

**Leon County Research and Development Authority  
Investment Advisory Committee Meeting**

Collins Building  
2051 East Paul Dirac Drive  
Tallahassee, FL 32310  
Wednesday, November 15, 2023  
10:30am – 11:30am

**Agenda**

*Anyone wishing to address the Committee may appear in person or submit written comments by 9:00am the day before the scheduled meeting date so that the comments can be distributed to the Committee members. Comments submitted after this time (up to the time of the meeting) will be accepted and included in the official record of the meeting. Email comments to: [publicinput@inn-park.com](mailto:publicinput@inn-park.com) and reference the meeting title and date in the subject line. Include your name and contact information.*

**1. Call to Order**

**2. Introduction of Guests**

**3. Modifications to the Agenda**

**4. Public Comment**

*Any public comment received prior to the meeting will be provided to the committee members in addition to any in-person public comment.*

**5. Approval of Draft Meeting Minutes – February 26, 2021 (Attachment A)**

**6. Annual Review of Investment Advisory Committee Charter (Attachment B)**

*The Investment Advisory Committee (IAC) Charter requires the committee to review and assess the adequacy of the Investment Advisory Committee Charter annually requesting Board approval for proposed changes, if any.*

**7. Annual Review of Investment Policy (Attachment C)**

*The IAC Charter requires the committee to review the Authority's investment policy, objectives, and guidelines, including risk tolerance, at least annually, presenting to the Board recommendations for additions, deletions, or modifications, if any.*

**8. Review of Committee Membership Status and Waiver of Past Annual Reviews**

*Staff requests the IAC acknowledge the implied resignation of members who have not attended an IAC meeting since FY 2018-19 and waive the lack of committee meetings in FY 2021-22 and FY 2022-23.*

**9. Investment Performance as of August 31, 2023 (Attachment D)**

**10. Budget FY 2023-2024 (Attachment E)**

**11. Update Committee on the Reallocation Among Investment Accounts to Provide Improved Liquidity – Michael Kramer**

**12. New Business**

**13. Adjourn**

**Leon County Research and Development Authority  
Investment Advisory Committee Meeting**

Collins Building  
2051 East Paul Dirac Drive  
Tallahassee, FL 32310

February 26, 2021  
9:00am

**DRAFT Minutes**

**Members in Attendance:** Anne Longman Chair; Tom Allen, James Campbell, Mark Webb, Kimberly Wilder (nonvoting).

**Members Not in Attendance:** William Giudice.

**Guests:** Ron Miller, LCRDA Executive Director; Peggy Bielby, LCRDA Administrative Coordinator.

**1. Call to Order**

The meeting was called to order at 9:01am.

**2. Introduction of Members and Guests**

All present introduced themselves.

**3. Approval of Participation by Electronic Means**

In accordance with the Bylaws, there being a quorum of members present in person, the members of the Board present in person are required to approve participation by those participating via Electronic Means acknowledging that the COVID-19 pandemic constitutes extraordinary circumstances. No vote was needed as no voting members were participating via Electronic Means.

**4. Public Comment**

None.

**5. Approval of the Meeting Minutes: February 18, 2020**

*Mark Webb offered a motion to approve the February 18, 2020 meeting minutes. Jim Campbell seconded the motion which passed unanimously.*

**6. Executive Director Update**

Ron Miller provided a status update regarding park activities including the EDA Grant, North Florida Innovation Labs (NFIL) building project, Blueprint Gateway Project, MagCorp, and the Danfoss expansion project.

**7. Annual Review of Investment Advisory Committee Charter**

The IAC Charter requires the committee review and assess the adequacy of the Investment Advisory Committee Charter annually requesting Board approval for proposed changes. Ron Miller provided an overview of the IAC Charter as revised February 18, 2020. The committee agreed no action was needed.

**8. Annual Review of Investment Policy**

The IAC Charter requires the committee review the Authority's investment policy, objectives and guidelines, including risk tolerance, at least annually, presenting to the Board recommendations for any additions, deletions or modifications. The committee agreed no action was needed.

**9. Investment Performance**

The committee reviewed the performance and investment yields of Florida PRIME (The Local Government Surplus Funds Trust Fund) and SPIA (Florida Treasury Special Purpose Investment Trust). Liquidity needs related to funding the NFIL project were also discussed, and current fund allocations determined to be appropriate. The committee asked how short-term financing for equipping the lab or other needs will be addressed. Ron Miller explained that borrowing funds on a short-term basis is an option.

**10. Budget Review FY2020-2021**

Ron Miller reviewed the budget changes, including leasing changes and the deferred maintenance items being prioritized and addressed at the direction of the Board.

**11. New Business**

None.

**12. Adjourn**

The meeting was adjourned at 10:06am.

**Next Investment Advisory Committee Meeting:**

TBD

## **Investment Advisory Committee**

### **Leon County Research and Development Authority**

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### **Investment Advisory Committee Charter**

#### **Purpose**

The primary purposes of the Investment Advisory Committee are to:

1. Assist the Board with review and oversight of the Authority's investment policy; objectives, guidelines, and investment performance;
2. Provide recommendations to the Board on major investment objectives, strategies, and policies; and,
3. Oversee the Authority's investment consultants and/or fund managers.

