



**Florida Atlantic Research and Development Authority**

3651 FAU Boulevard, Suite 400, Boca Raton, FL 33431  
December 9th, 2015 at 8 AM

**AGENDA**

**I. Call to order Roll call**

Bruce Rosetto	Chairman
Bob Parks	Vice Chairman
Michael Daszkal	Treasurer
Bob Swindell	Member
Lonnie Maier	Member
Daniel Flynn	Member
Susan Whelchel	Member

**II. Additions, deletions, substitutions to the agenda**

**III. Review of the minutes of the October 14<sup>th</sup>, 2015 meeting**

**IV. Chairman's report**

**V. Treasurer's report**

**VI. General Counsel's report**

**VII. University report**

**VIII. Presentation of 2014-2015 audited financial statements**

**IX. Members' comments and reports**

**X. President's report**

**XI. Old business**

President & CEO 2014-2015 performance review

**XII. New business**

Discussion of meetings schedule

Review of draft non-discrimination policy

**XIII. Adjourn**

Upcoming meeting dates:

Wednesday February 10, 2016  
Wednesday April 13, 2016  
Wednesday June 8, 2016  
Wednesday August 10, 2016

The Authority reserves the right to change these dates at its discretion and to add new dates as needed, subject to the requirements of applicable law.

All meetings at 8 AM unless otherwise noted

*Members of the public wishing to comment on issues before the Authority may fill in a Comment Card and must submit it to the Chairman before the item is taken up by the Authority. Each member of the public may speak for 3 minutes on his/her stated agenda item.*

**FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY**

**PUBLIC COMMENT REQUEST CARD**

Name	Email	Agenda Item #	Summary of Comment

Speaker must wait until the Chairman calls upon him/her to make his/her comment. Time is limited to 3 minutes, subject to modification by the Board, in order that the meeting run efficiently.



## FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY

3651 FAU Blvd. Suite 400, Boca Raton, FL 33431

October 14<sup>th</sup>, 2015 at 8 AM

### Meeting Minutes

#### Members present

Bob Parks	Vice-Chair
Michael Daszkal	Treasurer (departed at 9 am)
Bob Swindell	Member (arrived at 8.20 am)
Lonnie Maier	Member
Daniel Flynn	Member (departed at 9.45 am)
Susan Whelchel	Member

#### Members absent

Bruce Rosetto	Chair
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Staff present: Andrew Duffell, President & CEO  
Freddy Perera, General Counsel  
Christine Burres, Director of Operations

#### Others Present

Chip LaMarca – *Broward County Commissioner*, Adam Hasner – *People's Trust Insurance Company*, Doug Nicholson – *People's Trust Insurance Company*, Juan Cocuy – *Templeton & Company*, Heather Anstaett – *Templeton & Company*, William Benson – *Keefe McCullough*, Israel Gomez – *Keefe McCullough*

#### Call to Order

Meeting called to order by Vice Chairman Parks at 8.02 AM.

#### Roll Call

President Duffell performed roll call; 5 members present and 2 members absent. Mr. Duffell informed the Vice-Chairman that a quorum was present. Mr. Swindell arrived after the roll had been called.

Additions, deletions, substitutions to the agenda

**A motion to reorder the agenda to move Item XII to Item IV was made by Ms. Whelchel and seconded by Ms. Maier. The motion passed 5-0, with two members absent.**

New Business

Item IV. i. Review of funding agreement with Palm Beach County.

Mr. Duffell presented the negotiated agreement with Palm Beach County for the latter to invest \$50,000 annually into the Authority's economic development initiatives, with a focus on the Technology Business Incubator (TBI) and recommended approval.

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING AGREEMENT WITH PALM BEACH COUNTY GOVERNING COUNTY'S ANNUAL CONTRIBUTION TO THE AUTHORITY FOR ECONOMIC DEVELOPMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**A motion to approve Resolution 15-14 was made by Ms. Maier and seconded by Mr. Daszkal. The motion passed 5-0, with two members absent.**

Item IV. ii. Review of final proposals for consultant services regarding Economic Development Administration grant with Palm Beach County as co-applicant.

Mr. Duffell presented the final proposal from the master consultant and recommended approval of the agreement as previously reviewed.

**A motion to approve the previously reviewed agreement and proposal as presented was made by Mr. Daszkal and seconded by Ms. Maier. The motion passed 5-0, with two members absent.**

Item IV. iii. President & CEO performance review

The Authority members agreed to defer discussion of the review of the performance of the president & CEO to the December meeting. The consensus was that each Member should take the time to fill in the review form and discuss it at the next meeting; Mr. Duffell will also solicit input and feedback from other stakeholders.

Item IV. iv. Finance Committee report

Presentations were made by the two finalist respondents to the Request for Proposals for auditing services: Keefe McCullough and Templeton & Company. Authority members commented that both firms had strong reputations but felt that Keefe McCullough would be a better fit for the Authority.

**A motion to direct the President & CEO to negotiate pricing with Keefe McCullough and when satisfied, to execute the previously agreed to contract language was made by Ms. Maier and seconded by Ms. Whelchel. The motion passed 6-0, with one member absent.**

Mr. Duffell presented the proposed 2015-2016 budget as reviewed by the Finance Committee. The committee recommends that FARDA approve the budget as presented. Mr. Duffell informed the Authority that:

- Incubator income projected assuming 85% occupancy instead of 80%
- Incubator expenses lower in 2015-16 as Suite 210 no longer maintained
- Projected TBI shortfall \$107,099 vs. \$172,759 in 2014-15
- No income or expense re NWA in 2015-16 by agreement
- New income and expense re EDA grant
- New income from Boca Raton & PBC, and related expense
- Salaries expense
  - President & CEO + 8%, performance bonus \$20,000
  - Director of Operations + 8%, performance bonus \$10,000
  - Program Manager created at \$42,500
- Funds for consulting work for new facilities development
- Community support:
  - \$2.5k College of Science
  - \$2.5k College of Engineering
  - \$5k College of Business
  - \$5k YEA!
  - \$5k Florida Institute
  -

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING BUDGET FOR FISCAL YEAR 2015-2016; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**A motion to approve Resolution 15-5, the 2015-2016 budget as presented was made by Mr. Swindell and seconded by Ms. Whelchel. The motion passed 5-0, with two members absent.**

Mr. Duffell presented the budget, finance and purchasing policy reviewed and recommended by the Finance Committee and recommended its approval.

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING BUDGET, PURCHASING AND FINANCE POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**A motion to approve Resolution 15-16 was made by Ms. Maier and seconded by Ms. Whelchel. The motion passed 5-0, with two members absent.**

Item IV. v. Review of expiring policies

Mr. Duffell presented policies that had expired on September 30, 2015. The policies presented are largely the same as the previous policies, making only minor modifications to all with the exception of the signage policy. The signage policy is recommended for modification to provide more clarity and uniformity of signage throughout the Research Park.

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY IMPLEMENTING A MEETING PROTOCOL POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING PERSONNEL POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING BACKGROUND INVESTIGATIONS POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING ANTI-HARASSMENT POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY IMPLEMENTING A REVISED BUILDING SIGN SPECIFICATIONS POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY APPROVING WHISTLEBLOWER POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**A motion to approve Resolutions 15-17 Meeting Protocol Policy, 15-18 Personnel Policy, 15-19 Background Investigations Policy, 15-20 Harassment Policy, 15-21 Sign Policy and 15-22 Whistleblower Policy was made by Ms. Whelchel and seconded by Dr. Flynn. The motion passed 5-0, with two members absent.**

Item IV. vi. Review of People's Trust Insurance Company development plans

Mr. Duffell informed the Authority that People's Trust has informed him that it intends to construct new buildings on its leased property in Deerfield Beach: an office building and a parking structure. The land lease with People's Trust requires that it secure Authority approval of its revised site plan, and consent to submit applications for permits and other approvals.

Ms. Whelchel asked if People's Trust would have to go through normal reviews and applications with the City of Deerfield Beach and other regulatory agencies, and Mr. Duffell assured her it would.

Mr. Duffell informed the Authority that Mr. Perera and his colleague John Fox Snider at Stearns Weaver had reviewed the lease and recommended that People's Trust provide the Authority with indemnification, which it has done.

**RESOLUTION OF THE FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY AUTHORIZING PEOPLE'S TRUST INSURANCE COMPANY TO SUBMIT APPLICATIONS FOR PERMITS AND OTHER APPROVALS NEEDED; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**A motion to approve Resolution 15-23 was made by Mr. Swindell and seconded by Ms. Maier. The motion passed 5-0, with two members absent.**

Special Presentation by Broward County

Broward County Commissioner presented a proclamation from the Broward County Commission to the Authority, recognizing its 30<sup>th</sup> anniversary and contribution to the county's economy. October 14<sup>th</sup>, 2015 is recognized as Florida Atlantic Research and Development Authority appreciation day in Broward County.

Approval of the minutes

Vice Chairman Parks asked if the Members had the opportunity to review the minutes from the September 14<sup>th</sup> special meeting. There being no additions or changes to the minutes, he asked for a motion to approve the minutes as presented.

