
| 03/02/08 | Colonial Bank | 3,500,000 | 3,500,000 | 3.40% |
| 04/10/08 | Public Bank | 5,000,000 | 5,000,000 | 4.83% |
| 04/18/08 | Colonial Bank | 2,500,000 | 2,500,000 | 5.15% |
| 04/19/08 | Riverside Bank | 2,500,000 | 2,500,000 | 4.95% |
| 05/12/08 | Colonial Bank | 5,000,000 | 5,000,000 | 5.03% |
| 07/16/08 | Colonial Bank | 2,000,000 | 2,000,000 | 5.50% |
| 01/31/09 | Colonial Bank | 8,000,000 | 8,000,000 | 3.75% |
| | | <u>65,000,000</u> | <u>65,000,000</u> | |
| US Agency Securities: | | | | |
| 11/16/07 | 2.5 year note | FHLB 3,951,240 | 3,980,000 | 4.05% |
| 12/21/07 | 2.25 year note | FHLB 2,976,570 | 2,986,890 | 4.46% |
| 12/21/07 | 2.25 year note | FHLB 1,983,760 | 1,990,620 | 4.38% |
| 01/28/08 | 2.5 year note | FNMA 1,981,260 | 1,987,500 | 4.30% |
| 03/06/08 | 2.5 year note | FHLB 1,985,620 | 1,988,760 | 4.50% |
| 08/15/08 | 3 year note | FHLMC 2,980,800 | 2,978,760 | 4.63% |
| 09/22/08 | 3 year note | FHLB 2,974,680 | 2,974,680 | 4.54% |
| 02/05/09 | 1.75 years | FHLB 6,995,800 | 6,984,670 | 5.25% |
| 02/25/09 | 5 year note | FHLB 11,345,440 | 11,406,620 | 4.00% |
| 03/26/10 | 3 year note | FHLMC 6,269,687 | 6,237,898 | 5.13% |
| 04/16/10 | 3 year note | FHLB 6,995,660 | 6,975,920 | 5.25% |
| 04/18/11 | 4 year note | FHLB 7,000,000 | 6,960,660 | 5.25% |
| | | <u>57,440,517</u> | <u>57,452,978</u> | |
| Various | FI Local Govt Invstmnt Trust | <u>13,795,649</u> | <u>13,820,346</u> | 4.89% |
| | TOTAL | <u>\$ 360,140,607</u> | <u>\$ 360,177,765</u> | |

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
June 30, 2007
Exhibit B**



| Description | Time to Maturity | Amount |
|-------------------------|--------------------|----------------|
| SBA | 0 - 180 days | \$ 212,772,964 |
| SunTrust NOW | 0 - 180 days | 11,131,477 |
| Certificates of Deposit | 0 - 180 days | 33,500,000 |
| US Agencies | 0 - 180 days | 8,911,570 |
| Certificates of Deposit | 0 - one year | 21,500,000 |
| US Agencies | 0 - one year | 6,947,680 |
| Certificates of Deposit | One to two years | 10,000,000 |
| US Agencies | One to two years | 21,315,920 |
| FLGIT | One to three years | 13,795,649 |
| US Agencies | One to three years | 13,265,347 |
| US Agencies | Over three years | 7,000,000 |
| | | \$ 360,140,607 |