#### **Authority**

The Investment Advisory Committee shall have the resources and appropriate authority to interview consultants and/or fund managers and recommend its selection(s) of such to the Board for its ratification. Its recommendation to the Board will include fees and terms of service.

#### **Composition**

The Investment Advisory Committee shall consist of at least three members, but no more than seven, with at least one member being a member of the Board of Governors. Non-board members may serve on the Committee but may not serve as the Committee Chair. The Authority shall request the Finance Director for the Leon County Clerk of the Circuit Court and Comptroller or his/her designee serve on the Committee in a non-voting capacity. The Board Chair shall appoint the Committee Chair from among Board members serving on the committee. The Committee Chair shall nominate individuals for committee membership. Nominated individuals shall have investment or related financial management experience. The Board Chair's appointments for non-board members must be in writing.

#### **Qualifications for Committee Members**

Each member of the Investment Advisory Committee must have investment experience and be financially literate. Members are expected to have:

1. A general understanding of investment principles, strategies, transactions, and performance criteria;
2. Experience with and understanding of investment statements and reports;
3. Experience with investment consultants and/or fund managers; and,
4. A general understanding of investment markets.

## **Meetings**

The Committee shall meet annually in November, or upon call of the Committee Chair as circumstances require. The Committee will invite Board members, investment advisors, fund managers, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be prepared in advance, along with appropriate briefing materials. Minutes will be prepared for approval. Meetings will be conducted in accordance with provisions of Florida's Sunshine laws.

## **Responsibilities**

The Committee will carry out the following responsibilities:

1. Review the Authority's investment policy, objectives and guidelines, including risk tolerance, at least annually, presenting to the Board recommendations for any additions, deletions or modifications;
2. Develop selection criteria and recommend to the Board the selection and termination of the Authority's investment consultants and/or fund managers as necessary or if needed;
3. Review the performance of the investment portfolios, the investment consultants and fund managers and take appropriate action as necessary;
4. Conduct a formal review of the consultants and/or fund managers at least every two years as necessary or if needed;
5. Regularly report to the Board of Governors about Committee activities, issues, and related recommendations;
6. Perform other activities that may from time to time be delegated to the Committee by the Board of Governors; and
7. Review and assess the adequacy of the Investment Advisory Committee Charter annually requesting Board approval for proposed changes.

Adopted by the Board of Governors, May 10, 2011

Revised August 7, 2013, October 2, 2014, June 2, 2016, and August 4, 2020.

# Leon County Research and Development Authority

## Policy No. 11-5

Title: Investment Policy  
Date Adopted: October 4, 2011  
Revised: August 7, 2013; December 4, 2014; September 3, 2015; February 2, 2017  
Effective Date: February 2, 2017

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### **Introduction**

The purpose of Policy No. 11-5, “Investment Policy,” is to set forth the framework within which The Leon County Research and Development Authority (“the Authority”) will manage investment assets belonging to the Authority.

The Authority’s Board of Governors (“the Board”) is responsible for setting guidelines for the investment of the Authority’s portfolio through the adoption of this Investment Policy. The Board has established the Investment Advisory Committee (“the Committee”) to provide oversight of this Investment Policy. The Committee’s purpose, authority, composition, qualifications for members, meetings, and responsibilities are further defined by the Committee Charter approved by the Board.

### **I. Scope**

This policy shall apply to all funds held by the Authority in excess of those required to meet current expenses and shall be in compliance with Section 218.415, Florida Statutes.

### **II. Objectives**

The objectives of the Authority Investment Policy, in order of priority, are to provide safety of capital (preservation of the real value), liquidity of funds, and competitive net returns. For funds held with the expectation of expenditure within 6 months, the principal investment objective shall be preservation of the real value (i.e. inflation-adjusted value) of capital. For funds held with the expectation of expenditure beyond 6 months, capital may be invested subject to moderate levels of interest rate risk, credit risk and

liquidity risk, and minimal levels of other forms of risk, provided that the Authority has reasonably determined that the expected return premium associated with these risks is sufficiently high to warrant the investment. The optimization of investment returns shall be secondary to the requirements for safety and liquidity.

### **III. Performance Measurement**

The State Board of Administration's Local Government Surplus Funds Trust Fund (Prime Fund) will be used as a benchmark for funds invested with the expectation of expenditure within 6 months. For funds invested with the expectation of expenditure beyond 6 months, the benchmark shall be an index comprised of US Treasuries or Government securities as set by the Committee. The externally managed intergovernmental pools each specify a benchmark appropriate for the pool.

### **IV. Prudence and Ethical Standards**

The primary standard for investment of the Authority's assets shall be the Prudent Person Rule, which states that "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

Officers, employees, investment managers and advisor vendors of the Authority who are involved in the investment process shall refrain from personal business activity that could conflict with State Statutes, resolutions, proper management of the investment portfolio or which could impair their ability to make impartial investment decisions. Investment officials and employees, including members of the Committee, shall disclose any material financial interests in any investment firms, or financial institutions that conduct business with the Authority and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Authority.



