

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

Knight Administrative Centre
1736 West Paul Dirac Drive
Tallahassee, FL 32310

November 20, 2017
3:00pm

1. Call to Order
2. Introduction of Members and Guests
3. Public Comment
4. Approval of the Meeting Minutes: November 17, 2016 (*Attachment A*)
5. Annual Review of Investment Advisory Committee Charter (*Attachment B*)
The IAC Charter requires the committee review and assess the adequacy of the Investment Advisory Committee Charter annually requesting Board approval for proposed changes.
6. Annual Review of Investment Policy (*Attachment C*)
The IAC Charter requires the committee review the Authority's investment policy, objectives and guidelines, including risk tolerance, at least annually, presenting to the Board recommendations for any additions, deletions or modifications.
7. Investment Performance FY2016-17 (*Attachment D*)
8. Financial Statements FY 2016-17 (*Attachment E*)
9. Budget Review FY2017-18 (*Attachment F*)
10. Executive Director Update
Ron Miller will provide a status update regarding progress executing the LCRDA strategic plan.
11. New Business
12. Adjourn

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

Knight Administrative Centre
1736 West Paul Dirac Drive
Tallahassee, FL 32310

November 17, 2016
4:00pm

Minutes

Members Present: Dave Ramsay, Chair; Kim Dixon; Bill Giudice; James Francis; David Reid; Kim Ferrell (nonvoting).

Members Absent: None.

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

1. Call to Order
The meeting was called to order at 4:05pm.
2. Introduction of Guests
All present introduced themselves.
3. Public Comment
None.
4. Approval of the Meeting Minutes: April 26, 2016
James Francis offered a motion to approve the April 26, 2016 Investment Advisory meeting minutes. David Reid seconded the motion which passed unanimously.
5. Annual Review of Investment Advisory Committee Charter
The committee reviewed and assessed the adequacy of the Investment Advisory Committee Charter and made no proposed changes.
6. Annual Review of Investment Policy
The committee reviewed the Authority's investment policy, objectives and guidelines, including risk tolerance, and noted that the policy language should be updated to reflect the committee will meet annually or upon call of the chair.
7. Investment Performance FY 2015-2016
The committee reviewed the investment performance and discussed moving to the cap of SPIA and laddering CDs. Bill Giudice offered a motion to direct the Executive Director to move up to \$1 million in funds from the Florida Prime fund to the SPIA fund to the extent of any remaining maximum investment balance, and to then invest the remaining funds in laddered CDs if the CD yield significantly exceeds the Florida Prime yield, using a local bank that is a Qualified Public Depository, and after obtaining rate quotes from six local banks. James Reid seconded the motion, which passed unanimously.

8. Florida Local Government Investment Trust Short Term Bond Fund Discussion
Kim Dixon discussed the fund's measure of yield, and the merits of continuing to invest. James Francis offered a motion to close the fund and move the balance to other investment funds as discussed in item 7., above. Dave Ramsay seconded the motion, which passed unanimously.
9. Budget Review FY 2016-2017
Executive Director Ron Miller explained that while the budget is a deficit, it assumes no new leases and there are two in the works that would have a major positive impact.
10. Financial Statements / Audit Report FY 2014-2015
Dave Ramsay explained that the audit was very good, with no adverse comments or findings, and the audit expense was slightly increased within terms of the agreement as a result of additional work required by the new GASB 68 reporting requirements. All external vendors are generally reviewed every three years, but the current auditors have been in place for more than seven years due to extenuating circumstances. The Audit Committee will be conducting an RFP for the audit of the 2016-17 fiscal year. It was noted that there are no concerns with the performance of the present auditing firm.
11. Office of Economic Vitality (OEV) Strategic Plan Overview
Ron Miller reviewed the history, creation and structure of the OEV and reviewed the newly adopted draft of the OEV strategic plan, and discussed its impact on Innovation Park.
12. Executive Director Update
Ron Miller provided an update on LCRDA staff, projects, and programs, and the activity and time line for the Jump Start Committee and the creation of a high tech incubator at Innovation Park.
13. New Business
None.
14. Adjourn
The meeting was adjourned at 5:15pm.

