

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**AGENDA**  
**FINANCE COMMITTEE MEETING**  
**April 23, 2026**  
**2:00 p.m.**

**Meeting location: Central Florida Expressway Authority**  
**4974 ORL Tower Road**  
**Orlando, FL 32807**  
**Pelican Conference Room**

**A. CALL TO ORDER**

**B. PUBLIC COMMENT**

Pursuant to Section 286.0114, Florida Statutes and Section 2.14, CFX Code, the Finance Committee provides for an opportunity for public comment at the beginning of each regular meeting. The Public may address the Committee on any matter of public interest under the Committee's authority and jurisdiction, regardless of whether the matter is on the Committee's agenda but excluding pending procurement issues. Public Comment speakers that are present and have submitted their completed Public Comment form to the Recording Secretary at least 5 minutes prior to the scheduled start of the meeting will be called to speak. Each speaker shall be limited to 3 minutes. Any member of the public may also submit written comments which, if received during regular business hours at least 48 hours in advance of the meeting, will be included as part of the record and distributed to the Committee members in advance of the meeting.

**C. APPROVAL OF SEPTEMBER 23, 2025 FINANCE COMMITTEE MEETING MINUTES (action item)**

**D. AGENDA ITEMS**

1. **ANNUAL INVESTMENT REPORT** – *Leslie Weaber, Institutional Sales & Relationship Manager, PFM Asset Management (info item)*
2. **RECOMMENDATION OF INVESTMENT POLICY UPDATE** – *Leslie Weaber, Institutional Sales & Relationship Manager, PFM Asset Management (action item)*
3. **RECOMMENDATION OF BOND REFUNDING** – *Brent Wilder, Managing Director, PFM Financial Advisors, LLC (action item)*
4. **RECOMMENDATION OF DEBT POLICY UPDATE** – *Brent Wilder, Managing Director, PFM Financial Advisors, LLC (action item)*
5. **BUDGET – DRAFT FY 2027 THROUGH FY 2031 FIVE-YEAR WORK PLAN / FY 2027 OPERATIONS, MAINTENANCE & ADMINISTRATIVE** – *Lisa Lumbard, Chief Financial Officer and Glenn Pressimone, Chief of Infrastructure (action item)*

**E. OTHER BUSINESS**

**(CONTINUED ON NEXT PAGE)**

**F. ADJOURNMENT**

This meeting is open to the public.

*Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, they will need a record of the proceedings, and that, for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5316 or by email at [Malaya.Bryan@CFXWay.com](mailto:Malaya.Bryan@CFXWay.com) at least three (3) business days prior to the event.*

*In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodations to participate in this proceeding, then they should contact the Central Florida Expressway Authority at (407) 690-5000 no later than two (2) business days prior to the proceeding.*

**C.**

**APPROVAL OF  
COMMITTEE  
MEETING MINUTES**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**DRAFT MINUTES**  
**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**  
**FINANCE COMMITTEE MEETING**  
**September 23, 2025**

**Location: Central Florida Expressway Authority**  
**4974 ORL Tower Road**  
**Orlando, FL 32807**  
**Pelican Conference Room**

**Committee Members Present:**

Kurt Petersen, Orange County Representative, Chairman  
Brian Battles, Citizen Representative  
Lorie Bailey Brown, Seminole County Representative  
Matthew Fuhrer, Osceola County Representative  
Jose Fernandez, City of Orlando Representative

**Committee Member Not Present:**

Allison Teslia, Lake County Representative

**Staff Present:**

Michelle Maikisch, Executive Director  
Mimi Lamaute, Recording Secretary/Manager of Executive and Board Services  
Cristina T. Berrios, Deputy General Counsel

**Staff Appearing Virtually:**

Lisa Lombard, Chief Financial Officer

**A. CALL TO ORDER**

The meeting was called to order at approximately 10:00 a.m. by Chairman Petersen.

Chairman Petersen introduced the newly appointed City of Orlando Representative, Mr. Jose Fernandez.

**B. PUBLIC COMMENT**

There was no public comment.

## **C. APPROVAL OF THE APRIL 1, 2025 FINANCE COMMITTEE MEETING MINUTES**

**A motion was made by Ms. Bailey Brown and seconded by Mr. Fuhrer to approve the April 1, 2025 meeting minutes. The motion carried unanimously with all five (5) members present voting AYE by voice vote. One (1) Committee member, Ms. Teslia was not present.**

### **AGENDA ITEMS**

#### **1. RECOMMENDATION OF BOND ISSUANCE**

Mr. Brent Wilder with PFM Financial Advisors, LLC presented on market conditions, noting a steepened yield curve with short-term rates down and long-term rates up, as well as declining municipal yields that created favorable conditions for refinancing.

Ms. Hope Scarpinato with PFM Financial Advisors, LLC reviewed CFX's \$2.8 billion debt portfolio. She identified the 2016A–2018 bond series as strong refunding candidates and outlined a proposed cash optimization strategy. Under this plan, \$300 million of available cash would be used to defease callable bonds, with an equal amount of new money bonds issued to maintain liquidity for capital projects. She reported that projected net savings exceeded five percent across multiple series.

Mr. Wilder addressed the method of sale, recommending a negotiated sale due to the transaction's complexity. He proposed BofA Securities as senior underwriter, with J.P. Morgan, RBC Capital Markets, Jeffries LLC, Wells Fargo Securities, Ramirez & Co., Siebert Williams Shank & Co., and Raymond James serving as co-managers.

Ms. Scarpinato presented the proposed schedule, noting that following Finance Committee and Board approvals, defeasance would be executed, bond pricing would take place in early November, and closing was anticipated by late November.

The Committee members asked questions which were answered by Ms. Lumbard, Ms. Scarpinato and Mr. Wilder.

**A motion was made by Mr. Fernandez and seconded by Mr. Fuhrer to recommend to the CFX Board (i) the cash defeasance of certain CFX outstanding bonds and (ii) the issuance of new money bonds not-to-exceed the amount of \$350,000,000 via negotiated sale with BofA Securities, Inc. serving as senior underwriter with the following members of CFX's underwriting team serving as co-managers: J.P. Morgan, RBC Capital Markets, Jeffries LLC, Wells Fargo Securities, Ramirez & Co., Inc., Siebert Williams Shank & Co., and Raymond James. The motion carried unanimously with all five (5) members present voting AYE by voice vote. One (1) Committee member, Ms. Teslia was not present.**

**D. OTHER BUSINESS**

There was no other business discussed.

**E. ADJOURNMENT**

Chairman Petersen adjourned the meeting at approximately 10:27 a.m.

Minutes approved on \_\_\_\_\_, 2026.

*Pursuant to the Florida Public Records Law and CFX Records Management Policy, audio tapes of all Board and applicable Committee meetings are maintained and available upon request to the Records Management Liaison Officer at [publicrecords@CFXway.com](mailto:publicrecords@CFXway.com) or 4974 ORL Tower Road, Orlando, FL 32807.*

DRAFT

# D.1

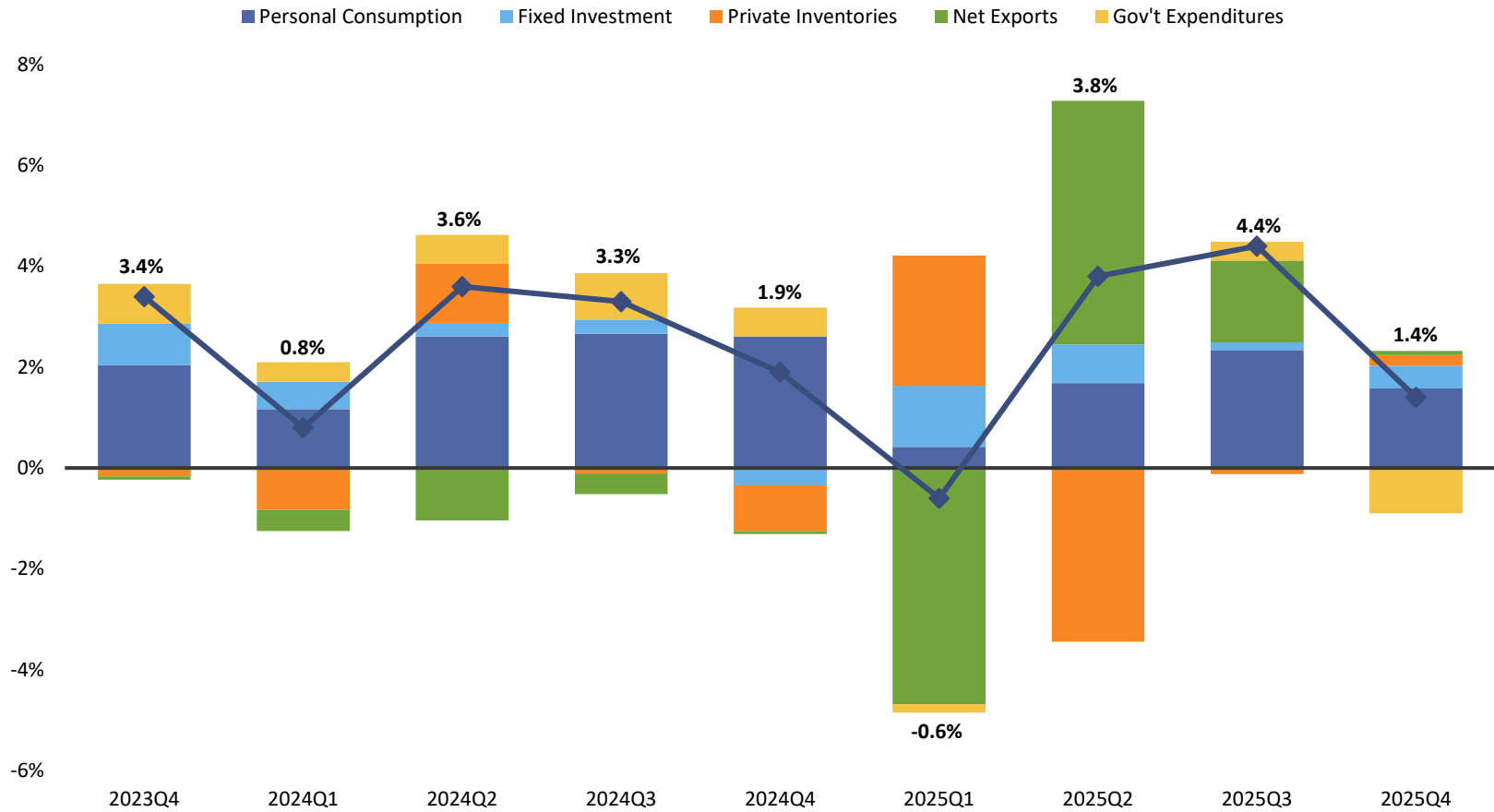
# Central Florida Expressway Authority

## Annual Investment Report

April 23, 2026

# U.S. Real GDP Contributors and Detractors

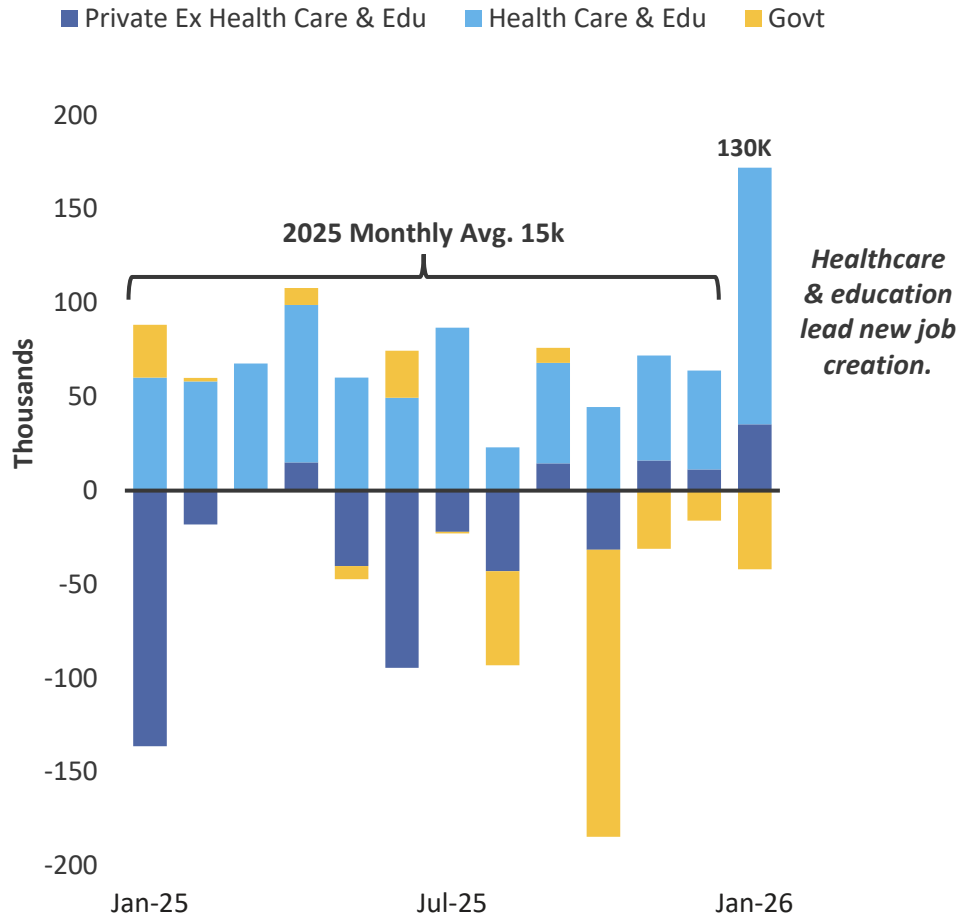
## U.S. Real GDP Contributors and Detractors



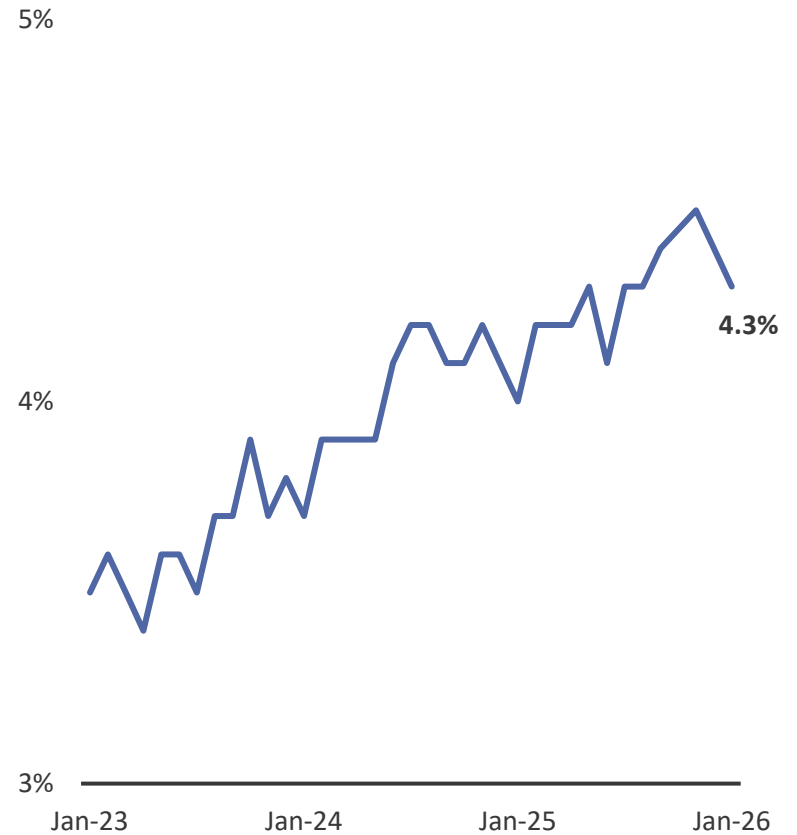
Source: Bloomberg Finance L.P., Bureau of Economic Analysis, as of February 2026.

# Headline January Labor Market Data Better Than Expectations

## Monthly Change In Nonfarm Payrolls



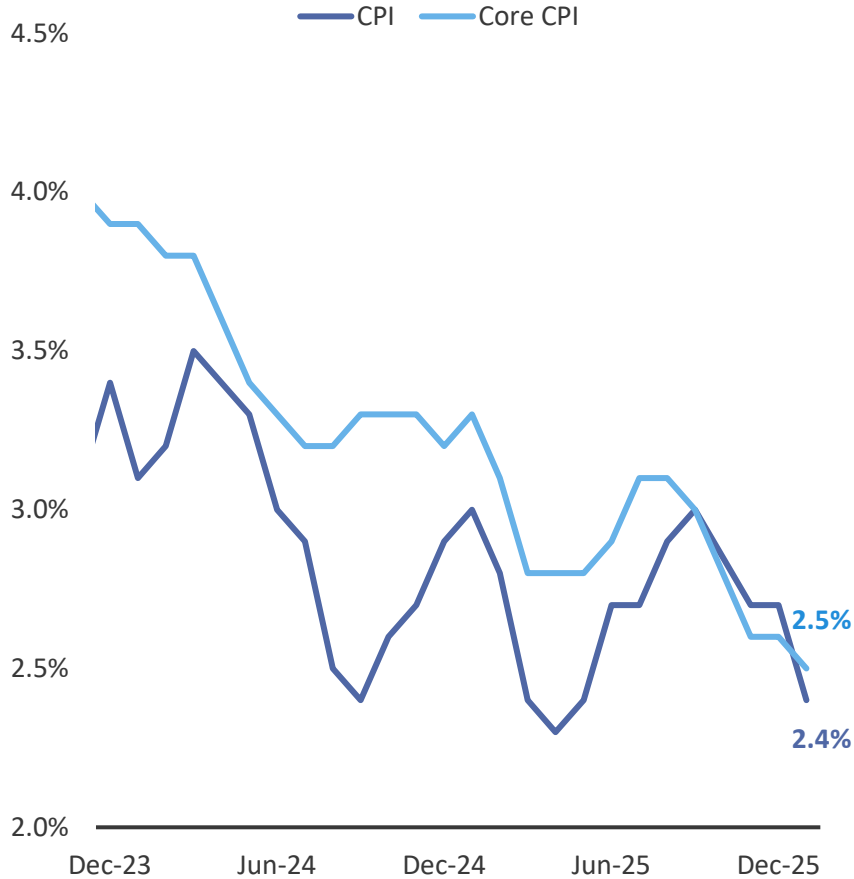
## Unemployment Rate



Source: Bureau of Labor Statistics and Bloomberg Finance L.P. as of January 2026.

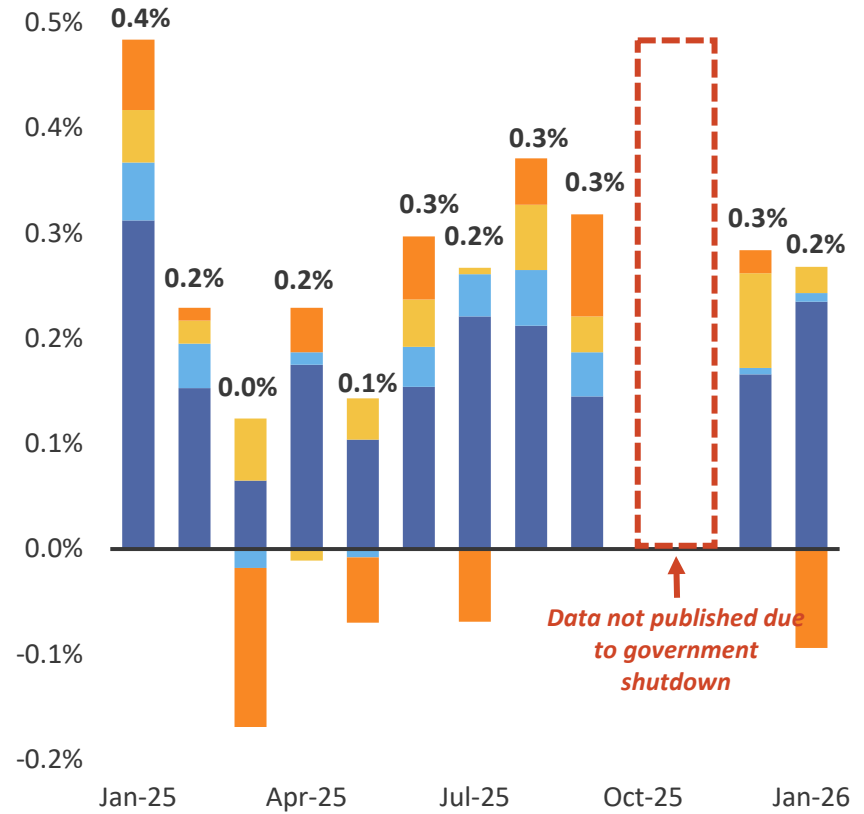
# January Headline CPI Cooler Than Expectations

**Consumer Price Index**  
Year-over-year Change



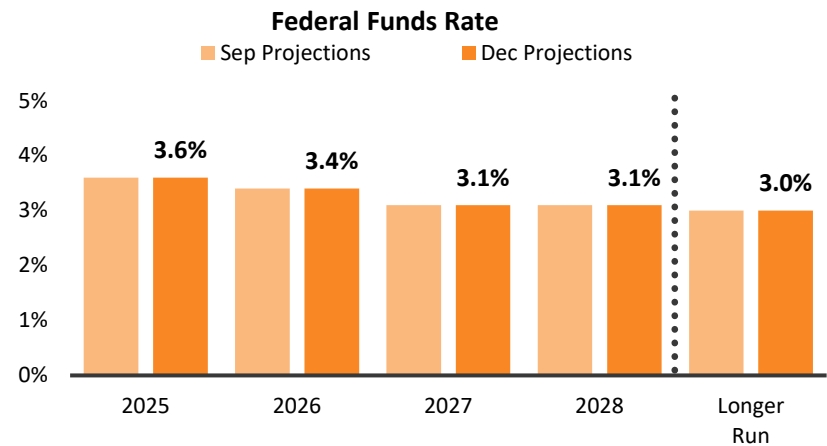
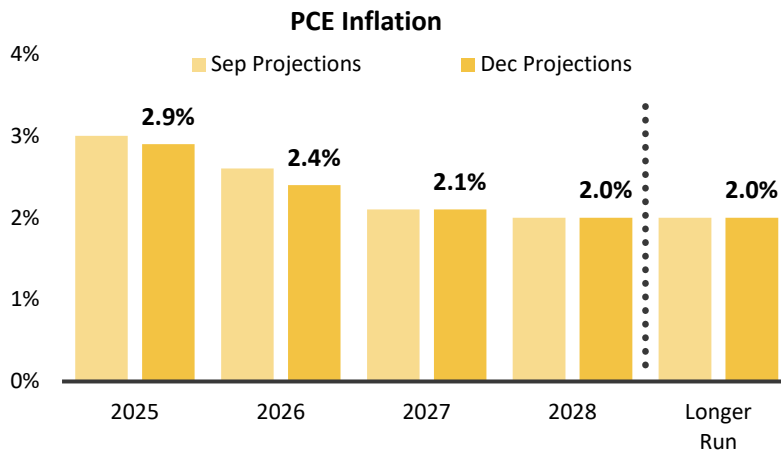
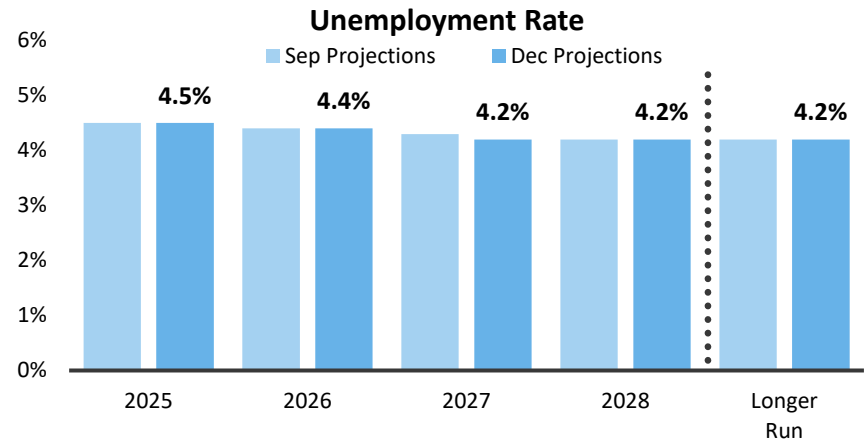
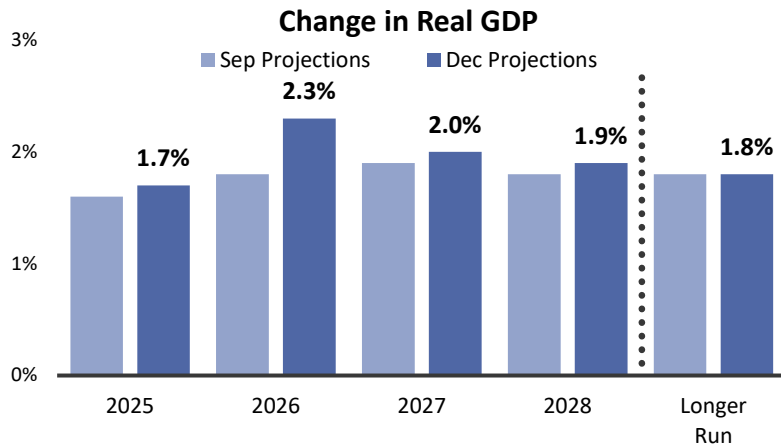
**CPI Inflation**

Contributions to Month-Over-Month Change  
 ■ Services ■ Goods ■ Food ■ Energy



Source: Bureau of Labor Statistics and Bloomberg Finance L.P. as of January 2026.

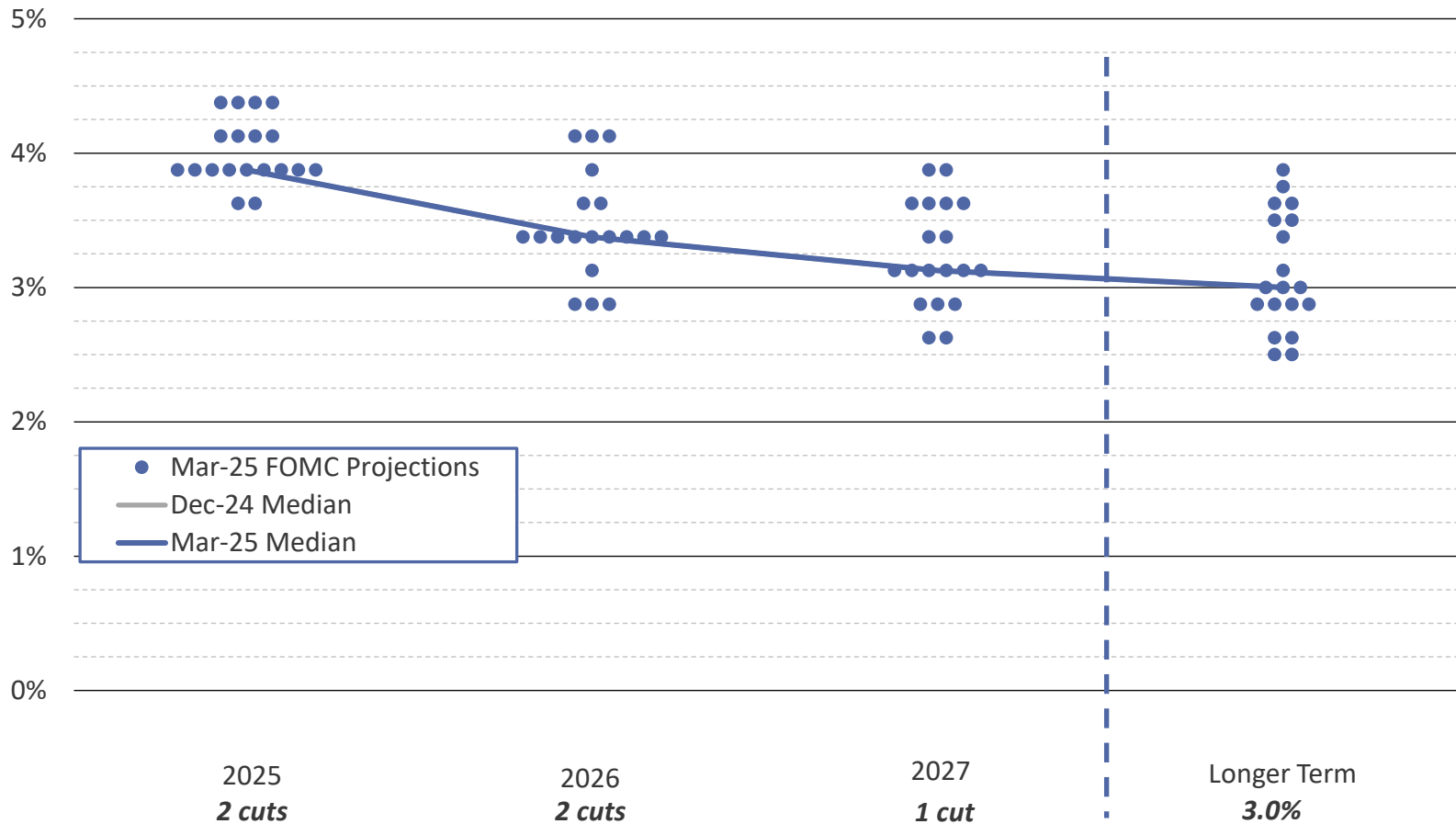
# Fed's Updated Summary of Economic Projections



Source: Federal Reserve, latest median economic projections, as of December 2025.

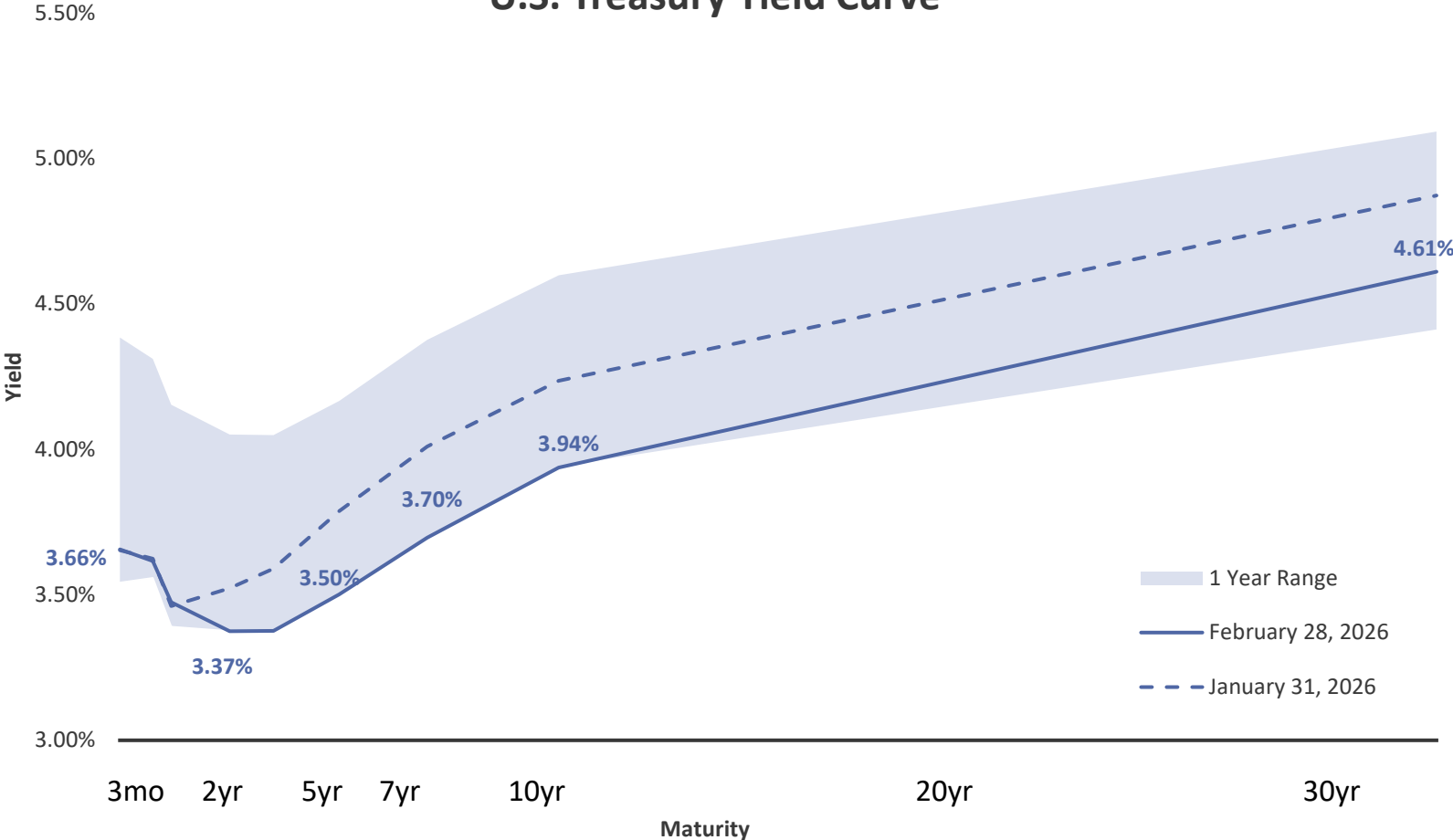
# The Latest Fed “Dot Plot”

## Fed Participants’ Assessments of ‘Appropriate’ Monetary Policy



Source: Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of March 2025.

## U.S. Treasury Yield Curve



Source: Bloomberg Finance L.P., as of 2/28/2026.

# Treasury Yields Remain Above Historical Averages



Source: Bloomberg Finance L.P., as of February 20, 2026.

