

**LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY  
BOARD OF GOVERNORS REGULAR PUBLIC MEETING AGENDA**

**Tuesday, February 7, 2012, 5:30 p.m.**

**Location: Innovation Park, Morgan Building, Room 101, 2035 E. Paul Dirac Drive**

1. Call to Order – Ray Eaton
  - a. Approval of Draft January 5, 2012, Minutes (Attachment A)
2. Presentation
  - a. Recognition of former Board member Dr. Fred Leysieffer
3. Chairman’s Report – Ray Eaton
4. **Consent Agenda Items**
  - a. **Executive Director’s Bonus Pay** (Attachment B1) – The Executive Director’s contract provides for the option of a salary “bonus” provided that performance criteria set by the Board are met. Performance criteria were drafted by Governor Ramsay in consultation with the Executive Director. The Executive Committee reviewed and amended the drafted criteria and recommends adoption of the amended criteria by the Board for this year.
  - b. **Civil Engineering and Land Planning Services** (Attachments B2, B3) - Two companies, Genesis Group and Wood and Partners, worked together to submit a single proposal in response to the request for quotes. The Evaluation Committee members (Governor Dozier, Kim Strobel-Ball, and Orlando Rivera) all felt that the proposal was strong. Committee Chair Dozier recommends that the Board approve moving forward with Genesis Group and Wood and Partners as outlined in their proposal.
  - c. **Branding and Website Design Services** (Attachment B4) - Four companies, Kidd Group, RB Oppenheim Associates, Design Farm, and Taproot Creative, submitted proposals. The Evaluation Committee (Governors Eaton, Allen, and Bowers) felt that all of the companies were qualified to do the work. The committee ranked the companies as follows:

<b>Overall Ranking</b>	<b>Company</b>	<b>Proposed Budget</b>	<b>Sum of Scores (max 300)</b>	<b>Initially Ranked as #1 by Member</b>
<b>1</b>	RB Oppenheim Associates	\$14,000	263	Eaton Allen
<b>2</b>	Taproot Creative	\$57,250	263	Bowers
<b>3</b>	Design Farm	\$65,960	250	
<b>4</b>	Kidd Group	\$15,000	225	

The committee unanimously recommends that the Board approve having Chair Eaton begin negotiations with RB Oppenheim Associates as outlined in their proposal. If negotiations with RB Oppenheim Associates fail, the committee recommends moving on to negotiate with Taproot Creative.

- d. **Investment Management Services** (Attachments B5, B6) - Four companies submitted proposals to become the Authority's Investment Manager: BB&T Sterling Capital Management, Capital City Banc Investments, Capital City Trust Company and Hancock Bank Investment Services. The Investment Advisory Committee voted unanimously to reject all offers and continue investing in the State managed funds referred to as SPIA (Special Purpose Investment Accounts)

- and FLGIT (Florida Local Government Investment Trust). Under current economic conditions, these funds provide the most advantageous returns to the Authority.
5. Audit Committee Report (Attachment C1) – David Ramsay
    - a. Issued Report to Audit Committee by Thomas Howell Ferguson (Attachment C2)
    - b. Review of Authority’s 2011 Financial Statements by Thomas Howell Ferguson (Attachment C3)
  6. Strategic Planning and Operations Committee Report – Barney Bishop  
*The next meeting is scheduled for February 28, 2012 at 8:00 a.m. at the Knight Administrative Centre.*
  7. Executive Director’s Report (Attachment D) – Catherine Kunst
  8. Property Manager’s Report (Attachment E) – Mark Frost, Talcor
  9. Treasurer’s Report (Attachment F1) – Sam McCall
    - a. December 31, 2011, Financial Report (Attachment F2)
  10. Budget Committee Report – Sam McCall
  11. Operations Committee Report – Ray Eaton
  12. General Counsel’s Report
  13. New Business
  14. Public Comment
  15. Adjournment

*\*The complete Financial Report for December 31, 2011, will be provided upon request.*

The Board of Governors meetings are held at Innovation Park, inside the Morgan Building, conference room 101, located at 2035 East Paul Dirac Drive, beginning at 5:30 p.m. The meeting dates for 2012 are:

- Tuesday, March 6
- Tuesday, April 3
- Tuesday, May 1
- Tuesday, June 5
- Tuesday, July 3
- Tuesday, August 7
- Thursday, September 6
- Tuesday, October 2
- Tuesday, November 6
- Tuesday, December 4

*Note: Meeting dates and times are subject to change.*

**Upcoming Committee Meetings:**

- Development Review Committee Meeting
  - Tuesday, February 14, 9:00 a.m., Knight Administrative Centre
- Strategic Planning and Operations Committee
  - Tuesday, February 28, 8:00 a.m., Knight Administrative Centre

**Committee Rosters:**

<b>Audit</b>	<b>Budget</b>	<b>Bylaws</b>	<b>Investment Advisory</b>	<b>Operations</b>	<b>Strategic Planning &amp; Operations</b>
Mission: Establish procedures and oversee the performance of audits	Mission: Review and recommend the Authority's budget.	Mission: Review and recommend changes to the Bylaws; the nominating process used by the County Commission; and the ordinances relating to the Authority.	Mission: Recommend policies and oversee investments of the Authority funds.	Mission: Establish and oversee policies, budget efforts, Park operations; tenant relations; establish and oversee strategic alliances; and grant programs.	Mission: Review and establish the Authority and Park's mission, vision, and goals; marketing efforts; strategic alliances; grant programs; oversee marketing research and efforts; Park planning; and proposed amenities.
<u>Members:</u> Dave Ramsay, Chair John Chapin Ray Eaton *Sam McCall <i>*Invited to meetings, but not a member of the committee.</i>	<u>Members:</u> Sam McCall, Chair Kristin Dozier Tom Allen Keith Bowers	<u>Members:</u> Barney Bishop, Chair John Chapin Keith Bowers	<u>Members:</u> Dave Ramsay, Chair James Francis William Giudice Tom Herndon *David Reid <i>*Non-voting advisor</i>	<u>Members:</u> Ray Eaton, Chair Dave Ramsay, Vice-Chair Barney Bishop Tom Allen Kristin Dozier <b>Sam McCall</b>	<u>Members:</u> Barney Bishop, Chair Kristin Dozier, Vice-Chair Keith Bowers John Chapin Ray Eaton* Dave Ramsay <i>*Tom Allen – Alt. for Ray Eaton</i>

**Leon County Research and Development Authority  
Board of Governors General Meeting**

January 5, 2012

Minutes

The Leon County Research and Development Authority Board of Governors met on Thursday, January 5, 2012, at the Morgan Building, in conference room 101, 2035 East Paul Dirac Drive. Vice-Chair Kristin Dozier presided.

Members in attendance: Treasurer Sam McCall, Tom Allen, Barney Bishop, Keith Bowers, John Chapin, Dr. W. Ross Ellington, and David Ramsay.

Absent members: Chair Ray Eaton and Tanaga Boozer

Others in attendance: Curtis Baynes; Martin Fitzpatrick, Broad and Cassel; Mark Frost, Talcor Commercial Real Estate, Inc.; Dr. Catherine Kunst and Kathleen Hampton.

**1. Call to Order**

Vice-Chair Dozier called the meeting to order at 8:33 a.m.

**2. Approval of the December 6, 2011, Meeting Minutes**

Vice-Chair Dozier asked for a motion to approve the minutes as presented.

*Moved by Gov. Allen, seconded by Gov. Ellington, and approved 5-0.*

**3. Consent Agenda**

Vice-Chair Dozier asked for a motion to approve the Consent Agenda as presented.

*Moved by Gov. Ramsay, seconded by Gov. Allen, and approved 5-0.*

**4. Executive Director's Report**

Dr. Kunst presented a report on staff activity for the month of December 2011.

*Gov. Chapin arrived at 8:43 a.m.*

**5. Property Management Report**

Mark Frost reported on the property management activities for the month of December 2011.

- a) Morgan, Johnson, and Sliger Building HVAC - Mr. Frost meet with the Florida State University Research Foundation (FSURF) and Florida State University Facilities on December 21, 2011. Due to previous experience and the continued relationship with the FSU Facilities Department with H2 Engineering, the FSURF recommended that a contract be entered into with them to complete the desired mechanical engineering study of the Don Fuqua Research Complex. Mr. Frost asked the

Board for approval to provide the contract to Mr. Fitzpatrick for review and based on Mr. Fitzpatrick's final review, Mr. Frost recommended that the Board approve directing Chair Eaton to execute the contract.

Vice-Chair Dozier asked for a motion to approve directing Chair Eaton to execute the necessary documents based on counsel's review of the contract.

*Moved by Gov. Allen, seconded by Gov. Chapin, and approved 6-0.*

*Gov. Bishop arrived at 8:51 a.m.*

## **6. Audit Committee Report**

Gov. Ramsay reported on the activities of the Audit Committee.

*Treasurer McCall arrived at 8:53 a.m.*

Gov. Ramsay presented the letter from Thomas Howell Ferguson to conduct the Authority's annual audit for the year ending September 30, 2012, at a cost of \$23,000 and recommended that the Board approve the engagement letter as presented.

Vice-Chair Dozier asked for a motion to approve the engagement letter as presented.

*Moved by Gov. Ellington, seconded by Gov. Chapin, and approved 8-0.*

Gov. Ramsay presented the revised Audit Committee Charter and recommended the Board approve the Charter as amended.

Vice-Chair Dozier asked for a motion to approve the Audit Committee Charter as amended.

*Moved by Gov. Allen, seconded by Gov. Ellington, and approved 8-0.*

## **7. Treasurer's Report**

Treasurer McCall reported on the Authority's financial statements for the period ending November 30, 2011.

Vice-Chair Dozier asked for a motion to accept the Treasurer's Report.

*Moved by Gov. Bishop, seconded by Gov. Ramsay, and approved 8-0.*

## **8. Strategic Planning Committee Report**

Gov. Bishop reported on the activities of the Strategic Operations Committee.

## **9. Investment Advisory Committee Report**

Gov. Ramsay reported on the activities of the Investment Advisory Committee.

## **10. General Counsel's Report**

Mr. Fitzpatrick presented an update on any legal issues related to the Authority.

**11. New Business**

Vice-Chair Dozier discussed her concerns regarding Chair Eaton's direction to change the Authority's 2012 Board meetings start time from 8:30 a.m. to 5:30 p.m. Gov. Ramsay recommended that this issue be addressed at the February 7 Board meeting to include Chair Eaton in the discussion.

Vice-Chair Dozier asked for a motion to hold the February 7, 2012, meeting at 5:30 p.m.

*Moved by Gov. Ramsay, seconded by Gov. Allen, and approved 8-0.*

Gov. Ramsay presented an update on the progress in drafting the criteria to award the Executive Director with incentive pay and the Executive Committee will meet on January 10 to discuss further and make a recommendation to the Board for consideration and approval at the February 7 meeting.

**12. Public Comment**

Mr. Baynes addressed the Board and thanked members for the work they are doing for the Authority and the community.

**13. Adjournment**

Vice-Chair Dozier adjourned the meeting at 9:30 a.m.

*Transcribed by Kathleen Hampton*

**The Leon County Research and Development Board of Governors approved the January 5, 2012, minutes on \_\_\_\_\_.**

## Leon County Research and Development Authority

### Executive Director's Criteria for Annual Incentive Award for Year 2011 – 2012

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1. **Revenue Generation** – Achieving the annual revenue objective is of vital importance to the Authority. The Executive Director is therefore encouraged to generate funds in excess of the budget (\$1,943,397). If the total revenue recorded at the fiscal yearend exceeds the budgeted amount by:
  - 1%, an incentive payment of 1% is awarded.
  - 2%, an incentive payment of 2% is awarded.
  - 3%, an incentive payment of 3% is awarded.
  - 4%, an incentive payment of 4% is awarded.
  - 5%, an incentive payment of 5% is awarded.
  
2. **Expense Control** – Cost containment is of paramount importance to the Authority. While minor variances may fluctuate among individual line items, it is essential that management maintain control of total expenditures. (It is agreed that should significant events occur, it may be necessary for the Board to approve adjustments to the budget that would alter the total by either a positive or negative amount.) If the total expenditures reflected at the fiscal yearend are less than the budgeted amount (\$1,925,538) by:
  - 1%, an incentive payment of 1% is awarded.
  - 2%, an incentive payment of 2% is awarded.
  - 3%, an incentive payment of 3% is awarded.
  - 4%, an incentive payment of 4% is awarded.
  - 5%, an incentive payment of 5% is awarded.
  
3. **Growth Achievement** – For the Authority's long-term success, Innovation Park must be the site for more full time equivalent (FTE) employees. Addition of the employees to the campus in existing companies or new companies is critical. The majority of employees at Innovation Park are affiliated with FSU or FAMU. The Executive Director cannot take credit for the growth in the number of employees affiliated with the Universities. At the beginning of the fiscal year, there were eleven private employers with 240 FTEs on the campus: Danfoss Turbocor (217), Bing Energy (9), DiscovRx (1), Design Arts (1), Garlin (1), Green Phosphor (1), Wordio (0), Team Simulations (1), NanoStrata (1), Tai-Yang Research (5), and BUC Technologies (3). If the total number of FTEs at the fiscal yearend has grown by:
  - 5%, an incentive award of 1% is awarded.
  - 10%, an incentive award of 2% is awarded.
  - 15%, an incentive award of 3% is awarded.
  - 20%, an incentive award of 4% is awarded.
  - 25%, an incentive award of 5% is awarded.

4. **Internal Control** – A good manager must maintain due diligence at all times. Checks and balances must be in place and the work flow continually inspected to assure that the Authority maintains compliance with all statutes, regulations, governing documents, policies and procedures. If there are:
- No material weaknesses or significant deficiencies reported in the annual audit, an incentive payment of 2% is awarded.
5. **Strategic Direction** – Progressive organizations must have strategic plans in place that are intended to propel it to a higher level of performance. While the Board is charged with identifying and adopting strategic goals and objectives, it falls upon the Executive Director to execute appropriate action plans that produce the desired results. While some objectives will be expected to be completed during the fiscal year, others will be longer in duration and only incremental progress toward completion is expected. For the purpose of assessing this performance expectation, **Exhibit 1** identifies the work assignments that are expected to be completed, or partially completed, before the fiscal year ends. If the Executive Committee determines during its year end assessment of completed work that:
- 80% of the scheduled work has been completed, an incentive payment of 1% is awarded.
  - 85% of the scheduled work has been completed, an incentive payment of 2% is awarded.
  - 90% of the scheduled work has been completed, an incentive payment of 3% is awarded.
  - 95% of the scheduled work has been completed, an incentive payment of 4% is awarded.
6. **Board Evaluation** – Board members are expected to annually evaluate the Authority’s Executive Director. They have the vision and expectations for what needs to be accomplished and it is their responsibility to express an opinion as to how well the job is being performed. If during the annual performance survey, the Executive Directed receives the one of the two highest ratings for “Overall Performance” by:
- all but 3 of those completing the survey, an incentive payment of 1% is awarded.
  - all but 2 of those completing the survey, an incentive payment of 2% is awarded.
  - all but 1 of those completing the survey, an incentive payment of 3% is awarded.
  - all of those completing the survey, an incentive payment of 4% is awarded.

**Administration** - The Executive Committee will serve as the plan administrator and will make its recommendations to the Authority’s Board for final consideration. It is not expected to complete the required performance evaluation until the Board has received the results of the annual audit.

**Conditions** - The Executive Director must be employed at the end of the fiscal year to be eligible to receive any portion of payment earned from the plan. Additionally, no award will be earned if the Executive Director has been the subject of formal disciplinary action, or if the Authority fails to achieve 90% of its budgeted net income for the fiscal year.

**Exhibit 1: FY 2011 to 2012 Work Plan for Evaluation of Strategic Direction**

<b>Maintain and operate the Authority with the highest level of integrity, transparency and accountability</b>		
	<b>Tasks/Objectives</b>	<b>Success Metrics</b>
1.	<b>Annual training for Board and Staff – Sunshine, Special Districts, Annual Financial Disclosures, etc.</b>	<ul style="list-style-type: none"> <li>• 100% participation</li> </ul>
<b>Be the premier organization that develops high-tech businesses in the community, provides resources and support for startup businesses, and facilitates networking with existing businesses, educational institutions, government and economic development organizations.</b>		
	<b>Tasks/Objectives</b>	<b>Success Metrics</b>
2.	<u><b>Technology Grant Program</b></u> <ul style="list-style-type: none"> <li>• Review &amp; Update Authority’s Technology Grant Program, provide recommendations, revamp and re-launch program</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot Program for FY 2012 in place</li> <li>• Award at least two grants per year</li> <li>• Increase number and quality of applicant companies by 30% each year.</li> </ul>
3.	<u><b>Branding Initiatives /Community Building</b></u> <ul style="list-style-type: none"> <li>• Revise Authority and Innovation Park identities and brands to both separate and establish the connection between the two entities.</li> <li>• Establish New Website(s)</li> <li>• Create Social Media Profiles – Twitter, Facebook</li> </ul>	<ul style="list-style-type: none"> <li>• Increase Subscribers &amp; Participants in Twitter, Facebook, by 25% annually.</li> <li>• Four positive articles in Tallahassee Democrat per year.</li> </ul>
4.	<u><b>Advisory Committees</b></u> <ul style="list-style-type: none"> <li>• Create research and technical advisory group to advise the Authority on how best to enable research and tech-transfer activities.</li> <li>• Create business advisory committee to serve as mentors/advisors for the Entrepreneurial Excellence Program, Technology Grant Recipients and the Business Incubator/Accelerator.</li> </ul>	<ul style="list-style-type: none"> <li>• 6 to 8 experts meeting biannually to advise the Authority on these issues</li> <li>• 6 to 8 mentors/advisors meeting biannually with participants in the EEP, recipients of the Technology Grants, or incubator companies.</li> </ul>

**Create and promote Innovation Park as an environment where people desire to work, collaborate, research and relax.**

	<b>Tasks/Objectives</b>	<b>Success Metrics</b>
5.	<p><b><u>Innovation Park Amenities:</u></b> Develop amenities at the Park based on survey results which provide opportunities for commerce, collaboration, and an improved quality of life.</p> <ul style="list-style-type: none"> <li>• Review feasibility and cost of WiFi Canopy</li> <li>• Review feasibility and cost of walking/biking trails</li> <li>• Review feasibility and cost of amenities area</li> </ul>	<ul style="list-style-type: none"> <li>• Addition of at least one new amenity during the year.</li> <li>• Host Town Hall Meeting to identify other needs and desires.</li> </ul>
6.	<p><b><u>Marketing &amp; Promotion</u></b></p> <ul style="list-style-type: none"> <li>• Successfully promote the assets, both current and potential, of Innovation Park to our University and private sector partners</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of inquiries by companies looking to move to Innovation Park</li> <li>• Recruit additional companies to Innovation Park</li> <li>• Increase licensing activity by FSU and FAMU from companies which want to locate at Innovation Park</li> <li>• Increase site selector visits</li> </ul>

**Develop a strategic plan for the “highest and best use” of land owned or acquired by the Authority**

	<b>Tasks/Objectives</b>	<b>Success Metrics</b>
7	<p><b><u>Development Review Committee</u></b></p> <ul style="list-style-type: none"> <li>• Review of PUD, Recommend Amendments</li> <li>• Review of Restrictive Covenants, Recommend Amendments</li> <li>• Review of Signage and Permitting Issues, Recommend Amendments</li> <li>• Update &amp; Approve Bylaws for the Development Review Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Revise PUD to maximize best use by end of FY 2012</li> <li>• Streamline processes for construction of new facilities to foster efficient sustainable development</li> <li>• Educate Board members, staff and community partners so that they can easily communicate to potential community members the process for building at Innovation Park or moving into and renovating an existing structure.</li> </ul>

Report to the Leon County Research and Development Authority Board of Governors

RFQ 11-07 Civil Engineering and Land Planning Services

February 7, 2012

The Leon County Research and Development Authority's adopted Strategic Plan provides for the review and revision of the Innovation Park PUD. The Board approved a line item for this revision in the FY12 Budget.

Prior to issuing the RFQ, Dr. Kunst and Commissioner Dozier met with representatives from the Tallahassee-Leon County Planning Department and City of Tallahassee Growth Management to review the existing PUD and discuss what revisions would enhance the Authority's ability to lease land and for current and future tenants to develop their parcel(s).