Investment Advisory Committee
Leon County Research and Development Authority

Investment Advisory Committee Charter

Purpose

The primary purposes of the Investment Advisory Committee are to:

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

Authority

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

Composition

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

Qualifications for Committee Members

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

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

Meetings

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

Responsibilities

The Committee will carry out the following responsibilities:

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

Adopted by the Board of Governors, May 10, 2011
Revised August 7, 2013, October 2, 2014, and June 2, 2016.

Leon County Research and Development Authority

Policy No. 11-5

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

Introduction

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

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

I. Scope

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

II. Objectives

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

Investment Policy 11-05

Page 1 of 11

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

III. Performance Measurement

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

IV. Prudence and Ethical Standards

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

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

V. Authority

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

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

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

VI. Investment Manager(s)

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

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

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

VII. Investment Advisor(s)

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

VIII. Authorized Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. Maturity and Liquidity Requirements

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

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

X. Risk and Diversification

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

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

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

XI. Authorized Investment Institutions and Dealers

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

XII. Internal Controls

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

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

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

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

XIII. Reporting

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

XIV. Sale of Securities

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

XV. Preemption

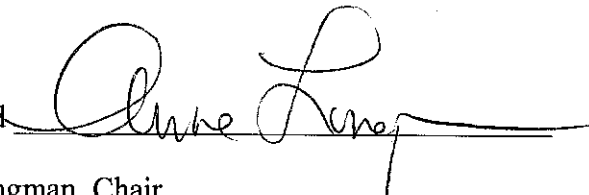
Any provision of any special act, municipal charter, or other law which prohibits or restricts the Authority from complying with Section 218.415, Florida Statutes, or any rules under Section 218.415, Florida Statutes, is void to the extent of the conflict.

XVI. Audits

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

XVII. Adoption of Investment Policy

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

Approved  3/29/17
Anne Longman, Chair Date
Board of Governors

Investment Manager's Certification

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

Accepted: _____

Signature

Date

Print Name

Name of Investment Firm

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

INVESTMENT PORTFOLIO

For period ending September 30, 2017

For the Month:

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 891,983.07	\$ 997.06	\$ -	\$ -	\$ 892,980.13	1.360%
SPIA	3,023,275.83	4,222.03	-	-	3,027,497.86	1.701%
FLGIT	-	-	-	-	-	0.000%
	\$ 3,915,258.90	\$ 5,219.09	\$ -	\$ -	\$ 3,920,477.99	1.600%

For the Fiscal Year Beginning October 1:

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 1,411,609.01	\$ 11,371.12	\$ -	\$ 530,000.00	\$ 892,980.13	1.080%
SPIA	2,457,505.63	39,992.23	530,000.00	-	3,027,497.86	1.412%
FLGIT	9,604.84	(25.88)	-	9,578.96	-	-1.616%
	\$ 3,878,719.48	\$ 51,337.47	\$ 530,000.00	\$ 539,578.96	\$ 3,920,477.99	1.324%
Investments Limited as to Use (Capital Improvement Fund)					\$ 1,400,000.00	
Unrestricted Investments					\$ 2,520,477.99	

NOTABLE ADDITIONS OR DELETIONS TO ACCOUNTS:

11/16 Liquidated remaining investment in FLGIT

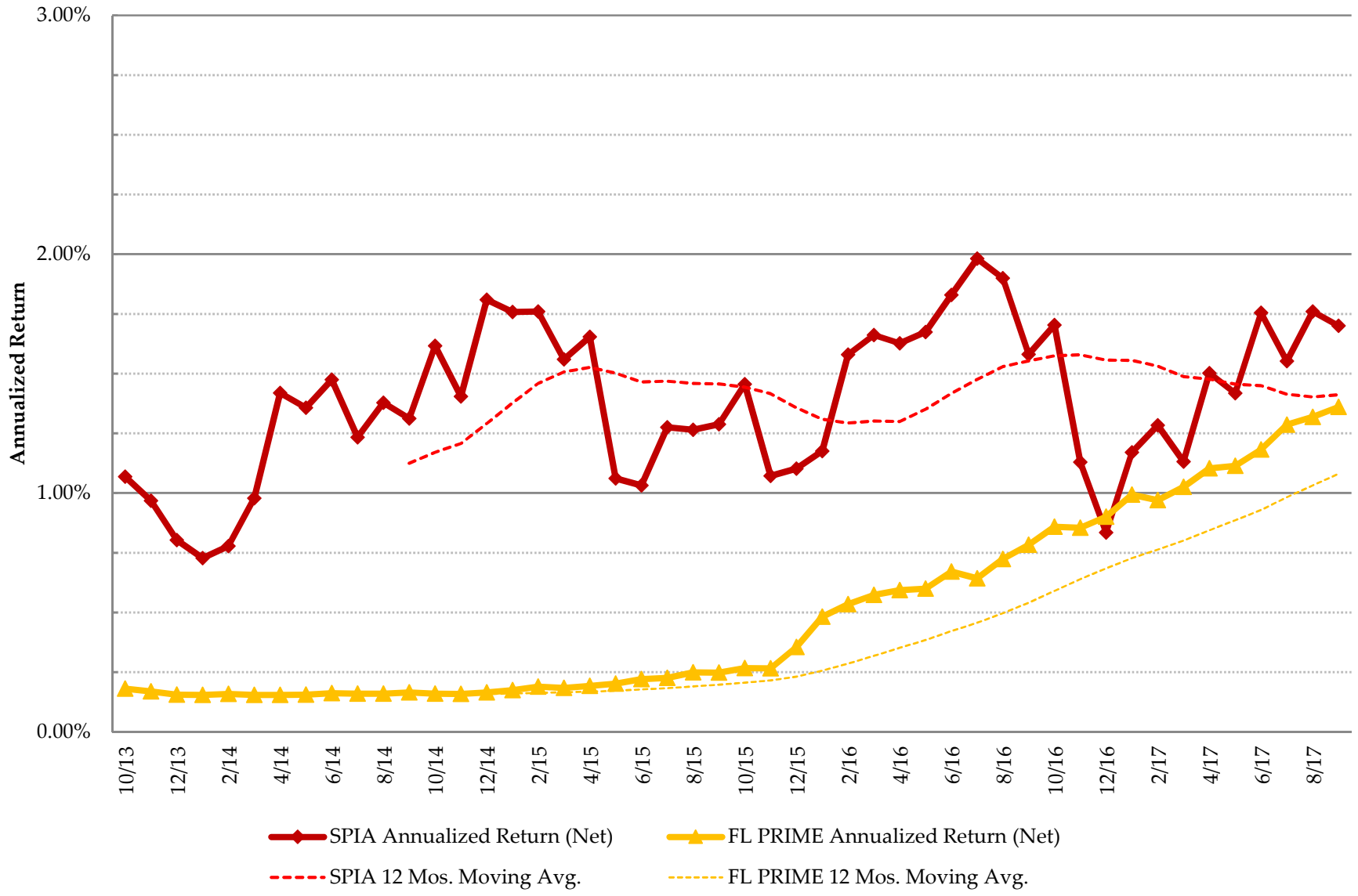
02/17 Transferred \$530,000 from FL PRIME to SPIA as directed by Investment Advisory Committee