# Account Summary

## Account Summary

### CFX- POOLED INVESTMENTS

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$7,576,021	Yield at Market		2.79%
Amortized Cost		\$7,583,690	Yield on Cost		3.85%
Market Value		\$7,580,424	Portfolio Duration		0.23
Accrued Interest		\$18,892			
Cash		\$106,826			

### CFX- GENERAL RESERVE

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$81,578,397	Yield at Market		4.03%
Amortized Cost		\$81,015,285	Yield on Cost		4.18%
Market Value		\$81,124,912	Portfolio Duration		1.80
Accrued Interest		\$621,325			
Cash		\$435,581			

### CFX- 2016 A SINKING FUNDS- INTEREST

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$1,660,254	Yield at Market		3.67%
Amortized Cost		\$1,662,283	Yield on Cost		3.52%
Market Value		\$1,661,973	Portfolio Duration		0.28
Accrued Interest		\$0			
Cash		\$673			

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

# Account Summary

## Account Summary

### CFX- 2016 B SINKING FUNDS- INTEREST

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$22,370,918	Yield at Market		3.67%
Amortized Cost		\$22,398,580	Yield on Cost		3.52%
Market Value		\$22,394,083	Portfolio Duration		0.28
Accrued Interest		\$0			
Cash		\$354			

### CFX- 2017A DEBT SERVICE RESERVE FUND

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$2,434,689	Yield at Market		3.78%
Amortized Cost		\$2,441,864	Yield on Cost		3.71%
Market Value		\$2,432,686	Portfolio Duration		1.91
Accrued Interest		\$9,470			
Cash		\$14,834			

### CFX- 2016 B DEBT SERVICE RESERVE FUNDS

Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$34,846,247	Yield at Market		3.77%
Amortized Cost		\$34,616,709	Yield on Cost		3.77%
Market Value		\$34,568,606	Portfolio Duration		2.32
Accrued Interest		\$140,323			
Cash		\$9,565			

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

# Account Summary

## Account Summary

CFX- JR LIEN SERIES 2015 TIFIA DSR					
Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$12,345,049	Yield at Market		3.67%
Amortized Cost		\$12,360,695	Yield on Cost		3.50%
Market Value		\$12,357,836	Portfolio Duration		0.28
Accrued Interest		\$0			
Cash		\$698			

CFX- SF-DSRA					
Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$40,783,028	Yield at Market		3.76%
Amortized Cost		\$40,521,917	Yield on Cost		3.75%
Market Value		\$40,489,623	Portfolio Duration		2.13
Accrued Interest		\$132,392			
Cash		\$31,042			

CFX- 2019-SF-DSRA COMMON RES					
Portfolio Values		February 28, 2026	Analytics <sup>1</sup>		February 28, 2026
PFMAM Managed Account		\$42,824,831	Yield at Market		3.76%
Amortized Cost		\$42,278,160	Yield on Cost		4.17%
Market Value		\$42,584,655	Portfolio Duration		1.68
Accrued Interest		\$189,261			
Cash		\$33,788			

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

# Account Summary

## Account Summary

CFX - 2021D SF INTEREST ACCT			
Portfolio Values	February 28, 2026	Analytics <sup>1</sup>	February 28, 2026
PFMAM Managed Account	\$4,791,900	Yield at Market	3.67%
Amortized Cost	\$4,797,755	Yield on Cost	3.52%
Market Value	\$4,796,861	Portfolio Duration	0.28
Accrued Interest	\$0		
Cash	\$666		

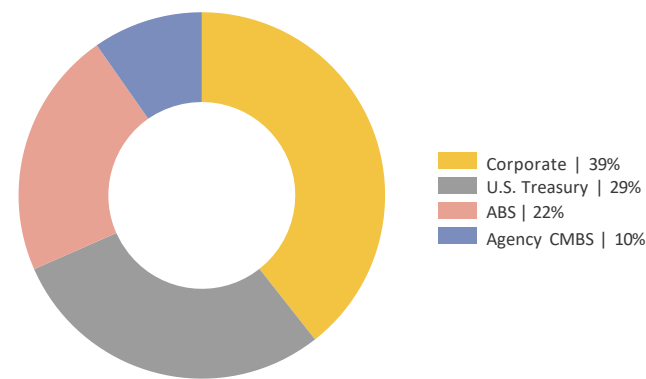
CFX - 2018 SF INTEREST ACCT			
Portfolio Values	February 28, 2026	Analytics <sup>1</sup>	February 28, 2026
PFMAM Managed Account	\$4,759,792	Yield at Market	3.67%
Amortized Cost	\$4,765,710	Yield on Cost	3.51%
Market Value	\$4,764,721	Portfolio Duration	0.28
Accrued Interest	\$0		
Cash	\$453		

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

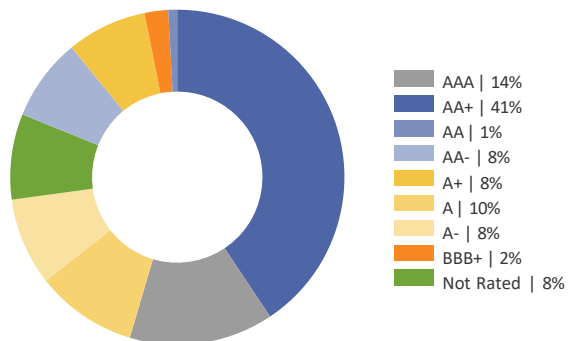
## Portfolio Statistics

<b>Total Market Value</b>	\$81,667,500.66
Securities Sub-Total	\$80,649,144.09
Accrued Interest	\$647,816.20
Cash	\$370,540.37
<b>Portfolio Effective Duration</b>	1.76 years
<b>Benchmark Effective Duration</b>	1.76 years
<b>Yield At Cost</b>	4.26%
<b>Yield At Market Portfolio</b>	3.77%
<b>Credit Quality</b>	AA

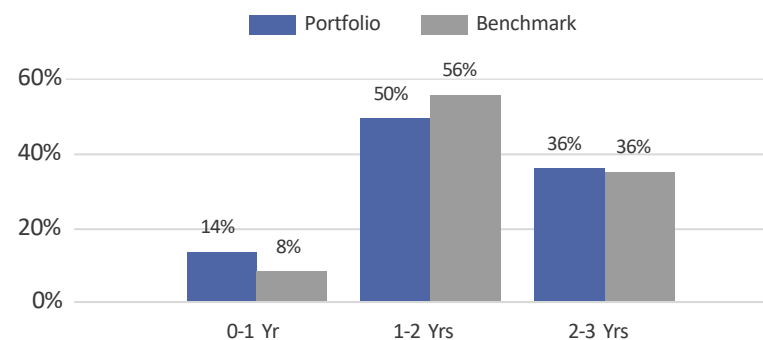
## Sector Allocation



## Credit Quality - S&P

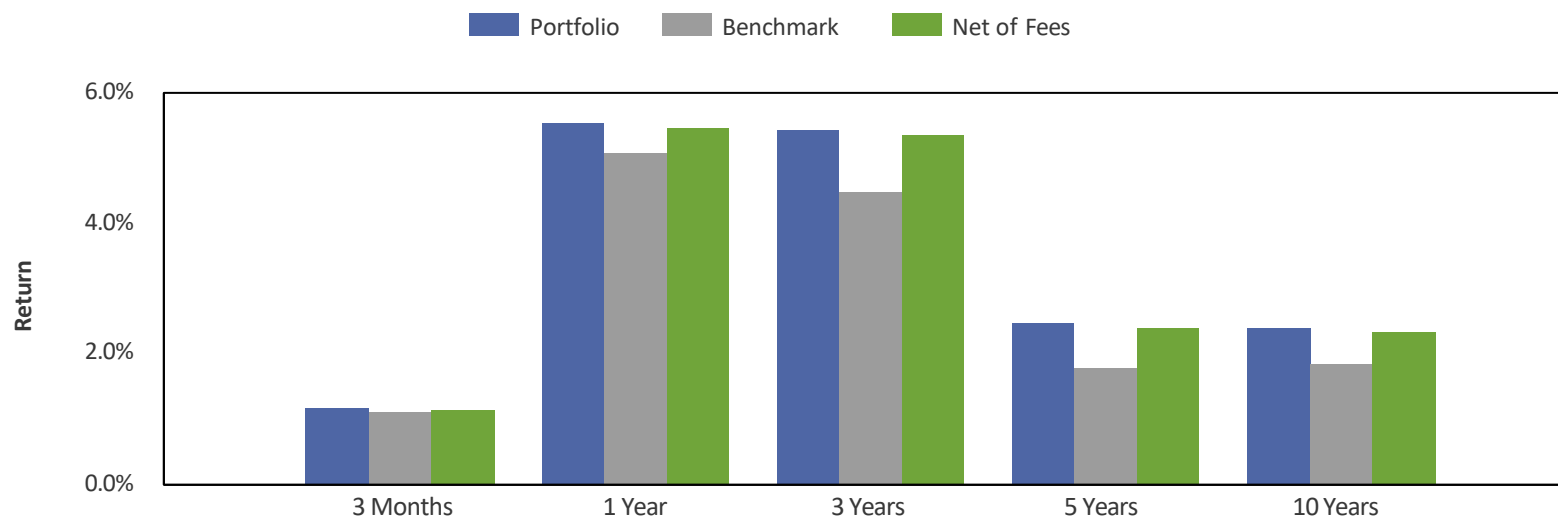


## Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury/Agency Index. Source: Bloomberg Financial LP. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

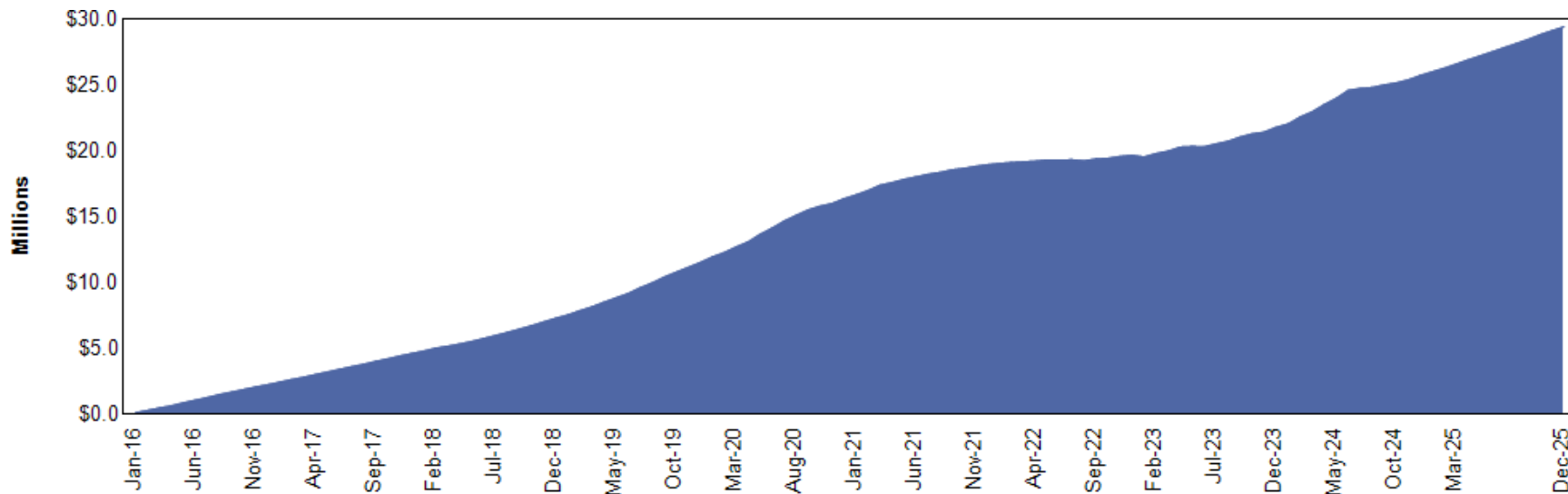
## Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned <sup>2</sup>	\$864,234	\$3,543,388	\$12,872,943	\$16,718,785	\$31,936,013
Change in Market Value	\$92,980	\$1,004,465	\$4,265,581	(\$5,497,273)	(\$1,453,868)
<b>Total Dollar Return</b>	<b>\$957,214</b>	<b>\$4,547,853</b>	<b>\$17,138,524</b>	<b>\$11,221,512</b>	<b>\$30,482,145</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	1.15%	5.55%	5.43%	2.47%	2.40%
Benchmark <sup>4</sup>	1.12%	5.09%	4.48%	1.79%	1.85%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.08%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>0.07%</b>
<b>Net of Fee Return</b>	<b>1.13%</b>	<b>5.47%</b>	<b>5.36%</b>	<b>2.40%</b>	<b>2.33%</b>

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2006.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
4. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury/Agency Index. Source: Bloomberg Financial LP.

## Accrual Basis Earnings - CFX- GENERAL RESERVE



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year <sup>1</sup>
Interest Earned <sup>2</sup>	\$864,234	\$3,543,388	\$12,872,943	\$16,718,785	\$31,936,013
Realized Gains / (Losses) <sup>3</sup>	\$85,531	\$112,007	(\$4,060,712)	(\$4,125,912)	(\$2,730,878)
Change in Amortized Cost	\$10,356	\$47,429	\$942,831	\$450,826	\$214,960
<b>Total Earnings</b>	<b>\$960,122</b>	<b>\$3,702,824</b>	<b>\$9,755,061</b>	<b>\$13,043,699</b>	<b>\$29,420,094</b>

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2006.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

# Disclaimer

*The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.*

*PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.*

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**



# D.2

# Central Florida Expressway Authority

## Investment Policy Review

March 25, 2026

# Investment Policy Review Framework

**PFMAM's Investment Policy Review Framework  
consists of three components:**



*For illustrative purposes only.*

1. <https://aptusc.memberclicks.net/investment-policy-certification>
2. <https://www.gfoa.org/materials/investment-policy>

## Existing Investment Policy includes Section 218.415 Florida Statutes Requirements

- ▶ Scope
- ▶ Investment Objectives
- ▶ **Performance Measurement**
- ▶ Prudence and Ethical Standards
- ▶ **Listing of Authorized Investments**
- ▶ Maturity and Liquidity Requirements
- ▶ Portfolio Composition
- ▶ Risk and Diversification
- ▶ Authorized Investment Institutions and Dealers
- ▶ Third-Party Custodial Agreements
- ▶ Master Repurchase Agreement
- ▶ Bid Requirement
- ▶ Internal Controls
- ▶ Continuing Education
- ▶ Reporting

# APT US & C\*

## Investment Policy Requirements

**Based on PFMAM's review, the existing Investment Policy includes the sections to meet APT US & C\* Investment Policy Requirements**

- ▶ Policy/Purpose
- ▶ Scope
- ▶ Prudence
- ▶ Objective (Safety, Liquidity, Yield)
- ▶ Delegation of Authority
- ▶ Ethics and Conflict of Interest
- ▶ Authorized Financial Dealers and Institutions
- ▶ **Authorized & Suitable Investments**
- ▶ **Investment Pools/Mutual Fund Questionnaire**
- ▶ Collateralization
- ▶ Safekeeping and Custody
- ▶ Diversification
- ▶ Maximum Maturities
- ▶ Internal Control
- ▶ **Performance Standards**
- ▶ Reporting
- ▶ Investment Policy Adoption
- ▶ Glossary

## Existing Investment Policy contains the GFOA Investment Best Practices recommendations

- ▶ Scope and investment objectives
- ▶ Roles, responsibilities, and standards of care
- ▶ **Suitable and authorized investments**
- ▶ Investment diversification
- ▶ Safekeeping, custody, and internal controls
- ▶ Authorized financial institutions, depositories, and broker/dealers
- ▶ **Risk and performance standards**
- ▶ Reporting and disclosure standards

# Sector Allocation Comparison Sample

Sector	CFX Current (2021)	CFX Draft (2026)	JTA Current (2018)	Jacksonville Aviation Authority (2021)	Tampa Port Authority (2017)	Canaveral Port Authority (2018)
U.S. Treasuries	100%	100%	100%	100%	100%	100%
Federal Agencies	75%	75%	80%	75%	75%	75%
Supranationals	0%	0%	25%	25%	25%	25%
Corporates	50%	50%	50%	35%	25%	50%
Agency Mortgage-Backed Securities	25%	25%	20%	25%	25%	25%
Asset-Backed Securities	25%	25%	25%	25%	25%	25%
Commercial Paper	50%	50%	35%	35%	25%	35%
Money Market Funds	<b>50%</b>	<b>75%</b>	75%	50%	75%	75%
Local Government Investment Pools	<b>50%</b>	<b>75%</b>	50%	50%	75%	75%

*Representative peer sample of investment policy permitted investments and sector maximums. Each investment policy contains detailed requirements including, but not limited to, additional permitted investments, issuer maximums, maturity specifications and minimum ratings levels.*

# Summary of Key Observations

- ▶ Include language under Section 218.415, Florida Statutes for further transparency memorialized within the investment policy:
  - ▶ The 2023 Florida Legislature made changes to the investment statutes for local governments. The changes became effective July 1, 2023 under 218.415(24). The changes require that investment decisions be based solely on “pecuniary factors.” The term does not include consideration of the furtherance of any social, political, or ideological interests.
- ▶ Include language “these investment guidelines apply to all funds governed by this Policy. Note however that the percentage allocation requirements do not apply to funds related to the issuance of debt.”
- ▶ Increase sector maximum limit from 50% to 75% and increase per issuer maximum limit from 25% to 50% for Money Market Funds and Local Government Investment Pools (LGIP) to provide flexibility for potential liquidity needs.
- ▶ Include language in Performance Measurements section to utilize other indices from time to time to measure portfolio performance with approval by the Chief Financial Officer.
- ▶ Update Investment Pool/Fund Questionnaire to better align with APT US & C Investment Policy Requirements.
- ▶ Miscellaneous minor updates for formatting.



# Disclaimer

*The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.*

*PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.*

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**



**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**

**CENTRAL FLORIDA EXPRESSWAY AUTHORITY  
INVESTMENT POLICY**

**Table of Contents**

Contents

<b>I. PURPOSE</b>	<b>2</b>
<b>II. SCOPE</b>	<b>2</b>
<b>III. INVESTMENT OBJECTIVES</b>	<b>2</b>
<b>IV. INVESTMENT DECISIONS</b>	<b>3</b>
<b>V. DELEGATION OF AUTHORITY</b>	<b>4</b>
<b>VI. STANDARDS OF PRUDENCE</b>	<b>4</b>
<b>VII. ETHICS AND CONFLICTS OF INTEREST</b>	<b>5</b>
<b>VIII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES</b>	<b>5</b>
<b>IX. CONTINUING EDUCATION</b>	<b>6</b>
<b>X. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS</b>	<b>6</b>
<b>XI. MATURITY AND LIQUIDITY REQUIREMENTS</b>	<b>6</b>
<b>XII. RISK AND DIVERSIFICATION</b>	<b>7</b>
<b>XIII. MASTER REPURCHASE AGREEMENT</b>	<b>7</b>
<b>XIV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS</b>	<b>7</b>
<b>XV. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS</b>	<b>7</b>
<b>XVI. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION</b>	<b>8</b>
<b>XVII. PERFORMANCE MEASUREMENTS</b>	<b>18</b>
<b>XVIII. REPORTING</b>	<b>18</b>
<b>XIX. THIRD-PARTY CUSTODIAL AGREEMENTS</b>	<b>20</b>
<b>XX. POLICY REVIEW</b>	<b>20</b>
<b>ATTACHMENT A - Glossary of Cash and Investment Management Terms</b>	<b>23</b>
<b>ATTACHMENT B - Investment Pool/Fund Questionnaire</b>	<b>38</b>

Formatted: Right: 0.75"

Formatted: Right: 0.75"

**I. PURPOSE**

The purpose of this Investment Policy (hereinafter "Policy") is to set forth the investment objectives and parameters for the management of public funds of the Central Florida Expressway Authority (hereinafter "CFX"). These policies are designed to ensure the prudent management of public funds by CFX, the availability of operating and capital funds when needed by CFX and an investment return for CFX competitive with comparable funds and financial market indices.

Formatted: Left, Indent: Left: 0.89", Right: 0.63"

Formatted: Right: 0.63"

**II. SCOPE**

In accordance with Section 218.415, Florida Statutes (F.S.), this Policy applies to all cash and investments held or controlled by CFX and shall be identified as operating funds, reserve funds or bond funds of CFX (the "Portfolio"). In connection with the investment of proceeds of bonds issued by CFX, CFX's master bond resolution permitted investments are included in the authorized investments in Section XV of this Policy.

Formatted: Left, Indent: Left: 0.83", Right: 0.63"

Formatted: Right: 0.63"

**III. INVESTMENT OBJECTIVES**

**A. Safety of Principal**

The foremost objective of CFX's investment program is the safety of the principal of those funds within the Portfolio. Investment transactions shall seek to be consistent with the other investment objectives, which are to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, CFX will maintain a diversified portfolio so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Formatted: Left, Indent: Left: 0.76", Right: 0.63"

Formatted: Right: 0.63"

**B. Maintenance of Liquidity**

The Portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements of CFX in an orderly manner. Periodic cash flow analyses will be completed in order to ensure that the Portfolio is positioned to provide sufficient liquidity.

Formatted: Right: 0.63"

**C. Return on Investment**

The Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. However, return is attempted through active management where the Investment Manager utilizes a total return strategy (which includes both realized and unrealized gains and losses in the Portfolio). This total return strategy seeks to increase the value of the Portfolio through reinvestment of income and capital gains. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Despite this, an Investment Manager may trade to recognize a loss from time to time to achieve a perceived relative value based on its potential

Formatted: Right: 0.63"

to enhance the total return of the Portfolio.

#### IV. INVESTMENT DECISIONS

CFX and Investment Manager shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 218.415(24). The term "pecuniary factor" as used in this subsection means a factor that CFX and Investment Manager prudently determines is expected to have a material effect on the risk or returns of investment based on appropriate investment horizons consistent with applicable investment objections and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

**Formatted:** Heading 1, Right, Right: 0.63", Line spacing: single, No bullets or numbering, Tab stops: 1.25", Left

**Formatted:** Indent: Left: 1.25", First line: 0"

#### **IV.V. DELEGATION OF AUTHORITY**

In accordance with CFX’s administrative policies, the responsibility for providing oversight and direction in regard to the management of the investment program and the Portfolio resides with CFX’s Finance Committee. The Executive Director and Chief Financial Officer of CFX have the ultimate authority and responsibility for the investment program and the management of the Portfolio. The management responsibility for all Authority funds in the Portfolio and investment transactions is delegated to CFX’s Chief Financial Officer and Authorized Staff members. The Chief Financial Officer shall account for all Authority funds in the Portfolio. The Chief Financial Officer shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. CFX may employ an investment manager (an “Investment Manager”), to assist in managing the Portfolios. Such Investment Manager must be registered under the Investment Advisers Act of 1940. The Chief Financial Officer shall be responsible for monitoring and regulating the activities of Authorized Staff and the Investment Manager involved with the investment program. The Authorized Staff is limited to the following positions:

- Chief Financial Officer
- Director of Accounting and Finance
- Senior Manager of Accounting and Finance

#### **V.VI. STANDARDS OF PRUDENCE**

The standard of prudence to be used by the Authorized Staff shall be the “Prudent Person” standard and shall be applied in the context of managing the Portfolio. Authorized Staff acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectation are reported in a timely fashion to the Executive Director and Finance Committee and that the securities involved are liquidated or sold accordance with the terms of this policy. The “Prudent Person” rule states the following:

“Investments shall 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.” Section 218.415(4) F.S.

While the standard of prudence to be used by Authorized Staff who are officers or employees is the “Prudent Person” standard, any person or firm hired or retained as an Investment Manager, or otherwise retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of “Prudent Expert”. The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the Investment Manager shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like

Formatted: Right: 0.63"

Formatted: Left, Indent: Left: 0.84", Right: 0.63"

Formatted: Right: 0.63"

aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

#### **VI.VII. ETHICS AND CONFLICTS OF INTEREST**

Authorized Staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Also, Authorized Staff or other employees involved in the investment process shall disclose in writing to CFX and the Board any material financial interests in financial institutions that conduct business with the Board, and they shall further disclose any material personal financial/investment positions that could be related to the performance of CFX's Portfolio.

#### **VI.VIII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES**

The Chief Financial Officer shall establish a system of internal controls and operational procedures to protect CFX's assets, including the Portfolio, and ensure proper accounting and reporting of the transactions related thereto. No person may engage in an investment transaction except as authorized under the terms of this Policy. Independent auditors shall conduct a review of the system of internal controls with respect to, among other things, the Portfolio and the investment thereof as a normal part of the annual financial audit of CFX. Such internal controls shall include, but not limited to, the following:

##### Separation of functions:

By separating the person who authorizes or performs the transaction from the person or persons who record or otherwise account for the transaction, a proper separation of duties is achieved.

##### Custodial safekeeping:

Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into a third party bank for custodial safekeeping.

##### Clear delegation of authority to subordinate staff members:

Subordinate staff must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.

##### Written confirmation of electronically initiated transactions for investments and wire transfers:

Due to the potential for error and improprieties arising from telephone or other electronically initiated transactions, all such transactions should be supported by written communications and approved by an individual other than the individual initiating said transaction. Repetitive

Formatted: Left, Indent: Left: 0.77", Hanging: 0.48", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Right: 0.63", Tab stops: 7.87", Left

Formatted: Left, Indent: Left: 0.71", Right: 0.63"

Formatted: Right: 0.63"

wires do not require a secondary approval; however, all non-repetitive wires shall have secondary approval.

Documentation of transactions and strategies:

All transactions and the strategies that were used to develop said transactions should be documented in writing and approved by the appropriate person.

#### VIII.IX. CONTINUING EDUCATION

The Chief Financial Officer and appropriate Authorized Staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products, pursuant to Section 218.415(14) F.S.

#### IX.X. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Authorized Staff shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer, or Chief Financial Officer of the State of Florida, institutions designated as "Primary Dealers" as designated by the Federal Reserve Bank of New York, direct issuers of commercial paper and bankers' acceptances, approved non-primary dealers, or Minority/Women Disadvantaged Business Enterprise ("M/WBE") securities dealers.

The Investment Manager shall utilize and maintain its own list of approved primary dealers, non-primary dealers and M/WBE securities dealers. The Investment Manager will provide a quarterly report to CFX detailing the M/WBE trading activity.

Authorized Staff and Investment Manager shall only enter into Repurchase agreements with "Primary Dealers" as designated by the Federal Reserve Bank of New York and financial institutions that are state qualified public depositories.

#### XI. MATURITY AND LIQUIDITY REQUIREMENTS

#### X. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements of CFX.

##### A. Maturity Guidelines

Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. The purchase of investments for core funds with maturities longer than five and a half (5.50) years requires CFX's approval prior to purchase. However, final maximum maturity for any investment is limited to ten (10) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of

Formatted: Left, Indent: Left: 0.64", Right: 0.63"

Formatted: Left, Indent: Left: 0.75", Hanging: 0.5", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Right: 0.63"

Formatted: Indent: Left: 0", Right: 0.63"

Formatted: Left, Right: 0.63", Space Before: 3 pt, No bullets or numbering

Formatted: Indent: Left: 0", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Indent: Left: 1.5", Right: 0.63"

Formatted: Right: 0.63"

the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreements.

- B. Liquidity Requirements  
Investments of bond reserves, construction funds, and other non-operating funds (“core funds”) shall have a term appropriate to the need for funds and in accordance with debt covenants.

Formatted: Indent: Left: 1.5", Right: 0.63"  
Formatted: Indent: Left: 2", First line: 0", Right: 0.63"

**XI.XII. RISK AND DIVERSIFICATION**

The Portfolio shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these securities are bought and sold. The Chief Financial Officer shall determine diversification strategies within the established guidelines.

Formatted: Left, Indent: Left: 0.77", Hanging: 0.48", Right: 0.63"  
Formatted: Right: 0.63"

**XII.XIII. MASTER REPURCHASE AGREEMENT**

CFX will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the SIFMA Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

Formatted: Left, Indent: Left: 0.71", Right: 0.63"  
Formatted: Right: 0.63"

**XIII.XIV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS**

Investment in any derivative products or the use of reverse repurchase agreements is specifically prohibited by this investment policy, unless permitted in Section XV of this Policy. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. However, for the purpose of a financing mechanism for funding CFX’s Five-Year Work Plan, derivatives are permitted. Please refer to CFX’s Swap Policy.

Formatted: Left, Indent: Left: 0.64", Right: 0.63"  
Formatted: Right: 0.63"

**XIV.XV. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

After the Investment Manager or the Chief Financial Officer has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) reputable, qualified, and financially sound banks and/or dealers must be contacted and asked to provide bids on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

Formatted: Left, Indent: Left: 0.65", Right: 0.63"  
Formatted: Right: 0.63"

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

- A. TradeWeb,

Formatted: Indent: Left: 1.5", Right: 0.63"

- B. Bloomberg Information Systems,
- C. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,
- D. Daily market pricing provided by CFX’s custody agents or their correspondent institutions,
- E. Such other current market price provider that the Investment Manager shall recommend to CFX as a regular provider of such information.

Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Investment Manager, CFX, or Chief Financial Officer, competitive bidding would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When a security is unique to a single dealer, for example, a private placement.
- D. When the transaction involves new issues or issues in the “when issued” market.

Overnight sweep repurchase agreements will not be bid but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased.

**XV.XVI. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION**

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and CFX’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 may sell an investment at the then-prevailing market price and place the proceeds into the proper account at the Board’s custodian.

The following are the guidelines for investments and limits on security types, issuers, and maturities as established by CFX. CFX or the Chief Financial Officer shall have the option to further restrict investment percentages from time to time based on market conditions, risk, and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment, at the time of purchase. Investments not listed in this Policy are prohibited. The following is a summary table of the permitted investments and their respective allocation limits. The allocation limits are for non-bond proceeds.

Formatted: Right: 0.63"

Formatted: Indent: Left: 1.5", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Indent: Left: 1.5", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Indent: Left: 1.5", Right: 0.63"

Formatted: Right: 0.63"

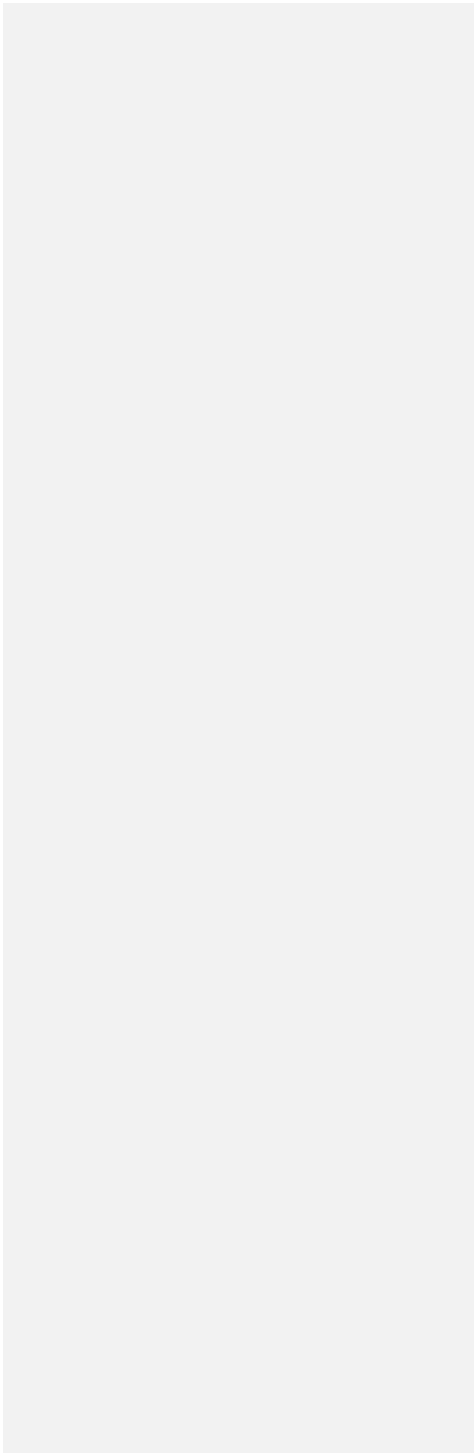
Formatted: Indent: Left: 1.5", Right: 0.63"

Formatted: Right: 0.63"

Formatted: Left, Indent: Left: 0.72", Right: 0.63"

Formatted: Right: 0.63"

These investment guidelines apply to all funds governed by this Policy. Note however that the percentage allocation requirements do not apply to funds related to the issuance of debt.



**Permitted Investments**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>1</sup>	Maximum Maturity <sup>2</sup>	Master Bond Resolution Permitted Investments
U.S. Treasury	100%	100%	N/A	5.50 Years (5.50 Years avg. life <sup>4</sup> for GNMA)	X
GNMA		40%			X
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%			X
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	75%	40% <sup>3</sup>	N/A	5.50 Years	X
Federal Agency/GSE other than those above		10%			X
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, AAA/Aaa, or equivalent)	5.50 Years	
Corporates	50% <sup>2</sup>	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5.50 Years	
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5.50 Years	X
Agency Mortgage-Backed Securities (MBS)	25%	40% <sup>3</sup>	N/A	5.50 Years Avg. Life <sup>4</sup>	
Asset-Backed Securities (ABS)	25%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)	5.50 Years Avg. Life <sup>4</sup>	
Depository Accounts with Qualified Public Depositories	75%	50%	N/A	N/A	X
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None, if fully collateralized	None, if fully collateralized.	2 Years	X
Commercial Paper (CP)	50% <sup>2</sup>	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days	X

Formatted: Right: 0.63"

Formatted: Superscript

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>1</sup>	Maximum Maturity	Master Bond Resolution Permitted Investments
Bankers' Acceptances (BAs)	10% <sup>2</sup>	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	180 Days	X
Repurchase Agreements (Repo or RP)	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year	X
Money Market Funds (MMFs)	<u>7550%</u>	<u>5025%</u>	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A	X
Fixed-Income Mutual Funds and ETFs	25%	10%	N/A	<u>3-YearsN/A</u>	
Intergovernmental Pools (LGIPs)	<u>7550%</u>	<u>5025%</u>	Highest Fund Quality and Volatility Rating Categories by all NRSROs who rate the LGIP, (AAAm/AAAF, S1, or equivalent)	N/A	
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	25% <sup>5</sup>	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A	X

Formatted: Superscript

Formatted: Superscript

**Notes:**

<sup>1</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST=Short-term; LT=Long-term.

<sup>2</sup> Maximum allocation to all corporate and bank credit instruments is 50% combined.

<sup>3</sup> Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

<sup>4</sup> The maturity limit for MBS and ABS is based on the expected average life at time of settlement, measured using Bloomberg [Finance L.P.](#) or other industry standard methods.

<sup>5</sup> Maximum maturity from settlement date.

\* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.

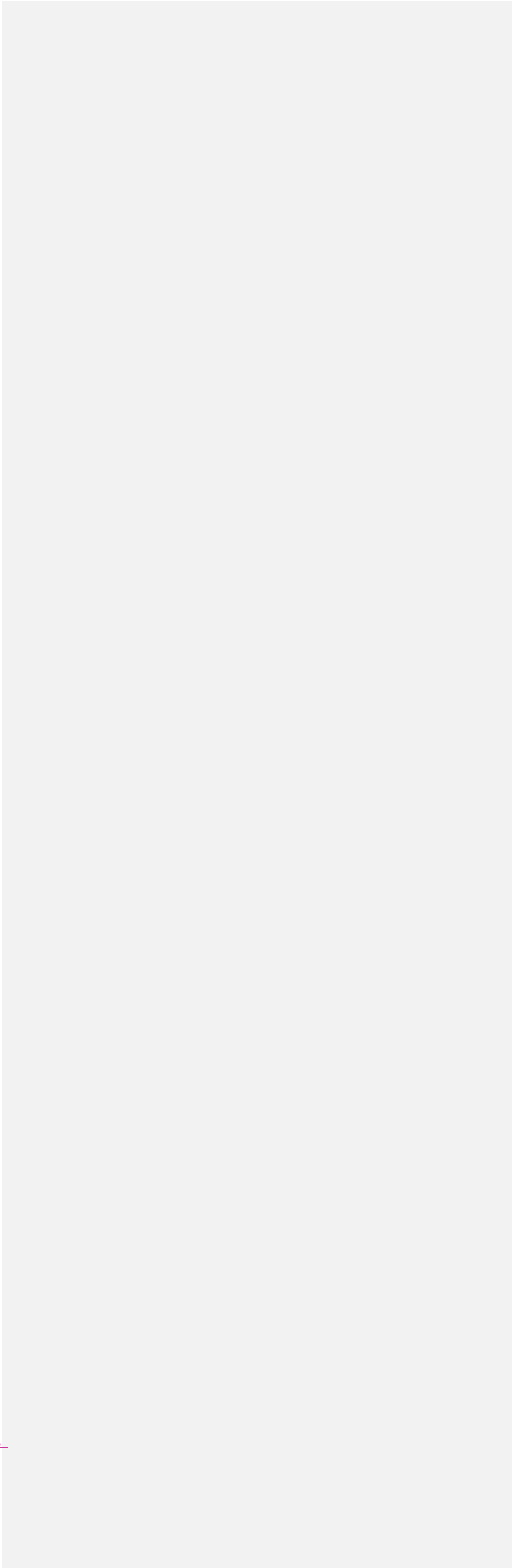
Formatted: Body Text, Left, Indent: Left: 0.75", Right: -0.2"

Formatted: Right: -0.2", Tab stops: 1.25", Left + Not at 1.5"

- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Suprationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments, which are U.S. Federal Instrumentalities, where U.S. is a shareholder and voting member.
- 4) **Corporates** – U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit, or other entity.
- 5) **Municipals** – Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any State or territory.
- 6) **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 7) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
- 8) **Depository Accounts with Qualified Public Depositories** - Banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, F.S.
- 9) **Non-Negotiable Certificate of Deposit and Savings Accounts** - Non-negotiable interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, F.S.
- 10) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 11) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.
- 12) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:

- a. Must be governed by a written SIFMA Master Repurchase Agreement which

specifies securities eligible for purchase and resale, and which provides the unconditional right to



liquidate the underlying securities should the Counterparty default or fail to provide full timely repayment.

- b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
- c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement and may be of deliverable or tri-party form. Securities must be held in CFX's custodial account or in a separate account in the name of CFX.
- d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities.
- e. Underlying securities must have an aggregate current market value of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
- f. Final term of the agreement must be 1 year or less.

- 13) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

A thorough investigation of any money market fund is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

- 14) **Fixed-Income Mutual Funds and ETFs** – Shares in open-end and no-load mutual funds or exchange-traded funds (ETFs) whose stated offering investment strategy is to invest in investment grade fixed-income securities.

- 15) **Local Government Investment Pools** – State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

A thorough investigation of any intergovernmental investment pool is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

- 16) **The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”)** A thorough investigation of the Florida Prime is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus or portfolio report must be obtained.

**General Investment and Portfolio Limits**

1. General investment limitations:

- a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
- b. Minimum ratings are based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (“NRSRO”), unless otherwise specified.
- c. All limits and rating requirements apply at time of purchase.
- d. Should a security fall below the minimum credit rating requirement for purchase, the Investment Advisor will notify the Chief Financial Officer.
- e. The maximum maturity (or average life for MBS/ABS) of any investment is 5.50 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.

Formatted: No underline

Formatted: No underline

Formatted: No underline

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

Formatted: No underline

Formatted: No underline

2. General portfolio limitations:

- a. The maximum effective duration of the aggregate portfolio is 3 years.
- b. Maximum exposure to issuers in any non-U.S. country cannot exceed 10 percent per country.

Formatted: No underline

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: No underline

Formatted: Right: -0.2"

3. Investment in the following are permitted, provided they meet all other policy requirements:

- a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
- b. Variable-rate and floating-rate securities
- c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector
- d. Zero coupon issues and strips, excluding agency mortgage-backed Interest-only structures (I/Os)
- e. Treasury TIPS

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:

- a. Trading for speculation
- b. Derivatives (other than callables and traditional floating or variable-rate instruments)
- c. Mortgage-backed interest-only structures (I/Os)
- d. Inverse or leveraged floating-rate and variable-rate instruments
- e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity
- f. Private placements and direct loans, except as may be legally permitted by Rule 144A or commercial paper issued under a 4(2) exemption from registration

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

- g. Convertible, high yield, and non-U.S. dollar denominated debt
- h. Short sales
- i. Use of leverage

**Formatted:** Indent: Left: 1.75", Right: -0.2"

**Formatted:** Right: -0.2"

**Formatted:** Indent: Left: 1.75", Right: -0.2"

- j. Futures and options
- k. Mutual funds, other than fixed-income mutual funds and ETFs, and money market funds
- l. Equities, commodities, currencies and hard assets

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Left: 0.2", Right: 1", Top: 0.94", Bottom: 0.6", Footer distance from edge: 0.87"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.75", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Left, Indent: Left: 0.65", Right: -0.2"

Formatted: Right: -0.2"

~~XVI~~XVII. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio's performance, CFX will use performance benchmarks. The use of benchmarks will allow CFX to measure its returns against other investors in the same markets.

- A. The S&P Rated GIP Index Government 30 Day Gross Yield Index will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.
- B. Investment performance of funds designated as reserve funds and other non-operating funds (core funds) that have a longer-term investment horizon will be compared to the Bank of America Merrill Lynch ICE BofA 1-3 Year U.S. Treasury/Agency Index. This index has a duration and asset mix that is similar to the Portfolio and will be utilized as a benchmark to be compared to the Portfolio's total rate of return.

~~B-C~~ Other indices may be used from time to time to measure the portfolio performance by approval of the Chief Finance Officer.

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 1.75", Hanging: 0.25", Right: -0.2", Space Before: 0 pt, No bullets or numbering, Tab stops: Not at 1.81" + 1.81"

Formatted: Right: -0.2"

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.59", Right: -0.2"

Formatted: Right: -0.2"

~~XVII~~XVIII. REPORTING

The Chief Financial Officer and/or Investment Manager shall provide the Executive Director and the Finance Committee with at least quarterly investment reports. Schedules in the quarterly report should include the following:

- A. A listing of individual securities held at the end of the reporting period
- B. Percentage of available funds represented by each investment type
- C. Coupon, discount or earning rate
- D. Final maturity date of all investments
- E. Book value and market value

Formatted: Indent: Left: 1.56", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.56", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.56", Right: -0.2"

Formatted: Right: -0.2"

Formatted: Indent: Left: 1.56", Right: -0.2"

Formatted: Right: -0.2"

On an annual basis, the Investment Manager shall prepare and submit to the Finance Committee a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis when required and will compare the results to the above-stated performance benchmarks. All investments

Formatted: Body Text, Indent: Left: 1.25", Right: -0.2"

shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

#### XVIII.XIX. THIRD-PARTY CUSTODIAL AGREEMENTS

All securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by; CFX should be properly designated as an asset of CFX. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

CFX will execute a third-party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include letters of authority from CFX, details as to the responsibilities of each party, method of notification of security purchases, sales and delivery procedures related to repurchase agreements and wire transfers, safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by CFX and which authorization has been provided, in writing, to the custodian.

No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide CFX with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

#### XIX.XX. POLICY REVIEW

The Chief Financial Officer, Executive Director and the Finance Committee shall review the policy every two years and shall submit any proposed modifications to the Board for approval. If there are no recommended changes, the policy need not

Formatted: Left: 0.2", Right: 1", Top: 0.94", Bottom: 1.1", Footer distance from edge: 0.87"

Formatted: Justified, Indent: Left: 1.25", Right: 0.63", Space After: Auto

be resubmitted to the Board and remains in effect.