## **V. Authority**

Responsibility for the investment program is vested with the Committee. The Executive Director shall assist the Committee by maintaining an Investment Procedures and Internal Controls Manual based on this Policy. The Authority may retain one or more professional organizations, as investment manager(s), to manage the portfolio under the guidance of these policies and the Authority's Committee, and may also retain the services of investment advisor(s). The Executive Director shall perform the duties and responsibilities of the investment manager in the event an investment manager is not retained by the Authority. No person may engage in an investment transaction except as stated in the Internal Controls Section of this Policy.

The investment manager(s) shall have substantial discretion in the management of the investments within the defined objective range. The investment manager(s) is expected to optimize the Authority's expectations. The investment manager(s) and investment advisor(s) serve at the will of the Authority's Board of Governors, subject to the specific terms of contracts between the parties. Yield or growth targets, if any, established by the Authority shall be implemented by, and used in the performance evaluation of, the manager(s).

The investment manager(s) and investment advisor(s) will provide the Committee with reports in sufficient detail as may be requested by the Committee in order for them to review the performance of the portfolio. The Committee will establish portfolio benchmarks in order to judge the performance of the internally managed portfolio with respect to the market and other portfolios of similar size and limitations. The Committee will provide the Board a report at the close of the fiscal year recapping the performance of the portfolio and any outside managers, and at such other times as the Board may request.

## **VI. Investment Manager(s)**

The duties and responsibilities of the investment manager(s) are to:

- Exercise discretion in the management of the assets under its control in accordance with the Investment Policy objectives and guidelines and also expressed in separate written agreements.

- Comply with all applicable state and federal laws, rules, regulations and fiduciary prudence, and due diligence requirements.
- Promptly inform the Committee in writing regarding all significant and/or material matters and changes pertaining to the investment of assets or the ownership, management or financial stability of the investment management firm.
- Recommend to the Committee changes, additions or deletions to the Investment Policy as deemed advisable.
- Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Authority, including the responsibility to vote proxies related to the investment manager's proprietary investment funds held, unless voting responsibility has been reserved in writing to the Committee or its designee. The manager(s) has the right hereunder to solicit proxy voting recommendations from an independent qualified party, on matters that might involve potential conflicts of interest in the performance of the manager's duties hereunder.
- Acknowledge in writing the receipt of this Policy and acceptance of its terms.

## **VII. Investment Advisor(s)**

The Committee, with the Board's consent, is authorized to hire an investment advisor on an as needed basis and the duties and responsibilities of the investment advisor(s) shall consist of the following, but are not limited to: participation in the selection, monitoring the performance of, and generally supervising any investment manager(s). The investment advisor shall also provide reports to the Committee, Executive Director, and Board of Governors.

## **VIII. Authorized Investments**

Investments should be made subject to the cash flow needs of the Authority; and such cash flows are subject to revisions as market conditions and the Authority's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, authorized staff-- with the approval of the Committee, the Authority's Executive Committee, or Board Chair -- may direct the sale of the investment at the then-prevailing market price and place the proceeds into the proper account at the Authority's custodian.

The following are the guidelines for authorized investments and the limits on security types, issuers, and maturities that will be established by the Committee. The Committee shall have the option to further restrict investment percentages from time to time based on market conditions. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

The Authority shall invest in the following authorized instruments at the prevailing market prices or rates, subject to the limitations of Section 218.415 (16), Florida Statutes:

A. The following intergovernmental investment pools authorized by Section 163.01 Florida Statutes:

1. Local Government Surplus Trust Fund (Florida Prime)
2. Treasury Special Purpose Investment Account (SPIA)
3. Florida Local Government Investment Trust (FLGIT)
4. Florida Municipal Investment Trust (FMIVT)

B. Savings accounts in state-certified qualified public depositories as defined by Section 280.02, Florida Statutes.

C. Certificates of deposit in state-certified qualified public depositories as defined by Section 280.02, Florida Statutes.

D. Constant Net Asset Value Money Market Mutual Funds, which include U.S Government securities, repurchase Agreements, Commercial Paper and Bankers' Acceptances.

Investments may be made in SEC qualified constant net asset value fixed income money market mutual funds rated AAAM or AAAg comprised of only those investment instruments as authorized in this section policy, provided that such funds do not allow derivatives.

E. Repurchase Agreements comprised of only those investments as authorized in this policy and based on the requirements set forth in the Master Repurchase Agreement.

1. All firms with whom the Authority enters into repurchase agreements will have in place and executed a Master Repurchase Agreement.
2. All repurchase agreements with a term longer than one business day will have the collateral held by a third party custodian. The collateral held pursuant to a repurchase

agreement shall have a maturity of less than five years and must have a mark-to-market value of 102 percent during the term of the repurchase agreement.