The RFQ was released on November 21, 2011 and a voluntary pre-submittal meeting was held on December 1, 2011. Two companies, Wood + Partners and Genius Group, attended the meeting and indicated that they would submit proposals. However, instead of submitting separate proposals, Wood + Partners and Genius decided to submit a joint proposal and this was the only response the Authority received. Both firms are well known in our community and are familiar with Innovation Park, Genius Group having worked on site previously.

Dr. Kunst scheduled a meeting for the Evaluation Committee to review this proposal, but only one of three members was able to attend. The two members who could not attend submitted comments and questions that were addressed.

Although the Evaluation Committee did not achieve a quorum and we only received one proposal, **it is our recommendation that the Board of Governors accepts the proposal from Wood + Partners and Genius Group and executes a contract with these firms so that we can move forward with this important strategic objective.**

Respectfully submitted,

Kristin Dozier  
Chair, Evaluation Committee

## LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

### Addendum 1 - RFQ 11-07 Civil Engineering and Land Planning Services

An evaluation committee, appointed by the Chairman of the Board of Governors of the Leon County Research and Development Authority ("the Authority"), will screen the proposals. Vendors will be asked to make short presentations to the evaluation committee.

#### Evaluation Criteria

Proposals, and presentations by the vendors, will be scored based on the following criteria:

1. *Experience and Ability*

The committee will review each vendor's relevant experience, qualifications, and prior work on similar projects. **The score range is 0-25.**

2. *Understanding of the Project Requirements*

The vendors will be evaluated for their understanding of the requirements and needs of the project as demonstrated by their project teams, including consultants. The vendors will be rated on the completeness of their understanding of the factors which are unique to the project, including the thoroughness demonstrated in analyzing and investigating the scope of the project and in preparing for the presentation. **The score range is 0-25.**

3. *Approach and Method*

The committee will consider the vendor's approach to the project and methods proposed for planning, designing and administration of the project. **The score range is 0-25.**

4. *Ability to Provide Service*

The committee will evaluate the vendor's ability to meet the Authority's timetable and to provide for the special or unique requirements of the project, including a projected timeline of activities through project completion. The vendors may be asked to discuss their ability to fulfill each project requirement and to describe all other projects on which team members are currently involved. Results of the reference checks are considered in this category. **The score range is 0-25.**

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#### Question and Answer Period

Following the vendor presentation, a time may be set aside for questions and answers for committee members to ask questions of the vendors.

**Rating Scale**

Evaluation committee members will assign a score (0 to 25) to each of the four (4) evaluation criteria based on the following scale.

<b>Rating Scale</b>	
Outstanding	25
Good	20
Satisfactory	15
Poor	5
Unacceptable	0

Individual evaluation committee member scores will be totaled to determine the rankings of the vendors. In the event of a tie, the majority vote of the committee prevails. The committee will make a recommendation to the Authority's Board of Governors based on their evaluation.

**No commitment**

This RFQ does not commit the Authority to award a contract or to pay any costs incurred in the preparations or submission of Quotes, or costs incurred in making necessary studies for the preparation thereof or to procure or contract for services or supplies. The Authority reserves the right to reject any or all quotes received in response to this RFQ and to negotiate with any of the vendors or other firms in any manner deemed to be in the best interest of the Authority. The Authority reserves the right to negotiate and award only a portion of the requirements; to negotiate and award separate or multiple contracts for the elements covered by this RFQ in any combination it may deem appropriate, at its sole discretion to add new considerations, information or requirements at any stage of the procurement process, including during negotiations with vendors; and reject Quote of any vendor that has previously failed to perform properly or in a timely manner contracts of a similar nature, or of a vendor that, in the opinion of the Authority, is not in a position or is not sufficiently qualified to perform the contract.

Leon County Research and Development Authority

RFQ 11-07 Civil Engineering & Land Planning Services Score Sheet

Company Name	Experience & Ability (0 to 25)	Understanding of Project Requirements (0 to 25)	Approach & Method (0 to 25)	Ability to Provide Service (0 to 25)	Total
Wood + Partners / Lawsen	23	23	25	23	94

Rating Scale

Outstanding	25
Good	20
Satisfactory	15
Poor	5
Unacceptable	0

Leon County Research and Development Authority

RFQ 11-07 Civil Engineering & Land Planning Services Score Sheet

Company Name	Experience & Ability (0 to 25)	Understanding of Project Requirements (0 to 25)	Approach & Method (0 to 25)	Ability to Provide Service (0 to 25)	Total
WOOD + PARTNERS GENESIS ENG.	22	22	21	25	90

*Kim Ball*  
11/10/12

Rating Scale	
Outstanding	25
Good	20
Satisfactory	15
Poor	5
Unacceptable	0

Kathleen,

I apologize I won't be there at the meeting. I have to take care of some personal issues and would be out of town. However, I did review the Proposal from the Wood & Partners/Genesis Group and offer my comments:

Experience and Ability – 20  
Understanding of Project...- 20  
Approach & Method – 20\*  
Ability to Provide Service- 20

\*I have a general comment. The applicant stated under the "Project Approach" phase (p.30) that the amendment to the PUD will include specific language that will provide additional development flexibility by, amongst other things evaluate related implications to existing stormwater management facilities and allow innovative stormwater management alternatives. It also states (p.31) that it the delivery of an amended PUD, it would "provide expertise in the realm of stormwater and LID techniques to be used in the planning process. The applicant seems to have a very good grasp of the existing stormwater management system in the property (p.32 & 33). On page 34, it indicates that the baseline review will generally include "proposed system of open spaces.... and stormwater areas. Item 5 on page 34 states that it would review existing stormwater management plan and the various improvements.... On page 35, it states that the draft PUD plan will "illustrate relevant areas within the PUD plan and specifically address the following.... Generalized stormwater system concepts including detention/retention as open water and underground storage facilities". How can these be accomplished when on page 36, it is stated that additional services include "completion of detailed stormwater management calculation to determine the size and/or capacity of existing or proposed facilities?"

While the RFP does not include calculations or data required to obtain Environmental Resource Permit, the proposed development and clustering of facilities must account for landuse designated for stormwater management facilities. Otherwise, the development cannot occur without encroaching into undeveloped areas to accommodate stormwater management needs.

Sincerely,

*Orlando E. Rivera, PWS*  
Program Administrator  
Mandatory Phosphate Section  
Bureau of Mining and Minerals Regulation  
Tel. 850-488-8217  
Fax 850-412-0479  
[Orlando.Rivera@dep.state.fl.us](mailto:Orlando.Rivera@dep.state.fl.us)

Please take a few minutes to share your comments on the service you received from the department by clicking on this link. [DEP Customer Survey](#).

**From:** Kathleen Hampton [<mailto:khampton@inn-park.com>]  
**Sent:** Friday, December 16, 2011 8:59 AM  
**Cc:** Kathleen Hampton  
**Subject:** LCRDA RFQ 11-07 Civil Engineering and Land Planning Services  
**Importance:** High

Good morning,

Please complete the attached RFQ 11-07 Evaluation Criteria and Score Sheet form in evaluating Wood & Partners/Genesis Group's proposal in advance of the January 10 meeting. Thank you, again, for your assistance and please contact me if I may assist further.

Allen

Leon County Research and Development Authority

Branding & Website Design Services Score Sheet

Company Name	Experience & Ability (0 to 25)	Understanding of Project Requirements (0 to 25)	Approach & Method (0 to 25)	Price (0 to 25)	Total
KIDD	15	15	15	25	70
TAPROOT	25	25	25	5	80
DESIGN FARM	20	20	20	15	75
OPPENHEIM	20	25	20	25	90

Rating Scale

- Outstanding 25
- Good 20
- Satisfactory 15
- Poor 5
- Unacceptable 0

Leon County Research and Development Authority

Branding & Website Design Services Score Sheet

Company Name	Experience & Ability (0 to 25)	Understanding of Project Requirements (0 to 25)	Approach & Method (0 to 25)	Price (0 to 25)	Total
Taproot	25	25	23	25	98
Design Farm	20	25	25	20	90
RB Oppenheim	20	20	15	20	75
Kidd	15	20	15	20	70

Rating Scale

Outstanding	25
Good	20
Satisfactory	15
Poor	5
Unacceptable	0

*Eaton*

**Leon County Research and Development Authority**

**Branding & Website Design Services Score Sheet**

Company Name	Experience & Ability (0 to 25)	Understanding of Project Requirements (0 to 25)	Approach & Method (0 to 25)	Price (0 to 25)	Total
TAPROOT	25	25	20	15	85
KIDD	25	22	20	18	85
RB Oppenheim Associates	23	25	23	25	96
Design Farm	25	25	20	15	85

**Rating Scale**

Outstanding	25
Good	20
Satisfactory	15
Poor	5
Unacceptable	0

Investment Advisory Committee  
Leon County Research and Development Authority  
Summary Committee Report to the Authority's Board  
February 7, 2012

The Investment Advisory Committee reports the following items for Board review:

- The Committee met to consider proposals from four bidders interested in being named as the Authority's Investment Manager. Those organizations were: BB&T Sterling Capital Management, Capital City Banc Investments, Capital City Trust Company and Hancock Bank Investment Services. Each organization was allocated 20 minutes for presentation which was followed by questions from Committee members.

At the conclusion of the presentations, the Committee voted unanimously to reject all offers and continue investing in the State managed funds referred to as SPIA (Special Purpose Investment Accounts) and FLGIT (Florida Local Government Investment Trust). Under current economic conditions, these funds provide the most advantageous returns to the Authority.

- At this time the Committee wishes to thank the Treasurer for his past oversight of the investment process until the Investment Committee could organize and become functional. Unless the Board has other instructions, the Committee is now operational and prepared to oversee the investment portfolio in accordance with the Board's prior instructions.
- A draft copy of the minutes of the January 18, 2012 meeting is attached in Attachment B6.

Respectfully submitted,

David B. Ramsay  
Chairman  
Investment Advisory Committee

Attachment

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

**RFQ 11-06 Investment Management Services**

January 18, 2012

Meeting Minutes

The Investment Advisory Committee of the Leon County Research and Development Authority (Authority) met to review and evaluate the proposals submitted by four firms. The proponents were invited to attend and make a brief presentation to Committee members.

Investment Advisory Committee Attendance: Chair David Ramsay, James Francis, William Giudice (arrived 9:12 a.m.), Tom Herndon, and David Reid (non-voting advisor to committee).

Proponents: James Luke, Ryan J. Sladek, and Paul Sullivan, BB&T Retirement & Institutional Services; George M. Smith and Rene Bruer, Capital City Bank Investments; Seth Clark, Capital City Trust Company; Charles Cicchetti, Janet Baker, and Adam Wood, Hancock Bank.

Others in Attendance: Dr. Catherine Kunst, Kathleen Hampton, and Rita Haugabrook

**Call to Order**

Chair Ramsay called the meeting to order at 9:10 a.m. Due to Chair Ramsay's service to Hancock Bank as a member their Advisory Board, he asked Tom Herndon to Chair the meeting and completed a Voting Conflict form for the record. Chair Ramsay took this action as an abundance of caution making sure no one could perceive a conflict of interest even though he owns no stock in the company, is not employed by them, and does not act in a policy making role.

**Presentations by Proponents**

The four firms presented a brief description regarding the services they proposed providing to the Authority:

1. Capital City Banc Investments-George M. Smith and Rene Bruer provided Committee members with a handout and described the services they proposed providing to the Authority.

Committee members asked the following questions:

- Why use five year numbers? *It is a five year average and provided actual numbers of one-year three-year and ten-year quarters.*
- How do you measure the three components against the Lehman aggregate? *The portfolio managers are looking at Barclays US Treasury index as the true comparison. Genworth Financial is the consultant.*
- Are all three components measured against the Lehman aggregate? *No, they can't do that because based on the strategy you have issues going against you.*
- Summarize the fee structure. *All of the performance is net of fee.*
- Do the fees include the three funds or individually held funds? *All securities would be secured after the company would be hired.*
- What is the typical reporting cycle for performance? *Quarterly. The information is available online to review daily activity.*
- They would own \$3,000,000 in shares? *Yes*
- Who actually makes the buying and selling decisions? *Genworth Financial is located in Chicago and the asset manager is located in California.*
- How many other companies are in those three funds? *They are restricted from disclosing this information due to Florida Statute 218.*
- Do they have a handle on cash flow for customers and who manages the process? *In order for Treasuries to keep; where they are there needs to be an inflow of money. It is not concentrated to one region of the nation. The risk is spread out and the cash flow hasn't been seen any spikes in the past 10 years.*
- Is Genworth holding the trust but not involved in managing funds? *Genworth has custody of all of the assets.*
- Would it be safe to say that the insurance assets in the pool are the lion's share? *Yes*

Mr. Bruer asked if the Authority plans to continue using the state managed funds in the two accounts: SPIA and FLGIT. Mr. Reid replied that the Authority is interested in options to manage their funds.

2. Capital City Trust Company-Seth Clark provided Committee members with a handout and described the services they proposed providing to the Authority.

Committee members asked the following questions:

- Is the hand out that of a current client and are the performance statistics for that client? Also, what is the average yield of return? *Suggested buying step up bonds in this environment. It would never get more than 1.5%-1.75%. SPIA had bonds before the interest rates dropped.*
- Describe your fees? *Fees on fixed income are 50 basis points on first million of assets and are adjusted accordingly.*

Evaluation Committee Meeting, January 18, 2012

RFP 11-06 Investment Management Services

- What is the cost for transactions? *The Authority will be assigned two professionals to manage the Authority's financial investments.*
  - Are you willing to include a Most Favored Nation Clause? *For a client of similar size, yes at that level. The fee schedule is set for the first million at 50 basis points.*
  - What are your trading capabilities? *They do business with five or six bond brokers and publish for competitive bid.*
  - How do you measure trading cost? *Play brokers against one another to get lower costs. Intention to hold until maturity. Trading costs are pretty low.*
  - Are all of your trading activities local? *Yes, none are outsourced.*
  - How is Dwayne Madford involved? *He has a book of portfolios that he manages, but he sits on the Committee to determine overall strategy.*
3. Hancock Bank - Charles "Chip" Cicchetti, Adam W. Wood, and Janet Baker (via conference phone) provided Committee members with a handout and described the services they proposed providing to the Authority.

Committee members asked the following questions:

- Were the performance bonds net or gross? *The figures are net of fees.*
  - What type of soft dollar credits do they have? *There is a 15 basis points trailer if the money remains in at each quarter.*
  - Do you have a Conflict of Interest Policy? *Yes, we do.*
  - Where is their company headquartered? *Mobile, Alabama*
  - What constitutes the evidence of reporting? *They could provide the proper documentation.*
4. BB & T/Sterling Capital Management- Ryan J. Sladek, Paul J. Sullivan, and James L. Luke provided Committee members with a handout and described the services they proposed providing to the Authority.

Committee members asked the following questions:

- What accounted for the big bump in assets? *Institutional trusts are primary clients. Most of business is institutional trusts. Fixed income investments team financial advisors and portfolio managers. Risk adverse or risk control. Risk management.*
- For an organization such as the Authority, what type of portfolio would you see in the future to maturity and what is the turnover rate? *The Investment portfolio would change. Your rate would be a long duration because we don't expect the interest rates to change.*
- Do they run money market funds internally and would they offer a Most Favored Nation Clause? *They price on a case by case basis.*

- Any legal litigation against BB&T or Sterling? *No*

### **Evaluation of Presentations**

Mr. Herndon stated the Leon County Clerk of Courts have managed the Authority's funds since the summer of 2010. Mr. Herndon asked Dr. Kunst if she experienced any issues working with the staff of Leon County Clerk of Courts. Dr. Kunst replied that she receives monthly updates of fund performances.

Members discussed the presentations. After discussion and careful consideration, the Committee decided not to hire an investment manager and to re-examine the management of the Authority's funds in six months. Mr. Herndon asked for a motion to maintain the current relationship with the Leon County Circuit Court and reevaluate in six months.

Mr. Herndon relinquished the meeting to Chair Ramsay. Chair Ramsay did not participate in the presentation nor did he ask questions of the presenters.

*Moved by Mr. Francis, seconded by Chair Ramsay, and approved 4-0.*

Mr. Ramsay suggested revisiting the matter in six months to a year and moved to adjourn the meeting at 11:53 a.m.

*Transcribed by Kathleen Hampton*

**The Leon County Research and Development Investment Advisory Committee approved the January 18, 2012, minutes on -**

\_\_\_\_\_.

Audit Committee  
Leon County Research and Development Authority  
Summary Committee Report to the Authority's Board  
February 7, 2012

The Audit Committee Chair reports the following items for board review and action:

- On December 13, 2011, the Committee met with representatives of Thomas Howell Ferguson to review a preliminary report of the audit for the one-year period ending September 30, 2011. With the Committee's encouragement, the examiners had been instructed to dig deeply into every aspect of our financial records.
- We are pleased that this year's report offers an unqualified opinion. We note that it included the statement, "Corrective actions have been taken on each of the findings reported in the prior year." In summary, there were:
  - ✓ No material weaknesses
  - ✓ No significant deficiencies
  - ✓ No control deficiencies

In fact, there wasn't even an unfavorable comment or suggestion in the management letter.

- Both the Authority's Executive Director and representatives of Talcor, the vendor for accounting services, were in attendance. Each provided assurances that this quality of service will continue in subsequent years. The Committee expressed its appreciation to all involved in delivering this level of professionalism.
- The agreement with Thomas Howell Ferguson estimated a fee of \$23,000 for the audit, including administrative, technology, and out-of-pocket expenses. Installment payments of \$15,000 have already been paid and the remaining balance of \$8,000 is scheduled for payment following the firm's formal presentation to the Board in February.
- The Audit Charter requires an annual review of the Charter with recommendations to be made for modifications if appropriate. The Committee reviewed the document and is making one recommended change.

The Committee makes the following recommendations to the Board for its consideration:

- 1.) Receive and review the final audit report from the Authority's accountants.

*The Committee reviewed the report in its entirety and proposed modest revisions that were agreed to. It recommends the report be accepted for filing.*

- 2.) Provide audited financial statements to the Authority's bond trustee.

*Existing debt covenants with Wells Fargo Bank require the Authority to present audited financial statements within 180 days of the Authority's year end, which will be March 28, 2012. The Committee requests board approval for the Executive Director to furnish Wells Fargo a copy of the Authority's audited financial statements for the year ending September 30, 2011.*

Respectfully submitted,

David B. Ramsay  
Chairman  
Audit Committee

To the Audit Committee  
Leon County Research and Development Authority

This letter is intended to inform the Audit Committee of the Leon County Research Development Authority (the Authority) about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities to the Audit Committee.

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

<b>Area</b>	<b>Comments</b>
<b>Auditor's Responsibility Under Professional Standards</b>	Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated July 27, 2011.
<b>Accounting Practices</b>	<b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority developed a comprehensive policies and procedures manual during the year. Some of these policies affected accounting matters and were reflected in the current year financial statements. <b>Significant or Unusual Transactions</b> We identified a certain significant and unusual transaction for the year ending September 30, 2011 related to a settlement received by the Authority for the prior fiscal years' unauthorized disbursement activity.