**APPROVED AND ADOPTED BY THE CFX BOARD ON**

**Formatted:** Font: Bold

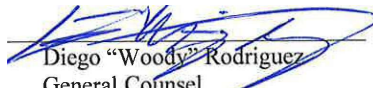
**Formatted:** Indent: Left: 1.25"

~~ADOPTED this 1<sup>st</sup> day of August 2021.~~

ATTEST:   
Mimi Lamaute  
Board Services Coordinator

\_\_\_\_\_  
Board Chairman

Approved as to form and legality:

  
Diego "Woody" Rodriguez  
General Counsel

Formatted: Left: 0.2", Right: 1", Top: 0.94", Bottom: 1.1"

## **ATTACHMENT A - Glossary of Cash and Investment Management Terms**

The following is a glossary of key investing terms, many of which appear in CFX's Investment Policy. This glossary clarifies the meaning of investment terms generally used in cash and investment management. This glossary has been adapted from the GFOA Sample Investment Policy and the Association of Public Treasurers of the United States and Canada's Model Investment Policy.

**Accrued Interest.** Interest earned but which has not yet been paid or received.

**Agency.** See "Federal Agency Securities."

**Ask Price.** Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

**Asset Backed Securities (ABS).** A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans, and aircraft leases.

**Average Life.** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**Bankers' Acceptance (BA's).** A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

**Basis Point.** One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

**Bearer Security.** A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

**Benchmark Bills:** In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and six-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

**Benchmark Notes/Bonds:** Benchmark Notes and Bonds are a series of FNMA "bullet" maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10, and 30-year maturities are issued each quarter. Each Benchmark Notes new issue

has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Benchmark.** A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio's investments.

**Bid Price.** Price at which a broker/dealer offers to purchase a security from an investor.

**Bond.** Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash-flows, including periodic interest payments and a principal repayment.

**Book Entry Securities.** Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC

(as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

**Book Value.** The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

**Broker/Dealer.** A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

**Bullet Notes/Bonds.** Notes or bonds that have a single maturity date and are non-callable.

**Call Date.** Date at which a call option may be or is exercised.

**Call Option.** The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are a par, but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

**Callable Bonds/Notes.** Securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

**Certificate of Deposit (CD).** Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

**Collateral.** Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

**Collateralization.** Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

**Collateralized Mortgage Obligation (CMO).** A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In “plain vanilla” CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

**Commercial Paper.** Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days and given a short-term debt rating by one or more NRSROs.

**Convexity.** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**Corporate Note.** A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

**Counterparty.** The other party in a two party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

**Coupon Rate.** Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

**Current Yield.** Annual rate of return on a bond based on its price. Calculated as (coupon rate / price), but does not accurately reflect a bond's true yield level.

**Custody.** Safekeeping services offered by a bank, financial institution, or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement, and market values.

**Dealer.** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

**Delivery Versus Payment (DVP).** Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those

through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

**Depository Trust Company (DTC).** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and BAs clear through DTC.

**Derivatives.** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities). For hedging purposes, common derivatives are options, futures, interest rate swaps, and swaptions.

**Derivative Security.** Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**Designated Bond.** FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3 year original maturity. New issues of Designated Bonds are \$1 billion or larger. Re-openings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Discount Notes.** Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets exist.

**Discount Rate.** Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

**Discount Securities.** Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include: U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances, and Commercial Paper.

**Discount.** The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

**Diversification.** Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

**Dollar Price.** A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 ½, would have a principal cost of \$955 per \$1,000 of face value.

**Duff & Phelps.** One of several NRSROs that provide credit ratings on corporate and bank debt issues.

**Duration.** The weighted average maturity of a security's or portfolio's cash-flows, where the present values of the cash-flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration, Modified Duration).

**Fannie Mae.** See "Federal National Mortgage Association."

**Fed Money Wire.** A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

**Fed Securities Wire.** A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts, used primarily for settlement of U.S. Treasury and Federal Agency securities.

**Fed.** See "Federal Reserve System."

**Federal Agency Security.** A debt instrument issued by one of the Federal Agencies. Federal Agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

**Federal Agency.** Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

**Federal Deposit Insurance Corporation (FDIC).** Federal agency that insures deposits at commercial banks, currently to a limit of \$250,000 per depositor per bank.

**Federal Farm Credit Bank (FFCB).** One of the large Federal Agencies. A government sponsored enterprise (GSE) system that is a network of cooperatively-owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its "designated note" program.

**Federal Funds (Fed Funds).** Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

**Federal Funds Rate (Fed Funds Rate).** The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

**Federal Home Loan Bank System (FHLB).** One of the large Federal Agencies. A government sponsored enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

**Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities, and MBS. Also issues notes under its “reference note” program.

**Federal National Mortgage Association (FNMA or "Fannie Mae").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

**Federal Reserve Bank.** One of the 12 distinct banks of the Federal Reserve System.

**Federal Reserve System (the Fed).** The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

**Financial Industry Regulatory Authority, Inc. (FINRA).** A private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD). Though sometimes mistaken for a government agency, it is a non-governmental organization that performs financial regulation of member brokerage firms and exchange markets. The government also has a regulatory arm for investments, the Securities and Exchange Commission (SEC).

**Fiscal Agent/Paying Agent.** A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

**Fitch Investors Service, Inc.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**Floating Rate Security (FRN or “floater”).** A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather than on a predetermined schedule. See also “Variable Rate Security.”

**Freddie Mac.** See "Federal Home Loan Mortgage Corporation."

**Ginnie Mae.** See "Government National Mortgage Association."

**Global Notes:** Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

**Government National Mortgage Association (GNMA or "Ginnie Mae").** One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that are actually full faith and credit of the U.S. government).

**Government Securities.** An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, Bonds, and SLGS."

**Government Sponsored Enterprise (GSE).** Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. government, but they are not direct obligations of the U.S. government. For this reason, these securities will offer a yield premium over U.S. Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

**Government Sponsored Enterprise Security.** A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

**Index.** A compilation of statistical data that tracks changes in the economy or in financial markets.

**Interest-Only (IO) STRIP.** A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

**Internal Controls.** An internal control structure ensures that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - A separation of duties is achieved by separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Inverse Floater.** A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

**Investment Advisor.** A company that provides professional advice managing portfolios, investment recommendations, and/or research in exchange for a management fee.

**Investment Adviser Act of 1940.** Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

**Investment Grade.** Bonds considered suitable for preservation of invested capital, including bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

**Liquidity.** Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Additionally, it is a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

**Local Government Investment Pool (LGIP).** An investment by local governments in which their money is pooled as a method for managing local funds, (e.g., Florida State Board of Administration's Florida Prime Fund).

**Long-Term Core Investment Program.** Funds that are not needed within a one-year period.

**Market Value.** The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

**Mark-to-market.** Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

**Master Repurchase Agreement.** A widely accepted standard agreement form published by the Securities Industry and Financial Markets Association (SIFMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

**Maturity Date.** Date on which principal payment of a financial obligation is to be paid.

**Medium Term Notes (MTN's).** Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturity from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities, and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

**Money Market.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Money Market Mutual Fund (MMF).** A type of mutual fund that invests solely in money market instruments, such as: U.S. Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject to "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

**Moody's Investors Service.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**Mortgage Backed Securities (MBS).** Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA, and FHLMC. There are a variety of MBS structures with varying levels of risk and complexity. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

**Mortgage Pass-Through Securities.** A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. The largest issuer is GNMA.

**Municipal Note/Bond.** A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

**Mutual Fund.** Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (e.g., bond, equity, and money market funds); all except money market funds operate on a variable net asset value (NAV).

**Negotiable Certificate of Deposit (Negotiable CD).** Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

**Net Asset Value.** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets including securities, cash, and any accrued earnings, then subtracting the total assets from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$\frac{[(\text{Total assets}) - (\text{Liabilities})]}{(\text{Number of shares outstanding})}$$

**NRSRO.** A "Nationally Recognized Statistical Rating Organization" (NRSRO) is a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, S&P, Fitch, and Duff & Phelps.

**Offered Price.** See also "Ask Price."

**Open Market Operations.** A Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

**Par Value.** The face value, stated value, or maturity value of a security.

**Physical Delivery.** Delivery of readily available underlying assets at contract maturity.

**Portfolio.** Collection of securities and investments held by an investor.

**Premium.** The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

**Primary Dealer.** A designation given to certain government securities dealer by the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are the largest buyers and sellers by volume in the U.S. Treasury securities market.

**Prime Paper.** Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

**Principal.** Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

**Prudent Expert Rule.** Standard that requires that a fiduciary manage a portfolio with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. This statement differs from the “prudent person” rule in that familiarity with such matters suggests a higher standard than simple prudence.

**Prudent Investor Standard.** Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the “prudent person” standard as it implies a level of knowledge commensurate with the responsibility at hand.

**Qualified Public Depository** - Per Subsection 280.02(26), F.S., “qualified public depository” means any bank, savings bank, or savings association that:

1. Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
2. Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
3. Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 et seq.
4. Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
5. Meets all requirements of Chapter 280, F.S.
6. Has been designated by the Chief Financial Officer as a qualified public depository.

**Range Note.** A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

**Rate of Return.** Amount of income received from an investment, expressed as a percentage of the amount invested.

**Realized Gains (Losses).** The difference between the sale price of an investment and its book value. Gains/losses are “realized” when the security is actually sold, as compared to “unrealized” gains/losses which are based on current market value. See “Unrealized Gains (Losses).”

**Reference Bills:** FHLMC’s short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency, and liquidity, thereby providing alternatives to U.S. Treasury bills. FHLMC’s Reference Bills are unsecured general corporate obligations. This program supplements the corporation’s existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

**Reference Notes:** FHLMC’s intermediate-term debt program with issuances of 2, 3, 5, 10, and 30-year maturities. Initial issuances range from \$2 - \$6 billion with re-openings ranging \$1 - \$4 billion.

The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Repurchase Agreement (Repo).** A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor’s custodial bank, or “tri-party” where the securities are delivered to a third party intermediary. Any type of security can be used as “collateral,” but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate Securities Industry and Financial Markets Association (SIFMA) approved master repurchase agreement is in place.

**Reverse Repurchase Agreement (Reverse Repo).** A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

**Safekeeping.** Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

**Secondary Market.** Markets for the purchase and sale of any previously issued financial instrument.

**Securities Industry and Financial Markets Association (SIFMA).** The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the SIFMA also recommends bond market closures and early closes due to holidays.

**Securities Lending.** An arrangement between an investor and a custody bank that allows the custody bank to “loan” the investor’s investment holdings, reinvest the proceeds in permitted investments, and

shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

**Sinking Fund.** A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

**Spread.** The difference between the price of a security and similar maturity U.S. Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

**Standard & Poor's.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**STRIPS (Separate Trading of Registered Interest and Principal of Securities).** Acronym applied to U.S. Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and "strips" description can be applied to non-Treasury securities (e.g., FNMA strips).

**Structured Notes.** Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

**Supranational.** Supranational organizations are international financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. These agreements provide for limited immunity from the laws of member countries. Bonds issued by these institutions are part of the broader class of Supranational, Sovereign, and Non-U.S. Agency (SSA) sector bonds. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe. For example, the World Bank, International Finance Corporation (IFC), and African Development Bank (AfDB) have "green bond" programs specifically designed for energy resource conservation and management. Supranational bonds, which are issued by multi-national organizations that transcend national boundaries. Examples include the World Bank, African Development Bank, and European Investment Bank.

**Swap.** Trading one asset for another.

**TAP Notes:** Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5, and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued, but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

**Tennessee Valley Authority (TVA).** One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the U.S. Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes, and callable agency securities.

**Total Return.** Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

**Treasuries.** Collective term used to describe debt instruments backed by the U.S. government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

**Treasury Bills (T-Bills).** Short-term direct obligations of the United States government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week, and 26-week T-Bills.

**Treasury Bonds.** Long-term interest-bearing debt securities backed by the U.S. government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

**Treasury Notes.** Intermediate interest-bearing debt securities backed by the U.S. government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, and 10-year Treasury Notes.

**Trustee.** A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

**Uniform Net Capital Rule.** SEC Rule 15c3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

**Unrealized Gains (Losses).** The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

**Variable-Rate Security.** A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually, or annually). See also "Floating Rate Note."

**Weighted Average Maturity (or just "Average Maturity").** The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or

investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

**Weighted Average Maturity to Call.** The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

**Yield Curve.** A graphic depiction of yields on like securities in relation to remaining maturities spread over a time line. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

**Yield to Call (YTC).** Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

**Yield to Maturity (YTM).** Calculated return on an investment, assuming all cash-flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

**Yield.** There are numerous methods of yield determination. In this glossary, see also “Current Yield,” “Yield Curve,” “Yield to Call,” and “Yield to Maturity.”

---

**ATTACHMENT B - Investment Pool/Fund Questionnaire**

**General Fund/Pool Information:**

1. Does the pool/fund attempt to maintain a stable net asset value or floating net asset value?
2. How is interest distributed and how are the gain and losses treated?
3. How often are the statements and portfolio holdings distributed?
4. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

**Oversight:**

1. What are the pool/fund ratings by the Nationally Recognized Statistical Rating Organizations such as S&P, Moody's, Fitch, Kroll, etc.?
2. What are the eligible investment securities? Is there a written statement of investment policy and objectives?
3. How are the securities safeguarded (including settlement process)? How often are the securities priced? How often is the pool/fund audited?
4. Is there any additional oversight of the Board of Trustees?

**Fund/Pool Statistics:**

1. What is the current sector allocation of the pool/fund?
2. What is the fee schedule, and how and when is it assessed?

**Liquidity:**

1. Does the pool/fund follow GASB 79?
2. Does the pool/fund have any liquidity fees? If so, describe the terms.
3. Does the pool/fund have redemption gates? If so, describe them.

**Investor Requirements:**

1. Who may invest in the program, how often, and what size deposits and withdrawals are allowed?
1. Is there a limit regarding investor concentration? If so, what is it?
  1. A description of eligible investment securities, and a written statement of investment

Formatted: Right: 0.63"

Formatted: Indent: Left: 1.31", First line: 0", Line spacing: 1.5 lines

Formatted: Underline

Formatted: Indent: Left: 1.31", No bullets or numbering

Formatted: Indent: Left: 1.31", Hanging: 0.19"

Formatted: Indent: Hanging: 0.19"

Formatted: Indent: Left: 1.31", Hanging: 0.19"

Formatted: Indent: Hanging: 0.19"

Formatted: Indent: Left: 1.31", Hanging: 0.19"

Formatted: Indent: Left: 1.25", Line spacing: 1.5 lines

Formatted: Line spacing: 1.5 lines

Formatted: Indent: Left: 1.25", Line spacing: 1.5 lines

Formatted: Indent: Left: 1.25", Hanging: 0.31", Line spacing: 1.5 lines

Formatted: Indent: Left: 1.5", No bullets or

policy and objectives.

2. \_\_\_\_\_

3. \_\_\_\_\_ A description of interest calculations and how it is distributed, and how gains and losses are treated.

4. \_\_\_\_\_

5. \_\_\_\_\_ A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

6. \_\_\_\_\_

7. \_\_\_\_\_ A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.

8. \_\_\_\_\_

9. \_\_\_\_\_ A schedule for receiving statements and portfolio listings.

10. \_\_\_\_\_

11. \_\_\_\_\_ Are reserves, retained earnings, etc. utilized by the pool/fund?

12. \_\_\_\_\_

13. \_\_\_\_\_ A fee schedule, and when and how is it assessed.

14. \_\_\_\_\_

15. \_\_\_\_\_ Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

16. \_\_\_\_\_

17. \_\_\_\_\_ Are there any liquidity gates?

18. \_\_\_\_\_

19. \_\_\_\_\_ Are there any redemption fees?

CENTRAL FLORIDA EXPRESSWAY AUTHORITY  
INVESTMENT POLICY

Table of Contents

I.	PURPOSE	2
II.	SCOPE	2
III.	INVESTMENT OBJECTIVES	2
IV.	INVESTMENT DECISIONS	3
V.	DELEGATION OF AUTHORITY	3
VI.	STANDARDS OF PRUDENCE	3
VII.	ETHICS AND CONFLICTS OF INTEREST	4
VIII.	INTERNAL CONTROLS AND INVESTMENT PROCEDURES	4
IX.	CONTINUING EDUCATION	5
X.	AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS	5
XI.	MATURITY AND LIQUIDITY REQUIREMENTS	5
XII.	RISK AND DIVERSIFICATION	6
XIII.	MASTER REPURCHASE AGREEMENT	6
XIV.	DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS	6
XV.	COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS	6
XVI.	AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION	7
XVII.	PERFORMANCE MEASUREMENTS	14
XVIII.	REPORTING	14
XIX.	THIRD-PARTY CUSTODIAL AGREEMENTS	15
XX.	POLICY REVIEW	16
	ATTACHMENT A - Glossary of Cash and Investment Management Terms	17
	ATTACHMENT B - Investment Pool/Fund Questionnaire	32

## **I. PURPOSE**

The purpose of this Investment Policy (hereinafter “Policy”) is to set forth the investment objectives and parameters for the management of public funds of the Central Florida Expressway Authority (hereinafter “CFX”). These policies are designed to ensure the prudent management of public funds by CFX, the availability of operating and capital funds when needed by CFX and an investment return for CFX competitive with comparable funds and financial market indices.

## **II. SCOPE**

In accordance with Section 218.415, Florida Statutes (F.S.), this Policy applies to all cash and investments held or controlled by CFX and shall be identified as operating funds, reserve funds or bond funds of CFX (the “Portfolio”). In connection with the investment of proceeds of bonds issued by CFX, CFX’s master bond resolution permitted investments are included in the authorized investments in Section XV of this Policy.

## **III. INVESTMENT OBJECTIVES**

### **A. Safety of Principal**

The foremost objective of CFX’s investment program is the safety of the principal of those funds within the Portfolio. Investment transactions shall seek to be consistent with the other investment objectives, which are to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, CFX will maintain a diversified portfolio so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

### **B. Maintenance of Liquidity**

The Portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements of CFX in an orderly manner. Periodic cash flow analyses will be completed in order to ensure that the Portfolio is positioned to provide sufficient liquidity.

### **C. Return on Investment**

The Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. However, return is attempted through active management where the Investment Manager utilizes a total return strategy (which includes both realized and unrealized gains and losses in the Portfolio). This total return strategy seeks to increase the value of the Portfolio through reinvestment of income and capital gains. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Despite this, an Investment Manager may trade to

recognize a loss from time to time to achieve a perceived relative value based on its potential to enhance the total return of the Portfolio.

#### **IV. INVESTMENT DECISIONS**

CFX and Investment Manager shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 218.415(24). The term “pecuniary factor” as used in this subsection means a factor that CFX and Investment Manager prudently determines is expected to have a material effect on the risk or returns of investment based on appropriate investment horizons consistent with applicable investment objections and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

#### **V. DELEGATION OF AUTHORITY**

In accordance with CFX’s administrative policies, the responsibility for providing oversight and direction in regard to the management of the investment program and the Portfolio resides with CFX’s Finance Committee. The Executive Director and Chief Financial Officer of CFX have the ultimate authority and responsibility for the investment program and the management of the Portfolio. The management responsibility for all Authority funds in the Portfolio and investment transactions is delegated to CFX’s Chief Financial Officer and Authorized Staff members. The Chief Financial Officer shall account for all Authority funds in the Portfolio. The Chief Financial Officer shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. CFX may employ an investment manager (an “Investment Manager”), to assist in managing the Portfolios. Such Investment Manager must be registered under the Investment Advisers Act of 1940. The Chief Financial Officer shall be responsible for monitoring and regulating the activities of Authorized Staff and the Investment Manager involved with the investment program. The Authorized Staff is limited to the following positions:

- Chief Financial Officer
- Director of Accounting and Finance
- Manager of Accounting and Finance

#### **VI. STANDARDS OF PRUDENCE**

The standard of prudence to be used by the Authorized Staff shall be the “Prudent Person” standard and shall be applied in the context of managing the Portfolio. Authorized Staff acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectation are reported in a timely fashion to the Executive Director and Finance Committee and that the securities involved are liquidated or sold accordance with the terms of this policy. The “Prudent Person” rule states the following:

“Investments shall 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.” Section 218.415(4) F.S.

While the standard of prudence to be used by Authorized Staff who are officers or employees is the “Prudent Person” standard, any person or firm hired or retained as an Investment Manager, or otherwise retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of “Prudent Expert”. The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the Investment Manager shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

## **VII. ETHICS AND CONFLICTS OF INTEREST**

Authorized Staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Also, Authorized Staff or other employees involved in the investment process shall disclose in writing to CFX and the Board any material financial interests in financial institutions that conduct business with the Board, and they shall further disclose any material personal financial/investment positions that could be related to the performance of CFX’s Portfolio.

## **VIII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES**

The Chief Financial Officer shall establish a system of internal controls and operational procedures to protect CFX’s assets, including the Portfolio, and ensure proper accounting and reporting of the transactions related thereto. No person may engage in an investment transaction except as authorized under the terms of this Policy. Independent auditors shall conduct a review of the system of internal controls with respect to, among other things, the Portfolio and the investment thereof as a normal part of the annual financial audit of CFX. Such internal controls shall include, but not limited to, the following:

Separation of functions:

By separating the person who authorizes or performs the transaction from the person or persons who record or otherwise account for the transaction, a proper separation of duties is achieved.

Custodial safekeeping:

Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into a third party bank for custodial safekeeping.

Clear delegation of authority to subordinate staff members:

Subordinate staff must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.

Written confirmation of electronically initiated transactions for investments and wire transfers:

Due to the potential for error and improprieties arising from telephone or other electronically initiated transactions, all such transactions should be supported by written communications and approved by an individual other than the individual initiating said transaction. Repetitive wires do not require a secondary approval; however, all non-repetitive wires shall have secondary approval.

Documentation of transactions and strategies:

All transactions and the strategies that were used to develop said transactions should be documented in writing and approved by the appropriate person.

## **IX. CONTINUING EDUCATION**

The Chief Financial Officer and appropriate Authorized Staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products, pursuant to Section 218.415(14) F.S.

## **X. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS**

Authorized Staff shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer, or Chief Financial Officer of the State of Florida, institutions designated as “Primary Dealers” as designated by the Federal Reserve Bank of New York, direct issuers of commercial paper and bankers’ acceptances, approved non-primary dealers, or Minority/Women Disadvantaged Business Enterprise (“M/WBE”) securities dealers.

The Investment Manager shall utilize and maintain its own list of approved primary dealers, non-primary dealers and M/WBE securities dealers. The Investment Manager will provide a quarterly report to CFX detailing the M/WBE trading activity.

Authorized Staff and Investment Manager shall only enter into Repurchase agreements with “Primary Dealers” as designated by the Federal Reserve Bank of New York and financial institutions that are state qualified public depositories.

## **XI. MATURITY AND LIQUIDITY REQUIREMENTS**

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements of CFX.

- A. **Maturity Guidelines**  
Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. The purchase of investments for core funds with maturities longer than five and a half (5.50) years requires CFX's approval prior to purchase. However, final maximum maturity for any investment is limited to ten (10) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreements.
- B. **Liquidity Requirements**  
Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants.

## **XII. RISK AND DIVERSIFICATION**

The Portfolio shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these securities are bought and sold. The Chief Financial Officer shall determine diversification strategies within the established guidelines.

## **XIII. MASTER REPURCHASE AGREEMENT**

CFX will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the SIFMA Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

## **XIV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS**

Investment in any derivative products or the use of reverse repurchase agreements is specifically prohibited by this investment policy, unless permitted in Section XV of this Policy. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. However, for the purpose of a financing mechanism for funding CFX's Five-Year Work Plan, derivatives are permitted. Please refer to CFX's Swap Policy.

## **XV. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

After the Investment Manager or the Chief Financial Officer has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) reputable, qualified, and financially sound banks and/or dealers must be contacted and asked to provide bids on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

- A. TradeWeb,
- B. Bloomberg Information Systems,
- C. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,
- D. Daily market pricing provided by CFX's custody agents or their correspondent institutions,
- E. Such other current market price provider that the Investment Manager shall recommend to CFX as a regular provider of such information.

Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Investment Manager, CFX, or Chief Financial Officer, competitive bidding would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
- B. When no active market exists for the issue being traded due to the age or depth of the issue.
- C. When a security is unique to a single dealer, for example, a private placement.
- D. When the transaction involves new issues or issues in the "when issued" market.

Overnight sweep repurchase agreements will not be bid but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased.

## **XVI. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION**

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and CFX'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 may sell an investment at the then-prevailing market price and place the proceeds into the proper account at the Board's custodian.

The following are the guidelines for investments and limits on security types, issuers, and maturities as established by CFX. CFX or the Chief Financial Officer shall have the option to further restrict investment percentages from time to time based on market conditions, risk, and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment, at the time of purchase. Investments not

listed in this Policy are prohibited. The following is a summary table of the permitted investments and their respective allocation limits. The allocation limits are for non-bond proceeds.

These investment guidelines apply to all funds governed by this Policy. Note however that the percentage allocation requirements do not apply to funds related to the issuance of debt.

### Permitted Investments

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>1</sup>	Maximum Maturity <sup>5</sup>	Master Bond Resolution Permitted Investments
U.S. Treasury	100%	100%	N/A	5.50 Years (5.50 Years avg. life <sup>4</sup> for GNMA)	X
GNMA		40%			X
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%			X
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	75%	40% <sup>3</sup>	N/A	5.50 Years	X
Federal Agency/GSE other than those above		10%			X
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, AAA/Aaa, or equivalent)	5.50 Years	
Corporates	50% <sup>2</sup>	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5.50 Years	
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5.50 Years	X
Agency Mortgage-Backed Securities (MBS)	25%	40% <sup>3</sup>	N/A	5.50 Years Avg. Life <sup>4</sup>	
Asset-Backed Securities (ABS)	25%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)	5.50 Years Avg. Life <sup>4</sup>	
Depository Accounts with Qualified Public Depositories	75%	50%	N/A	N/A	X
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None, if fully collateralized	None, if fully collateralized.	2 Years	X
Commercial Paper (CP)	50% <sup>2</sup>	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days	X

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>1</sup>	Maximum Maturity	Master Bond Resolution Permitted Investments
Bankers' Acceptances (BAs)	10% <sup>2</sup>	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	180 Days	X
Repurchase Agreements (Repo or RP)	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year	X
Money Market Funds (MMFs)	75%	50%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A	X
Fixed-Income Mutual Funds and ETFs	25%	10%	N/A	N/A	
Intergovernmental Pools (LGIPs)	75%	50%	Highest Fund Quality and Volatility Rating Categories by all NRSROs who rate the LGIP, (AAAm/AAAf, S1, or equivalent)	N/A	
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	25% <sup>5</sup>	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A	X

Notes:

<sup>1</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST=Short-term; LT=Long-term.

<sup>2</sup> Maximum allocation to all corporate and bank credit instruments is 50% combined.

<sup>3</sup> Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

<sup>4</sup> The maturity limit for MBS and ABS is based on the expected average life at time of settlement, measured using Bloomberg Finance L.P. or other industry standard methods.

<sup>5</sup> Maximum maturity from settlement date.

\* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Supranationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments, which are U.S. Federal Instrumentalities, where U.S. is a shareholder and voting member.
- 4) **Corporates** – U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit, or other entity.
- 5) **Municipals** – Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any State or territory.
- 6) **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 7) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
- 8) **Depository Accounts with Qualified Public Depositories** - Banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, F.S.
- 9) **Non-Negotiable Certificate of Deposit and Savings Accounts** - Non-negotiable interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, F.S.
- 10) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 11) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.

12) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:

- a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the Counterparty default or fail to provide full timely repayment.
- b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
- c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement and may be of deliverable or tri-party form. Securities must be held in CFX's custodial account or in a separate account in the name of CFX.
- d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities.
- e. Underlying securities must have an aggregate current market value of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
- f. Final term of the agreement must be 1 year or less.

13) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

A thorough investigation of any money market fund is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

14) **Fixed-Income Mutual Funds and ETFs** – Shares in open-end and no-load mutual funds or exchange-traded funds (ETFs) whose stated offering investment strategy is to invest in investment grade fixed-income securities.

15) **Local Government Investment Pools** – State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

A thorough investigation of any intergovernmental investment pool is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

16) **The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”)** A thorough investigation of the Florida Prime is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus or portfolio report must be obtained.

## General Investment and Portfolio Limits

1. General investment limitations:
  - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
  - b. Minimum ratings are based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (“NRSRO”), unless otherwise specified.
  - c. All limits and rating requirements apply at time of purchase.
  - d. Should a security fall below the minimum credit rating requirement for purchase, the Investment Advisor will notify the Chief Financial Officer.
  - e. The maximum maturity (or average life for MBS/ABS) of any investment is 5.50 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.
  
2. General portfolio limitations:
  - a. The maximum effective duration of the aggregate portfolio is 3 years.
  - b. Maximum exposure to issuers in any non-U.S. country cannot exceed 10 percent per country.
  
3. Investment in the following are permitted, provided they meet all other policy requirements:
  - a. Callable, step-up callable, called, pre-refunded, puttable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
  - b. Variable-rate and floating-rate securities
  - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector
  - d. Zero coupon issues and strips, excluding agency mortgage-backed Interest-only structures (I/Os)
  - e. Treasury TIPS
  
4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:
  - a. Trading for speculation
  - b. Derivatives (other than callables and traditional floating or variable-rate instruments)
  - c. Mortgage-backed interest-only structures (I/Os)
  - d. Inverse or leveraged floating-rate and variable-rate instruments
  - e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity
  - f. Private placements and direct loans, except as may be legally permitted by Rule

- 144A or commercial paper issued under a 4(2) exemption from registration
- g. Convertible, high yield, and non-U.S. dollar denominated debt
- h. Short sales
- i. Use of leverage
- j. Futures and options
- k. Mutual funds, other than fixed-income mutual funds and ETFs, and money market funds
- l. Equities, commodities, currencies and hard assets

## **XVII. PERFORMANCE MEASUREMENTS**

In order to assist in the evaluation of the portfolio's performance, CFX will use performance benchmarks. The use of benchmarks will allow CFX to measure its returns against other investors in the same markets.

- A. The S&P Rated GIP Index Government 30 Day Gross Yield Index will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.
- B. Investment performance of funds designated as reserve funds and other non-operating funds (core funds) that have a longer-term investment horizon will be compared to the ICE BofA 1-3 Year U.S. Treasury/Agency Index. This index has a duration and asset mix that is similar to the Portfolio and will be utilized as a benchmark to be compared to the Portfolio's total rate of return.
- C. Other indices may be used from time to time to measure the portfolio performance by approval of the Chief Finance Officer.

## **XVIII. REPORTING**

The Chief Financial Officer and/or Investment Manager shall provide the Executive Director and the Finance Committee with at least quarterly investment reports. Schedules in the quarterly report should include the following:

- A. A listing of individual securities held at the end of the reporting period
- B. Percentage of available funds represented by each investment type
- C. Coupon, discount or earning rate
- D. Final maturity date of all investments
- E. Book value and market value

On an annual basis, the Investment Manager shall prepare and submit to the Finance Committee a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis when required and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

## **XIX. THIRD-PARTY CUSTODIAL AGREEMENTS**

All securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by; CFX should be properly designated as an asset of CFX. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

CFX will execute a third-party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include letters of authority from CFX, details as to the responsibilities of each party, method of notification of security purchases, sales and delivery procedures related to repurchase agreements and wire transfers, safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by CFX and which authorization has been provided, in writing, to the custodian.

No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide CFX with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

**XX. POLICY REVIEW**

The Chief Financial Officer, Executive Director and the Finance Committee shall review the policy every two years and shall submit any proposed modifications to the Board for approval. If there are no recommended changes, the policy need not be resubmitted to the Board and remains in effect.

**APPROVED AND ADOPTED BY THE CFX BOARD ON \_\_\_\_\_**

## ATTACHMENT A - Glossary of Cash and Investment Management Terms

The following is a glossary of key investing terms, many of which appear in CFX's Investment Policy. This glossary clarifies the meaning of investment terms generally used in cash and investment management. This glossary has been adapted from the GFOA Sample Investment Policy and the Association of Public Treasurers of the United States and Canada's Model Investment Policy.

**Accrued Interest.** Interest earned but which has not yet been paid or received.

**Agency.** See "Federal Agency Securities."

**Ask Price.** Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

**Asset Backed Securities (ABS).** A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans, and aircraft leases.

**Average Life.** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**Bankers' Acceptance (BA's).** A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

**Basis Point.** One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

**Bearer Security.** A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

**Benchmark Bills:** In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and six-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

**Benchmark Notes/Bonds:** Benchmark Notes and Bonds are a series of FNMA "bullet" maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10, and 30-year maturities are issued each quarter. Each Benchmark Notes new issue

has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Benchmark.** A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio's investments.

**Bid Price.** Price at which a broker/dealer offers to purchase a security from an investor.

**Bond.** Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash-flows, including periodic interest payments and a principal repayment.

**Book Entry Securities.** Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC

(as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

**Book Value.** The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

**Broker/Dealer.** A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

**Bullet Notes/Bonds.** Notes or bonds that have a single maturity date and are non-callable.

**Call Date.** Date at which a call option may be or is exercised.

**Call Option.** The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are at par, but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

**Callable Bonds/Notes.** Securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

**Certificate of Deposit (CD).** Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

**Collateral.** Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

**Collateralization.** Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

**Collateralized Mortgage Obligation (CMO).** A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In “plain vanilla” CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

**Commercial Paper.** Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days and given a short-term debt rating by one or more NRSROs.

**Convexity.** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**Corporate Note.** A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

**Counterparty.** The other party in a two party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

**Coupon Rate.** Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

**Current Yield.** Annual rate of return on a bond based on its price. Calculated as (coupon rate / price), but does not accurately reflect a bond's true yield level.

**Custody.** Safekeeping services offered by a bank, financial institution, or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement, and market values.

**Dealer.** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

**Delivery Versus Payment (DVP).** Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those

through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

**Depository Trust Company (DTC).** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and BAs clear through DTC.

**Derivatives.** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities). For hedging purposes, common derivatives are options, futures, interest rate swaps, and swaptions.

**Derivative Security.** Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**Designated Bond.** FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3 year original maturity. New issues of Designated Bonds are \$1 billion or larger. Re-openings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Discount Notes.** Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets exist.

**Discount Rate.** Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

**Discount Securities.** Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include: U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances, and Commercial Paper.

**Discount.** The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

**Diversification.** Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

**Dollar Price.** A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 ½, would have a principal cost of \$955 per \$1,000 of face value.

**Duff & Phelps.** One of several NRSROs that provide credit ratings on corporate and bank debt issues.

**Duration.** The weighted average maturity of a security's or portfolio's cash-flows, where the present values of the cash-flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration, Modified Duration).

**Fannie Mae.** See "Federal National Mortgage Association."

**Fed Money Wire.** A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

**Fed Securities Wire.** A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts, used primarily for settlement of U.S. Treasury and Federal Agency securities.

**Fed.** See "Federal Reserve System."

**Federal Agency Security.** A debt instrument issued by one of the Federal Agencies. Federal Agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

**Federal Agency.** Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

**Federal Deposit Insurance Corporation (FDIC).** Federal agency that insures deposits at commercial banks, currently to a limit of \$250,000 per depositor per bank.

**Federal Farm Credit Bank (FFCB).** One of the large Federal Agencies. A government sponsored enterprise (GSE) system that is a network of cooperatively-owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its "designated note" program.

**Federal Funds (Fed Funds).** Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

**Federal Funds Rate (Fed Funds Rate).** The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

**Federal Home Loan Bank System (FHLB).** One of the large Federal Agencies. A government sponsored enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

**Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities, and MBS. Also issues notes under its “reference note” program.

**Federal National Mortgage Association (FNMA or "Fannie Mae").** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

**Federal Reserve Bank.** One of the 12 distinct banks of the Federal Reserve System.

**Federal Reserve System (the Fed).** The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

**Financial Industry Regulatory Authority, Inc. (FINRA).** A private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD). Though sometimes mistaken for a government agency, it is a non-governmental organization that performs financial regulation of member brokerage firms and exchange markets. The government also has a regulatory arm for investments, the Securities and Exchange Commission (SEC).

**Fiscal Agent/Paying Agent.** A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

**Fitch Investors Service, Inc.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**Floating Rate Security (FRN or “floater”).** A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather than on a predetermined schedule. See also “Variable Rate Security.”

**Freddie Mac.** See "Federal Home Loan Mortgage Corporation."

**Ginnie Mae.** See "Government National Mortgage Association."

**Global Notes:** Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

**Government National Mortgage Association (GNMA or "Ginnie Mae").** One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that are actually full faith and credit of the U.S. government).

**Government Securities.** An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, Bonds, and SLGS."

**Government Sponsored Enterprise (GSE).** Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. government, but they are not direct obligations of the U.S. government. For this reason, these securities will offer a yield premium over U.S. Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

**Government Sponsored Enterprise Security.** A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

**Index.** A compilation of statistical data that tracks changes in the economy or in financial markets.

**Interest-Only (IO) STRIP.** A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

**Internal Controls.** An internal control structure ensures that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - A separation of duties is achieved by separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Inverse Floater.** A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

**Investment Advisor.** A company that provides professional advice managing portfolios, investment recommendations, and/or research in exchange for a management fee.

**Investment Adviser Act of 1940.** Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

**Investment Grade.** Bonds considered suitable for preservation of invested capital, including bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

**Liquidity.** Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Additionally, it is a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

**Local Government Investment Pool (LGIP).** An investment by local governments in which their money is pooled as a method for managing local funds, (e.g., Florida State Board of Administration's Florida Prime Fund).

**Long-Term Core Investment Program.** Funds that are not needed within a one-year period.

**Market Value.** The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

**Mark-to-market.** Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

**Master Repurchase Agreement.** A widely accepted standard agreement form published by the Securities Industry and Financial Markets Association (SIFMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

**Maturity Date.** Date on which principal payment of a financial obligation is to be paid.

**Medium Term Notes (MTN's).** Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturity from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities, and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

**Money Market.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Money Market Mutual Fund (MMF).** A type of mutual fund that invests solely in money market instruments, such as: U.S. Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject to "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

**Moody's Investors Service.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**Mortgage Backed Securities (MBS).** Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA, and FHLMC. There are a variety of MBS structures with varying levels of risk and complexity. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

**Mortgage Pass-Through Securities.** A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. The largest issuer is GNMA.

**Municipal Note/Bond.** A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

**Mutual Fund.** Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (e.g., bond, equity, and money market funds); all except money market funds operate on a variable net asset value (NAV).

