



AUDIT AND ACCOUNTABILITY COMMITTEE MEETING

Agenda

Tuesday August 5, 2014

2:00p.m. Eastern

By Teleconference

Call-in Number: 888-204-5987

Guest Code: 4503386 #

Agenda Items	Vote	
Call to Order		Denise Swanson
Agenda		
<ul style="list-style-type: none"> • Public Comment 		Denise Swanson
<ul style="list-style-type: none"> • Approval of Minutes 5/16/14 	✓	
<ul style="list-style-type: none"> • Purchase Policy Update 	✓	
<ul style="list-style-type: none"> • Interim Financials 06/30/14 	✓	
<ul style="list-style-type: none"> • Fiscal Year 2015 Budget 	✓	
Closing Remarks/Adjournment		Denise Swanson

**Draft Minutes of Audit & Accountability Committee Meeting held by
Teleconference on May 16, 2014**

The meeting was called to order at 2:00pm EST with the following Committee members in attendance:

Hal Valeche
Lewis Bear
Henry Rodriguez

Also in attendance:

Howard Haug
Denise Swanson
Sissy Procter, DEO

Beth Courtney
Rhonda Rosa
Debbie Goode, Carr Rigs and Ingram

Denise Swanson thanked committee members for attending. Ms. Swanson stated that the meeting is being conducted in accordance with the Sunshine and Public Record laws of Florida.

Ms. Swanson reviewed the items on the agenda: pre audit briefing by our external auditor Debbie Goode, Partner of Carr Riggs and Ingram, review and approval of the minutes of the meeting held on October 25, 2013, recommendation to the full board for approval of our 3rd quarter interim financial statements for the period ended March 31, 2014 and recommendation to the full board for the approval of the renewal of the Line of Credit.

Ms. Swanson stated that the first item is the review of the fiscal year end June 30, 2014 audit process and reminded the committee that this meeting is a key component of the overall control system in that it allows for an explanation of the audit process by the external auditor directly to the audit committee and provides the committee with an opportunity to ask questions. Debbie Goode, of Carr, Riggers, Ingram CPAs, reviewed the audit process with the committee members.

Ms. Swanson stated that the second item was the review and approval of the prior meeting minutes. The motion was made by Hal Valeche, seconded by Henry Rodriguez, and passed unanimously by the committee to approve the minutes of the October 25, 2013 meeting.

Ms. Swanson reviewed the 3rd quarter interim financial statements for the period ended March 31, 2014. The motion was made by Hal Valeche, seconded by Lewis Bear, and passed unanimously for the committee to recommend that the full Board approve the issuance of the quarterly interim financial statements for the period ended March 31, 2014.

Ms. Swanson reviewed the board resolution and the fourth amendment to the loan agreement for the extension of the line of credit. The motion was made by Lewis Bear, seconded by Hal Valeche, and passed unanimously for the committee to recommend that the full Board approve the resolution extending the term of the Line of Credit to June 30, 2014.

The meeting adjourned at 2:20 pm EST

In Article VI, Purchasing Policies, amend the “Policy” portion to read as follows:

POLICY: The procurement of all supplies, equipment, and services required for operation of Space Florida will be accomplished according to this directive. However, this article does not govern the procurement of supplies, equipment, and services by Space Florida (i) for use by a person, agency, corporation, or entity other than Space Florida, and (ii) the cost of which is to be paid, either directly or indirectly, by a person, agency, corporation or entity other than Space Florida (for example, when Space Florida is acting as a “conduit” to facilitate a business financing).

Space Florida
Total Compiled Statement of Revenues and Expenses
For the Twelve Month Period Ending June 30, 2014
Unaudited
In 000's

	Total budget	1st Qtr Actual	2nd Qtr Actual	3rd Qtr Actual	4th Qtr Actual	Committed	Total Actual and Commitments	Budget Remaining
Operations Revenues								
State Appropriated Revenue, Ops	\$ 12,500	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ -	\$ 12,500	\$ -
Other Revenue	2,473	374	698	634	925	-	2,630	\$ (157)
Total Operations Revenues	\$ 14,973	\$ 3,499	\$ 3,823	\$ 3,759	\$ 4,050	\$ -	\$ 15,130	\$ (157)
Operations Expenses								
Salaries & Other Related Costs	\$ 4,534	\$ 874	\$ 968	\$ 1,167	\$ 1,104	\$ -	\$ 4,113	\$ 421
Contract & Subcontract Services	3,055	790	660	844	913	77	3,285	(229)
Operating, General & Administrative	1,801	243	385	345	578	115	1,665	135
Utilities & Maintenance	2,348	399	378	286	546	657	2,266	82
Business Recruitment/Investment	2,728	147	115	195	463	2,246	3,167	(439)
Travel & Entertainment	508	88	94	82	180	-	444	64
Total Operations Expenses, no depreciation	\$ 14,973	\$ 2,541	\$ 2,601	\$ 2,918	\$ 3,784	\$ 3,095	\$ 14,939	\$ 34
Change in net assets due to Operations	\$ 0	\$ 958	\$ 1,222	\$ 840	\$ 267	\$ (3,095)	\$ 191	