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at June 30, 2007**

**Exhibit C
(From 6/30/07)**

| Maturity Date | Type of Investment | Cost at 6/30/2007 | Days Outstanding | Weighted Average | Interest Rate | Weighted Average Interest |
|---------------------------------|-----------------------------|--------------------------|-------------------------|--------------------------|----------------------|----------------------------------|
| Short term Investments: | | | | | | |
| N/A | SBA-Pooled Cash and La\$ | 91,732,349 | 90 | 8,255,911,410 | 5.39% | 444,993,625 |
| | SBA-Bond Funds | 121,040,615 | 90 | 10,893,655,350 | 5.39% | 587,168,023 |
| | SunTrust NOW Account | 11,131,477 | 90 | 1,001,832,930 | 5.40% | 54,098,978 |
| | | <u>223,904,441</u> | | <u>20,151,399,690</u> | | <u>1,086,260,627</u> |
| | | | | | | 5.39% |
| Certificates of Deposit: | | | | | | |
| 06/30/07 | Colonial Bank | 5,000,000 | 0 | - | 5.31% | - |
| 07/01/07 | Colonial Bank | 1,000,000 | 1 | 1,000,000 | 5.65% | 56,500 |
| 07/24/07 | Colonial Bank | 2,000,000 | 24 | 48,000,000 | 4.30% | 2,064,000 |
| 09/07/07 | Colonial Bank | 2,500,000 | 69 | 172,500,000 | 5.19% | 8,952,750 |
| 09/07/07 | National City Bank | 3,000,000 | 69 | 207,000,000 | 4.11% | 8,507,700 |
| 09/18/07 | Colonial Bank | 2,000,000 | 80 | 160,000,000 | 5.19% | 8,304,000 |
| 09/24/07 | Colonial Bank | 1,000,000 | 86 | 86,000,000 | 5.19% | 4,463,400 |
| 09/26/07 | Colonial Bank | 2,000,000 | 88 | 176,000,000 | 5.19% | 9,134,400 |
| 11/12/07 | Colonial Bank | 5,000,000 | 135 | 675,000,000 | 5.13% | 34,627,500 |
| 11/12/07 | Colonial Bank | 5,000,000 | 135 | 675,000,000 | 5.13% | 34,627,500 |
| 11/12/07 | Colonial Bank | 5,000,000 | 135 | 675,000,000 | 5.13% | 34,627,500 |
| 02/22/08 | Colonial Bank | 2,000,000 | 237 | 474,000,000 | 5.24% | 24,837,600 |
| 02/22/08 | Colonial Bank | 1,000,000 | 237 | 237,000,000 | 5.24% | 12,418,800 |
| 03/02/08 | Colonial Bank | 3,500,000 | 245 | 857,500,000 | 3.40% | 29,155,000 |
| 04/10/08 | Public Bank | 5,000,000 | 284 | 1,420,000,000 | 4.83% | 68,586,000 |
| 04/18/08 | Colonial Bank | 2,500,000 | 292 | 730,000,000 | 5.15% | 37,595,000 |
| 04/19/08 | Riverside Bank | 2,500,000 | 293 | 732,500,000 | 4.95% | 36,258,750 |
| 05/12/08 | Colonial Bank | 5,000,000 | 316 | 1,580,000,000 | 5.03% | 79,474,000 |
| 07/16/08 | Colonial Bank | 2,000,000 | 381 | 762,000,000 | 5.50% | 41,910,000 |
| 01/31/09 | Colonial Bank | 8,000,000 | 562 | 4,496,000,000 | 3.75% | 168,600,000 |
| | | <u>65,000,000</u> | | <u>14,164,500,000</u> | | <u>644,200,400</u> |
| | | | | | | 4.55% |
| US Agency Securities: | | | | | | |
| 11/16/07 | 2.5 year note FHLB | 3,951,240 | 139 | 549,222,360 | 4.05% | 22,243,506 |
| 12/21/07 | 2.25 year note FHLB | 2,976,570 | 174 | 517,923,180 | 4.46% | 23,099,374 |
| 12/21/07 | 2.25 year note FHLB | 1,983,760 | 174 | 345,174,240 | 4.38% | 15,101,373 |
| 01/28/08 | 2.5 year note FNMA | 1,981,260 | 212 | 420,027,120 | 4.30% | 18,061,166 |
| 03/06/08 | 2.5 year note FHLB | 1,985,620 | 249 | 494,419,380 | 4.50% | 22,248,872 |
| 08/15/08 | 3 year note FHLMC | 2,980,800 | 411 | 1,225,108,800 | 4.63% | 56,661,282 |
| 09/22/08 | 3 year note FHLB | 2,974,680 | 449 | 1,335,631,320 | 4.54% | 60,637,662 |
| 02/05/09 | 1.75 years FHLB | 6,995,800 | 585 | 4,092,543,000 | 5.25% | 214,858,508 |
| 02/25/09 | 5 year note FHLB | 11,345,440 | 605 | 6,863,991,200 | 4.00% | 274,559,648 |
| 03/26/10 | 3 year note FHLMC | 6,269,687 | 999 | 6,263,417,313 | 5.13% | 321,000,137 |
| 04/16/10 | 3 year note FHLB | 6,995,660 | 1020 | 7,135,573,200 | 5.25% | 374,617,593 |
| 04/18/11 | 4 year note FHLB | 7,000,000 | 1387 | 9,709,000,000 | 5.25% | 509,722,500 |
| | | <u>57,440,517</u> | | <u>38,952,031,113</u> | | <u>1,890,568,115</u> |
| | | | | | | 4.85% |
| Various | FI Local Govt Invstmnt Trus | 13,795,649 | 920 | 12,691,997,080 | 4.89% | 621,146,337 |
| | TOTAL | <u>\$ 360,140,607</u> | | <u>\$ 85,959,927,883</u> | | <u>4,242,175,478</u> |
| | Weighted Avg Maturity | 238.68 | Days | Weighted average | | |
| | | 0.65 | Years | interest rate = | | 4.935% |