**Negotiable Certificate of Deposit (Negotiable CD).** Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

**Net Asset Value.** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets including securities, cash, and any accrued earnings, then subtracting the total assets from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$\frac{[(\text{Total assets}) - (\text{Liabilities})]}{(\text{Number of shares outstanding})}$$

**NRSRO.** A “Nationally Recognized Statistical Rating Organization” (NRSRO) is a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody’s, S&P, Fitch, and Duff & Phelps.

**Offered Price.** See also "Ask Price."

**Open Market Operations.** A Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

**Par Value.** The face value, stated value, or maturity value of a security.

**Physical Delivery.** Delivery of readily available underlying assets at contract maturity.

**Portfolio.** Collection of securities and investments held by an investor.

**Premium.** The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

**Primary Dealer.** A designation given to certain government securities dealer by the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are the largest buyers and sellers by volume in the U.S. Treasury securities market.

**Prime Paper.** Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody’s.

**Principal.** Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

**Prudent Expert Rule.** Standard that requires that a fiduciary manage a portfolio with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. This statement differs from the “prudent person” rule in that familiarity with such matters suggests a higher standard than simple prudence.

**Prudent Investor Standard.** Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the “prudent person” standard as it implies a level of knowledge commensurate with the responsibility at hand.

**Qualified Public Depository** - Per Subsection 280.02(26), F.S., “qualified public depository” means any bank, savings bank, or savings association that:

1. Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
2. Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
3. Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 et seq.
4. Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
5. Meets all requirements of Chapter 280, F.S.
6. Has been designated by the Chief Financial Officer as a qualified public depository.

**Range Note.** A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

**Rate of Return.** Amount of income received from an investment, expressed as a percentage of the amount invested.

**Realized Gains (Losses).** The difference between the sale price of an investment and its book value. Gains/losses are “realized” when the security is actually sold, as compared to “unrealized” gains/losses which are based on current market value. See “Unrealized Gains (Losses).”

**Reference Bills:** FHLMC’s short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency, and liquidity, thereby providing alternatives to U.S. Treasury bills. FHLMC’s Reference Bills are unsecured general corporate obligations. This program supplements the corporation’s existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

**Reference Notes:** FHLMC’s intermediate-term debt program with issuances of 2, 3, 5, 10, and 30-year maturities. Initial issuances range from \$2 - \$6 billion with re-openings ranging \$1 - \$4 billion.

The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

**Repurchase Agreement (Repo).** A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor’s custodial bank, or “tri-party” where the securities are delivered to a third party intermediary. Any type of security can be used as “collateral,” but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate Securities Industry and Financial Markets Association (SIFMA) approved master repurchase agreement is in place.

**Reverse Repurchase Agreement (Reverse Repo).** A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

**Safekeeping.** Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

**Secondary Market.** Markets for the purchase and sale of any previously issued financial instrument.

**Securities Industry and Financial Markets Association (SIFMA).** The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the SIFMA also recommends bond market closures and early closes due to holidays.

**Securities Lending.** An arrangement between an investor and a custody bank that allows the custody bank to “loan” the investor’s investment holdings, reinvest the proceeds in permitted investments, and

shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

**Sinking Fund.** A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

**Spread.** The difference between the price of a security and similar maturity U.S. Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

**Standard & Poor's.** One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

**STRIPS (Separate Trading of Registered Interest and Principal of Securities).** Acronym applied to U.S. Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and "strips" description can be applied to non-Treasury securities (e.g., FNMA strips).

**Structured Notes.** Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

**Supranational.** Supranational organizations are international financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. These agreements provide for limited immunity from the laws of member countries. Bonds issued by these institutions are part of the broader class of Supranational, Sovereign, and Non-U.S. Agency (SSA) sector bonds. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe. For example, the World Bank, International Finance Corporation (IFC), and African Development Bank (AfDB) have "green bond" programs specifically designed for energy resource conservation and management. Supranational bonds, which are issued by multi-national organizations that transcend national boundaries. Examples include the World Bank, African Development Bank, and European Investment Bank.

**Swap.** Trading one asset for another.

**TAP Notes:** Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5, and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued, but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

**Tennessee Valley Authority (TVA).** One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the U.S. Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes, and callable agency securities.

**Total Return.** Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

**Treasuries.** Collective term used to describe debt instruments backed by the U.S. government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

**Treasury Bills (T-Bills).** Short-term direct obligations of the United States government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week, and 26-week T-Bills.

**Treasury Bonds.** Long-term interest-bearing debt securities backed by the U.S. government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

**Treasury Notes.** Intermediate interest-bearing debt securities backed by the U.S. government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, and 10-year Treasury Notes.

**Trustee.** A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

**Uniform Net Capital Rule.** SEC Rule 15c3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

**Unrealized Gains (Losses).** The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

**Variable-Rate Security.** A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually, or annually). See also "Floating Rate Note."

**Weighted Average Maturity (or just "Average Maturity").** The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or

investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

**Weighted Average Maturity to Call.** The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

**Yield Curve.** A graphic depiction of yields on like securities in relation to remaining maturities spread over a time line. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

**Yield to Call (YTC).** Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

**Yield to Maturity (YTM).** Calculated return on an investment, assuming all cash-flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

**Yield.** There are numerous methods of yield determination. In this glossary, see also "Current Yield," "Yield Curve," "Yield to Call," and "Yield to Maturity."

## **ATTACHMENT B - Investment Pool/Fund Questionnaire**

### **General Fund/Pool Information:**

1. Does the pool/fund attempt to maintain a stable net asset value or floating net asset value?
2. How is interest distributed and how are the gain and losses treated?
3. How often are the statements and portfolio holdings distributed?
4. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

### **Oversight:**

1. What are the pool/fund ratings by the Nationally Recognized Statistical Rating Organizations such as S&P, Moody's, Fitch, Kroll, etc.?
2. What are the eligible investment securities? Is there a written statement of investment policy and objectives?
3. How are the securities safeguarded (including settlement process)? How often are the securities priced? How often is the pool/fund audited?
4. Is there any additional oversight of the Board of Trustees?

### **Fund/Pool Statistics:**

1. What is the current sector allocation of the pool/fund?
2. What is the fee schedule, and how and when is it assessed?

### **Liquidity:**

1. Does the pool/fund follow GASB 79?
2. Does the pool/fund have any liquidity fees? If so, describe the terms.
3. Does the pool/fund have redemption gates? If so, describe them.

### **Investor Requirements:**

1. Who may invest in the program, how often, and what size deposits and withdrawals are allowed?
2. Is there a limit regarding investor concentration? If so, what is it?

# D.3

# **CENTRAL FLORIDA EXPRESSWAY AUTHORITY**

## **Finance Committee Meeting**

**Presented By:**  
**Brent Wilder, Managing Director**

April 23, 2026

---

PFM Financial  
Advisors LLC

---

200 S. Orange Avenue,  
Suite 760  
Orlando, FL 32801

---

407-648-2208  
pfm.com



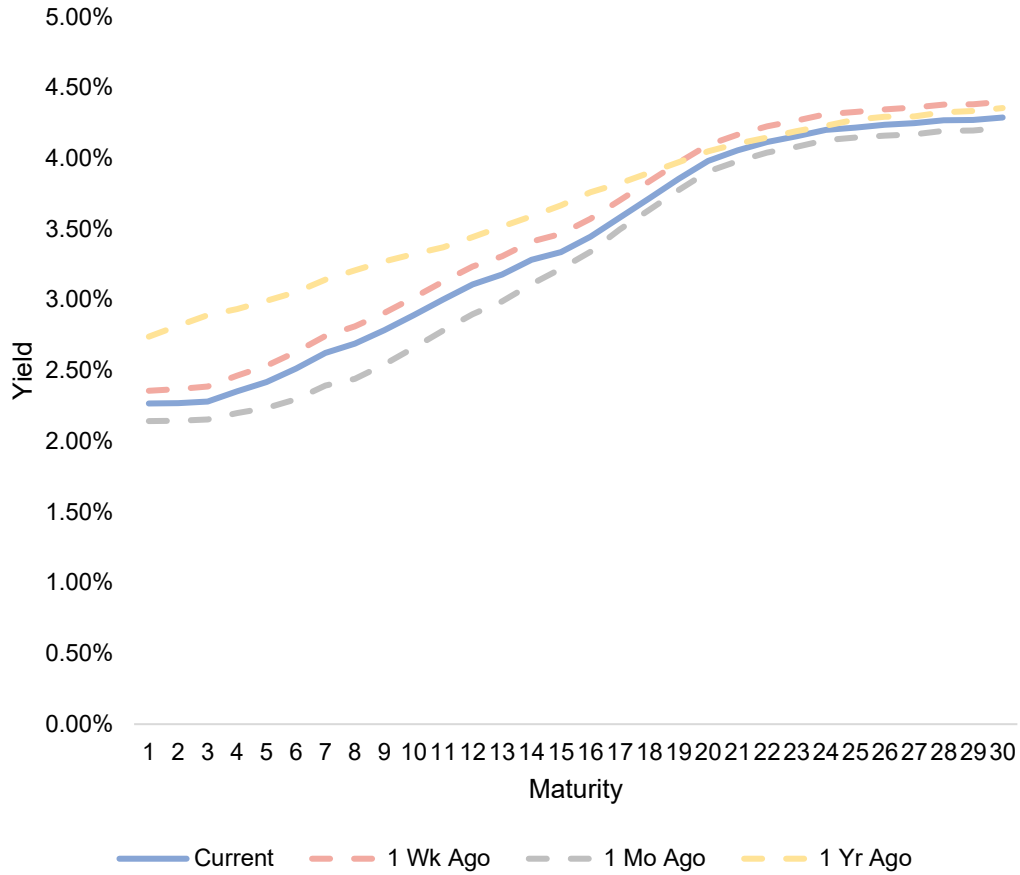
# MUNICIPAL MARKET OVERVIEW



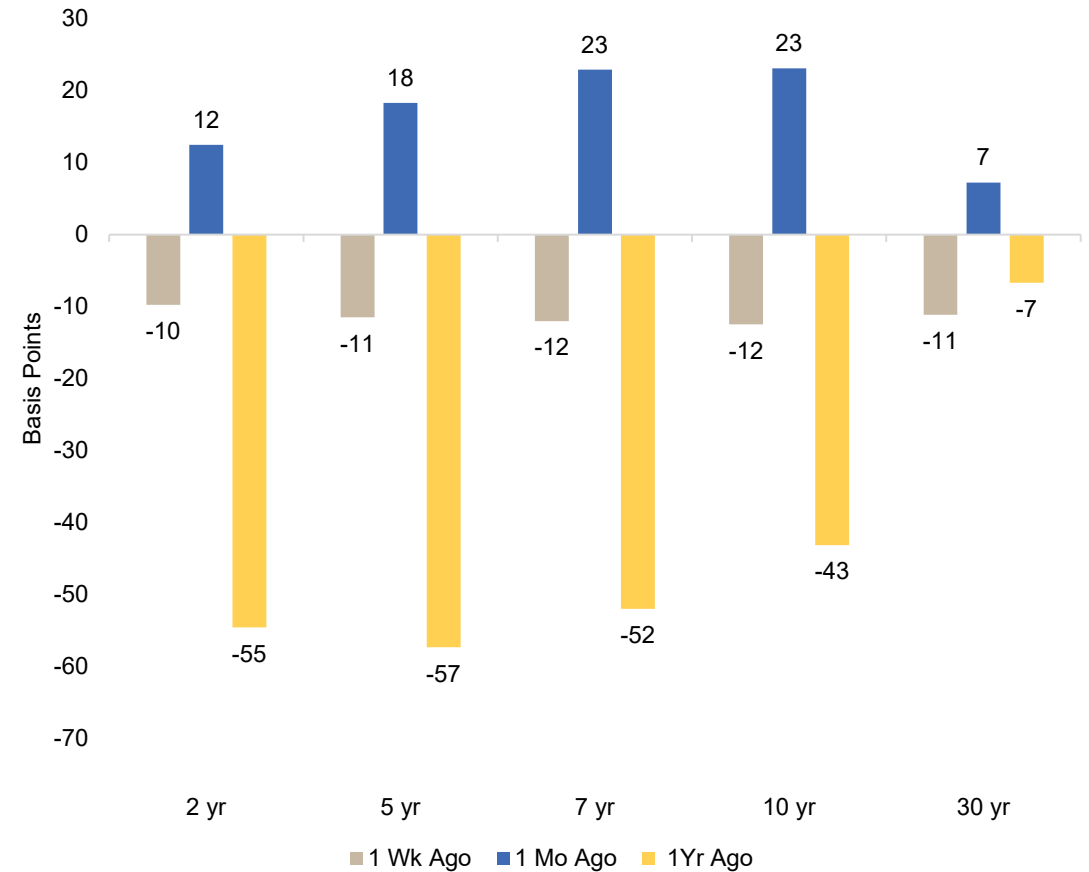
# Municipal Interest Rate Movements

Bloomberg Valuation Service (BVAL)

## BVAL AAA General Obligation (G.O.) Curve



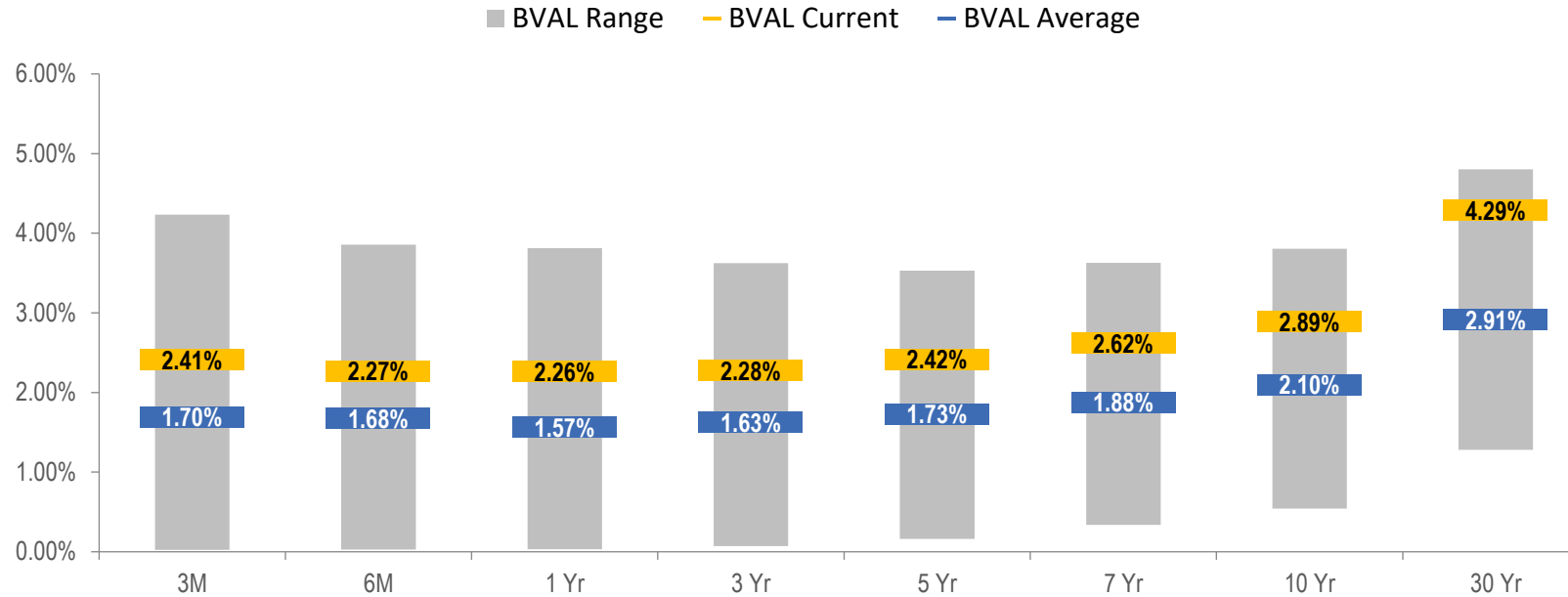
## BVAL AAA General Obligation (G.O.) Yield Curve Changes



Source: Bloomberg as of 4/10/2026



## Municipal Bond Rates over 20 Years



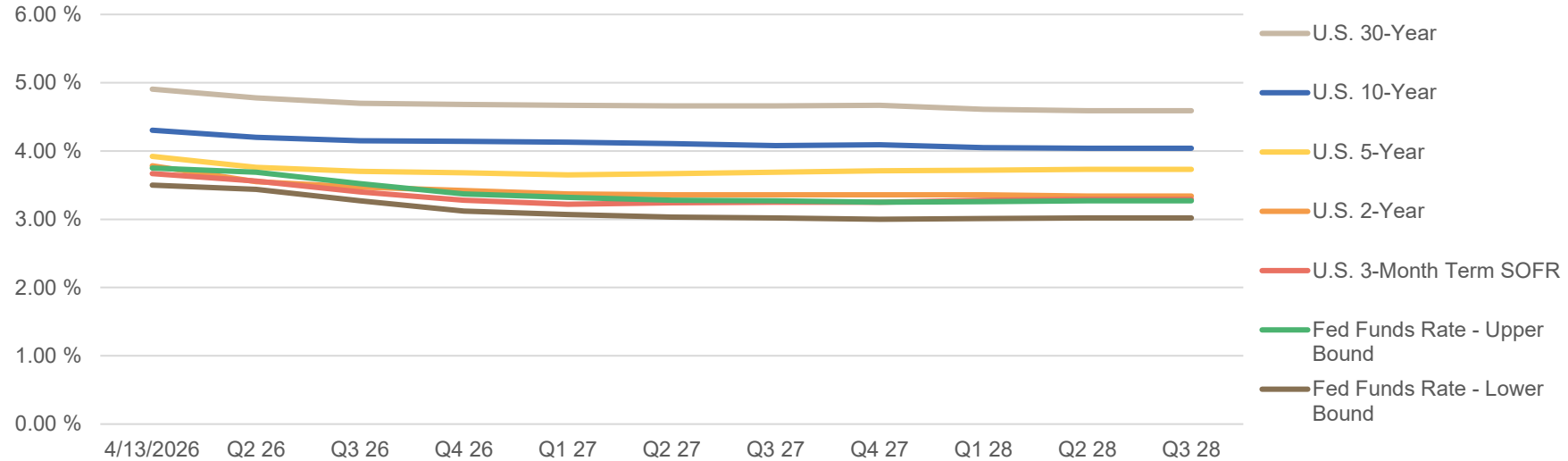
STATISTIC	3M	6M	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	30 Yr
<b>4/13/2026</b>	<b>2.41%</b>	<b>2.27%</b>	<b>2.26%</b>	<b>2.28%</b>	<b>2.42%</b>	<b>2.62%</b>	<b>2.89%</b>	<b>4.29%</b>
Average	1.70%	1.68%	1.57%	1.63%	1.73%	1.88%	2.10%	2.91%
Spread to Avg.	72 bps	60 bps	70 bps	65 bps	69 bps	75 bps	79 bps	137 bps
Minimum	0.02%	0.03%	0.03%	0.07%	0.16%	0.34%	0.54%	1.28%
Percent of Market Days Lower	53.29%	52.34%	67.03%	68.34%	74.57%	81.36%	86.55%	93.85%

Source: Bloomberg as of 4/13/2026



## Economic Forecast

### U.S. Interest Rate Forecast



### U.S. BOND YIELD FORECASTS APRIL 13 2026

Rate	4/13/2026	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27	Q1 28	Q2 28	Q3 28	Q3 28 vs Current
U.S. 30-Year	4.91 %	4.78 %	4.70 %	4.68 %	4.67 %	4.66 %	4.66 %	4.67 %	4.61 %	4.59 %	4.59 %	(31.60%)
U.S. 10-Year	4.30 %	4.20 %	4.15 %	4.14 %	4.13 %	4.11 %	4.08 %	4.09 %	4.05 %	4.04 %	4.04 %	(26.42%)
U.S. 5-Year	3.92 %	3.76 %	3.70 %	3.68 %	3.65 %	3.67 %	3.69 %	3.71 %	3.72 %	3.73 %	3.73 %	(19.10%)
U.S. 2-Year	3.78 %	3.55 %	3.47 %	3.42 %	3.37 %	3.36 %	3.36 %	3.36 %	3.36 %	3.34 %	3.34 %	(44.36%)
U.S. 3-Month Term SOFR	3.67 %	3.56 %	3.40 %	3.28 %	3.22 %	3.24 %	3.25 %	3.25 %	3.28 %	3.29 %	3.29 %	(37.90%)
Fed Funds Rate - Upper Bound	3.75 %	3.69 %	3.52 %	3.37 %	3.32 %	3.28 %	3.27 %	3.25 %	3.26 %	3.27 %	3.27 %	(48.00%)
Fed Funds Rate - Lower Bound	3.50 %	3.44 %	3.27 %	3.12 %	3.07 %	3.03 %	3.02 %	3.00 %	3.01 %	3.02 %	3.02 %	(48.00%)

Source: Bloomberg as of 4/13/2026



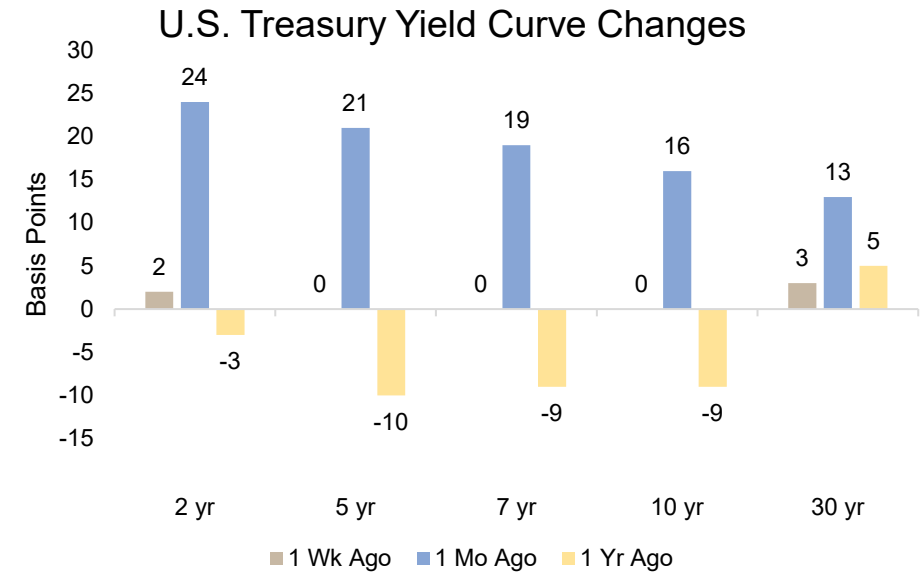
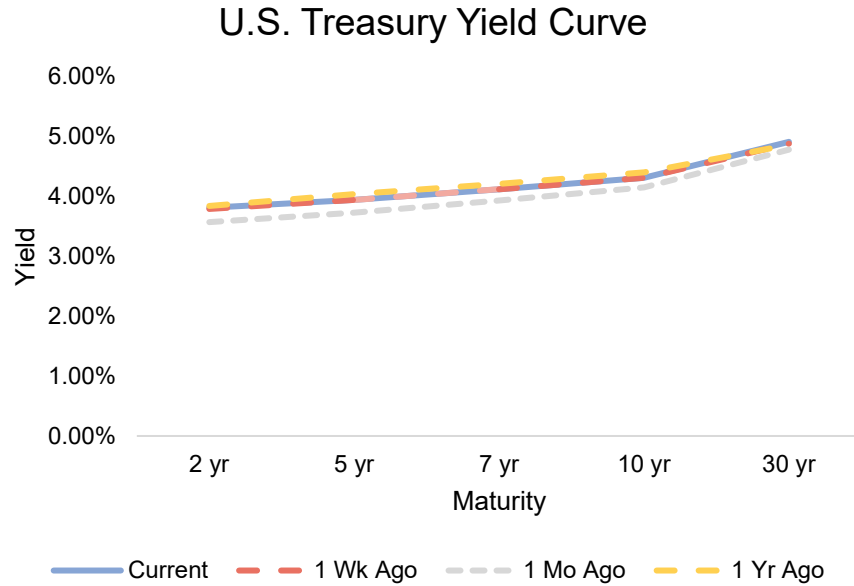
# Municipal Interest Rate Movements

AAA BVAL Rate Movement for the Past 3 Months																							
AAA Tenor	Date & Weekday																				Total Δ	4/10 Rate	
	1/9	1/16	1/23	1/30	2/6	2/13	2/20	2/27	3/6	3/13	3/20	3/27	3/30	3/31	4/1	4/2	4/6	4/7	4/8	4/9			4/10
	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	F	M	T	W	T	M	T	W	T			F
1	2.33	-8	0	-2	-10	-7	-1	-3	12	4	9	14	-2	-1	-2	0	-1	-1	-7	0	0	-6	2.27
2	2.28	-6	1	-3	-9	-6	-1	-3	13	6	9	14	-2	-2	-2	0	-1	-1	-8	0	0	-1	2.27
3	2.23	-5	2	-3	-7	-6	-1	-3	15	7	10	14	-2	-2	-3	0	-1	-1	-8	-1	0	5	2.28
4	2.24	-6	3	-3	-6	-5	-1	-2	15	9	11	15	-2	-2	-3	-1	-1	-1	-8	-1	0	11	2.35
5	2.25	-4	3	-2	-6	-6	-1	-2	16	11	11	17	-3	-2	-3	-1	-1	-1	-9	0	0	17	2.42
6	2.28	-3	5	-3	-5	-7	-1	-2	17	12	14	17	-3	-2	-3	-1	-1	-1	-9	-1	0	23	2.51
7	2.36	-4	6	-3	-4	-6	-1	-2	16	13	15	17	-2	-3	-3	-1	-1	-1	-9	0	-1	26	2.62
8	2.40	-3	6	-3	-5	-6	-1	-2	17	16	15	16	-2	-3	-3	-1	-1	-1	-9	-1	0	29	2.69
9	2.49	-2	6	-3	-4	-7	-1	-2	17	16	15	16	-2	-3	-3	-1	-2	-1	-9	0	-1	29	2.78
10	2.59	-2	7	-4	-3	-6	-2	-2	18	16	14	16	-2	-3	-3	-1	-2	-1	-9	-1	0	30	2.89
11	2.72	-3	7	-3	-3	-6	-3	-2	18	16	14	15	-2	-3	-3	-1	-2	-1	-9	-1	0	28	3.00
12	2.83	-2	7	-3	-3	-6	-3	-2	17	17	14	14	-2	-3	-3	-2	-1	-1	-9	-1	0	28	3.11
13	2.94	-2	5	-3	-4	-5	-3	-3	18	17	12	15	-3	-2	-4	-1	-2	-1	-9	-1	0	24	3.18
14	3.06	-3	6	-4	-2	-5	-4	-2	17	17	12	13	-2	-3	-3	-2	-2	0	-10	-1	0	22	3.28
15	3.15	-2	8	-4	-2	-5	-4	-2	16	15	9	13	-2	-3	-4	-1	-2	-1	-9	-1	0	19	3.34
16	3.29	-2	8	-3	-1	-6	-3	-3	13	14	9	12	-2	-3	-3	-2	-2	-1	-9	0	0	16	3.45
17	3.47	-1	6	-2	-2	-5	-3	-4	12	13	7	12	-2	-3	-3	-2	-1	-1	-9	-1	0	11	3.58
18	3.60	-1	7	-2	-2	-4	-3	-5	12	12	7	12	-2	-3	-3	-1	-2	-1	-9	0	0	12	3.72
19	3.73	0	6	-1	-1	-4	-3	-5	11	12	7	11	-2	-3	-3	-1	-2	-1	-8	0	0	13	3.86
20	3.85	-1	7	0	-1	-4	-3	-5	11	11	7	11	-2	-3	-3	-1	-2	0	-8	-1	0	13	3.98
21	3.90	0	6	0	-1	-3	-3	-4	11	12	7	11	-2	-3	-3	-1	-2	-1	-8	0	0	16	4.06
22	3.95	-1	7	-1	-1	-2	-3	-4	12	12	7	11	-2	-3	-3	-1	-2	-1	-8	0	0	17	4.12
23	3.99	-1	7	0	-2	-2	-3	-4	12	12	7	11	-2	-3	-3	-1	-2	-1	-8	0	0	17	4.16
24	4.02	0	7	-1	-1	-2	-3	-4	13	11	7	11	-2	-3	-3	-1	-2	0	-9	0	0	18	4.20
25	4.03	-1	9	-1	-1	-2	-4	-3	12	12	7	11	-2	-3	-3	-1	-2	-1	-8	0	0	19	4.22
26	4.04	0	8	-1	-1	-2	-4	-4	14	12	7	10	-1	-3	-4	0	-2	-1	-8	0	0	20	4.24
27	4.05	-1	9	-1	-1	-3	-3	-4	14	11	8	11	-2	-3	-3	-1	-2	-1	-8	0	0	20	4.25
28	4.06	0	8	-1	-1	-2	-4	-4	15	12	8	10	-2	-3	-3	-1	-2	-1	-8	0	0	21	4.27
29	4.07	-1	9	-1	-1	-3	-4	-3	14	12	8	10	-2	-3	-3	-1	-2	0	-8	-1	0	20	4.27
30	4.09	-1	9	-1	-2	-2	-4	-4	15	12	8	10	-2	-3	-3	-1	-2	-1	-8	0	0	20	4.29

Source: Bloomberg as of 4/10/2026



# Treasury Interest Rate Movements



### Treasury Rate Movement for the Past 3 Months

Tenor	Date & Weekday																				Total Δ	4/10 Rate	
	1/9	1/16	1/23	1/30	2/6	2/13	2/20	2/27	3/6	3/13	3/20	3/27	3/30	3/31	4/1	4/2	4/6	4/7	4/8	4/9			4/10
	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	Fri	F	M	T	W	T	M	T	W	T			F
1	3.52	3	-2	-5	-3	-3	9	-3	7	11	14	-3	-6	-3	0	0	4	-4	1	-1	2	18	3.70
2	3.54	5	1	-8	-2	-10	8	-10	18	17	15	0	-6	-3	2	-2	5	-3	-2	-1	3	27	3.81
3	3.59	8	0	-7	-3	-14	7	-11	20	15	16	4	-9	-4	3	-2	6	-6	-4	-1	3	21	3.80
5	3.75	7	2	-5	-3	-15	4	-14	21	15	14	5	-9	-5	5	-3	4	-3	-3	-1	3	19	3.94
7	3.95	7	1	-2	-3	-17	4	-13	21	14	13	5	-9	-5	4	-3	4	-3	-3	0	2	17	4.12
10	4.18	6	0	2	-4	-18	4	-11	18	13	11	5	-9	-5	3	-2	3	-1	-4	0	2	13	4.31
20	4.76	3	-1	4	-2	-16	2	-9	17	15	8	2	-7	-4	3	-3	1	1	-3	1	1	13	4.89
30	4.82	1	-1	5	-2	-16	3	-8	13	13	6	2	-7	-3	3	-3	1	1	-1	1	1	9	4.91

Source: treasury.gov as of 4/10/2026



# DEBT OVERVIEW



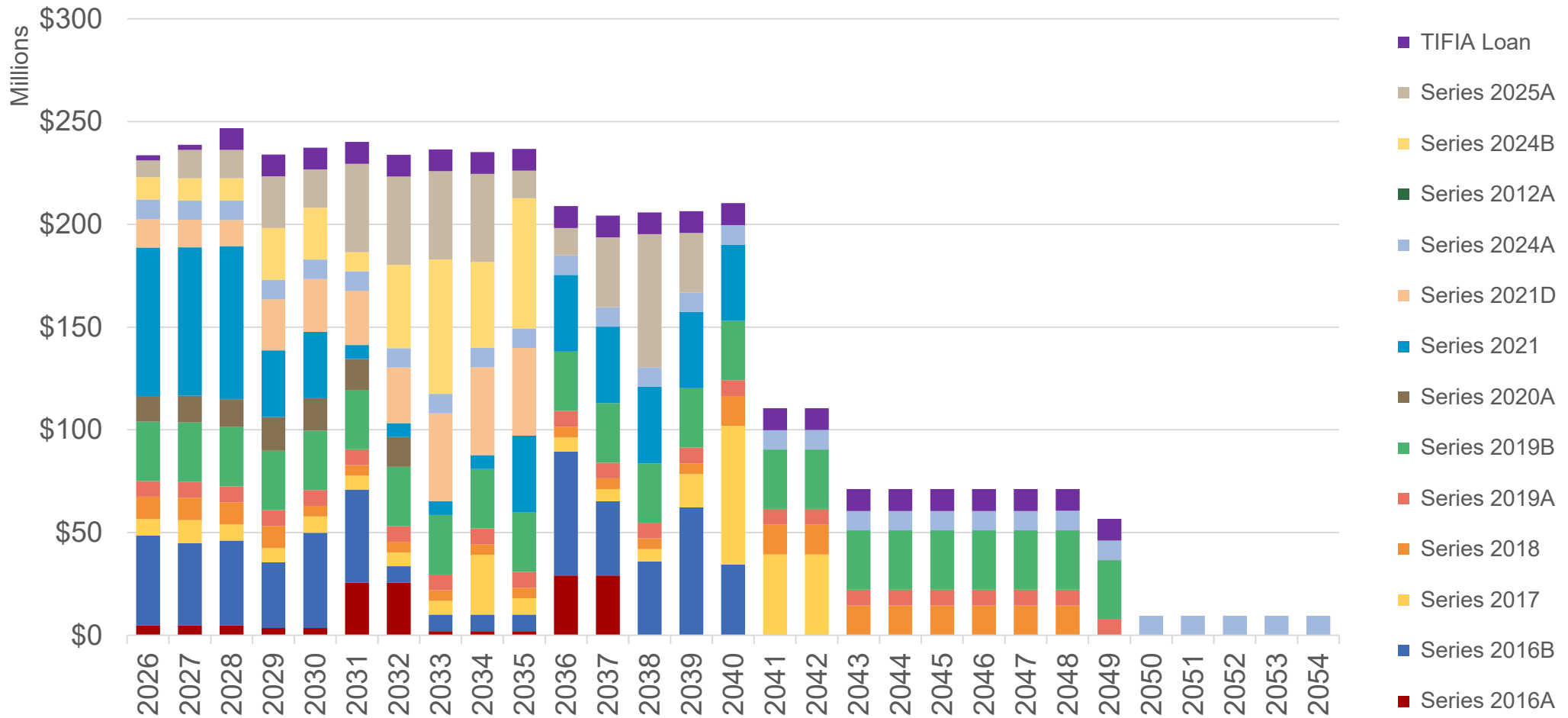
## Debt Summary – Outstanding Debt

Series	Original Principal	Outstanding Principal <sup>1</sup>	Final Maturity	Call Date	Coupon / Interest Rate
<b>Senior Lien</b>					
2016A	151,695,000	103,260,000	7/1/2037	7/1/2026	3.00% - 5.00%
2016B	631,330,000	378,480,000	7/1/2040	7/1/2026	3.00% - 5.00%
2017	341,210,000	178,560,000	7/1/2042	7/1/2027	3.00% - 5.00%
2018	221,045,000	123,125,000	7/1/2048	7/1/2028	5.00%
2019A	129,550,000	116,635,000	7/1/2049	7/1/2029	3.00% - 5.00%
2019B	441,390,000	398,700,000	7/1/2049	7/1/2029	5.00%
2020A	155,915,000	94,425,000	7/1/2032	MWC <sup>2</sup>	1.54%
2021	548,175,000	420,575,000	7/1/2040	7/1/2031	2.50% - 5.00%
2021D	198,435,000	198,435,000	7/1/2035	7/1/2031	5.00%
2024A	145,430,000	143,490,000	7/1/2054	7/1/2034	5.00%
2024B	215,605,000	215,605,000	7/1/2035	7/1/2034	5.00%
2025A	276,240,000	276,240,000	7/1/2039	7/1/2035	5.00%
<b>Junior Lien</b>					
TIFIA Loan	193,695,000	202,901,038	7/1/2049	Currently Callable	1.23%
<b>TOTAL</b>	<b>3,647,775,000</b>	<b>\$2,850,431,038</b>			

1. As of April 13, 2026  
2. Make Whole Call



## Debt Summary – Outstanding Debt Service





# DEBT OVERVIEW / OPPORTUNITIES



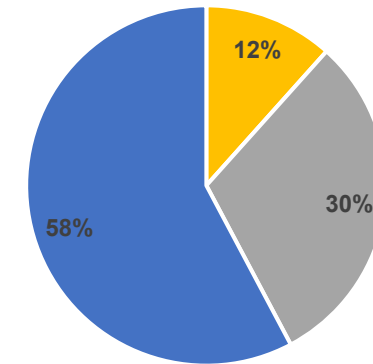
## Debt Summary – Callable Debt by Coupon

- The overview of refunding opportunities is focused on bonds with call dates within the next 3 years.