Area	Comments
<b>Accounting Practices (continued)</b>	<b>Alternative Treatments Discussed with Management</b>
<b>Management's Judgments and Accounting Estimates</b>	<p>We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.</p> <p>Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Estimates significant to the financial statements include the following:</p> <ul style="list-style-type: none"><li>• Allowance for uncollectible accounts</li><li>• The allocation of certain maintenance expenses and common area maintenance fees. The Authority has established through lease agreements with specific tenants that certain maintenance costs incurred by the Authority may be allocated and billed to the tenants. In addition, the Authority calculates an annual charge to the tenants for common area maintenance fees based on actual costs incurred during the year.</li><li>• Amortization of development costs associated with park planning and the Danfoss Turbocor project.</li><li>• Useful lives used to calculate depreciation of capital assets.</li></ul> <p>You may want to monitor throughout the year the process used to compute and record these accounting estimates.</p>

Area	Comments
<b>Financial Statement Disclosures</b>	The current year financial statements include note disclosures regarding restitution received, related party transactions, and designated net assets and cash and cash equivalents.
<b>Audit Adjustments</b>	Attached in <b>Exhibit 1</b> are the audit adjustments recorded during the preparation of the financial statements of the Authority. The effect of the audit entries was a decrease of ending net assets by \$12,759.
<b>Uncorrected Misstatements</b>	All journal entries proposed during the audit were posted and included in the financial statements.
<b>Disagreements with Management</b>	Management, the Board, and outsourced contractors have been very cooperative throughout our attempts to complete the audit.
<b>Consultations with Other Accountants</b>	We are not aware of any consultations management had with other accountants about auditing matters. We are aware that management and the Board have consulted with the outsourced accountants regarding accounting matters. Those consultations do not affect our conclusions.
<b>Significant Issues Discussed with Management</b>	There were no significant issues discussed with management.
<b>Difficulties Encountered in Performing the Audit</b>	We encountered no difficulties in performing the audit.
<b>Letter Communicating Significant Deficiencies and Material Weaknesses</b>	Pages 21 through 23 of the financial statements include reports prepared in accordance with <i>Government Auditing Standards</i> and the <i>Rules of the Auditor General</i> regarding internal control matters and recommendations.

Thomas Howell  
▲ Ferguson P.A.

Page Four

Area	Comments
<b>Certain Written Communications Between Management and Our Firm</b>	A copy of management's representations made to us as part of the audit is attached as <b>Exhibit 2</b> .

This report is intended solely for the information and use of the Audit Committee, Leon County, the State of Florida, and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report.

*Thomas Howell Ferguson P.A.*

February 1, 2012

Leon County Research and Development Authority

Year End: September 30, 2011

Trial balance

Date: 10/1/2010 To 9/30/2011

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
Net Income (Loss) Before Adjustments							234,530.00		
1	9/30/2011	Accounts Receivable	1210-0000	0208		431.00			
1	9/30/2011	Operating Expense Reimbursement	3114-5000	0208	431.00				
To adjust accounts receivable and reimbursed expenses to reflect actual billings.					431.00	431.00	234,099.00	(431.00)	
2	9/30/2011	Acc. Depr. - Project North	161.09	4003		6,611.00			
2	9/30/2011	Depreciation Expense	883.00	4003	6,611.00				
To record depreciation on project north.					6,611.00	6,611.00	227,488.00	(6,611.00)	
3	9/30/2011	Accumulated Depreciation	1590-0000	4002 4/	10,938.00				
3	9/30/2011	F/F/E- Improvements	1620-0000	4002 4/		10,938.00			
To retire assets per PBC inventory count.					10,938.00	10,938.00	227,488.00	0.00	
4	9/30/2011	Accumulated Depreciation	1590-0000	4002 9/	4,275.00				
4	9/30/2011	Depreciation Expense	8210-0000	4002 9/		4,275.00			
To adjust depreciation expense per the NBV report.					4,275.00	4,275.00	231,763.00	4,275.00	
5	9/30/2011	Executive Director-Authority	4401-0000	8101	2,643.00				
5	9/30/2011	Executive Director-Authority	4401-0000	8101		1.00			
5	9/30/2011	Payroll Taxes - Authority	4404-0000	8101		2,643.00			
5	9/30/2011	Fees/Licenses/Permits	5560-0000	8101	1.00				
To adjust a payroll journal entry originally made in January as it was entered incorrectly.					2,644.00	2,644.00	231,763.00	0.00	
6	9/30/2011	Accounts Receivable	1210-0000	1501. 1		4,784.00			
6	9/30/2011	Reserve for Bad Debts	1220-0000	1501. 1	2,519.00				
6	9/30/2011	Sales Tax Payable	2305-0000	1501. 1	158.00				
6	9/30/2011	Rent	3110-0000	1501. 1		186.00			
6	9/30/2011	Bad Debt Expense	8205-0000	1501. 1	2,293.00				
To write-off uncollectible ar as of 9/30/2011.					4,970.00	4,970.00	229,656.00	(2,107.00)	
7	9/30/2011	Miscellaneous Income	3100-1000	1506. 2	12,684.00				
7	9/30/2011	CAM	3115-0000	1506. 2		12,684.00			
To adjust CAM for revenue reclassification.					12,684.00	12,684.00	229,656.00	0.00	
8	9/30/2011	Accrued Other	2249-0000	6002		5,439.00			
8	9/30/2011	Executive Director-Authority	4401-0000	6002	4,584.00				
8	9/30/2011	Clerical Salary-Authority	4403-0000	6002	855.00				
To accrue for unused leave as of September 30, 2011.					5,439.00	5,439.00	224,217.00	(5,439.00)	
9	9/30/2011	Executive Director-Authority	4401-0000	8101		1,396.00			
9	9/30/2011	Employee Benefits	4460-0000	8101	1,396.00				
To correct entries recorded for health insurance benefits.					1,396.00	1,396.00	224,217.00	0.00	

**Leon County Research and Development Authority**

Year End: September 30, 2011

Trial balance

Date: 10/1/2010 To 9/30/2011

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence
10	9/30/2011	Accounts Receivable	1210-0000	1004	4,517.00				
10	9/30/2011	Interest Income	3220-0000	1004		4,517.00			
		To record September SPIA income recieved on 10/1.			4,517.00	4,517.00	228,734.00	4,517.00	
11	9/30/2011	Accounts Receivable	1210-0000	1501.1.1		6,963.00			
11	9/30/2011	Bad Debt Expense	8205-0000	1501.1.1	6,963.00				
		To write off the FSURF receivable to the negotiated amount.			6,963.00	6,963.00	221,771.00	(6,963.00)	
					<b>60,868.00</b>	<b>60,868.00</b>	<b>221,771.00</b>	<b>(12,759.00)</b>	

# INNOVATION PARK

## Exhibit 2

February 1, 2012

Thomas Howell Ferguson P.A.  
2615 Centennial Boulevard, Suite 200  
Tallahassee, Florida 32308

In connection with your audit of the basic financial statements of Leon County Research and Development Authority (the Authority) as of and for the year ended September 30, 2011, we confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm to the best of our knowledge and belief, as of February 1, 2012, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, that are:
  - a. Component units.
  - b. Other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
  - c. Jointly governed organizations in which we participated.
3. We are a dependent district as defined by the state of Florida. We are not considered by Leon County, our governing authority, to be a component unit of Leon County.
4. We have identified for you all of our funds and identifiable business-type activities.
5. We have properly classified all funds and activities.
6. We are responsible for compliance with laws and regulations applicable to the Authority including adopting, approving, and amending budgets.
7. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.

8. We have made available to you:
  - a. All financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
  - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. All communications from lenders, other funding sources, or regulatory agencies concerning noncompliance with:
    - (1) Statutory, regulatory, or contractual provisions or requirements.
    - (2) Financial reporting practices that could have a material effect on the financial statements.
9. We have no knowledge of fraud or suspected fraud affecting the entity involving management, employees who have significant roles in the internal control, or others where the fraud could have a material effect on the financial statements
10. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from vendors, tenants, employees, former employees, analysts, regulators, short sellers, or others.
12. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.
13. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
14. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
15. The following have been properly recorded and/or disclosed in the financial statements:
  - a. Related-party transactions with Leon County and other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which the Authority has an interest, and jointly governed organizations in which the Authority participates, as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial

Reporting Standards, sale and purchase transactions, long-term loans, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.

- b. Guarantees, whether written or oral, under which the Authority is contingently liable.
  - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
  - d. Line of credit or similar arrangements.
  - e. Agreements to repurchase assets previously sold.
  - f. Security agreements in effect under the Uniform Commercial Code.
  - g. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
  - h. The fair value of investments.
  - i. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
  - j. Any liabilities which are subordinated in any way to any other actual or possible liabilities.
  - k. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
  - l. Debt issue provisions.
  - m. All leases and material amounts of rental obligations under long-term leases.
  - n. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, Disclosure of Certain Significant Risks and Uncertainties. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
  - o. Authorized but unissued bonds and/or notes.
  - p. Risk financing activities.
  - q. Derivative financial instruments.
  - r. Assets and liabilities measured at fair value.
  - s. Special and extraordinary items.
  - t. Deposits and investment securities category of custodial credit risk.
  - u. Impairment of capital assets.
16. We are responsible for making the accounting estimates included in the financial statements.

Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:

- a. To reduce receivables to their estimated net collectable amounts.

Thomas Howell Ferguson P.A.  
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- b. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
  - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through February 1, 2012, and/or for expected retroactive insurance premium adjustments applicable to periods through February 1, 2012.
  - d. For pension obligations, post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through September 30, 2011.
  - e. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
  - f. For any material loss to be sustained as a result of purchase commitments.
  - g. For environmental clean-up obligations.
17. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
  - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
  - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the Financial Accounting Standards Board codification/or GASB Statement No. 10.
18. We are not aware of any pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial statements in accordance with the Contingencies Topic of the Financial Accounting Standards Board codification/or GASB Statement No. 10. We have not consulted an attorney regarding any pending or threatened litigation against the Authority.
19. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statement.
20. We have satisfactory title to all owned assets.
21. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
22. Net asset components invested in capital assets, net of related debt; restricted; and unrestricted are properly classified and, when applicable, approved.
23. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

Thomas Howell Ferguson P.A.  
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24. Revenues are appropriately classified in the statements of activities within program revenues.
25. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
26. Required supplementary information is properly measured and presented.
27. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly. These adjustments are attached as Appendix A. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.
30. We have adequate insurance coverage for the Authority and will continue to maintain this level of coverage. Also, we have complied with the insurance provisions for the debt covenants on the outstanding bond issuance as of September 30, 2011.

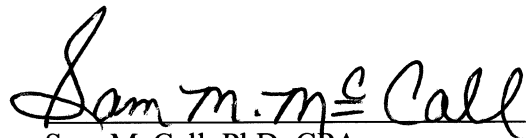
No events or transactions have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



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Catherine Kunst, MBA, PhD  
Executive Director



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Sam McCall, PhD, CPA,  
Board Treasurer

## Financial Statements

Leon County Research and Development Authority

*Years ended September 30, 2011 and 2010  
with Report of Independent Auditors*

Thomas Howell  
 Ferguson P.A.

Leon County Research and Development Authority

Financial Statements

Years ended September 30, 2011 and 2010

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## Report of Independent Auditors

The Board of Governors  
Leon County Research and Development Authority

We have audited the accompanying financial statements of the Leon County Research and Development Authority (the Authority), as of and for the years ended September 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the management of the Leon County Research and Development Authority. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, presents fairly in all material respects, the financial position of the Leon County Research and Development Authority as of September 30, 2011 and 2010, and the changes in its financial position and its cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited

Thomas Howell  
▲ Ferguson P.A.

Page Two

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

*Thomas Howell Ferguson P.A.*

February 1, 2012

## **Leon County Research and Development Authority Management's Discussion and Analysis**

As management of the Leon County Research and Development Authority (the Authority), we offer users of the Authority's financial statements this management discussion and analysis of the Authority's financial activities for the fiscal year ended September 30, 2011. Management's Discussion and Analysis is a narrative overview designed to: (a) assist a financial statement user in focusing on significant financial issues, (b) provide an overview of the Authority's financial activities, (c) identify changes in the Authority's financial position and operations, and (d) bring attention to individual concerns and issues. This discussion and analysis should be read in conjunction with the Authority's financial statements and notes to the financial statements which follow this section.

For the year ended September 30, 2011, the Authority's independent auditors issued an unqualified opinion on the Authority's financial statements. This is the second year in a row the Authority has received an unqualified opinion from its auditors. By comparison, for the year ended September 30, 2009, the auditors identified significant unauthorized disbursements. The independent auditors were unable to express, and did not express, an opinion on the 2009 financial statements. As a result of significant improvements in financial reporting over the last two years, report users can place reliance on the comparative financial statement information for 2010 and 2011 as presented on the accompanying financial statements.

### **Financial Highlights**

- The Authority's assets exceeded liabilities as of September 30, 2011, by \$12.66 million (net assets). Of this amount, \$2.84 million represents unrestricted net assets that are available to meet ongoing obligations to tenants and creditors.
- In FY 2010, the Authority's independent auditors identified cumulative unauthorized disbursements of \$647,452 for fiscal years dating back to 2006. For the 2010 fiscal year, losses associated with the unauthorized disbursement, net of insurance proceeds of \$100,000 received in fiscal year 2011, were \$18,352. Additionally in 2011, and subsequent to issuance of the 2010 financial report, the Authority received an additional \$250,000 that was related to the prior unauthorized disbursements. While the Authority expects to receive some additional payments in future years related to the prior unauthorized disbursements, those amounts are not expected to be significant.
- Fund net assets increased by \$221,767. This increase is attributed to an increase in operating revenues (\$207,429), a decrease in operating expenses (\$123,621) and a decrease in nonoperating revenues/expenses (\$50,008).
- Current assets consisting of cash and cash equivalents and accounts receivable increased by \$65,478 from the prior year. The increase in the cash is partially attributed to insurance and other proceeds received in 2011 attributable to theft of Authority assets in prior years.
- The Authority is currently receiving accounting and lease management services from TALCOR, a commercial real estate company located in Tallahassee.

- For fiscal year 2009, the Authority's independent auditors identified six material weaknesses and five significant deficiencies in internal control over financial reporting. By comparison, for fiscal year 2010 and as a result of management and Board actions, the auditors only identified one significant deficiency regarding the need to prepare an accounting policies and procedures manual. For 2011, that policy and procedure manual was completed. As a result, no significant deficiencies were identified and no additional management comments were provided by the independent auditor's in their management letter report.

### **An Overview of the Financial Statements**

While identified as a dependent special district, the Authority is not considered by Leon County, its governing authority, to be a component unit of Leon County. The Authority's financial statements consist of the financial statements and the notes to the financial statements.

### **Fund Financial Statements**

The Authority follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. This reporting follows accounting methods similar to those used by private-sector companies. As a business type activity, Authority operating revenues come from leases, maintenance, and management and common area management fees. Nonoperating revenues come from interest earned on deposits with financial institutions and other authorized depositories.

### **Enterprise Fund Analysis**

The Statement of Net Assets provides useful information about the Authority's financial position. The following table shows a condensed Statement of Net Assets for the current and prior period:

**Table 1**  
**Statement of Net Assets**  
As of September 30  
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>Change</u>
<b>Assets</b>			
Current assets	\$ 3,911	\$ 3,845	\$ 66
Restricted assets	369	372	(3)
Noncurrent assets	<u>12,603</u>	<u>13,056</u>	<u>(453)</u>
Total assets	<u>16,883</u>	<u>17,273</u>	<u>(390)</u>
<b>Liabilities</b>			
Current liabilities	459	676	(217)
Noncurrent liabilities	<u>3,760</u>	<u>4,155</u>	<u>(395)</u>
Total liabilities	<u>4,219</u>	<u>4,831</u>	<u>(612)</u>
<b>Net Assets</b>			
Invested in capital assets net of related debt	9,455	9,766	(311)
Restricted	369	372	(3)
Unrestricted	<u>2,840</u>	<u>2,304</u>	<u>536</u>
Total net assets	<u>12,664</u>	<u>12,442</u>	<u>222</u>
Total liabilities and net assets	<u>\$ 16,883</u>	<u>\$ 17,273</u>	<u>\$ (390)</u>

The vast majority of Authority assets are capital assets having a depreciated value of \$12.5 million and representing 74.4 percent of total assets. These capital assets primarily consist of Authority buildings leased to scientific research and development entities affiliated with institutions of higher education and other entities that foster economic development in affiliation with one or more institutions of higher education.

**Table 2**  
**Changes in Net Assets**  
*(in thousands)*

The following table summarizes the changes in net assets for the current and prior year.

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Total operating revenues (lease revenue and other)	\$ 1,737	\$ 1,530	\$ 207
Total operating expenses	<u>(1,425)</u>	<u>(1,549)</u>	<u>124</u>
Operating income (loss)	312	(19)	331
Nonoperating revenues (expenses)	<u>(90)</u>	<u>(140)</u>	<u>50</u>
Change in net assets	222	(159)	381
Fund net assets at the beginning of the year as restated	<u>12,442</u>	<u>12,601</u>	<u>(160)</u>
Fund net assets at end of year	<u>\$ 12,664</u>	<u>\$ 12,442</u>	<u>\$ 222</u>

For the year ended September 30, 2011, Authority operating revenues exceeded operating expenses by \$311,954. Changes in fund assets resulted in an increase of \$221,767 for the year as compared to a decrease of \$159,291 in 2010. During the 2011 fiscal year, the Authority received a total of \$100,000 from insurance policies and \$250,000 in additional revenues related to unauthorized disbursements occurring from 2006 to April 2010. The Authority continues to seek other methods of restitution as may be available; however, such amounts are not expected to be significant. The Authority does not expect to receive additional insurance recoveries from its insurance company.

### **Budgetary Comparison Statement**

Authority management prepared and the Authority Board approved a budget for fiscal year 2011. That budget and monthly comparisons of amounts budgeted to actual expenses incurred may be viewed at the Authority Offices and on-line as part of the reporting package for each monthly Board meeting. The monthly Board package also includes the Authority Treasurer's report of Authority finances and budget results.

### Contacting the Authority's Financial Management

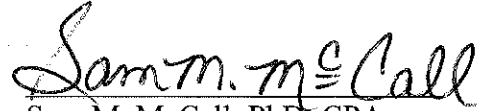
This financial report is designed to provide a general overview of the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Leon County Research and Development Authority's office at 1736 West Paul Dirac Drive, Tallahassee, Florida.

Respectfully submitted,



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Catherine Kunst, MBA, PhD  
Executive Director



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Sam M. McCall, PhD, CPA  
Treasurer

Leon County Research and Development Authority

Statements of Net Assets

	<b>September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,294,258	\$ 3,573,356
Designated cash and cash equivalents	1,400,000	-
Accounts receivable - leases and other, net	205,463	270,348
Accrued interest receivable	4,517	1,989
Prepaid expenses and other current assets	6,933	-
Total current assets	<u>3,911,171</u>	<u>3,845,693</u>
Restricted assets:		
Restricted cash and cash equivalents	368,703	372,033
Noncurrent assets:		
Bond issue costs, net of amortization	50,084	53,384
Capital assets, net of accumulated depreciation	<u>12,552,946</u>	<u>13,002,206</u>
Total assets	<u><b>\$ 16,882,904</b></u>	<u><b>\$ 17,273,316</b></u>
<b>Liabilities and fund net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 44,819	\$ 61,660
Unearned revenue	270,080	476,440
Current portion of bond payable	<u>144,111</u>	<u>137,713</u>
Total current liabilities	<u>459,010</u>	<u>675,813</u>
Noncurrent liabilities:		
Bond payable, net of current portion	2,954,034	3,098,145
Unearned revenue	<u>805,812</u>	<u>1,057,077</u>
Total noncurrent liabilities	<u>3,759,846</u>	<u>4,155,222</u>
Fund net assets:		
Invested in capital assets, net of related debt	9,454,801	9,766,348
Restricted for capital projects	368,703	372,033
Unrestricted	<u>2,840,544</u>	<u>2,303,900</u>
Total fund net assets	<u>12,664,048</u>	<u>12,442,281</u>
Total liabilities and fund net assets	<u><b>\$ 16,882,904</b></u>	<u><b>\$ 17,273,316</b></u>

See accompanying notes.

Leon County Research and Development Authority

Statements of Revenues, Expenses, and Changes in Fund Net Assets

	<b>Years ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating revenue</b>		
Leases	\$ 1,043,244	\$ 1,059,208
Leases (security for the Series 2005 Bonds)	310,308	310,308
Common area management fees	110,097	122,850
Management fees	11,640	12,140
Other income	262,107	25,461
Total operating revenues	<u>1,737,396</u>	<u>1,529,967</u>
<b>Operating expenses</b>		
Salaries and employee benefits	216,752	145,128
Depreciation and amortization expense	613,466	591,299
Other expenses	595,224	794,284
Loss associated with unauthorized disbursements, net	-	18,352
Total operating expenses	<u>1,425,442</u>	<u>1,549,063</u>
Operating income (loss)	<u>311,954</u>	<u>(19,096)</u>
<b>Nonoperating revenues (expenses)</b>		
Interest income	57,498	13,605
Amortization of bond issuance costs	(3,302)	(3,302)
Interest on bonds	(144,383)	(150,498)
Total nonoperating revenues (expenses)	<u>(90,187)</u>	<u>(140,195)</u>
Change in fund net assets	221,767	(159,291)
Fund net assets at beginning of year	12,442,281	12,601,572
Fund net assets at end of year	<u>\$ 12,664,048</u>	<u>\$ 12,442,281</u>

See accompanying notes.