- F. Bankers' Acceptances which are inventory based and issued by a bank, which has at the time of purchase, an unsecured, uninsured and un-guaranteed obligation rating of at least "Prime-1" and "A" by Moody's and "A-1" and "A" by Standard & Poor's.
- G. Commercial Paper of any United States company, which is rated at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).
- H. United States Government Securities including, but not limited to: Treasury and Cash Management Bills, State and Local Government Series (SLGS), Notes, Bonds Treasury Strips, and Treasury Inflation Protected Securities (TIPS).
- I. United States Federal Agencies - Investments may be made in bonds, debentures or notes issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government.
- J. Federal Instrumentalities - Investments may be made in bonds, debentures or notes issued or guaranteed by the United States Government sponsored agencies (Federal Instrumentalities), which are non-full faith and credit agencies.
- K. Corporate Debt Securities - Investments may be made in notes, medium term notes, discount notes and variable-rate securities issued by any corporation, provided that such instrument is rated A or better by at least two Nationally Recognized Statistical Rating Organizations (NRSRO) at time of purchase. All corporate transactions must be payable in U.S. dollars.
- L. Municipal Bonds - Investments may be made in notes or bonds issued by governmental entities or territorial boundaries of the United States, provided that such instrument is rated A or better by at least one NRSRO.

## **IX. Maturity and Liquidity Requirements**

The investment portfolio is structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To that end, investments will be made to match investment maturities with known cash flow needs and anticipated cash-flow requirements. Investment of current operating funds shall have maturities of no longer than twenty-four (24) months.

Investments of non-operating funds (core funds) shall have a term appropriate to the need for the funds. The purchase of investments for core funds with maturities longer than three (3) years requires Committee approval before purchase.

**X. Risk and Diversification**

Assets shall be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the Committee. The structure of the portfolio is designed to minimize credit risk.

The majority of the securities held will be those of the highest available credit quality ratings. These would include government pools, U. S Government (AAA) securities, and commercial paper, of only the highest applicable rating. Should an investment rating be downgraded to below investment grade, the status of the funds in question will be reviewed by the Committee to determine the costs associated with risk and the benefits that may still be yielded.

For purposes of this Policy, the top nationally-recognized statistical rating organizations (NRSROs) for all credit-sensitive securities are Moody's Investor Services, Standard and Poor's, and Fitch Investor Services.

**XI. Authorized Investment Institutions and Dealers**

The investment manager(s) shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer of the State of Florida or from institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York.

**XII. Internal Controls**

Included in any periodic financial review by an independent auditor will be an examination of the written system of internal controls and operational procedures established by the Executive Director and

approved by the Board. The internal controls shall be designed to prevent losses of funds which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the Authority.

Such controls shall include, but not be limited to, the following:

- A. The function of authorizing or performing investment transactions will be separated from the function of recording the transaction.
- B. Confirmation. All telephone or other electronically initiated transactions will be supported by written communications and approved by a person other than the person initiating the transaction. Repetitive wires do not require a secondary approval; however, all non-repetitive wires shall have secondary approval.
- C. All securities purchased or sold will be transferred only under the "deliver versus payment" (DVP) method to insure that funds or securities are not released until all criteria relating to the specific transaction are met.
- D. The Executive Director will accept, on behalf of and in the name of the Authority, bank trust receipts or confirmations as evidence of actual delivery of the obligations or securities in return for investment of funds.
- E. Trust receipts or confirmations shall fully describe the various obligations or securities held. The receipt or confirmation shall state that the investment is held in the name of the Authority.
- F. The actual obligations or securities, whether in book-entry or physical form, on which trust receipts or confirmations are issued, may be held by a third-party custodial bank and/or institution or a designated correspondent bank which has a correspondent relationship to the Authority's third-party custodian.

### **XIII. Reporting**

The investment manager(s) and investment advisor(s) are responsible for preparing periodic reports for submission to the Committee and Board. These reports shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date as well as comparisons of their performance with agreed upon benchmarks. Such reports shall be available to the public.

**XIV. Sale of Securities**

When invested funds are needed in whole or in part for the purposes originally intended, the investment manager(s) may sell such investments at the then-prevailing market price and place the proceeds into the proper account or fund of the Authority.

**XV. Preemption**

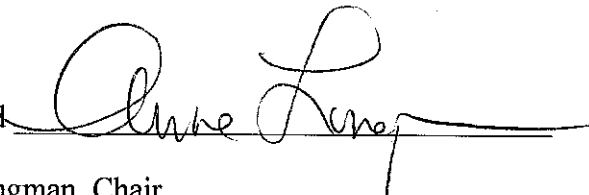
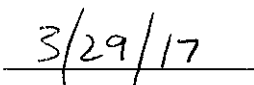
Any provision of any special act, municipal charter, or other law which prohibits or restricts the Authority from complying with Section 218.415, Florida Statutes, or any rules under Section 218.415, Florida Statutes, is void to the extent of the conflict.

**XVI. Audits**

Certified public accountants conducting audits of the Authority pursuant to Section 11.45, Florida Statutes, shall report as part of the audit, whether or not the Authority has complied with Section 218.415, Florida Statutes.

**XVII. Adoption of Investment Policy**

This Investment Policy was adopted by the Leon County Research and Development Authority's Board of Governors on October 4, 2011, and revised August 7, 2013, December 4, 2014, October 1, 2015, and February 2, 2017

Approved    
Anne Longman, Chair Date  
Board of Governors



### Investment Manager's Certification

I have read, understand and agree to abide by the requirements of this policy.