Series	Outstanding Principal	Final Maturity	Next Call Date
<b>Fixed Rate Debt</b>			
2016A	103,260,000	7/1/2037	7/1/2026
2016B	378,480,000	7/1/2040	7/1/2026
2017	178,560,000	7/1/2042	7/1/2027
2018	123,125,000	7/1/2048	7/1/2028
2019A	116,635,000	7/1/2049	7/1/2029
2019B	398,700,000	7/1/2049	7/1/2029
2021	420,575,000	7/1/2040	7/1/2031
2021D	198,435,000	7/1/2035	7/1/2031
2024A	143,490,000	7/1/2054	7/1/2034
2024B	215,605,000	7/1/2035	7/1/2034
2025A	276,240,000	7/1/2039	7/1/2035
<b>Total</b>	<b>2,553,105,000</b>		

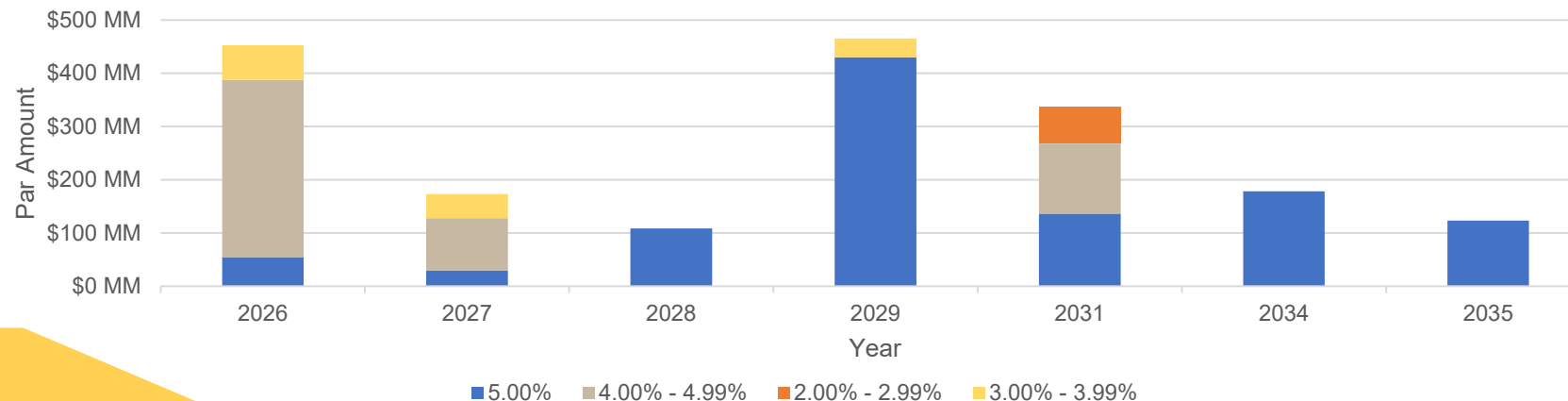
\*Excludes debt with a Make Whole Call Provision and loans bearing rates below 1.50%

Callable Par Outstanding



■ 3.00% ■ 4.00% ■ 5.00%

CFX - Callable Fixed Rate Debt by Coupon on Call Date





## Refunding Strategies

- ◆ With tax-exempt advance refundings currently not permitted, the following alternative options remain:
  - **Tax-Exempt Current Refunding:** *Wait out the call protection period and, if market conditions permit, execute a current refunding not more than 90 days before the bonds become subject to optional redemption.*
  - **Taxable Advance Refunding:** If market conditions permit, execute an advance refunding using taxable bonds.
  - **Cash Optimization:** Utilize cash on hand to defease outstanding bonds (versus a bond-funded refunding transaction) and fund new money capital projects with tax-exempt bonds instead of cash-funding.
  - **Tender & Bond Repurchase:** Issuer makes an offer to tender outstanding bonds from a bondholder(s) at a certain price. A tender constitutes a current refunding; therefore, refunding bonds may be issued on a tax-exempt basis.
  - **Forward Delivery Bonds:** Issue forward delivery bonds to lock in current market borrowing levels for bonds that are issued (delivered) in the future.
  - **Forward-Starting Swaps:** Allows the Issuer to hedge against rising interest rates on a future issuance of bonds (new money or refunding bonds).
  - **Cinderella Bonds:** Issued on a taxable basis and will convert to tax-exempt status upon the occurrence of a specified condition precedent.



## Refunding Opportunity

- Refund outstanding Series 2016AB Bonds producing positive NPV savings.
  - Aligns with CFX debt policy of 3% minimum NPV savings threshold for current refundings
- Proposed transaction would refund all outstanding 2016AB maturities except insured 2016B Bonds (2036-2037 bifurcated maturities).
- Refunding bonds issued prior to the call date would be priced to par.

Refunded Bonds				NPV Debt Service Savings			Escrow Analysis		
Series	Refunded Par	Maturity Range	Refunded Bond Interest	NPV Savings \$	NPV Savings %	NPV Savings % > 3%	Escrow Restriction	Escrow Yield	Escrow Yield > Refunding Bond Yield
Series 2016A	102,195,000	2027-2037	3.88%	3,178,137	3.11%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	335,480,000	2027-2040	4.20%	15,587,740	4.65%	✓	N/A <sup>1</sup>	3.73%	✓

Notes: Analysis assumes AA- rated Toll Revenue Bond rates as of April 10, 2026. Savings reflect refunding of all individual maturities producing positive NPV savings. Savings discounted to assumed issuance date of July 1, 2026.

<sup>1</sup>: N/A indicates removal of escrow restrictions due to 89 day escrow period through 9/28/2026.



## Method of Sale

- ◆ The Debt Policy states CFX will sell long-term debt on a competitive basis unless the transaction is better suited for a negotiated sale or direct placement. The evaluation will take into consideration:
  - Expected credit rating of bonds being issued
  - Strength of revenue stream
  - Structure of bonds and potential need for extensive explanation to the bond market
  - Use of insurance or other credit enhancement
  - Other factors that favor the use of one method over the other include restructuring flexibility during pricing and guaranty of bond accessibility to local constituents
  
- ◆ Due to the intricacies and size of the refunding transaction; *a negotiated sale is recommended.*



## Underwriter Selection Process

- ◆ If a negotiated sale is selected, the next step will be to select a lead underwriting firm and all participating co-senior and co-manager firms. Per CFX debt policy, selection shall be based on:
  - Results of the most recent Request for Proposals (RFP) selection
  - Firm's contribution to development of strategies for transaction
  - Demonstrated ability of firm to successfully underwrite similar transactions
  - Previous work assigned to firm under current RFP selection Per the Debt Policy, the senior underwriter for a negotiated transaction may be selected according to the results of the most recent RFP for underwriting services.

CFX Senior Manager Underwriting Pool		
Rank	Firm	Senior Managed Transaction
1	J.P. Morgan Securities LLC	\$145,430,000 Senior Lien Revenue Bonds, Series 2024A \$215,605,000 Senior Lien Revenue Bonds, Series 2024B
2	BofA Securities, Inc.	\$276,240,00 Senior Lien Revenue Bonds, Series 2025A
3	RBC Capital Markets, LLC	TBD Senior Lien Revenue Refunding Bonds, Series 2026
4 tie	Jeffries LLC	
4 tie	Wells Fargo Bank, N.A. Municipal Finance Group	

- ◆ Recommendation: ***The Refunding Bonds are issued via a negotiated sale RBC Capital Markets, LLC serving as senior underwriter.***



## Transaction Details

### WORKING GROUP PARTICIPANTS

- **Bond Counsel** – Nelson Mullins Riley & Scarborough LLP
- **Disclosure Counsel** – Nabors, Giblin & Nickerson, P.A.
- **General Engineering Consultant** – Dewberry Engineers Inc.
- **Financial Advisor** – PFM Financial Advisors LLC
- **Traffic and Earnings Consultant** – CDM Smith Inc.
- **Paying Agent** – Computershare
- **Underwriting Syndicate**
  - **Senior Managing Underwriter** – TBD
  - **Co-Senior Managers** – TBD
  - **Co-Managers** – TBD

### FINANCING SCHEDULE

- **Finance Committee Meeting** – April 23
- **Board Meeting** – June 9
- **Bond Pricing** – Mid June
- **Closing Date** – Early July



## *Appendix: Savings by Maturity Analysis*



## Savings by Maturity Refunding Analysis

Refunded Bonds				Refunding Bonds	NPV Debt Service Savings			Escrow Analysis		
Series	Refunded Par	Maturity Range	Refunded Bond Interest	Refunding Yield	NPV Savings \$	NPV Savings %	NPV Savings % > 3%	Escrow Restriction	Escrow Yield	Escrow Yield > Refunding Bond Yield
Series 2016A	1,120,000	7/1/2027	5.00%	2.49%	17,321	1.55%	✗	N/A <sup>1</sup>	3.73%	✓
Series 2016A	1,170,000	7/1/2028	4.00%	2.49%	25,965	2.22%	✗	N/A <sup>1</sup>	3.73%	✓
Series 2016A	21,955,000	7/1/2031	4.00%	2.67%	1,196,445	5.45%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016A	22,835,000	7/1/2032	3.00%	2.76%	195,796	0.86%	✗	N/A <sup>1</sup>	3.73%	✓
Series 2016A	27,115,000	7/1/2036	3.25%	3.13%	149,310	0.55%	✗	N/A <sup>1</sup>	3.73%	✓
Series 2016A	28,000,000	7/1/2037	4.00%	3.25%	1,593,300	5.69%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	25,600,000	7/1/2027	5.00%	2.49%	417,606	1.63%	✗	N/A <sup>1</sup>	3.73%	✓
Series 2016B	28,205,000	7/1/2028	5.00%	2.49%	1,135,961	4.03%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	20,290,000	7/1/2029	4.00%	2.51%	742,084	3.66%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	35,470,000	7/1/2030	4.00%	2.59%	1,659,508	4.68%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	35,935,000	7/1/2031	4.00%	2.67%	1,982,973	5.52%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	47,125,000	7/1/2036	4.00%	3.13%	3,216,444	6.83%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	20,105,000	7/1/2037	4.00%	3.25%	1,176,634	5.85%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	31,085,000	7/1/2038	4.00%	3.34%	1,580,925	5.09%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	58,590,000	7/1/2039	4.00%	3.43%	2,500,955	4.27%	✓	N/A <sup>1</sup>	3.73%	✓
Series 2016B	33,075,000	7/1/2040	4.00%	3.53%	1,174,652	3.55%	✓	N/A <sup>1</sup>	3.73%	✓

Notes: Analysis assumes AA- rated Toll Revenue Bond rates as of April 10, 2026. Savings discounted to assumed issuance date of July 1, 2026.

<sup>1</sup> N/A indicates removal of escrow restrictions due to 89 day escrow period through 9/28/2026.

**D.4**

## Debt Policy

### I. Purpose

The purpose of this Central Florida Expressway Authority (CFX) Debt Policy is to establish guidelines and a framework for the issuance and management of CFX's debt. CFX is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of CFX and the full and timely repayment of all financial obligations. CFX will be open to recommendations or ideas for any proposed transaction as well as variations from the following guidelines provided that such variation shall be fully examined in conjunction with CFX's advisors and justified to the Finance Committee, who will then make a recommendation to the Board of CFX.

### II. Capital Budgeting and Debt Issuance Policy

- A. CFX has retained the services of a traffic engineer and a general engineering consultant to obtain independent professional advice on the acquisition, construction, operation and management of the system, including assistance on the development of a Five-Year Work Plan and Twenty-Five Year Master Plan. The Five-Year Work Plan is typically reviewed and updated at least annually. The Twenty-Five Year Master Plan is typically updated every five years. CFX has retained the services of a financial advisor to assist with the development and maintenance of a developed and will maintain and update, as appropriate, a comprehensive Capital Planning Model as a tool in developing a financing plan for its Five-Year Work Plan, as well as other additional longer-term capital improvements. The Capital Planning Model incorporates the following elements, in addition to other factors:

- System revenue projections from CFX's traffic consultant or alternative revenue projection scenarios
- Projected Operations, Maintenance and Administration Expenses
- Existing debt service requirements
- Projected Five-Year Work Plan funding needs together with estimates to complete projects beyond the five year scope
- Projected timing of the adopted Five-Year Work Plan projects
- Estimated additional debt service requirements
- Estimated investment income

- B. Long-term debt will be used to finance essential capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of CFX. Long-term debt, which includes capital lease financings, should not be used to fund CFX's operations. The useful life of the asset or project financed with long-term debt should exceed the payout schedule of any debt issued by CFX to finance such asset.
- C. Medium-term or “put” bonds will may be used judiciously and only after careful analysis and discussion of the interest rate and rollover risks involved.
- D. Variable rate debt may be issued in various forms – e.g., bonds, commercial paper, bank lines. The amount of unhedged variable rate debt generally should not exceed

25% of all outstanding debt of CFX. As a goal, CFX desires its total hedged and unhedged variable rate debt not to exceed 25% of all outstanding long-term debt of CFX.

### III. Debt Service Coverage Targets and Limits

- A. For CFX to issue new bonds on a parity basis, per the Master Resolution, CFX will need to demonstrate that pledged revenues, as defined in the Master Resolution, shall be sufficient to cover the existing and new debt service by a minimum of 1.20x.
- B. CFX shall maintain a minimum senior lien debt service coverage ratio of at least 1.45x on the existing and planned debt issues. For planning purposes, staff shall make every effort to plan for a minimum 1.60x aggregate senior lien debt service coverage ratio.

### IV. Method of Sale Evaluation

~~CFX will sell long term debt on a competitive basis unless, based on the advice of the CFO and Financial Advisor, the transaction is better suited for a negotiated sale or direct placement.~~

- A. With the goal of obtaining the lowest cost of capital and completing a successful transaction, for each transaction recommended, the CFO, with advice from the Financial Advisor, will undertake an analysis to determine the recommended method of sale, including competitive, negotiated, or direct placement.
- B. The evaluation will take into consideration, among other factors the following considerations as outlined in the Government Finance Officers' Association (GFOA) best practice recommendations:
  - Expected credit rating of bonds being issued
  - Strength of revenue stream
  - Structure of bonds and potential need for extensive explanation to the bond market
  - Use of insurance or other credit enhancement
  - Other factors that staff, in consultation with the financial advisor, believes favor the use of one method over the other
- C. The evaluation will be shared with the Finance Committee and a recommendation as to the method of sale will be presented.
- D. Should CFX select the use of a negotiated sale, the following guidelines will be followed to increase the likelihood of a successful transaction and fully documents negotiated sale process:
  - 1. Underwriters will be selected through a formal RFP process under CFX's Procurement Policies.
  - 2. CFX's Financial Advisor will advise CFX on all aspects of the sale, including but not limited to structuring, disclosure preparation and bond pricing.
  - 3. Staff and the Financial Advisor will make a recommendation for lead underwriting firm and all participating co-senior and co-manager firms based on:

- a. results of most recent RFP selection,
  - b. firm's contribution to development of strategies for transaction,
  - c. demonstrated ability of firm to successfully underwrite similar transaction, and/or
  - d. previous work assigned to firm under current RFP selection.
4. The Financial Advisor shall prepare a post-sale summary and analysis that documents the following:
- a. pricing of the bonds relative to other similar transactions priced at or near the time of CFX's bond sale,
  - b. final cash flows including the true interest cost of the sale and the date of the verbal award, and
  - c. summary of all orders, allotments and allocation of takedown to the underwriting syndicate to monitor compliance with distribution rules
- The analysis shall be shared with the Finance Committee.

- B. Should a direct placement be recommended, staff and the Financial Advisor shall undertake a competitive process for selecting the placement party to ensure CFX's objectives are met at the lowest cost of capital. Such process may include a formal RFP or solicitation of pricing indications, as appropriate.

## **II. Debt Structure**

- A. In general, CFX will seek to structure long-term debt so that it provides for level annual payments of principal and interest over the life of each respective issue (or approximately aggregate level debt service for all outstanding debt issues), after a period of interest only payments and the use of capitalized interest, as appropriate, for the respective issue in order to effectively interface with other existing debt of CFX and within the context of the Five-Year Work Plan and other considerations within this Debt Management Policy. CFX may utilize various debt structures to accomplish its financing goals, including but not limited, to the use of premium bonds, discount bonds, capital appreciation bonds, convertible capital appreciation bonds, variable rate and multimodal bonds and capitalized interest, when appropriate in order to achieve the goals provided in this Debt Management Policy.
- B. CFX will consider interest rate swap transactions only as they relate to its debt management program and not as an investment instrument. No swap transaction should impair the outstanding uninsured bond rating of CFX. Additionally, no interest rate swap transactions will be considered if it causes CFX to exceed the targets in its Interest Rate Risk Management Policy. (For additional details, see CFX's Interest Rate Risk Management Policy.)

## **III. Call Provisions**

- A. Call provisions for CFX bond issues shall be made as short as possible consistent with the lowest interest cost to CFX, taking into consideration the option value of such call provisions.
- B. When practical, all CFX bonds shall be callable only at par.

#### **IV. Debt Refunding**

CFX staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding or refinancing outstanding debt. As a general rule, the present value savings of a particular refunding should equal or exceed 3% of the refunded maturities. For an advance refunding a higher minimum savings threshold should be required, depending on how soon the bonds may be called. However, in order to meet certain restructuring or risk management goals, CFX may elect to lower the present value savings threshold for any individual transaction.

#### **V. Credit Enhancement and Liquidity**

Bond insurance, surety policies, letters of credit, liquidity facilities and other credit enhancements will be used when it provides economic savings or risk management opportunities for CFX. Letters of credit, liquidity facilities or other credit facilities may expose CFX to bank provider risk. In those instances, bank providers should possess minimum long term credit ratings of "A2/A/A" and minimum short term ratings of "P-1/A-1/F1" from Moody's Investors Services, Standard and Poor's Corporation and Fitch Ratings, respectively.

#### **VI. Continuing Disclosure**

CFX is committed to providing continuing disclosure of financial and pertinent credit information relevant to CFX's outstanding securities, and has and will continue to comply with those provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. CFX has engaged the services of Digital Assurance Certification L.L.C. ("DAC") to serve as Disclosure Dissemination Agent.

Additionally, CFX will maintain financial information on its website to provide timely information to the market and public. Such information will include, but not be limited to, comprehensive annual financial reports, monthly cash flow reports, reports on revenue and expenses, transactional information, current official traffic and revenue forecasts and current year budgets. It will be noted that monthly financial information will not be audited and will not be reported on a full accrual basis, but is available to provide timely information to interested parties.

#### **VII. Credit Objectives**

- A. It is CFX's intent to maintain and improve the credit ratings on its outstanding and proposed bond issues while fully funding the Board approved capital improvement plan. CFX will maintain long-term debt ratings from at least two of the

~~three~~four major bond rating agencies – Moody’s Investors Service, Standard and Poor’s Corporation, ~~and~~ Fitch Ratings, ~~and~~ Kroll Bond Rating Agency. CFX may discontinue the use of ratings from any agency which currently rates the debt of CFX if, based on advice from CFX’s Financial Advisor and underwriting team, the discontinuance of such rating will not adversely affect the rates that can be achieved in selling CFX’s debt without such rating.

- B. CFX’s CFO will maintain frequent communications with the credit rating agencies that currently assign ratings to CFX’s various debt obligations, bank credit providers/lenders, and bond insurers that currently enhance any of CFX’s various debt obligations. This effort shall include providing periodic updates on CFX’s general financial condition along with coordinating meetings and presentations, as necessary, in conjunction with a new debt issuance.
- C. CFX’s CFO will develop, in conjunction with the Financial Advisor and Disclosure Counsel, an investor relations program that will be designed to keep present and future investors in CFX’s debt fully informed on current developments related to CFX and its long-term debt.

## **VIII. On-going Reporting Requirements**

At least twice each year, the Board shall receive a report on the status its debt. The report shall at a minimum include:

- Amount and percentage of total debt by categories:
  - natural fixed
  - synthetic fixed
  - natural variable
  - synthetic variable
- Current mark-to-market value of all interest rate exchange agreements
- Historical rate performance for all variable rate bonds
- Any changes in ratings for credit enhancers and swap counterparty

CFX’s CFO, with the assistance of the financial advisor, shall be responsible for analyzing any unsolicited proposals received relative to debt issues, responding to the proposal as appropriate, and recommending to the Finance Committee any action to be taken in a timely manner.

## **IX. Policy Review**

This policy shall be reviewed at least every two years.

## Debt Policy

### I. Purpose

The purpose of this Central Florida Expressway Authority (CFX) Debt Policy is to establish guidelines and a framework for the issuance and management of CFX's debt. CFX is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of CFX and the full and timely repayment of all financial obligations. CFX will be open to recommendations or ideas for any proposed transaction as well as variations from the following guidelines provided that such variation shall be fully examined in conjunction with CFX's advisors and justified to the Finance Committee, who will then make a recommendation to the Board.

### II. Capital Budgeting and Debt Issuance Policy

- A. CFX has retained the services of a traffic engineer and a general engineering consultant to obtain independent professional advice on the acquisition, construction, operation and management of the system, including assistance on the development of a Five-Year Work Plan and Twenty-Five Year Master Plan. The Five-Year Work Plan is typically reviewed and updated at least annually. The Twenty-Five Year Master Plan is typically updated every five years. CFX has retained the services of a financial advisor to assist with the development and maintenance of a comprehensive Capital Planning Model as a tool in developing a financing plan for its Five-Year Work Plan, as well as other additional longer-term capital improvements. The Capital Planning Model incorporates the following elements, in addition to other factors:

- System revenue projections from CFX's traffic consultant or alternative revenue projection scenarios
- Projected Operations, Maintenance and Administration Expenses
- Existing debt service requirements
- Projected Five-Year Work Plan funding needs together with estimates to complete projects beyond the five year scope
- Projected timing of the adopted Five-Year Work Plan projects
- Estimated additional debt service requirements
- Estimated investment income

- B. Long-term debt will be used to finance essential capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of CFX. Long-term debt, which includes capital lease financings, should not be used to fund CFX's operations. The useful life of the asset or project financed with long-term debt should exceed the payout schedule of any debt issued by CFX to finance such asset.
- C. Medium-term or "put" bonds may be used judiciously and only after careful analysis and discussion of the interest rate and rollover risks involved.
- D. Variable rate debt may be issued in various forms – e.g., bonds, commercial paper, bank lines. The amount of unhedged variable rate debt generally should not exceed

25% of all outstanding debt of CFX. As a goal, CFX desires its total hedged and unhedged variable rate debt not to exceed 25% of all outstanding long-term debt of CFX.

### **III. Debt Service Coverage Targets and Limits**

- A. For CFX to issue new bonds on a parity basis, per the Master Resolution, CFX will need to demonstrate that pledged revenues, as defined in the Master Resolution, shall be sufficient to cover the existing and new debt service by a minimum of 1.20x.
- B. CFX shall maintain a minimum senior lien debt service coverage ratio of at least 1.45x on the existing and planned debt issues. For planning purposes, staff shall make every effort to plan for a minimum 1.60x aggregate senior lien debt service coverage ratio.

### **IV. Method of Sale Evaluation**

- A. With the goal of obtaining the lowest cost of capital and completing a successful transaction, for each transaction recommended, the CFO, with advice from the Financial Advisor, will undertake an analysis to determine the recommended method of sale, including competitive, negotiated, or direct placement.
- B. The evaluation will take into consideration, among other factors the following considerations as outlined in the Government Finance Officers' Association (GFOA) best practice recommendations:
  - Expected credit rating of bonds being issued
  - Strength of revenue stream
  - Structure of bonds and potential need for extensive explanation to the bond market
  - Use of insurance or other credit enhancement
  - Other factors that staff, in consultation with the financial advisor, believes favor the use of one method over the other
- C. The evaluation will be shared with the Finance Committee and a recommendation as to the method of sale will be presented.
- D. Should CFX select the use of a negotiated sale, the following guidelines will be followed to increase the likelihood of a successful transaction and fully documents negotiated sale process:
  - 1. Underwriters will be selected through a formal RFP process under CFX's Procurement Policies.
  - 2. CFX's Financial Advisor will advise CFX on all aspects of the sale, including but not limited to structuring, disclosure preparation and bond pricing.
  - 3. Staff and the Financial Advisor will make a recommendation for lead underwriting firm and all participating co-senior and co-manager firms based on:

- a. results of most recent RFP selection,
  - b. firm's contribution to development of strategies for transaction,
  - c. demonstrated ability of firm to successfully underwrite similar transaction, and/or
  - d. previous work assigned to firm under current RFP selection.
4. The Financial Advisor shall prepare a post-sale summary and analysis that documents the following:
- a. pricing of the bonds relative to other similar transactions priced at or near the time of CFX's bond sale,
  - b. final cash flows including the true interest cost of the sale and the date of the verbal award, and
  - c. summary of all orders, allotments and allocation of takedown to the underwriting syndicate to monitor compliance with distribution rules
- The analysis shall be shared with the Finance Committee.

- B. Should a direct placement be recommended, staff and the Financial Advisor shall undertake a competitive process for selecting the placement party to ensure CFX's objectives are met at the lowest cost of capital. Such process may include a formal RFP or solicitation of pricing indications, as appropriate.

## **II. Debt Structure**

- A. In general, CFX will seek to structure long-term debt so that it provides for level annual payments of principal and interest over the life of each respective issue (or approximately aggregate level debt service for all outstanding debt issues), after a period of interest only payments and the use of capitalized interest, as appropriate, for the respective issue in order to effectively interface with other existing debt of CFX and within the context of the Five-Year Work Plan and other considerations within this Debt Management Policy. CFX may utilize various debt structures to accomplish its financing goals, including but not limited, to the use of premium bonds, discount bonds, capital appreciation bonds, convertible capital appreciation bonds, variable rate and multimodal bonds and capitalized interest, when appropriate in order to achieve the goals provided in this Debt Management Policy.
- B. CFX will consider interest rate swap transactions only as they relate to its debt management program and not as an investment instrument. No swap transaction should impair the outstanding uninsured bond rating of CFX. Additionally, no interest rate swap transactions will be considered if it causes CFX to exceed the targets in its Interest Rate Risk Management Policy. (For additional details, see CFX's Interest Rate Risk Management Policy.)

## **III. Call Provisions**

- A. Call provisions for CFX bond issues shall be made as short as possible consistent with the lowest interest cost to CFX, taking into consideration the option value of such call provisions.
- B. When practical, all CFX bonds shall be callable only at par.

#### **IV. Debt Refunding**

CFX staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding or refinancing outstanding debt. As a general rule, the present value savings of a particular refunding should equal or exceed 3% of the refunded maturities. For an advance refunding a higher minimum savings threshold should be required, depending on how soon the bonds may be called. However, in order to meet certain restructuring or risk management goals, CFX may elect to lower the present value savings threshold for any individual transaction.

#### **V. Credit Enhancement and Liquidity**

Bond insurance, surety policies, letters of credit, liquidity facilities and other credit enhancements will be used when it provides economic savings or risk management opportunities for CFX. Letters of credit, liquidity facilities or other credit facilities may expose CFX to bank provider risk. In those instances, bank providers should possess minimum long term credit ratings of "A2/A/A" and minimum short term ratings of "P-1/A-1/F1" from Moody's Investors Services, Standard and Poor's Corporation and Fitch Ratings, respectively.

#### **VI. Continuing Disclosure**

CFX is committed to providing continuing disclosure of financial and pertinent credit information relevant to CFX's outstanding securities, and has and will continue to comply with those provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. CFX has engaged the services of Digital Assurance Certification L.L.C. ("DAC") to serve as Disclosure Dissemination Agent.

Additionally, CFX will maintain financial information on its website to provide timely information to the market and public. Such information will include, but not be limited to, comprehensive annual financial reports, monthly cash flow reports, reports on revenue and expenses, transactional information, current official traffic and revenue forecasts and current year budgets. It will be noted that monthly financial information will not be audited and will not be reported on a full accrual basis, but is available to provide timely information to interested parties.

#### **VII. Credit Objectives**

- A. It is CFX's intent to maintain and improve the credit ratings on its outstanding and proposed bond issues while fully funding the Board approved capital improvement plan. CFX will maintain long-term debt ratings from at least two of the

four major bond rating agencies – Moody’s Investors Service, Standard and Poor’s Corporation, Fitch Ratings, and Kroll Bond Rating Agency. CFX may discontinue the use of ratings from any agency which currently rates the debt of CFX if, based on advice from CFX’s Financial Advisor and underwriting team, the discontinuance of such rating will not adversely affect the rates that can be achieved in selling CFX’s debt without such rating.

- B. CFX’s CFO will maintain frequent communications with the credit rating agencies that currently assign ratings to CFX’s various debt obligations, bank credit providers/lenders, and bond insurers that currently enhance any of CFX’s various debt obligations. This effort shall include providing periodic updates on CFX’s general financial condition along with coordinating meetings and presentations, as necessary, in conjunction with a new debt issuance.
- C. CFX’s CFO will develop, in conjunction with the Financial Advisor and Disclosure Counsel, an investor relations program that will be designed to keep present and future investors in CFX’s debt fully informed on current developments related to CFX and its long-term debt.

### **VIII. On-going Reporting Requirements**

At least twice each year, the Board shall receive a report on the status its debt. The report shall at a minimum include:

- Amount and percentage of total debt by categories:
  - natural fixed
  - synthetic fixed
  - natural variable
  - synthetic variable
- Current mark-to-market value of all interest rate exchange agreements
- Historical rate performance for all variable rate bonds
- Any changes in ratings for credit enhancers and swap counterparty

CFX’s CFO, with the assistance of the financial advisor, shall be responsible for analyzing any unsolicited proposals received relative to debt issues, responding to the proposal as appropriate, and recommending to the Finance Committee any action to be taken in a timely manner.

### **IX. Policy Review**

This policy shall be reviewed at least every two years.

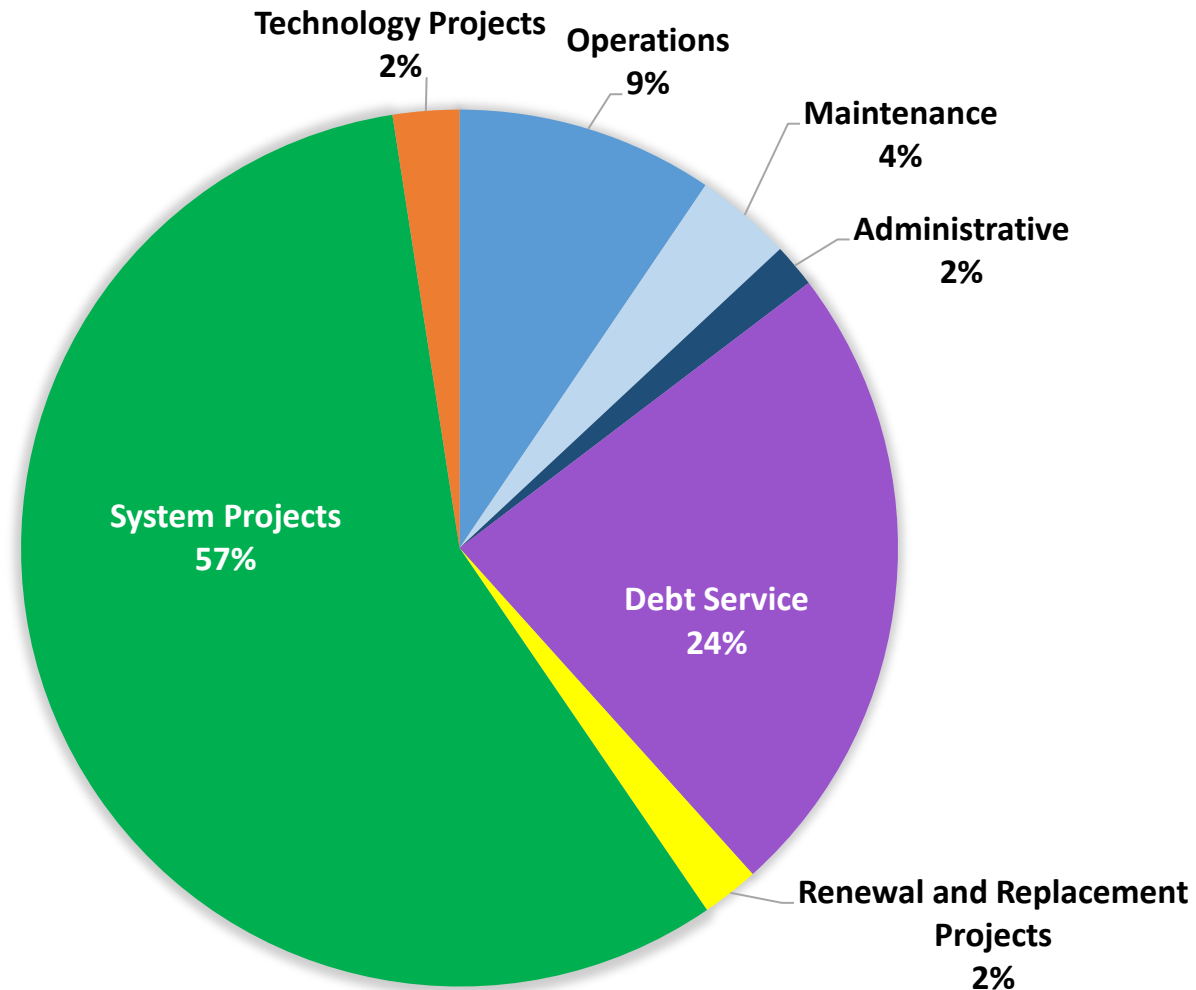
**D.5**



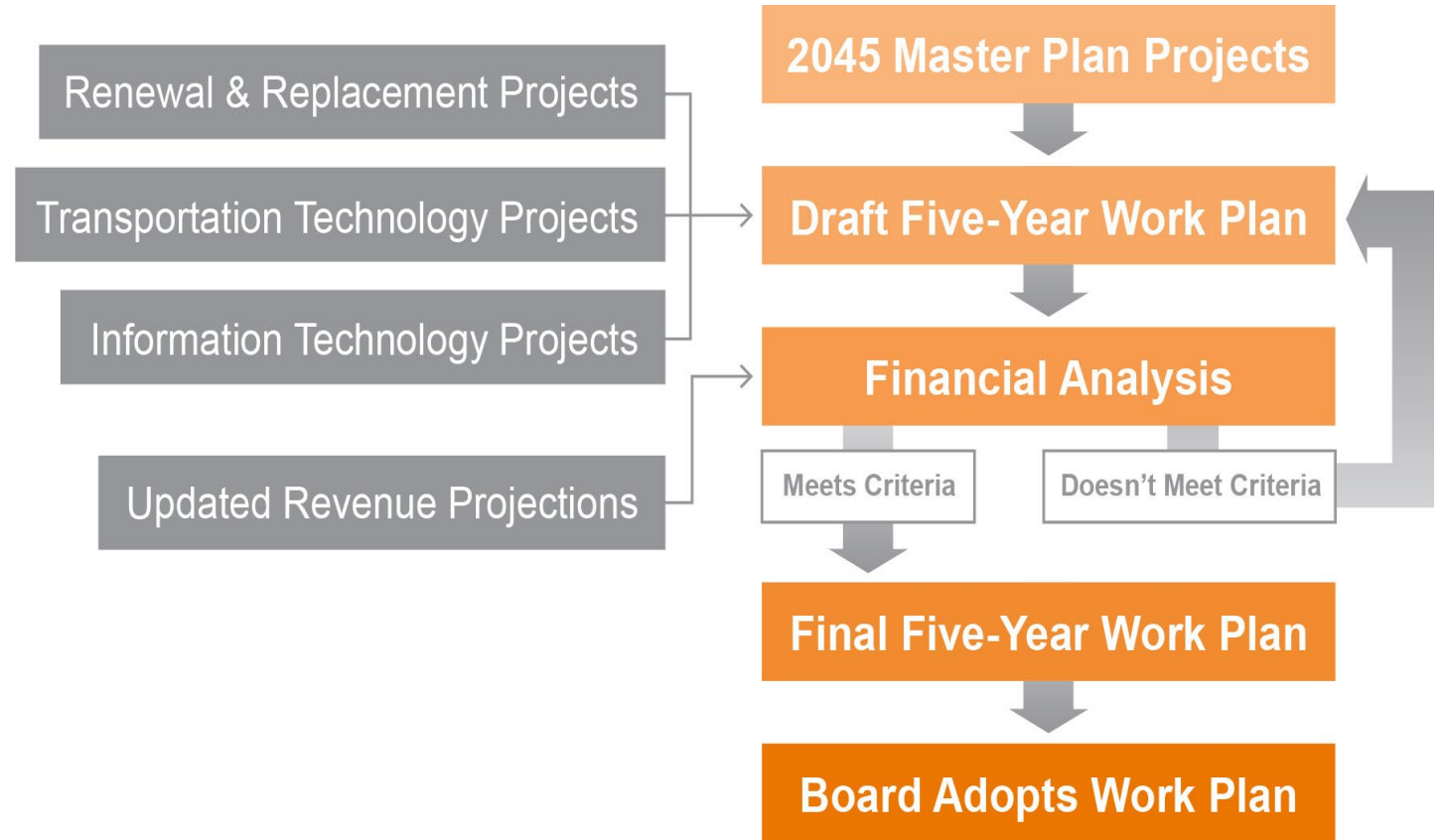
**CENTRAL  
FLORIDA  
EXPRESSWAY  
AUTHORITY**

**Draft Budget  
FY 2027-31 Five-Year Work Plan  
FY 2027 Operations, Maintenance & Administrative  
April 23, 2026**

# Total Proposed Spend for FY 2027



# Annual Work Plan Development Process



# Current Five-Year Work Plan



**Adopted June 2025 - \$4.18 Billion**

## Major Accomplishments:

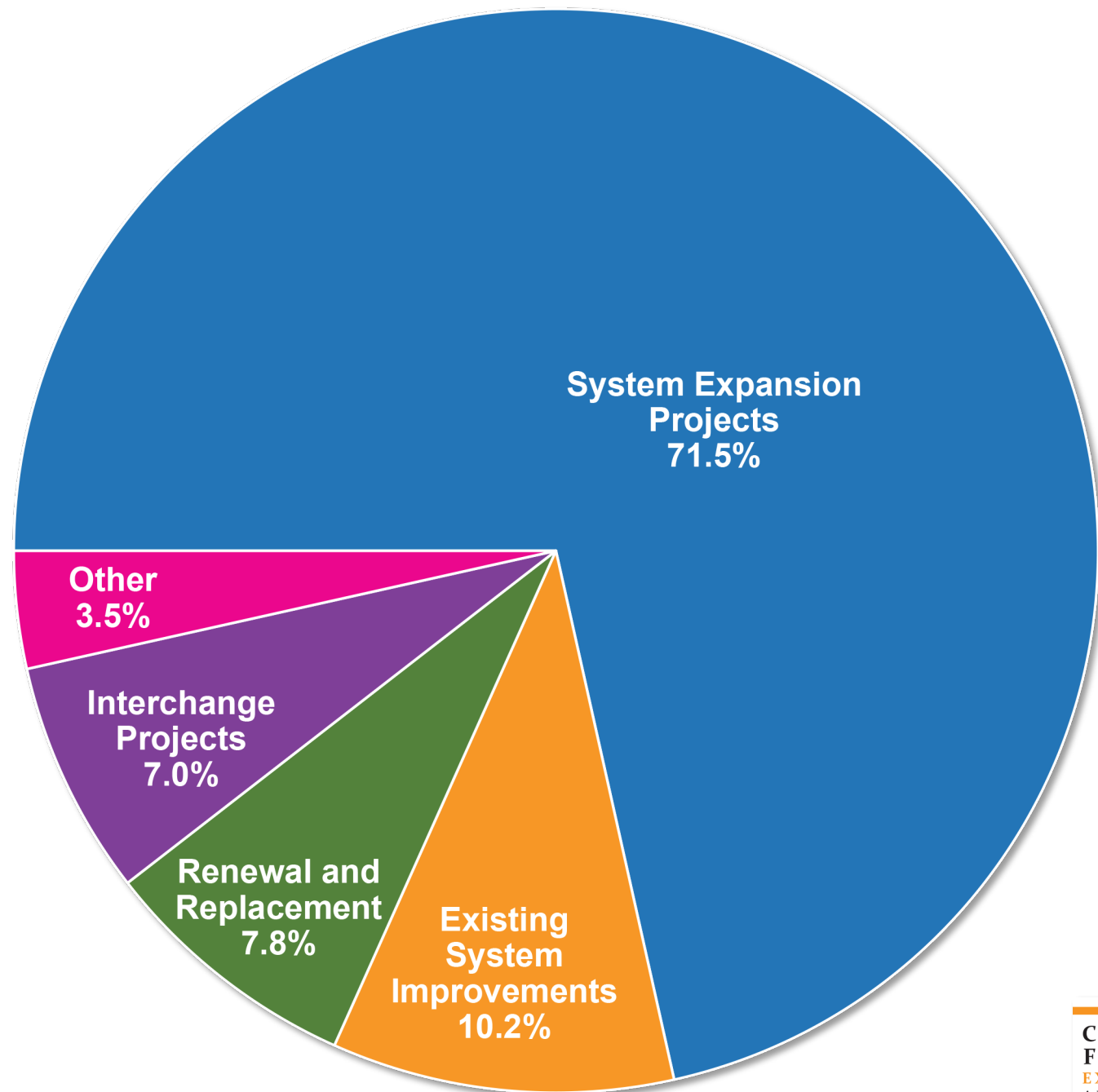
- SR 429 Capacity Improvements Florida's Turnpike to SR 414
- SR 534 Design
- SR 516 Design & Construction
- SR 414 Extension Design
- SR 538 Extension Design