## Leon County Research and Development Authority

## Statements of Cash Flows

	<b>Years ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating activities</b>		
Cash received from tenants	\$ 994,656	\$ 1,076,287
Other cash receipts	350,000	-
Cash payments to suppliers for goods and services	(625,619)	(678,369)
Cash payments to employees	(210,131)	(164,210)
Cash payments for apparent unauthorized disbursements	-	(118,352)
Net cash provided by operating activities	<u>508,906</u>	<u>115,356</u>
<b>Capital and related financing activities</b>		
Purchase of capital assets	(164,206)	(176,501)
Principal paid on bonds	(137,715)	(131,599)
Interest paid on bonds	(144,383)	(150,498)
Net cash used in capital and related financing activities	<u>(446,304)</u>	<u>(458,598)</u>
<b>Investing activities</b>		
Interest and dividends on investments	54,970	13,605
Net cash provided by investing activities	<u>54,970</u>	<u>13,605</u>
Net increase (decrease) in cash and cash equivalents	117,572	(329,637)
Cash and cash equivalents at beginning of year	<u>3,945,389</u>	4,275,026
Cash and cash equivalents at end of year	<u>\$ 4,062,961</u>	<u>\$ 3,945,389</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 311,954	\$ (19,096)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	613,466	591,299
Loss from disposal of assets	-	63,257
Changes in operating assets and liabilities:		
Unearned revenue	(457,625)	(528,776)
Accounts receivable	64,885	(24,904)
Prepaid expenses and other assets	(6,933)	
Accounts payable and accrued expenses	(16,841)	33,576
Net cash provided by operating activities	<u>\$ 508,906</u>	<u>\$ 115,356</u>
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	\$ 2,294,258	\$ 3,573,356
Designated cash and cash equivalents	1,400,000	-
Restricted cash	368,703	372,033
Total	<u>\$ 4,062,961</u>	<u>\$ 3,945,389</u>

See accompanying notes.

# Leon County Research and Development Authority

## Notes to Financial Statements

Years ended September 30, 2011 and 2010

### **1. Summary of Significant Accounting Policies**

#### **Description of Organization**

The Leon County Research and Development Authority (the Authority) was created by the Leon County Board of County Commissioners pursuant to County Ordinance No. 80-68 in accordance with Section 159.703, Florida Statutes. The Authority was created for the purpose of promoting scientific research and development in affiliation with and related to the research and development activities of one or more state-based, accredited, public or private institutions of higher education; for the purpose of financing and refinancing capital projects related to the establishment of a research and development park in affiliation with one or more institutions of higher education, including facilities that complement or encourage the complete operation thereof, as defined by and in the manner provided by the Florida Industrial Development Financing Act; and for the purpose of fostering the economic development and broadening the economic base of a county in affiliation with one or more institutions of higher education.

The Authority has acquired land within Leon County to perform any and all functions related or incidental to the operation of Innovation Park, Tallahassee (the Park). The Park is to provide a compatible location where selected applied research operations can be established to build upon and mutually benefit the economy of North Florida, the research capabilities of Florida A&M and Florida State Universities, and the services of Florida's capital city.

The Authority was notified on October 22, 1991, by the Office of the Comptroller, Department of Banking and Finance, State of Florida, that it had been reclassified from an independent to a dependent special district. The Authority is not considered by Leon County, its governing authority, to be a component unit of Leon County.

#### **Basis of Accounting**

The Authority follows Governmental Accounting Standards Board (GASB) financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

#### **Election to Apply FASB Standards**

The Authority has elected not to apply Financial Accounting Standards Board (FASB) accounting standards issued after November 30, 1989.

Leon County Research and Development Authority

Notes to Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

*Operating revenues* – Operating revenues generally result from providing services in connection with ongoing operations. Operating revenues consist of lease, maintenance, management, and common area management fee revenues collected from tenants. Operating revenues are recognized as revenue in the period earned.

*Nonoperating revenues* – Nonoperating revenues consist of interest earned on deposits held with financial institutions and are recognized as revenue in the period earned.

**Cash and Cash Equivalents**

Cash consists of demand deposits held at qualified public depositories. Qualified public depositories of public funds are required to provide collateral each month pursuant to Chapter 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. Therefore, any amount of the Authority’s demand deposits in excess of FDIC protection would be fully insured or collateralized.

Restricted and designated cash and cash equivalents consist of amounts for the completion of capital projects.

**Accounts Receivable**

Accounts receivable consists of amounts due from tenants for leases, common area fees, maintenance fees, and management fees.

The Authority provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account. At September 30, 2011 and 2010, the Authority has recorded an allowance of \$ - and \$2,519, respectively.

**Capital Assets**

Capital assets are recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Buildings	10 – 40 years
Improvements	5 – 20 years
Equipment and furnishings	5 – 8 years
Development costs	10 years

## Leon County Research and Development Authority

### Notes to Financial Statements

#### **1. Summary of Significant Accounting Policies (continued)**

##### **Capital Assets (continued)**

Beginning October 1, 1986, capital outlays for the construction of streets, parks, water and sewer lines, and other types of infrastructure expenditures are capitalized and included in improvements. To date, all such completed projects have been transferred to and accepted by the City of Tallahassee.

##### **Amortization**

The costs of obtaining bonded debt are deferred and amortized over the life of the bonds using the straight line method.

##### **Subsequent Events**

The Authority has evaluated subsequent events through February 1, 2012, the date the financial statements were available to be issued. During the period from September 30, 2011 to February 1, 2012, the Authority did not have any material recognizable subsequent events.

##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **2. Ground Lease**

The Authority entered into an agreement on January 28, 1980, with the State of Florida Board of Trustees of the Internal Improvement Trust Fund (the Board) to lease Park lands from the Board comprised of approximately 207.92 acres for a period of 94 years. The agreement does not call for any lease payments from the Authority but specifies that the Park lands shall be used for research, design, development, light manufacturing and assembly, and educational and related purposes in furtherance of essential public purposes.

#### **3. Long-term Debt**

*Centennial Building Project* – On December 21, 2005, the Authority entered into an agreement with Wells Fargo Bank, N.A. (formerly Wachovia Bank, N.A.), relating to the issuance of the \$3,700,000 Leon County Research and Development Authority Lease Revenue Bond, Series 2005 (the Series 2005 Bonds). The proceeds of the bond issue have been used to renovate approximately 18,000 square feet of existing space in the Centennial Building, and for an expansion of approximately 6,000 square feet for a high voltage, high current physics facility for use by Florida A & M University.

Leon County Research and Development Authority

Notes to Financial Statements

**3. Long-term Debt (continued)**

In addition, a portion of the bond proceeds were used to refund the remaining unrefunded portion of the Leon County Research and Development Authority Revenue Refunding Bond, Series 2000C (Series C) issued in 2000. The bonds are secured by pledged lease revenues from Florida A & M University for space leased in the Centennial Building.

Following is a summary of the changes in long-term debt for the year ended September 30, 2011:

<b>Titles of Issues</b>	<b>Balance Outstanding as of September 30, 2010</b>	<b>Additions (Payments)</b>	<b>Balance Outstanding as of September 30, 2011</b>	<b>Principal Due Within One Year</b>
Centennial Bond, Series 2005	\$ 3,235,858	\$ (137,713)	\$ 3,098,145	\$ 144,111

The annual debt service requirement as of September 30, 2011, is as follows:

<b>Year ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 144,111	\$ 137,985	\$ 282,096
2013	150,807	131,289	282,096
2014	157,813	124,283	282,096
2015	165,146	116,950	282,096
2016	172,818	109,278	282,096
2017 – 2021	992,258	418,222	1,410,480
2022 - 2026	1,245,201	165,279	1,410,480
2027	69,991	531	70,522
Total	<u>\$ 3,098,145</u>	<u>\$ 1,203,817</u>	<u>\$ 4,301,962</u>

**4. Unearned Revenue**

*Johnson Building Project* – On November 1, 1995, with funds provided by the Florida State University Research Foundation (the Research Foundation), the Authority redeemed in full the \$3,865,000 Series 1994 Bond Issue. The redemption by the Research Foundation is considered to be advance lease payments to the Authority and will be amortized and recognized as revenue in the amount of \$230,112 annually through October 15, 2011. The remaining amount to be amortized as of September 30, 2011, is \$9,586. Also see Note 7 regarding lease obligations associated with this building.

## Leon County Research and Development Authority

### Notes to Financial Statements

#### 4. Unearned Revenue (continued)

*Shaw Building Project* – On December 30, 2005, with funds provided by the Research Foundation, the Authority redeemed \$2,483,811 of outstanding bonds associated with constructing and equipping the Shaw Building. The funds provided by the Research Foundation are considered to be advance lease payments to the Authority and will be amortized and recognized as revenue in the amount of \$246,328 annually through December 23, 2015. The remaining amount to be amortized as of September 30, 2011, is \$1,046,895. Also see Note 7 regarding lease obligations associated with this building.

#### 5. Retirement Plan

All employees of the Authority that work 20 or more hours per week are eligible to participate in the Florida Retirement System (the FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Contributions and benefits are established in Section 121.71, Florida Statutes.

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. As of July 1, 2011, participating employees are required to contribute 3% of their annual salary.

The total retirement contributions for the fiscal years ended September 30, 2011, 2010, and 2009, were \$10,463, \$11,035, and \$15,294, respectively, which is equal to the required contribution for each year.

The Pension Plan is administered by the State of Florida Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

On November 18, 1997, the Authority adopted the National Association of Counties Deferred Compensation Program pursuant to Section 457 of the Internal Revenue Code (IRC). The deferred compensation plan allows for the voluntary participation of all eligible employees of the Authority. All assets of this plan, including all deferred amounts, property, and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property, or rights, other than assets held in annuity contracts, will be held in a custodial account described in IRC Section 457(g).

The custodian shall hold the assets for the exclusive benefit of the participants and beneficiaries and the assets may not be diverted to any other use. There were no contributions to the plan for the year ended September 30, 2011. Contributions to the plan for the year ended September 30, 2010 were \$15,500.

## Leon County Research and Development Authority

### Notes to Financial Statements

#### 6. Commitments and Contingencies

*Master Plan Update and Future Park Development* – The Authority is presently in the process of updating the Plan Unit Development (PUD) master development plan of the Park. On September 20, 2005, the Authority approved a five-year Capital Improvement Plan (CIP), which is updated annually. On November 18, 2007, the Authority entered into an agreement with a local land planning consulting firm for the purpose of accomplishing goals outlined in the CIP. Also on that same date, the Authority entered into an agreement with a local land use law firm to determine the Park's status under Developments of Regional Impact (DRI) legislation. As of September 30, 2011 and 2010, \$754,961, have been incurred and capitalized as park development costs. The costs are being amortized over a period of 10 years. Accumulated amortization of these costs is \$346,440 and \$286,106 as of September 30, 2011 and 2010, respectively. Such costs are for various projects including Park amenities, a business incubator program, PUD/DRI, landscaping and park beautification, and other miscellaneous expenses. The Board has the ability to modify the CIP at their discretion.

*Economic Development – Corporate Location Agreement* – The Authority entered into an agreement on January 6, 2006, with the City of Tallahassee and Danfoss Turbocor Compressors Inc. (Danfoss) for the construction of a facility to house the Tallahassee operation of Danfoss. The agreement calls for the City of Tallahassee and the Authority to jointly construct the facility at a cost to the City of Tallahassee and the Authority of \$4.5 million. In addition, the City of Tallahassee and the Authority have agreed to reimburse Danfoss' special building requirements, up to a maximum amount equal to the lesser of \$200,000 or the amount by which the total of all design and construction costs is less than \$4.8 million. Upon completion, the Authority would own 20% of the building. A new agreement between the Authority and the City of Tallahassee and Danfoss based on final construction costs is pending. The Authority has incurred and capitalized costs of \$66,115 as of September 30, 2011 and 2010. The costs are being amortized over a period of 10 years. Accumulated amortization of these costs is \$33,057 and \$26,466 as of September 30, 2011 and 2010, respectively.

*Agreement Among Tenants in Common* – On January 6, 2006, the Authority and the City of Tallahassee entered into an "Agreement Among Tenants in Common." The purpose of this co-tenancy is for the construction, ownership, management, and leasing of a building to be occupied by Danfoss. The term of the co-tenancy is fifty (50) years, commencing on January 6, 2006, and ending on January 6, 2056, unless sooner terminated by the tenants in common. The ownership and the operating interests in the co-tenancy is 20% for the Authority and 80% for the City of Tallahassee. Contributions by the Authority include Lots 1D, 2D, and 3D to the co-tenancy by leasing these properties for one dollar (\$1.00) per year for 20 years, and for fair market value for the remaining 30 years. The City is to provide up to \$4,750,000 for construction of the building. The Authority was to provide up to \$450,000 for construction of the building. An amendment to this agreement is pending which will remove the Authority's \$450,000 construction obligation.

According to the co-tenancy agreement, any sublease of the property and building will require the tenant to pay all maintenance and operational expenses, rent, utilities, insurance, common area fees, and taxes.

## Leon County Research and Development Authority

### Notes to Financial Statements

#### **6. Commitments and Contingencies (continued)**

*Ground Lease* – On January 6, 2006, the Authority and the City of Tallahassee entered into a ground lease. The terms of the lease include rental of Lots 1D, 2D, and 3D as set forth in the Innovation Park/Tallahassee Amended Final Development Plan dated November 20, 1992. The term of the ground lease is for fifty (50) years, commencing on January 6, 2006, and ending on January 6, 2056. The City of Tallahassee, as tenant, will pay the Authority the sum of one dollar (\$1.00) per year for 20 years, and fair market value for the remaining 30 years.

#### **7. Operating Leases**

##### *Sliger Building*

On October 1, 2005, the Authority entered into a lease agreement with the Research Foundation for 100% of Sliger Building less Suite 100 Modules I and II of the Research Complex. The initial term of the lease shall be from October 1, 2005, through November 1, 2011. The monthly lease payment due under this agreement is \$470 for a management fee during the initial lease term. Upon expiration of the initial lease term, the management fee will be calculated using the \$470 management fee plus the consumer price index increases for each year since October 1, 2005. After the initial lease term, the lease will automatically renew for additional 12 month periods unless the Research Foundation notifies the Authority no less than 12 months prior to the end of any lease term of its desire to terminate. In addition to the management fee of \$470, the Research Foundation is also responsible for the annual common area fees.

##### *Phipps Building*

The agreement with the Florida Department of Transportation (FDOT) for the Phipps Building is for 11,661 square feet and requires monthly payments of \$10,719 beginning June 1, 2007, through May 31, 2022, with an option to renew for an additional five-year term.

##### *Collins Building*

The agreement with the Florida Department of Environmental Protection (FDEP) for the Collins Building is for 18,774 square feet (75% of the building) and requires monthly payments of \$14,315 beginning July 1, 2007, through June 30, 2022, with an option to renew for an additional five-year term.

On June 12, 2007, the Authority entered into an agreement with the Florida Department of Agriculture and Consumer Services (FDACS) for 25% of the Collins Building. The agreement is for 6,126 square feet and requires monthly payments of \$4,671 beginning July 1, 2007, through June 30, 2022, with an option to renew for an additional five-year term.

## Leon County Research and Development Authority

### Notes to Financial Statements

#### **7. Operating Leases (continued)**

##### *Centennial Building*

On December 1, 2006, the Authority entered into a lease agreement with Florida A & M University for the 26,700 square foot building referred to in Note 3. The agreement requires a monthly lease payment in the amount of \$21,360 for the first year. Thereafter, lease payments will increase to \$25,858 per month for the duration of the lease term, with an option to renew on an annual basis at a reduced monthly rate of \$2,175. Under the terms of the lease, the Authority agreed to expand the square footage of the Centennial Building from 26,700 to 32,700 square feet and renovate approximately 18,000 square feet.

##### *Johnson Building*

As described in Note 4, the Research Foundation leases the Johnson Building from the Authority and has advance-funded its lease obligation through October 15, 2011.

On October 1, 2005, the Authority entered into revised lease agreement with the Research Foundation for the Johnson Building. The initial term of the leasehold is from October 1, 2005, through October 15, 2011. The monthly lease payment due under this agreement is \$500 for a management fee during the initial lease term. The lease will automatically renew for additional 12 month periods unless the Research Foundation notifies the Authority no less than 12 months prior to the end of any lease term of its desire to terminate. The lease rate after the initial lease term will be the management fee of \$500 plus the consumer price index increases for each year since October 1, 2005. In addition to the \$500 management fee, the Research Foundation is also responsible for the annual common area fees.

##### *Shaw Building*

As described in Note 4, the Research Foundation leases the Shaw Building from the Authority and has advance-funded its lease obligation through December 23, 2015.

On October 1, 2005, the Authority entered into a revised lease agreement with the Research Foundation for the Shaw Building. Beginning January 1, 2006, the Research Foundation leased one hundred percent (100%) of the Shaw Building. The initial term of the leasehold shall be for 19 years, from November 24, 1996, through December 23, 2015. The lease term will automatically renew for additional 12 month periods unless the Research Foundation notifies the Authority of its intention not to renew no less than 12 months prior to the lease termination date.

Subsequent to December 23, 2015, the agreement requires the Research Foundation to pay the Authority on a monthly basis five percent (5%) of the gross rents received by the Research Foundation for any subtenants beginning to occupy the building.

Leon County Research and Development Authority

Notes to Financial Statements

**7. Operating Leases (continued)**

*Morgan Building and Administrative Offices*

During the year ended September 30, 2011, the Authority also recognized other short-term lease revenues from space in the Sliger/Morgan Buildings in the amount of \$194,520 and space in the Administrative Offices in the amount of \$10,367.

*Common Area Management Fees*

The Authority maintains all of the common area in the Park. Owners of long-term leases purchased from the Authority and certain other tenants are charged an annual common area fee based on the Park's adjusted annual administrative overhead costs divided by the developable acres. For the years ended September 30, 2011 and 2010, the Authority recognized common area revenue in the amount of \$110,097 and \$122,850, respectively.

Following is a table of the minimum future rentals expected to be collected over the next five years:

	<b>September 30,</b>					<b>Total</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
Sliger	\$ 5,640	\$ -	\$ -	\$ -	\$ -	\$ 5,640
DOT	128,635	128,635	128,635	128,635	128,635	643,175
DEP	171,782	171,782	171,782	171,782	171,782	858,910
DACS	56,053	56,053	56,053	56,053	56,053	280,265
FAMU	310,308	310,308	310,308	310,308	310,308	1,551,540
Johnson	6,000	-	-	-	-	6,000
Johnson*	9,586	-	-	-	-	9,586
Shaw*	246,328	246,328	246,328	246,328	61,583	1,046,895
Ground leases	2,834	2,834	2,834	2,834	2,834	14,170
	<u>\$ 937,166</u>	<u>\$ 915,940</u>	<u>\$ 915,940</u>	<u>\$ 915,940</u>	<u>\$ 731,195</u>	<u>\$ 4,416,181</u>

\*Deferred amortized lease revenue

Leon County Research and Development Authority

Notes to Financial Statements

**8. Changes in Capital Assets**

Following is a summary of the changes in capital assets for the year ending September 30, 2011:

Descriptions	Balance at September 30, 2010	Additions	Deletions	Balance at September 30, 2011
Buildings	\$ 19,834,294	\$ -	-	\$ 19,834,294
Equipment and furnishings	70,643	9,377	11,837	68,183
Improvements	401,547	154,829	-	556,376
Land	635,921	-	-	635,921
Park and development costs	754,961	-	-	754,961
	21,697,366	164,206	11,837	21,849,735
Accumulated depreciation	(8,695,160)	(613,466)	(11,837)	(9,296,789)
Total	\$ 13,002,206	\$ (449,260)	\$ -	\$ 12,552,946

**9. Related Party Transactions**

During the year ended September 30, 2010, the Authority entered into an interlocal agreement with Leon County for various services including accounting, public information, management information, planning and engineering, legal, and administrative services. This agreement ended on February 28, 2011. Amounts paid for reimbursable amounts due to services provided under this contract for the year ended September 30, 2011, is \$5,675, which does not include the value of personnel services rendered.