**A motion to approve the minutes of the June 10, 2015 meeting was made by Ms. Maier, and seconded by Ms. Whelchel. The motion passed 5-0, with 2 members absent.**

Chairman's Report

None.

## Treasurer's Report

Mr. Daskzal reviewed the August and September 2015 financial statements and reported that the Authority ended the fiscal year in a strong financial position, congratulating Mr. Duffell and his staff for carefully managing the budget.

**A motion to approve the Treasurer's report was made by Ms. Whelchel, and seconded by Ms. Maier. The motion passed 5-0, with 2 members absent.**

## General Counsel's Report

Counsel Perera informed the board that there were no current legal threats or exposures.

## University Report

Dr. Flynn reported that FAU is engaged in the process of developing plans for its Boca Raton and Jupiter campuses and envisions a partnership with the Authority for both. Different industries are and will be attracted to the different parts of South Florida as each develops its own strengths. Boca Raton is envisioned as a patient-centric campus and the Research Park's current tenants fit well into that industry; the Jupiter campus is envisioned to be more focused on biomedicine and the development of novel discoveries.

## President's Report

Mr. Duffell sent his report to the Authority members on October 13<sup>th</sup> in the interests of time during the meeting. The report is included here:

## Strategic initiatives

- City of Boca Raton approved and executed an agreement to invest \$50,000 annually into the Authority's economic development initiatives. Pursuant to the agreement, for 2014-2015 50% of funds have already been deposited in the restricted Research Park Catalyst Fund account. Payment of the 2015-16 funds is expected in the first fiscal quarter of 2015-2016.
- Palm Beach County approved its 2015-2016 budget which includes an annual investment of \$50,000 into the Authority's economic development initiatives. The Authority will consider the agreement at its October 14<sup>th</sup> meeting and the Board of County Commissioners will do so at one of its November meetings.
- The Authority will consider an agreement to direct consultants to begin analysis of sites in northern Palm Beach County for a potential research park campus in the final quarter of 2015.
- Meetings have been arranged with Broward County to discuss new initiatives for the county's economic development, provisionally with a focus on international technology company attraction. I would like to have the Authority apply for designation from the National Business Incubation Association (NBIA) as a soft landings center specifically for international companies.



- Discussions have taken place between staff and Florida Atlantic University and the Authority's land sub-tenant to advance the prospect of new building development in Boca Raton.
- Discussions have taken place between staff, Deerfield Beach and third parties to advance the prospect of new building development on the remaining four acres at the corner of SW 10<sup>th</sup> Street and FAU Research Park Boulevard in Deerfield Beach.
- Discussions have taken place between staff and consultants to the Broward MPO to discuss possible improvements to the SW 10<sup>th</sup> Street / Sawgrass Expressway corridor.

### Operational activities

- The 30<sup>th</sup> anniversary celebration was held on October 2<sup>nd</sup>:
  - 175 people attended the event
  - Inaugural awards were given to:
    - Dr. Joseph Ouslander of FAU – Distinguished Researcher
    - Mr. Simon Kay of ATG – Distinguished Entrepreneur
    - Mr. A. E. “Bud” Osborne – Distinguished Leader
    - Florida Institute for the Commercialization of Public Research – Distinguished Organization
  - 20 corporate sponsors supported the event financially.
  - *South Florida Business Journal* published a special insert on October 2<sup>nd</sup> celebrating the anniversary. The insert was included in the 10,000 subscriptions that the *Journal* mails out, and the Authority has approx. 600 to use as a marketing piece.
  - VIPs in attendance: Florida CFO Jeff Atwater, Palm Beach County Commissioner Steven Abrams and Deerfield Beach Commissioner Richard Rosenzweig, among others.
- Jonathan Grabis' last day with the Authority was on October 9<sup>th</sup>; he now works for the New World Angels, still a good partner for the Authority.
- Dr. Bob Parks, Vice Chair was re-appointed to the Authority by the Broward County Commission.
- The Authority ended its fiscal year with \$238,699 cash on hand as compared to \$157,000 at the end of FY 2013-2014.
- The TBI remains at 100% occupancy.
- The Research Park is at approximately 90% occupancy.

### Old business

No old business outstanding.

### Adjournment

There being no other business before the Authority, the Vice Chairman asked for a motion to adjourn.

**A motion to adjourn the meeting of the Florida Atlantic Research and Development Authority was made by Ms. Maier and seconded by Ms. Welchel. The motion passed, with two members absent.**

Respectfully presented to the Authority for review and approval on December 2, 2015.

Reviewed and approved by the Authority by \_\_\_\_\_ vote on December 9, 2015.

Signed: \_\_\_\_\_

Andrew Duffell, Secretary

FARDA  
**Balance Sheet**  
 As of October 31, 2015

MD 11/30/15

	<u>Oct 31, 15</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
BankUnited - GAP Fund	98,413.93
BankUnited - Money Market	79,053.94
BankUnited - Operating	71,012.94
<b>Total Checking/Savings</b>	<u>248,480.81</u>
Accounts Receivable	
Accounts Receivable	41,662.86
<b>Total Accounts Receivable</b>	<u>41,662.86</u>
<b>Other Current Assets</b>	
Current Assets	
Contr of Lease Rental - CP	
Boca Raton RP	(1,532.81)
Deerfield Beach RP	(182.91)
<b>Total Contr of Lease Rental - CP</b>	<u>(1,715.72)</u>
<b>Total Current Assets</b>	(1,715.72)
Prepaid Expenses	
Payroll Service	100,000.00
Prepaid Insurance	1,685.83
Prepaid Misc	7,562.50
Prepaid Rent	3,811.00
<b>Total Prepaid Expenses</b>	<u>113,059.33</u>
<b>Total Other Current Assets</b>	<u>111,343.61</u>
<b>Total Current Assets</b>	<u>401,487.28</u>
<b>Fixed Assets</b>	
Deferred Lease Costs	
Accumulated Amortization	(4,182.59)
Deferred Lease Costs - Other	30,155.75
<b>Total Deferred Lease Costs</b>	<u>25,973.16</u>
Property & Equipment	
Accumulated Depreciation	(74,754.27)
Computers & Office Equipment	33,389.72
Leasehold Improvements	67,596.89
Park Signs	17,172.51
<b>Total Property &amp; Equipment</b>	<u>43,404.85</u>
<b>Total Fixed Assets</b>	<u>69,378.01</u>
<b>Other Assets</b>	
Allowance for Bad Debt	(1,402.45)
Contribution of Lease Rental	
Boca Raton Research Park	7,619,409.00
Deerfield Beach Research Park	1,398,288.00
<b>Total Contribution of Lease Rental</b>	<u>9,017,697.00</u>
<b>Total Other Assets</b>	<u>9,016,294.55</u>
<b>TOTAL ASSETS</b>	<u><u>9,487,159.84</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	84,436.97
<b>Total Accounts Payable</b>	<u>84,436.97</u>

*MD  
4B  
4B*

*agreed  
to  
Recon.*

FARDA  
**Balance Sheet**  
As of October 31, 2015

	<u>Oct 31, 15</u>
<b>Other Current Liabilities</b>	
Compensated Absence Liability	1,121.76
Def Cont of Lease Rental - CP	
Boca Raton Res Park	(1,532.81)
Dfrd Bch Research Park	(182.91)
<b>Total Def Cont of Lease Rental - CP</b>	<u>(1,715.72)</u>
<b>Health Savings</b>	
Flexible Spending	(885.78)
Unreimb Medical	(665.17)
<b>Total Health Savings</b>	<u>(1,550.95)</u>
Rent Collected In Advance	63,938.42
Sales Tax Payable	1,251.54
<b>Total Other Current Liabilities</b>	<u>63,045.05</u>
<b>Total Current Liabilities</b>	147,482.02
<b>Long Term Liabilities</b>	
Dfrd Cont of Lease Rental	
Boca Raton Research Park	7,619,409.00
Deerfield Beach Research Park	1,398,288.00
<b>Total Dfrd Cont of Lease Rental</b>	<u>9,017,697.00</u>
Rent Deposits Payable	130,245.74
<b>Total Long Term Liabilities</b>	<u>9,147,942.74</u>
<b>Total Liabilities</b>	9,295,424.76
<b>Equity</b>	
Funds Invested in Cap Assets	106,140.00
Retained Earnings	74,482.99
Net Income	11,112.09
<b>Total Equity</b>	<u>191,735.08</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>9,487,159.84</u></u>