Accepted: \_\_\_\_\_

**Signature**

**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Name of Investment Firm**

**LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY**

**INVESTMENT PORTFOLIO**

**For period ending August 31, 2023**

*For the Month:*

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 679,504.90	\$ 3,219.57	\$ -	\$ -	\$ 682,724.47	5.579%
SPIA *	607,535.80	1,400.00	-	-	608,935.80	2.713%
	<u>\$ 1,287,040.70</u>	<u>\$ 4,619.57</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,291,660.27</u>	<u>4.226%</u>

*For the Fiscal Year Beginning October 1:*

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 653,818.65	\$ 29,005.82	\$ -	\$ 100.00	\$ 682,724.47	4.740%
SPIA	1,397,029.45	12,006.35	-	800,100.00	608,935.80	1.923%
	<u>\$ 2,050,848.10</u>	<u>\$ 41,012.17</u>	<u>\$ -</u>	<u>\$ 800,200.00</u>	<u>\$ 1,291,660.27</u>	<u>2.179%</u>

<b>Investments Designated for Capital Projects (North Florida Innovation Labs)</b>	\$ -
<b>Investments Held to Meet Contractual Requirements (OEV MOU)</b>	\$ 231,082.00
<b>Undesignated Investments</b>	\$ 1,060,578.27
<b>SPIA Available Balance (see security description for minimum balance requirements)</b>	\$ - *

\* SPIA reporting has been delayed--earnings for the month and available balance amounts estimated  
 SPIA has approved for 11/10/22 an \$800,000 "emergency withdrawal" (beyond available balance), to cover additional NFIL funding requirements, and to pay for costs of elevator refurbishment

**NOTABLE ADDITIONS OR DEDUCTIONS TO ACCOUNTS:**

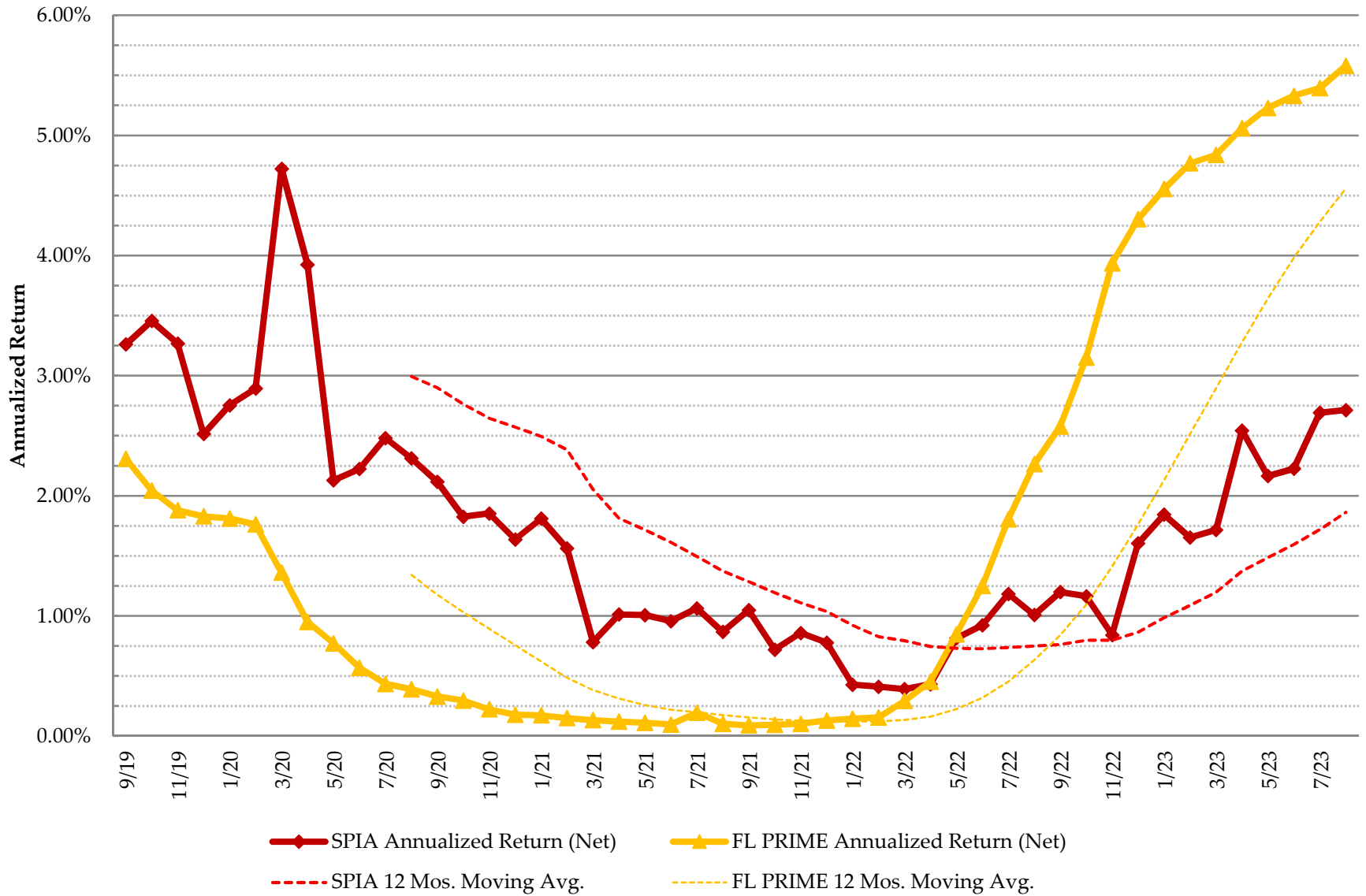
- 7/22 Withdraw \$175,000 of OEV MOU funds for Collins Renovation and marketing expenses
- 9/22 Withdraw \$1,300,000 total from both accounts to pay contribution to NFIL Project
- 11/22 Withdraw \$800,000 total from both accounts to pay contribution to NFIL Project