**10. Loss Associated with Unauthorized Disbursements**

During prior fiscal years, unauthorized disbursements were made by a former employee. The former employee has been convicted of fraud related to unauthorized disbursements totaling \$647,452. The former employee was ordered to pay the Authority restitution in the amount of \$746,043, which includes expenses paid for forensic accounting services. The Authority has received \$350,000 from other sources of restitution as of September 30, 2011.

**11. Designated Net Assets and Cash and Cash Equivalents**

The Board of Governors has designated unrestricted net assets for the year ended September 30, 2011 for future capital projects in the amount of \$1,400,000. In addition, the Board of Governors has designated cash and cash equivalents in the amount equal to the above designation.

## Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

The Board of Governors  
Leon County Research and Development Authority

We have audited the financial statements of the Leon County Research and Development Authority (the Authority), as of and for the year ended September 30, 2011, and have issued our report thereon dated February 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Audit Committee, the Board of Governors, Leon County, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.



February 1, 2012

## Management Letter

## Management Letter

The Board of Governors  
Leon County Research and Development Authority

We have audited the financial statements of the Leon County Research and Development Authority (the Authority), as of and for the year ended September 30, 2011 and have issued our report thereon dated February 1, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We have also issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated February 1, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the state of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken on each of the findings reported in the prior year.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, we determined that the Authority complied with Section 218.415, *Florida Statutes*.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. There were no recommendations in the current year.

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal controls that are not significant deficiencies. In connection with our audit, we did not have any findings of violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse that we believed were inconsequential.

Section 10.554(1)(i)7.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Section 218.32(1)(a), *Florida Statutes*, and 10.554(1)(i)7.b., *Rules of the Auditor General*, we determined that the annual financial report filed with the Florida Department of Financial Services agreed to the annual financial audit report.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

\*\*\*\*\*

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Board of Governors, the Leon County Board of County Commissioners, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Thomas Howell Ferguson P.A.*

February 1, 2012

**Report to the Board of Governors**  
**Leon County Research and Development Authority**  
**February 7, 2012**

**Title:**

January 2012 Activities

**Staff:**

Catherine Kunst, Executive Director

**Summary of Activities:**

This report outlines key projects and activities for January 2012.

***Update on Office Manager Search***

Kathleen Hampton resigned from her position as the Authority's office manager effective January 19, 2012. In the short term, Rita Haugabrook, from the American Employment Agency, is helping to support the Authority's operation. The job was advertised on the Authority's website, Facebook, Twitter, the Tallahassee Grapevine, Craigslist, CareerBuilder.com and the Tallahassee Democrat. Interested applicants were asked to submit a resume, cover letter and application form similar to that used by Leon County. Forty nine complete applications were received and reviewed with the help of Shington Lamy at Leon County. We will be interviewing eight candidates for the position soon.

***Review of Health Insurance Coverage***

One topic that has arisen at several Board and committee meetings is the cost of health insurance as it relates to the overall cost of employee compensation. If changes to the current policy are desired (*I do not recommend changes*), it would be prudent to make those changes before a new Office Manager is hired.

Currently the Authority covers 90% of the cost of Health Insurance (employee +/- family) for full time employees. The Authority accesses the health insurance coverage negotiated by Leon County and the benefit is equivalent to that received by Leon County employees.

Health Insurance Coverage (Monthly)				Current Annual Cost		Minimum Legal Requirement (Annual)	
	Employee (10%)	Authority (90%)	Total	Employee	Authority	Employee	Employer
Employee	\$50.72	\$456.45	\$507.17	\$608.64	\$5,477.40	\$1,521.51	\$4,564.53
Employee + Family	\$134.24	\$1208.06	\$1342.30	\$1,610.76	\$14,496.72	\$5,530.13	\$10,577.47

I spoke with Karen Frost at Capital Health Plan. Both Blue Cross/Blue Shield (BC/BS) and Capital Health Plan (CHP) have similar standards for underwriting health insurance policies for small and large groups. For group sizes > 50 people (like the pool we are in with Leon County) the minimum underwriting standards of both BC/BS and CHP require the employer to pay at least: 75% of the employee cost and 60% of the Dependent/Family Cost. For very small groups (1-3 employees), should the Authority choose to adopt its own coverage, the employer must cover 100% of the employee cost but 0% of the cost for dependents and family. The risk with these small

groups is that if one of those few employees needs medical care, the rate will increase dramatically year over year.

**Michael Sutton, FSU Intern, taking Ron Frazier's Venture Consulting Class at the Jim Moran Institute**

Michael Sutton is an FSU undergraduate student taking Ron Frazier's (Entrepreneur in Residence) Venture Consulting class at the Jim Moran Institute for Global Entrepreneurship. I have asked Michael to focus on the following projects during this current semester.

1. Help with the **Technology Commercialization Grant Program** – review of applications, due diligence on the submitted business plans, etc.
2. Track down past Technology Commercialization Grant Program winners to discuss efficacy of prior program, current company status, headcount, and how/whether the grant program can be improved.
3. Work with current Innovation Park companies – how can we help them grow? Retain them in Tallahassee? What support is needed?

Additional suggestions for Michael or future interns are welcome.

**Development Review Committee/Land Development**

- The Authority's Development Review Committee (DRC) approved Danfoss Turbocor Compressors Inc.'s plan to install a new equipment enclosure and condensing unit for a new test chiller on the north side of the building at the January 9, 2012 meeting of the DRC. This approval requires that any relocated trees that die, within twelve (12) months of being replanted, will be replaced with new trees. The approval is also contingent upon the installation plan meeting all relevant statutory laws, rules, regulation, guidelines, agreements, and policies of the Authority, Innovation Park, the City of Tallahassee, and the State of Florida.
- Construction at the SunnyLand Solar site continues to move rapidly.
- Jon Sewell with Kimley Horne resigned from the DRC. A new member needs to be appointed by the Authority's board. Current DRC members provided suggestions for potential new members at the last DRC meeting. I will be reaching out to them to determine whether they are interested in serving. Recommendations for someone with architectural or urban planning experience would be welcome. Our current Covenants and Restrictions limit who can be appointed as outlined below.

**Text from the Covenants & Restrictions:**

*Development Review Committee. There is hereby established a Development Review Committee for INNOVATION PARK/TALLAHASSEE which shall consist of five (5) members, one of whom shall be an architect licensed to practice in the State of Florida and one of whom shall be a representative of the Board of Trustees of the Internal Improvement Trust Fund. The Director of the Authority shall also be a member of the Committee. The members of the Committee shall be appointed by and serve at the pleasure of the Authority and any member may be removed at any time with or without cause by the Authority.*

Current DRC Members (limited to 5): *\*current members required by the Covenants & Restrictions*

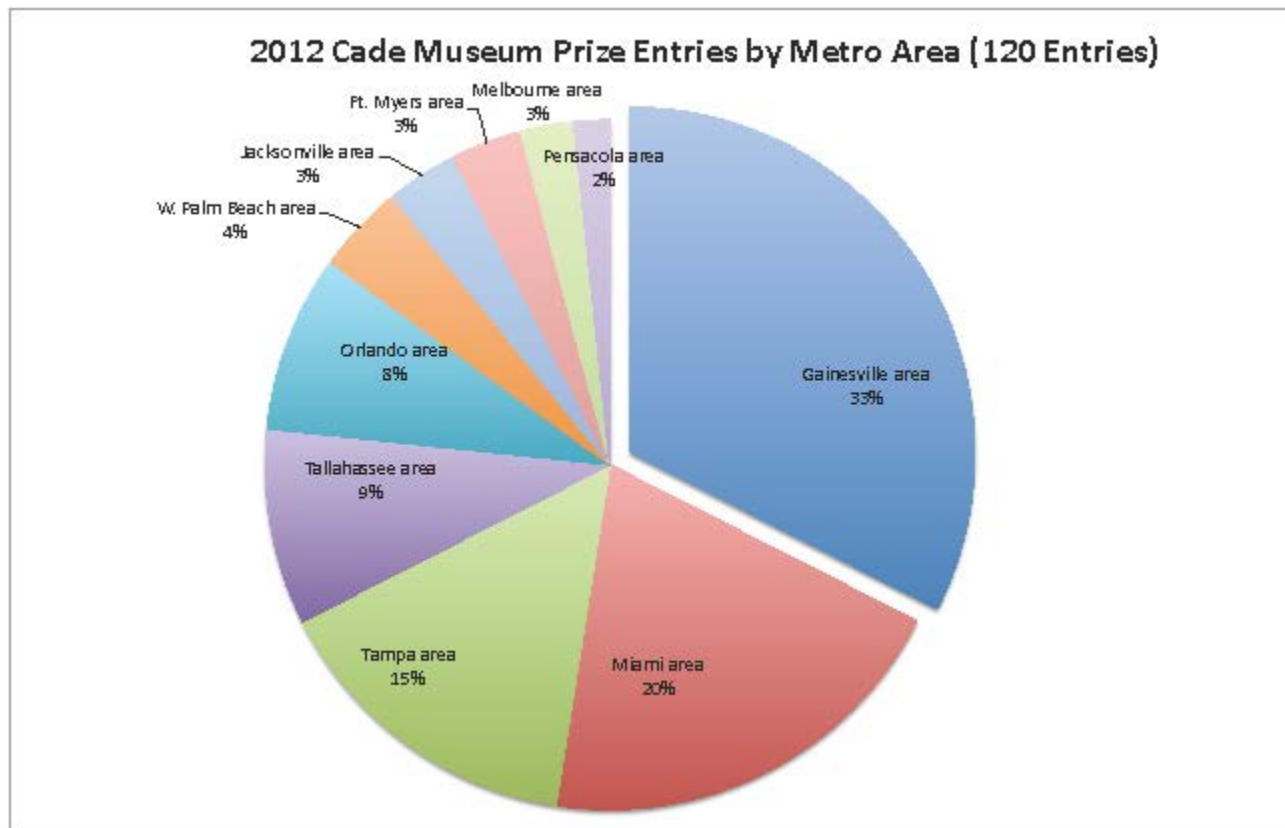
1. **\*Kim Strobel Ball** – Architect, Construction Specialist at FSU
2. **Glenn Berman** – Land Use Administrator, City of Tallahassee, Growth Management Department
3. **\*Catherine Kunst** – Authority's Executive Director
4. **\*Orlando Rivera** – Program Administrator, Mandatory Phosphate Section, DEP, representative of Board of Trustees of the Internal Improvement Trust Fund
5. **to be appointed**

**Employ Florida Banner Center for Life Sciences**

I have been invited to serve on the **Industry Advisory Council** for the Employ Florida Banner Center for Life Sciences. The [Employ Florida Banner Center for Life Sciences](#) at Palm Beach State College is Florida’s industry-driven resource for life sciences workforce education and training. The Employ Florida Banner Center for Life Sciences is a consortium of industry, workforce, and educational partners providing training and career advancement solutions for Florida’s life sciences industry including medical devices, pharmaceutical, and biotechnology. The Banner Center functions as a resource for all educational institutions, economic development organizations, and Regional Workforce Boards in the state, providing leadership in the ongoing process of developing products and services to enable Florida’s workforce increased competitiveness in the identified life sciences industry.

**Cade Museum Prize - \$50,000 for an Innovative Florida Company**

The [Cade Museum Prize](#) is an incentive competition for early-stage inventors and entrepreneurs in Florida. The primary goal of the \$50,000 Prize is to provide seed capital for projects that are moving in the direction of a product or service that has a practical application. Phoebe Cade Miles and Richard Miles, President and Vice-President of the Board of the [Cade Museum for Innovation and Invention](#), sponsor the prize and oversee the selection of the winner.



More than 120 companies from around Florida submitted applications. These were internally screened down to the top 44 companies. Along with a panel of eight other judges from around the state, I was chosen to help winnow these 44 companies to the “sweet 16” that will move forward to the next stage of the competition.

### Upcoming Events at Innovation Park

- **Research and Engineering Roundtable – February 16, 2012 11:30 a.m. to 1:00 p.m. at HPMI** – I chair this quarterly roundtable as part of the Authority’s partnership with the EDC. This Roundtable will showcase university core lab facilities available for use by companies as well as successful partnerships between business and academia. RSVP to Kara Palmer Smith: [kpalmer@taledc.com](mailto:kpalmer@taledc.com)
- **MagLab Open House – February 18, 2012 10:00 a.m. to 3:00 p.m.**
  - **What:** Magnet Lab Open House & Center for Advanced Power Systems Open House
  - **Where:** Innovation Park: MagLab, 1800 E. Paul Dirac Dr.; CAPS, 2000 Levy St.
  - **Cost:** Free (but please bring a can of food to the MagLab to donate to America’s Second Harvest of the Big Bend). Free parking is also readily available in the park.
- **ASCE Event at Innovation Park – March 22-24, 2012 (March 23 at Innovation Park)** – This Authority is a sponsor of this conference which will bring 1000 students and faculty visitors to Innovation Park.

### Meetings & Presentations:

- *North Eastern Business Association, January 10, 2012* – I gave update on the Authority and Innovation Park to NEBA at their monthly lunch meeting.
- *Enterprise Florida Stakeholder Meetings January 25 to January 27, 2012* – Attended a reception for stakeholders at the Governor’s mansion. Mr. Bishop introduced me to Andrew Corty, publisher of Florida Trend Magazine. I had a breakfast meeting with Melissa Medley, Chief Marketing Officer for Enterprise Florida, around thematic marketing strategies for all of the research parks in Florida. I participated in Task Force meetings for (1) Manufacturing, (2) Marketing, and (3) Innovation and Entrepreneurship.
- *Florida Network of Research Parks, January 25, 2012* – The Board meeting for the FNRP that was to be held on January 27, 2012 in Fort Pierce, Florida (Board approved in-state travel for 2012) occurred in Tallahassee during the Enterprise Florida Stakeholder meeting. I was elected to serve as the Secretary on the Board of this organization. As part of the annual budget discussion, the Authority had decided not to include dues for this organization this year. I am seeking Board approval to apply the saved travel dollars to the annual membership fee.
- *Entrepreneurial Excellence Program, January 31 and February 2, 2012* – Reviewed and critiqued presentations (with Kim Williams and Steve Evans) as part of the graduation of this third cohort of participants in the Entrepreneurial Excellence Program. This third cohort was the strongest yet. Several of these entrepreneurs attended the orientation meeting for the Authority’s Technology Commercialization Grant Program.

LCRDA Scholarship	Entrepreneur	Business Concept
yes	Dr. Gil Case	Wants to start a company to develop and market special laser systems to hospitals to kill bacteria that exist in the hospital facilities.
Did not apply	Keith Miles	Has a company that does multimedia production that he would like to expand and grow targeting affluent African Americans.
Did not apply	Reynolds Arrington	Has a company that has developed a system that enhances the safety of children attending k-12 schools using modern high tech systems to achieve that increase in security.

<b>LCRDA Scholarship</b>	<b>Entrepreneur</b>	<b>Business Concept</b>
Did not apply	Dr. Ray O'Neal	A FAMU Professor who wants to design and market a telescope that will determine the location and source of radiation sources.
Did not apply	Dr. John Cooperwood	A FAMU Professor who would like to take his work on cancer research and start a company who will develop and sell small molecules for cancer treatment.
Did not apply	Justin Wheelless	A local Engineering inventor who has developed a line of products that will allow you to have pressurized water for cleaning, wash-down ETC in remote locations.
yes	Dr. Jeff Whalen	An FSU Professor who would like to start a company that will develop and manufacture unique crystals that will have properties needed in the nanotech industry.
yes	Dr. Jason Robotham	An FSU Professor who has started a company that develops diagnostic kits and reagents for the detection of viral and allergenic proteins.
EDC scholarship	Troy Sultan	Won the Start-up Weekend competition and has started a company that transforms written content into audio content instantly.
Did not apply	Bonnie Johnson	A very newly minted local architect that wants to ensure her business will achieve its maximum effectiveness level.
Did not apply	Dr. Jennifer Cherrier	A FAMU Professor who wants to start a company that will assist in the mitigation of contaminant loading into the environment.
Did not apply	Larry Thompson	Has a company that is looking to work with troubled young men with the idea of reducing the societal burden for incarceration thus revitalizing communities and families.

***Items Needing Board Action***

- Move approved travel budget to membership fees for the Florida Network of Research Parks.
- Updates to Personnel Policy regarding insurance coverage for employees if any.

**LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY  
INNOVATION PARK  
Tallahassee, FL  
JANUARY - 2012 Monthly Report  
By Mark Frost, Property Manager**

**PROPERTY MAINTENANCE:**

- MORGAN/JOHNSON/SLIGER MECHANICAL ENGINEERING STUDY

Dave Myers and I met with representatives of FSU Facilities, FSU Research Foundation and H2 Engineering on January 25 and finalized the work plan to begin the Mechanical Engineering Study. Field work is to begin February 6 on the Morgan building, February 8 on Johnson and February 13 on Sliger. The final reports are scheduled to be delivered for review on Friday, April 6, 2012.

Work Plan from H2 Engineering attached as Exhibit A.

- WORK ORDERS REPORT

Eighty-Seven (87) Work Orders were recorded for the time period December 29, 2011 through January 26, 2012. Below is a breakdown by building.

MORGAN	15	PHIPPS	4	KNIGHT	1
JOHNSON	5	COLLINS	15		
SLIGER	19	CENTENNIAL	28		

Over the New Year holiday it was discovered that a roof downspout line had worked itself loose at the Centennial Building causing some interior damage to a few offices. Carpets had to be dried and some sheet rock had to be removed and replaced. This is reflective in the numbers of visits that were recorded for the time period.

**PROPERTY MANAGEMENT:**

- COMMON AREA MAINTENANCE INVOICES

As of February 2, 2012, 90% (\$98,766.53 of \$110,097.30) of the amount invoiced has been received. The outstanding balance of \$11,330.77 is owed by the FSU Research Foundation. I requested and anticipated receipt date from Adriane Tinsley and expect this balance to be clear within the next few weeks.

- **RECEIVABLES**

Center For Advancement of Learning Assessment (CALA) in the Morgan building is beyond 60 days in rent. Their current balance due is \$4070.28. We have been in contact with CALA and subsequently informed that the payment to clear the balance has been processed.

DiscovRX has vacated the Morgan building. A balance of \$1,389.26 remains on the account. Dr. Kandimalla has indicated that he intends to clear the balance but we have not to date received any payments.

There are no other delinquencies.