A	B	C	M	N	O	P	Q	R	S	T	U	V	W	X	Y
		Florida Atlantic													
		Research & Development Authority													
2			Oct		Oct		Oct		YTD		YTD		YTD		2016
3			2015		2014		2015		2015		2014		2016		2016
4			Actual		Actual		Budget		Actual		Actual		Budget		Budget
5															
6															
7		Land Income													
8		Boca Land - Phase I	14,696		14,504		14,845		14,696		14,504		14,845		178,139
9		Boca Land - Phase II	5,883		5,806		5,942		5,883		5,806		5,942		71,307
10		Boca Land - VOC	1,100		1,086		1,111		1,100		1,086		1,111		13,336
11		Deerfield Land - Phase I	4,771		4,700		4,798		4,771		4,700		4,798		57,572
12		Deerfield Land - Phase II	3,370		3,320		3,388		3,370		3,320		3,388		40,661
13		Deerfield Land - Phase III	4,870		4,796		4,897		4,870		4,796		4,897		58,762
14		Deerfield Land - Additional Property	5,570		5,570		5,660		5,570		5,570		5,660		67,916
15		BRAA Land - 1.32 acres	1,075		1,076		1,121		1,075		1,076		1,121		13,452
16		BRAA Land - 1.79 acres	1,857		1,856		1,936		1,857		1,856		1,936		23,234
17		Attorney Fees	1,000		0		833		1,000		0		833		10,000
18		Total Land Income	44,192		42,714		44,532		44,192		42,714		44,532		534,379
19		Land Expense													
20		Attorney fees (80% annual attorney fees)	1,600		1,601		1,600		1,600		1,601		1,600		19,200
21		Attorney fees reimbursements	0		0		0		0		0		0		10,000
22		Total Land Expense	1,600		1,601		1,600		1,600		1,601		1,600		29,200
23		Net Income - Land	42,592		41,113		44,532		42,592		41,113		44,532		505,179
24		Incubator Income													
25		Suite 400 - rent (internet is included in rent)	22,600		17,534		21,616		22,600		17,534		21,616		259,386
26		Suite 210 - rent	0		13,761		0		0		13,761		0		0
27		Total Incubator Income	22,600		31,295		21,616		22,600		31,295		21,616		259,386
28		Incubator Expense													
29		Suite 400 - rent (paid to CBRE)	25,777		25,427		26,016		25,777		25,427		26,016		312,189
30		Suite 210 - rent (paid to CBRE)	2,168		13,606		2,358		2,168		13,606		2,358		28,296
31		FPL - Suite 400	0		2,465		417		0		2,465		417		5,000
32		FPL - Suite 210	0		1,203		0		0		1,203		0		0
33		FPL Fibernet (Internet)	155		3,956		292		155		3,956		292		3,500
34		FL LambdaRail	0		0		0		0		0		0		0
35		AC Repairs - Suite 400	300		325		333		300		325		333		4,000
36		AC Repairs - Suite 210	2,640		233		375		2,640		233		375		4,500
37		IT Maintenance/Upgrades	600		1,234		750		600		1,234		750		9,000
38		Facility Maintenance/Repairs	31,640		49,958		30,540		31,640		49,958		30,540		366,485
39		Janitorial - Suite 400 and Suite 210	(9,040)		(18,663)		(8,925)		(9,040)		(18,663)		(8,925)		(107,099)
40		Total Incubator Expense													
41		Net Income - Incubator													
42		Service Income													
43		New World Angels	0		2,875		0		0		2,875		0		0
44		Total Service Income	0		2,875		0		0		2,875		0		0
45		Marketing Income													
46		Marketing Cost Share	1,250		1,250		1,250		1,250		1,250		1,250		15,000
47		Banner Signs	4,500		26,250		0		4,500		26,250		0		7,000
48		Podcasts	7,500		7,500		7,500		7,500		7,500		7,500		0
49		Total Marketing Income	5,750		35,000		1,250		5,750		35,000		1,250		22,000
50		Marketing Expense													

MD  
11/30/15

A	B	C	M	N	O	P	Q	R	S	T	U	V	W	X	Y
51	Ambit		1,500		3,000		1,500		1,500		3,000		1,500		18,000
52	Banner Signs		2,271		0		167		2,271		0		167		2,000
53	Total Marketing Expense		3,771		3,000		1,667		3,771		3,000		1,667		20,000
54	Net Income - Marketing		1,979		32,000		(417)		1,979		32,000		(417)		2,000
55	Sponsorship Income		0		0		0		0		0		0		30,000
56	Sponsor Partner Program		0		0		0		0		0		0		30,000
57	Total Sponsorship Income		0		0		0		0		0		0		0
58	Sponsorship Expense		0		0		0		0		0		0		1,000
59	Promotional items														20,000
60	COMCAST In-kind		0		0		0		0		0		0		21,000
61	Total Sponsorship Expense		0		0		0		0		0		0		9,000
62	Net Income - Sponsorship														
63	Event Income		150		0		0		150		0		0		85,000
64	Networking events and workshops		150		0		0		150		0		0		85,000
65	Total Event Income		150		0		0		150		0		0		0
66	Event Expense		0		0		0		0		0		0		40,000
67	Venue and catering		0		0		0		0		0		0		40,000
68	Total Event Expense		0		0		0		0		0		0		45,000
69	Net Income - Event														
70	Grant Income		0		0		0		0		0		0		123,333
71	Economic Development Administration (EDA)		0		0		0		0		0		0		123,333
72	Total Grant Income		0		0		0		0		0		0		0
73	Grant Expense		0		0		0		0		0		0		90,000
74	Misc grant related		0		0		0		0		0		0		90,000
75	Total Grant Expense		0		0		0		0		0		0		33,333
76	Net Income - Grant														
77	Municipal Contribution Income		0		0		0		0		0		0		50,000
78	Palm Beach County contribution (not confirmed)		4,166		0		4,167		4,166		0		4,167		50,000
79	City of Boca Raton contribution		4,166		0		4,167		4,166		0		4,167		100,000
80	Total Municipal Contribution Income		4,166		0		4,167		4,166		0		4,167		0
81	Municipal Contribution Expense		0		0		0		0		0		0		10,000
82	Misc. program related expense		0		0		0		0		0		0		45,000
83	Funds committed to		0		0		0		0		0		0		55,000
84	Total Municipal Contribution Expense		0		0		0		0		0		0		45,000
85	Net Income - Tax		0		0		0		0		0		0		3,000
86	Misc. Income		0		51		250		0		51		250		300
87	Interest		52		40		30		52		40		30		357
88	Total Income		76,910		111,975		71,844		76,910		111,975		71,844		1,157,455
89	Total Expense		37,011		54,559		32,207		37,011		54,559		32,207		621,685
90	Total Net Income		39,899		57,416		39,636		39,899		57,416		39,636		535,770
91	Operational Expense		18,722		19,110		21,016		18,722		19,110		21,016		252,193
92	Employee Salary (payroll) (includes taxes)		3,575		3,133		5,268		3,575		3,133		5,268		63,218
93	Employee Benefits		1,320		0		292		1,320		0		292		3,500
94	Employee Training/Education		0		0		0		0		0		0		30,000
95	Employee Bonus/Incentive		843		799		975		843		799		975		11,700
96	Insurance (Liability, Disability)		500		500		500		500		500		500		18,000
97	Accounting		400		400		400		400		400		400		4,800
98	Legal		0		0		0		0		0		0		50,000
99	Consulting/Contract		0		0		0		0		0		0		0

A	B	C	M	N	O	P	Q	R	S	T	U	V	W	X	Y
100		Travel/Meetings/Seminars	0		649		1,250		0	0	649		1,250		15,000
101		Automobile Expense	550		550		550		550	0	550		550		6,600
102		Business Meals	0		0		250		0	0	0		250		3,000
103		Dues/Memberships	290		590		917		290	0	590		917		11,000
104		Publications/Subscriptions	0		0		42		0	0	0		42		500
105		Supplies/Equipment	1,739		0		458		1,739	0	0		458		5,500
106		Postage	0		0		25		0	0	0		25		300
107		Printing	0		0		83		0	0	0		83		1,000
108		Telephone (bus. line, conf calls, cell reimb.)	269		290		167		269	0	290		167		2,000
109		Website	297		0		417		297	0	0		417		5,000
110		Community/Sponsorship Support	0		0		0		0	0	0		0		20,000
111		Restricted Reserves	0		0		0		0	0	0		0		25,000
112		Misc. Expenses	0		(31)		167		0	0	(31)		167		2,000
113		Depreciation	0		0		0		0	0	0		0		0
114		Service Fees (payroll, bank, interest/penalties etc.)	281		334		297		281	0	334		297		3,568
115		Total Operational Expense	28,786		26,324		33,073		28,786	0	26,324		33,073		533,879
116		Total Expense	65,797		80,883		65,280		65,797	0	80,883		65,280		1,155,564
117		Net Income	11,113		31,092		6,563		11,113	0	31,092		6,563		1,891

Florida Atlantic Research and  
Development Authority  
Boca Raton, Florida

Basic Financial Statements  
For the Years Ended September 30, 2015 and 2014

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# Florida Atlantic Research and Development Authority

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Florida Atlantic Research and Development Authority  
Boca Raton, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Florida Atlantic Research and Development Authority (the "Authority") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of September 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of the Authority as of September 30, 2014, were audited by other auditors whose report dated June 10, 2015, expressed an unmodified opinion on those financial statements.

As part of our audit of the 2015 financial statements, we also audited adjustments described in Note 14 that were applied to restate the 2014 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements of the Authority other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited 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 our 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 any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated (DATE), on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
(DATE)

**Florida Atlantic Research and Development Authority  
Management's Discussion and Analysis  
September 30, 2015 and 2014**

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Our discussion and analysis of Florida Atlantic Research and Development Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the years ended September 30, 2015 and 2014. Please read it in conjunction with the Authority's financial statements, which immediately follow this discussion.