# Draft FY 2027-2031 Work Plan

Project Cost Summary (\$000's) Category	Fiscal Year					Totals
	2026/27	2027/28	2028/29	2029/30	2030/31	
Existing System Improvements	56,334	65,244	90,993	121,016	122,409	455,996
System Expansion Projects	398,717	667,665	843,109	807,423	474,822	3,191,736
Interchange Projects	104,201	121,625	87,377	600	285	314,088
Facilities Projects	8,694	5,751	2,425	12,546	1,814	31,230
Transportation Technology Projects	17,772	5,473	4,936	5,388	10,369	43,938
Information Technology Projects	6,899	3,194	2,426	2,326	2,326	17,171
Signing and Pavement Markings	4,830	5,036	7,896	8,361	4,496	30,619
Renewal and Replacement Projects	21,294	92,947	64,211	129,844	38,803	347,099
Landscape & Hardscape Projects	2,766	8,212	9,052	8,389	1,462	29,881
Non-System Projects	116	1,324	1,226	0	380	3,046
<b>TOTALS</b>	<b>621,623</b>	<b>976,471</b>	<b>1,113,651</b>	<b>1,095,893</b>	<b>657,166</b>	<b>4,464,804</b>

# Draft Work Plan Funding Distribution

---

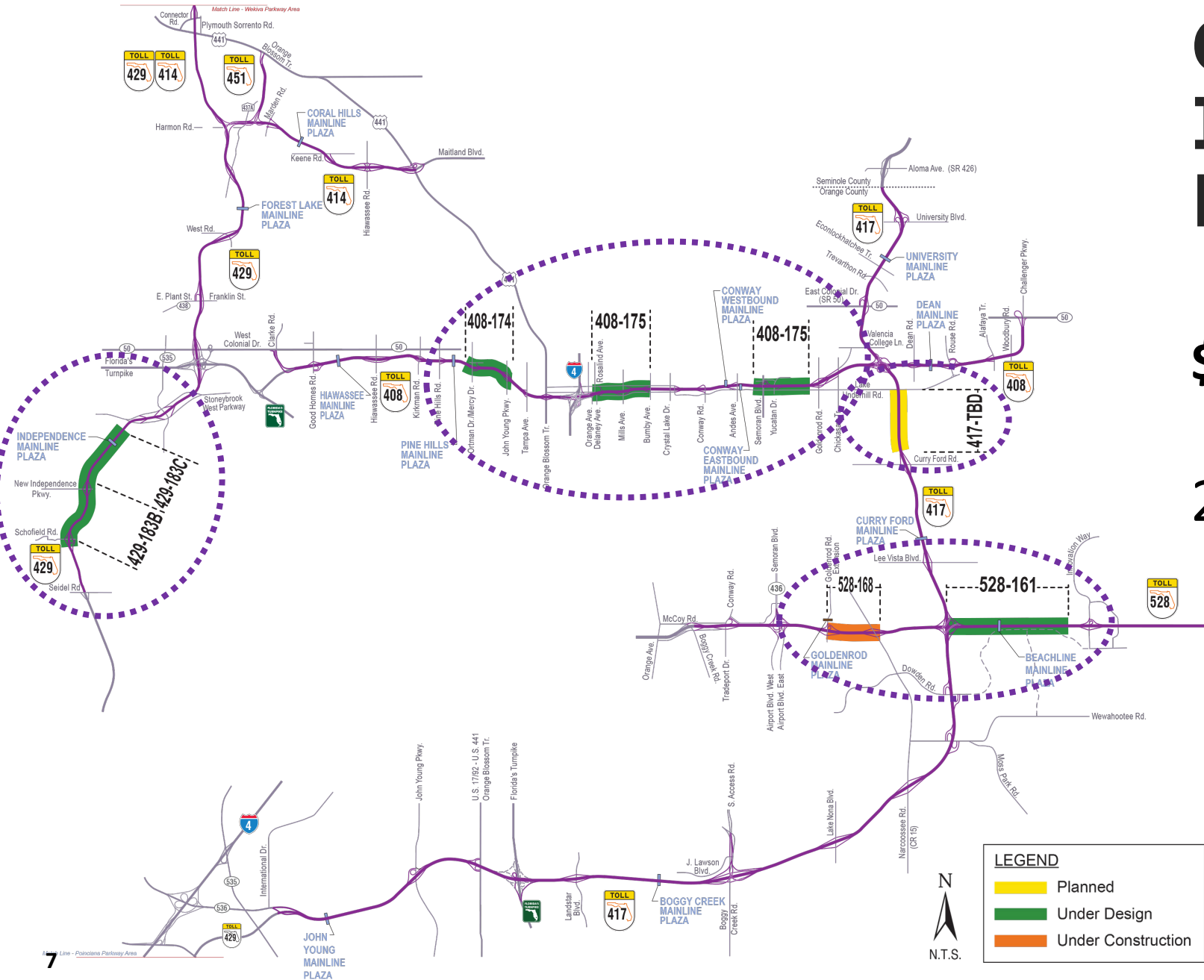


# Capacity Improvement Projects

\$409.4 Million

22 Miles of Widenings

- SR 408 = 5 miles
- SR 417 = 3 miles
- SR 429 = 7 miles
- SR 528 = 7 miles



# Major Expansion Projects

**\$3.2 Billion**

---

SR 538 Poinciana Parkway Extension

---

SR 516 Lake/Orange Expressway

---

SR 534 Phases I, II, & III

---

SR 414 Expressway Extension

---

SR 452 Seminole Connector

# Expansion Projects

SR 516 - Lake/Orange Expressway

SR 414 Expressway  
Extension

SR 452 - Seminole  
Connector

SR 534 Phases I & II




SR 534 Phase III

SR 538 - Poinciana  
Parkway Extension

SR 515 - Northeast Connector  
Expressway Phase II

SR 538 - Southport Connector Expressway

**LEGEND**

-  Existing CFX System
-  Goldenrod Road (CFX Non-System)
-  CFX Project Limits

**FY 27-31 Corridor Alignment Studies and Projects**

-  SR 515 - Northeast Connector Expressway Phase II
-  CFX Expansion Project

**CFX Expansion Project Outside the FY 2027-2031 Work Plan**

-  SR 538 - Southport Connector Expressway



# Draft FY 2027-2031 Work Plan

## Expansion Projects Distribution by County

### Expansion Projects

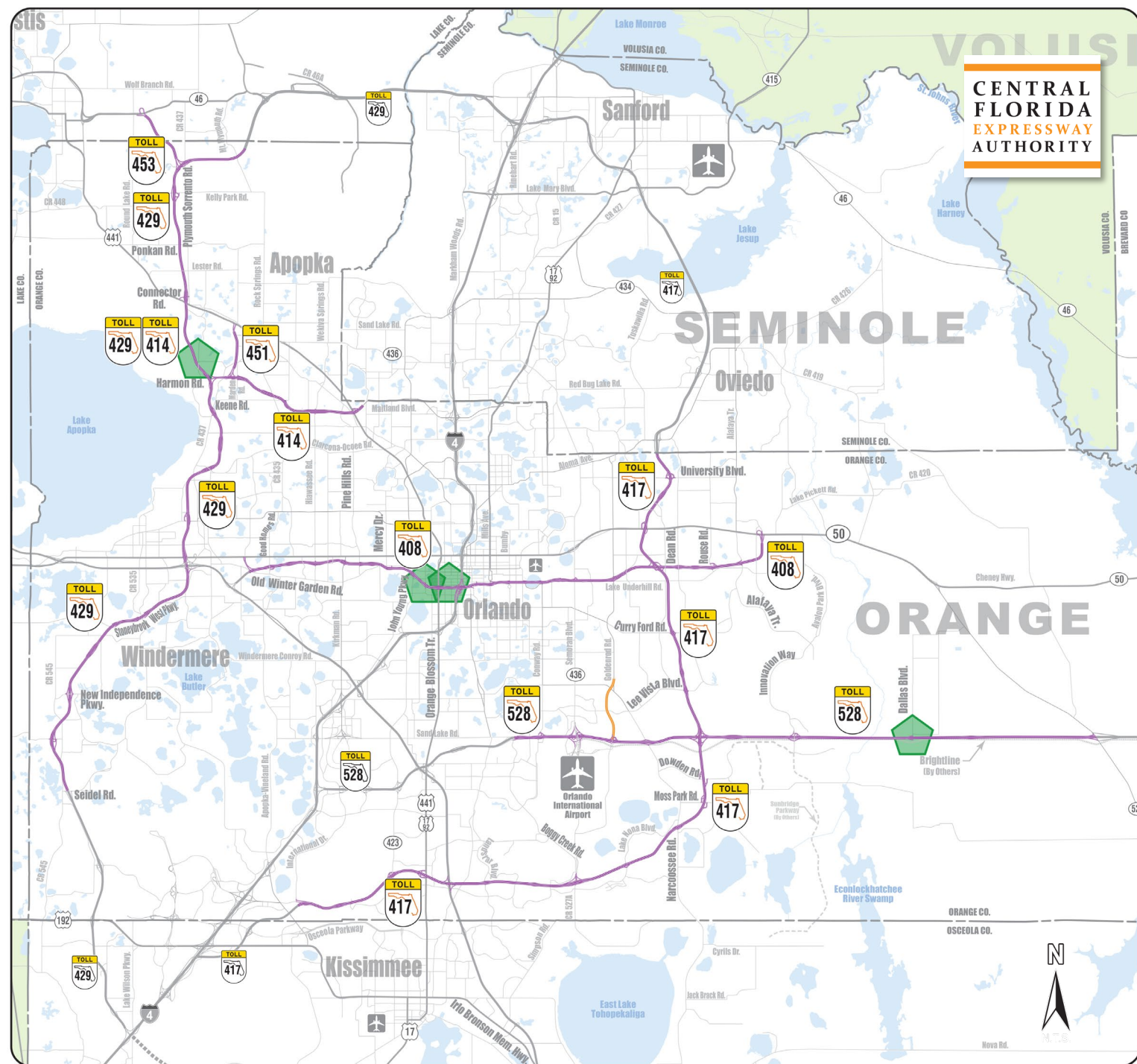
	County	Total Cost
SR 538 Poinciana Parkway Extension	Brevard	\$0.00
SR 516 Lake/Orange Expressway	Lake	\$333,470,000
SR 534 Phases I, II, & III	Orange	\$1,626,399,540
SR 414 Expressway Extension	Osceola	\$1,038,277,660
SR 452 Seminole Connector	Seminole	\$179,961,800
	<b>TOTALS</b>	<b>\$3,178,109,000</b>

- A portion of the SR 538 Expansion Project is in Polk County
- Costs include design, right-of-way, mitigation and construction

# Major Interchange Projects

**\$313.5 Million**

- SR 408/Tampa Ave
- SR 408/Orange Blossom Trail
- SR 429/Binion Rd
- SR 528/Dallas Blvd

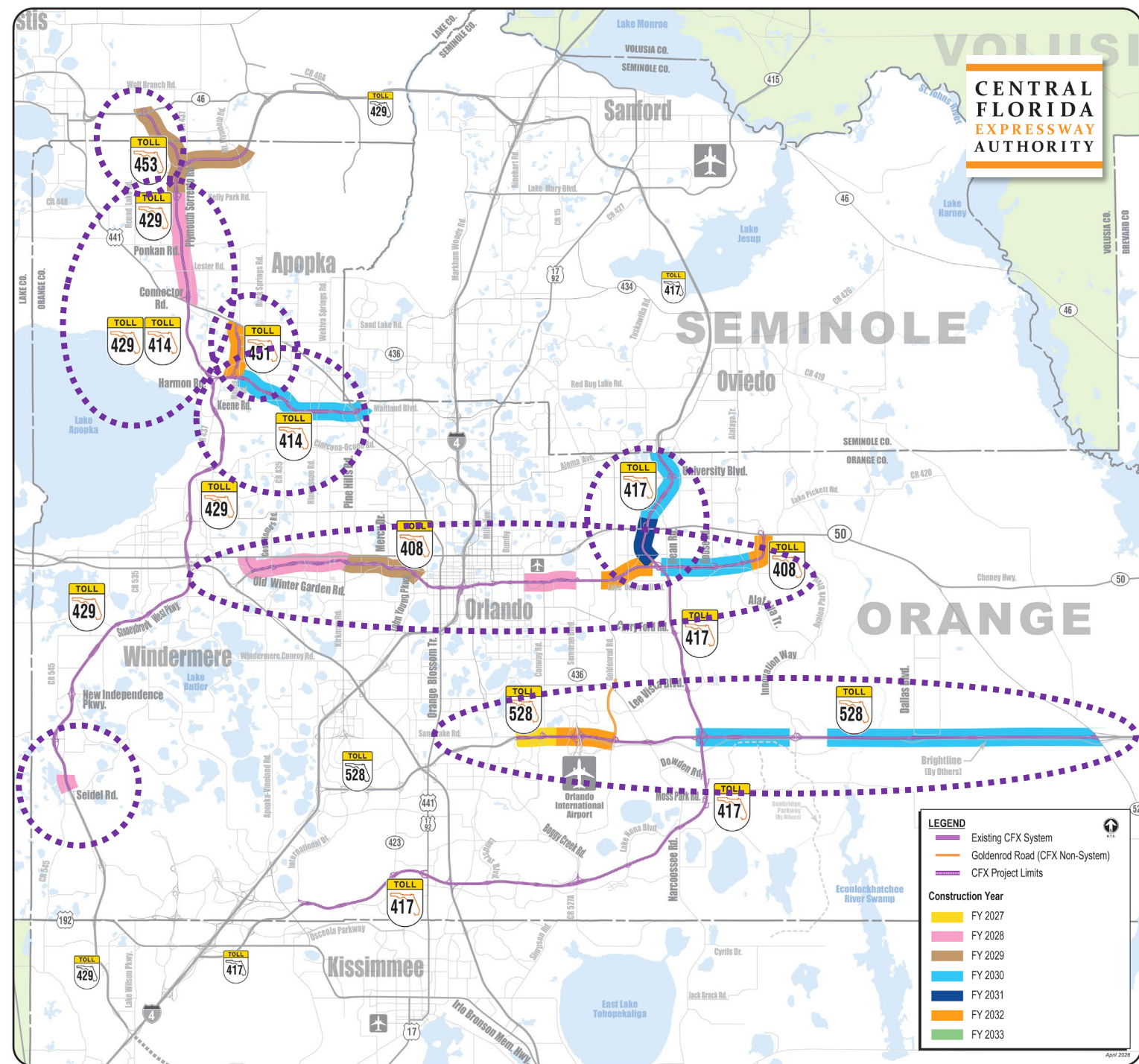


# Resurfacing Projects

\$310.7 Million

57.5 Miles of Resurfacing

SR 408 = 16.5 Miles  
SR 414 = 4.9 Miles  
SR 417 = 5.0 Miles  
SR 429 = 8.7 Miles  
SR 451 = 1.7 Miles  
SR 453 = 1.3 Miles  
SR 528 = 19.4 Miles



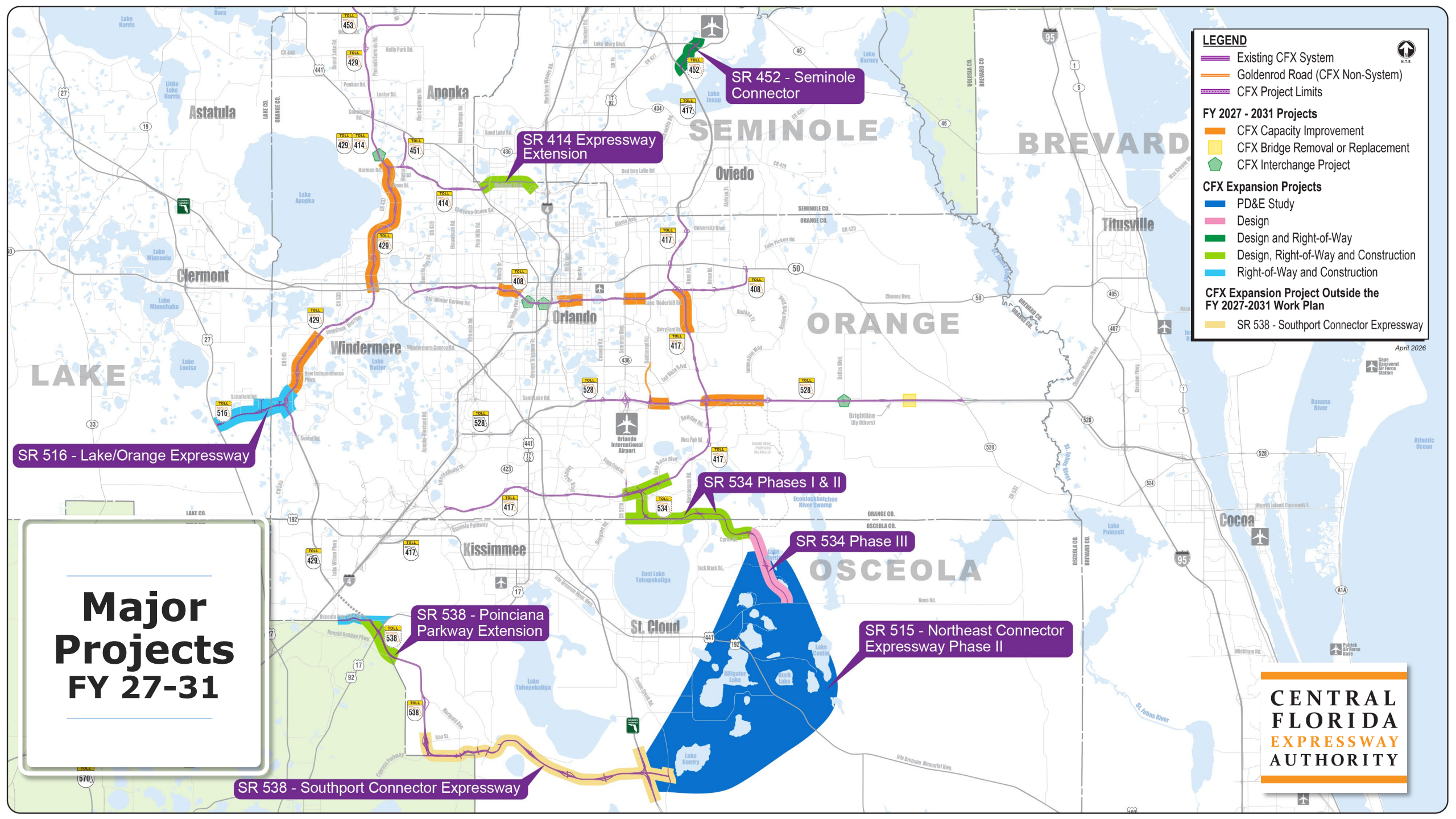
# Additional Major Projects

SR 528 Farm Access Road Bridge Removal →  
26.8 MM

Steel and Concrete Coatings → 23.7 MM

Guide Sign Replacements → \$12.5 MM

Systemwide ITS Upgrades → \$8.9 MM



**LEGEND**

- Existing CFX System
- Goldenrod Road (CFX Non-System)
- CFX Project Limits

**FY 2027 - 2031 Projects**

- CFX Capacity Improvement
- CFX Bridge Removal or Replacement
- CFX Interchange Project

**CFX Expansion Projects**

- PD&E Study
- Design
- Design and Right-of-Way
- Design, Right-of-Way and Construction
- Right-of-Way and Construction

**CFX Expansion Project Outside the FY 2027-2031 Work Plan**

- SR 538 - Southport Connector Expressway

April 2026

**Major Projects  
FY 27-31**

**CENTRAL  
FLORIDA  
EXPRESSWAY  
AUTHORITY**

SR 516 - Lake/Orange Expressway

SR 414 Expressway Extension

SR 452 - Seminole Connector

SR 534 Phases I & II

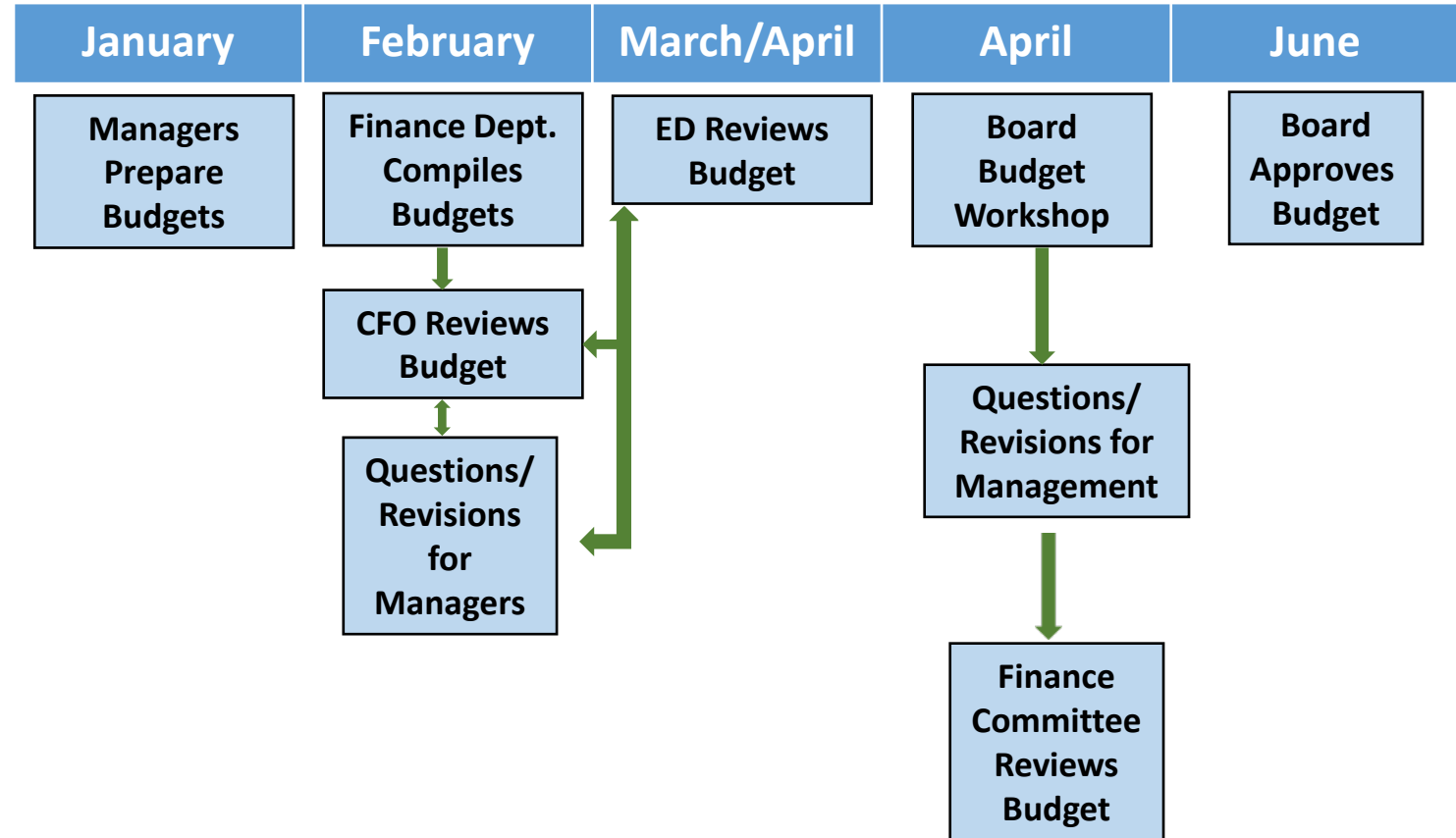
SR 534 Phase III

SR 515 - Northeast Connector Expressway Phase II

SR 538 - Poinciana Parkway Extension

SR 538 - Southport Connector Expressway

# OM&A Process



**CFX Fiscal Year July 1 – June 30**

# Projected Revenues

	<u>FY 2026 Budget</u>	<u>FY 2026 Projected Year End</u>	<u>FY 2027 Budget</u>	<u>\$ Change Over FY 2026 Budget</u>
Tolls	\$738,800,000	\$736,500,000	<b>\$752,200,000</b>	\$13,400,000
Fees	10,502,300	12,865,200	<b>13,201,000</b>	2,698,700
Transponder Sales	2,182,372	2,275,000	<b>2,325,000</b>	142,628
Other Operating	2,570,052	3,336,967	<b>3,269,555</b>	699,503
Interest	12,323,608	19,036,289	<b>19,246,224</b>	6,922,616
Miscellaneous	986,485	1,002,273	<b>1,034,267</b>	47,782
Total Revenues	\$767,364,817	\$775,015,729	<b>\$791,276,046</b>	23,911,229

# Proposed OM&A

	FY 2026 Budget	FY 2026 Projected Year End	FY 2027 Budget	\$ Change Over FY 2026 Budget
Operations	\$90,646,986	\$87,820,351	<b>\$92,550,012</b>	\$1,903,026
Maintenance	\$33,351,982	\$32,645,584	<b>\$35,920,096</b>	\$2,568,114
Administrative	\$14,881,608	\$14,167,172	<b>\$16,008,172</b>	\$1,196,564
Other Operating	\$3,059,000	\$2,970,839	<b>\$3,065,100</b>	\$6,100
Total Expenses	\$141,869,576	\$137,603,946	<b>\$147,543,380</b>	\$5,673,804

**Current  
OM&A  
vs.  
Proposed**

**FY26 Budget - \$141,869,576**



Customer Service  
\$919,380



Technology  
\$1,614,172



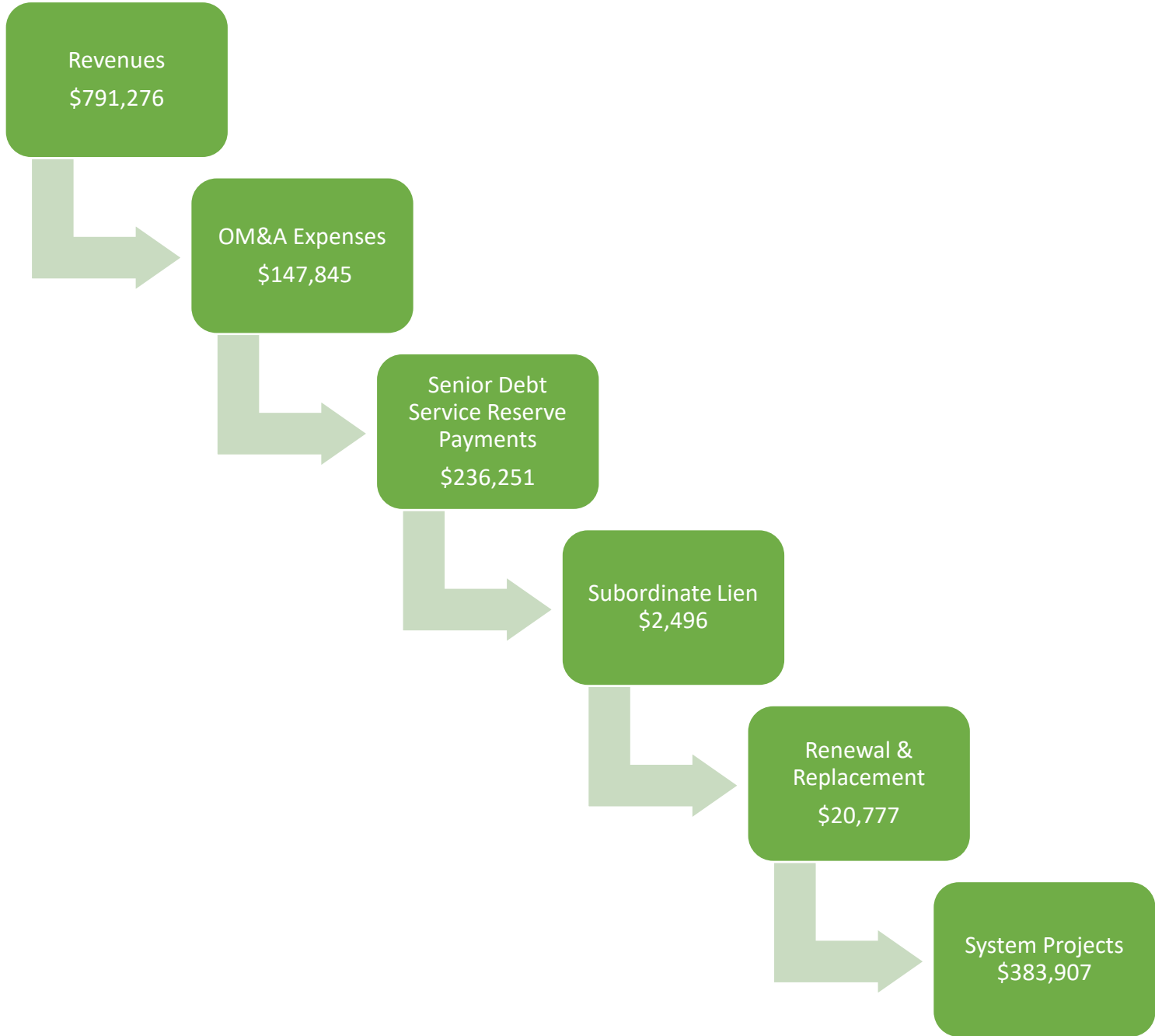
Inflation  
\$3,140,252

**FY 27 Proposed OM&A Expenses  
\$147,543,380**

# Proposed OM&A – Debt Service Ratio

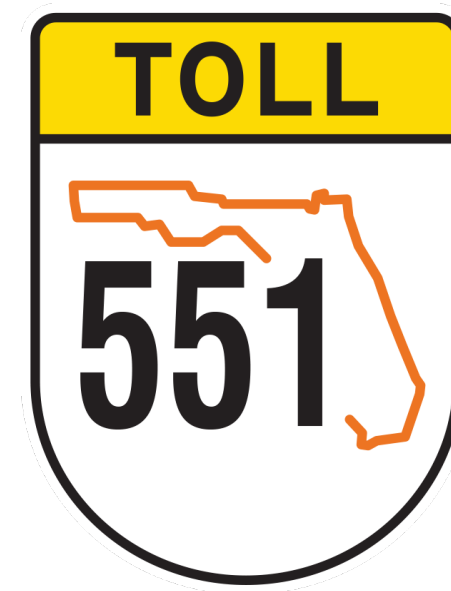
	<u>FY 2026 Budget</u>	<u>FY 2026 Projected Year End</u>	<u>FY 2027 Budgeted</u>
Total Revenues	\$767,364,817	\$775,015,729	<b>\$791,276,046</b>
Total Expenses	141,869,576	137,603,946	<b>147,543,380</b>
OM&A Reserve Deposits	(589,752)	0	<b>119,474</b>
FDOT Advances	(6,738,162)	(5,256,366)	<b>(3,840,923)</b>
Net Revenues	\$632,823,155	\$642,668,149	<b>\$647,454,116</b>
Senior Debt Service Payments	\$225,780,601	\$225,780,601	<b>\$231,145,987</b>
Senior Debt Service Ratio	2.80	2.85	<b>2.80</b>

**Flow of Funds  
In  
Thousands  
(\$000's)**



## Proposed OM&A – Goldenrod Road Extension

- Toll revenue budget - \$2,350,000
- Total operations and maintenance expense budget - \$662,532



# Capital Planning Model Results



## Requires additional debt

Approximately \$3.0 billion  
Over next 5 years



## Modeling updated

New bonds are issued  
New major assumptions

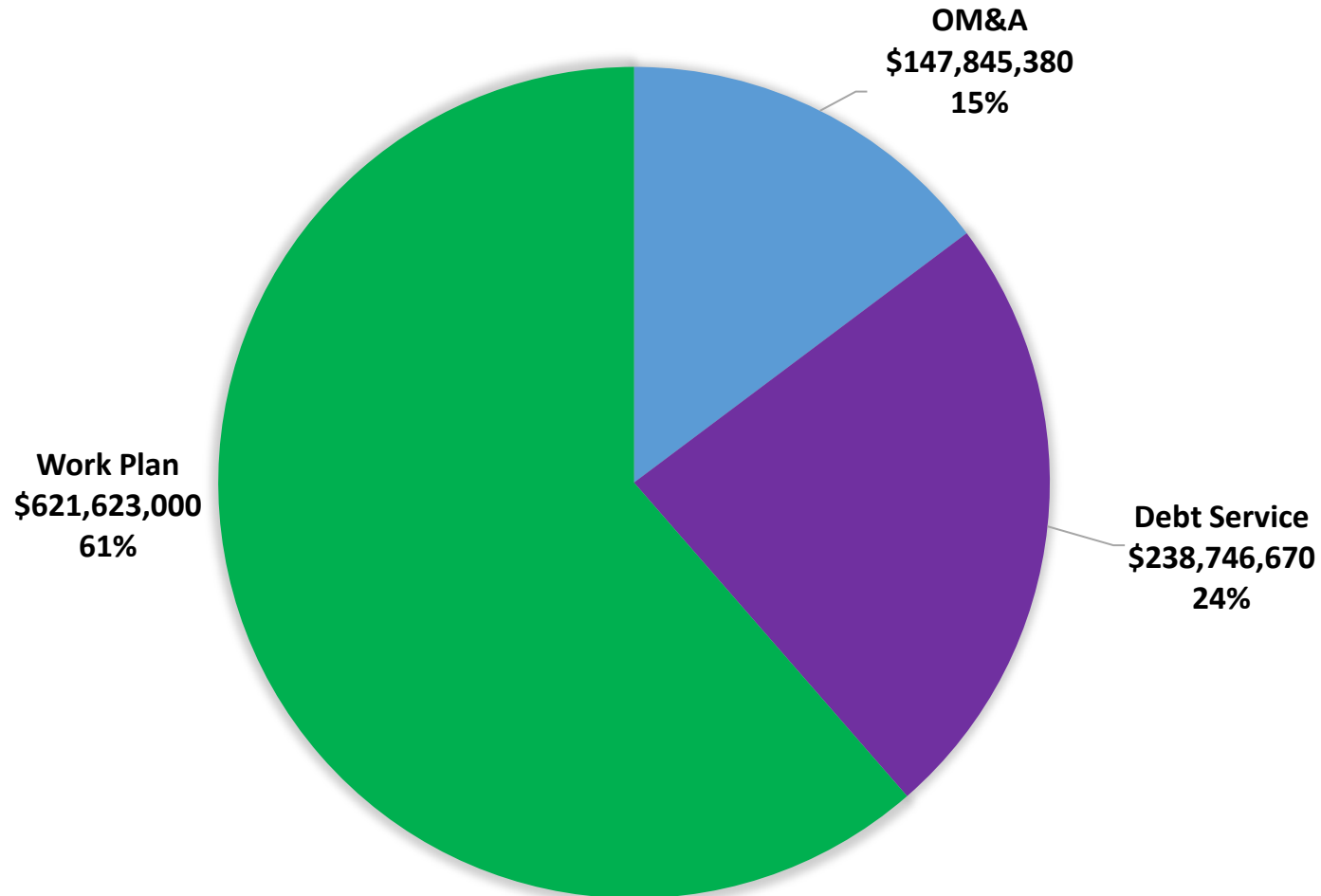


## Debt coverage ratio meets 1.60 planning target

# Projected Senior Lien Coverage Ratio



# Total Proposed Spend for FY 2027





**CENTRAL  
FLORIDA  
EXPRESSWAY  
AUTHORITY**

**Thank you!**

Central Florida Expressway Authority  
Five-Year Work Plan  
**Category Summary**

Category	Project Cost (thousand \$) *							
	Fiscal Year							Total
	2027		2028		2029	2030	2031	
	E	U	E	U	U	U	U	
Existing System Improvements	48,705	7,629	8,911	56,333	90,993	121,016	122,409	<b>455,996</b>
System Expansion Projects	239,909	158,808	128,542	539,123	843,109	807,423	474,822	<b>3,191,736</b>
Interchange Projects	83,458	20,743	81,015	40,610	87,377	600	285	<b>314,088</b>
Facilities Projects	2,202	6,492	0	5,751	2,425	12,546	1,814	<b>31,230</b>
Transportation Technology Projects	110	17,662	0	5,473	4,936	5,388	10,369	<b>43,938</b>
Information Technology Projects	450	6,449	350	2,844	2,426	2,326	2,326	<b>17,171</b>
Signing and Pavement Markings	0	4,830	0	5,036	7,896	8,361	4,496	<b>30,619</b>
Renewal and Replacement Projects	10,444	10,850	807	92,140	64,211	129,844	38,803	<b>347,099</b>
Landscape & Hardscape Projects	1,100	1,666	0	8,212	9,052	8,389	1,462	<b>29,881</b>
<b>SUB-TOTALS</b>	<b>386,378</b>	<b>235,129</b>	<b>219,625</b>	<b>755,522</b>	<b>1,112,425</b>	<b>1,095,893</b>	<b>656,786</b>	
<b>TOTALS</b>		<b>621,507</b>		<b>975,147</b>	<b>1,112,425</b>	<b>1,095,893</b>	<b>656,786</b>	<b>4,461,758</b>
Non-System Projects	0	116	0	1,324	1,226	0	380	<b>3,046</b>
<b>GRAND TOTALS</b>		<b>621,623</b>		<b>976,471</b>	<b>1,113,651</b>	<b>1,095,893</b>	<b>657,166</b>	<b>4,464,804</b>