**OCCUPANCY REPORT:**

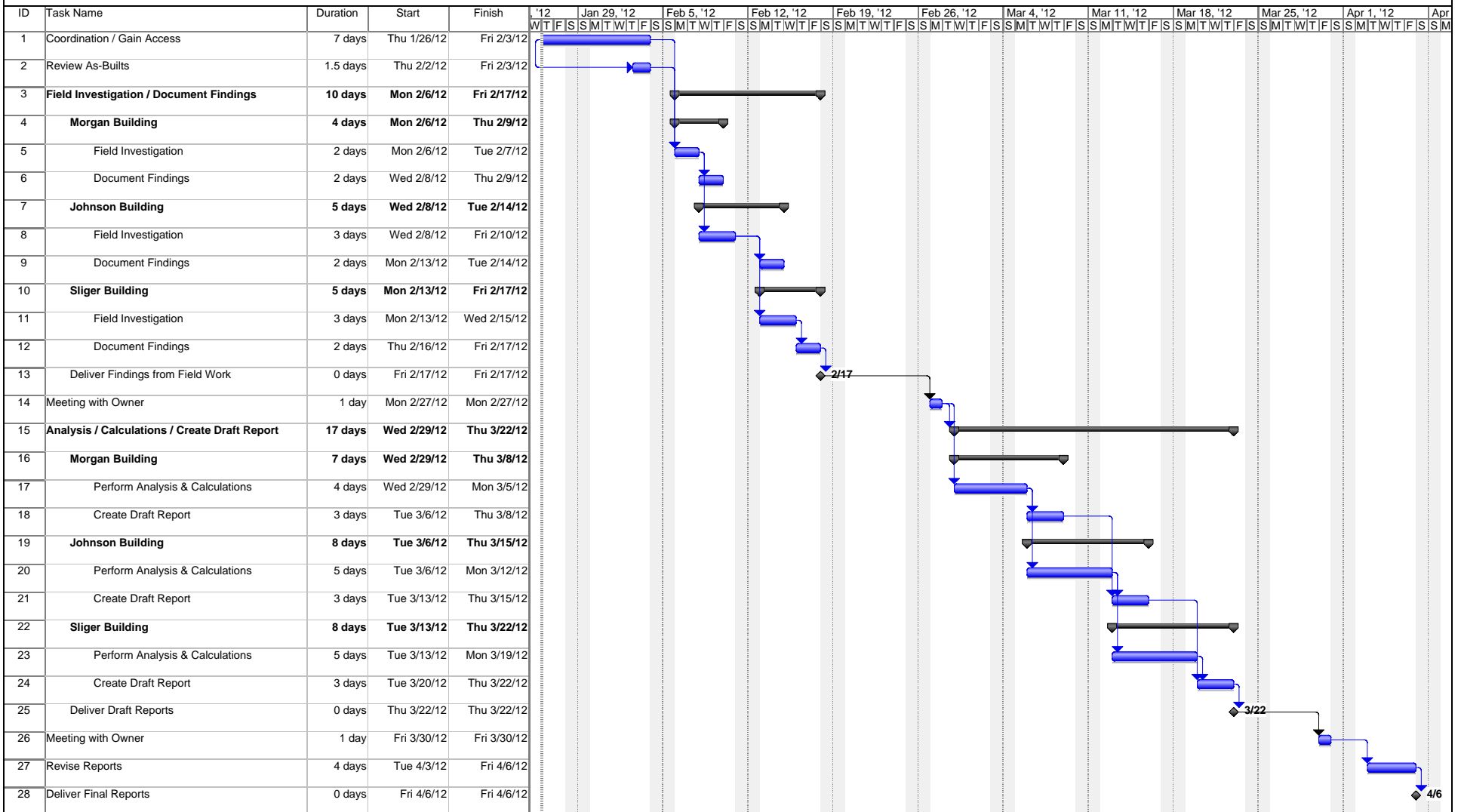
	<b>Leasable SF</b>	<b>SF Vacant as of JAN 2012</b>	<b>% Vacant as of JAN 2012</b>
Centennial	32,700	0	0.00%
Collins	24,900	0	0.00%
Johnson	39,337	0	0.00%
Knight	2,800	0	0.00%
Morgan	22,587	6,345	28.09%
Phipps	14,661	0	0.00%
Sliger	38,773	1,583	4.08%
<b>TOTAL</b>	<b>175,758</b>	<b>7,928</b>	<b>4.51%</b>

**CAPITAL IMPROVEMENTS:**

- No Capital Improvements to report at this time.

H2Engineering, Inc

FSU - Morgan, Sliger, Johnson Study  
H2E Project #: 12-05



Project: 2012-01-26 12-05 Schedule  
Date: Thu 1/26/12

Task Progress Summary External Tasks Deadline  
Split Milestone Project Summary External Milestone

Treasurer's Report  
 Leon County Research and Development Authority  
 Financial Report for the Period Ending December 31, 2011  
 February 7, 2012

1. Review of LCRDA financial statements for the period ending December 31, 2011.

The following is a summary of the more significant issues relating to financial position, financial operations, and the budget for the month ended December 31, 2011.

- A. Authority assets net of depreciation decreased by \$38,220. For the month of September, investment earnings amounted to \$5,793.
  - B. Significant change in the Balance Sheet for the month was in cash and accounts receivable. Total receivables decreased by \$14,948 and cash increased by \$22,136. For the month, total capital increase by \$13,365.
  - C. Income Statement – For the month, net income after depreciation increased by \$13,365. Operating income before depreciation was \$76,225. Year-to-date net income after depreciation is (\$18,760) and operating income before depreciation is \$170,093.
2. On January 25, 2012, the Budget Committee met with Talcor staff to discuss the preparation of a 5-year projected cash flow statement and a 5-year projected income statement. Talcor staff had been working on the statements and discussed with the Committee specific items affecting cash inflow and cash outflow. Additional work was identified to be done relating to specific elements of projected cash receipts and cash disbursements. On January 31, the Treasurer provided to the Authority Executive Director and Talcor staff a proposed format for review for the statements of projected cash flows and net income. The Committee will meet again in February with the expectation that the two above statements will be available for the March 2012 Board of Governors meeting.

3. Budget Comparison Statement.

- A. A review of budget to actual revenues and expenses shows the following:

\$254,717 Total actual operating expenses to date  
591,148 Total budgeted expenses to date  
\$336,431 Favorable expense budget variance

The bulk of the above favorable variance relates to repairs/maintenance expenses budgeted for roof repairs (\$113,071) and HVAC (\$9,965) that have not occurred to date. Also, non cam professional fees budgeted that have not been incurred (\$94,000).

I will be pleased to answer any questions you may have.

Respectfully submitted,

Sam McCall, Treasurer

Innovation Park  
Leon County Research & Development Authority  
TALLAHASSEE, FL

December  
2011

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Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Balance Sheet (With Period Change)**

Period = Dec 2011

Book = Accrual

		<b>Balance Current Period</b>	<b>Beginning Balance</b>	<b>Net Change</b>
<b>1000-0000</b>	<b>ASSETS</b>			
1100-0000	CASH			
1110-4000	Cash - Hancock Bank	291,856.70	246,228.46	45,628.24
1121-6600	Petty Cash Fund	22.50	22.50	0.00
1150-4000	Reserve Fund - Hancock	26,560.54	26,573.28	-12.74
1155-4000	Sinking Fund -Cash-Hancock	323,377.29	346,856.55	-23,479.26
1190-0000	TOTAL CASH	641,817.03	619,680.79	22,136.24
<b>1200-0000</b>	<b>RECEIVABLES</b>			
1203-0000	A/R-Tenant	35,719.65	23,813.10	11,906.55
1210-0000	Accounts Receivable	76,581.26	103,435.48	-26,854.22
1217-0000	Other Assets	1,989.00	1,989.00	0.00
<b>1299-0000</b>	<b>TOTAL RECEIVABLES</b>	<b>114,289.91</b>	<b>129,237.58</b>	<b>-14,947.67</b>
1300-1000	PROPERTY			
1305-0000	Land	635,920.58	635,920.58	0.00
1330-2100	Building and Improvements	66,875.15	66,875.15	0.00
1510-0000	Building Improvements	21,882.40	21,882.40	0.00
1590-0000	Accumulated Depreciation	-9,449,571.08	-9,398,643.61	-50,927.47
1620-0000	F/F/E- Improvements	65,330.57	65,330.57	0.00
1625-0000	HVAC	124,202.20	124,202.20	0.00
1661-0000	Admin Centre Assets	166,663.91	166,663.91	0.00
1662-0000	Research Building Assets	4,444,902.47	4,444,902.47	0.00
1663-0000	Phipps Building Assets	1,312,197.90	1,312,197.90	0.00
1664-0000	Collins Building Assets	1,501,576.26	1,501,576.26	0.00
1665-0000	Centennial Building Assets	4,970,928.39	4,970,928.39	0.00
1666-0000	Johnson Building Assets	3,560,696.77	3,560,696.77	0.00
1667-0000	Shaw Building Assets	3,882,842.42	3,882,842.42	0.00
1668-0000	Park Planning/Development	754,960.65	754,960.65	0.00
1669-0000	NE Basin Project - A	213,885.94	213,885.94	0.00
1670-0000	NE Basin Project - B	63,416.00	63,416.00	0.00
1672-0000	CIP - Project North	66,115.50	66,115.50	0.00
1733-0000	Bond Issue Costs	69,344.00	69,344.00	0.00
1753-0000	Accumulated Amortization	-20,085.00	-19,810.00	-275.00
1790-0000	TOTAL PROPERTY	12,452,085.03	12,503,287.50	-51,202.47
1840-0000	OTHER ASSETS			
1913-0000	Prepaid Insurance	17,807.01	17,807.01	0.00
1925-0000	Investments	2,123,864.94	2,118,071.69	5,793.25
1945-0000	Investments Limited as to Use	1,400,000.00	1,400,000.00	0.00
1980-0000	TOTAL OTHER ASSETS	3,541,671.95	3,535,878.70	5,793.25
<b>1990-0000</b>	<b>TOTAL ASSETS</b>	<b>16,749,863.92</b>	<b>16,788,084.57</b>	<b>-38,220.65</b>
<b>2000-0000</b>	<b>LIABILITIES and CAPITAL</b>			
2236-0000	Accounts Payable	29,717.42	44,698.40	-14,980.98
2246-0000	Prepaid Rents	12,878.38	14,794.62	-1,916.24
2249-0000	Accrued Other	6,034.00	7,253.43	-1,219.43

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Balance Sheet (With Period Change)**

Period = Dec 2011

Book = Accrual

		<b>Balance Current Period</b>	<b>Beginning Balance</b>	<b>Net Change</b>
2250-0000	Tenant Security Dep	2,511.26	2,313.09	198.17
2251-1000	Accrued Interest	3,707.00	3,707.00	0.00
2305-0000	Sales Tax Payable	1,685.52	2,975.30	-1,289.78
2308-0000	Unearned Revenue - Current	246,327.00	246,327.00	0.00
2310-0000	Bonds Payable - Current	145,756.32	145,205.76	550.56
2408-0000	Unearned Revenue - Noncurrent	738,985.60	759,512.96	-20,527.36
2410-0000	Bond Payable - Noncurrent	2,916,972.01	2,929,372.80	-12,400.79
<b>2490-0000</b>	<b>TOTAL LIABILITIES</b>	<b>4,104,574.51</b>	<b>4,156,160.36</b>	<b>-51,585.85</b>
<b>2500-0000</b>	<b>CAPITAL</b>			
2730-0000	Invested in Capital Assets-Net of Debt	9,340,097.70	9,379,174.94	-39,077.24
2740-0000	Restricted for Capital Assets	349,937.83	373,429.83	-23,492.00
2750-0000	Unrestricted	1,555,253.88	1,479,319.44	75,934.44
2760-0000	Designated Net Assets	1,400,000.00	1,400,000.00	0.00
<b>2890-0000</b>	<b>TOTAL CAPITAL</b>	<b>12,645,289.41</b>	<b>12,631,924.21</b>	<b>13,365.20</b>
<b>2990-0000</b>	<b>TOTAL LIABILITIES and CAPITAL</b>	<b>16,749,863.92</b>	<b>16,788,084.57</b>	<b>-38,220.65</b>

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Income Statement**

Period = Dec 2011

Book = Accrual

		<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>
3000-0000	INCOME				
3050-0000	INCOME - OPERATING				
3100-1000	Miscellaneous Income	12,332.99	8.52	12,436.39	2.93
3110-0000	Rent	76,624.56	52.93	229,740.76	54.08
3110-5000	Amortized Income	20,527.36	14.18	71,168.08	16.75
3114-5000	Operating Expense Reimbursemen	15,751.80	10.88	60,439.83	14.23
3115-0000	CAM	9,899.98	6.84	29,699.98	6.99
3119-0000	Management Fee Income	1,253.00	0.87	3,193.00	0.75
3120-0000	Other Rents	2,488.36	1.72	6,397.04	1.51
3220-0000	Interest Income	5,847.33	4.04	11,626.52	2.74
3315-0000	Sales Tax Discount	30.00	0.02	43.86	0.01
3540-0000	Electricity Pass Thru	21.67	0.02	65.01	0.02
<b>3990-0000</b>	<b>TOTAL REVENUE</b>	<b>144,777.05</b>	<b>100.00</b>	<b>424,810.47</b>	<b>100.00</b>
<b>4000-0000</b>	<b>OPERATING EXPENSES</b>				
4400-0000	PAYROLL EXPENSE				
4401-0000	Executive Director-Authority	10,055.79	6.95	30,167.38	7.10
4403-0000	Clerical Salary-Authority	4,248.75	2.93	12,746.25	3.00
4404-0000	Payroll Taxes - Authority	468.15	0.32	2,625.10	0.62
4406-0000	Employee Benefits-Authority	1,479.55	1.02	4,438.65	1.04
4460-0000	Employee Benefits	693.27	0.48	2,079.80	0.49
4490-0000	TOTAL PAYROLL EXPENSE	16,945.51	11.70	52,057.18	12.25
4500-0000	LEASING and ADVERTISING				
4540-0000	Advertising - Other	440.00	0.30	1,440.00	0.34
4599-0000	TOTAL LEASING and ADVERTISING	440.00	0.30	1,440.00	0.34
4600-0000	UTILITIES				
4605-0000	Electric	2,785.42	1.92	9,054.48	2.13
4607-0000	Electric - NonCam	328.83	0.23	948.69	0.22
4622-0000	Demand Credit	-35.18	-0.02	-118.76	-0.03
4635-0000	Refuse Collection	470.11	0.32	1,435.78	0.34
4637-0000	Refuse - NONCAM	8.59	0.01	25.77	0.01
4640-0000	Water/Sewer	430.76	0.30	1,351.93	0.32
4642-0000	Non CAM Water/Sewer	7.50	0.01	23.74	0.01
4648-0000	Irrigation - Utility	134.76	0.09	403.72	0.10
4649-0000	Irrigation-NonCAM	1.35	0.00	3.96	0.00
4650-0000	Stormwater	45.32	0.03	135.96	0.03
4660-0000	Fire Service - Utility	27.29	0.02	81.87	0.02
4799-0000	TOTAL UTILITIES	4,204.75	2.90	13,347.14	3.14
5116-5000	REPAIR/MAINTENANCE				
5120-0000	Electric Repairs	994.00	0.69	1,317.46	0.31
5125-0000	Electric Supplies	22.68	0.02	22.68	0.01
5130-0000	Electric Bulbs	82.50	0.06	115.67	0.03
5145-0000	Elevator Phone Maintenance	0.00	0.00	639.81	0.15
5160-0000	Exterior Building Maintenance	488.03	0.34	1,677.03	0.39
5161-0000	Exterior Building Supplies	0.00	0.00	26.13	0.01
5162-0000	Non CAM Exterior Bldg Maint.	1.80	0.00	1.80	0.00
5180-0000	HVAC Repair	2,329.20	1.61	8,286.66	1.95
5182-0000	Non CAM HVAC Repair	0.00	0.00	11.40	0.00
5192-0000	Landscaping Expense	0.00	0.00	11,213.00	2.64
5210-0000	Locks & Keys Repairs	10.50	0.01	144.78	0.03
5215-0000	Locks & Keys Supplies	0.00	0.00	58.93	0.01
5230-0000	Plumbing Repairs	0.00	0.00	339.04	0.08
5250-0000	Roof Repairs	225.00	0.16	225.00	0.05
5260-0000	Signage	0.00	0.00	299.94	0.07
5299-0000	TOTAL REPAIR/MAINTENANCE	4,153.71	2.87	24,379.33	5.74

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Income Statement**

Period = Dec 2011

Book = Accrual

	<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>	
5300-0000	<b>CLEANING AND IMPROVEMENTS</b>				
5310-0000	Carpet Cleaning	0.00	0.00	600.00	0.14
5365-0000	Interior Supplies	7.11	0.00	7.11	0.00
5370-0000	Interior Repairs	0.00	0.00	1,881.11	0.44
5375-0000	Non CAM Interior Repairs	0.00	0.00	49.50	0.01
5399-0000	TOTAL CLEANING AND IMPROV	7.11	0.00	2,537.72	0.60
5400-0000	<b>SERVICES</b>				
5410-0000	Elevator Service	162.57	0.11	487.72	0.11
5412-0000	Elevator Service-NonCAM	2.43	0.00	7.28	0.00
5420-0000	Fire Protection System	488.00	0.34	2,653.20	0.62
5430-0000	Exterminating	315.28	0.22	947.32	0.22
5433-0000	Non CAM Exterminating	3.03	0.00	9.09	0.00
5447-0000	HVAC Monthly Service	0.00	0.00	4,371.30	1.03
5448-0000	Non CAM HVAC Monthly Maint	0.00	0.00	20.70	0.00
5450-0000	Janitorial Service	8,289.94	5.73	24,869.82	5.85
5455-0000	Non CAM Janitorial	132.96	0.09	398.88	0.09
5460-0000	Landscaping Service	2,070.14	1.43	11,698.77	2.75
5462-0000	Non CAM Landscaping	776.86	0.54	2,384.23	0.56
5482-0000	Non CAM Security	0.00	0.00	120.00	0.03
5499-0000	TOTAL SERVICES	12,241.21	8.46	47,968.31	11.29
5500-0000	<b>PROPERTY ADMINISTRATION</b>				
5510-0000	Accounting	8,000.00	5.53	23,000.00	5.41
5520-0000	Phone Service	214.76	0.15	720.70	0.17
5522-0000	Internet Charge	70.55	0.05	211.23	0.05
5523-0000	Internet Charge-NonCAM	0.00	0.00	990.00	0.23
5525-0000	Bank Charges	15.00	0.01	279.62	0.07
5530-0000	Copies	31.76	0.02	414.04	0.10
5555-0000	Late Fees	0.00	0.00	17.00	0.00
5560-0000	Fees/Licenses/Permits	2.50	0.00	-142.50	-0.03
5563-0000	Miscellaneous Admin Expense	0.00	0.00	146.08	0.03
5565-0000	Office Supplies	206.20	0.14	519.73	0.12
5566-0000	Office Equipment Maintenance	0.00	0.00	299.99	0.07
5567-0000	Office Equip Mtnc-NonCAM	34.53	0.02	79.44	0.02
5575-0000	Professional Fees	6,328.33	4.37	19,698.23	4.64
5585-0000	Subscriptions	0.00	0.00	465.00	0.11
5587-0000	General Authority Expense	0.00	0.00	34.88	0.01
5588-0000	Economic Development	0.00	0.00	12,500.00	2.94
5596-0000	Other Administration Costs	40.92	0.03	650.66	0.15
5599-0000	TOTAL PROPERTY ADMINISTRATION	14,944.55	10.32	59,884.10	14.10
6110-0000	Management Fees TALCOR	5,437.63	3.76	16,312.88	3.84
6111-0000	Management Fees-NonCAM	3,312.37	2.29	9,937.12	2.34
6159-0000	TOTAL OTHER EXPENSES	8,750.00	6.04	26,250.00	6.18
7110-0000	Property Insurance	6,045.69	4.18	18,440.59	4.34
7111-0000	Property Insurance-NonCAM	819.07	0.57	3,086.82	0.73
7117-0000	Other Insurance	0.00	0.00	5,326.00	1.25
7199-0000	TOTAL INSURANCE/TAXES	6,864.76	4.74	26,853.41	6.32
7800-0000	TOTAL OPERATING EXPENSE	68,551.60	47.35	254,717.19	59.96
7999-0000	NET INCOME - OPERATING	76,225.45	52.65	170,093.28	40.04
8100-0000	<b>DEBT SERVICE</b>				
8122-0000	Bond Interest Expense	11,657.78	8.05	35,107.45	8.26
8199-0000	TOTAL DEBT SERVICE	11,657.78	8.05	35,107.45	8.26
8200-0000	<b>OTHER EXPENSES</b>				

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Income Statement**

Period = Dec 2011

Book = Accrual

		<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>
8205-0000	Bad Debt Expense	0.00	0.00	138.89	0.03
8210-0000	Depreciation Expense	50,927.47	35.18	152,782.41	35.96
8220-0000	Amortization Expense	275.00	0.19	825.00	0.19
8299-0000	TOTAL OTHER EXPENSES	51,202.47	35.37	153,746.30	36.19
<b>9900-0000</b>	<b>NET INCOME</b>	<b>13,365.20</b>	<b>9.23</b>	<b>-18,760.47</b>	<b>-4.42</b>