Note: Security descriptions shown on reverse

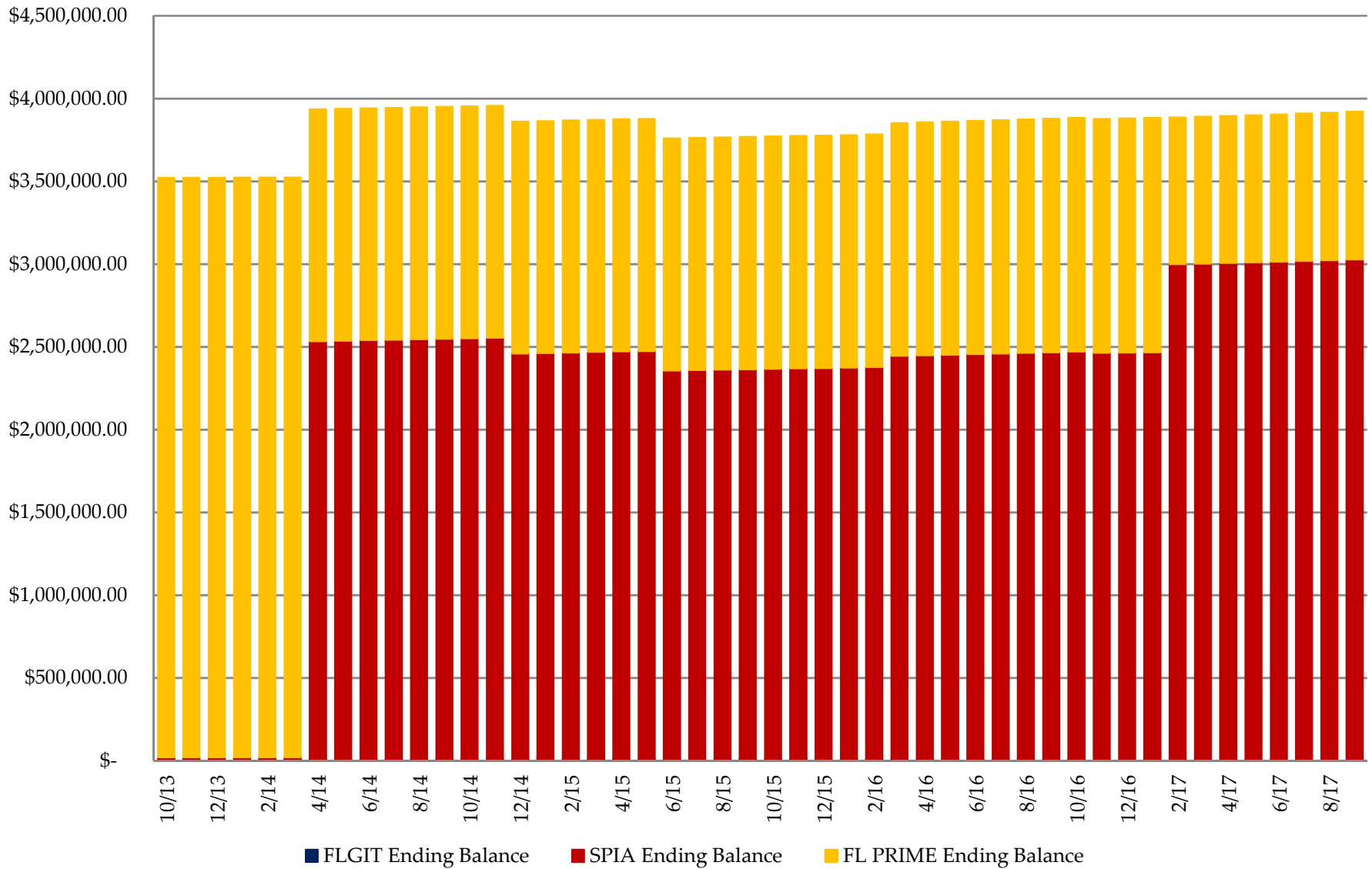
SECURITY DESCRIPTIONS:

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

Leon County Research & Development Authority Investment Yield



Leon County Research & Development Authority Investments Balances



Leon County Research and Development Authority
Statements of Net Position (UNAUDITED)
DRAFT Before GASB 68 Adjustments