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2015 and 2014:

- The Authority's total assets exceeded its liabilities at September 30, 2015 and 2014 by \$ 175,578 and \$ 92,213, respectively.
- The Authority's total revenues as of September 30, 2015 and 2014 were \$ 1,072,080 and \$ 908,310, respectively; a majority of these operating revenues are derived from various rental agreements. The remaining revenues consisted of grants, contributions and other miscellaneous revenue. The Authority's total expenses as of September 30, 2015 and 2014 were \$ 988,715 and \$ 1,081,961, respectively.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of two components: 1) business-type financial statements and 2) notes to the financial statements.

**Basic Financial Statements:** The basic financial statements, which consist of the statement of net position and the statement of revenues, expenses, and changes in net position, and statement of cash flows, and are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private business sector.

The statement of net position presents information on all the Authority's assets, and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Notes to the Basic Financial Statement:** The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of financial position. The following table presents a comparative analysis of the the condensed statement of net position:

**Florida Atlantic Research and Development Authority  
Management's Discussion and Analysis  
September 30, 2015 and 2014**

Florida Atlantic Research and Development Authority  
Net Position

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Current and other assets	\$ 292,106	\$ 189,719
Capital assets, net	<u>43,286</u>	<u>62,631</u>
Total assets	<u>335,392</u>	<u>252,350</u>
<b>Liabilities:</b>		
Current and other liabilities	<u>159,814</u>	<u>160,137</u>
Total liabilities	<u>159,814</u>	<u>160,137</u>
<b>Net Position:</b>		
Net investment in capital assets	43,286	62,631
Restricted	20,898	-
Unrestricted	<u>111,394</u>	<u>29,582</u>
Total net position	<u>\$ 175,578</u>	<u>\$ 92,213</u>

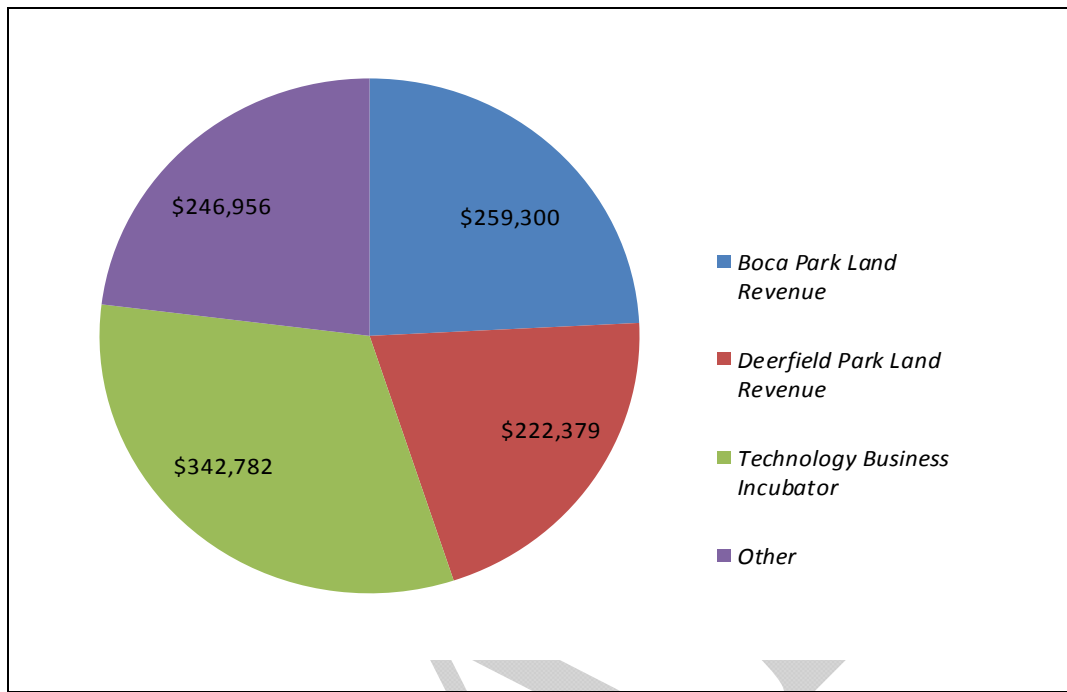
The following table presents comparative information of the condensed statement of revenues, expenses, and changes in net position:

Florida Atlantic Research and Development Authority  
Changes in Net Position

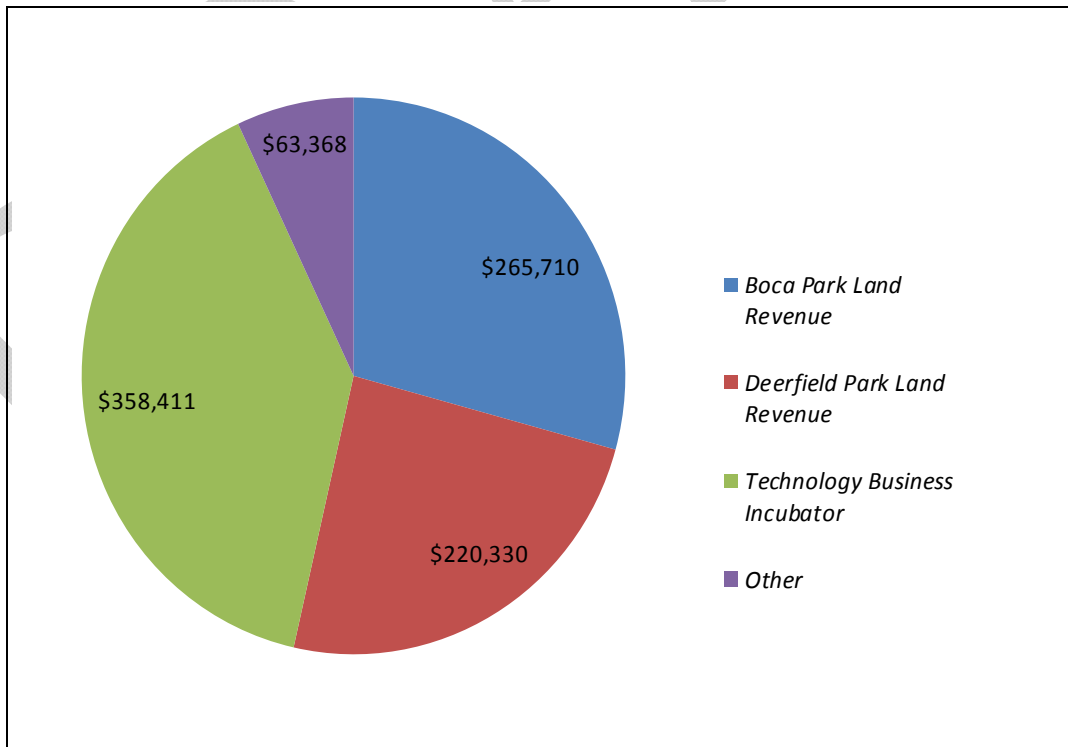
	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>		
Operating	\$ <u>1,071,417</u>	\$ <u>907,819</u>
Non-operating	<u>663</u>	<u>491</u>
Total revenues	<u>1,072,080</u>	<u>908,310</u>
<b>Expenses:</b>		
Operating	405,851	471,111
General and administrative Program	<u>295,736</u>	<u>322,024</u>
Total expenses	<u>988,715</u>	<u>1,081,961</u>
Changes in net position	83,365	(173,651)
Net position, beginning of year, (as restated)	<u>92,213</u>	<u>265,864</u>
Net position, end of year	<u>\$ 175,578</u>	<u>\$ 92,213</u>

To better illustrate the Authority's activity for fiscal year 2015 and 2014, the below charts have been provided:

**Operating Revenues:**



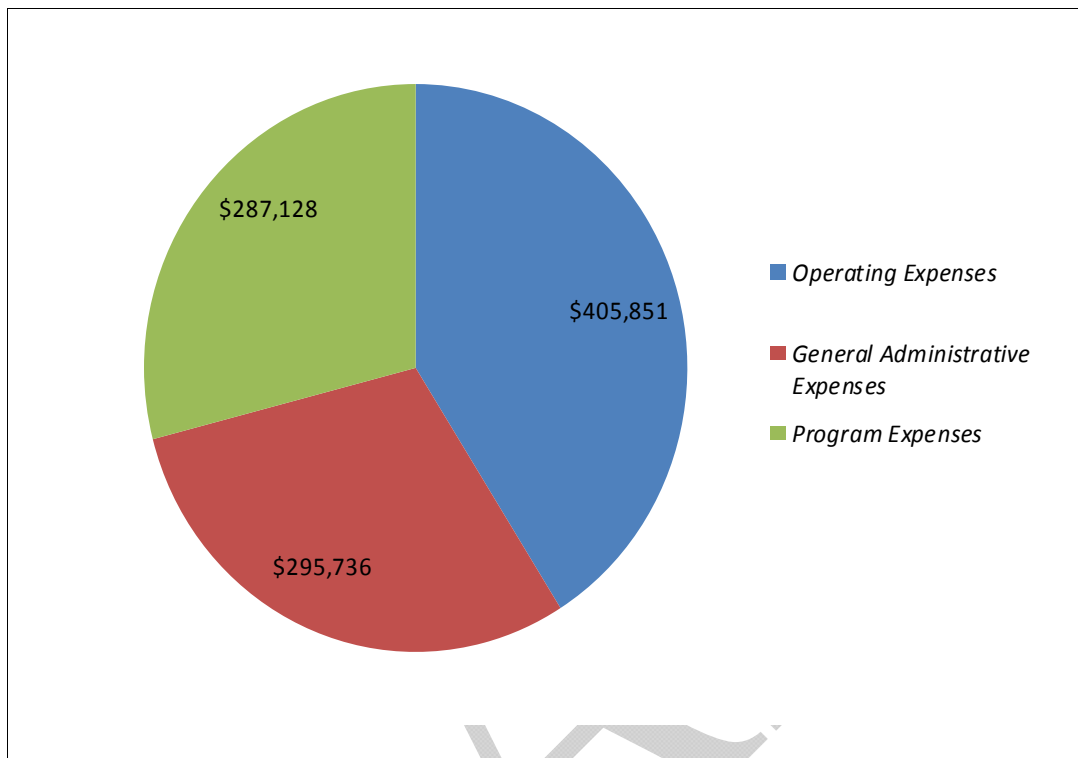
**Total 2015 Operating Revenues \$ 1,071,417**



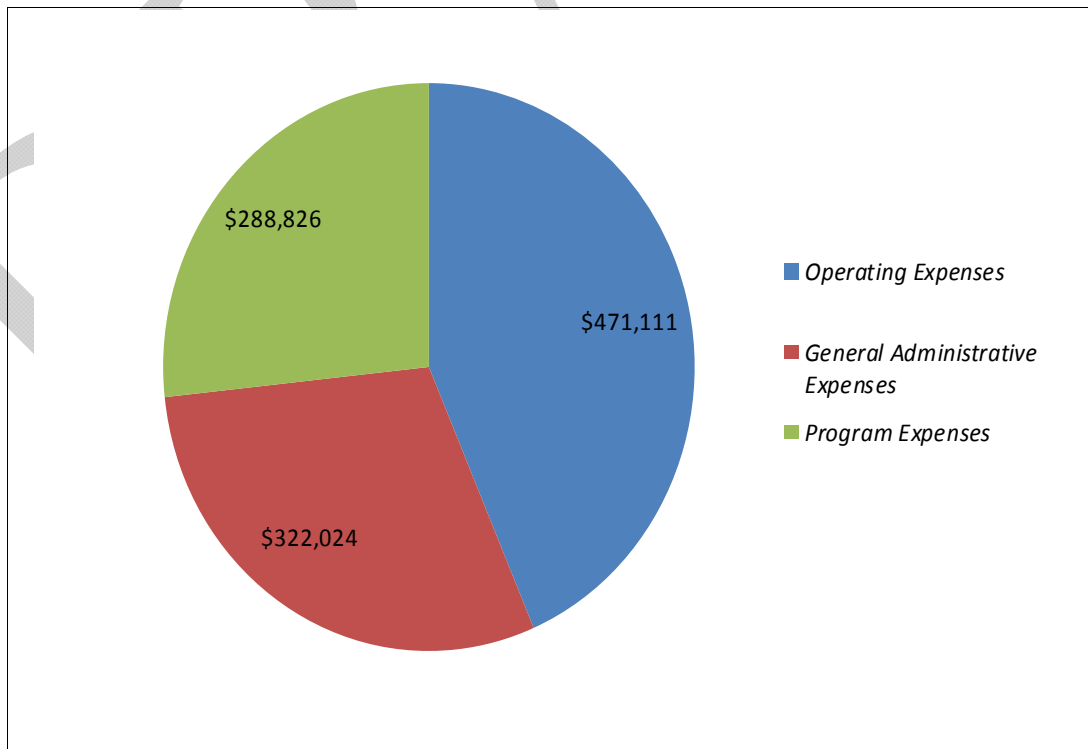
**Total 2014 Operating Revenues \$ 907,819**

Revenues increased as a result of special events which were sponsored as well an increase in contributions.

Expenses:



Total 2015 Expenses: \$ 988,715



Total 2014 Expenses: \$ 1,081,961

The overall decrease was mostly due to the Technology Business Incubator leasing less space than in the prior year. The decrease in general and administrative expense was due to less professional fees partially due to legal reimbursements.

### **Capital Assets**

As of September 30, 2015, the Authority had an investment of capital assets of \$ 43,286. This amount is net of accumulated depreciation of \$ 74,874. This amount represents a net decrease of \$ 19,345 or 31%.

As of September 30, 2014, the Authority had an investment of capital assets of \$ 62,631. This amount is net of accumulated depreciation of \$ 55,529.

### **Economic Factors**

There are currently no known facts expected to affect the financial position or results of operations of the Authority.

### **Request for Information**

This financial report is designed to provide a general overview of the Florida Atlantic Research and Development Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Florida Atlantic Research and Development Authority, 3651 FAU Boulevard, Suite 400, Boca Raton, FL 33431.



BASIC FINANCIAL  
STATEMENTS

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**Florida Atlantic Research and Development Authority**  
**Statements of Net Position - Proprietary Fund**  
**September 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 238,699	\$ 157,530
Rent and other tenant receivables	42,503	30,035
Prepaid expenses and other	<u>10,904</u>	<u>2,154</u>
Total current assets	<u>292,106</u>	<u>189,719</u>
Non-current assets:		
Capital assets, net	<u>43,286</u>	<u>62,631</u>
Total noncurrent assets	<u>43,286</u>	<u>62,631</u>
Total assets	<u>335,392</u>	<u>252,350</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	20,032	12,685
Accrued expenses	22,652	22,486
Tenant deposits	26,095	14,625
Unearned revenue	<u>91,035</u>	<u>110,341</u>
Total current liabilities	<u>159,814</u>	<u>160,137</u>
Total liabilities	<u>159,814</u>	<u>160,137</u>
<b>Net Position:</b>		
Net investment in capital assets	43,286	62,631
Restricted	20,898	-
Unrestricted	<u>111,394</u>	<u>29,582</u>
Total net position	<u>\$ 175,578</u>	<u>\$ 92,213</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Florida Atlantic Research and Development Authority**  
**Statements of Revenues, Expenses and Changes in**  
**Net Position - Proprietary Fund**  
**For the Years Ended September 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>		
Operating:		
Technology business incubator	\$ 342,782	\$ 358,411
Boca park land	259,300	265,710
Grants, contributions and other	246,956	63,368
Deerfield park land	<u>222,379</u>	<u>220,330</u>
Total operating income	<u>1,071,417</u>	<u>907,819</u>
<b>Expenses:</b>		
Operating:		
Rent	375,019	438,709
Occupancy overhead	<u>30,832</u>	<u>32,402</u>
	<u>405,851</u>	<u>471,111</u>
General and administrative:		
Payroll costs and employee benefits	221,755	174,040
Professional fees	39,248	120,137
Other	<u>34,733</u>	<u>27,847</u>
	<u>295,736</u>	<u>322,024</u>
Program:		
Incubator	221,362	178,067
Overhead	61,664	70,759
Grants	<u>4,102</u>	<u>40,000</u>
	<u>287,128</u>	<u>288,826</u>
Total expenses	<u>988,715</u>	<u>1,081,961</u>
<b>Operating income (loss)</b>	<u>82,702</u>	<u>(174,142)</u>
<b>Non-operating income - interest and dividends</b>	<u>663</u>	<u>491</u>
Changes in net position	83,365	(173,651)
<b>Net Position, beginning of year, as restated (Note 14)</b>	<u>92,213</u>	<u>265,864</u>
<b>Net Position, end of year</b>	\$ <u><u>175,578</u></u>	\$ <u><u>92,213</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Florida Atlantic Research and Development Authority**  
**Statements of Cash Flows - Proprietary Fund**  
**For the Years Ended September 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities:</b>		
Cash received from lessees	\$ 804,157	\$ 863,597
Other operating cash receipts	246,956	63,368
Cash paid to suppliers and service providers	(751,358)	(844,114)
Cash paid to employees	(215,147)	(191,530)
Cash paid for grants	(4,102)	(40,000)
	<u>80,506</u>	<u>(148,679)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of capital assets	-	(13,388)
Deposit on purchase of building	-	50,000
Interest and dividends received	663	491
	<u>663</u>	<u>37,103</u>
Net cash provided by (used in) investing activities	663	37,103
Net increase (decrease) in cash and cash equivalents	81,169	(111,576)
Cash and cash equivalents, beginning of year	<u>157,530</u>	<u>269,106</u>
Cash and cash equivalents, end of year	<u>\$ 238,699</u>	<u>\$ 157,530</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Net operating income (loss)	\$ 82,702	\$ (174,142)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Provision for depreciation	19,345	19,609
Provision for doubtful accounts	1,864	22,232
Changes in assets and liabilities:		
(Increase) decrease in rent and other tenant receivables	(14,332)	(21,780)
(Increase) decrease in prepaid expenses and other	(8,750)	(33)
Increase (decrease) in accounts payable	7,347	3,957
Increase (decrease) in accrued expenses	166	(6,122)
Increase (decrease) in tenant deposits	11,470	(5,908)
Increase (decrease) in unearned revenue	(19,306)	13,508
	<u>80,506</u>	<u>(148,679)</u>
Net cash provided by (used in) operating activities	<u>\$ 80,506</u>	<u>\$ (148,679)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Note 1 - Organization**

The Florida Atlantic Research and Development Authority (the "Authority") was created by Ordinances No. 85-32 and 84-60 adopted September 24, 1985 and October 8, 1985 by Palm Beach and Broward Counties, respectively, in accordance with Florida Statutes Section 159.703 for the purposes of development, operations, management and financing of a research and development park.