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Existing System Improvements Summary (1 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
1	-	SR 408 Capacity Improvements from SR 50 to Kirkman Road PD&E Study	West of SR 50	Kirkman Road	3.6	PD&E Study	0	0	0	312	0	0	0	312	SP	PD&E Study
2	408-174	SR 408 Capacity Improvements from Old Winter Garden Road to East of Church Street	Old Winter Garden Road	East of Church Street	1.9	Add Lanes, Mill & Resurface	5,825	1,061	0	146	0	0	392	7,424	CF	Design & Bidding
3	408-175	SR 408 WB Capacity Improvements from I-4 to Bumby & SR 436 to Goldenrod	I-4	Goldenrod Road	3.4	Add Lane, Mill & Resurface	3,324	86	0	44,959	60,147	20,307	92	128,915	CF	Design, Const., & Partial Landscaping
4	-	SR 408 EB Capacity Improvements from I-4 to SR 417 PD&E Study	I-4	SR 417	7.4	PD&E Study	0	256	0	256	0	0	0	512	SP	PD&E Study
5	-	SR 417 Capacity Improvements from Curry Ford Road to SR 408	Curry Ford Road	SR 408	2.7	Add Lanes, Mill & Resurface	0	0	0	10	8,056	8,881	176	17,123	SP	Procurement, Design, & Part. Bidding
6	417-188	SR 417 Capacity Improvements from SR 408 to Orange/Seminole County Line PD&E Study	SR 408	Orange/Seminole County Line	5.7	PD&E Study	0	491	0	324	0	0	0	815	SP	PD&E Study
7	429-183B	SR 429 Capacity Improvements from S. of Avalon Road to New Independence Parkway	Schofield Road	New Independence Parkway	3.2	Add Lanes, Mill & Resurface	3,176	0	3,176	0	352	45,369	60,459	112,532	CF	Design, Bidding, & Partial Const.
8	429-183C	SR 429 Capacity Improvements from New Independence Parkway to N. of Tilden Road	New Independence Parkway	N. of Tilden Road	3.6	Add Lanes, Mill & Resurface	3,164	0	3,164	0	613	43,738	58,594	109,273	CF	Design, Bidding, & Partial Const.
9	-	SR 528 Capacity Improvements CF&M Study - Boggy Creek Road to SR 436	Boggy Creek Road	SR 436	1.8	CF&M Study	200	0	0	0	0	0	0	200	SP	CF&M Study
10	528-168	SR 528 Capacity Improvements from Goldenrod Road to Narcoossee Road	Goldenrod Road	Narcoossee Road	1.8	Add Lanes, Mill & Resurface	30,840	0	2,571	0	0	0	0	33,411	CF	Construction
11	528-161	SR 528 Capacity Improvements from SR 417 to Innovation Way	SR 417	Innovation Way	4.9	Add Lanes, Mill & Resurface	0	711	0	0	0	0	0	711	CF	Design, Mitigation, & Const.
12	-	SR 528 Capacity Improvements PD&E Study - Innovation Way to SR 520	Innovation Way	SR 520	11.5	PD&E Study	0	0	0	0	0	421	421	842	SP	PD&E Study
Encumbered Total							46,529		8,911							
Unencumbered Total								2,605		46,007	69,168	118,716	120,134			
<b>SUB-TOTALS (Page 1)</b>							49,134		54,918		69,168	118,716	120,134			

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

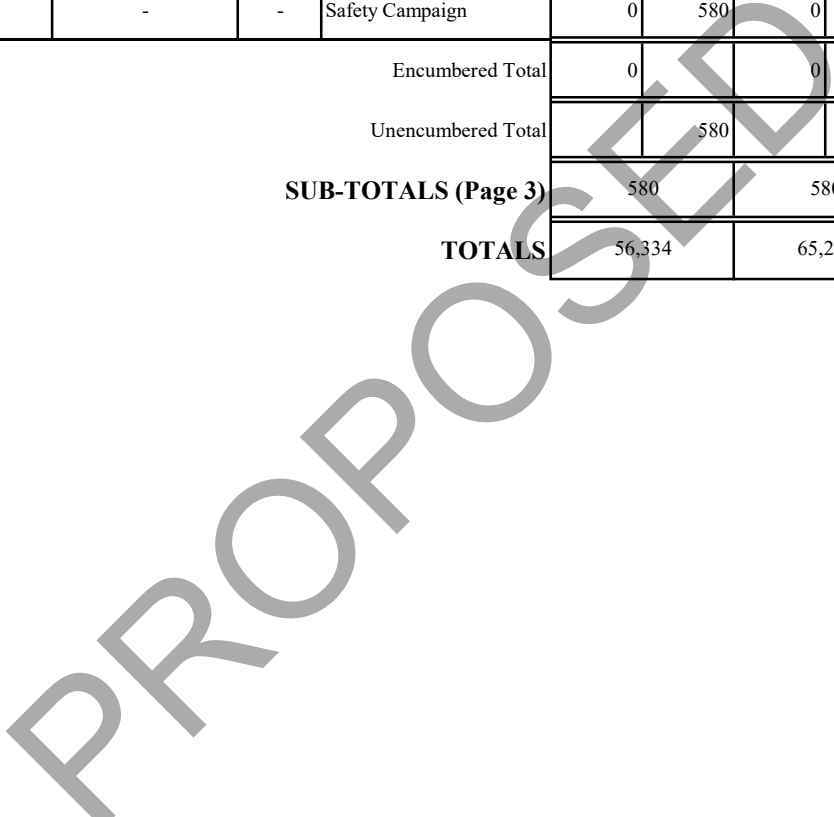
**Existing System Improvements Summary (2 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
13	-	Systemwide Emergency Repairs, Safety, and Operational Improvement Projects	-	-	-	Minor Roadway Projects	0	200	0	535	810	810	810	3,165	SP	Design & Construction
14	417-186	SR 417 Leevista Blvd. Interchange Signalization	-	-	-	Signalization	5	1,731	0	0	0	0	0	1,736	CF	Bidding & Construction
15	-	SR 429 Kelly Park Road Interchange Signalization	-	-	-	Signalization	0	0	0	756	0	0	0	756	SP	Contribution
16	453-453	SR 453 at SR 46 Safety Improvements	-	-	-	Safety Improvements	5	2,123	0	0	0	0	0	2,128	CF	Bidding & Construction
17	528-187	SR 528 at Tradeport Dr Safety Improvements	-	-	-	Safety Improvements	177	10	0	907	0	0	0	1,094	CF	Design & Construction
18	528-184	SR 528 Farm Access Road 2 Bridge Removal	Farm Access Road 2	-	-	Bridge Removal	586	0	0	6,958	19,305	0	0	26,849	CF	Design & Construction
19	599-170D	Systemwide Guardrail Protection Improvements	-	-	-	Guardrail Improvements	54	0	0	0	0	0	0	54	CF	Construction
20	599-170E	Systemwide Guardrail Improvements	-	-	-	Guardrail Improvements	1,349	0	0	0	0	0	0	1,349	CF	Construction
21	-	Systemwide Guardrail Upgrade	-	-	-	Guardrail Improvements	0	0	0	20	155	155	150	480	SP	Design & Construction
22	-	Systemwide Drainage Improvements	-	-	-	Drainage Improvements	0	380	0	250	520	300	285	1,735	SP	Design & Construction
23	-	Systemwide Lighting	-	-	-	Lighting Rehabilitation	0	0	0	20	155	155	150	480	SP	Design & Construction
24	-	Multimodal/Intermodal Opportunity Study	-	-	-	Multimodal/Intermodal Study	0	0	0	300	300	300	300	1,200	SP	Multimodal/Intermodal Study
Encumbered Total							2,176		0							
Unencumbered Total								4,444		9,746	21,245	1,720	1,695			
<b>SUB-TOTALS (Page 2)</b>							6,620		9,746	21,245	1,720	1,695				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

**Existing System Improvements Summary (3 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *					Total	Fund Source	Project Phases Funded			
			From	To	Length (miles)	Work Description	2027		2028		2029				2030	2031	
							E	U	E	U	U				U	U	
25	599-157	Construction Safety Campaign	-	-	-	Safety Campaign	0	580	0	580	580	580	580	2,900	CF	Communications	
Encumbered Total							0		0								
Unencumbered Total								580		580	580	580	580				
<b>SUB-TOTALS (Page 3)</b>								580		580	580	580	580				
<b>TOTALS</b>								56,334		65,244	90,993	121,016	122,409				



\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
 E = Encumbered costs from projects under contracts from previous fiscal years  
 U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**System Expansion Projects Summary (1 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
26	599-247	SR 515 Northeast Connector Expressway Phase 2 PD&E Study	Florida's Turnpike	Nova Road	-	New Expressway	1,492	0	0	0	0	0	0	1,492	CF	PD&E Study
27	-	Future Corridor Planning Studies (Potential)	-	-	-	New Expressway	0	0	0	1,000	500	1,250	1,250	4,000	CF	Planning Studies
28	414-208	SR 414 Expressway Extension	US 441	Keller Road	3.7	New Expressway	3,997	638	0	67,392	134,684	134,684	134,684	476,079	CF	Design, Bidding, & Partial Const.
29	452-270	SR 452 Seminole Connector	SR 417	Red Cleveland Blvd	2.3	New Expressway	0	-20,744	0	-19,332	22,825	6,974	50	-10,227	CF	Design, Bidding, & Partial Const.
30	516-236	SR 516 from US 27 to Cook Road	US 27	Cook Road	1.6	New Expressway	48,884	0	48,884	0	49,271	9,959	156	157,154	CF	Construction & Partial Landscaping
31	516-237	SR 516 from Cook Road to Lake/Orange County Line	Cook Road	Lake/Orange County Line	1.9	New Expressway	52,267	0	52,267	188	53,716	3,922	156	162,516	CF	Construction & Landscaping
32	516-238	SR 516 from Lake/Orange County Line to SR 429	Lake/Orange County Line	SR 429	0.9	New Expressway	61,773	3,819	0	0	0	0	0	65,592	SP	Construction & Landscaping
33	-	SR 516 Right of Way	US 27	SR 429	4.4	New Expressway	44,000	0	16,000	0	0	0	0	60,000	SP	Right-of-Way
34	538-235A	CR 532 Widening from Lake Wilson Road to US 17/92	Lake Wilson Road	US 17/92	2.8	Add Lanes, Mill & Resurface	14,898	0	8,303	0	-11,756	-2,938	0	8,507	CF	Right-of-Way & Construction
35	538-235	SR 538 from CR 532 to South of US 17/92	CR 532	South of US 17/92	0.9	New Expressway	364	371	0	26,986	53,872	55,589	3,414	140,596	CF	Design Update, Const. & Part. Landscaping
36	538-234	SR 538 from South of US 17/92 to Ronald Reagan Parkway	South of US 17/92	Ronald Reagan Parkway	1.7	New Expressway	332	2,447	0	61,736	61,736	61,736	0	187,987	SP	Design Update & Construction
37	-	SR 538 Right of Way	CR 532	Ronald Reagan Parkway	2.6	New Expressway	0	10,506	0	4,010	0	0	0	14,516	SP	Right-of-Way
Encumbered Total							228,007		125,454							
Unencumbered Total								-2,963		141,980	364,848	271,176	139,710			
<b>SUB-TOTALS (Page 1)</b>							225,044		267,434		364,848	271,176	139,710			

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**System Expansion Projects Summary (2 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Mileage	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
38	-	SR 538 Utility Corridor	CR 532	US 17/92	2.9	Utility Relocations	0	4,000	0	0	0	0	0	4,000	SP	Construction
39	-	SR 538 Connector	SR 429	CR 532	3.1	Contribution	0	0	0	68,333	83,333	83,334	0	235,000	SP	Contribution
40	534-240	SR 534 - Segment 1A - SR 417 SB Ramp Extensions	Landstar Blvd.	Boggy Creek Road	2.8	Operational Improvements	3,477	0	0	9,446	32,249	28,851	60	74,083	CF	Design, Const., & Part. Landscaping
41	534-241	SR 534 - Segment 1 - SR 534/SR417 Interchange	SR 417	Laureate Boulevard	0.6	New Expressway	3,989	25,010	0	94,060	94,060	94,060	94,060	405,239	CF	Design & Partial Construction
42	534-242	SR 534 - Segment 2 - SR 534 from Laureate Blvd. to E. of Simpson Rd.	Laureate Boulevard	East of Simpson Road	2.4	New Expressway	843	4,229	0	50	85,420	85,885	29,581	206,008	CF	Design, Const., & Part. Landscaping
43	534-242A	SR 534 - Segment 2A - Simpson Road Extension	Boggy Creek Road	SR 534	1.4	New Local Road	0	1,217	0	10,373	10,368	0	0	21,958	CF	Bidding & Construction
44	534-243	SR 534 - Segment 3 - SR 534 E. of Simpson Rd. to Narcoossee Rd.	East of Simpson Road	Narcoossee Road	1.9	New Expressway	0	21,180	0	82,332	82,331	83,051	27,845	296,739	CF	Bidding, Part. Const., & Part. Landscaping
45	534-244	SR 534 - Segments 4/5 - SR 534 from Narcoossee Road to Sunbridge Connector	Narcoossee Road	Sunbridge Connector	3.5	New Expressway	500	86,353	0	120,099	77,371	78,169	28,529	391,021	CF	Procurement, Const., & Part. Landscaping
46	-	SR 534 Right of Way	SR 417	Sunbridge Connector	8.4	Right-of-Way	0	14,362	0	4,110	0	0	0	18,472	SP	Right-of-Way
47	534-266	SR 534 - Segment 6 - SR 534 from Sunbridge Pkwy. to S. of Cyrils Drive	Sunbridge Connector	South of Cyrils Drive	2.1	New Expressway	3,088	0	3,088	0	3,617	35,416	47,421	92,630	CF	Design, Bidding, & Partial Construction
48	534-267	SR 534 - Segment 7 - SR 534 from S. of Cyrils Drive to S. of Jack Brack Rd.	South of Cyrils Drive	South of Jack Brack Road	1.8	New Expressway	5	3,120	0	4,160	7,622	28,150	56,464	99,521	CF	Design, Bidding, & Partial Construction
49	534-268	SR 534 - Segment 8 - SR 534 from S. of Jack Brack Rd. to Nova Rd.	South of Jack Brack Road	Nova Road	1.5	New Expressway	0	1,900	0	3,780	1,890	19,331	51,152	78,053	CF	Design, Bidding, & Partial Construction
Encumbered Total							11,902		3,088							
Unencumbered Total								161,371		396,743	478,261	536,247	335,112			
<b>SUB-TOTALS (Page 2)</b>							173,273		399,831	478,261	536,247	335,112				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**System Expansion Projects Summary (3 of 3)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *					Total	Fund Source	Project Phases Funded		
			From	To	Length (miles)	Work Description	2027		2028		2029				2030	2031
							E	U	E	U	U				U	U
50	-	2055 CFX Master Plan	-	-	-	Master Plan	0	400	0	400	0	0	0	800	SP	Planning
Encumbered Total							0		0							
Unencumbered Total								400		400	0	0	0			
<b>SUB-TOTALS (Page 3)</b>								400		400	0	0	0			
<b>TOTALS</b>								398,717		667,665	843,109	807,423	474,822			

PROPOSED

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan  
**Interchange Projects Summary**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
51	408-315 & 408-315A	SR 408 Tampa Avenue Interchange & SR 408 Eastbound Capacity Improvements & OBT Interchange Improvements	West of Tampa Avenue	Orange Blossom Trail	-	Interchange Projects	81,016	0	81,015	291	66,267	240	240	229,069	CF	Operational Improvements
52	528-307	SR 528 Dallas Boulevard Interchange	East of Econ River Bridge	East of Dallas Blvd.	-	Interchange Reconstruction	2,392	0	0	2,723	0	0	0	5,115	CF	Design, Const., & Part. Landscaping
53	429-309	SR 429 Binion Road Interchange	SR 414	South of Lust Road	-	New Interchange	50	20,743	0	37,296	21,110	60	45	79,304	CF	Bidding, Const., & Partial Landscaping
54	-	Interchange Planning Studies (Potential)	-	-	-	Interchange Studies	0	0	0	300	0	300	0	600	SP	Planning Studies
Encumbered Total							83,458		81,015							
Unencumbered Total								20,743		40,610	87,377	600	285			
<b>TOTALS</b>							104,201		121,625	87,377	600	285				

PROPOSED

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Facilities Projects Summary (1 of 2)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
55	408-440	CFX Headquarters Chiller Replacement	-	-	-	Headquarters Chiller Replacement	565	0	0	0	0	0	0	565	CF	Construction
56	599-444	Magnolia Service Center Renovations	-	-	-	Service Center Renovations	80	1,068	0	2,117	0	0	0	3,265	CF	Bidding & Construction
57	-	Miscellaneous CFX Facility/Building Improvements	-	-	-	Miscellaneous Projects	0	3,610	0	461	461	461	461	5,454	SP	Design & Construction
58	-	CFX Osceola County Facility	-	-	-	District Facility	0	0	0	0	221	6,133	0	6,354	SP	Study, Bidding, & Partial Construction
59	516-409	SR 516 PV Deployment	-	-	-	Alternative Power	0	160	0	1,318	433	0	0	1,911	CF	Concept & Design-Build
60	516-409A	SR 516 PV Deployment - Phase II	-	-	-	Alternative Power	0	0	0	80	136	4,252	0	4,468	CF	Concept & Design-Build
61	-	Work Zone Safety Application	-	-	-	Work Zone Safety	0	458	0	260	268	276	285	1,547	SP	Implementation & Study
62	599-426	Systemwide Generator Replacement (SR 417 / 408 / 429 / 528)	-	-	-	Generator Replacement	258	0	0	0	0	0	0	258	CF	Construction
63	-	Systemwide Generator Replacements and Upgrades	-	-	-	Generator Replacements	0	8	0	293	296	563	293	1,453	SP	Design & Construction
64	-	Systemwide Air Conditioner Replacements and Upgrades	-	-	-	Air Conditioner Replacements	0	23	0	137	28	141	63	392	SP	Design & Construction
65	599-765	Systemwide Plazas Roof Replacements	-	-	-	Roof Replacements	1,299	0	0	0	0	0	0	1,299	CF	Construction
66	-	Systemwide Roof Replacements	-	-	-	Roof Replacements	0	1,165	0	1,085	550	550	550	3,900	SP	Design & Construction
Encumbered Total							2,202		0							
Unencumbered Total								6,492		5,751	2,393	12,376	1,652			
<b>SUB-TOTALS (Page 1)</b>							8,694		5,751		2,393	12,376	1,652			

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Facilities Projects Summary (2 of 2)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *					Total	Fund Source	Project Phases Funded		
			From	To	Length (miles)	Work Description	2027		2028		2029				2030	2031
							E	U	E	U	U				U	U
67	-	Systemwide Toll Plaza Projects	-	-	-	Toll Plaza Projects	0	0	0	0	32	170	162	364	SP	Design & Construction
						Encumbered Total	0	0	0							
						Unencumbered Total		0		0	32	170	162			
						<b>SUB-TOTALS (Page 2)</b>	0		0		32	170	162			
						<b>TOTALS</b>	8,694		5,751		2,425	12,546	1,814			

PROPOSED

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Transportation Technology Projects Summary (1 of 2)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
68	-	Fiber Optic Network (FON) Utility Adjustments	-	-	-	Utility Adjustments	0	500	0	200	300	200	300	1,500	SP	Utility Adjustments
69	-	Regional ITS Partnership Projects	-	-	-	Regional ITS Partnership Projects	0	180	0	180	180	180	180	900	SP	Partnership Contributions
70	-	Advanced Expressway Operations Performance Measures	-	-	-	Enhancements to ITS Data Analysis Systems	0	421	0	884	221	0	0	1,526	SP	Implementation
71	599-568	Wrong-Way Driving Countermeasure Upgrades	-	-	-	Wrong-Way Driving Countermeasure Upgrades	0	4,494	0	0	0	0	0	4,494	SP	Bidding & Construction
72	-	Traffic Monitoring Station Replacement	-	-	-	TMS Material Procurement	0	152	0	157	162	279	287	1,037	SP	Implementation
73	-	Connected Vehicle and Big Data Needs Assessment	-	-	-	Connected Vehicle Needs Study	0	250	0	0	0	0	0	250	SP	Study
74	-	Connected Vehicle and Big Data Pilot Project	-	-	-	Pilot Project	0	0	0	238	528	486	0	1,252	SP	Design & Installation
75	-	Connected Vehicle Technology Deployment	-	-	-	Deployment of Connected Vehicle Technology	0	0	0	0	0	291	5,008	5,299	SP	Design & Implementation
76	599-561	Data Collection Sensor Replacement	-	-	-	DCS Material Procurement	0	500	0	500	500	0	0	1,500	CF	Installation
77	599-572	Flex Lane Control Operations Software	-	-	-	Operations Software	0	300	0	0	0	0	0	300	CF	Installation
78	599-571	Systemwide Miscellaneous ITS Upgrades	-	-	-	TMS and Cabinet Replacement	0	8,878	0	0	0	0	0	8,878	CF	Installation
79	-	CFX Resiliency Study Updates	-	-	-	Systemwide Efficiency Study	110	0	0	0	0	0	285	395	SP	Study
Encumbered Total							110		0							
Unencumbered Total								15,675		2,159	1,891	1,436	6,060			
<b>SUB-TOTALS (Page 1)</b>							15,785		2,159		1,891	1,436	6,060			

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Transportation Technology Projects Summary (2 of 2)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
80	-	Lake Underhill Bridge Architectural Lighting	-	-	-	Bridge Lighting Replacement	0	210	0	0	0	0	0	210	SP	Installation
81	-	ITS Battery Replacement	-	-	-	Battery Material Procurement	0	101	0	105	108	111	115	540	SP	Implementation
82	-	Data Server Software Enhancements	-	-	-	Operations Software	0	101	0	52	0	0	0	153	SP	Installation
83	-	TSM&O Safety Improvements	-	-	-	TSM&O Safety Improvement Deployments	0	110	0	468	0	0	0	578	SP	Design & Construction
84	-	TSM&O Safety Improvements - Phase II	-	-	-	TSM&O Safety Improvement Deployments	0	0	0	106	336	163	0	605	SP	Design & Construction
85	-	Flex Lanes Technology Enhancements	-	-	-	Electrical Power Design	0	0	0	0	1,178	2,256	2,246	5,680	SP	Design & Installation
86	-	Electrical Service Upgrade Project	-	-	-	Electrical Power Design	0	0	0	0	0	1,222	1,748	2,970	SP	Design & Installation
87	-	ITS CCTV Replacement	-	-	-	CCTV Material Procurement	0	200	0	200	200	200	200	1,000	SP	Installation
88	-	Computer AI Vision Software and Hardware	-	-	-	ITS Computer Vision Deployment	0	1,265	0	2,383	1,223	0	0	4,871	SP	Pilot & Implementation
Encumbered Total							0		0							
Unencumbered Total								1,987		3,314	3,045	3,952	4,309			
<b>SUB-TOTALS (Page 2)</b>								1,987		3,314	3,045	3,952	4,309			
<b>TOTALS</b>								17,772		5,473	4,936	5,388	10,369			

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Information Technology Projects Summary**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To		Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
89	-	IT Infrastructure Upgrade	-	-	-	Hardware & Software	0	500	0	500	500	500	500	2,500	SP	Design & Implementation
90	599-532	CFX Operations Software Update	-	-	-	Hardware & Software	0	2,000	0	0	0	0	0	2,000	CF	Design & Implementation
91	-	Software Development	-	-	-	Software	0	756	0	756	756	756	756	3,780	SP	Design & Implementation
92	599-563	Financial / Accounting Software Replacement	-	-	-	Software	0	2,243	0	668	0	0	0	2,911	CF	Design & Implementation
93	-	Toll System Hardware & Software Projects	-	-	-	Hardware & Software	0	920	0	920	920	920	920	4,600	SP	Implementation & Testing
94	-	CFX Website Rebuild	-	-	-	Software	450	0	350	0	250	150	150	1,350	SP	Implementation & Testing
95	-	CFX Engineering Project Management Software	-	-	-	Software	0	30	0	0	0	0	0	30	SP	Design
Encumbered Total							450		350							
Unencumbered Total								6,449		2,844	2,426	2,326	2,326			
<b>TOTAL</b>							6,899		3,194		2,426	2,326	2,326			

\* Construction Costs Escalated at 3.0% for FY 2027, 3.1% for FY 2028, 3.2% for 2029, 3.3% for FY 2030, and 3.3% for FY 2031. In general, all other costs escalated at an average of 3.2% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

### Signing and Pavement Markings Summary

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
96	-	SR 408 & SR 417 Guide Sign Replacement	-	-	-	Signing Replacement	0	208	0	218	5,307	0	0	5,733	SP	Design, Bidding, & Const.
97	-	SR 408 & SR 417 Guide Sign Replacement - Phase 2	-	-	-	Signing Replacement	0	0	0	0	495	4,210	2,100	6,805	SP	Design, Bidding, & Const.
98	-	Systemwide Annual Toll Rate Signing Updates	-	-	-	Signing	0	301	0	301	301	301	301	1,505	SP	Design & Construction
99	-	Systemwide Trailblazer Upgrades	-	-	-	Signing	0	0	0	75	1,085	620	615	2,395	SP	Design & Construction
100	-	Systemwide Signing Replacement Projects	-	-	-	Signing	0	4,183	0	2,645	226	2,748	998	10,800	SP	Design & Construction
101	-	Systemwide Miscellaneous Signing and Pavement Markings	-	-	-	Signing and Pavement Markings	0	138	0	1,797	482	482	482	3,381	SP	Design & Construction
Encumbered Total							0		0							
Unencumbered Total								4,830		5,036	7,896	8,361	4,496			
<b>TOTAL</b>								4,830		5,036	7,896	8,361	4,496			

PROPOSED

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
 E = Encumbered costs from projects under contracts from previous fiscal years  
 U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Renewal and Replacement Projects Summary (1 of 4)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
102	-	SR 408 Resurfacing	W of SR 50	Hiawasse Mainline Plaza	1.8	Mill & Resurface	690	5	0	13,254	0	0	0	13,949	RR	Design & Construction
103	-	SR 408 Resurfacing	Hiawasse Mainline Plaza	Kirkman Road	1.7	Mill & Resurface	570	5	0	10,951	0	0	0	11,526	RR	Design & Construction
104	-	SR 408 Resurfacing	Kirkman Road	Church Street	3.6	Mill & Resurface	0	0	0	1,127	21,395	0	0	22,522	RR	Design & Construction
105	408-787	SR 408 Resurfacing	West of Crystal Lake Drive	SR 436	2.0	Mill & Resurface	560	10	0	16,007	0	0	0	16,577	RR	Design & Construction
106	-	SR 408 Resurfacing	Cosmos Drive	SR 417	1.9	Mill & Resurface	0	0	0	0	0	902	12,803	13,705	RR	Design & Construction
107	-	SR 408 Resurfacing	SR 417	Rouse Road	2.4	Mill & Resurface	0	0	0	849	10,788	5,389	0	17,026	RR	Design & Construction
108	-	SR 408 Resurfacing	Rouse Road	Alafaya Trail	1.8	Mill & Resurface	0	0	0	597	7,596	3,792	0	11,985	RR	Design & Construction
109	-	SR 408 Resurfacing	Alafaya Trail	SR 50 (East)	1.3	Mill & Resurface	0	0	0	0	0	224	3,331	3,555	RR	Design & Partial Const.
110	-	SR 414 Resurfacing	West of SR 451	West of Keene Rd.	2.0	Mill & Resurface	0	0	0	0	681	12,978	0	13,659	RR	Design & Construction
111	-	SR 414 Resurfacing	West of Keene Rd.	US 441 (East)	2.9	Mill & Resurface	0	0	0	0	713	13,489	0	14,202	RR	Design & Construction
112	-	SR 417 Resurfacing	SR 408	E-4 Bridge	2.2	Mill & Resurface	0	0	0	0	0	866	16,437	17,303	RR	Design & Construction
113	-	SR 417 Resurfacing	E-4 Bridge	Orange/Seminole County Line	2.8	Mill & Resurface	0	0	0	0	1,097	20,842	0	21,939	RR	Design & Construction
Encumbered Total							1,820		0							
Unencumbered Total								20		42,785	42,270	58,482	32,571			
<b>SUB-TOTALS (Page 1)</b>							1,840		42,785	42,270	58,482	32,571				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

**Renewal and Replacement Projects Summary (2 of 4)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
114	429-786	SR 429 Resurfacing	Seidel Road	South of Old YMCA Road	1.0	Mill & Resurface	60	70	0	3,430	0	0	0	3,560	RR	Design & Construction
115	429-784	SR 429 Resurfacing	US 441	Kelly Park Road	4.3	Mill & Resurface	100	534	0	19,864	0	0	0	20,498	RR	Selection & Design-Build
116	429-790	SR 429 Resurfacing	Kelly Park Road	North of CR 435	3.4	Mill & Resurface	0	532	0	7,881	7,605	0	0	16,018	RR	Design & Construction
117	-	SR 451 Resurfacing	SR 414	US 441	1.7	Mill & Resurface	0	0	0	0	0	0	447	447	RR	Design & Partial Bidding
118	453-789	SR 453 Resurfacing	SR 429	SR 46	1.3	Mill & Resurface	0	755	0	10,808	3,601	0	0	15,164	RR	Design & Construction
119	528-783	SR 528 Resurfacing	McCoy / Boggy Creek Rd.	SR 436	1.4	Mill & Resurface	10	8,444	0	0	0	0	0	8,454	RR	Bidding & Construction
120	-	SR 528 Resurfacing	SR 436	Goldenrod Road	2.1	Mill & Resurface	0	0	0	0	0	0	827	827	RR	Design & Partial Bidding
121	-	SR 528 Resurfacing	SR 417	West of Beachline Mainline Toll Plaza	1.9	Mill & Resurface	0	0	0	0	680	12,872	0	13,552	RR	Design & Construction
122	-	SR 528 Resurfacing	West of Beachline Mainline Toll Plaza	East of Innovation Way	3.4	Mill & Resurface	0	0	0	0	938	17,775	0	18,713	RR	Design & Construction
123	-	SR 528 Resurfacing	East of Innovation Way	East of Dallas Blvd	5.3	Mill & Resurface	0	0	0	0	905	17,164	0	18,069	RR	Design & Construction
124	-	SR 528 Resurfacing	East of Dallas Blvd.	SR 520	5.3	Mill & Resurface	0	0	0	0	872	16,550	0	17,422	RR	Design & Construction
125	-	Miscellaneous Resurfacing Projects	-	-	-	Mill & Resurface	0	78	0	903	903	903	865	3,652	RR	Design & Construction
Encumbered Total							170		0							
Unencumbered Total								10,413		42,886	15,504	65,264	2,139			
<b>SUB-TOTALS (Page 2)</b>							10,583		42,886	15,504	65,264	2,139				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

**Renewal and Replacement Projects Summary (3 of 4)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031				
							E	U	E	U	U	U	U				
126	-	Miscellaneous Drainage and Stormwater Projects	-	-	-	Drainage and Stormwater	0	55	0	310	310	310	310	1,295	RR	Design & Construction	
127	451-782	SR 451-429 Ramp Bridge Bearing Repairs	-	-	-	Bridge Repairs	220	0	0	0	0	0	0	220	RR	Construction	
128	-	Systemwide Bridge Projects	-	-	-	Misc. Structural Projects	0	47	0	429	392	243	243	1,354	RR	Design & Construction	
129	9-773 & 599-7	Systemwide FY 23 Coatings of Steel Bridges and Plaza Ped Bridges	-	-	-	Renewal and Replacement Projects	4,848	0	807	0	0	0	0	5,655	RR	Painting & Inspections	
130	599-770	SR 417 & SR 408 Concrete Coatings	N. of Leevista Blvd.	N. of University Blvd.	9.0	Painting & Inspections	279	0	0	0	0	0	0	279	RR	Construction	
131	414-781	SR 414 Concrete Coatings	SR 429	US 441	6.0	Painting & Inspections	1,769	0	0	0	0	0	0	1,769	RR	Construction	
132	-	Systemwide Coatings	-	-	-	Painting & Inspections	0	160	0	4,555	4,555	4,410	2,360	16,040	RR	Design & Construction	
133	-	Systemwide Fence Projects	-	-	-	Fencing Replacement	0	25	0	275	275	275	275	1,125	RR	Design & Construction	
134	-	Systemwide Bridge Joint & Approach Slab Projects	-	-	-	Structural	0	0	0	110	110	110	110	440	RR	Design & Construction	
135	-	Systemwide Reflective Pavement Markers & Thermo Striping	-	-	-	RPM & Striping	0	30	0	185	190	145	190	740	RR	Design & Construction	
136	-	Systemwide Traffic Signal Replacement Projects	-	-	-	Signalization	0	100	0	605	605	605	605	2,520	RR	Design & Construction	
137	408-785A	SR 408 at Alafaya Trail Mast Arm Analysis - Emergency Signals	-	-	-	Signalization	377	0	0	0	0	0	0	377	RR	Construction	
Encumbered Total							7,493		807								
Unencumbered Total								417		6,469	6,437	6,098	4,093				
<b>SUB-TOTALS (Page 3)</b>							7,910		7,276		6,437	6,098	4,093				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

**Renewal and Replacement Projects Summary (4 of 4)**

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *					Total	Fund Source	Project Phases Funded		
			From	To	Length (miles)	Work Description	2027		2028		2029				2030	2031
							E	U	E	U	U				U	U
138	408-785B	SR 408 WB On Ramp at N. Alafaya Trail Mast Arm Improvements	-	-	-	Signalization	961	0	0	0	0	0	961	RR	Construction	
Encumbered Total							961	0								
Unencumbered Total								0	0	0	0	0				
<b>SUB-TOTALS (Page 4)</b>							961	0	0	0	0					
<b>TOTALS</b>							21,294	92,947	64,211	129,844	38,803					

PROPOSED

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
 E = Encumbered costs from projects under contracts from previous fiscal years  
 U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

## Landscape and Hardscape Projects Summary

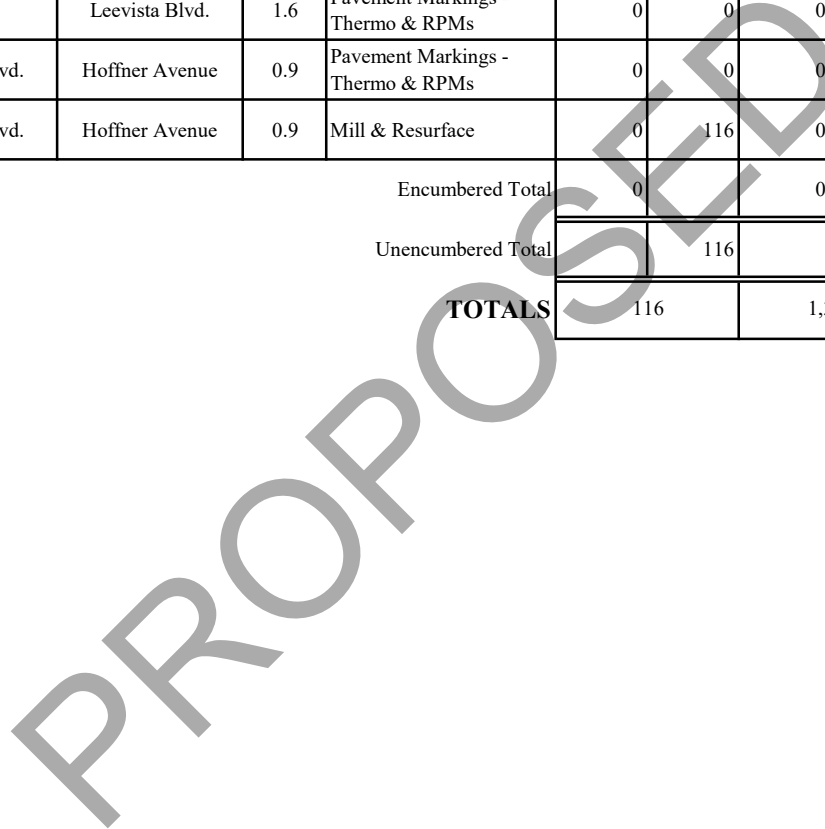
Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *							Total	Fund Source	Project Phases Funded
			From	To	Length (miles)	Work Description	2027		2028		2029	2030	2031			
							E	U	E	U	U	U	U			
139	-	Systemwide Discretionary Landscape & Hardscape Projects	-	-	-	Landscaping & Hardscaping	0	1,000	0	1,000	1,000	1,000	1,000	5,000	SP	Design, Installation & Maintenance
140	528-179B	SR 528 / SR 436 Interchange Hardscape	-	-	-	Hardscaping	1,100	0	0	0	0	0	0	1,100	CF	Construction
141	-	SR 417 Landscaping from International Drive to John Young Parkway	International Drive	John Young Parkway	4.1	Landscaping	0	164	0	1,641	64	16	0	1,885	SP	Design, Installation & Maintenance
142	-	SR 417 Landscaping from John Young Parkway to Landstar Boulevard	John Young Parkway	Landstar Boulevard	3.8	Landscaping	0	240	0	2,316	96	72	0	2,724	SP	Design, Installation & Maintenance
143	-	SR 417 Landscaping from South of Narcoossee Road to SR 528	South of Narcoossee Road	SR 528	6.2	Landscaping	0	0	0	262	2,659	108	81	3,110	SP	Design, Installation & Maintenance
144	-	SR 429 Landscaping from Tilden Road to Florida's Turnpike	Tilden Road	Florida's Turnpike	3.6	Landscaping	0	262	0	2,608	100	50	0	3,020	SP	Design, Installation & Maintenance
145	-	SR 429 Landscaping from Florida's Turnpike to West Road	Florida's Turnpike	West Road	5.4	Landscaping	0	0	0	0	316	3,170	128	3,614	SP	Design, Installation & Maintenance
146	-	SR 429 Landscaping from West Road to SR 414	West Road	SR 414	4.7	Landscaping	0	0	0	0	242	2,375	100	2,717	SP	Design, Installation & Maintenance
147	-	Wekiva Parkway (203) Kelly Park Rd. Interchange Landscape	Kelly Park Rd. Interchange	-	-	Landscaping	0	0	0	56	1,251	48	48	1,403	SP	Design, Installation & Maintenance
148	-	SR 453 Buffer Plantings	SR 429	SR 46	-	Landscaping	0	0	0	153	1,553	64	32	1,802	SP	Design, Installation & Maintenance
149	-	SR 516 Landscaping from Lake/Orange County Line to SR 429	Lake/Orange County Line	SR 429	0.9	Landscaping	0	0	0	176	1,641	68	17	1,902	SP	Design, Installation & Maintenance
150	-	SR 538 Landscaping from Ronald Reagan Parkway to Cypress Parkway	Ronald Reagan Parkway	Cypress Parkway	7.2	Landscaping	0	0	0	0	130	1,418	56	1,604	SP	Design, Installation & Maintenance
Encumbered Total							1,100		0							
Unencumbered Total								1,666		8,212	9,052	8,389	1,462			
<b>TOTAL</b>							2,766		8,212	9,052	8,389	1,462				

\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

Central Florida Expressway Authority  
Five-Year Work Plan

### Non-System Projects Summary

Page	Project Number	Project Name	Project Description				Project Cost (thousand \$) by Fiscal Year *						Total	Fund Source	Project Phases Funded	
			From	To	Length (miles)	Work Description	2027		2028		2029	2030				2031
							E	U	E	U	U	U				U
151	-	Goldenrod Road (SR 551) Thermo & RPMs	SR 528	Leevista Blvd.	1.6	Pavement Markings - Thermo & RPMs	0	0	0	144	114	0	157	415	NSP	Design & Construction
152	-	Goldenrod Road (SR 551) Thermo & RPMs	Leevista Blvd.	Hoffner Avenue	0.9	Pavement Markings - Thermo & RPMs	0	0	0	0	0	0	223	223	NSP	Design & Construction
153	-	Goldenrod Road (SR 551) Resurfacing	Leevista Blvd.	Hoffner Avenue	0.9	Mill & Resurface	0	116	0	1,180	1,112	0	0	2,408	NSP	Design & Construction
Encumbered Total							0	0								
Unencumbered Total								116		1,324	1,226	0	380			
<b>TOTALS</b>							116		1,324	1,226	0	380				



\* Construction Costs Escalated at 2.9% for FY 2027, 3.0% for FY 2028, 3.1% for 2029, 3.2% for FY 2030, and 3.2% for FY 2031. In general, all other costs escalated at an average of 3.1% per year.  
E = Encumbered costs from projects under contracts from previous fiscal years  
U = Unencumbered costs

**Central Florida Expressway Authority**  
**Calculation of the Composite Debt Service Ratio, as Defined**  
**by the Bond Resolutions and Related Documents - Including Subordinate Coverage**

	Budget 2026	Projected 2026	Budget 2027	\$ Inc (Decr) Over Budget	% Inc (Decr) Over Proj	% Ince (Decr) Over Budget
<b>Revenues:</b>						
Tolls	\$ 738,800,000	\$ 736,500,000	\$ 752,200,000	\$13,400,000	2%	2%
Fees Collected via Pay by Plate and UTC's	10,502,300	12,865,200	13,201,000	2,698,700	3%	26%
Transponder sales	2,182,372	2,275,000	2,325,000	142,628	2%	7%
Other Operating	2,570,052	3,336,967	3,269,555	699,503	-2%	27%
Interest	12,323,608	19,036,289	19,246,224	6,922,616	1%	56%
Miscellaneous	986,485	1,002,273	1,034,267	47,782	3%	5%
<b>Total revenues</b>	<b>767,364,817</b>	<b>775,015,729</b>	<b>791,276,046</b>	<b>23,911,229</b>	<b>2%</b>	<b>3%</b>
<b>Expenses:</b>						
Operations	90,646,986	87,820,351	92,550,012	1,903,026	5%	2%
Maintenance	33,351,982	32,645,584	35,920,096	2,568,114	10%	8%
Administrative	14,811,608	14,167,172	16,008,172	1,196,564	13%	8%
Other Operating	3,059,000	2,970,839	3,065,100	6,100	3%	0%
<b>Total expenses</b>	<b>141,869,576</b>	<b>137,603,946</b>	<b>147,543,380</b>	<b>5,673,804</b>	<b>7%</b>	<b>4%</b>
Add deposits into OMA reserve	(589,752)	-	119,474	709,226		
Less advances for operations and maintenance expenses received from the FDOT	(6,738,162)	(5,256,366)	(3,840,923)	2,897,239	-27%	-43%
<b>Total Expenses and Deposits</b>	<b>134,541,662</b>	<b>132,347,580</b>	<b>143,821,931</b>	<b>9,280,268</b>	<b>9%</b>	<b>7%</b>
<b>Net revenues, as defined, plus payments received from the FDOT</b>	<b>632,823,155</b>	<b>642,668,149</b>	<b>647,454,116</b>	<b>14,630,961</b>	<b>1%</b>	<b>2%</b>
<b>Senior debt service payments*</b>	<b>225,780,601</b>	<b>225,780,601</b>	<b>231,145,987</b>	<b>5,365,386</b>	<b>2%</b>	<b>2%</b>
<b>Subordinate debt service payments</b>	<b>11,003,482</b>	<b>11,003,482</b>	<b>2,495,683</b>	<b>(8,507,799)</b>	<b>-77%</b>	<b>-77%</b>
<b>Total debt payments plus FDOT repayments</b>	<b>236,784,083</b>	<b>236,784,083</b>	<b>233,641,670</b>	<b>(3,142,413)</b>	<b>-1%</b>	<b>-1%</b>
<b>Subordinate debt service ratio of net revenues to total debt payment</b>	<b>2.67</b>	<b>2.71</b>	<b>2.77</b>	<b>0.10</b>	<b>2%</b>	<b>4%</b>
<b>Senior debt service ratio of net revenues to debt service</b>	<b>2.80</b>	<b>2.85</b>	<b>2.80</b>	<b>0.00</b>	<b>-2%</b>	<b>0%</b>

\* Per Bond Resolution Calculation.