	September 30,		
	2017	2016	Change
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,646,561	\$ 2,719,021	\$ (72,460)
Designated cash and cash equivalents	1,400,000	1,400,000	-
Accounts receivable - leases and other, net	170,976	105,435	65,541
Accrued interest receivable	4,222	3,176	1,046
Prepaid expenses and other current assets	-	8,206	(8,206)
Total current assets	<u>4,221,759</u>	<u>4,235,838</u>	<u>(14,079)</u>
Noncurrent assets:			
Intangibles, net of amortization	61,359	42,932	18,427
Capital assets, net of accumulated depreciation	<u>3,948,824</u>	<u>4,224,671</u>	<u>(275,847)</u>
Total assets	<u>8,231,942</u>	<u>8,503,441</u>	<u>(271,499)</u>
Deferred outflow of resources			
Pension	<u>72,759</u>	<u>72,759</u>	<u>-</u>
Total deferred outflows of resources	<u>72,759</u>	<u>72,759</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 8,304,701</u>	<u>\$ 8,576,200</u>	<u>\$ (271,499)</u>
Liabilities, deferred inflows of resources and net position			
Current liabilities:			
Accounts payable and accrued expenses	<u>\$ 43,373</u>	<u>\$ 31,716</u>	<u>\$ 11,657</u>
Total current liabilities	<u>43,373</u>	<u>31,716</u>	<u>11,657</u>
Noncurrent liabilities:			
Unearned revenue	382	221	161
Net pension liability	<u>104,668</u>	<u>104,668</u>	<u>-</u>
Total noncurrent liabilities	<u>105,050</u>	<u>104,889</u>	<u>161</u>
Total liabilities	<u>148,423</u>	<u>136,605</u>	<u>11,818</u>
Deferred inflows of resources			
Pension	<u>18,117</u>	<u>18,117</u>	<u>-</u>
Total deferred inflows of resources	<u>18,117</u>	<u>18,117</u>	<u>-</u>
Net position:			
Net investment in capital assets	3,948,824	4,224,671	(275,847)
Unrestricted	<u>4,189,338</u>	<u>4,196,807</u>	<u>(7,469)</u>
Total net position	<u>8,138,162</u>	<u>8,421,478</u>	<u>(283,316)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,304,702</u>	<u>\$ 8,576,200</u>	<u>\$ (271,498)</u>

Leon County Research and Development Authority
 Statements of Revenues, Expenses, and Changes in Net Position (UNAUDITED)
DRAFT Before GASB 68 Adjustments

	Years ended September 30,		Change
	2017	2016	
Operating revenues			
Leases	\$ 637,940	\$ 588,486	\$ 49,454
Common area management fees	60,336	67,190	(6,854)
Other income	14,854	41,145	(26,291)
Total operating revenues	<u>713,130</u>	<u>696,821</u>	<u>16,309</u>
Operating expenses			
Salaries and employee benefits	268,137	248,963	19,174
Depreciation and amortization expense	286,662	297,114	(10,452)
Lease termination fee	-	-	-
Other expenses	493,196	502,117	(8,921)
Total operating expenses	<u>1,047,995</u>	<u>1,048,194</u>	<u>(199)</u>
Operating loss	<u>(334,865)</u>	<u>(351,373)</u>	<u>16,508</u>
Nonoperating revenues (expenses)			
Gain on sale of assets	-	71,175	(71,175)
Interest income	51,549	45,468	6,081
	-	-	-
Total nonoperating revenue (expenses)	<u>51,549</u>	<u>116,643</u>	<u>(65,094)</u>
Change in net position	(283,316)	(234,730)	(48,586)
Net position at beginning of year	8,421,478	8,656,208	(234,730)
Net position at end of year	<u>\$ 8,138,162</u>	<u>\$ 8,421,478</u>	<u>\$ (283,316)</u>

Leon County Research and Development Authority
Statement of Cash Flows (Internal Use) (UNAUDITED)
DRAFT Before GASB 68 Adjustments