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Budget Comparison**

Period = Dec 2011

Book = Accrual

		<b>PTD Actual</b>	<b>PTD Budget</b>	<b>Variance</b>	<b>% Var</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>% Var</b>	<b>Annual</b>
3000-0000	INCOME									
3050-0000	INCOME - OPERATING									
3100-1000	Miscellaneous Income	12,332.99	0.00	12,332.99	N/A	12,436.39	0.00	12,436.39	N/A	0.00
3110-0000	Rent	76,624.56	75,457.00	1,167.56	1.55	229,740.76	240,656.00	-10,915.24	-4.54	935,701.00
3110-5000	Amortized Income	20,527.36	20,527.33	0.03	0.00	71,168.08	80,757.99	-9,589.91	-11.87	265,504.00
3114-5000	Operating Expense Reimbursement	15,751.80	125,553.00	-109,801.20	-87.45	60,439.83	186,626.00	-126,186.17	-67.61	478,897.00
3115-0000	CAM	9,899.98	9,644.75	255.23	2.65	29,699.98	28,934.25	765.73	2.65	115,737.00
3119-0000	Management Fee Income	1,253.00	1,116.00	137.00	12.28	3,193.00	3,202.00	-9.00	-0.28	13,246.00
3120-0000	Other Rents	2,488.36	2,013.00	475.36	23.61	6,397.04	6,039.00	358.04	5.93	24,120.00
3220-0000	Interest Income	5,847.33	4,100.00	1,747.33	42.62	11,626.52	12,300.00	-673.48	-5.48	49,200.00
3315-0000	Sales Tax Discount	30.00	0.00	30.00	N/A	43.86	0.00	43.86	N/A	0.00
3540-0000	Electricity Pass Thru	21.67	0.00	21.67	N/A	65.01	0.00	65.01	N/A	0.00
<b>3990-0000</b>	<b>TOTAL REVENUE</b>	<b>144,777.05</b>	<b>238,411.08</b>	<b>-93,634.03</b>	<b>-39.27</b>	<b>424,810.47</b>	<b>558,515.24</b>	<b>-133,704.77</b>	<b>-23.94</b>	<b>1,882,405.00</b>
<b>4000-0000</b>	<b>OPERATING EXPENSES</b>									
4400-0000	PAYROLL EXPENSE									
4401-0000	Executive Director-Authority	10,055.79	9,870.83	-184.96	-1.87	30,167.38	59,225.49	29,058.11	49.06	148,063.00
4403-0000	Clerical Salary-Authority	4,248.75	4,376.00	127.25	2.91	12,746.25	13,128.00	381.75	2.91	52,512.00
4404-0000	Payroll Taxes - Authority	468.15	1,040.00	571.85	54.99	2,625.10	5,282.00	2,656.90	50.30	14,742.00
4405-0000	Worker's Compensation-Authority	0.00	212.00	212.00	100.00	0.00	636.00	636.00	100.00	2,544.00
4406-0000	Employee Benefits-Authority	1,479.55	2,338.00	858.45	36.72	4,438.65	7,014.00	2,575.35	36.72	28,056.00
4460-0000	Employee Benefits	693.27	0.00	-693.27	N/A	2,079.80	0.00	-2,079.80	N/A	0.00
4490-0000	TOTAL PAYROLL EXPENSE	16,945.51	17,836.83	891.32	5.00	52,057.18	85,285.49	33,228.31	38.96	245,917.00
4500-0000	LEASING and ADVERTISING									
4540-0000	Advertising - Other	440.00	0.00	-440.00	N/A	1,440.00	0.00	-1,440.00	N/A	0.00
4599-0000	TOTAL LEASING and ADVERTISING	440.00	0.00	-440.00	N/A	1,440.00	0.00	-1,440.00	N/A	0.00
4600-0000	UTILITIES									
4605-0000	Electric	2,785.42	3,096.00	310.58	10.03	9,054.48	11,575.00	2,520.52	21.78	45,636.00
4607-0000	Electric - NonCam	328.83	310.00	-18.83	-6.07	948.69	970.00	21.31	2.20	5,194.00
4622-0000	Demand Credit	-35.18	0.00	35.18	N/A	-118.76	0.00	118.76	N/A	0.00
4635-0000	Refuse Collection	470.11	458.00	-12.11	-2.64	1,435.78	1,374.00	-61.78	-4.50	5,496.00
4637-0000	Refuse - NONCAM	8.59	8.00	-0.59	-7.38	25.77	24.00	-1.77	-7.38	96.00
4640-0000	Water/Sewer	430.76	428.00	-2.76	-0.64	1,351.93	1,296.00	-55.93	-4.32	5,299.00
4642-0000	Non CAM Water/Sewer	7.50	6.00	-1.50	-25.00	23.74	20.00	-3.74	-18.70	80.00
4648-0000	Irrigation - Utility	134.76	113.00	-21.76	-19.26	403.72	342.00	-61.72	-18.05	1,491.00
4649-0000	Irrigation-NonCAM	1.35	1.00	-0.35	-35.00	3.96	3.00	-0.96	-32.00	13.00
4650-0000	Stormwater	45.32	46.00	0.68	1.48	135.96	138.00	2.04	1.48	552.00
4660-0000	Fire Service - Utility	27.29	28.00	0.71	2.54	81.87	84.00	2.13	2.54	336.00
4799-0000	TOTAL UTILITIES	4,204.75	4,494.00	289.25	6.44	13,347.14	15,826.00	2,478.86	15.66	64,193.00
5116-5000	REPAIR/MAINTENANCE									
5120-0000	Electric Repairs	994.00	1,400.00	406.00	29.00	1,317.46	9,862.00	8,544.54	86.64	18,258.00
5122-0000	NONCAM Electrical Repairs	0.00	0.00	0.00	N/A	0.00	45.00	45.00	100.00	164.00
5125-0000	Electric Supplies	22.68	400.00	377.32	94.33	22.68	2,272.00	2,249.32	99.00	5,940.00
5127-0000	NONCAM Electric Supplies	0.00	0.00	0.00	N/A	0.00	20.00	20.00	100.00	68.00
5130-0000	Electric Bulbs	82.50	0.00	-82.50	N/A	115.67	0.00	-115.67	N/A	0.00

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Budget Comparison**

Period = Dec 2011

Book = Accrual

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
5140-0000	Elevator Maintenance	0.00	0.00	0.00	N/A	0.00	315.00	315.00	100.00	985.00
5141-0000	Elevator Maintenance-NonCAM	0.00	0.00	0.00	N/A	0.00	15.00	15.00	100.00	15.00
5145-0000	Elevator Phone Maintenance	0.00	53.00	53.00	100.00	639.81	159.00	-480.81	-302.40	636.00
5145-2210	Security Monitor Cont	0.00	0.00	0.00	N/A	0.00	415.00	415.00	100.00	1,673.00
5145-2310	Security Monitro Cont-NonCAM	0.00	0.00	0.00	N/A	0.00	120.00	120.00	100.00	492.00
5160-0000	Exterior Building Maintenance	488.03	1,260.00	771.97	61.27	1,677.03	4,923.00	3,245.97	65.93	30,342.00
5161-0000	Exterior Building Supplies	0.00	0.00	0.00	N/A	26.13	2,425.00	2,398.87	98.92	5,440.00
5161-5000	Ext Building Supplies-NonCAM	0.00	0.00	0.00	N/A	0.00	20.00	20.00	100.00	60.00
5162-0000	Non CAM Exterior Bldg Maint.	1.80	5.00	3.20	64.00	1.80	115.00	113.20	98.43	382.00
5170-0000	Fire Extinguisher Maintenance	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	990.00
5180-0000	HVAC Repair	2,329.20	8,574.00	6,244.80	72.83	8,286.66	18,252.00	9,965.34	54.60	89,582.00
5182-0000	Non CAM HVAC Repair	0.00	0.00	0.00	N/A	11.40	400.00	388.60	97.15	1,102.00
5192-0000	Landscaping Expense	0.00	0.00	0.00	N/A	11,213.00	13,199.00	1,986.00	15.05	14,199.00
5193-0000	Landscaping Expense-NonCAM	0.00	0.00	0.00	N/A	0.00	11.00	11.00	100.00	11.00
5195-0000	Tree Trimming	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	7,987.00
5196-0000	Tree Trimming-NonCAM	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	63.00
5197-0000	Holding Pond Maintenance	0.00	0.00	0.00	N/A	0.00	1,500.00	1,500.00	100.00	2,000.00
5210-0000	Locks & Keys Repairs	10.50	50.00	39.50	79.00	144.78	400.00	255.22	63.80	1,810.00
5212-0000	Non CAM Locks & Keys Repairs	0.00	0.00	0.00	N/A	0.00	25.00	25.00	100.00	75.00
5215-0000	Locks & Keys Supplies	0.00	0.00	0.00	N/A	58.93	0.00	-58.93	N/A	0.00
5220-0000	Parking Lot Repairs	0.00	2,000.00	2,000.00	100.00	0.00	2,000.00	2,000.00	100.00	29,656.00
5221-0000	Parking Lot Repairs-NonCAM	0.00	16.00	16.00	100.00	0.00	16.00	16.00	100.00	316.00
5227-0000	Fence Repairs	0.00	0.00	0.00	N/A	0.00	125.00	125.00	100.00	3,647.00
5230-0000	Plumbing Repairs	0.00	435.00	435.00	100.00	339.04	2,694.00	2,354.96	87.42	8,039.00
5232-0000	Non CAM Plumbing Repairs	0.00	0.00	0.00	N/A	0.00	30.00	30.00	100.00	105.00
5235-0000	Plumbing Supplies	0.00	0.00	0.00	N/A	0.00	1,045.00	1,045.00	100.00	2,420.00
5237-0000	Non CAM Plumbing Supplies	0.00	0.00	0.00	N/A	0.00	10.00	10.00	100.00	30.00
5240-0000	Backflow Maintenance	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	621.00
5242-0000	Backflow Maintenance-NonCAM	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	5.00
5245-0000	Irrigation Repairs	0.00	200.00	200.00	100.00	0.00	300.00	300.00	100.00	1,491.00
5245-5000	Irrigation Repairs-NonCAM	0.00	9.00	9.00	100.00	0.00	9.00	9.00	100.00	9.00
5250-0000	Roof Repairs	225.00	108,996.00	108,771.00	99.79	225.00	113,296.00	113,071.00	99.80	138,393.00
5252-0000	Non CAM Roof Repairs	0.00	810.00	810.00	100.00	0.00	874.00	874.00	100.00	973.00
5260-0000	Signage	0.00	0.00	0.00	N/A	299.94	2,656.00	2,356.06	88.71	3,756.00
5261-0000	Non-CAM Signage	0.00	0.00	0.00	N/A	0.00	144.00	144.00	100.00	144.00
5290-0000	Other Maintenance	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	1,500.00
5299-0000	TOTAL REPAIR/MAINTENANCE	4,153.71	124,208.00	120,054.29	96.66	24,379.33	177,692.00	153,312.67	86.28	373,379.00
5300-0000	CLEANING AND IMPROVEMENTS									
5310-0000	Carpet Cleaning	0.00	0.00	0.00	N/A	600.00	0.00	-600.00	N/A	25,311.00
5312-0000	Non CAM Carpet Cleaning	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	316.00
5313-0000	Carpet Repairs	0.00	400.00	400.00	100.00	0.00	2,633.00	2,633.00	100.00	5,417.00
5314-0000	Carpet Repairs-NonCAM	0.00	0.00	0.00	N/A	0.00	35.00	35.00	100.00	70.00
5315-0000	Mini Blinds	0.00	550.00	550.00	100.00	0.00	1,601.00	1,601.00	100.00	3,519.00
5315-5000	Mini Blinds-NonCAM	0.00	24.00	24.00	100.00	0.00	24.00	24.00	100.00	47.00
5340-0000	Painting	0.00	2,500.00	2,500.00	100.00	0.00	5,200.00	5,200.00	100.00	13,640.00
5342-0000	Non CAM Painting	0.00	83.00	83.00	100.00	0.00	83.00	83.00	100.00	163.00
5365-0000	Interior Supplies	7.11	0.00	-7.11	N/A	7.11	7,400.00	7,392.89	99.90	7,400.00
5367-0000	Non CAM Interior Supplies	0.00	0.00	0.00	N/A	0.00	100.00	100.00	100.00	100.00

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Budget Comparison**

Period = Dec 2011

Book = Accrual

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
5370-0000	Interior Repairs	0.00	250.00	250.00	100.00	1,881.11	2,726.00	844.89	30.99	9,528.00
5375-0000	Non CAM Interior Repairs	0.00	0.00	0.00	N/A	49.50	66.00	16.50	25.00	116.00
5399-0000	TOTAL CLEANING AND IMPROVE	7.11	3,807.00	3,799.89	99.81	2,537.72	19,868.00	17,330.28	87.23	65,627.00
5400-0000	SERVICES									
5410-0000	Elevator Service	162.57	163.00	0.43	0.26	487.72	489.00	1.28	0.26	2,012.00
5412-0000	Elevator Service-NonCAM	2.43	3.00	0.57	19.00	7.28	9.00	1.72	19.11	36.00
5420-0000	Fire Protection System	488.00	0.00	-488.00	N/A	2,653.20	1,805.00	-848.20	-46.99	10,768.00
5430-0000	Exterminating	315.28	331.00	15.72	4.75	947.32	1,259.00	311.68	24.76	11,525.00
5433-0000	Non CAM Exterminating	3.03	4.00	0.97	24.25	9.09	12.00	2.91	24.25	90.00
5445-0000	Backflow Prevention Service	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	208.00
5445-5000	Backflow Prevention Svc-NonCAM	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	37.00
5447-0000	HVAC Monthly Service	0.00	0.00	0.00	N/A	4,371.30	4,371.00	-0.30	-0.01	17,659.00
5448-0000	Non CAM HVAC Monthly Maint	0.00	0.00	0.00	N/A	20.70	21.00	0.30	1.43	85.00
5450-0000	Janitorial Service	8,289.94	8,171.00	-118.94	-1.46	24,869.82	24,513.00	-356.82	-1.46	98,298.00
5455-0000	Non CAM Janitorial	132.96	133.00	0.04	0.03	398.88	399.00	0.12	0.03	1,600.00
5460-0000	Landscaping Service	2,070.14	1,807.00	-263.14	-14.56	11,698.77	10,589.00	-1,109.77	-10.48	43,545.00
5462-0000	Non CAM Landscaping	776.86	698.00	-78.86	-11.30	2,384.23	2,835.00	450.77	15.90	14,310.00
5475-0000	Holding Pond Service	0.00	80.00	80.00	100.00	0.00	320.00	320.00	100.00	1,630.00
5482-0000	Non CAM Security	0.00	0.00	0.00	N/A	120.00	0.00	-120.00	N/A	0.00
5487-0000	Window Washing Service	0.00	0.00	0.00	N/A	0.00	300.00	300.00	100.00	13,903.00
5488-0000	Window Washing Svc-NonCAM	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	172.00
5499-0000	TOTAL SERVICES	12,241.21	11,390.00	-851.21	-7.47	47,968.31	46,922.00	-1,046.31	-2.23	215,878.00
5500-0000	PROPERTY ADMINISTRATION									
5510-0000	Accounting	8,000.00	0.00	-8,000.00	N/A	23,000.00	23,000.00	0.00	0.00	23,000.00
5520-0000	Phone Service	214.76	343.00	128.24	37.39	720.70	1,029.00	308.30	29.96	4,116.00
5521-0000	Phone Service-NonCAM	0.00	2.00	2.00	100.00	0.00	6.00	6.00	100.00	24.00
5522-0000	Internet Charge	70.55	0.00	-70.55	N/A	211.23	0.00	-211.23	N/A	0.00
5523-0000	Internet Charge-NonCAM	0.00	495.00	495.00	100.00	990.00	1,485.00	495.00	33.33	5,940.00
5525-0000	Bank Charges	15.00	65.00	50.00	76.92	279.62	195.00	-84.62	-43.39	780.00
5530-0000	Copies	31.76	225.00	193.24	85.88	414.04	675.00	260.96	38.66	2,700.00
5555-0000	Late Fees	0.00	0.00	0.00	N/A	17.00	0.00	-17.00	N/A	0.00
5560-0000	Fees/Licenses/Permits	2.50	0.00	-2.50	N/A	-142.50	0.00	142.50	N/A	500.00
5563-0000	Miscellaneous Admin Expense	0.00	0.00	0.00	N/A	146.08	0.00	-146.08	N/A	0.00
5565-0000	Office Supplies	206.20	167.00	-39.20	-23.47	519.73	501.00	-18.73	-3.74	2,004.00
5566-0000	Office Equipment Maintenance	0.00	0.00	0.00	N/A	299.99	250.00	-49.99	-20.00	650.00
5567-0000	Office Equip Mtnce-NonCAM	34.53	50.00	15.47	30.94	79.44	150.00	70.56	47.04	600.00
5570-0000	Postage/Delivery	0.00	42.00	42.00	100.00	0.00	126.00	126.00	100.00	504.00
5575-0000	Professional Fees	6,328.33	39,750.00	33,421.67	84.08	19,698.23	45,750.00	26,051.77	56.94	72,750.00
5580-0100	Printing	0.00	0.00	0.00	N/A	0.00	225.00	225.00	100.00	900.00
5583-0000	Sonitrol Cards	0.00	0.00	0.00	N/A	0.00	418.00	418.00	100.00	1,682.00
5585-0000	Subscriptions	0.00	160.00	160.00	100.00	465.00	480.00	15.00	3.12	1,920.00
5586-0000	Marketing/PR	0.00	0.00	0.00	N/A	0.00	5,000.00	5,000.00	100.00	20,000.00
5587-0000	General Authority Expense	0.00	510.00	510.00	100.00	34.88	1,535.00	1,500.12	97.73	6,125.00
5588-0000	Economic Development	0.00	0.00	0.00	N/A	12,500.00	11,696.00	-804.00	-6.87	46,784.00
5589-0000	Research Grants	0.00	0.00	0.00	N/A	0.00	7,500.00	7,500.00	100.00	30,000.00
5592-0000	Non CAM Professional Fees	0.00	3,750.00	3,750.00	100.00	0.00	94,750.00	94,750.00	100.00	131,750.00
5594-0000	Travel	0.00	0.00	0.00	N/A	0.00	3,375.00	3,375.00	100.00	13,500.00

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Budget Comparison**

Period = Dec 2011

Book = Accrual

		<b>PTD Actual</b>	<b>PTD Budget</b>	<b>Variance</b>	<b>% Var</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>% Var</b>	<b>Annual</b>
5596-0000	Other Administration Costs	40.92	458.00	417.08	91.07	650.66	1,374.00	723.34	52.64	5,496.00
5599-0000	TOTAL PROPERTY ADMINISTRATION	14,944.55	46,017.00	31,072.45	67.52	59,884.10	199,520.00	139,635.90	69.99	371,725.00
6110-0000	Management Fees TALCOR	5,437.63	5,438.00	0.37	0.01	16,312.88	16,314.00	1.12	0.01	65,256.00
6111-0000	Management Fees-NonCAM	3,312.37	3,312.00	-0.37	-0.01	9,937.12	9,936.00	-1.12	-0.01	39,744.00
6159-0000	TOTAL OTHER EXPENSES	8,750.00	8,750.00	0.00	0.00	26,250.00	26,250.00	0.00	0.00	105,000.00
7110-0000	Property Insurance	6,045.69	6,460.00	414.31	6.41	18,440.59	19,380.00	939.41	4.85	77,520.00
7111-0000	Property Insurance-NonCAM	819.07	135.00	-684.07	-506.72	3,086.82	405.00	-2,681.82	-662.18	1,620.00
7117-0000	Other Insurance	0.00	0.00	0.00	N/A	5,326.00	0.00	-5,326.00	N/A	0.00
7199-0000	TOTAL INSURANCE/TAXES	6,864.76	6,595.00	-269.76	-4.09	26,853.41	19,785.00	-7,068.41	-35.73	79,140.00
7800-0000	TOTAL OPERATING EXPENSES	68,551.60	223,097.83	154,546.23	69.27	254,717.19	591,148.49	336,431.30	56.91	1,520,859.00
7999-0000	NET INCOME - OPERATING	76,225.45	15,313.25	60,912.20	397.77	170,093.28	-32,633.25	202,726.53	621.23	361,546.00
8100-0000	DEBT SERVICE									
8122-0000	Bond Interest Expense	11,657.78	11,658.00	0.22	0.00	35,107.45	35,108.00	0.55	0.00	137,986.00
8199-0000	TOTAL DEBT SERVICE	11,657.78	11,658.00	0.22	0.00	35,107.45	35,108.00	0.55	0.00	137,986.00
8200-0000	OTHER EXPENSES									
8205-0000	Bad Debt Expense	0.00	0.00	0.00	N/A	138.89	0.00	-138.89	N/A	0.00
8210-0000	Depreciation Expense	50,927.47	51,534.09	606.62	1.18	152,782.41	154,602.27	1,819.86	1.18	618,409.00
8220-0000	Amortization Expense	275.00	275.00	0.00	0.00	825.00	825.00	0.00	0.00	3,300.00
8299-0000	TOTAL OTHER EXPENSES	51,202.47	51,809.09	606.62	1.17	153,746.30	155,427.27	1,680.97	1.08	621,709.00
<b>9900-0000</b>	<b>NET INCOME</b>	<b>13,365.20</b>	<b>-48,153.84</b>	<b>61,519.04</b>	<b>127.76</b>	<b>-18,760.47</b>	<b>-223,168.52</b>	<b>204,408.05</b>	<b>91.59</b>	<b>-398,149.00</b>