Note: Security descriptions shown on reverse

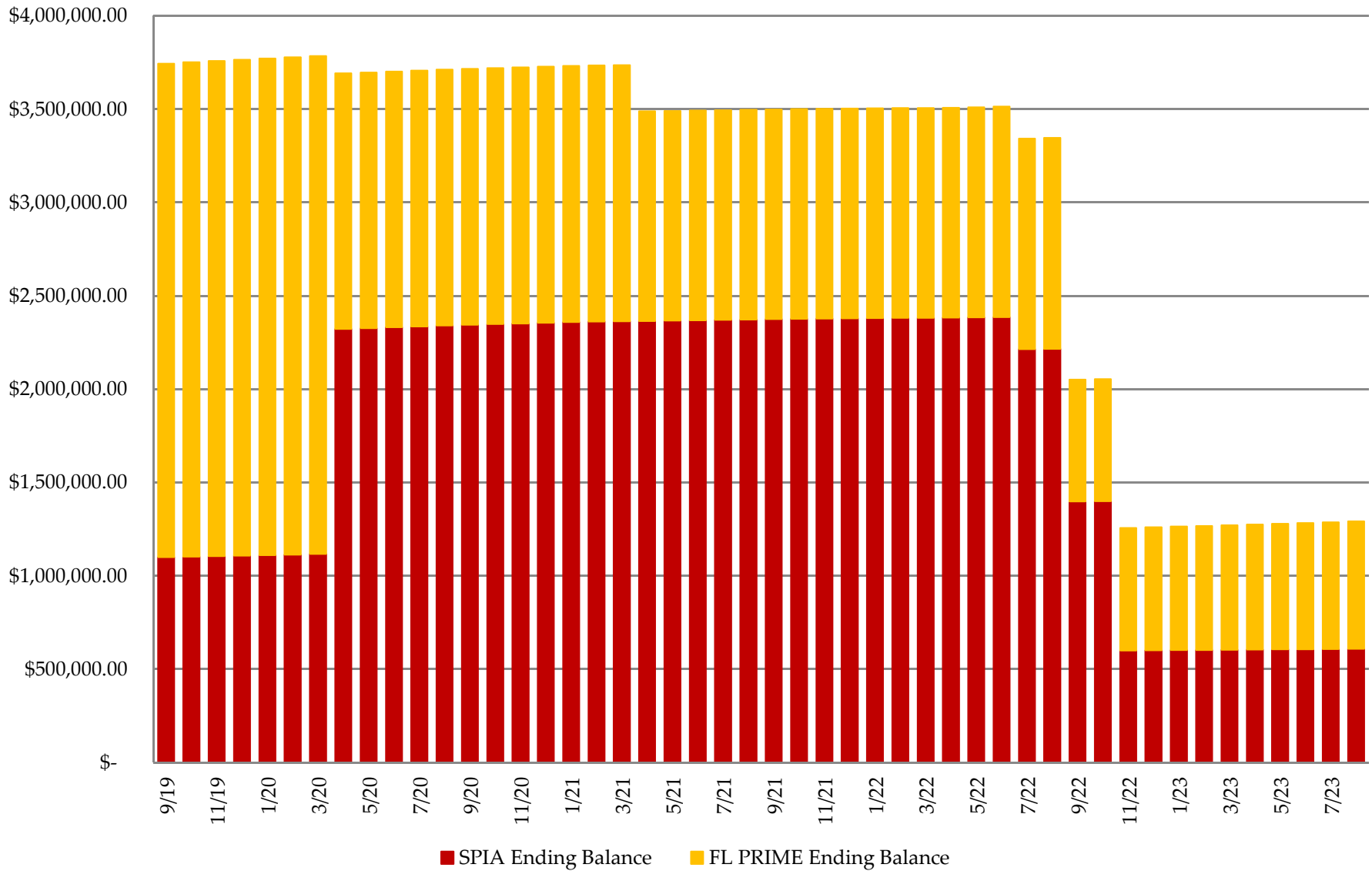
## **SECURITY DESCRIPTIONS:**

- FL PRIME - SBA Florida Prime - The Local Government Surplus Funds Trust Fund (Florida PRIME) was created by an Act of the Florida Legislature in 1977 and currently serves over 800 participants across the state. Invests exclusively in short-term, high-quality fixed-income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations, or securities of comparable quality. Seeks to maintain a \$1.00 value and maintain a weighted average maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. Rated AAAM by Standard & Poor's, the highest rating available for a local government investment pool. Complies with legislation that requires numerous operational and reporting enhancements, including restating investment objectives to emphasize safety, liquidity and competitive returns with minimization of risks; and providing for enhanced internal controls, transparency and communication. Federated Investors has managed the assets of Florida PRIME to the exact specifications of its investment policies since February 13, 2008.
- SPIA – Florida Treasury Special Purpose Investment Trust – The Florida State Treasury operates a special investment program for public entities other than the State. This program is authorized in Section 17.61(1), Florida Statutes and is called the Treasury Special Purpose Investment Account (SPIA). Component units of the State, Universities, or Colleges that are created by the Florida Constitution or Florida Statutes are eligible to invest in SPIA. Current non-component unit participants, like the Authority, are allowed to stay in the program with capped investment limits and a minimum balance equal to 60% of the previous 3 months average balance. Liquidations in excess of the minimum balance require 6 months' notice. SPIA funds are invested in the same portfolio as Treasury funds, so the pool of funds has a stable base of funds (over 85% of the funds are captive trust funds) not needed for immediate disbursement. These funds are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. This “barbell” investment strategy, along with incremental income produced by securities lending, has the ability to return higher yields than a typical money market fund. Participants have the ability to invest and obtain fund withdrawals same day with an 11:00 a.m. deadline for notifying the Treasury. The SPIA maintains a credit rating of A+f by Standard & Poor's.