	Years ended September 30,	
	2017	2016
Operating Income/(Loss)	\$ (334,865)	\$ (351,373)
Depr/Amort	286,662	297,114
(Increase)/Decrease in A/R	(66,587)	10,142
(Increase)/Decrease in Prepaid	8,206	3,574
Increase/(Decrease) in Liabilities	11,818	(15,066)
Increase/(Decrease) in Unearned revenue/net pension liability	-	15,280
	<u>240,099</u>	<u>311,044</u>
Cash provided by (used in) operations	<u>(94,766)</u>	<u>(40,329)</u>
Capital expenditures	(29,242)	(2,151)
Proceeds from sale of capital assets	-	79,240
Interest income	51,549	45,468
Total Other Sources/(Uses)	<u>22,307</u>	<u>122,557</u>
Change in Cash & Investments	<u>\$ (72,459)</u>	<u>\$ 82,228</u>
Beginning Cash and Cash Equivalents:		
Cash	\$ 188,478	\$ 215,759
Inkbridge Escrow	55,000	55,000
Investments	3,875,543	3,766,034
Total Beginning Cash and Cash Equivalents	<u>4,119,021</u>	<u>4,036,793</u>
Change in Cash and Cash Equivalents:		
Cash	(58,173)	(27,281)
Inkbridge Escrow	(55,000)	-
Investments	40,713	109,509
Total Change in Cash and Cash Equivalents	<u>(72,460)</u>	<u>82,228</u>
Ending Cash and Cash Equivalents:		
Cash	130,305	188,478
Inkbridge Escrow	-	55,000
Investments	3,916,256	3,875,543
Total Ending Cash and Cash Equivalents	<u>\$ 4,046,561</u>	<u>\$ 4,119,021</u>