**Space Florida
Fiscal Year 2015 Budget
In 000's**

	Total budget
Operations Revenues	
State Appropriated Revenue, Ops	\$ 12,500
Other Revenue	3,416
Total Operations Revenues	\$ 15,916
Operations Expenses	
Salaries & Other Related Costs	\$ 4,601
Contract & Subcontract Services	3,513
Operating, General & Administrative	1,318
Utilities & Maintenance	2,011
Business Recruitment/Investment	4,042
Travel & Entertainment	432
Total Operations Expenses, no depreciation	\$ 15,916
Change in net assets due to Operations	\$ 0

**Space Florida
Fiscal Year 2015 Budget Compared
to Fiscal Year 2014 Budget
Budget Narrative**

Revenue:

State Appropriations Budget for Fiscal Year 2015 has remained at the same level of \$12.5 million as compared to Fiscal Year 2014 Budget; \$3 million of the \$12.5 million appropriations have been reserved as follows: \$500 thousand to the Florida Institute for Technology to conduct research related to FAA Center of Excellence for Commercial Space Transportation, \$1 million to support collaborative research, development, and commercialization of projects related to aerospace and other technology and life sciences with Israel; and \$1.5 million to market and promote the space tourism industry in the State of Florida. Other revenue, which is comprised of Space Florida assisted financing projects and lease revenues, will increase for Fiscal Year 2015 by \$943 thousand as compared to Fiscal Year 2014 primarily due to an increase in anticipated facility lease revenues from the Space Life Sciences Laboratory (SLSL) and Orbiter Processing Facility 3 (OPF 3).

Expenses:

Salary and Other related Costs for Fiscal Year 2015 will remain constant as compared to Fiscal Year 2014 Budget. There are 3 new positions that were not occupied in Fiscal Year 2014 that will be recruited in Fiscal Year 2015 which consist of contracts, finance and marketing positions.

Contract and Subcontract Services will increase by \$458 thousand for Fiscal Year 2015 as compared to Fiscal Year 2014 Budget. This increase is due to historical data being used to more accurately forecast the facility services costs. Contract and Subcontract services also consist of legal, business development services & project support, facility services to include operations & maintenance, and general operating services.

Operating General and Administrative decreased by net \$482 thousand for Fiscal Year 2015 as compared to Fiscal Year 2014 Budget. The decrease is due to a reduced capital improvement expenses offset by and increases in property insurance premiums related to OPF 3. Expenses related to this line item are rentals & leases, insurance, other general operating expenses and capital improvements.

Utilities and Maintenance decreased by approximately \$337 thousand for Fiscal Year 2015 as compared to Fiscal Year 2014 Budget. The decrease is primarily due to utility use and costs projections being based on historical costs mainly associated with the SLSL and OPF 3.

Business Recruitment/Investments increased by a net \$1.3 million for Fiscal Year 2015 as compared to Fiscal Year 2014 Budget. The increase is due to \$500 thousand of Space Florida's operating budget being allocated by the legislature to Florida Institute for Technology for the FAA Center of Excellence for Commercial Space Transportation. The remainder of the increase is due to the support of the Capital Acceleration Program, NANO Racks Competition, and the UCF Microgravity Research Center. Additional efforts related to this category are promotion and project expense; the support of collaborative research, development, and commercialization of projects related to aerospace and other technology and life sciences with Israel; and to market and promote the space tourism industry in the State of Florida.

Travel and Entertainment decrease by \$76 thousand for Fiscal Year 2015 as compared to Fiscal Year 2014. Business Development travel, both domestically and internationally, have decreased due to the nature of the business deals being targeted.