## Leon County Research & Development Authority Investment Yield



## Leon County Research & Development Authority Investments Balances



**LCRDA- Annual Operating Budget (Cash Flow Based)  
Oct 2023-Sep 2024**

**Budget Assumptions & Changes:**

- The NFIL budget is separated from the LCRDA budget
- CAM billing is done quarterly and will be fully collected during the fiscal year.
- 10% inflation adjustment for most expense categories over FY 2023
- 30% inflation adjustment for insurance
- New tenants will generate incremental \$30k in FY 2024
- The Career Source lease agreement will not be renewed in FY2024 (loss of \$42k vs FY 2023)
- All other existing tenants will remain for FY 2024
- Anticipate award and receipt of new grants totaling \$50k in FY 2024
- Capital expenditures limited to \$200k in FY 2024
- No reserves used for NFIL building completion or FFE

	<u>Approved</u>		<u>Amended</u>
<b>Revenue Projections</b>			
Rent Revenue	659,538		659,538
Existing Grants (OEV- MOU Juggernaut, ARPA)	273,000		273,000
New grant	50,000		50,000
CAM	94,266		94,266
Other-income (interest, misc.)	43,900		43,900
<b>Total</b>	\$ 1,120,704		\$ 1,120,704
<b>Total Operating Expenses</b>	1,251,401		1,261,181
<b>Net Operating Loss</b>	(130,697)		(140,477)
Projected Capital expenditures	(200,000)		(350,000)
<b>LCRDA Cash flow (Deficit)</b>	\$ (330,697)		\$ (490,477)
NFIL operation support (from NFIL Budget detail)	(174,300)		(174,300)
**** Assumes \$484,000 Grants and Sponsorships received			
		<u>9/30/2024 Cash</u>	<u>9/30/2024 Cash</u>
<b>Consolidated net cash flow w/ grants and sponsorship</b>	\$ (504,997)	\$ 882,000	\$ (664,777)      \$ 722,000
<b>Without Grants and Sponsorships</b>	\$ (988,997)	\$ 398,000	\$ (1,148,777)      \$ 238,000

Leon County R&D Authority and North Florida Innovation Lab  
Approved Budget (Cash Flow Based): Fiscal Year 2023-24