	Budget FY 2017-18							Total FINAL Budget	Proposed Budget vs. Current Year Forecast	FY 2016-17			Proposed Budget vs. Current Year Budget
	Tenants In Common	Knight	Collins	Fuqua Shared	Morgan	Johnson	Phipps			Current Year Forecast	Current Year Budget	Current Year Forecast vs. Current Year Budget	
INCOME													
OPERATING INCOME													
Rent	\$ 5,830	\$ 11,220	\$ 31,972	\$ -	\$ 134,400	\$ 449,400	\$ 128,640	\$ 761,461	155,708	605,754	\$ 549,063	56,691	\$ 212,399
Common Area Maintenance	61,904	-	-	-	-	-	-	61,904	1,568	60,336	60,741	(405)	1,163
Other Rents	-	972	-	-	-	-	-	972	358	614	612	2	360
EEP Program Income	-	24,900	-	-	-	-	-	24,900	19,700	5,200	44,000	(38,800)	(19,100)
Other Program Income	-	7,500	-	-	-	-	-	7,500	750	6,750	6,500	250	1,000
Other Income	-	-	-	-	-	-	-	-	(2,107)	2,107	-	2,107	-
TOTAL OPERATING INCOME	67,734	44,592	31,972	-	134,400	449,400	128,640	856,737	175,977	680,761	660,916	19,845	195,821
NON-OPERATING INCOME													
Interest	47,336	-	-	-	-	-	-	47,336	(1,650)	48,986	39,600	9,386	7,736
Operating Expense Reimbursement	-	-	-	5,818	-	-	-	5,818	2,628	3,190	3,789	(599)	2,030
TOTAL NON-OPERATING INCOME	47,336	-	-	5,818	-	-	-	53,154	978	52,176	43,389	8,787	9,766
TOTAL INCOME	115,070	44,592	31,972	5,818	134,400	449,400	128,640	909,892	176,955	732,937	704,305	28,632	205,587
EXPENSES													
OPERATING EXPENSES													
Total Authority Employee Expense	-	371,789	-	-	-	-	-	371,789	111,007	260,782	259,201	1,581	112,588
Total Utilities	1,252	3,552	25,006	6,151	29,937	38,026	-	103,923	18,610	85,313	88,151	(2,838)	15,772
Total Maintenance & Repairs	6,559	3,395	6,426	7,725	9,675	10,765	3,880	48,425	14,417	34,008	36,395	(2,387)	12,030
Total Cleaning & Improvements	-	480	-	-	1,200	2,450	620	4,750	(7,121)	11,871	8,900	2,971	(4,150)
Total Services	9,715	11,805	18,971	2,748	21,517	44,341	3,547	112,644	12,077	100,567	102,335	(1,768)	10,309
Property Administrative													
Audit	-	16,500	-	-	-	-	-	16,500	(2,050)	18,550	18,550	-	(2,050)
Phone Service	-	1,320	768	-	-	-	-	2,088	(571)	2,659	2,232	427	(144)
Internet Charge	-	2,475	-	-	-	-	-	2,475	411	2,064	2,392	(328)	83
Copies	-	600	-	-	-	-	-	600	17	583	600	(17)	-
Fees/Licenses/Permits	-	828	-	-	-	-	-	828	488	340	828	(488)	-
Office Supplies	-	1,410	-	-	-	-	-	1,410	522	888	1,290	(402)	120
Office Equipment Maintenance	-	600	-	-	-	-	-	600	381	219	600	(381)	-
Postage/Delivery	-	60	-	-	-	-	-	60	16	44	60	(16)	-
Professional Fees	-	30,000	-	-	-	-	-	30,000	(1,087)	31,087	30,000	1,087	-
Printing	-	1,200	-	-	-	-	-	1,200	(28)	1,228	1,200	28	-
EEP Program Expenses	-	8,666	-	-	-	-	-	8,666	(30,896)	39,562	44,000	(4,438)	(35,334)
Other Program Expenses	-	10,325	-	-	-	-	-	10,325	1,619	8,706	7,000	1,706	3,325
Subscriptions/Dues	-	2,910	-	-	-	-	-	2,910	4	2,906	3,615	(709)	(705)
Travel/Conferences	-	8,000	-	-	-	-	-	8,000	1,553	6,447	7,000	(553)	1,000
Marketing/PR	-	8,968	-	-	-	-	-	8,968	3,180	5,788	5,368	420	3,600
General Authority Expense	-	1,200	-	-	-	-	-	1,200	583	617	1,200	(583)	-
Other Administrative Expense	-	2,952	-	-	-	-	-	2,952	1,209	1,743	2,752	(1,009)	200
Research Grants	-	25,000	-	-	-	-	-	25,000	3,902	21,098	25,000	(3,902)	-
Total Property Administrative	-	123,014	768	-	-	-	-	123,782	(20,747)	144,529	153,687	(9,158)	(29,905)
Total Other Expenses (Talcor)	-	10,743	18,739	-	24,480	21,362	11,034	86,357	2,515	83,842	83,842	-	2,515
Total Insurance & Taxes	1,306	11,436	12,000	-	13,585	16,429	1,788	56,544	581	55,963	55,964	(1)	580
TOTAL OPERATING EXPENSES	18,832	536,214	81,910	16,624	100,393	133,373	20,869	908,214	131,339	776,875	788,475	(11,599)	119,739
NET OPERATING INCOME	96,238	(491,622)	(49,938)	(10,806)	34,006	316,027	107,771	1,678	45,617	(43,939)	(84,170)	40,231	85,848
Less: Capital Expenditures	(150,000)	(1,000)	(1,800,000)	(55,550)	(61,000)	-	-	(2,067,550)	(2,041,477)	(26,073)	(175,000)	148,927	(1,892,550)
CASH FLOW AFTER CAPITAL TRANSACTIONS	\$ (53,762)	\$ (492,622)	\$ (1,849,938)	\$ (66,356)	\$ (26,994)	\$ 316,027	\$ 107,771	\$ (2,065,872)	\$ (1,995,860)	\$ (70,012)	\$ (259,170)	\$ 189,158	\$ (1,806,702)