

Finance Committee

Investment Recommendation

August 7, 2025

AGENDA ITEM #11

In the spirit of good stewardship of Agency funds and in accordance with our investment policy the Staff have reviewed the current operating needs of the Agency to recommend a set aside for additional investments, add to the investment account to provide sustainability of services and continue a grant program for our Community Partners.

Establishment and Balance of Reserve Funds:

To ensure prudent oversight of Agency assets, two Reserve Funds were established in March 2023 to set aside and invest funds not needed to provide for operating expenses. Both Investment accounts can hold designated short term or long-term amounts.

Current Account Balances:

Current Investments:

A Money Market account is held at Seacoast Bank and two investment Reserve Funds have been established and hold balances as follows:

Investments July 31, 2025	Balance
Seacoast Money Market	\$ 2,179,542.20
UBS Certificate of Deposit	\$ 64,540.35
UBS	\$ 2,007,150.93
Pinellas Community Foundation	\$ 869,186.23
Total Investments	\$ 5,120,419.71

Current Cash:

Cash July 31, 2025	Balance
Operating Checking	\$ 642,321.90
Veteran Affairs Checking	\$ 405,378.48
Total Cash	\$ 1,047,700.38

Note all accounts except Veteran Affairs Checking are sweep accounts into Operating Checking.

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Staff Annual Review:

Set Aside:

As specified in the Agency's Investment Policy, the Staff have conducted an annual review to determine if available cash balances should be moved to reserve accounts. Currently, the cash is earning interest in the Seacoast Money Markert account. The review in accordance with the Agency Investment Policy Staff has calculated a **67%** set aside of net assets based on the 2024 audited financial statements in the amount of **\$200,000**. The amount excludes the pass-through dollars paid to Clients, Providers and Vendors.

<u>Set Aside and Spend Rate based on Audit</u>		Audited Financials 2024
Total Annual Revenue		\$ 36,967,515.00
Total Annual Expense		\$ 36,943,192.00
Surplus		\$ 300,717.00
Provider and Vendor Pass thru		\$ 24,905,805.00
Agency Operational Expenses		\$ 12,037,387.00
Spend Rate		99%
Set Aside Investment % from		
Surplus dollars	67%	\$ 200,000.00

Spend Rate:

Per the Long-Term Investment Policy Staff is to provide the spend rate determined for the previous audited year to the Board for information. Staff has calculated the 2024 annual spend rate of **98%**, a 1% change from previous year.

Spend Rate = the rate you spend your revenue =Expenses/Revenue

Board Designated Operating Funds

The set aside amount of 67% of 2024 audited financial statements net income is \$200,000. The original transfer of \$1,500,000 in March 2023 was made to establish the investment(reserve) funds. The initial transfer is more than the investment policy designated. A total of 67% set aside from net income for this fiscal year is directed by the investment policy.

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No additional reserve account is required. Fund balances have been established in the USB and Pinellas Community Foundation accounts. All funds are liquid, available to the Agency to access if need should arise. Seacoast Bank holds an interest-bearing account.

Board Designated Operating Funds Recommendation

Short Term - Operating Set Aside

Staff recommends transferring a total of \$200,000 from Seacoast Money Market to UBS.

1. Transfer a total of \$200,000 from Seacoast Money Market to add to the operating reserve held in the investment accounts to diversify the portfolio.

Long Term Investment Reserve

No recommendation is made by the Staff to establish a long-term reserve.

Proposed Investment Change

	Balance	Transfer	Balance
Seacoast Money Market	\$2,179,542.20	(\$200,000)	\$1,979,542.20
UBS	\$2,071,691.28	\$200,000	\$2,271,691.28
Pinellas Community Foundation	\$869,186.23	\$0	\$869,186.23
Total Investments	\$5,120,419.71	\$0	\$5,120,419.71