Space Florida
Fiscal Year 2014 and 2015 Budget Comparison
Unaudited
In 000's

	<u>FY 14 Budget</u>	<u>FY 14 Actual</u>	<u>FY 15 Budget</u>
Operations Revenues			
State Appropriated Revenue, Ops	\$ 12,500	\$ 12,500	\$ 12,500
Other Revenue	2,473	2,630	\$ 3,416
Total Operations Revenues	<u>\$ 14,973</u>	<u>\$ 15,130</u>	<u>\$ 15,916</u>
Operations Expenses			
Salaries & Other Related Costs	\$ 4,534	\$ 4,113	\$ 4,601
Contract & Subcontract Services	3,055	3,285	3,513
Operating, General & Administrative	1,801	1,665	1,318
Utilities & Maintenance	2,348	2,266	2,011
Business Recruitment/Investment	2,728	3,167	4,042
Travel & Entertainment	508	444	432
Total Operations Expenses, no depreciation	<u>\$ 14,973</u>	<u>\$ 14,939</u>	<u>\$ 15,916</u>
Change in net assets due to Operations	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 0</u>

Space Florida
Fiscal Year 2015 Budget Detail
July 1, 2014 to June 30, 2015
in 000's

Operating Revenues

State Appropriated Revenue	\$	12,500
Lease Revenue		2,837
Financing Revenue		454
Fees & Charges for Services		125

Total Operating Revenues	\$	15,916
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**SPACE FLORIDA
UNIT II POSITION TITLES, GRADES AND BASE RANGES**

POSITION TITLES	GRADES
Administrative Coordinator	5
Accounting Assistant	6
Contract Coordinator	6
Facilities Assistant	6
Spaceport Operations Assistant	6
Assistant Facilities Manager, Camp Blanding	7
Board Administration & Events Participation Coordinator	7
Business Development Coordinator	7
Executive Assistant	8
Facilities Manager, Camp Blanding	9

GRADE	MINIMUM	CONTROL POINT	MAXIMUM
3	\$21,470	\$25,259	\$29,048
4	\$24,549	\$28,882	\$33,214
5	\$28,070	\$33,024	\$37,977
6	\$32,096	\$37,760	\$43,424
7	\$36,699	\$43,175	\$49,651
8	\$41,962	\$49,367	\$56,772
9	\$47,980	\$56,446	\$64,913
10	\$54,860	\$64,542	\$74,223

**SPACE FLORIDA
UNIT III POSITION TITLES, GRADES, BASE RANGES AND TCC TARGETS**

POSITION TITLES	GRADES
Vice President, Business Development	16
Vice President, Special Projects	16
Controller	13
Manager, Contract Compliance	13
Senior Director, Government Relations	13
Senior Program Director	13
Vice President, Spaceport Operations	13
Director, Research & Project Development	12
Accounting Manager	11
Deputy Director, Policy, Strategy & Operations	11
Director, Spaceport Operations	11
Manager, Facilities & Technology	11
Manager, Financial Planning & Analysis	11
Office Manager	11
Policy Manager	11
Project Manager	11
Senior Marketing Manager	11
Vice President, Education & Talent Supply Chain	11
Grants & Project Manager	9

GRADE	MINIMUM	CONTROL POINT	MAXIMUM	TCC TARGETS	
				% OF CONTROL	AMOUNT
17	\$98,984	\$136,223	\$172,740	120%	\$163,467
16	\$91,109	\$123,673	\$155,595	120%	\$148,408
15	\$83,860	\$112,280	\$140,152	115%	\$129,122
14	\$77,188	\$101,937	\$126,242	115%	\$117,227
13	\$71,047	\$92,546	\$113,713	115%	\$106,428
12	\$65,395	\$84,021	\$102,427	110%	\$92,423
11	\$60,192	\$76,281	\$92,261	110%	\$83,909
10	\$55,403	\$69,253	\$83,104	110%	\$76,179
9	\$50,299	\$62,874	\$75,448	110%	\$69,161

**SPACE FLORIDA
UNIT IV POSITION TITLES, GRADES, BASE RANGES, AND TCC TARGETS**

POSITION TITLES	GRADES
President & Chief Executive Officer	24
EVP, Treasurer & Chief Investment Officer	21
CFO & Vice President of Administration	19
SVP & Chief Operations Officer	18

GRADE	MINIMUM	CONTROL POINT	MAXIMUM	TCC TARGETS	
				% OF CONTROL	AMOUNT
24	\$176,848	\$267,952	\$359,056	150%	\$401,928
23	\$162,989	\$243,268	\$323,546	140%	\$340,575
22	\$150,183	\$220,857	\$291,532	140%	\$309,200
21	\$138,353	\$200,511	\$262,670	140%	\$280,716
20	\$127,428	\$182,040	\$236,652	130%	\$236,652
19	\$117,342	\$165,270	\$213,198	130%	\$214,851
18	\$108,032	\$150,045	\$192,058	130%	\$195,059