The Authority was established to promote scientific research and development in affiliation with and related to the research and development activities of one or more institutions of higher education for the purpose of fostering the economic development and broadening the economic base of Palm Beach and Broward Counties.

The Authority is governed by a Board of Directors (the "Board"), which is composed of seven members. The Boards of County Commissioners of Palm Beach County and Broward County each appoint three (3) members who are employed in the private sector and reside in their respective Counties. The President of the Florida Atlantic University or his/her designee is a permanent member of the Authority's Board of Directors. The Authority is classified by the Office of the Comptroller of the State of Florida as an Independent Special District.

For financial reporting purposes, the Authority includes the sole fund that it controls. There are no dependent agencies, boards, commissions, component units or other authorities which are controlled by or dependent upon the Authority.

**Note 2 - Summary of Significant Accounting Policies**

The accounting policies of the Authority conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The Authority's significant accounting policies are described below:

**Basis of presentation:** The Authority is engaged in a single business-type activity whose operations are primarily supported by user fees and charges. The principal statements were prepared in accordance with Government Accounting Standards Board ("GASB") codification section 2100, which establishes standards for defining and reporting of the financial reporting entity. The Authority maintains a proprietary fund which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows.

**Measurement focus and basis of accounting:** Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when a liability is incurred.

**Cash and cash equivalents:** Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Receivables:** Receivables consist of charges to customers for rent of facilities. No allowance for doubtful accounts is considered necessary.

**Prepaid expenses:** Prepaid expenses are recorded as assets when initial payment is made. Each asset is then charged off against operations in the period benefitted.

**Capital assets:** Capital assets, which include leasehold improvements, computers and office equipment, and signs, are reported in the statements of net position. The Authority capitalizes all capital assets with a cost in excess of a \$ 1,000 threshold and an estimated life greater than one year. All capital assets are valued at historical cost or estimated cost if actual historical cost is not available.

Depreciation of capital assets is calculated using the straight-line method over the assets' estimated service lives, ranging from 5 to 30 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Unearned revenue:** Unearned revenue represents resources received before revenue has been earned, which included rent collected in advance. Unearned revenue as of September 30, 2015 and 2014 was approximately \$ 91,000 and \$ 110,000, respectively.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications:** Certain accounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

**Date of management review:** Subsequent events have been evaluated through (DATE), which is the date the financial statements were available to be issued.

**Florida Atlantic Research and Development Authority**  
**Notes to Basic Financial Statements**  
**September 30, 2015 and 2014**

**Note 3 - Cash and Cash Equivalents**

The Authority maintains deposits with “Qualified Public Depositories” as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses.

Under this method, all the Authority’s deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, *Deposits and Investment Disclosures*.

At year end, the carrying amount of the Authority’s deposits was \$ 238,699 and the bank balance was \$ 293,038.

**Note 4 - Capital Assets**

The following is a summary of changes in capital asset balances for the year ended September 30, 2015:

	Balance at October 1, 2014	Additions	Deletions	Balance at September 30, 2015
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Leasehold improvements	\$ 67,597	\$ -	\$ -	\$ 67,597
Computers and office equipment	33,390	-	-	33,390
Signs	17,173	-	-	17,173
	<u>118,160</u>	<u>-</u>	<u>-</u>	<u>118,160</u>
Total capital assets, being depreciated	<u>118,160</u>	<u>-</u>	<u>-</u>	<u>118,160</u>
Less accumulated depreciation for:				
Leasehold improvements	33,416	12,739	-	46,155
Computers and office equipment	15,414	6,086	-	21,500
Signs	6,699	520	-	7,219
	<u>55,529</u>	<u>19,345</u>	<u>-</u>	<u>74,874</u>
Total accumulated depreciation	<u>55,529</u>	<u>19,345</u>	<u>-</u>	<u>74,874</u>
Business-type activities capital assets, net	<u>\$ 62,631</u>	<u>\$ (19,345)</u>	<u>\$ -</u>	<u>\$ 43,286</u>

Depreciation expense is charged to the following functions:

Business-type activities: \$ 19,345

**Florida Atlantic Research and Development Authority**  
**Notes to Basic Financial Statements**  
**September 30, 2015 and 2014**

**Note 4 - Capital Assets (continued)**

The following is a summary of changes in capital asset balances for the year ended September 30, 2014:

	Balance at October 1, 2013	Additions	Deletions	Balance at September 30, 2014
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Leasehold improvements	\$ 67,597	\$ -	\$ -	\$ 67,597
Computers and office equipment	20,002	13,388	-	33,390
Signs	17,173	-	-	17,173
	<u>104,772</u>	<u>13,388</u>	<u>-</u>	<u>118,160</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Leasehold improvements	20,677	12,739	-	33,416
Computers and office equipment	9,065	6,349	-	15,414
Signs	6,178	521	-	6,699
	<u>35,920</u>	<u>19,609</u>	<u>-</u>	<u>55,529</u>
Total accumulated depreciation				
Business-type activities capital assets, net	<u>\$ 68,852</u>	<u>\$ (6,221)</u>	<u>\$ -</u>	<u>\$ 62,631</u>

Depreciation expense is charged to the following functions:

Business-type activities: \$ 19,609

**Note 5 - Boca Park Land Lease**

Effective October 23, 1986, the Authority entered into a lease agreement with the Board of Trustees (the "Trustees") of the Internal Improvement Trust Fund of the State of Florida (the "State") to lease approximately 52 acres of land owned by the State of Florida in Palm Beach County (the "Boca Park"). In accordance with Florida Statutes Section 159.705 (10), the land is to be used as a research and development park. Effective April 18, 1990, the lease was amended to extend the lease term for an additional forty-nine (49) years, with a revised termination date of October 2085.

Effective July 18, 2001, the Authority entered into an additional lease agreement with the Trustees to lease approximately 17 acres of additional adjacent land owned by the State, in accordance with Section 159.705 (10), Florida Statutes, for use as a research and development park. This agreement also has an expiration date of October 2085.

The leases require no annual lease payments throughout the ninety-nine (99) year term and expiring in October 2085.



**Note 5 - Boca Park Land Lease (continued)**

**Use and Control of Boca Park Land:** The Boca Park 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; and for the purpose of financing and refinancing capital projects related to 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. The Authority is authorized to sublease the Boca Park land to third parties in accordance with the Conceptual Plan of Development, which has been approved by the Trustees. The Authority has full and sole control of and responsibility for the development, subleasing, management and uses of the Boca Park land.

Upon the expiration or termination of the Lease Agreements, all improvements upon Boca Park land shall become and be the property of the Trustees and title thereto.

**Note 6 - Boca Park Land Sublease to Boca Research Park, LTD.**

Effective May 1, 1991 with additional subsequent amendments, the Authority entered into a non-cancellable sublease agreement for approximately 39 acres of Boca Park land, with Boca Research Park Ltd.) (the "Boca Park Developer"). In addition to the sublease noted above, the Authority entered into additional subleases with the Boca Park Developer in July 2006 and 2007 for approximately 5 and 4 acres, respectively. All of the subleases with the Boca Park Developer are set to expire at various times through October 2085.

**Rent:** Base rent for each lease term year is \$ 0.75 per square foot of land, subject to annual increases based on the Consumer Price Index (hereafter the "minimum rent"). However, for land subleased to a third party by the Boca Park Developer, base rent is equal to the aggregate of (i) the lesser of (1) 10% of the "Lessee's Gross Rent" for such lease year or (2) minimum rent per square foot of land subleased; plus (ii) 40% of the Lessee's gross rent received for and during such lease year by the Boca Park Developer in excess of \$ 0.75 per square foot of land subleased. In addition to the base rent, the Boca Park Developer is responsible for all taxes, costs, fees, and other charges associated with the land and any improvements thereon.

On the last day of the term or any earlier termination of these subleases, the Boca Park Developer will surrender title to all buildings, equipment and other improvements developed, constructed or installed on the Boca Park land to the Authority. For and during the term of these subleases, all buildings, equipment and other improvements will constitute separate property of the Boca Park Developer.