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Cash Flow Statement**

Period = Dec 2011

Book = Accrual

		<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>
3000-0000	INCOME				
3050-0000	INCOME - OPERATING				
3100-1000	Miscellaneous Income	12,332.99	8.52	12,436.39	2.93
3110-0000	Rent	76,624.56	52.93	229,740.76	54.08
3110-5000	Amortized Income	20,527.36	14.18	71,168.08	16.75
3114-5000	Operating Expense Reimbursemen	15,751.80	10.88	60,439.83	14.23
3115-0000	CAM	9,899.98	6.84	29,699.98	6.99
3119-0000	Management Fee Income	1,253.00	0.87	3,193.00	0.75
3120-0000	Other Rents	2,488.36	1.72	6,397.04	1.51
3220-0000	Interest Income	5,847.33	4.04	11,626.52	2.74
3315-0000	Sales Tax Discount	30.00	0.02	43.86	0.01
3540-0000	Electricity Pass Thru	21.67	0.02	65.01	0.02
<b>3990-0000</b>	<b>TOTAL REVENUE</b>	<b>144,777.05</b>	<b>100.00</b>	<b>424,810.47</b>	<b>100.00</b>
<b>4000-0000</b>	<b>OPERATING EXPENSES</b>				
4400-0000	PAYROLL EXPENSE				
4401-0000	Executive Director-Authority	10,055.79	6.95	30,167.38	7.10
4403-0000	Clerical Salary-Authority	4,248.75	2.93	12,746.25	3.00
4404-0000	Payroll Taxes - Authority	468.15	0.32	2,625.10	0.62
4406-0000	Employee Benefits-Authority	1,479.55	1.02	4,438.65	1.04
4460-0000	Employee Benefits	693.27	0.48	2,079.80	0.49
4490-0000	TOTAL PAYROLL EXPENSE	16,945.51	11.70	52,057.18	12.25
4500-0000	LEASING and ADVERTISING				
4540-0000	Advertising - Other	440.00	0.30	1,440.00	0.34
4599-0000	TOTAL LEASING and ADVERTISING	440.00	0.30	1,440.00	0.34
4600-0000	UTILITIES				
4605-0000	Electric	2,785.42	1.92	9,054.48	2.13
4607-0000	Electric - NonCam	328.83	0.23	948.69	0.22
4622-0000	Demand Credit	-35.18	-0.02	-118.76	-0.03
4635-0000	Refuse Collection	470.11	0.32	1,435.78	0.34
4637-0000	Refuse - NONCAM	8.59	0.01	25.77	0.01
4640-0000	Water/Sewer	430.76	0.30	1,351.93	0.32
4642-0000	Non CAM Water/Sewer	7.50	0.01	23.74	0.01
4648-0000	Irrigation - Utility	134.76	0.09	403.72	0.10
4649-0000	Irrigation-NonCAM	1.35	0.00	3.96	0.00
4650-0000	Stormwater	45.32	0.03	135.96	0.03
4660-0000	Fire Service - Utility	27.29	0.02	81.87	0.02
4799-0000	TOTAL UTILITIES	4,204.75	2.90	13,347.14	3.14
5116-5000	REPAIR/MAINTENANCE				
5120-0000	Electric Repairs	994.00	0.69	1,317.46	0.31
5125-0000	Electric Supplies	22.68	0.02	22.68	0.01
5130-0000	Electric Bulbs	82.50	0.06	115.67	0.03
5145-0000	Elevator Phone Maintenance	0.00	0.00	639.81	0.15
5160-0000	Exterior Building Maintenance	488.03	0.34	1,677.03	0.39
5161-0000	Exterior Building Supplies	0.00	0.00	26.13	0.01
5162-0000	Non CAM Exterior Bldg Maint.	1.80	0.00	1.80	0.00
5180-0000	HVAC Repair	2,329.20	1.61	8,286.66	1.95
5182-0000	Non CAM HVAC Repair	0.00	0.00	11.40	0.00
5192-0000	Landscaping Expense	0.00	0.00	11,213.00	2.64
5210-0000	Locks & Keys Repairs	10.50	0.01	144.78	0.03
5215-0000	Locks & Keys Supplies	0.00	0.00	58.93	0.01
5230-0000	Plumbing Repairs	0.00	0.00	339.04	0.08
5250-0000	Roof Repairs	225.00	0.16	225.00	0.05
5260-0000	Signage	0.00	0.00	299.94	0.07
5299-0000	TOTAL REPAIR/MAINTENANCE	4,153.71	2.87	24,379.33	5.74

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Cash Flow Statement**

Period = Dec 2011

Book = Accrual

		Period to Date	%	Year to Date	%
5300-0000	CLEANING AND IMPROVEMENTS				
5310-0000	Carpet Cleaning	0.00	0.00	600.00	0.14
5365-0000	Interior Supplies	7.11	0.00	7.11	0.00
5370-0000	Interior Repairs	0.00	0.00	1,881.11	0.44
5375-0000	Non CAM Interior Repairs	0.00	0.00	49.50	0.01
5399-0000	TOTAL CLEANING AND IMPROVI	7.11	0.00	2,537.72	0.60
5400-0000	SERVICES				
5410-0000	Elevator Service	162.57	0.11	487.72	0.11
5412-0000	Elevator Service-NonCAM	2.43	0.00	7.28	0.00
5420-0000	Fire Protection System	488.00	0.34	2,653.20	0.62
5430-0000	Exterminating	315.28	0.22	947.32	0.22
5433-0000	Non CAM Exterminating	3.03	0.00	9.09	0.00
5447-0000	HVAC Monthly Service	0.00	0.00	4,371.30	1.03
5448-0000	Non CAM HVAC Monthly Maint	0.00	0.00	20.70	0.00
5450-0000	Janitorial Service	8,289.94	5.73	24,869.82	5.85
5455-0000	Non CAM Janitorial	132.96	0.09	398.88	0.09
5460-0000	Landscaping Service	2,070.14	1.43	11,698.77	2.75
5462-0000	Non CAM Landscaping	776.86	0.54	2,384.23	0.56
5482-0000	Non CAM Security	0.00	0.00	120.00	0.03
5499-0000	TOTAL SERVICES	12,241.21	8.46	47,968.31	11.29
5500-0000	PROPERTY ADMINISTRATION				
5510-0000	Accounting	8,000.00	5.53	23,000.00	5.41
5520-0000	Phone Service	214.76	0.15	720.70	0.17
5522-0000	Internet Charge	70.55	0.05	211.23	0.05
5523-0000	Internet Charge-NonCAM	0.00	0.00	990.00	0.23
5525-0000	Bank Charges	15.00	0.01	279.62	0.07
5530-0000	Copies	31.76	0.02	414.04	0.10
5555-0000	Late Fees	0.00	0.00	17.00	0.00
5560-0000	Fees/Licenses/Permits	2.50	0.00	-142.50	-0.03
5563-0000	Miscellaneous Admin Expense	0.00	0.00	146.08	0.03
5565-0000	Office Supplies	206.20	0.14	519.73	0.12
5566-0000	Office Equipment Maintenance	0.00	0.00	299.99	0.07
5567-0000	Office Equip Mtncce-NonCAM	34.53	0.02	79.44	0.02
5575-0000	Professional Fees	6,328.33	4.37	19,698.23	4.64
5585-0000	Subscriptions	0.00	0.00	465.00	0.11
5587-0000	General Authority Expense	0.00	0.00	34.88	0.01
5588-0000	Economic Development	0.00	0.00	12,500.00	2.94
5596-0000	Other Administration Costs	40.92	0.03	650.66	0.15
5599-0000	TOTAL PROPERTY ADMINISTRATION	14,944.55	10.32	59,884.10	14.10
6110-0000	Management Fees TALCOR	5,437.63	3.76	16,312.88	3.84
6111-0000	Management Fees-NonCAM	3,312.37	2.29	9,937.12	2.34
6159-0000	TOTAL OTHER EXPENSES	8,750.00	6.04	26,250.00	6.18
7110-0000	Property Insurance	6,045.69	4.18	18,440.59	4.34
7111-0000	Property Insurance-NonCAM	819.07	0.57	3,086.82	0.73
7117-0000	Other Insurance	0.00	0.00	5,326.00	1.25
7199-0000	TOTAL INSURANCE/TAXES	6,864.76	4.74	26,853.41	6.32
7800-0000	TOTAL OPERATING EXPENSE	68,551.60	47.35	254,717.19	59.96
7999-0000	NET INCOME - OPERATING	76,225.45	52.65	170,093.28	40.04
8100-0000	DEBT SERVICE				
8122-0000	Bond Interest Expense	11,657.78	8.05	35,107.45	8.26
8199-0000	TOTAL DEBT SERVICE	11,657.78	8.05	35,107.45	8.26
8200-0000	OTHER EXPENSES				
8205-0000	Bad Debt Expense	0.00	0.00	138.89	0.03
8210-0000	Depreciation Expense	50,927.47	35.18	152,782.41	35.96

Property = collins centenn morgan sliger inn-tic johnson phipps knight

**Cash Flow Statement**

Period = Dec 2011

Book = Accrual

		<b>Period to Date</b>	<b>%</b>	<b>Year to Date</b>	<b>%</b>
8220-0000	Amortization Expense	275.00	0.19	825.00	0.19
8299-0000	TOTAL OTHER EXPENSES	51,202.47	35.37	153,746.30	36.19
<b>9900-0000</b>	<b>NET INCOME</b>	<b>13,365.20</b>	<b>9.23</b>	<b>-18,760.47</b>	<b>-4.42</b>
	<b>Adjustments</b>				
1203-0000	A/R-Tenant	-11,906.55	-8.22	-35,719.65	-8.41
1206-0000	Other Receivables	0.00	0.00	4,517.00	1.06
1210-0000	Accounts Receivable	26,854.22	18.55	128,882.60	30.34
1590-0000	Accumulated Depreciation	50,927.47	35.18	152,782.41	35.96
1661-0000	Admin Centre Assets	0.00	0.00	-2,661.87	-0.63
1753-0000	Accumulated Amortization	275.00	0.19	825.00	0.19
1913-0000	Prepaid Insurance	0.00	0.00	-12,863.08	-3.03
1925-0000	Investments	-5,793.25	-4.00	-16,030.52	-3.77
2236-0000	Accounts Payable	-14,980.98	-10.35	-1,332.63	-0.31
2246-0000	Prepaid Rents	-1,916.24	-1.32	9,947.61	2.34
2249-0000	Accrued Other	-1,219.43	-0.84	-1,181.92	-0.28
2250-0000	Tenant Security Dep	198.17	0.14	198.17	0.05
2305-0000	Sales Tax Payable	-1,289.78	-0.89	-1,160.30	-0.27
2308-0000	Unearned Revenue - Current	0.00	0.00	-23,752.68	-5.59
2310-0000	Bonds Payable - Current	550.56	0.38	1,645.45	0.39
2408-0000	Unearned Revenue - Noncurrent	-20,527.36	-14.18	-61,582.08	-14.50
2410-0000	Bond Payable - Noncurrent	-12,400.79	-8.57	-37,062.03	-8.72
	<b>Total Adjustments</b>	<b>8,771.04</b>	<b>6.06</b>	<b>105,451.48</b>	<b>24.82</b>
	<b>Cash Flow</b>	<b>22,136.24</b>	<b>15.29</b>	<b>86,691.01</b>	<b>20.41</b>
	<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>	
1110-4000	Cash - Hancock Bank	246,228.46	291,856.70	45,628.24	
1121-6600	Petty Cash Fund	22.50	22.50	0.00	
1150-4000	Reserve Fund - Hancock	26,573.28	26,560.54	-12.74	
1155-4000	Sinking Fund -Cash-Hancock	346,856.55	323,377.29	-23,479.26	
	<b>Total Cash</b>	<b>619,680.79</b>	<b>641,817.03</b>	<b>22,136.24</b>	
	<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>	
1110-0000	Cash - Operating	186,400.67	0.00	-186,400.67	
1110-4000	Cash - Hancock Bank	0.00	291,856.70	291,856.70	
1121-6600	Petty Cash Fund	22.50	22.50	0.00	
1150-0000	Reserve Fund Cash - Restricted	26,586.02	0.00	-26,586.02	
1150-4000	Reserve Fund - Hancock	0.00	26,560.54	26,560.54	
1155-0000	Sinking Fund Cash-Restricted	342,116.83	0.00	-342,116.83	
1155-4000	Sinking Fund -Cash-Hancock	0.00	323,377.29	323,377.29	
	<b>Total Cash</b>	<b>555,126.02</b>	<b>641,817.03</b>	<b>86,691.01</b>	

**Operating Account  
Bank Reconciliation Report  
12/31/2011**

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**Balance Per Bank Statement as of 12/31/2011** **299,151.01**

**Outstanding Checks**

<u>Check date</u>	<u>Check number</u>	<u>Payee</u>	<u>Amount</u>
11/30/2011	163	nwrdc - Florida State University	495.00
12/16/2011	183	highqual - High Quality Heating & Air, Inc.	6,083.20
12/16/2011	189	nwrdc - Florida State University	495.00
12/16/2011	191	rumbles - RUMBLE'S OES, INC.	24.90
12/16/2011	195	frame - Chipola Stores Inc dba The Frame Shoppe	196.21

**Less: Outstanding Checks** **7,294.31**

**Reconciled Bank Balance** **291,856.70**

**Balance per GL as of 12/31/2011** **291,856.70**

**Reconciled Balance Per G/L** **291,856.70**

**Difference** (Reconciled Bank Balance And Reconciled Balance Per G/L) **0.00**

**Cleared Items :**

**Cleared Checks**

<u>Date</u>	<u>Tran #</u>	<u>Notes</u>	<u>Amount</u>	<u>Date Cleared</u>
10/31/2011	112	absystem - STA of Tallahassee, Inc.	142.64	12/31/2011
11/30/2011	152	absystem - STA of Tallahassee, Inc.	120.18	12/31/2011
11/30/2011	153	asce - FAMU-FSU ASCE Conference	1,000.00	12/31/2011
11/30/2011	154	classoci - C&L Associates Commercial Cleaning	9,022.90	12/31/2011
11/30/2011	155	comcast - COMCAST	173.90	12/31/2011
11/30/2011	156	davissaf - Davis Safe and Lock, Inc.	38.00	12/31/2011
11/30/2011	157	dcvisage - DC Visage Enterprises Inc.	248.00	12/31/2011
11/30/2011	158	fastsign - Fast Signs	191.28	12/31/2011
11/30/2011	159	highqual - High Quality Heating & Air, Inc.	325.00	12/31/2011
11/30/2011	160	lcclerk - LEON COUNTY CLERK OF COURTS	10.00	12/31/2011
11/30/2011	161	lowes - Lowes's Business Account	50.93	12/31/2011
11/30/2011	162	mgttal - Talcor Commercial Real Estate Svc Inc	8,750.00	12/31/2011
11/30/2011	164	officede - OFFICE DEPOT CARD PLAN	116.99	12/31/2011
11/30/2011	165	orkin - DJP, Inc. Orkin	50.00	12/31/2011
11/30/2011	166	pauls - Pauls' Pest Control, Inc.	248.00	12/31/2011
11/30/2011	167	simplex - Simplex Grinnell (Grinnell Fire Protecti	2,165.20	12/31/2011

**Operating Account  
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**Cleared Checks**

<u>Date</u>	<u>Tran #</u>	<u>Notes</u>	<u>Amount</u>	<u>Date Cleared</u>
11/30/2011	168	talladem - Tallahassee Democrat	139.20	12/31/2011
11/30/2011	169	tallinfo - TALLAHASSEE INFORMATION TECHNOLOGY, INC	280.00	12/31/2011
11/30/2011	170	trutech - TruTech, LLC	829.00	12/31/2011
11/30/2011	171	utital - City of Tallahassee	124.09	12/31/2011
11/30/2011	172	verizonh - Verizon Wireless	109.41	12/31/2011
12/12/2011	173	talladem - Tallahassee Democrat	470.54	12/31/2011
12/12/2011	174	wellsbnk - Wells Fargo Bank, N.A.	102.58	12/31/2011
12/16/2011	175	absystem - STA of Tallahassee, Inc.	54.60	12/31/2011
12/16/2011	176	adminsvc - FLORIDA DEPARTMENT OF STATE	40.92	12/31/2011
12/16/2011	177	ana - AmTrust North America, Inc.	239.00	12/31/2011
12/16/2011	178	bc - Broad and Cassel, P.A.	6,125.53	12/31/2011
12/16/2011	179	classoci - C&L Associates Commercial Cleaning	8,422.90	12/31/2011
12/16/2011	180	cnainsur - CNA INSURANCE	6,626.76	12/31/2011
12/16/2011	181	davissaf - Davis Safe and Lock, Inc.	10.50	12/31/2011
12/16/2011	182	heinzbro - Heinz Brothers Nurseries, INC.	14,841.00	12/31/2011
12/16/2011	184	lcboc - LEON COUNTY BD OF COMMISSIONER	1,849.47	12/31/2011
12/16/2011	185	lowes - Lowes's Business Account	46.39	12/31/2011
12/16/2011	186	marpan - Marpan Supply Company, Inc.	82.50	12/31/2011
12/16/2011	187	misc Tho - Thomas Howell Ferguson, PA	15,000.00	12/31/2011
12/16/2011	188	mowrey - Mowrey Elevator Company of Florida, Inc.	165.00	12/31/2011
12/16/2011	190	orkin - DJP, Inc. Orkin	50.00	12/31/2011
12/16/2011	192	simplex - Simplex Grinnell (Grinnell Fire Protecti	488.00	12/31/2011
12/16/2011	193	tallinfo - TALLAHASSEE INFORMATION TECHNOLOGY, INC	2,910.87	12/31/2011
12/16/2011	194	utital - City of Tallahassee	4,204.75	12/31/2011
12/18/2011	121811	stax - Florida Department of Revenue	1,606.80	12/31/2011

**Total Cleared Checks**

**87,463.83**

**Cleared Deposits**

<u>Date</u>	<u>Tran #</u>	<u>Notes</u>	<u>Amount</u>	<u>Date Cleared</u>
12/02/2011	17	2011.12-14	12,127.43	12/31/2011
12/02/2011	23	reapply	620.22	12/31/2011
12/08/2011	18	2011.12-15	39,826.81	12/31/2011
12/16/2011	20	2011.12-16	47,070.11	12/31/2011
12/23/2011	21	2011.12-17	20,757.82	12/31/2011
12/30/2011	22	2011.12-18	37,941.81	12/31/2011

**Total Cleared Deposits**

**158,344.20**

**Cleared Other Items**

<u>Date</u>	<u>Tran #</u>	<u>Notes</u>	<u>Amount</u>	<u>Date Cleared</u>
11/30/2011	JE 9145	reclass deposit to change bank accts	26,395.22	12/31/2011
12/31/2011	JE 9320	Payroll for Dec. 2011	-10,581.36	12/31/2011
12/31/2011	JE 9327	FRS posted 12/6 for November 2011	-1,116.85	12/31/2011
12/31/2011	JE 9330	FRS posted 12/30 for Dec 2011	-1,116.85	12/31/2011
12/31/2011	JE 9331	Payroll taxes - December 2011	-3,400.33	12/31/2011
12/31/2011	JE 9341	Interest income/Bank Charges - 12/11	23.07	12/31/2011
12/31/2011	JE 9343	to clear cash clearing and void double entry to cash	-26,395.22	12/31/2011

**Operating Account  
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**Total Cleared Other Items**

-16,192.32