Space Florida				
Employees				
July 1, 2013- June 30, 2014				
Employee Name	Beginning of Period	Added	Attrition	End of Period
Bailey, Gail	1			1
Beerman, Theodore	1			1
Bonjowo, Jaime	1			1
Bontrager, Mark	1			1
Coates, Roberta		1		1
Courtney, Beth		1		1
DiBello, Frank	1			1
Duong, Marie	1			1
Eggert, Peter		1		1
Forron, Stan	1			1
Gannon, Anthony	1			1
Haug, Howard	1			1
Hebert, Deborah	1			1
Heuermann, Marianna		1		1
Ketchum, Dale	1			1
Kobrick, Ryan	1			1
Kuzma, James	1			1
Luney Jr., Percy	1			1
Mason, Mark	1			1
Masse, Jacob	1			1
Mayfield, Desiree	1			1
McCarthy, Patrick	1			1
McShea, Bernard	1			1
Newsham, Emma	1			1
Odyssey, Allison	1			1
Pietsch, Linsley	1			1
Robbins, Arthur		1		1
Romberger, Todd	1			1
Rosa, Rhonda	1			1
Snow, Christopher	1			1
Spratt, Sharon		1		1
Stiles, Regina		1	1	-
Swanson, Denise	1			1
Szabo, Steve		1		1
Wilkerson, Gene	1			1
Williams, Keevin	1			1
Willhardt, Debra	1			1
Total	29	8	1	36

Space Florida
Fiscal Year 2015 Budget Detail
July 1, 2014 to June 30, 2015
in 000's

Contract & Subcontract Services

Legal	\$	330
Business Development Services & Project Support		451
Facility Services		2,457
General Operations Services		275

Total Contract & Subcontract Services	\$	3,513
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Operating General & Administrative

Rental & Leases	\$	364
Insurance		537
Other General Operating Expenses		167
Capital Improvements		250

Total Operating, General & Administrative	\$	1,318
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Utilities & Maintenance

Utilities	\$	1,656
Repair & Maintenance		355

Total Utilities & Maintenance	\$	2,011
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Business Recruitment/Investment

Israel MOU	\$	1,000
Space Tourism and & Marketing	\$	1,500
Promotional & Project Expenses		370
Other Grants & Aid		1,171

Total Business Recruitment/Investment	\$	4,041
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**Space Florida
Travel Profile
Fiscal Year 2015 Budget**

Title	Total Trips	Domestic Travel	International International Travel	Annual Travel Budget
President	42	44,142	17,215	61,357
VP Business Development	27	28,377	28,692	57,069
VP Education & Talent Supply Chain	16	17,026	-	17,026
VP Spaceport Operations	24	25,224	-	25,224
Treasurer/EVP Chief Investment Officer	19	19,549	5,738	25,287
COO	36	37,836	-	37,836
VP Special Projects	36	37,836	-	37,836
VP New Space Market Development	18	18,918	-	18,918
Project Manager	6	6,306	-	6,306
Project Manager				
Project Manager for Research & Development	3	3,153	-	3,153
Director, Spaceport Operations	6	6,306	-	6,306
Senior Director of Business Development	9	9,459	-	9,459
Manager, Facilities and Technology	6	6,306	-	6,306
Director of Research & Project Development	3	3,153	-	3,153
Manager, Contract Compliance	3	3,153	-	3,153
CFO/VP of Administration	9	9,459	-	9,459
Marketing Manager	6	6,306	-	6,306
Assistant Facilities Manager	3	3,153	-	3,153
OSF Facilities Manager/Camp Blanding Controller	-	-	-	-
Staff Accountant	-	-	-	-
Financial Analyst	-	-	-	-
Executive Assistant	3	3,153	-	3,153
Administrative Coordinator	-	-	-	-
OSF Assistant Facilities Manager / Camp Blanding	-	-	-	-
Accounting Assistant	-	-	-	-
Spaceport Operations Assistant	-	-	-	-
Strategic Alliance, Director	18	18,918	-	18,918
Procurement Manager	3	3,153	-	3,153
Contract Coordinator	-	-	-	-
Senior Director of Government Relations	6	6,306	-	6,306
Spaceport Development Program Manager	12	12,612	-	12,612
Environmental Safety and Health Program Manager	12	12,612	-	12,612
Government Affairs Coordinaor	-	-	-	-
Business Development Assistant	3	3,153	-	3,153
Office Manager	3	3,153	-	3,153
Total	332	348,722	51,646	400,367