The following is an estimated schedule of approximate minimum future rental income with the Boca Park Developer, based on the rates as of September 30, 2015:

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 295,000
2017	295,000
2018	295,000
2019	295,000
2020	295,000
2021-2086	<u>18,479,000</u>
	<u>\$ 19,954,000</u>

**Note 6 - Boca Park Land Sublease to Boca Research Park, LTD. (continued)**

In addition, the Authority subleases approximately 4 acres to the ARC of Palm Beach County and the Boca Raton Airport Authority.

During the years ended September 30, 2015 and 2014, rental income aggregated to approximately \$ 259,000 and \$ 266,000, respectively.

**Note 7 - Deerfield Park Land Lease**

Effective June 4, 2003, the Authority entered into a lease agreement with the City of Deerfield Beach (the "City") to lease approximately 10 acres of land (the "Deerfield Park"), which is owned by the City. On May 16, 2004, the Authority exercised the option to lease approximately 4 additional acres of land from the City. The leases require annual lease payments of \$ 1, for a term of ninety-nine (99) years, terminating in June 2102.

**Use and Control of Deerfield Park Land:** The Deerfield Park 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; and for the purpose of financing and refinancing capital projects related to 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. The Authority is authorized to sublease the Deerfield Park land to third parties. The Authority has full and sole control of and responsibility for the development, subleasing, management and use of the Deerfield Park land.

Upon the expiration or termination of the lease agreement, all improvements upon the Deerfield Park shall become and be the property of the City and title thereto.

**Note 8 - Deerfield Park Land Sublease to Deerfield Research Park, Ltd.**

Effective June 4, 2003, and subsequent amendments, the Authority entered into a non-cancelable sublease agreement for a total of approximately 14 acres of Deerfield Park with Deerfield Research Park, Ltd. (the "Deerfield Park Developer"). The sublease with the Deerfield Park Developer is set to expire June 3, 2102.

**Rent:** Base rent is equal to \$ 0.30 per square foot of land, subject to annual increases based on the Consumer Price Index. Development of the Deerfield Park has been divided into four different projects, in which base rent is divided into separate sections: Phase 1, Phase 2, Phase 3 were assigned to Deerfield Trust and Parcel 4 remained with the Deerfield Park Developer.

On the last day of the term or any earlier termination of this sublease, the Deerfield Park Developer will surrender title to all buildings, equipment and other improvements developed, constructed or installed on the Deerfield Park land to the Authority. For and during the term of these subleases, all buildings, equipment and other improvements will constitute separate property of the Deerfield Park Developer.

The following is an estimated schedule of approximate minimum future rental income with the Deerfield Park Developer, based on the rates as of September 30, 2015:

**Florida Atlantic Research and Development Authority**  
**Notes to Basic Financial Statements**  
**September 30, 2015 and 2014**

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**Note 8 - Deerfield Park Land Sublease to Deerfield Research Park, Ltd. (continued)**

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 223,000
2017	223,000
2018	223,000
2019	223,000
2020	223,000
2021-2102	18,060,000
	<u>\$ 19,175,000</u>

During the years ended September 30, 2015 and 2014, rental income aggregated approximately \$ 222,000 and \$ 220,000, respectively.

**Note 9 - Incubator Leases**

In previous years, the Authority, as lessee, entered into lease agreements for space in the Technology Business Incubator (the "Incubator") with Boca R&D Project 7, LLC. (whose rights were assumed by HDG Mansur in 2008), which subleases space from the Boca Park Developer within the Boca Park. Since the initial agreement in 2000, the Authority has amended the agreement, increasing their space from 10,805 to 13,852 square feet, and extended the term of the lease until January 31, 2020. During the 2015 and 2014 fiscal years, the Authority continued to lease the space noted above, at which the lease agreements specify that the base rent is \$ 14 per square foot and is to be adjusted annually by the inflation rate up to 4%. In addition to the base rent, the Authority is also responsible for its proportionate share of operating costs and common area maintenance.

In May 2013, the Authority entered into an additional lease agreement for space, with the aforementioned lessor, for approximately 11,900 square feet. This lease for additional space was set to expire January 31, 2015, with an option to renew; however, during fiscal year 2015, the Authority deemed this additional space as unnecessary and ended the agreement. The base rent for fiscal year 2014 and partial of 2015, was calculated at \$ 14 per square foot and was adjusted annually by the inflation rate up to 4%. In addition to the base rent, the Authority was also responsible for its proportionate share of operating costs, as well as common area maintenance.

The following is an estimated schedule of approximate minimum future rental expense under the Incubator leases, based on the rates as of September 30, 2015:

<u>Year Ending September 30,</u>	<u>Amount</u>
2016	\$ 314,000
2017	318,000
2018	322,000
2019	327,000
2020	111,000
	<u>\$ 1,392,000</u>

Rent expense under the leases amounted to approximately \$ 375,000 and \$ 439,000 for the years ended September 30, 2015 and 2014, respectively.

**Note 10 - Incubator Expenses**

Incubator expenses allocated as program expenses are as follows:

	<u>2015</u>	<u>2014</u>
Sponsorship and events	\$ 70,815	\$ -
Utilities	68,345	64,667
Marketing	35,233	42,463
Repairs and maintenance	22,984	27,584
Depreciation	19,345	19,609
Other support expenses	2,776	1,512
Provision for doubtful accounts	1,864	22,232
	<u>\$ 221,362</u>	<u>\$ 178,067</u>

**Note 11 - Incubator Subleases**

The Authority, as lessor, subleases its leased office spaces to various research and development technology companies on a month-to-month basis. Base rent for the subleased office spaces are dependent on the square footage of the space being leased, and is increased annually based on the lease agreements mentioned in Note 9. In addition to the base rent, the various technology companies are also responsible for other operating costs and common area maintenance. The revenue from these leases and their relating additional costs for the year ended September 30, 2015 and 2014 totaled approximately \$ 343,000 and \$ 358,000, respectively.

**Note 12 - Defined Contribution Plan**

The Authority participates in a multi-employer defined contribution plan (the "Plan") - the 401(a) Plan under the Florida Municipal Pension Trust Fund. This plan is available to all employees and provides for voluntary employee contributions as well as matching employer contribution of up to 4% of employee salary. The Authority made contributions to the Plan of approximately \$ 8,600 and \$ 5,800 for the year ended September 30, 2015 and 2014, respectively, which are included in employee benefit costs. The Plan is administered by the Florida League of Cities.

**Note 13 - Related Party Transactions**

In 1998, the Florida Atlantic University Research Park Maintenance Association, Inc. ("the Association") was incorporated. The Association's Articles of Incorporation provides that the Authority appoint two (2) of its seven (7) Board of Directors to manage the affairs of the Association. The by-laws of the Association give the Association powers to make application to the Authority for funds to support, and to defray expenses and costs of the research and development functions of the Association. Since the incorporation, no such application has been made.

**Note 14 - Prior Period Adjustment**

For the years ended September 30, 2015 and 2014, the Authority increased/(decreased) beginning net position on the statement of revenues, expenses and changes in net position in the amount of \$ 17,532 and (\$ 26,657), respectively. This is the result of corrections to liabilities related to rent and other expenses.

**Note 15 – Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority obtains its general liability, property and worker’s compensation insurance coverage through the Florida Municipal Investment Trust, a program sponsored and administered by the Florida League of Cities. The Florida Municipal Investment Trust (FMIT) is a risk pool that assumes risk of loss for all participating members. The members are subject to additional premiums in the event the risk pool requires additional funding to satisfy all claims. There have been no settlements or claims in the last three years.

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OTHER REPORTS OF  
INDEPENDENT AUDITORS

DRAFT

INDEPENDENT AUDITOR'S REPORT 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*

To the Board of Directors  
Florida Atlantic Research and Development Authority  
Boca Raton, Florida

We have audited, in accordance with the 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, the financial statements of the business-type activities of the Florida Atlantic Research and Development Authority (the "Authority") as of and for the year ended September 30, 2015, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements and have issued our report thereon dated (DATE).

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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, contracts and grant agreements, 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
(DATE)

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## INDEPENDENT AUDITOR'S REPORT TO AUTHORITY MANAGEMENT

To the Board of Directors  
Florida Atlantic Research and Development Authority  
Boca Raton, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Florida Atlantic Research and Development Authority (the "Authority"), Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated (DATE).

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reports**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance on and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated (DATE), should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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. There were no findings and recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Florida Atlantic Research and Development Authority was established in 1985 under the provisions of Chapter 159 of the laws of the State of Florida. The Authority does not have any component units.

### **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) 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 Sections 10.554(1)(i)5.c. and 10.556(8), 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 same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners of Palm Beach and Broward Counties, Florida, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
(DATE)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Directors  
Florida Atlantic Research and Development Authority  
Boca Raton, Florida

We have examined Florida Atlantic Research and Development Authority's (the "Authority"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners of Palm Beach and Broward Counties, Florida, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH


Fort Lauderdale, Florida  
(DATE)



**RESEARCH PARK**  
AT FLORIDA ATLANTIC  
UNIVERSITY®

**MEMORANDUM**

**TO:** FARDA Members

**FROM:** Andrew Duffell, MBA 

**DATE:** December 1, 2015

**SUBJECT:** Annual performance evaluation

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**Florida Atlantic Research and  
Development Authority Members**

Bruce C. Rosetto, Esq. – chair  
Robert Parks Ed.D. – vice-chair  
Michael I. Daszkal, CPA – treasurer  
Bob Swindell  
Lonnie H. Maier, MBA  
Daniel Flynn, Ph.D.  
Susan Whelchel

**President & CEO**

Andrew Duffell, MBA



At the December 10, 2014 meeting of the Authority, goals were approved for the 2015 year. I have listed each goal with the result that has been achieved in italics to inform your evaluation of my performance this year.