**Central Florida Expressway Authority**  
**Budgeted Flow of Funds - Including Subordinate Payments**  
**On a Cash Flow Basis**

	Budget 2026	Projected 2026	Budget 2027	\$ Inc (Decr) Over Budget	% Inc (Decr) Over Proj	% Ince (Decr) Over Budget
<b>Revenues:</b>						
Tolls	\$738,800,000	\$ 736,500,000	<b>\$ 752,200,000</b>	\$13,400,000	2%	2%
Fees Collected via Pay by Plate and UTC's	10,502,300	12,865,200	<b>13,201,000</b>	2,698,700	3%	26%
Transponder sales	2,182,372	2,275,000	<b>2,325,000</b>	142,628	2%	7%
Other Operating	2,570,052	3,336,967	<b>3,269,555</b>	699,503	-2%	27%
Interest	12,323,608	19,036,289	<b>19,246,224</b>	6,922,616	1%	56%
Miscellaneous	986,485	1,002,273	<b>1,034,267</b>	47,782	3%	5%
<b>Total revenues</b>	<b>767,364,817</b>	<b>775,015,729</b>	<b>791,276,046</b>	23,911,229	2%	3%
<b>Expenses:</b>						
Operations	90,646,986	87,820,351	<b>92,550,012</b>	1,903,026	5%	2%
Maintenance	33,351,982	32,645,584	<b>35,920,096</b>	2,568,114	10%	8%
Administrative	14,811,608	14,167,172	<b>16,008,172</b>	1,196,564	13%	8%
Other Operating	3,059,000	2,970,839	<b>3,065,100</b>	6,100	3%	0%
<b>Total expenses</b>	<b>141,869,576</b>	<b>137,603,946</b>	<b>147,543,380</b>	5,673,804	7%	4%
<b>Debt service payments</b>	237,880,601	237,880,601	<b>236,250,987</b>	(1,629,614)	-1%	-1%
<b>Subordinate debt service payments</b>	2,517,396	2,517,396	<b>2,495,683</b>	(21,713)	-1%	-1%
<b>Renewal and Replacement Reserve</b>	5,956,031	3,000,000	<b>20,777,345</b>	14,821,314	593%	249%
<b>OM&amp;A Capital Expenditures &amp; Projects</b>	227,000	166,000	<b>302,000</b>	75,000	82%	33%
<b>Net Available for System Projects</b>	<b>\$378,914,213</b>	<b>\$393,847,786</b>	<b>\$383,906,651</b>	\$4,992,438	-3%	1%

PROPOSED

**Central Florida Expressway Authority  
All Activities - Total By Line Item**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
<b>SPEND CATEGORY</b>						
<b>SALARIES &amp; BENEFITS</b>						
Salaries & Wages	\$ 12,010,475	\$ 10,690,743	\$ 12,677,463	\$ 666,988	19%	6%
Social Security and Medicare	823,792	774,901	915,346	91,554	18%	11%
Retirement Contributions -FRS	1,933,825	1,933,631	2,087,333	153,508	8%	8%
Life and Health Insurance	2,522,957	2,467,956	2,824,181	301,224	14%	12%
State Assessment	23,994	22,416	25,151	1,157	12%	5%
Workers' Compensation	95,483	87,762	104,399	8,916	19%	9%
Total Salaries & Benefits	17,410,526	15,977,409	18,633,873	1,223,347	17%	7%
<b>OTHER</b>						
Cost Of Transponders Sold - Sticker	1,160,300	547,780	558,740	(601,560)	2%	-52%
Cost Of Transponders Sold - Bumper	3,700	3,200	3,300	(400)	3%	-11%
Cost Of Transponders Sold - Hang Tag	69,100	90,000	92,700	23,600	3%	34%
Cost Of Transponders Sold - Uni	881,600	971,330	1,000,470	118,870	3%	13%
Cost Of Transponders Sold - Uni Black	1,659,530	1,572,040	1,619,200	(40,330)	3%	-2%
Cost Of Transponders Sold - Sticker Black	878,740	699,580	720,570	(158,170)	3%	-18%
Professional Services	2,700,000	2,870,009	2,964,500	264,500	3%	10%
Legal Fees	122,000	157,000	180,000	58,000	15%	48%
Consultant Fees	385,500	350,750	373,000	(12,500)	6%	-3%
Maintenance Program Support	250,000	714,134	850,000	600,000	19%	240%
Maintenance Program Support - ITS	875,000	900,000	1,010,000	135,000	12%	15%
FON Program Support	275,000	200,000	275,000	-	38%	0%
Pavement Management System	31,000	30,000	30,000	(1,000)	0%	-3%
Auditing Fees	95,000	95,000	95,000	-	0%	0%
Contract Personnel	24,481,874	24,233,525	26,817,940	2,336,066	11%	10%
Contract Personnel - ITS	250,000	79,311	250,000	-	215%	0%
Toll Plazas Salaries/Wages	5,321,891	1,269,481	-	(5,321,891)	-100%	-100%
Toll Plazas Other Direct Expenses	100,644	79,967	-	(100,644)	-100%	-100%
Toll Collection Management Fees	236,204	254,527	-	(236,204)	-100%	-100%
Toll Plazas Administration Salaries	425,428	621,956	-	(425,428)	-100%	-100%
Toll Plazas Office Expenses	69,266	1,181,973	-	(69,266)	-100%	-100%
Toll Plazas Insurance and Bond	11,227	16,209	-	(11,227)	-100%	-100%
Law Enforcement Services	2,000,000	1,900,000	2,120,000	120,000	12%	6%
Motorist Service Patrol Agreement	2,293,220	2,218,309	2,616,941	323,721	18%	14%
Rapid Incident Scene Clearance	68,600	50,000	68,600	-	37%	0%
Toll Plazas Janitorial	88,036	168,556	52,000	(36,036)	-69%	-41%
Travel	161,350	108,116	174,330	12,980	61%	8%
Reimbursed Local Travel	13,015	10,767	15,609	2,594	45%	20%
Gasoline	33,250	26,187	31,850	(1,400)	22%	-4%
Telephone Service	364,300	403,065	234,700	(129,600)	-42%	-36%
Internet Service	230,000	336,406	374,000	144,000	11%	63%
Postage and Delivery	7,501,100	7,394,269	7,794,000	292,900	5%	4%
Printing	1,570,400	1,520,174	1,559,000	(11,400)	3%	-1%
Service Center Printing and Mailing	156,000	181,200	196,000	40,000	8%	26%
CAFR	35,000	35,000	50,000	15,000	43%	43%
Utilities	3,081,276	3,115,500	3,251,700	170,424	4%	6%
Leases - Building	350,000	32,000	175,000	(175,000)	447%	-50%
Leases - Equipment	33,000	29,000	22,000	(11,000)	-24%	-33%
Records Management	51,250	37,860	48,000	(3,250)	27%	-6%
Toll System Monitoring	568,404	96,614	600,000	31,596	521%	6%
Insurance	2,548,303	2,293,803	2,617,230	68,927	14%	3%
Repairs & Maint. - Equipment	1,099,107	957,375	1,046,543	(52,564)	9%	-5%
Maintenance FON Locates	18,000	15,000	18,000	-	20%	0%
Maintenance - ITS Infrastructure	3,326,406	2,900,000	3,400,000	73,594	17%	2%
Support & Maint. - Software	150,000	253,165	267,018	117,018	5%	78%
Repairs & Maint. - Software and Hardware	3,495,397	3,570,213	3,728,032	232,635	4%	7%
Maintenance - Toll Collection Software	1,539,000	1,450,889	1,615,950	76,950	11%	5%
Maintenance - Toll System Infinity	1,494,455	1,466,705	1,592,570	98,115	9%	7%
Repairs & Maint. - Fiber Optic Network	165,000	200,000	214,000	49,000	7%	30%

**Central Florida Expressway Authority  
All Activities - Total By Line Item**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
<b>SPEND CATEGORY</b>						
Facilities Maintenance	3,195,430	2,158,822	<b>3,312,418</b>	116,988	53%	4%
Repairs and Maint. - Toll Equipment	2,822,883	2,649,500	<b>2,816,300</b>	(6,583)	6%	0%
Repairs and Maint. - Toll Equipment Parts	401,000	39,100	<b>423,000</b>	22,000	982%	5%
Repairs & Maint. - VES Equipment	1,181,589	1,082,600	<b>1,177,100</b>	(4,489)	9%	0%
Repairs & Maint. - Vehicles	28,400	32,400	<b>35,420</b>	7,020	9%	25%
Roadway and Bridges Maintenance	14,908,938	14,204,400	<b>15,413,893</b>	504,955	9%	3%
Landscape Maintenance Service	5,023,622	5,030,029	<b>5,158,428</b>	134,806	3%	3%
Bridge Inspection	500,000	616,715	<b>540,000</b>	40,000	-12%	8%
Sign Maintenance/Inspection	332,202	480,134	<b>572,275</b>	240,073	19%	72%
Traffic Signals and Lights	262,200	378,512	<b>276,000</b>	13,800	-27%	5%
Aquatics	134,811	115,100	<b>240,572</b>	105,761	109%	78%
Board Meeting Broadcasting	7,000	5,250	-	(7,000)	-100%	-100%
Promotion	3,400,000	3,400,000	<b>3,400,000</b>	-	0%	0%
Newsletter	4,500	4,920	<b>5,000</b>	500	2%	11%
Photography	3,500	1,200	<b>3,500</b>	-	192%	0%
Displays	5,500	5,000	<b>5,500</b>	-	10%	0%
Graphic Production Services	112,000	112,000	<b>112,000</b>	-	0%	0%
Promotional Items	31,000	30,750	<b>29,000</b>	(2,000)	-6%	-6%
Advertising and Legal Notices	17,600	12,762	<b>14,600</b>	(3,000)	14%	-17%
Bank Fees	834,650	566,450	<b>205,150</b>	(629,500)	-64%	-75%
Credit Card Fees	11,850,000	16,623,000	<b>17,550,000</b>	5,700,000	6%	48%
Special Events	75,500	74,200	<b>62,500</b>	(13,000)	-16%	-17%
Employee Support Services	19,200	40,000	<b>40,000</b>	20,800	0%	108%
Board Support	22,500	10,000	<b>22,500</b>	-	125%	0%
Miscellaneous Expense	36,538	63,935	<b>71,325</b>	34,787	12%	95%
Office Supplies	71,915	56,148	<b>71,380</b>	(535)	27%	-1%
Office Expense - Other	162,608	157,676	<b>118,011</b>	(44,597)	-25%	-27%
Maintenance of Traffic	497,340	351,900	<b>524,800</b>	27,460	49%	6%
Operating Supplies	15,700	1,625	<b>250</b>	(15,450)	-85%	-98%
Transponder Supplies	60,000	90,000	<b>92,700</b>	32,700	3%	55%
Software Expense	630	700	<b>1,260</b>	630	80%	100%
Dues and Subscriptions	441,582	451,792	<b>473,271</b>	31,689	5%	7%
Plate Lookups	600,000	770,933	<b>825,000</b>	225,000	7%	38%
Books and Publications	578	580	<b>656</b>	78	13%	13%
Seminars and Conferences	68,218	58,243	<b>79,285</b>	11,067	36%	16%
Staff Training and Education	120,750	123,150	<b>131,900</b>	11,150	7%	9%
Contingency (Projects)	16,000	8,227	-	(16,000)	-100%	-100%
Miscellaneous IT Equipment	-	20,000	<b>115,920</b>	115,920	480%	-
Furniture	52,293	-	-	(52,293)	-	-100%
Total Other:	<b>120,035,050</b>	<b>117,535,698</b>	<b>124,644,407</b>	<b>4,609,357</b>	<b>6%</b>	<b>4%</b>
Interoperability Transaction Fee	1,365,000	1,120,000	<b>1,200,000</b>	(165,000)	7%	-12%
Other Operating Expenses	3,059,000	2,970,839	<b>3,065,100</b>	6,100	3%	0%
<b>TOTAL</b>	<b>141,869,576</b>	<b>137,603,946</b>	<b>147,543,380</b>	<b>5,673,804</b>	<b>7%</b>	<b>4%</b>
<b>CAPITAL EXPENDITURES</b>						
General Equipment	62,000	56,000	<b>62,000</b>	-	11%	0%
Vehicle Purchases	165,000	110,000	<b>240,000</b>	75,000	118%	45%
Total Capital Expenditures:	<b>227,000</b>	<b>166,000</b>	<b>302,000</b>	<b>75,000</b>	<b>82%</b>	<b>33%</b>

**Central Florida Expressway Authority  
Operations Activity - Summary**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
Toll Operations (CC10001)	\$ 916,804	\$ 990,485	\$ 1,453,717	\$ 536,913	47%	59%
IT (CC10002)	11,978,143	11,187,769	8,776,830	(3,201,313)	-22%	-27%
Service Strategy (CC10056)	367,405	231,462	-	(367,405)	-100%	-100%
Toll Technology (CC10003)	624,983	543,949	9,314,123	8,689,140	1612%	1390%
Service Center (CC10004 & CC10007)	50,601,195	54,057,852	58,959,608	8,358,413	9%	17%
Business Relations (CC10005)	196,626	191,253	203,693	7,067	7%	4%
Customer Experience (CC10006)	5,383,959	5,396,368	5,450,801	66,842	1%	1%
Toll Facilities	19,212,871	14,101,213	7,191,240	(12,021,631)	-49%	-63%
<b>Subtotal</b>	<b>89,281,986</b>	<b>86,700,351</b>	<b>91,350,012</b>	<b>2,068,026</b>	<b>5%</b>	<b>2%</b>
Interoperability Transaction Fee	1,365,000	1,120,000	1,200,000	(165,000)	7%	-12%
<b>Total Operating Costs</b>	<b>90,646,986</b>	<b>87,820,351</b>	<b>92,550,012</b>	<b>1,903,026</b>	<b>5%</b>	<b>2%</b>

**Capital Expenditures**

**Capital Expenditures**

IT (720)	55,000	-	-	(55,000)		-100%
----------	--------	---	---	----------	--	-------

PROPOSED

**Central Florida Expressway Authority  
Operations Activity - Total By Line Item**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
<b>SPEND CATEGORIES</b>						
<b>SALARIES &amp; BENEFITS</b>						
Salaries & Wages	\$ 4,091,311	\$ 3,437,648	\$ 4,271,844	\$ 180,533	24%	4%
Social Security and Medicare	299,151	259,533	322,134	22,983	24%	8%
Retirement Contributions -FRS	586,528	552,549	617,053	30,525	12%	5%
Life and Health Insurance	865,350	788,102	959,387	94,037	22%	11%
State Assessment	7,150	7,320	8,546	1,396	17%	20%
Workers' Compensation	10,849	10,367	12,455	1,606	20%	15%
Total Salaries & Benefits	5,860,339	5,055,518	6,191,419	331,080	22%	6%
<b>OTHER</b>						
Cost Of Transponders Sold - Sticker	1,160,300	547,780	558,740	(601,560)	2%	-52%
Cost Of Transponders Sold - Bumper	3,700	3,200	3,300	(400)	3%	-11%
Cost Of Transponders Sold - E-PASS Hang Tag	69,100	90,000	92,700	23,600	3%	34%
Cost Of Transponders Sold - Uni	881,600	971,330	1,000,470	118,870	3%	13%
Cost Of Transponders Sold - Uni Black	1,659,530	1,572,040	1,619,200	(40,330)	3%	-2%
Cost Of Transponders Sold - Sticker Black	878,740	699,580	720,570	(158,170)	3%	-18%
Professional Services	1,824,000	1,878,049	1,908,000	84,000	2%	5%
Consultant Fees	57,500	28,750	48,000	(9,500)	67%	-17%
Contract Personnel	23,332,935	23,032,491	25,538,000	2,205,065	11%	9%
Toll Plazas Sarlaries/Wages	5,321,891	1,269,481	-	(5,321,891)	-100%	-100%
Toll Plazas Other Direct Expenses	100,644	79,967	-	(100,644)	-100%	-100%
Toll Collection Management Fees	236,204	254,527	-	(236,204)	-100%	-100%
Toll Plazas Administration Salaries	425,428	621,956	-	(425,428)	-100%	-100%
Toll Plazas Office Expenses	69,266	1,181,973	-	(69,266)	-100%	-100%
Toll Plazas Insurance and Bond	11,227	16,209	-	(11,227)	-100%	-100%
Toll Plazas Janitorial	88,036	168,556	52,000	(36,036)	-69%	-41%
Travel	37,925	23,750	41,200	3,275	73%	9%
Reimbursed Local Travel	2,975	2,375	3,869	894	63%	30%
Gasoline	600	600	600	-	0%	0%
Telephone Service	364,300	403,065	234,700	(129,600)	-42%	-36%
Data Service	230,000	336,406	374,000	144,000	11%	63%
Postage and Delivery	7,496,300	7,389,469	7,789,000	292,700	5%	4%
Printing	1,567,000	1,517,495	1,555,000	(12,000)	2%	-1%
Service Center Printing and Mailing	156,000	181,200	196,000	40,000	8%	26%
Utilities	2,495,216	2,529,300	2,620,700	125,484	4%	5%
Leases - Building	350,000	32,000	175,000	(175,000)	447%	-50%
Leases - Equipment	9,000	8,000	9,000	-	13%	0%
Records Management	3,250	2,860	-	(3,250)	-100%	-100%
Toll System Monitoring	568,404	96,614	600,000	31,596	521%	6%
Insurance	2,036,457	1,888,803	2,107,230	70,773	12%	3%
Repairs & Maint. - Equipment	1,061,300	921,600	1,008,675	(52,625)	9%	-5%
Repairs & Maint. - Software	3,459,903	3,534,720	3,691,003	231,100	4%	7%
Maintenance - Toll Collection Software	1,539,000	1,450,889	1,615,950	76,950	11%	5%
Maintenance - Toll System Infinity	1,494,455	1,466,705	1,592,570	98,115	9%	7%
Facilities Maintenance	2,442,136	1,541,600	2,650,810	208,674	72%	9%
Repairs and Maint. - Toll Equipment	2,822,883	2,649,500	2,816,300	(6,583)	6%	0%
Repairs and Maint. - Toll Equipment Parts	401,000	39,100	423,000	22,000	982%	5%
Repairs & Maint. - VES Equipment	1,181,589	1,082,600	1,177,100	(4,489)	9%	0%
Repairs & Maint. - Vehicles	800	800	800	-	0%	0%
Promotion	3,400,000	3,400,000	3,400,000	-	0%	0%
Displays	5,500	5,000	5,500	-	10%	0%
Graphic Production Services	100,000	100,000	100,000	-	0%	0%
Promotional Items	25,000	25,000	25,000	-	0%	0%
Bank Fees	767,900	503,200	126,900	(641,000)	-75%	-83%
Credit Card Fees	11,850,000	16,623,000	17,550,000	5,700,000	6%	48%
Miscellaneous Expense	11,938	42,050	46,825	34,887	11%	292%
Office Supplies	38,115	30,375	37,530	(585)	24%	-2%
Office Expense - Other	129,218	109,428	28,335	(100,883)	-74%	-78%
Maintenance of Traffic	497,340	351,900	524,800	27,460	49%	6%
Operating Supplies	15,700	1,625	250	(15,450)	-85%	-98%

**Central Florida Expressway Authority  
Operations Activity - Total By Line Item**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
<b>SPEND CATEGORIES</b>						
Transponder Supplies	60,000	90,000	<b>92,700</b>	32,700	3%	55%
Software Expense	630	700	<b>1,260</b>	630	80%	100%
Dues and Subscriptions	2,673	11,700	<b>12,145</b>	9,472	4%	354%
Plate Lookups	600,000	770,933	<b>825,000</b>	225,000	7%	38%
Books and Publications	578	580	<b>656</b>	78	13%	13%
Seminars and Conferences	9,918	7,775	<b>10,985</b>	1,067	41%	11%
Staff Training and Education	28,150	28,000	<b>31,300</b>	3,150	12%	11%
Contingency Project(s)	16,000	8,227	-	(16,000)	-100%	-100%
Miscellaneous IT Equipment	-	20,000	<b>115,920</b>	115,920	480%	
Furniture	22,393	-	-	(22,393)		-100%
Total Other:	83,421,647	81,644,833	<b>85,158,593</b>	1,736,946	4%	2%
<b>SUBTOTAL</b>	89,281,986	86,700,351	<b>91,350,012</b>	2,068,026	5%	2%
Interoperability Transaction Fee	1,365,000	1,120,000	<b>1,200,000</b>	(165,000)	7%	-12%
<b>TOTAL</b>	90,646,986	87,820,351	<b>92,550,012</b>	1,903,026	5%	2%
<b>CAPITAL EXPENDITURES</b>						
Vehicle Purchases	55,000	-	-	(55,000)		-100%

PROPOSED

**Central Florida Expressway Authority  
Maintenance Activity - Summary**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Inc (Decr) Over Budget</b>
Maintenance Administration (CC1008)	\$ 4,212,110	\$ 4,583,527	<b>\$ 5,280,597</b>	\$ 1,068,487	15%	25%
McCoy Road Facility	5,910	3,075	<b>6,489</b>	579	111%	10%
Traffic Operations (CC10009)	8,161,513	7,423,527	<b>8,628,166</b>	466,653	16%	6%
Routine Maintenance (408, 414, 417, 429, 451, 453, 528, 538)	20,972,449	20,635,455	<b>22,004,844</b>	1,032,395	7%	5%
<b>Total Maintenance Costs</b>	<b>33,351,982</b>	<b>32,645,584</b>	<b>35,920,096</b>	<b>2,568,114</b>	<b>10%</b>	<b>8%</b>

**Capital Expenditures**

**Capital Expenditures**

Maintenance Administration (810)	6,000	-	<b>66,000</b>	60,000		1000%
----------------------------------	-------	---	---------------	--------	--	-------

PROPOSED

**Central Florida Expressway Authority  
Maintenance Activity - Total By Line Item**

	Budget 2025	Projected 2025	Budget 2026	\$ Inc (Decr) Over Budget	% Inc (Decr) Over Proj	% Ince (Decr) Over Budget
<b>SPEND CATEGORIES</b>						
<b>SALARIES &amp; BENEFITS</b>						
Salaries & Wages	\$ 1,609,787	\$ 1,547,645	\$ 1,716,618	\$ 106,831	11%	7%
Social Security and Medicare	113,907	116,971	129,549	15,642	11%	14%
Retirement Contributions -FRS	217,447	233,040	231,335	13,888	-1%	6%
Life and Health Insurance	351,080	373,710	385,101	34,021	3%	10%
State Assessment	3,430	3,336	3,430	-	3%	0%
Workers' Compensation	50,486	48,732	53,889	3,403	11%	7%
Total Salaries & Benefits	2,346,137	2,323,434	2,519,922	173,785	8%	7%
<b>OTHER</b>						
Consultant Fees	160,000	160,000	160,000	-	0%	0%
Maintenance Program Support	250,000	714,134	850,000	600,000	19%	240%
Maintenance Program Support - ITS	875,000	900,000	1,010,000	135,000	12%	15%
FON Program Support	275,000	200,000	275,000	-	38%	0%
Pavement Management System	31,000	30,000	30,000	(1,000)	0%	-3%
Contrat Personnel - ITS	250,000	79,311	250,000	-	215%	0%
Law Enforcement Services	2,000,000	1,900,000	2,120,000	120,000	12%	6%
Motorist Service Patrol Agreement	2,293,220	2,218,309	2,616,941	323,721	18%	14%
Rapid Incident Scene Clearance	68,600	50,000	68,600	-	37%	0%
Travel	13,500	13,500	17,500	4,000	30%	30%
Reimbursed Local Travel	700	700	700	-	0%	0%
Gasoline	30,600	24,540	29,200	(1,400)	19%	-5%
Utilities	225,060	235,000	270,000	44,940	15%	20%
Maintenance FON Locates	18,000	15,000	18,000	-	20%	0%
Maintenance - ITS Infrastructure	3,326,406	2,900,000	3,400,000	73,594	17%	2%
Repairs & Maint. - Fiber Optic Network	165,000	200,000	214,000	49,000	7%	30%
Facilities Maintenance	5,910	3,075	6,489	579	111%	10%
Repairs & Maint. - Vehicles	23,000	23,000	23,000	-	0%	0%
Roadway and Bridges Maintenance	14,908,938	14,204,400	15,413,893	504,955	9%	3%
Landscape Maintenance Service	4,834,298	4,840,594	4,962,104	127,806	3%	3%
Bridge Inspection	500,000	616,715	540,000	40,000	-12%	8%
Sign Maintenance/Inspection	332,202	480,134	572,275	240,073	19%	72%
Traffic Signals and Lights	262,200	378,512	276,000	13,800	-27%	5%
Aquatics	134,811	115,100	240,572	105,761	109%	78%
Office Supplies	2,500	2,226	2,500	-	12%	0%
Office Expense - Other	2,000	3,000	17,000	15,000	467%	750%
Dues and Subscriptions	1,900	1,900	1,900	-	0%	0%
Seminars and Conferences	6,500	9,000	7,500	1,000	-17%	15%
Staff Training and Education	7,000	4,000	7,000	-	75%	0%
Furniture	2,500	-	-	(2,500)	-	-100%
Total Other:	31,005,845	30,322,150	33,400,174	2,394,329	10%	8%
<b>TOTAL</b>	<b>33,351,982</b>	<b>32,645,584</b>	<b>35,920,096</b>	<b>2,568,114</b>	<b>10%</b>	<b>8%</b>
<b>CAPITAL EXPENDITURES</b>						
General Equipment	6,000	-	6,000	-	-	0%
Vehicle Purchases	-	-	60,000	60,000	-	-

**Central Florida Expressway Authority  
Administrative Activity - Summary**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
General (CC10010)	\$ 1,337,323	\$ 1,208,720	<b>1,268,100</b>	\$ (69,223)	5%	-5%
Security (CC10011)	491,724	414,101	<b>521,642</b>	29,918	26%	6%
525 Magnolia (10012)	271,202	237,104	<b>269,304</b>	(1,898)	14%	-1%
Administrative Services (CC10013)	3,992,709	3,747,838	<b>4,176,433</b>	183,724	11%	5%
Engineering (CC10014)	107,657	89,442	<b>112,465</b>	4,808	26%	4%
Transportation Planning & Policy (CC10015)	271,343	271,126	<b>285,304</b>	13,961	5%	5%
Legal (CC10016)	731,947	680,164	<b>818,733</b>	86,786	20%	12%
Finance (CC10017)	2,349,970	2,563,598	<b>2,701,394</b>	351,424	5%	15%
Contract Compliance (CC10018)	297,883	293,815	<b>378,392</b>	80,509	29%	27%
Procurement (CC10019)	938,955	846,116	<b>1,022,600</b>	83,645	21%	9%
Risk Management (CC10020)	720,345	608,652	<b>726,642</b>	6,297	19%	1%
Records Management (CC10021)	553,323	509,299	<b>599,845</b>	46,522	18%	8%
Human Resources (CC10022)	522,416	624,955	<b>567,700</b>	45,284	-9%	9%
Business Opportunity (CC10023)	465,898	460,706	<b>592,961</b>	127,063	29%	27%
Communications (CC10024)	1,048,990	947,296	<b>1,241,203</b>	192,213	31%	18%
Construction Administration (CC10025)	145,923	100,241	<b>161,454</b>	15,531	61%	11%
Internal Audit (CC10026)	564,000	564,000	<b>564,000</b>	-	0%	0%
<b>Total Administrative Costs</b>	<b>14,811,608</b>	<b>14,167,172</b>	<b>16,008,172</b>	<b>1,196,564</b>	<b>13%</b>	<b>8%</b>

**Capital Expenditures and Projects**

<b>Capital Expenditures</b>						
General (CC10010)	56,000	56,000	<b>116,000</b>	60,000	107%	107%
Administrative Services (CC10013)	55,000	55,000	-	(55,000)	-100%	-100%
Engineering (CC 10014)	-	-	<b>60,000</b>	60,000		
Construction Administration (CC10025)	55,000	55,000	<b>60,000</b>	5,000	9%	9%
<b>Total Capital Expenditures</b>	<b>166,000</b>	<b>166,000</b>	<b>236,000</b>	<b>70,000</b>	<b>42%</b>	<b>42%</b>

**Central Florida Expressway Authority  
Administrative Activity - Total By Line Item**

	Budget 2026	Projected 2026	Budget 2027	\$ Inc (Decr) Over Budget	% Inc (Decr) Over Proj	% Ince (Decr) Over Budget
<b>SPEND CATEGORIES</b>						
<b>SALARIES &amp; BENEFITS</b>						
Salaries & Wages	\$ 6,309,377	\$ 5,705,451	\$ 6,689,001	\$ 379,624	17%	6%
Social Security and Medicare	410,734	398,397	463,663	52,929	16%	13%
Retirement Contributions -FRS	1,129,850	1,148,042	1,238,945	109,095	8%	10%
Life and Health Insurance	1,306,527	1,306,144	1,479,693	173,166	13%	13%
State Assessment	13,414	11,760	13,175	(239)	12%	-2%
Workers' Compensation	34,148	28,663	38,055	3,907	33%	11%
Total Salaries & Benefits	9,204,050	8,598,457	9,922,532	718,482	15%	8%
<b>OTHER</b>						
Professional Services	876,000	991,960	1,056,500	180,500	7%	21%
Legal Fees	122,000	157,000	180,000	58,000	15%	48%
Consultant Fees	168,000	162,000	165,000	(3,000)	2%	-2%
Auditing Fees	95,000	95,000	95,000	-	0%	0%
Contract Personnel	1,148,939	1,201,034	1,279,940	131,001	7%	11%
Travel	109,925	70,866	115,630	5,705	63%	5%
Reimbursed Local Travel	9,340	7,692	11,040	1,700	44%	18%
Gasoline	2,050	1,047	2,050	-	96%	0%
Postage and Delivery	4,800	4,800	5,000	200	4%	4%
Printing	3,400	2,679	4,000	600	49%	18%
CAFR	35,000	35,000	50,000	15,000	43%	43%
Utilities	361,000	351,200	361,000	-	3%	0%
Leases - Equipment	24,000	21,000	13,000	(11,000)	-38%	-46%
Records Management	48,000	35,000	48,000	-	37%	0%
Insurance	511,846	405,000	510,000	(1,846)	26%	0%
Repairs & Maint. - Equipment	37,807	35,775	37,868	61	6%	0%
Support & Maint. - Software	150,000	253,165	267,018	117,018	5%	78%
Repairs & Maint. - Software	35,494	35,493	37,029	1,535	4%	4%
Facilities Maintenance	747,384	614,147	655,119	(92,265)	7%	-12%
Repairs & Maint. - Vehicles	4,600	8,600	11,620	7,020	35%	153%
Landscape Maintenance Service	189,324	189,435	196,324	7,000	4%	4%
Board Meeting Broadcasting	7,000	5,250	-	(7,000)	-100%	-100%
Newsletter	4,500	4,920	5,000	500	2%	11%
Photography	3,500	1,200	3,500	-	192%	0%
Graphic Production Services	12,000	12,000	12,000	-	0%	0%
Promotional Items	6,000	5,750	4,000	(2,000)	-30%	-33%
Advertising and Legal Notices	17,600	12,762	14,600	(3,000)	14%	-17%
Bank Fees	66,750	63,250	78,250	11,500	24%	17%
Special Events	75,500	74,200	62,500	(13,000)	-16%	-17%
Employee Support Services	19,200	40,000	40,000	20,800	0%	108%
Board Support	22,500	10,000	22,500	-	125%	0%
Miscellaneous Expense	24,600	21,885	24,500	(100)	12%	0%
Office Supplies	31,300	23,547	31,350	50	33%	0%
Office Expense - Other	31,390	45,248	72,676	41,286	61%	132%
Dues and Subscriptions	437,009	438,192	459,226	22,217	5%	5%
Seminars and Conferences	51,800	41,468	60,800	9,000	47%	17%
Staff Training and Education	85,600	91,150	93,600	8,000	3%	9%
Furniture	27,400	-	-	(27,400)	-	-100%
Total Other:	5,607,558	5,568,715	6,085,640	478,082	9%	9%
<b>TOTAL</b>	<b>14,811,608</b>	<b>14,167,172</b>	<b>16,008,172</b>	<b>1,196,564</b>	<b>13%</b>	<b>8%</b>
<b>CAPITAL EXPENDITURES</b>						
General Equipment	56,000	56,000	56,000	-	0%	0%
Vehicles	110,000	110,000	180,000	70,000	64%	64%
Total Capital Expenditures:	166,000	166,000	236,000	70,000	42%	42%

**Central Florida Expressway Authority  
Other Operating**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
Traffic & Engineering Consultant	\$ 637,000	\$ 636,982	<b>\$ 643,100</b>	\$ 6,100	1%	1%
General Engineering Consultant	2,422,000	2,333,857	<b>2,422,000</b>	-	4%	0%
Total Other Operating Expenses	3,059,000	2,970,839	<b>3,065,100</b>	6,100	3%	0%

PROPOSED

**Central Florida Expressway Authority  
Goldenrod Road - Summary**

	<b>Budget 2026</b>	<b>Projected 2026</b>	<b>Budget 2027</b>	<b>\$ Inc (Decr) Over Budget</b>	<b>% Inc (Decr) Over Proj</b>	<b>% Ince (Decr) Over Budget</b>
Maintenance	\$ 264,988	\$ 266,665	\$ 276,115	\$ 11,127	4%	4%
Operations	376,197	351,497	<b>386,417</b>	10,220	10%	3%
<b>TOTAL</b>	641,185	618,162	<b>662,532</b>	21,347	7%	3%
<b>TOLL REVENUE</b>	(2,600,000)	(2,340,000)	<b>(2,350,000)</b>	250,000	0%	-10%
<b>NET RESULT OF ACTIVITY</b>	(1,958,815)	(1,721,838)	<b>(1,687,468)</b>	271,347	-2%	-14%

PROPOSED