	LCRDA Proposed Budget FY 2023-24								Budget Adjustments	Adjusted Budget	Notes	FY 2022-23		
	Tenants In Common	Knight/ Admin	Collins	Fuqua Shared	Morgan	Johnson	Phipps	LCRDA Total Budget				YTD Actual + 3 months Budget	Current Year Budget	Variance
<b>INCOME</b>														
<b>OPERATING INCOME</b>														
Income- Rent		\$ 11,784	88,200		\$ 147,718	\$ 306,972	\$ 104,864	\$ 659,538		\$ 659,538	a	651,806	\$ 643,408	8,398
Income-Common Area Maintenance	\$ 85,266			\$ 9,000				94,266		94,266	a	100,418	111,415	(10,997)
Income - Grant Revenue		323,000						323,000		323,000	b	326,180	150,298	175,882
Income- Interest	25,000							25,000		25,000	b	35,369	17,283	18,086
Income- Other Program		16,500						16,500		16,500	c	108,572	8,000	100,572
Income- Other Income			2,400					2,400		2,400		1,554		1,554
<b>TOTAL OPERATING INCOME</b>	<b>110,266</b>	<b>351,284</b>	<b>90,600</b>	<b>9,000</b>	<b>147,718</b>	<b>306,972</b>	<b>104,864</b>	<b>1,120,704</b>	<b>-</b>	<b>1,120,704</b>		<b>1,223,899</b>	<b>930,404</b>	<b>293,495</b>
<b>EXPENSES</b>														
<b>OPERATING EXPENSES</b>														
Total Authority Employee Expense		568,833						568,833		568,833	d	491,068	525,711	(34,642)
Total Utilities	1,320	4,600	48,160	6,560	30,270	28,210		119,120		119,120	e	108,198	123,214	(15,016)
Total Maintenance & Repairs	1,520	16,660	15,890		16,620	20,100	1,980	72,770		72,770	f	85,277	54,423	30,854
Total Cleaning & Improvements			5,000		5,000			10,000		10,000	g	66,721	104,000	(37,279)
Total Services	12,860	12,510	30,880	3,390	23,030	41,320	1,670	125,660		125,660	h	114,097	131,049	(16,952)
Property Administrative	-	187,010	-					187,010		187,010	i	162,980	244,858	(81,878)
Total Other Expenses (TALCOR)		11,424	19,920		26,016	22,704	11,724	91,788		91,788		91,788	91,788	-
Total Insurance & Taxes	7,910	2,470	18,850	4,700	7,350	23,840	11,100	76,220	9,780	86,000	j	66,121	66,120	1
<b>TOTAL OPERATING EXPENSES</b>	<b>23,610</b>	<b>803,507</b>	<b>138,700</b>	<b>14,650</b>	<b>108,286</b>	<b>136,174</b>	<b>26,474</b>	<b>1,251,401</b>	<b>9,780</b>	<b>1,261,181</b>		<b>1,186,251</b>	<b>1,341,163</b>	<b>(154,913)</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 86,656</b>	<b>\$ (452,223)</b>	<b>\$ (48,100)</b>	<b>\$ (5,650)</b>	<b>\$ 39,432</b>	<b>\$ 170,798</b>	<b>\$ 78,390</b>	<b>\$ (130,697)</b>	<b>\$ (9,780)</b>	<b>\$ (140,477)</b>		<b>37,648</b>	<b>(410,759)</b>	<b>448,408</b>

NFIL Proposed Budget FY 2023-24			
	NFIL Total Budget	Budget Adjustments	Adjusted Budget
<b>INCOME</b>			
<b>OPERATING INCOME</b>			
Membership Fees	88,100		88,100
Meeting space, events and seminars	26,400		26,400
Income - Grant Existing	180,000		180,000
Income - New grants	60,000		60,000
Sponsorships	424,000		424,000
<b>TOTAL OPERATING INCOME</b>	<b>778,500</b>		<b>778,500</b>
<b>EXPENSES</b>			
<b>OPERATING EXPENSES</b>			
Payroll	300,000		300,000
Utilities	280,700		280,700
Software Services	36,000		36,000
Programing Cost	60,100		60,100
Professional Dev	10,600		10,600
Lab Operating Expense	265,400		265,400
<b>TOTAL OPERATING EXPENSES</b>	<b>952,800</b>		<b>952,800</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (174,300)</b>		<b>\$ (174,300)</b>

Leon County R&D Authority and North Florida Innovation Lab  
 Approved Budget (Cash Flow Based): Fiscal Year 2023-24

LCRDA Proposed Budget FY 2023-24										FY 2022-23			
Tenants In Common	Knight/Admin	Collins	Fuqua Shared	Morgan	Johnson	Phipps	LCRDA Total Budget	Budget Adjustments	Adjusted Budget	Notes	YTD Actual + 3 months Budget	Current Year Budget	Variance
<b>COMBINED LCRDA+NFIL NET CASH FLOW BEFORE CAPEX</b>							(304,997)	(9,780)	(314,777)		n		
Less: Capital Expenditures							(200,000)	(150,000)	(350,000)				
<b>COMBINED LCRDA+NFIL NET CASH FLOW AFTER CAPEX</b>							\$ (504,997)	\$ (159,780)	\$ (664,777)				
<b>COMBINED LCRDA+NFIL NET CASH BALANCE FORECAST</b>													
Estimated Combined Cash Balance - (10/1/2023)							1,387,000		1,387,000				
Plus: Combined Net Cash Flow After Capex							(504,997)	(159,780)	(664,777)				
<b>EST. COMBINED CASH BALANCE - (9/30/2024)</b>							\$ 882,003	\$ (159,780)	\$ 722,223				
Without Grants and Sponsorships - NFIL							(484,000)		(484,000)	o			
<b>EST. COMBINED CASH BALANCE - W/O GRANTS AND SCHOLARSHIPS (9/30/2024)</b>							\$ 398,003		\$ 238,223				

**Notes:**

- a \$30K new lease revenue less departing tenants
- b Lower interest income
- c Settlement of Due from IPTLH is completed
- d 4% inflation adjustment from current levels
- e 10% inflation adjustment from current levels
- f Elevator Maintenance in Fuqua
- g Renovation in Collins and Morgan largely completed
- h 10% inflation adjustment from current levels plus allowance for single audit increase
- i 10% inflation adjustment from current levels
- j 30% inflation adjustment from current levels
- k Revenue is estimated on 17.5% occupancy rate
- l Majority of the revenue is derived from grants and sponsorships (\$484K)
- m Payroll is limited as facility is not functioning at full capacity,
- n Capital Expenditure (CAPEX) is budgeted to cover critical improvements only.
- o Impact of not securing grants and sponsorship (\$484K) on estimated ending cash balance