1. Increase revenue sources \$100,000 over 2014-15 budget projections
  - Develop sponsorship opportunities for corporations
  - Find companies/foundations to match Boca Raton's contribution
  - Seek grant opportunities.

*A new grant from Boca Raton in the amount of \$50,000 annually was approved and has been received.*

*A new grant from Palm Beach County in the amount of \$50,000 annually has been approved and will be paid out monthly.*

*Sponsorships were developed specifically for the 30<sup>th</sup> Anniversary celebration and approximately \$100,000 revenue was brought in.*

3651 FAU Boulevard | Suite 400  
Boca Raton | FL | 33431

(561) 416-6092

[www.Research-Park.org](http://www.Research-Park.org)

2. Determine feasibility of a fund raising campaign for TBI/Research Park.

*Inquiries have been made and proposals received to conduct a fund raising campaign and would involve an upfront investment of \$25,000 that is not critical right now. This item should come back for discussion.*

3. Successfully conclude a transaction with ATG for building ownership

*ATG was not in a position to conclude the transaction because of various business considerations. The company values the efforts of the Research Park and has developed greater loyalty to it.*

4. Create a detailed inventory of capabilities, projects and other opportunities for faculty/students to work with Research Park/TBI companies.
  - Visit each company
  - Create a COO Council to bring the operations leaders from all companies together twice a year

*This has been achieved and is an ongoing, evolving project as business needs change. Opportunities to learn about the hiring of students have been made available, and new projects have been launched, with more in progress.*

5. Determine feasibility of a north Palm Beach County location.

*In progress. Site analysis is being conducted on 6 sites with an aim to conclude by June 2016. A federal grant was won, with Palm Beach County, to conduct this study in the amount of \$290,600.*

6. Collaborate with Palm Beach County.

*Achieved. This is an ongoing relationship that has been strengthened by the award of the federal grant to both parties and the agreement to invest \$50,000 annually into FARDA's initiatives.*

In addition to the accomplishment of these goals we also ended the 2014-2015 year in a strong position with \$238,699 cash on hand as compared to \$157,000 at the end of FY 2013-2014. The TBI remains at 100% occupancy and the Research Park is at approximately 90% occupancy.

We have a strong budget for 2015-2016 and I am looking forward to making next year even more successful than this.

- END -



**FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY  
DRAFT REVISED 2015-2016 MEETING DATES**

**Wednesday December 9, 2015**

**Wednesday January 20, 2016**

**Wednesday March 16, 2016**

**Wednesday May 18, 2016**

**Wednesday July 20, 2016**

**Wednesday September 21, 2016**

**The Authority reserves the right to change these dates at its discretion and to add new dates as needed, subject to the requirements of applicable law.**

**All meetings at 8 AM unless otherwise noted**

## PROPOSED AGENDA SUBMITTAL SCHEDULE

<b>FARDA Meeting</b>	<b>Agenda published online</b>	<b>Submission to staff</b>
10/14/2015	10/07/2015	09/30/2015
12/09/2015	12/02/2015	11/25/2015
01/20/2016	01/13/2016	01/06/2016
03/16/2016	03/09/2016	03/02/2016
05/18/2016	05/11/2016	05/04/2016
07/20/2016	07/13/2016	07/06/2016
09/21/2016	09/14/2016	09/07/2016





## Florida Atlantic Research and Development Authority

Policy No. 15-8

Title: Non-discrimination, non-harassment, non-retaliation policy  
Date Adopted:  
Effective Date: January 1, 2016  
Expiration Date: December 31, 2020

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**Purpose** – To adopt a new Non-Discrimination, Non-Harassment, and Non-Retaliation Policy (the “Policy”), designated as Policy No. 15-8.

The Policy is hereby adopted, to wit:

### **Equal Employment Opportunity**

It is the policy of the Authority to promote and assure equal opportunity employment for all current and prospective Employees without regard to race, color, religion, sex, age, handicap, disability, marital status, genetic information, sexual orientation, pregnancy, national origin, citizenship status, and any other legally recognized status entitled to protection under federal, state, or local anti-discrimination laws.

Employees who have any questions concerning this policy or feel that they have not been treated in accordance with this policy should contact the President & CEO of the Authority. If the President & CEO of the Authority cannot provide the necessary information, the Employee may contact the Authority Chair. The Authority prohibits retaliation against any Employee who makes a good faith complaint under this policy. Violations of this policy will result in appropriate disciplinary action up to and including termination of employment.

### **Americans With Disabilities Act**

The Authority is committed to complying with all applicable provisions of the Americans with Disabilities Act, as amended (ADA), and applicable state and local laws. It is the Authority's policy not to discriminate against any qualified Employee or applicant with regard to any terms or conditions of employment on the basis of such individual's disability. Consistent

with this policy of non-discrimination, the Authority will provide reasonable accommodations to an individual with a disability, as defined in the ADA or applicable law, who has made the Authority aware of his or her disability, unless doing so constitutes an undue hardship to the Authority.

The Authority also wishes to participate in a timely, good faith, interactive process with a disabled applicant or Employee to determine effective reasonable accommodations, if any, which can be made in response to a request for accommodations. Requests should be made to the President & CEO of the Authority. By working together in good faith, the Authority hopes to implement any reasonable accommodations that are appropriate and consistent with legal obligations. Any Employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify President & CEO of the Authority, or, if necessary, the Authority Chair.

### **Anti-Harassment/Anti-Discrimination And Retaliation Policy**

The Authority believes that each of us should be able to work in an environment free of discrimination and harassment. To this end, the Authority prohibits and will not tolerate discrimination or harassment based on *any* legally protected status, including but not limited to race, color, religion, sex, age, handicap, disability, marital status, genetic information, sexual orientation, pregnancy, national origin, or citizenship status. Although this policy is primarily directed to sexual harassment, it applies equally to any form of discrimination or harassment based on any legally protected status.

**Procedure For Reporting Harassment:** If you believe (or have direct knowledge of such incidents) that you are being harassed by a supervisor, co-worker, vendor, or patron, you should promptly report the incident or incidents to the President & CEO of the Authority. If you do not feel comfortable reporting this matter to the President & CEO, you may report the matter to the Authority Chair.

If you report the incident(s) in writing, please place the report in a sealed envelope marked "Personal and Confidential." The following information should be included in the written statement: the date(s) of the incident(s), identity of the alleged harasser, identity of any witnesses, and details about the incident(s).

**The Authority Investigation:** The Authority will investigate all sexual harassment claims (or other types of unlawful harassment and discrimination) irrespective of the identity of the alleged perpetrator.

**Sanctions:** If the investigation reveals evidence supporting the occurrence of an incident of sexual harassment (or other type of unlawful harassment or discrimination), the Authority will

take prompt remedial action. The Authority's disciplinary action will depend upon the specifics of the case and may range from a warning to termination of employment.

If the investigation fails to disclose unlawful harassment or discrimination conclusively, the Authority reserves the right to nonetheless take action. The Authority will not transfer the alleged victim unless he or she consents to the transfer.

**Prohibition Against Retaliation:** The Authority does not condone or permit retaliation. No one will suffer any adverse consequences as a result of bringing a complaint of perceived unlawful harassment or discrimination to the Authority's attention. There will be no retaliation for either reporting the harassment/discrimination or for cooperating in the investigation of the report. Any Employee responsible for retaliatory conduct will be subject to discipline, up to and including discharge. If an Employee believes that he or she is being retaliated against, the Employee is encouraged to report the retaliation by using the same procedures discussed above for reporting harassment and discrimination.

**Follow-up:** Once the matter has been resolved, the Authority will continue to monitor the Employees involved to ensure that no future incidents of harassment or discrimination occur. The Authority is dedicated to maintaining a working environment free of discrimination and based on professionalism. We expect that all Employees will continue to act responsibly to fulfill the Authority's commitment to working in an environment totally free of discrimination. Employees should not hesitate to ask questions regarding harassment or discrimination.

### **Open Door Policy**

It is the Authority's policy to welcome and encourage Employee ideas and suggestions. We know from our experience that our success greatly depends upon the helpful thoughts and suggestions of our Employees. We want our Employees to feel free to express themselves about anything which concerns them. The Authority requires that Employee concerns be given consideration without discrimination or recrimination

Employees are encouraged to openly discuss problems with their direct supervisors or President & CEO of the Authority so that appropriate action can be taken to address such problems. If the direct supervisor or President & CEO of the Authority cannot be of assistance, the Employee is free to discuss the issue with the Authority Chair.

ADOPTED THIS \_\_\_\_ DAY OF DECEMBER, 2015